

A correction of U.S. China policy

Thus far debate over the latest unfolding of U.S. China policy has been dismally consistent with the tenor of U.S. policy making generally. Here we present a contribution intended to raise the level of discussion to the real strategic issues involved, a policy memo issued on Dec. 18 by contributing editor Lyndon H. LaRouche, Jr. In this analysis, LaRouche, the chairman of the U.S. Labor Party and one of the initiating intellectual authors of Europe's new monetary system, brings to bear years of experience in dealing with America's policy-making elites and those of Europe and the Third World.

Although the majority of the Congress, as well as this writer, desire rapid progress in "normalization" of relations with Peking, it is necessary and probable that the Congress will act to modify elements of the policy enunciated by President Jimmy Carter last Friday evening, Dec. 15. It is urgent that both the President and the Congress approach the differences over the Taiwan defense agreements issue with open minds, that we do not repeat the dismal confusion permeating the "Panama Treaties" debate in so great and important a matter as that now before us.

Although most of the facts on which I base the following, topical subsections are far more richly available to the State Department than to this writer, there is the strongest basis in evidence to presume that this memorandum will prove itself indispensable to State as a guide to the proper configuration of such facts for defining the indicated policy issues.

It is well known that the White House has been grossly misadvised on crucial included strategic features of the China package. It is well known that this bad advice has the effect of efforts to save the appearances of both the economic-monetary and geopolitical strategic doctrines associated with Henry A. Kissinger, Zbigniew Brzezinski, and James R. Schlesinger. As in the earlier case of the "Camp David" project, the President has manifestly not been informed adequately of the existence of certain flies in Dr. Kissinger's patent ointments. Fortunately, since the overall policy of "normalization" is sound, it will be sufficient to remove the flies from the ointment to arrive at a workable, sound policy of the sort which should be acceptable to both the President and the Congress.

Before turning our attention directly to the key policy issues of China policy, it is most relevant to the problematic features of the China policy to consider first the same species of problematics in the "Camp David" effort. That comparison aids us in defining the root of the flaws in the

China policy as a reflection of a recurring error in the policy-formulating process.

THE REASON 'CAMP DAVID' STUCK IN THE MUD

During the autumn of 1977, U.S. approaches to a comprehensive Middle East solution were identified by President Carter's address to the United Nations General Assembly and the protocol adopted by Secretary Cyrus Vance and Soviet Foreign Minister Andrei Gromyko.

Although Israeli Foreign Minister Moshe Dayan attempted to sabotage President Carter's policies through a first attempt to secure a "separate peace" with President Anwar al-Sadat, President Sadat repudiated any such separate agreement, insisting on a comprehensive settlement. During the period of President Sadat's state visit to Jerusalem, the elements of steps toward a comprehensive peace were featured in the public addresses, published protocols, and supporting public comments of the two spokesmen.

It is to be emphasized that this happier character of the negotiations was determined by the strategic environment of President Carter's UN address and the Vance-Gromyko protocol.

This 1977 process was aborted by aid of diversionary actions taken by forces inside and outside Israel. A terrorist incident was arranged to occur in Israel, and this incident was exploited as a pretext for an Israel military operation against Lebanon, an operation deployed in conjunction with the Chamounist forces within Lebanon itself. These events in Lebanon coincided with the first significant steps of U.S. Middle East policy away from the Carter UN enunciation.

In this Lebanon affair, Henry A. Kissinger's policy inputs appeared to prevail.

Not only did Kissinger support London and Tel Aviv against Secretary Rogers over the "Rogers Plan," but Kissinger supported, as NSC chief and Secretary of State, the processes leading into the 1973 war and the April 1975 launching of the Chamoun-centered bloodbath in Lebanon. Kissinger, according to officials of governments to whom Kissinger presented his policy during that period, was committed to the London policy of effecting a "tripartition" of Lebanon, and viewed the Chamounist deployment as the trigger for the scenario leading into such a partition.

Let there be no postures of incredulity on this point. In addition to a mass of intelligence collected through my immediate associates from hundreds of knowledgeable

sources, I have been briefed personally by numerous key officials directly involved in this matter. This was, to use acceptable rubrics, a London-Kissinger operation.

