

The same question must be posed regarding Egypt. Egypt too is being discussed by State Department pundits, who allege that the military aid package of \$1.1 billion for 1985 be reviewed, considering Egypt's being behind in recent debt repayment installments. Commenting on the visit of Egyptian Ministers of Economy and Industry who travelled to the United States in order to discuss aid conditions, the London *Times* stated outright, "The visit by the ministers seems ill-timed and ill-conceived since the Senate Foreign Relations Committee has repeatedly said it will not write Egypt a blank check." Does this mean that Egypt is about to get the "Israel treatment?"

Behind what appears to be bickering over finances lies a major political fight. President Mubarak has just completed a tour of Africa, visiting Zaire, Kenya, Tanzania, and Somalia, during which he strengthened the role of Egypt as the vanguard economic force for continental industrial development. Following the trip, Mubarak planned a trip to Washington, in order to attempt to revive the peace process in the Middle East. In order for a durable peace to be reached in the region, as Democratic presidential candidate Lyndon LaRouche has emphasized, the broad outlines of the "Reagan Plan" must be respected as a starting-point. According to reports, Mubarak's intention is indeed to capitalize on the positive developments towards dialogue among Egypt, Jordan, and the Palestine Liberation Organization (PLO), so as to bring Israel into negotiations. It should therefore be in the interests of the U.S. government to support Mubarak by all means possible, emphatically including economic aid. But such support Kissinger's State Department honchos would rather withhold.

Passing up the opportunity offered by President Mubarak now would be tantamount to genocide, not only for the Middle East but also for Africa. And that is the deeper political issue involved. Egypt does not only represent the first dialogue partner in the Arab world for Israel, but constitutes the first nation in Africa whose economic potential, advanced labor power, and ambitious industrialization projects make it a natural partner for technology-rich and scientifically advanced Israel to take on the joint task of industrializing the entire African continent. It is, in fact, uniquely through the combined, programatically oriented collaboration of the industrial and human resources of these two nations that the Middle East and Africa can be developed, and that, consequently, a durable peace can be rooted in the mutual self-interest of reciprocal economic and cultural progress.

To date, among American politicians, Lyndon LaRouche has been the only one to articulate such a perspective. It should come as no surprise therefore that LaRouche's development policies are at the center of discussion among both Egyptian and Israeli elites. That is another leading reason why Henry Kissinger and his friends in Moscow have targeted Mr. LaRouche. It also explains why Kissinger's State Department cohorts are putting the squeeze on both Israel and Egypt.

Part II: New Era in U.S.-China Relations

Reagan dumps the

by Richard Cohen

For more than a decade before Ronald Reagan took office, U.S. Asia policy was dominated by the so-called China card—using the threat of a U.S. strategic opening to China to force Moscow to make arms-control and other deals with Washington, while Henry Kissinger was locking the United States into ever-widening strategic inferiority vis-à-vis the Soviet Union. The first article in this series outlined how Peking has junked the "China card" for its current commitment to economic modernization.

By the time of Ronald Reagan's inauguration in January 1981, the China card policy was in shambles, following the calamities that began with the late 1978 invasion of Kampuchea by Vietnam and the subsequent Sino-Vietnam border war. For both the United States and the People's Republic of China (P.R.C.), the effectiveness of "playing" the other nation as a political card had been called into question.

In 1980, with the relatively final consolidation of factions associated with Deng Xiao Ping in China, a long-term policy of border pacification and industrial-technological development was put into motion. This Chinese policy, along with the election of Ronald Reagan to the U.S. presidency in November 1980, essentially voided the possibility of reviving the China card. Reagan's election began a process of eschewing the "China card" as a strategic military policy for one based on U.S. national military strength.

The foundations of U.S.-Asia policy had been shattered by the time of Reagan's election. The Johnson administration's escalation of the Vietnam War in 1965, under the direction of Defense Secretary Robert McNamara and National Security Adviser McGeorge Bundy, and finally the Carter administration's desperate play of the China card at the insistence of National Security Adviser Zbigniew Brzezinski, had dangerously eroded the U.S. strategic position in Asia. Many of Reagan's closest foreign policy advisers traced their political descent to a group of military/intelligence experts from the Asian theater in World War II, who were antagonistic to the Atlanticist group which dominated Asia policy in the United States from Bundy to Brzezinski.

The Chun-Lee Pacific Basin proposal

Under immediate pressure to prevent future disasters in

China card

the area, President-elect Reagan met during the 1980 transition period with President Chun Do Hwan of the Republic of Korea, his first meeting with a foreign head of state. According to informed White House sources, at the top of the Reagan-Chun agenda was a proposal which Chun would later make public in July 1982, for the creation of a Pacific Basin dialogue that would be centered on an annual regional heads of state summit.

