

how to advise the President on proceeding with what we had called then, strategic ballistic missile defense based on new physical principles.

I would date most of this, not from the President's address, but from the message which I received for the Reagan administration from Moscow, in a discussion we had in Washington [with Soviet representatives] in February of 1983, a little more than a month and a half before the President's announcement. I outlined again, and we discussed afresh—as we had discussed several times before—exactly what President Reagan would offer, *if* he decided to do it, and the question was, how would the Russians (or the Soviets at that time), respond to the President's offer, if he made it? There was always this big "*if* he makes it, how would you people respond?"

The response was, of course, that they accepted the conception which I offered, number one, based on new physical principles—not Danny Graham's silly "High Frontier" nonsense, but a real laser-based, etc., system. They recognized that, as we have seen recently, with their offer of this "Trust" offer, made to Clinton on the plasmoid defense system; that's new physical principles, not this High Frontier fast rocket junk.

Secondly, they agreed very much, as the article indicates, with the principle of spinning off high-technology military technology in the SDI field through the machine-tool sector into the civilian sector.

But thirdly, they disagreed, and said they would reject the thing at that time, because they thought the United States would do a better job and would move faster with these spin-offs than Russia and therefore we would win the race, and therefore they said that they would not cooperate with the United States, they would not share technology with the United States, but they would develop their own system.

I indicated at that time, that their economy would break down within about five years if they tried to do it that way, whereas if they did it the way we proposed, we would work our way toward a war-avoidance situation which would be more durable. And so that's what Reagan offered.

What you see in this article, is that Russian circles which are tied to the high-tech section of the military-industrial complex, and others, are offering *exactly what I offered* tentatively on behalf of the Reagan administration back during 1982 through February 1983, and what the President offered actually in his address on March 23, 1983. And they have come around to that. It is very interesting.

But then there is a faction in Russia which is going the other way, which is going toward a hard line. . . . These people are going toward an Asiatic hard-line Russian thermo-nuclear confrontation very rapidly. And over the period from this fall, I would say—even the summer—but by September of this year, September of next year, unless there is a change in the U.S. government posture on many questions, we are going to see the rapid emergence of a very hardline Great Russian, or Russian imperial impulse, out of Moscow. . . .

The 'Greater' China 'Venetian' policy to

by Michael O. Billington

Henry Kissinger's syndicated article published in several leading press organs around the world in mid-June advanced his proposals for Anglo-American domination of Asia in the coming decade. Befitting his professed status as the spokesman for 19th-century British "balance of power" politics, Kissinger compared modern Asia to 19th-century Europe: "There are three 'Great Powers' of comparable potential—Japan, China and Russia. . . . There is even a balancer—the United States—which [is] like 19th-century Britain." Also in keeping with his oft-stated defense of Deng Xiaoping's bloody dictatorship in Beijing, Kissinger insisted that such Anglo-American support is "needed to balance Japan and a possibly re-emerging Russia."

On the other hand, Kissinger is also the leading proponent (and one of the primary beneficiaries) of the massive looting of the Chinese labor force through the devastating free trade "reforms" under Deng, which have brought China's vast interior to a state of collapse.

This geopolitical policy, to build up communist China's influence in Asia while actually destroying its population and economy, has recently been enhanced by the pursuit of a "Greater China" alliance, linking the four primarily Chinese states of Asia—the China mainland, Taiwan, Hongkong, and Singapore. A major step in this direction was the creation of the "New China Hongkong Group, Ltd.," discussed further below, which brought together business and political leaders from the Chinese diaspora, based on the current disastrous policy of grinding up mainland peasants as coolie labor in free trade zone sweatshops. While this policy is proving itself to be the cause of the destruction of the already meager means of subsistence of the majority of Chinese, the "geopoliticians" foresee at least three "advantages" to this approach. First, the vast, virtual slave-labor pool of desperate unemployed Chinese peasants—approaching 200 million out of an estimated labor force of 513 million—provides not only a source of exploitation for quick profit by depression-racked western corporations, but also serves as a means of preventing the successful development of the labor power of China and the other developing Asian nations, which must compete with the near-zero labor costs of the mainland. In fact, several Southeast Asian nations with large Chinese nationalities are being drawn into semi-membership in "Greater China," through the large banking and business conglomerates that are run by Chinese-descent nationals (see map).