The Kissinger policy has not changed since April 1975. It is the same policy which is currently advocated in broader terms of application by Bernard Lewis, and Mr. Lewis's British policy, of promoting "particularist" fragmentation and destabilization of governments in many developing and industrialized nations, is adopted by Mr. Kissinger. It was Kissinger's policy during the period of the Israeli invasion of Lebanon and continued to be Kissinger's policy up to a latest recent point of direct knowledge of that gentleman's views on the matter.

It was only through coordinated negotiations among France, the Soviet Union, Syria, and other nations that the London-Kissinger tripartition was not effected in the course of the Israel-Chamoun bloodbath of earlier this year.

Through Mr. Kissinger's increased influence within the Republican National Committee, as aided by coordinated deployment of the Mont Pelerin Society and the "Kennedy machine" coming to the surface during May-June 1978, several shifts within U.S. policy posture were effected, including a shift toward the policy profile which surfaced during the mid-August National Security Council meeting on the subject of the dollar crisis. It was that mid-August deliberation on the dollar crisis which set into place the final, crucial elements for implementation of the "Camp David" project.

The connection between U.S. monetary and Middle East policy is one of the crucial elements of the strategic picture which is variously unknown or grossly misunderstood in leading Administration and Congressional circles. The same lack of competent information bears directly on the current issues of China policy.

France's President Giscard d'Estaing and West Germany's Chancellor Helmut Schmidt have put the European Monetary System into operation as the seed-crystal of a new world monetary system to be elaborated over the coming two years. Although the economic and monetary motives for building such a new monetary system are exactly what President Giscard and Chancellor Schmidt profess to be the case, it is strongly to be doubted that they would have risked so brutal a confrontation with Great Britain and her cothinkers on this monetary issue, had Giscard and Schmidt not been motivated by the added judgment that building such a new monetary system was the only alternative to general thermonuclear war at some point of crisis within the medium term.

Most official U.S. circles do not yet share this view, and therefore most leading U.S. circles have yet no insight into the most profound and energetic policy thinking and strategic deployments of Giscard, Schmidt and other world leaders who share their views. The majority of those European political leaders and their trusted military advisors are convinced — and rightly so — that the British strategic doctrine of "limited nuclear warfare" currently adopted by the United States is a form of lunacy, as well as being in defiance of the ABCs of military science. The

surfacing of bitter differences between West German Defense Minister Apel and London's advocates in NATO, Joseph Luns and Alexander Haig, is but one important side reflection of the same point.

Consequently, to the extent that London or Kissinger, Brzezinski, or Schlesinger are formulating the policies of the United States, U.S. policies are based axiomatically on the "brinkmanship" and "limited nuclear war" doctrines which every notable power but Britain and the United States predominantly view as incompetence and lunacy. Also, as noted, to the extent that Administration and Congress tolerate the assumptions embedded in Kissinger, Brzezinski, and Schlesinger doctrines, the Administration and Congress render themselves incapable of comprehending the world-outlooks, perceived interests, and policies of continental Europe, Japan, and many developing nations. They cannot comprehend what the true issues are in the Middle East situation.

The only comprehensive solution to the Middle East is that exemplified variously by the Eisenhower Atoms-for-Peace policy, by the "Rogers Plan," and also embedded in the current outlook of leading European policy-makers. This policy has two interdependent features:

(1) Israel must be contained absolutely within her 1967 borders, under the condition that (a) the conflicts on her borders are "dried out," and (b) efficient major-power guarantees provided.

(2) That the source of conflict in the region is neutralized through comprehensive, high-technology-vectored economic development programs which enrich Israel and her Arab neighbors. The key to this package is the establishment of an Arab Palestinian state in the occupied territories, and the reconstruction of Lebanon. Although the details of the proposed packages vary from time to time and among nations, the outlined basic conditions are the common features of direction in all such proposals.