The summit was intended to tackle the critical questions of economic modernization for the region, in which basic points of North-South contention would be resolved, the White House sources reported. The plan, reportedly offered by Korean Foreign Minister Lee Bum Suk—who later lost his life in the barbaric October 1983 Rangoon terror bombing—was already being promoted by those key Reagan advisers who were almost destroyed politically during Secretary of State Henry Kissinger's reign over the Vietnam War.

The Chun-Lee proposal would undercut an alternative Pacific Basin "dialogue" launched in 1980 under the joint auspices of Japanese Prime Minister Ohira and Australian Prime Minister Malcolm Fraser. The Ohira-Fraser clique held their first meeting of think tanks and private Asia specialists in Canberra in 1980 and later held similar meetings in Bangkok and Bali.

The Ohira-Fraser plan rejected heads of state meetings; the intention was to prevent governments from dominating the dialogue. Their program—first advanced in 1979 by Sen. John Glenn's subcommittee on Asian affairs—was but a public front for a new effort to bring Asia under the control of supranational financial networks who would set national investment policy, resource production and allocation, and later even national security decisions.

That program was a large-scale attempt by the Atlantacists to recreate in Asia what they had successfully developed for most of Western Europe under such institutions as the OECD (Organization for European Cooperation and Development). The principal promoters of this dangerous scheme were allies of Kissinger and his mentor NATO Secretary-General-elect Lord Peter Carrington in their plan for a "New Yalta" deal with the Soviet Union. These forces modeled their foreign policy on John J. McCloy's reign as High Commissioner of postwar Germany. The same people repeatedly

challenged the dominance of Douglas MacArthur's influence in Asia.

The Chun-Lee proposal, combined with a redefinition of U.S. strategic and regional priorities, quickly led the new Reagan administration to bury the China card. Ironically, the very originators of the policy—the ideologues of Atlanticism—had also by 1980 begun to reconstruct an Asia policy to replace the discredited China card. By 1983, a growing consensus on China policy among these forces began to resemble Carter Secretary of State Cyrus Vance's 1977 all-costs dumping of the China card so as not to offend a "sensitive" Moscow.

Reagan's Asia policy reversal

Reagan and his closest advisers were forced to reverse both the strategic and the regional U.S. policies which made the China card possible and, as we shall indicate below, even necessary in 1969-70. First, the President sought to reverse the growing Soviet strategic advantage, made possible by the 1971 SALT I arms control agreement, and the 1972 ABM treaty which eliminated a critical strategic defense program in which the United States then enjoyed an important margin of advantage.

On March 23, 1983, the President threatened to disregard Kissinger's 1972 pledges and revive an American ballistic missile defense effort. It is essential to know that the Kissinger-granted strategic advantage to Moscow had by 1973-74 convinced the Soviet's staunchest geopoliticians in the KGB, GRU, and high-level military command that a buildup of nuclear and conventional strength, particularly a naval buildup in the Pacific and Indian Oceans, could make Moscow dominant in those areas. It was through this theater advantage that Moscow engineered the most impressive strategic "break-out" in the postwar period, during 1977-79.

The President has also sought to reverse the unprecedented security retreat of the United States from Asia begun with the Kissinger-orchestrated Guam Doctrine of 1969, which committed the United States to pulling all its ground forces out of the region. But the Reagan administration program to reestablish U.S. credibility in Asia was slow moving: It called for only a gradual buildup of U.S. air and naval capabilities, while the Chun-Lee Pacific Basin plan implied a snail's pace in economic and political alliance-building.

President Reagan's November 1983 trip to Indonesia, Thailand, and the Philippines was intended to start putting the Chun-Lee plan into effect by the signing of a series of technological and educational bilateral treaties. But it was sabotaged by Kissinger assets within the administration, street violence and mass demonstrations against the Ferdinand Marcos government in the Philippines, and a congressional outcry against Marcos set up by the McNamara-Bundy wing of the Democratic Party.

One month before the Reagan trip, Korean President Chun was scheduled to visit a number of Asian nations to promote the Chun-Lee plan. The trip was abruptly canceled by the Soviet-facilitated North Korean terror bombing in

Rangoon, which killed Foreign Minister Lee.

During his visit to Japan, Reagan did seek to reverse the third critical element of the destruction of U.S. Asia policy since 1969—the downgrading of Japan as the U.S.'s Number One strategic ally in Asia since 1971. Reemphasizing President Reagan's reported request for a "special relationship" with Japan similar to the one Great Britain enjoys with the United States, Defense Secretary Caspar Weinberger stated on Dec. 13: "Our defense partnership with Japan is the cornerstone of our defense policy in East Asia. . . . The defense of Japan is as vital as the defense of Europe."

