

in Uzbekistan. Eisenberg has extensive holdings in coal mines in Yunnan province, an area rich in drugs, but not in coal. Coal is, in fact, a particularly unprofitable industry in mainland China. Eisenberg showed up in Moscow for the Bush-Gorbachov summit, meeting with Gorbachov for an hour together with ex-Israeli Mossad deputy chief and ex-director general of the Israeli Foreign Ministry David Kimche. Kimche, who was the primary conduit for the covert U.S. arms sales to Iran, also brokered the establishment of relations between Saudi Arabia and China in the late 1980s, including the Chinese missile sales to Saudi Arabia.

Mongolia's 'Sachs-change operation'

To the north, Mongolia, a vast country with only 2 million people, has become the center of attention for Secretary Baker and his friends from Harvard. Released from Moscow's grip in the aftermath of the eastern European revolutions, Mongolia has become a toy in the hands of Harvard's Jeffrey Sachs. A Harvard team of eight economists is opening up a stock market, privatizing 70% of the state enterprises, creating free trade zones, and devaluing the currency by 600%, while bragging that "the shock here is far greater than anywhere else in the former socialist world." Even the U.N. representative admits that no one is going to invest in a country that doesn't have a single spare part.

Nevertheless, six or seven free trade zones are being opened up. Naidansurenin Zolzhargal, a 26-year-old with an economics degree from Budapest University and six months' training at Harvard under Sachs, has been placed in charge of the nation's central bank and the stock market project. His vision for the nation is captured by the following comment on the certain failure of the privatized firms in the stock market: "So what if the shares fall? People have to pay for their illusions. Before, all those wise guys in the party decided for us. Now we decide for ourselves."

Completing the encirclement of China, the Russian Republic has created a free trade zone in Nakhodka, next to the Pacific port city of Vladivostok. This zone is specifically geared toward the diamond trade, with 99% of the Soviet Union's diamonds centered in the area. The diamond trade has historically interfaced with drugs and money laundering.

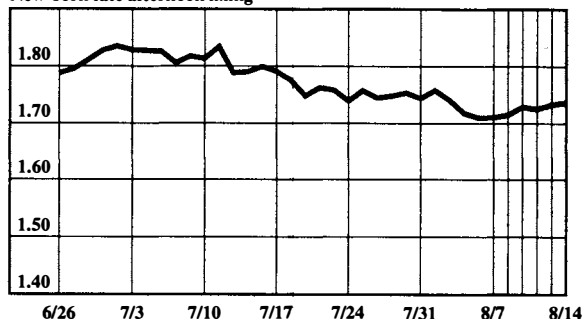
The condominium

These various arrangements are predicated on the condominium agreements among the Anglo-Americans, the Soviets, and the Chinese. However, as the reality of the breakdown crisis on both sides of the condominium becomes increasingly apparent, these agreements could collapse. The Central Asian Dope, Inc. apparatus will have enormous strategic importance, as it did in the 19th-century "Great Game" conflicts over the colonization of Asia. Just as the "Great Game" led inexorably to the Great War of 1914, so the failure to reverse these policies today will lead to the replay of that historic tragedy.

Currency Rates

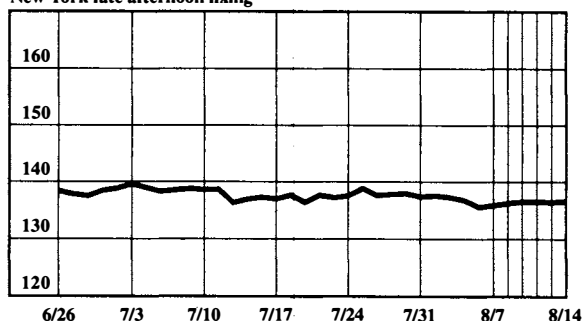
The dollar in deutschemarks

New York late afternoon fixing



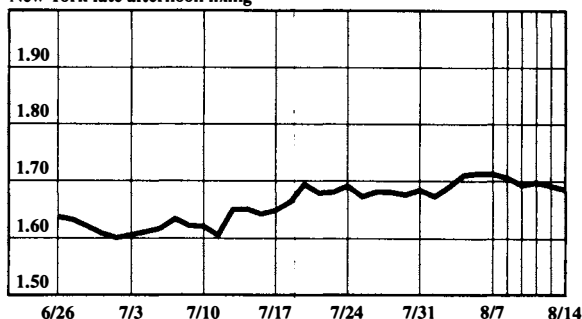
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