plan: Britain's control Asia

Secondly, the policy assures that China will remain a backward, impoverished nation, making unlikely any potential alliance with Europe for the development of the entire Eurasian landmass. This has historically been the primary objective of British "geopolitics": control of the "rim" nations and sabotage of any continental alliances. This is precisely the content of Kissinger's balance-of-power strategy to pit China, Russia, and Japan against each other.

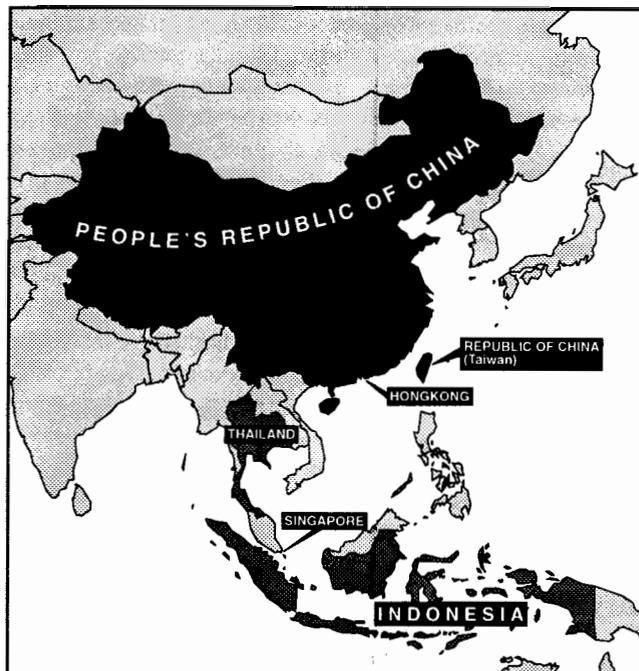
Thirdly, although the actual Chinese economy and the Chinese labor force are collapsing, the Chinese military potential against its neighbors (as well as against its own citizens) is rapidly expanding. Despite this potential threat, and despite the near-term potential for war in Cambodia and North Korea (both due to a significant Chinese connection), the U.S.-U.N. apparatus is deeply involved in drastic destabilizations and forced cutbacks in the military institutions of South Korea, Taiwan, Thailand, Indonesia, and India. The weakening of these nations would leave them generally incapable of resisting any Chinese adventures.

Singapore, the Venice of Asia

While the negotiations proceed in preparation for the 1997 "return" of the British colony Hongkong to China, the role of the other island government, ex-British colony Singapore, has taken on a new importance. Lee Kuan Yew, Singapore's senior statesman, who served as prime minister from before independence in 1959 until his semi-retirement in 1991, has emerged as the sponsor and stage-manager of the Greater China strategy. While a significant portion of British operations for Asia are moving from Hongkong to Singapore in preparation for 1997, Lee Kuan Yew has also brought Singapore in as a partner to the massive "merging" process between Hongkong and the "new Hongkongs" in the mainland—the expanding development zones where the cheap labor, low-technology processing industries are proliferating in tandem with the massive drug and crime apparatus that is Hongkong's trademark.

Equally important, Lee Kuan Yew has sponsored the negotiations between Taiwan and the mainland, aimed at ending Taiwan's historic commitment to liberating China from communist rule. This is being accomplished in league with the new, corrupt leadership of Taiwan's Nationalist Party, under Prime Minister Lee Teng Hui, which has chosen to join the Anglo-Americans in making blood-money from

"Greater China" and its junior partners, Thailand and Indonesia



the cheap labor on the mainland, kept docile by the Red Army tanks. (See "Taiwan Is Joining Beijing in the Destruction of China," *EIR*, May 21, 1993.) The first face-to-face talks between Taipei and Beijing towards realizing this sell-out of the Chinese people took place in Singapore April 27-29 under Lee Kuan Yew's guidance.