If the EMS-linked Middle East policies are compared with the economic and monetary policies embedded in the present form of the "Camp David" proposals, the absolute difference between the two approaches is underlined. London-Kissinger propose to cement a separate Israel-Egypt agreement with a "guns, not butter" policy; the EMS-centered nations propose a comprehensive peace based on "butter, not guns."

The mid-August NSC approach to the dollar crisis can now be understood as key to the London-Kissinger approach to Israel-Egypt negotiations. Instead of a dollar-strengthening approach emphasizing high-technology exports and internal capital-intensive productive capital formation, the U.S. mid-August approach emphasized a monetary austerity which favored high-gain, short-term speculative movements, at the expense of capital flows into wealth-creating exports and capital-investment channels. In other words, the U.S. adopted the British approach to "fiscal austerity" and demonetizing the dollar — the current Henry Reuss approach — instead of the high-technology export approach consistent with the policies behind the EMS.

There is an essential coherence between the London-

Kissinger monetary policies and London-Kissinger Middle East policies. The same issue is the central, determining feature, as we shall show, of the errors in the announced China policy. In fact, London deployed its Israeli puppets on a Middle East destabilization course principally as an action aimed against the European Monetary System. By bringing the world to the edge of thermonuclear confrontation and also jeopardizing crucial petroleum supplies, the British aimed at developing the options for either blackmailing the world into abandoning the EMS, or actually launching massive world economic and monetary "chaos and confusion" by unleashing its Israeli puppets onto a "breakaway ally scenario" course of nuclear-armed military action.

Through Kissinger's influence over the Republican National Committee, combined with so-called "Zionist lobby" deployments, "Kennedy machine" actions within the Democratic Party, the Middle East destabilization was aided in the following crucial way. It was argued, variously either explicitly or in effect, that the "great genius Henry A. Kissinger" had "pushed the Soviets out of the Middle East," and that the Vance-Gromyko protocol was a "weak-kneed" posture whose result would be to lead the Soviets back in. The British aided this by activating British intelligence's Zionist networks within the Soviet Union, creating the staged performances which Senator Henry A. Jackson used to intensify the clamor over the "Soviet Jewry" issue.

In this general way, the Carter Administration and the Congress were conditioned, step by step, into the posture for the British "Camp David" project. Granted, it appears that Begin, Weizman, and Dayan have swindled President Carter shamelessly in this affair. It was inevitable that they would do just that. **That duplicity by Begin, Dayan, et al. was the intent from the beginning.**

By abandoning the Vance-Gromyko protocol, President Carter had thrown away all his essential options for bringing Israel to an actual peace agreement. The only basis on which a U.S. President can secure Israeli agreement to a peace settlement is to maintain an arrangement under which Israel is abandoned by the U.S. to Syria's ally, the USSR, under the specific condition that Israel initiates a nuclear-armed conflict in the Middle East.

Contrary to much evidence, Moshe Dayan, for one, is not entirely crazy. He is a brutal killer of the Orde Wingate tradition, like Ezer Weizman, another Wingate protege, but he does not suffer the "Masada complex." If Israel is deprived of the "breakaway ally" option, Israel will negotiate. The key is that the U.S. must define the limits of the U.S. "nuclear umbrella" as lying within the region in which Israel herself does not launch or willingly provoke a war.

For the benefit of those Congressmen who may not be adequately informed, Mr. Carter and Mr. Sadat have demanded not a single condition from Israel to which Mr. Begin did not accede at the "Camp David" proceedings. At each point the Carter Administration and Egypt have attempted to formalize terms already agreed to, Jerusalem either acts to violate "Camp David" understandings or

simply throws a diplomatic tantrum with aid of the Israeli cabinet and Knesset. Israel takes every concession Sadat and Carter offer, but has refused to deliver a single pre-agreed-on concession of her own.

President Carter has been repeatedly swindled by Messers Begin, Dayan, Weizman et al.

Everything Brzezinski et al. assured the President would occur through "Camp David" — Jordanian support, Saudi support, and so forth — has not materialized, **and could not have materialized.** Moreover, the Soviet position in the Middle East, barring an Egypt whose President Sadat has been monstrously weakened by the developments, is stronger than during Nasser's lifetime. **Dr. Henry A. Kissinger is no infallible genius.**

London and Kissinger have proceeded to attempt to destabilize the Shahanshah of Iran — without whom Iran is an ungovernable ulcer of perpetual chaos — and now also to destabilize the Saudi government.

