

Schröder Trip Boosts German Ties to China

by Rainer Apel

Visiting China Dec. 1-3, for the second time this year, German Chancellor Gerhard Schröder had his first official meetings with the new Chinese President Hu Jintao and Prime Minister Wen Jiabao, who took office several months ago. Schröder's talks in Beijing served the continuity of German-Chinese cooperation within the broader alliance with Russia, India, and France, against the Bush Administration's war drive. And it also served the building of a sound economic base for this strategic alliance.

The congruence of Chinese and German views—on diplomacy over war in solving conflicts; on the United Nations' leading role; and for multilateralism—was stressed by the German Chancellor and China's Prime Minister at a Beijing press conference. Schröder praised the decisive role of Chinese diplomacy in making the six-party talks on North Korea possible, thereby documenting how conflict prevention can and should work.

Schröder announced that he would join France in the effort to lift the 1989 European Union (EU) weapons embargo against China, because "the China of today no longer is the one of the Tiananmen Square events." No less important was Schröder's reassurance that Germany will stick to the "One-China Policy" and not engage on the side of those who intend to provoke Beijing by escalating the Taiwanese issue. He stressed that "unlike other countries," Germany remained committed not to deliver offensive weapons systems to Taiwan, in order not to contribute to any escalation.

Huge Economic Potential

In terms of economic relations between China and Germany, the two other stations of Schröder's China visit—Guangzhou in the South and Chengdu in the West, underlined Germany's interest in substantial industrial engagements in these regions. In the Pearl River Delta around Guangzhou, where the center of China's light industry is situated, and one-third of the world's microwave ovens and even more of some crucial categories of computer hardware are produced, China counts on German assistance in building up other industrial branches, especially automobile manufacturing and machine building. Germany's annual trade with the Guangdong province is already one-sixth of its total turnover with all of China—and it is expected that once the industrial modernization of the Pearl River Delta takes off, the role of that region as a market for high-tech goods from Germany, but also for

numerous new joint ventures between German and Chinese manufacturers, will rapidly increase.

In Chengdu, German assistance in the transformation of mostly agrarian production structures into industrial production (of which some already exists) is desired by the Chinese. For the time being, the emphasis there seems to be on the light industrial sectors, though; Schröder visited the electronics parts producer Maipu.

Special attention is to be paid to nuclear technology: the planned sale to China of the German plant in Hanau for production of mixed oxide from plutonium and uranium for nuclear power fuels—which the ecologist Greens shut down in 1995—is of enormous benefit to China. The plant is one of the world's most modern in this category, and had it begun operation in 1995 in Germany, it would have been the world's largest facility of this kind. It fits well with the fast-breeder technology which China is giving high priority in its national program for civilian nuclear power development. Beyond that, the deal is a door-opener for high-tech deals between the German and the Chinese nuclear industry.

The German share in the EU-China agreement on cooperation in the European space-based positioning system Galileo (signed in Beijing at the end of October), which is more developed than the American GPS technology, mirrors what is developing in the civilian nuclear technology sector. China will help to put at least four satellites of the system into space on Chinese carriers; but beyond that, fascinating perspectives are opening up for cooperation between China and Germany in crucial sectors of satellite technology, such as life-support systems for manned space missions—sectors of technological know-how in which German scientists stand in the first rank, internationally.

A concrete follow-up to the successful German-Chinese project of the world's first commercial magnetically levitated train, in Shanghai, has not been reported, but the Chinese railway ministry stated on Dec. 2 that it wants German assistance in upgrading 20,000 kilometers of rail grid for the use of modern, conventional, high-speed trains. This is the equivalent of more than half of the existing national railway grid of Germany.

No Eurasian Policy Breakthrough Yet

But the real potential of economic-technological cooperation between China and Germany is still untapped. What is still missing in the German policy toward China is an outspoken Eurasian Land-Bridge development design, of the kind proposed in mid-November by Helga Zepp-LaRouche on behalf of the German LaRouche movement (see *EIR*, Nov. 28). This would involve proposals for big, long-term development projects with state-backed long-term financing at low interest rates; it would involve *domestic* German investments matching those that one sees in China now; and it would require a German-Chinese initiative for a New Bretton Woods reorganization of the global financial and monetary system.