Singapore's character as a nation was aptly expressed in an interview by Reuters news service with Lee Kuan Yew's leading henchman, Goh Keng Swee. Goh served as Lee's deputy and economic czar throughout his career, and has been hired by Beijing as an adviser since his retirement from office in 1984. Explaining why Singapore has retained dictatorial security laws, including detention without trial, and "why we will need it almost for all time," Goh said: "The model was Venice, forerunner of the Renaissance. Being a small city-state is being exposed to all kinds of skulduggery from rival states working through the intelligence apparatus." Such dangers justify "preemptive arrests," Goh said.

The reference to Venice is anything but gratuitous. Venice was the center of the oligarchical efforts to destroy the Renaissance and its spreading influence in Europe and worldwide through the evangelization. The "Venetian Party" in 17th-century England, built by Venetians who moved north to extend their influence, shaped the Rosicrucian and Freemasonic apparatus that was to run the British Empire—in-

cluding in particular the horror of British policy in China.

Singapore and Hongkong have always shared the responsibilities as headquarters for British policy in Asia. Although Singapore has officially been an independent nation since 1964, Lee Kuan Yew's role as an agent for British policy made the island serve like a colony. Prime Minister Lee Kuan Yew, who received his law degree from Cambridge and was admitted to the English bar in 1950, had become allied with the Cambridge socialists who were to run British intelligence and foreign policy for the next half-century. In close alliance with the communists, he led a Singapore-based Chinese party which participated in the Malay independence struggle, only to break Singapore out of the Federation of Malaya in 1964 after race riots threatened to tear the nation apart—a classic form of British intelligence input.

Since the early 1980s discussions that led to the agreement to return Hongkong to China's control, Singapore's role has taken on an added significance. Lee has made clear that Goh Keng Swee's policy of Venetian tyranny is the necessary policy for all of Greater China.

In an interview published in the Winter 1992 *New Perspectives Quarterly*, Lee extended Goh's disdain for the rights of citizens to include unflinching support for Beijing's approach to crime and dissent: "Today in China one still sees televised executions. In a large stadium, the person is placed in the 'take-off-flying' position with their hands tied behind their backs. A revolver is pressed to the neck and they are polished off. Because the country is so vast and densely populated, there can't possibly be a policeman for each city block, so one must depend on the mass impact of this kind of retribution to bring about a semblance of order. It is probably the only way for the death threat to be effective. So, our values are different, as they always have been."

Lee not only defends this form of barbarism, but he defines this disregard for the sacredness of human life as an ingrained cultural value of the Chinese race. He defends the 1989 massacre of unarmed protesters at Tiananmen Square in the same way: "So, when one talks to Deng and the other leaders about human rights and about Tiananmen, where perhaps 1,000 students or workers were killed, let it be against this background. . . . Who gives him the right? He gave himself the right. That is part of Chinese culture. It's in the folk saying, 'I conquer the world, I rule the world.' "

Anyone who has even the slightest familiarity with Chinese culture knows that such an immoral Darwinian view of man and society is the antithesis of the fundamental tenets of Confucianism. In Confucianism, a ruler is granted the "Mandate of Heaven" only so long as he successfully guides the nation to provide for the needs of a developing society. Confucius quoted a sage king instructing his successor: "If there is want among the people, the Mandate of Heaven shall be taken from you forever."