THE FUNDAMENTAL PROBLEM OF U.S. FOREIGN POLICY

The root-problem of current U.S. policy making in the Middle East, Far East, Africa, Latin America, the Asian subcontinent, and Europe is that the U.S. has in fact no true foreign policy. President Franklin D. Roosevelt was building a postwar policy during the last war, an essentially sound policy. President Eisenhower's Atoms-for-Peace policy reflected a true foreign-policy impulse within his Administration — despite John Foster Dulles. President John F. Kennedy was engaged in promising steps toward a true foreign policy during the months preceding his assassination. Secretary William D. Rogers represented a true foreign-policy thrust corresponding to our nation's vital interests. Since Secretary Rogers's retirement, the United States presidency and State Department have been monstrously undercut in even their ability to develop and maintain a true foreign policy.

What we have currently is a stew into which various cooks dump their own ingredients each moment the other cooks' backs are turned.

The toleration of this ugly problem is aggravated through the influence of those "revisionist" schools of history and law which have proliferated in our schools and mass media since the assassination of President William McKinley. Although the overwhelming majority of our citizens maintain their "organic" commitments to those principles of progress and natural law on which our nation was founded, the vile "revisionists'" slandering of our Constitution and founding fathers has weakened the power of most of our citizens to comprehend those policy principles on which our nation and its greatness continue to depend.

A true foreign policy is based on defining the way in which the world must be ordered to secure the goals of progress and security to our people and their posterity. We must develop our power and influence to this purpose, and must apply that power and influence to the balance in

the affairs among nations in such a way that the desired result is favored.

What we should seek is that which our founding fathers sought, to rid the world of the last vestige of "British-style" oligarchical power, and to encourage the process by which all nations are set on the road to becoming true republics dedicated to securing the benefits of generalized scientific and technological progress for their own people.

This is not accomplished by "sending in the Marines" to impose a parody of our institutions and constitution top-down. It is accomplished chiefly by fostering scientific and technological progress through channels of world trade, by creating a global climate of scientific and technological progress. As the outlook and benefits of progress shape the environment and outlook of nations and their peoples, we may be confident that those nations, those people will tolerate nothing less than that republican order which progress nurtures and demands.

This foreign policy properly defines our allies and our adversaries. Our allies are those nations and political forces which have a policy of generalized scientific and technological progress for the world. Our adversaries are those who seek to frustrate such progress, and to make war on us by various military or nonmilitary means, to prevent us from pursuing our course.

During the course of this century, our foreign policy has turned increasingly away from John Quincy Adams and Lincoln's course. The central feature of this change is the deepening of a special relationship with the United Kingdom. The British have to this date the same doctrine of law, the same foreign-policy outlook which our forefathers opposed in making war against the British monarchy, and in establishing our nation as a democratic republic based on principles opposite to those of Britain. The British ruling circles, which continue to determine policies for that nation. are an oligarchical caste of great monetary power in the world, a "Malthusian" caste which is determined to establish a world order in which generalized scientific and technological progress is aborted.

The influence of anglophilia has become so strong within powerful policy-making and other institutions that U.S. foreign policy — and domestic policy as well — represents a hodge-podge of compromises between American conceptions of self-interest in general progress and an anglophile outlook which seeks to transform our laws, our policies, and our outlooks into conformity with that of the ruling British oligarchy.

This point is underlined by examining the context of the best efforts at developing a true foreign policy over recent decades. President Roosevelt's post-war policy outlines were not only directly contrary to those of Winston Churchill, but were posed in terms of a direct confrontation between Roosevelt and Churchill on these issues. President Eisenhower's Atoms-for-Peace effort was not only opposed violently by the British, but the government of Anthony Eden launched a joint British-French-Israeli military attack on Egypt to the purpose of wrecking Eisenhower's policy. President Kennedy's 1963 efforts were met with bitter opposition from Harold MacMillan.

