

Tiananmen Papers” has less to do with China’s 2002 succession, than with the Wall Street-CFR desire to have the new U.S. Administration provoke *whatever* convenient strategic crisis it can manufacture, in response to the financial crash.

The CFR “Tiananmen” story breaks just after the late-December appointment of Donald Rumsfeld and Paul O’Neill as U.S. Defense and Treasury Secretaries, as promoted by their former protégé, Vice President Richard Cheney. A July 1998 report of the “Commission to Assess the Ballistic Missile Threat to the United States,” chaired by Rumsfeld, promoted the idea that the United States needs to be concerned immediately about a nuclear threat to America from North Korea and China, and from various “rogue” states by 2003. Since the report was issued, *EIR* has received numerous statements by neo-conservative GOP Asia analysts, that any new GOP administration in 2001 would adopt this report wholehog and set up North Korea and China as the new enemy image for the United States.

Other strategic context items include the Oct. 11 report by the Pentagon’s National Defense University, “The United States and Japan: Advancing Toward a Mature Partnership,” which calls on the United States to ditch the Clinton partnership with China, push Japan to rearm, and prepare for a military confrontation with China. “A large concentration of U.S. forces in Japan — approximately 75% — are stationed on Okinawa,” the report states, “because in matters of security, distance matters. Okinawa is positioned . . . only about one hour’s flying time from Taiwan, Korea, and the South China Sea.”

The CFR “Tiananmen Papers” story also breaks only weeks after CFR leader Winston Lord, with his blueblood Chinese wife Betty Bao Lord, who had been deeply involved in promoting the 1989 events in Beijing, visited both China and Taiwan.

It is also noteworthy that on Jan. 6, Japan’s Nikkei News reported that the U.S.-North Korea agreement is “already falling apart,” according to Bush-linked sources. The U.S. defense establishment, Nikkei reports, is already demanding that North Korea accept cancellation of the nuclear reactors promised by Clinton in 1994, in exchange for which Pyongyang stopped its own nuclear program. North Korean Chairman Kim Jong-il is already under intense criticism from his own military for going very far in the peace process with Clinton and President Kim Dae-jung in the South. Such a Bush insult to Pyongyang would be a red flag for the North Korean elite.

The CFR “Tiananmen Papers” ploy, and the provocations of North Korea, demonstrate that the “crisis-management” teams, from both sides of the supposed liberal/conservative “divide,” are preparing the way for the new administration’s foreign policy to be a disaster. The coincidence of the CFR domestic interference in Chinese politics, and Bush kicking Pyongyang in the face, will not be lost on the combined Chinese and North Korean military. It is deliberately meant to provoke them.

The CFR’s and George Soros’s ‘Man in China’

by Michael O. Billington

Although the release of the so-called “Tiananmen Papers” by the Council on Foreign Relations (CFR) in New York is primarily for Western consumption, it is also true that the CFR leadership of the Liberal Eastern Establishment in the United States, is issuing a declaration concerning the direction it prefers for Chinese economic and social policy. That preference is revealed by the figure put forward as the “hero” in all the commentaries on the release of the papers. Zhao Ziyang was Secretary General of the Chinese Communist Party and heir-apparent to senior statesman Deng Xiaoping at the time of the Tiananmen Square crisis in 1989. Columbia’s Prof. Andrew Nathan, the central figure in the preparation of the material for publication of the “Tiananmen Papers,” told Mike Wallace on the CBS show “Sixty Minutes”: “Do we go back to what Zhao Ziyang advocated and which he failed to carry out in 1989? Do we get back onto the track of evolution? That’s the really big struggle over the future of China. That is what these papers are about.”

Who is Zhao Ziyang? What is the “track” that these spokesmen for the dying beast on Wall Street demand for the Chinese nation, with the threat of sanctions and military confrontation emanating simultaneously from the incoming Bush Administration?

Zhao is portrayed as the advocate of democracy and freedom for the Chinese people, against the hard-liners, such as Deng Xiaoping and then-Premier Li Peng, who ordered the crackdown on the mass demonstrations in Tiananmen Square on June 4, 1989. However, the truth is that Zhao had become, by that time, the spokesman for the Anglo-American financial cartels and the rapacious “shock therapy” looting of the Chinese economy and the Chinese population, a policy that was subsequently implemented in Russia and the other East bloc nations in a manner now widely recognized as not only destructive, but genocidal (see Sergei Glazyev, *Genocide: Russia and the New World Order* [EIR News Service: Washington, D.C., 1999]).