To Confucius, Mencius and the 12th-century Confucian scholar-statesman Chu Hsi, who led a Renaissance of Confucian culture, man is defined by his unique capacity to cre-

atively investigate the lawful ordering of the universe (*Chung Yung*, Doctrine of the Mean), and to reflect the divine love (*jen*) of the Creator towards His creation. It was this world view, so in keeping with the Christian Platonism of the European Renaissance, which was recognized by the 16th- and 17th-century Jesuit missionaries, and their collaborator in Europe, Gottfried Wilhelm Leibniz, as the basis upon which the highly advanced culture and scientific development of China had taken place. Only with such a knowledge of man's true nature in the image of the Creator (*imago Dei*), wrote Leibniz, could China have achieved such a level of culture and population density with correspondingly high living standards. (See "Toward the Ecumenical Unity of East and West," by Michael Billington in *Fidelio*, Summer 1993.)

When Lee Kuan Yew refers to "folk sayings" that reduce the laws of society to the laws of the jungle, he is speaking not of the humanist Confucian tradition, but of the opposite Taoist and Legalist tradition, which has been the cause of every period of disaster in Chinese history. The British, of course, found their ideological allies precisely in this Taoist-Legalist world view, which denies man the innate divine spark of reason, viewing man instead as an animal of bestial passions who can only be controlled by leaders willing to restrict knowledge among the people, and control all social action through severe punishment and reward. Mao Zedong correctly identified this tendency as the precursor of Chinese communism.

Lee Kuan Yew's Taoist 'Confucianism'

However, Lee Kuan Yew is also a leading spokesman for the notion that the bestial image of man he ascribes to Chinese culture is the essence of Confucianism! (Indeed, in the 1980s he was instrumental in establishing a Confucian institute in Singapore, which drew scholars from all Chinese societies, including the mainland.) This fraud is justified by an appeal to the school of pseudo-Confucianism that developed during the decline of the Ming Dynasty in the 15th and 16th centuries, led by Wang Yang-ming. Wang essentially took Taoist and Zen Buddhist notions and ascribed them to Confucianism. Man need not consider causality in the universe, but can find all that is necessary to know through self-meditation, turning the concept of Mencius (that the mind reflects the entire universe) on its head. This school has functioned in a manner parallel to that of the Enlightenment in Europe, providing philosophical justifications for the oligarchical imposition of libertinism and tyranny.

Wang Yang-ming rejected the Confucian notion that man seeks atonement with God through the unending investigation of the efficient laws of creation imbedded in all things and processes of the creation, as had been most fully developed by Chu Hsi in the 12th-century Sung Renaissance. Instead, Wang substituted the irrationalist Taoist notion that the laws of nature are unknowable, that man can at best accommodate himself, through pragmatic, empirical activity, to a world which cannot be made intelligible to man. A

mystical “sudden enlightenment,” through self-examination, like that of Zen Buddhism, replaced the scientific investigation of the universe.

Wang degraded knowledge itself to the level of bestial instinct by equating knowledge with action. Naturally, authoritarian regimes preferred such an ideology, which justified the unquestioned acceptance of the authority of the ruler, and limited man to a role of relative insignificance. The fact that such societies lead inevitably to chaos and breakdown, as shown repeatedly in history, is of no interest to those who are only concerned with maintaining their own temporal power in the immediate future.

The communist regime, while primarily adopting the virulently anti-Confucian views of the Legalists, acknowledge Wang Yang-ming’s form of pseudo-Confucianism as a “progressive advance” on “idealistic” Confucianism. With the fall of Mao Zedong (known to some as “Tao” Zedong), there has been a broad revival of Confucian studies both on the mainland and worldwide. Those who desire the continuation of authoritarian regimes and materialist dogma have attempted to steer this revival towards the degenerate school.

That is how Lee Kuan Yew seeks to justify his claim—which is endorsed by most western scholars and political pundits—that Confucianism is in fact “communitarian” and lacks a positive sense of the worth and purpose of the individual outside of the collective. Such statements are not only false, but represent policy judgments, intended to prevent the reemergence of a renaissance Confucian movement based on the works of Chu Hsi and his followers through the past 800 years, up to and including Dr. Sun Yat-sen.