It was Kissinger, working closely with London, who sabotaged Secretary Rogers's efforts, and London, with aid from Kissinger, who set up the Middle East war of 1973 to the purpose of wrecking Nixon's efforts, as Eden had launched an earlier war attempt to wreck Eisenhower's policy.

The result of combined direct British influence and the described hodge-podge character of policy-making inputs within our establishment is that we lack any positive definitions of foreign policy corresponding to the definitions of vital national interests on which our nation was founded. Lacking a positive approach to policy making, we are left only with a negative approach. We define our policy essentially on the basis of assuming that whatever injures the Soviet power and influence must therefore be — often, in some mysterious fashion — an advantage to the U.S.A. That, in general, has been the most frequent rhetorical basis on which foreign-policy proposals have been negotiated through the Executive and Congress.

This negativism leads frequently, and not surprisingly, to absurdities of the sort witnessed in the "Camp David" debacle and the atrocious writing-off of defense agreements with Taiwan. In the Middle East, it is assumed that Israel is the U.S.-British power-surrogate, and therefore that anything which strengthens Israel must (if gained at minimal cost to U.S. Arab petroleum interests) automatically serve U.S. interests. In the Far East, it is now widely assumed, we must pay almost any price to secure a de facto anti-Soviet alliance with Peking, with the stated or at least implicit assumption that all good things will automatically flow from the realization of that de facto anti-Soviet alliance.

We have just experienced a sharp rise in petroleum prices in the Middle East — a direct consequence of our complicity in projected destabilizations of both Iran and Saudi Arabia as well as the clinging overlong to a "Camp David" debacle. If the Taiwan and Cambodia errors of the China policy are not quickly corrected, the United States will jeopardize every vital interest in Japan and Southeast Asia, and severely injure U.S. interests and options in the subcontinent, the Middle East, and Africa.

To recapitulate this point. It can not be assumed that an anti-Soviet Israel policy or an anti-Soviet China policy automatically tilts the balance in favor of U.S. major interests in the affected regions or in the strategic global configuration. We should have learned this lesson from the "Camp David" debacle; we had better learn the lesson quickly before the attached errors of the China policy lead to a worse debacle.

We must approach Israeli policy from the standpoint of the positive interests affected by Israeli policy. We must first define our vital interests in the Pacific and Indian Ocean region before plunging blindly into the detailed elaboration of a China policy.

These two cited problem cases intersect a third: our European policy. We have reached the point at which we must choose between Britain and the EMS powers. We must choose France and West Germany, in preference to the United Kingdom, as our nation's primary allies. It is

the continental European nations and Japan who have helped save the value of the dollar, and who will continue to be the only powers with the policies and abilities to aid our domestic and foreign interests over the decade ahead. We must choose; either we sink with Britain, or we rise again to prosperity with our EMS-centered allies.

Together with our EMS-centered allies, and with allies such as the government of Mexico, we must define the kind of world we are going to create over the next half-century. Happily, with the present Brezhnev policy and Brezhnev-Schmidt treaties, the Soviets are prepared to enter into comprehensive agreements for both economic and political cooperation in the developing sector, agreements beyond the "wildest dreams" of U.S. officials a few years back. While retaining our nation's independent power and other capabilities, we must define a positive, true foreign policy.

THE PROFILE OF CHINA POLICY

Senators Goldwater and Dole are right as far as they have gone publicly in expressing abhorrence of and opposition to the abrogation of the Taiwan defense agreements. It is to be emphasized that no power abrogates such agreements under such circumstances in such a fashion. So far, the criticisms of the actions which, ostensibly, Brzezinski and Schlesinger imposed upon President Carter represent only the tip of the iceberg in the matter. The critics have not yet publicly noted the deeper and broader strategic implications of Taiwan.

Our proper approach to "normalization" of relations with the Peking government can be systematically defined by examining first the strategic implications of Taiwan.