In May 1981, a few years after Deng Xiaoping initiated the reform and “opening up” policies which saved China from the devastation of the Cultural Revolution, there was a conference in Beijing of David Rockefeller’s and Henry Kissinger’s Trilateral Commission. At that meeting, Chase Manhattan Bank’s chief, William C. Butcher, told Xinhua News Agency that China’s reform would only succeed if the leadership rejected large industry or great development projects in favor of labor-intensive production. Heavy industry and infrastruc-

ture, he said, “take two great things, a great deal of energy and a great deal of money, neither of which are abundant in China.” Instead, it was proposed that China’s vast population be made available as cheap labor to Western process industries, primarily for export, as a means of accumulating foreign currency.

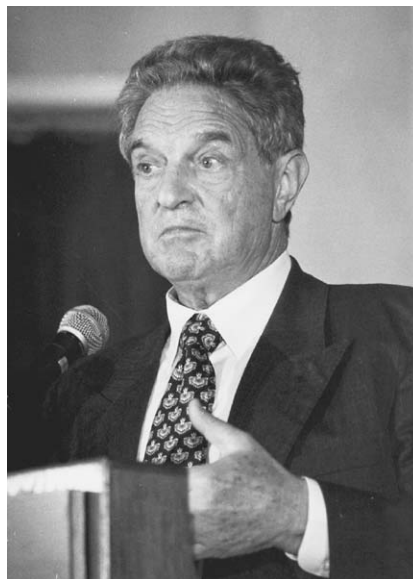
Some Chinese leaders, including some considered “pro-reform,” such as Hu Yaobang (who preceeded Zhao Ziyang as Secretary General of the CCP), opposed the “process industry” approach as portending the revival of the old 19th-Century colonial concessions, since it would not serve as a locomotive for developing China’s own domestic industrial capacity. He denounced what he called the “two ends outside,” referring to industries which imported raw materials and semi-finished goods from “outside” the country and merely processed them into exports, returning the product to the “outside.” This, he warned, would simply utilize the cheap labor of a desperate Chinese population, without improving either the population or the national economy in the long run.

Zhao Ziyang and George Soros

Zhao Ziyang, on the other hand, enthusiastically endorsed the policy, and the ideology that went with it. After a trip to the United States in the mid-1980s, Zhao returned with a booklist for all the college campuses, composed of fascist economists from the Vienna School of von Mises and von Hayek, with Milton Friedman’s “shock therapy” tomes at the top of the list. Friedman subsequently visited China repeatedly during the 1980s, becoming known as “Chinese Milton.” After a well-publicized interview with Zhao Ziyang, Friedman reported that he had found his man: “We have a good impression of this person and his wisdom. He has profound knowledge of economic problems and is determined to enlarge the scope of the market. He is willing to experiment and learn, and listen humbly to the suggestions and opinions of others.” A British colonial Consul couldn’t have been more precise.

Also included on Zhao Ziyang’s curriculum were Samuel Huntington’s proposals for dictatorial imposition of free trade and deregulation, the Club of Rome’s anti-population hoax *Limits to Growth*, Norbert Wiener’s cybernetic prognostications on the mind as a machine, and Alvin Toffler’s lunatic ravings on the Third Wave and post-industrial society. Following one of Toffler’s visits to China, he praised Zhao Ziyang as the great hope for China. Toffler fantasized about the ideal Chinese future, without ugly “Second Wave” industries, picturing a peasant wading through his paddy field, talking to his broker on a cellular phone, placing futures contracts on the derivatives markets!

Another promoter of Zhao Ziyang’s policies was George Soros, the Hungarian-born asset of the British Rothschild interests, who made a fortune as a hedge-fund gambler. Soros would soon become famous as the sponsor of Harvard economist Jeffrey Sachs and the “shock therapy” destruction of Russia and Eastern Europe, after the fall of the Soviet Union.



Mega-speculator George Soros was one of those Western free-trade fanatics, along with economist Milton Friedman, who pronounced Zhao Ziyang “their man” in China, back in the late 1980s.

Zhao arranged for Soros to come to China, where he financed both a semi-official think-tank associated with Zhao, and an independent think-tank later held responsible by the government for coordinating the 1989 demonstrations. Soros also financed the deployment of young economists to the West, including to Chile, to study the methods of Milton Friedman’s “Chicago School” at first hand. Soros was an ardent advocate of the Alvin Toffler-style “post-industrial” economics, denouncing the hydroelectric dams and steel mills built under Stalin as “pyramids built by a modern pharaoh.” He described the problem in the Soviet Union in the late 1980s as resulting from the “lack of an accomplished economist” like Zhao, with his think-tank full of “brilliant young intellectuals at his disposal.”

The result of the emphasis on the “process industry for export” approach, was a cutback in investment in both agriculture and in maintaining the aging heavy industry. A huge number of peasants and unemployed workers from the interior began pouring into the cities on the coast, becoming known as the “blind flow,” recycling in and out of the low-skill jobs in the largely foreign-owned process industries, and contributing to a growing unrest. The student demonstrations in the Spring of 1989 intersected this unrest in the general population.