Lee Kuan Yew’s hatred for China’s true culture is most clearly revealed in his “explanation” for the prosperity of Hongkong and Taiwan as compared to the mainland. Hongkong, he says, owes its wealth to “100-odd years of British rule,” which “moderated” its “Confucian ways.” This is, of course, true in a perverted sense, since Hongkong’s wealth has always been centered on its role as headquarters for Britain’s international Dope, Inc. As to Taiwan, Lee totally ignores the fact that the Kuomintang under Chiang Kai-shek applied, perhaps imperfectly, the Confucian and Christian principles of Dr. Sun Yat-sen, including the Hamiltonian economic policies developed by Dr. Sun, to create the Taiwan “economic miracle.” Instead, he credits Taiwan’s distinction from the mainland to “50 years of Japanese rule”!

The British design for the rule of China after 1997 is to extend the corporatist colonial structure government of Hongkong to cover all of China, a process which requires little change in the dictatorial bureaucracy that already exists under the Chinese Communist Party. To that end, the New China Hongkong Group, Ltd. was created in February. Just as Hongkong’s ruling Executive Council is comprised of appointed representatives of the leading banks and trading companies, so the NCHKG combines a number of these same Hongkong corporate-political leaders together with representatives of the People’s Republic of China’s (P.R.C.) leading



Workers in an assembly line at one of Hongkong's leading radio manufacturing concerns. Lee Kuan Yew and friends want to reduce their wages to starvation levels by adding China's 200 million desperate unemployed to a "Greater Chinese" slave labor work force.

industrial corporations, all of which, of course, are run by the governing State Council or one of the ministries. Singapore also owns a piece, as do Taiwan and representatives of ethnic Chinese business communities in Indonesia and Thailand. The only non-Chinese membership is the Kissinger-linked Goldman Sachs. Altogether, 13 mainland firms own 32.5%, two Singapore government-linked companies hold 12.5%, and Hongkong firms, which include the Taiwan, Thai, and Indonesian holdings, have 55%.

When various voices were raised about the “conflict of interest” of the mainland government directly participating in this “capitalist” venture, the primary director of the venture, Hongkong real estate mogul T.T. Tsui, acknowledged that this was no different than the Hongkong model: “When you talk about fairness about doing business,” he told the *Far Eastern Economic Review* May 27, “there isn’t any fairness about doing business in Hongkong. The Executive Council, as you know, formulates plans and policies for H.K. In the past, the Executive Council has always had members from Swire, Jardine, and Hongkong Bank. Can you say this setup is fair for H.K. people?”

Prominent among the founders of the NCHKG is Li Ka-shing, who is the Hongkong connection to Kissinger’s Hollinger Corp. internationally, and is otherwise linked to the Dope, Inc. apparatus historically run through the Hongkong banking structure. Both Li Ka-shing and T.T. Tsui were

prominent members of the “advisers” group in Hongkong set up by Beijing last year to coordinate the transfer of power.

T.T. Tsui was chosen to build this new corporatist structure after 20 years of doing business with the mainland, including strong ties to the People’s Liberation Army and their massive arms industry. According to *Far Eastern Economic Review*, in 1981, Tsui established a trading company which facilitated China’s sales of arms to both sides of the Iran-Iraq War then raging. Tsui became the “darling of the Bank of China, receiving generous loans in the 1980s with which he leveraged himself to the hilt to acquire property,” said the *Review*. He bragged: “It was not Lu Ping [the head of Beijing’s Hongkong and Macao Affairs Office] whom I spoke with the first time. It was Li Peng and Li Lianqing,” China’s premier and minister of foreign economics and trade, respectively.

Not surprisingly, the first project of NCHKG is a \$70 million New China Hongkong Center, an office block in Beijing.