Reagan's China policy

At the center of Reagan's Asia strategy is a total redefinition of China policy. The President does not give China a

central role in filling a U.S. strategic vacuum or in "horizontal escalation" against Moscow, nor even use any threat of a Western-connected second front in the Soviet east. Reagan's decision has been made easier by two developments. First, since 1980 and the consolidation of power in China by Deng and related forces, it has become increasingly clear that Peking's primary goal is full-scale economic modernization. Under these circumstances, the P.R.C. is committed to avoiding confrontation with Moscow or Moscow-surrogates in the immediate future. Second, the disastrous results of Brzezinski's "playing" the China card during 1978-79, when Moscow decided to call the bluff, were fresh in the minds of Reagan policy advisers.

However, the Reagan administration had an important interest in Chinese stability. Any serious weakening of the

The Taiwan issue

All three so-called concessions made to the P.R.C. by the Reagan administration since mid-1982 have not contradicted the larger Reagan Asia policy. The brief encounter between Reagan and Prime Minister Zhao Zi-Yang at the Cancun summit in May 1981 thrust a key issue in Sino-U.S. relations onto the President's lap—Taiwan.

The visible pressure put on the President by Zhao at Cancun was only part of a two-year campaign initiated by Peking to force the Taiwan issue. In Peking, securing sovereignty over Taiwan was reemphasized as a factional issue after the 1980 consolidation by Deng Xiao Ping forces and the consequent purges of the moderate Maoist spy apparatus led by Hua Kuo Feng, and the simultaneous downgrading of forces centered about Li Xian Nien. While Deng moved swiftly to cover his left flank by taking a hard line on Taiwan, the P.R.C. regime also had to fear that internal instability might, under conditions of combined economic collapse and further discrediting of a relatively weak Communist Party, in the far future leave room for a Kuomintang comeback. The P.R.C. also took note of Reagan's credentials as a "friend of Taiwan," which would create, particularly within certain leftist circles, fear of a future U.S. threat based in Taiwan.

An impending collision on the Taiwan question erupted when China card proponent, Secretary of State Alexander Haig visited Peking in June 1981; when Haig broached the possibility of lethal arms sales to Peking on a case-by-case basis, the response was cold. In fall 1981, lack of progress on Taiwan led Peking to cancel a U.S. trip by top P.R.C. military experts, scheduled to review possible weapons sales. In October 1981, Haig was reportedly dressed down on the Taiwan issue at the U.N. by Chinese Foreign Minister Huang Hua. By late 1981, con-

tinued U.S. arms sales to Taiwan led to P.R.C. hints that they might formally downgrade U.S.-China relations.

In early 1982 Reagan, concerned with the deterioration of U.S.-P.R.C. relations shown by the repeated equating in the Chinese press of the United States with the Soviet "hegemonists," sent three letters to Deng, and then dispatched Vice-President George Bush to Peking. Tedious negotiations on Taiwan began. In August 1982, one month after Haig's forced retirement, the United States and the P.R.C. signed a joint communiqué on the future of U.S.-Taiwan relations. Both sides immediately interpreted the communiqué in their own face-saving way. On the surface, the communiqué acknowledged a U.S. commitment to gradually reduce all arms sales to Taiwan, while China committed itself to settle the Taiwan issue by means other than force.

However, in a September 1982 speech to the Twelfth Communist Party Congress, three weeks after the communiqué, party head Hu Yao Bang—an intimate of Deng and said to be the most suspicious of Washington among China's top leaders—stated, "Washington and Moscow are both bent on global domination." Hu's anti-American line only began to soften in 1983 following spring U.S.-China agreements on U.S. weapons-grade high-technology sales to China and a July agreement on a compromise ceiling on P.R.C. textile exports to the U.S.

But the appearance of presidential concessions was quickly clarified. The administration announced the largest arms sales package to Taiwan in history—well over \$500 million. Peking's strong protests were ignored in Washington. Sources close to the White House report that the May technology transfer agreement which nominally puts the P.R.C. in the highest export category (5) has a catch: The White House made it clear that it will review P.R.C. technology requests on a tough case-by-case basis. By year's end, the administration had found economic reasons to lower the ceiling on Chinese textile imports.

P.R.C. could immediately lead to a threatening redeployment of Soviet conventional and nuclear forces, now aimed at the Chinese, which could either be redeployed to the western front or southern front. Worse, full-scale instability in China could allow a sizable advance of the Soviet position in that country.

Weinberger characterized the Reagan administration's shift to a reduced, regional emphasis in China policy on Dec. 13: "The defense efforts of Japan, China, and South Korea have the potential to effect the global balance of power more profoundly perhaps than those of any other country in the world outside the United States and the U.S.S.R." But the Reagan administration considers the basis of U.S. strategic defense to lie on this side of Taiwan.

