

Arkhangelsk to Kushka”—everywhere in the Soviet Union, regardless of the lack of infrastructure or appropriate climatic conditions. He became known as Nikita Kukuruz (Nikita the Corn). By October 1964, “Khrushchov’s moral authority had declined to an all-time low.”

Comparisons have their limitations, Mikhailov acknowledged, but the question arises: “Are we living through a revolutionary situation today?” Yes, he answered, and “the situation in 1989 is immeasurably more acute than it was 25 years ago. In 1964 we had no inkling of the present interethnic conflicts and ecological problems, the scale of today’s inflation, the situation that exists on the food and commodity market, the burgeoning of organized crime, corruption, and so on and so forth. . . . It is clear, however, that no society can remain in a state of tension for long. A relaxation of tension will come, in one way or another. How and when—those are the questions that only time can answer.”

Mikhailov compared the 1964 crisis in the Communist Party, which Khrushchov had divided at every level into separate sections for agriculture and for other matters, with today’s admitted “decline in party’s authority in the eyes of non-party population” and “growing confrontation between local party apparatus and central leadership.” Because of this, he said, the question is posed: “Will the party be able to exercise control over the situation in society? . . . Will parallel power structures spring up in the country? . . . A duality of power can only exacerbate the chaos and bring the country to the brink of civil confrontation. And from here it is not far to the introduction of a state of emergency, the formation of an emergency Committee of National Salvation (or whatever it may be called), the suspension of the Constitution, the dissolution of parliament, and so on, and so forth. It is not a sociologist’s job to frighten people, but elements of the duality of power already exist. Alongside the official organs of power, informal associations are being set up that are prepared to assume authoritative powers—people’s fronts, united councils of labor collectives, strike committees. . . . Regardless of the purposes for which they are set up, today they are already playing an objectively destabilizing role (a graphic example of this is the strikes).”

Cataclysm forecast

In case foreign devotees of *perestroika* missed the point, Soviet emissaries themselves came heralding the internal crisis of the U.S.S.R. “If *perestroika* falters and dies . . . the cataclysm will spread not just in the Soviet Union but in the United States as well,” Supreme Soviet member Boris Yeltsin told a Johns Hopkins University audience in mid-September. Forecasting revolution, Yeltsin sought Western economic infusions, allegedly to prevent such a turn of events.

In Germany, Deutsche Bank board member Eckard van Hooven told on Sept. 16, that the possibility of military coups in Eastern Europe was a big consideration in his bank’s deliberations about new loans to the East.

‘Che scandalo, Mr. Kissinger!’

by Mary M. Burdman and Scott Thompson

“What a scandal, Mr. Kissinger, that advice on China!” the Italian daily *Corriere della Sera* ran on its front page Sept. 16. The whole nasty scandal about “international political guru” Henry Kissinger’s very venal personal financial interests in the People’s Republic of China is being well publicized throughout Europe, following the publication Sept. 15 of a feature article on Kissinger in all international editions of the *Wall Street Journal* based extensively on material first published last spring in *EIR* and the weekly newsletter *Middle East Insider*.

Quite a few of Kissinger’s friends were also hit by the scandal, when the *Journal* reported Sept. 18 that President George Bush’s brother Prescott had spent the previous weekend in Beijing trying to negotiate business deals to build luxury real estate, and that former NATO Supreme Commander and former Secretary of State Gen. Alexander Haig—a long-term intimate of Kissinger—would deliver the keynote address in Kissinger’s stead at the 10th anniversary of the founding of China International Trust and Investment Corporation (CITIC), one of China’s biggest multinationals and a big weapons dealer.

The fact is also being duly noted, that Kissinger and the President for whom he opened up Communist China, Richard Nixon, are both refusing to give up their planned trips to China, even after the military crackdown in June in which at least 10,000 Chinese citizens were murdered and some 120,000 more imprisoned, according to the estimates of student leaders who fled Beijing. Both will go to China “privately,” after the controversial Oct. 1 celebrations of the 40th anniversary of the Communist seizure of power in China. The Communist authorities have made it abundantly clear that they will be maintaining martial law throughout the celebrations and for a long time afterwards. Kissinger will slip in in November to meet with the many people in high places in Beijing who do business with him, and Nixon will also visit sometime after October. “The purpose of the solo trip would be to have extensive discussions with the top leaders of Communist China,” the Taipei daily *China Post* quoted Nixon’s spokesman Sept. 13. “He is of course in touch with the U.S. government about his plans, and they have com-

municated to him their views.”

Kissinger seems to be taking his cues from his good old friend, Chinese leader Deng Xiaoping. In a statement to leaders newly promoted after the June 4 massacre, which appeared in the Taipei publication *Inside China Mainland* this month, Deng said, “The recent rioting gave us a great deal of enlightenment and refreshed our minds. Without the socialist road, China has no future, and without it there would not be the great China-U.S.-Russia triangle of world power. . . . I tell Americans, China’s greatest asset is its stability. Anything which contributes to the nation’s stability is a good thing.”