The demonstrations were, on the one hand, filled with references to the rich moral tradition of both East and West: the sayings of Confucius, the Three Principles of Sun Yat-sen, quotes from Abraham Lincoln, and the music of Beethoven played on the loud-speaker system. But the opposite tendency, towards anarchy and libertarianism, was also present. It has been widely discussed that the cooler minds among the leadership of the demonstrations were attempting to end the occupation of the Square after the government had arranged official meetings with their spokesmen. However, the young “hunger strikers,” goaded on by the world’s press, took over

the strike process, preventing any resolution. Increasingly, the demonstrations took on the character of an ungoverned mob with no purpose other than the destruction of authority — a fact admitted even by the organizers of the earlier stages of the process.

Such a situation was not without precedent in recent Chinese history. The disastrous Cultural Revolution had ended only 13 years earlier. Deng Xiaoping and others of the Chinese leadership had seen the country nearly destroyed, while many, including Deng, had been jailed and tortured by the “Red Guard” mobs. The vision of another outbreak of such anarchy, destroying the considerable progress that had been achieved through the reform process, was anything but a paranoid reaction to the events on Tiananmen Square.

Consider, in context, the attribution of the following words (whether truly or falsely) to Deng Xiaoping in the “Tiananmen Papers”: “We should be extra careful about the laws, especially the laws and regulations on assembly, association, marches, demonstrations, journalism, and publishing. Activities that break the law must be suppressed. We can’t just allow people to demonstrate whenever they want to. If people demonstrate 365 days a year and don’t want to do anything else, reform and opening up will get nowhere.”

Reform and Development

Following the military operations to crush the demonstrations in Tiananmen Square, Deng Xiaoping and the Chinese leadership did *not* allow a return to isolation, nor to total central planning. What the leadership *did* do, was to banish George Soros from China. This, and the removal of Zhao Ziyang from his leadership position, helped to curtail the tendency toward shock therapy, and led to a reconsideration of the policy of prioritizing the free-trade zones on the coast, at the expense of agriculture and the development of the interior. The “great project” ideas, to transform the nation, then came to the fore, such as the Three Gorges Dam, the Great Eurasian Land-Bridge, magnetically levitated trains, and the expanded use of nuclear energy.

Compare the developments in China with the devastation of the former states of the Soviet Union during the 1990s, when the policies of George Soros and Henry Kissinger reigned supreme. Look at the financial crisis which swept Asia in 1997, orchestrated by the speculative looting of George Soros, and enforced through the conditionalities of the International Monetary Fund, leaving the region in deep depression, plagued by separatist and communal violence spawned by the economic breakdown. Not only was China relatively self-protected from the speculation, through the retention of protective measures for its economy, but China’s stability was also essential for the rest of Asia, in surviving at least as well as it has thus far.

Is this why Professor Nathan and the fellows at the Council on Foreign Relations want to “go back to what Zhao Ziyang advocated”?

Danger From Bush’s ‘Crisis Management’ Team

by Our Special Correspondent

The Dec. 28 appointment of Donald Rumsfeld as Defense Secretary, and the earlier appointment of Paul O’Neill as Treasury Secretary, both originally suggested by Vice President Richard Cheney, brings to Washington the same team of “crisis managers” who ran the 1974-77 Ford-Rockefeller Administration. Last time, they crisis-managed the after-effects of Nixon’s 1971 U.S. dollar crash; the post-Watergate constitutional crisis; the mid-1970s oil shock; the decline of U.S. power in Asia, after the loss of Vietnam; and the New York City bankruptcy, which nearly brought down every bank on Wall Street. The result was to continue the wrong policy course which had created the mess, and to pave the way for the even more disastrous Jimmy Carter Trilateral Commission-dominated Administration that followed.

The new Bush crisis-management team is heavy on the apparatus of the RAND Corp., the Pentagon spin-off which specializes in managing war scenarios around the world, where O’Neill was chairman, and Rumsfeld an active trustee at the time of their December appointments. Facing a global financial breakdown, “the game is to use crises and crisis-management to try to set up a world dictatorship,” *EIR* Founding Editor Lyndon LaRouche said on Jan. 10, “which will use terror to try to get Europe in line, behind wars with Russia, China, Africa, South America,” including the use of military special warfare operations.

China, North Korea, Iran, Iraq, and other countries dubbed “rogue states” by Margaret Thatcher in her 1996 Fulton, Missouri speech, are the special targets to provoke crises. The elite defense establishment’s July 1998 “Commission to Assess the Ballistic Missile Threat to the United States,” headed by Rumsfeld, concluded that China, North Korea, and other “rogue states” will pose a direct ballistic-missile threat to the American mainland by 2003.

In his Dec. 28 press conference with Rumsfeld announcing Rumsfeld’s appointment, George W. Bush praised the “alarming findings” of the 1998 Rumsfeld Commission report



Donald Rumsfeld