One of the leading mainland members of the NCHKG is Zhou Bei-sang, chairman of Shougang Holdings (H.K.), Ltd. Zhou is the son of the chairman of Shougang Corp., one of China’s biggest conglomerates. Zhou personally arranged for Deng Xiaoping’s son, Deng Zhi-sang, to join forces with Li Ka-shing in the purchase of several Hongkong firms. The most recent of these is Kader Investments, Ltd., the holding company of a toy factory in Thailand, which recently burned to the ground as a result of 19th-century sweatshop conditions. With no fire escapes or alarm systems, hundreds of workers were burned to death, including 100 high school-age girls. Apparently such working conditions meet the approval of this new business association, since the purchase took place within days of the fire.

The drive to break Taiwan

To the Anglo-American interests involved in the Greater China project, a primary goal is to break the historic commitment of the Republic of China in Taiwan to dirigist, infrastructure-oriented development policies—what was once known as American System or Hamiltonian policies. Dr. Sun Yat-sen, the founder of the Chinese Republic, had elaborated extensive development plans for China, emphasizing rail and water development for the vast interior. Taiwan’s Kuomintang government was historically dedicated to eventual reunification with the mainland based on realizing these plans. Over the past three years, under the new direction of Taiwan’s President Lee Teng-hui, Taiwanese businessmen have been lured by the fast money to be earned in the mainland development zones, based on dirt-cheap labor (which results from the collapse of the interior, which Sun Yat-sen had insisted must be developed), and on tyrannical repression of the population (which Sun had insisted must be free and educated).

One avenue for subverting Taiwan into participating in the destruction of China has been the Asia-Pacific Economic

Cooperation forum (APEC), an organization set up to run Asia on the basis of Anglo-American policy. The U.S. and Canada, along with Australia and New Zealand, are members of this “Asian” alliance. Its current director is C. Fred Bergsten, previously in the U.S. Carter administration’s Treasury Department and now head of a Washington-based think tank, the Institute for International Economics. Bergsten and APEC, whose headquarters is in Singapore, have made the passage of the Uruguay Round of General Agreement on Tariffs and Trade free-trade laws a first priority, and are encouraging the acceptance of Taiwan and the P.R.C. into the GATT net.

Bergsten revealed his intentions earlier this year when he called for the extension of the North American Free Trade Agreement (NAFTA) into Asia, to be called the Pacific-American Free Trade Agreement (PAFTA). NAFTA has served as a forum for creating the slave-labor zones called *maquiladoras* along the U.S.-Mexico border, which function in a manner very similar to China’s free trade zones. While the national economy of Mexico has been utterly destroyed by International Monetary Fund (IMF) demands for debt payments and privatization, the resulting vast unemployed army provides cheap labor to U.S. runaway plants in the border areas—benefitting neither the United States nor Mexico, while feeding the cancerous debt bubble in the Anglo-American financial institutions. PAFTA would extend this to Asia, linking up with the Chinese cheap labor pool.

A stumbling block to this looting process is the potential of the advanced economies of Asia, especially Japan, South Korea, and Taiwan, linking up with the developing sector nations of the Association of Southeast Asian Nations (ASEAN) to the purpose of developing the industrial and agricultural infrastructure in the region as a whole, and in opposition to the exclusive emphasis on low-technology, cheap-labor processing industries for export, as demanded by the IMF. The U.S. has attempted to undermine just such an alliance, proposed by Malaysia’s Premier Dr. Mahatir Mohamad, the East Asia Economic Group (EAEG).

The purpose of “Greater China” is the same: to prevent the development of China. The extensive support extended from the West for this scheme is perhaps best explained by the outlook towards China in the current bestseller in Europe and America by Yale University historian Paul Kennedy, *Preparing for the Twenty-First Century* (see review in *EIR*, June 11, 1993). Based on the malthusian quackery that the greatest threat to the world is demographic growth, and making full use of the environmental hoaxes of global warming, etc., Kennedy concludes that China (and India) must at all costs be kept in a state of low energy use and primitive existence. Were China and India to really develop, he writes, this would have “appalling consequences for their environments,” and would “also threaten the earth’s overall atmosphere.” He quotes another “expert”: “China’s industrial ambitions . . . pose a threat to the planet.”