The *Wall Street Journal* article described Kissinger’s operations: “Mr. Kissinger’s interests include a limited partnership called China Ventures. It was established in Delaware to pool \$75 million raised from U.S. investors for joint ventures with CITIC. Mr. Kissinger was designated chairman of the board and chief executive officer of the general partnership with executive responsibility for managing its affairs.” The other board members of China Ventures are a “Who’s Who” of the top clients of Kissinger Associates, Kissinger’s lucrative international consulting firm. They include Maurice R. “Hank” Greenberg, president of the American International Corp., which has insurance joint ventures with Chinese banks; Anthony J.F. O’Reilly, president of H.J. Heinz, a Kissinger client that has a major joint venture in the P.R.C.; James D. Robinson III, chief executive officer of American Express, which since Henry Kissinger became a board member has invested \$1 billion in Red China; and, Donald R. Keough, president of Coca-Cola, another Kissinger client that has multiple soft drink joint ventures in China. Another is former Treasury Secretary William Simon, who was to have accompanied Nixon to China.

The article also described the America-China Society, which operates out of the New York headquarters of Kissinger Associates: “It is hard to tell at times where such cultural activities end and Mr. Kissinger’s business interests begin. Last July, for example, he led a delegation of U.S. businessmen to Beijing on behalf of the America-China Society. Three of 13 executives on the trip were clients of Kissinger Associates. In China, their host was Rong Yiren, the chairman of CITIC, the Chinese government agency then in the midst of negotiating the deal with China Ventures.” Shanghai banker Rong Yiren is Red China’s biggest international capitalist. Although he has never joined the Communist Party, he has always been protected, even in the depths of Mao Zedong’s Great Proletarian Cultural Revolution.

Among those caught flat-footed was ABC news team leader Peter Jennings, who claimed that he had not known of Kissinger’s extensive business ties to Red China, when he chose Kissinger to be the principal commentator on the morning of June 4, after the Chinese government massacred students who had gathered to protest for democracy at Tiananmen Square. Jennings told the *Journal*, “If I knew then what

I know now, I would not have wanted him on that broadcast, plain and simple. And I think my management would have understood that perfectly.” The day before the *Journal* article first appeared in the United States, Kissinger’s lucrative seven-year stint with ABC was terminated, and he joined the board of CBS, Inc.

Story spreads throughout Europe

The *Journal* article sparked press coverage throughout Europe, including in the French daily *Libération* and both the British *Daily Telegraph*—despite the fact that Kissinger sits on the board of directors of the Hollinger company, which owns the paper—and the *Times*, which began its “Diary” column Sept. 20 with the words: “The reputation of Henry Kissinger suddenly appears rather tarnished.”

But *Corriere* was nastiest, and most revealing. A “brutal . . . but inevitable” question is being posed, Washington correspondent Rodolfo Brancoli wrote, whether Kissinger’s statements defending Deng Xiaoping and opposing sanctions against China in the name of “realpolitik” were done for political motives, or to protect lucrative financial activities with the P.R.C. government.

Kissinger’s statement, that “the idea that I would take a public position in order to curry favor with the Chinese government for clients is outrageous,” was uttered, Brancoli writes, as if Kissinger were surprised that the Kissinger “myth” was not sufficient to protect him from suspicion. No other ex-secretary of state may be subjected to the scrutiny Kissinger complains of, *Corriere* said, but no other “ex” stepped into an international consulting firm and “pontificates” in the media while he advises the President as a member of a small committee that has access to the most important national security secrets of the United States, and to the mass of U.S. intelligence, thus pinpointing the key issue that Kissinger is *not* an “ex” official, but an active member of an important government body, the President’s Foreign Intelligence Advisory Board.

John Fialka’s *Journal* article significantly overlooked the fact that because Kissinger is a member of PFIAB, through which he has given the President China-policy advice similar to his outrageous public statements, Kissinger may have violated Title 18, Section 208 of the U.S. code, and be liable for a two-year prison sentence if found guilty.

Also not mentioned by the *Journal* is Red China’s lucrative opium trade, and the Kissinger links to its Western partners. A subsidiary of Midland Bank PLC, which now Deputy Secretary of State Lawrence Eagleburger personally handled as a client for Kissinger Associates when he was president of that firm, had been indicted by the Treasury Department for laundering \$3.98 billion between 1980 and 1984, of which \$3.43 billion had come from six Hong Kong banks, including the Hongkong and Shanghai Bank, the premier bank for “Golden Triangle” drug production, which is now a partner of Midland Bank.