Taiwan is not historically part of China

Whoever informed President Carter that Taiwan is historically a part of China is either ignorant of the bare essentials of Far Eastern history or was simply lying. Apart from Japan's assimilation of the island as Formosa and the awarding of Taiwan to the Kuomintang government as victor's booty at the close of the last war, Taiwan, although influenced by Chinese culture and trade, was an independent nation.

It is always bad business for a major power to engage in rewriting history for the sake of the appearances of some short-run expediency. Worse is what James R. Schlesinger argued in a mid-1960s Rand Corp. paper: the essence of lying as political policy is the trick of not actually getting caught. If Mr. Schlesinger had a part in inserting this element into the Carter address, Mr. Schlesinger has forgotten the principles on which his policy of lying was advocated earlier. Every nation in the world knows, to our national shame, that the "historicity" of Peking's claims to Taiwan is sheer fabrication.

Peking's view on the Taiwan question has several levels. At first, there was the fact that Taiwan was a Kuomintang base for a threatened, U.S.-backed invasion of China. There was also a matter of pride: the allies have

given Taiwan to China as victor's booty, and whatever the U.S. would give to Chiang Kai-Shek, Peking demanded as a matter of its acquisition of power. Subsequently, since Peking has indoctrinated its population with the Taiwan issue to the point of making the matter a national obsession, it is difficult for Peking's leaders to explain now that the entire propaganda campaign was simply part of a strategic gambit.

From the U.S. side, the whole business is indecent as well as dubious. The Congress ought to knock this atrocious feature of the policy out, and the quicker the better.

The Japan implications

The larger, strategic enormity of the Taiwan issue is brought into focus in connection with Japan and the Republic of Korea. The significance of Peking's acquisition of Taiwan is a major, deadly blow to the vital strategic interests of the Japanese economy and Japan's internal political stability. The Republic of Korea, although fiercely nationalist with respect to Japan, has the same vectors of self-interest as Japan; a Far East policy that injures Japan's interest also injures the vital interests of Korea.

There are, historically, two policy currents within Japan to date. One policy current is associated with the Meiji Restoration, a current which used such American economists as Hamilton, the Careys, and Germany's Friedrich List as the sources for developing Japan's economic-miracle policies. This faction is otherwise represented within the "Go South" faction. The opposing faction is the pro-British faction, associated with the Mitsui interests. This faction is mercantilist, rather than industrializing, in emphasis, and could be fairly described as leaning toward Adam Smith, and as rejecting the American economic outlook of Hamilton et al. When the Mitsui-linked tendency is dominant, Japan's strategic impulse is toward a military "Go North" thrust for conflict with the Soviet Union.

The leading policy of the "Go South" current is the export of knowledge ("technology transfer"), and emphasizes economic cooperation and trade rather than military thrusts. This is the aspect of Japan which makes it, together with Mexico, the proper primary ally of the United States for the Pacific region, and the proper ally of the United States for economic development ventures in the Indian Ocean region and Southeast Asia.

We are speaking of a half-billion people in Southeast Asia, and approximately a billion in the Indian Ocean region. U.S. in-sight opportunities for economic-development roles in China are small compared with the vast opportunities to be shared with Japan and others in Southeast Asia and the Indian Ocean region.

Granted, the present Prime Minister of Japan is considered a Mitsui-linked figure. However Mr. Ohira heads presently a very weak government, whose deviation from dominant Japanese policy hangs on the margin of present conflict between Mr. Tanaka's and Mr. Fukuda's factional forces. Mr. Ohira may be quite tolerant for the moment on

the Taiwan issue, but it will not be long before either he or other leading forces in Japan come to the strategic assessment outlined here.

Why that will be the case within Japan will be made clearer as this report turns now to the issue of Hong Kong.

The Hong Kong connection

Just as Japan has two dominant currents, so does China. One, the "New China" current, is based sociologically in the industrial-urban and military forces, the impulse for pulling China out of millennia of rural backwardness and bestialization. The opposing current, with unbroken affinities for British intelligence since the Green Gang days, leans toward "Old China," and is sociologically rooted in rural backwardness, plus the oligarchical (Mandarin) traditions of bureaucratic strata.