The policy behind Kissinger's China card

The policy the Reagan administration seeks to reverse goes back to Henry Kissinger's spectacular opening to China, which began covertly in 1969. Kissinger's aim was to provide him and his allies in the Nixon administration more clout in pressuring Moscow into a strategic arms control agreement and the détente or New Yalta process. A potential strategic Western opening to China would, Kissinger hoped, increase Politburo fears of a credible second front in the East, and the possibility of horizontal escalation by deploying China in areas of growing Soviet interest such as south Asia and Africa. Ultimately, Kissinger saw the P.R.C. as an anti-Soviet capability that could at least threaten to fill the vacuum soon to be created by the retrenchment of U.S. forces in the area.

Kissinger was desperate to strike a deal with Moscow; his manic effort to secure the China card was the result of the determination within Atlanticist councils to drastically reorder the world economy. Their policy was to suffocate technological growth in the advanced sector and technology transfer to the developing sector. Heralded as the dawn of a post-industrial society, the policy gained impetus from the growing instability of the world financial system in the 1960s.

In the mid-1970s Kissinger's New York Council on Foreign Relations would describe the essence of this plan as "controlled economic disintegration." The decline of the Western economies which dominated the 1970s would, according to policy planners, enable the Soviets to expand into strategic zones of the developing sector. Kissinger was prepared to accept Soviet strategic advantage in exchange for Soviet restraint in using it.

The China card was an illusion; its impotence against the Soviets if they "broke the code of détente" was shown throughout the 1970s. Kissinger actually gave the Soviets every incentive to do just that. He was not only prepared to cash in the U.S. strategic position, but also to engineer a global U.S. economic and military retreat. The Soviets responded by throwing restraint to the winds.

Within Asia, Kissinger's strategic plan had dramatic and immediate effects. The Guam doctrine, initiated in 1969, was Kissinger's move to speed up retrenchment from East Asia. By 1971, under the Vietnamization program of the

Guam doctrine—its most popular provision in the United States—the United States had withdrawn upwards of half the forces stationed there in 1968. But in addition, a gradual reduction of ground forces in Japan, South Korea, and Taiwan was begun. This process continued through the Carter administration's shocking proposal of a full-scale ground force withdrawal from South Korea.

Kissinger devised the centerpiece of his Vietnam strategy—the "decent interval" tactic—to carry out the Guam Doctrine. In addition to his priority goal of U.S. withdrawal from Asia, Kissinger attempted to use the Vietnam negotiations as a means of destroying the MacArthurite-linked U.S. military and intelligence apparatus that McNamara and Bundy had ordered into the Vietnam arena. The purpose of the "decent interval" gambit was to accomplish the withdrawal of U.S. force from Southeast Asia, without Kissinger bearing the brunt of blame within the United States. An interval was required between the time of an agreement with Hanoi, and the ultimate collapse of Saigon. To get this, Kissinger needed cards to play. He recklessly pushed through a coup—accompanied by massive U.S. bombing raids—against the neutralist Sihanouk government in Kampuchea in March 1970, and replaced it with General Lon Nol's military regime. The escalation, the 1971 expansion of the war into Laos, was part of his "madman strategy" to pressure Hanoi into a "decent interval" accord. The failure of this policy increased the pressure on Kissinger to open the door to Peking. There he hoped to muster additional pressure on Hanoi. Later, Kissinger would seek the same help from Moscow; all efforts failed.

Finally, Kissinger's Asia policy sought to ensure the elimination of U.S. security presence in the region and any revival of MacArthurite influence, by a humiliating downgrading of U.S. relations with Japan. Kissinger's anti-Japan policy surfaced in 1971 when he and Treasury Secretary John Connally began to dramatize the emerging Japan-U.S. trade imbalance. Kissinger encouraged a decision to unilaterally devalue the dollar—and Kissinger and Nixon chose Aug. 15, the date of Japanese surrender in World War II, to announce it.

Just a month before, Nixon had announced the U.S. opening to China, an opening which many of Japan's elite had been urging but were cautioned against by Washington. The Japanese heralded their humiliation in the China announcement and the dollar devaluation as the "Nixon shocks." In the rest of the decade, the United States' Japan-first policy in Asia would be obliterated.

After establishing the preconditions for the China card, Kissinger needed one thing: an opportunity to put it into effect. He expected such an opportunity to arise immediately, since in 1969 China was viewed as economically weak, having barely weathered the Cultural Revolution, and militarily vulnerable to Soviet border buildup which began in earnest in 1965.

The next installment will recount the history of the China card policy from 1969 to the present.