The U.S.'s self-interested policy toward China is that which corresponds to the actual internal interests of China itself. Our self-interested policy emphasizes providing China with expanded high-technology industrial development. By enabling China to increase the productive powers and output of its labor force, and to improve the export quality of sectors of its production, China's rate of economic growth is improved, and the nation's capacity for buying expanded volumes of high-technology imports is self-expanded.

The British policy is opposed to this. The British view China chiefly as a market for finished goods, with a strong emphasis on armaments. The British are opposed to any technological progress in China but that kind and amount deemed required for British geopolitical purposes.

We cannot meddle in the internal factional processes within China, and must avoid even the appearance of an intent to meddle. We cannot, however, blind ourselves to the fact that China's internal processes do determine her foreign-policy outlook in ways of decisive importance for our interests throughout the Pacific and India Ocean region. It is the "Old China"-leaning faction which is linked to British policy (and intelligence services) through the Hong Kong drug connection. It is the opposing, "New China" currents, those oriented to high-technology transformation of that nation, which are a durable treaty partner for the United States, Japan, and the EMS powers.

Worse, the "Old China"-Hong Kong interconnection is the instrumentality through which Peking continues to perpetuate atrocities against our allies throughout Southeast Asia and the Indian Ocean region. This is the facet of Anglo-Peking operations which floods the world with the major portion of the illegal opium traffic. Are we prepared to trade away the vital interests of our ally Japan, and to write off a half-billion people of Southeast Asia, merely to strengthen the relative position of the "Old China" faction at the expense of "New China" forces?

It is the British intelligence and Chinese foreign intelligence which deploy the terrorist-guerrilla ulcer in the Philippines. In each country in Southeast Asia, it is the same British-Chao Chou gangs which are key to destabilizations and harassments. In Burma, Bangladesh,

India, Pakistan, Iran, Afghanistan, Yemen, and African nations, the same type of problem is significant.

We shall omit cataloguing innumerable cases to the same effect in Latin America.

In sum, Peking's concessions to us should be closing down its complicity in the drug traffic and closing down the Hong Kong-linked nastinesses of its foreign intelligence service.

The British will not agree with us on this, of course. No matter; the sick economy of the United Kingdom has no economic capability, except as a gold, opium, diamonds and arms dealer in the entire Indian Ocean-Pacific region. They should withdraw quietly from any pretense at a significant role in those regions.

We must concentrate on bypassing Hong Kong, developing direct U.S. links with China in cooperation, most emphatically, with Japan and the Philippines. Communications satellites are obvious early measures. Advanced technological bases developed in Japan and Korea, and with the cooperation of the Philippine government, will serve multiple purposes. It will enable us to more directly service technology-transfer into China, and will simultaneously strengthen our ability to service the Southeast Asia and subcontinent regions.

Three leading courses of action are open to, variously, the Congress and the Administration. First, the Congress should enforce the nonabrogation of the Taiwan defense treaty, and the Administration should gracefully bow to the will of the Congress on this point. Second, the de facto underwriting of the hideous Cambodian regime should be reversed immediately under the "human rights" provisions of Congressional and Administration policies. Third, the Hong Kong-linked drug traffic should be shut down with aid of a quarantining of Hong Kong itself.

These three actions will create the negotiations options for plucking the flies out of Dr. Kissinger's patent ointment.

General policy

The question of economic relations with China cannot be separated competently from the process of generating the flow of long-term, appropriately priced credit for this trade. The EMS and the Tokyo market are the principal instruments through which medium to long-term credit for hard-commodity traffic can be generated through diverting (cumulatively) about a half-trillion dollars in churning liquidity into such credit channels. The sustaining of credits for China economic cooperation should be developed within that framework.

Therefore, the general framework within which implementation and development of China policy should be pursued is a firm commitment of the U.S. to the process of developing a new world monetary system, premised on gold-reserve principles, around the seed-crystal of the European Monetary System. This defines our Atlantic connection to EMS-centered development generally, and to the EMS-Japan interface with China cooperation in particular. Our Pacific channels of economic cooperation with China then dovetail with our general cooperation with the EMS-Japan programs.