

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

on the missile threat, and said that he wants Rumsfeld to do a “selling job on missile defense.” This refers to the National Missile Defense (NMD) and Asian Theater Missile Defense (TMD), for which the Pentagon proposes to place elements in Japan and South Korea. China, Russia, South Korea, France, and other nations have declared it a red flag, designed to provoke a new Cold War arms race.

1970s Crisis Encore

This same “crisis management” team had worked together in the unprecedented constitutional crisis of Watergate and the accompanying 1970s disasters mentioned above. After President Nixon was forced out, Rumsfeld became head of the 1974 Ford transition team, then Ford’s Director of White House Operations, and then Ford’s White House Chief of Staff. When Rumsfeld became Defense Secretary in 1975, he brought in his protégé, Richard Cheney, to replace him as White House Chief of Staff, and brought O’Neill into Ford’s Office of Management and Budget. (The new Bush U.S. Secretary of State, Colin Powell, was also at the Ford OMB and was the protégé of Frank Carlucci, O’Neill’s closest colleague there.)

Now, Vice President-elect Cheney has overseen the re-selection of Rumsfeld as Defense Secretary; Cheney said recently that Rumsfeld is the “role model” for his life. There are so many other Ford Administration re-runs in the Bush crisis-management team — including today’s hapless Federal Reserve Chairman Alan Greenspan, who was on Ford’s White House Council of Economic Advisers — that even the Dec. 29 *Washington Post* had an article titled “Ford Administration Players Return for an Encore.”

Of course, even more obvious is the fact that the George W. Bush Cabinet is a replay of his father’s regime, which was the epitome of government-by-crisis-management, beginning with the December 1989 invasion of Panama to serve a “global cop” arrest warrant on Gen. Manuel Noriega. Both Cheney and Powell were pivotal crisis-managers in the 1991 Operation Desert Storm war against Iraq, which, a decade later, has left the Persian Gulf in a state of perpetual conflict and looming war danger.

‘Sarajevo Was an Accident’

The classified portion of the July 1998 Rumsfeld Commission report contains “hawkish statements” by Rumsfeld specifically with regard to China and North Korea, as direct missile threats to America, the *Washington Times* reported in front-page coverage of his appointment on Dec. 29. The *Times* has been a special recipient of regular leaks of classified information attacking China and North Korea from high-level defense sources, and there is no reason to believe they would wish to distort Rumsfeld’s view on the matter and jeopardize that relationship.

The 1998 Rumsfeld Commission report was taken very seriously within the U.S. military-industrial complex. Its for-

mat was to criticize the then-existing 1995 official U.S. National Intelligence Estimate (NIE) on missiles by the CIA, for not taking the missile threat seriously enough in a short enough time frame. Subsequently, in September 1999, the CIA issued a new NIE on the missile threat, changed to match the Rumsfeld Commission findings, stating that North Korea, Iran, Iraq, and China will be a substantial threat to the United States starting in 2003.

Following the Rumsfeld Report, GOP Thatcherites, led by House International Relations Committee Chairman Rep. Benjamin Gilman (R-N.Y.) and Senate Foreign Relations Committee Chairman Jesse Helms (R-N.C.), made months of hair-raising statements about potential North Korean and Chinese missile attacks on America. Gilman, in one 1999 speech, said that Seattle was in immediate jeopardy of a North Korean hit. Helms hosted extensive testimony on the North Korean-Chinese threat and the urgent need to change the NIE, by CIA missile expert Robert Walpole in September 1999.

The NMD and TMD programs were also given a \$6 billion funding boost and put on a fast track after the 1998 Rumsfeld Commission report, but failed in testing as recently as this past summer, leading President Clinton to postpone consideration of National Missile Defense.

Meanwhile, reality on the other side of the Pacific is that peace has broken out in Asia. China has continually made every effort to further its partnership with the United States, begun by President Clinton, and North Korea has opened up dramatically to the South and the United States.

Oblivious, George W. Bush plans a new boost for the NMD-TMD, and Rumsfeld, standing at his side, on Dec. 28, said that the “export of know-how to field missiles that could hit the United States,” a charge usually made against North Korea and China, is “proliferating around the world, and I consider that to be a threat.”

“With a blood-lusting hyena like Ashcroft as Attorney General, Rumsfeld for DOD is like the appointment of Andropov in the U.S.S.R. as its empire was dying — and about as appropriate,” Asia hand Dr. Chalmers Johnson commented on Dec. 31. “This all looks very much like the last days of the Soviet empire, which was also stuck in an 18th-Century paradigm which didn’t work, with reactionaries in charge of the government. . . .

“The U.S. just doesn’t work anymore, but the Bush people are utterly incapable of seeing this. The electric grid is collapsing because of deregulation, the tires are made so poorly that they are blowing up the cars, the country, everywhere we turn, is falling apart due to lunatic ideologies. So, under those circumstances, they try to bring back people from the ‘good old days,’ ” said Dr. Johnson.

Asked about a possible new U.S.-China confrontation, Johnson warned that Taiwan today “is the equivalent of Sarajevo in 1914. There was no interest in an actual war at that time either, but with such crazy people in what they think is power, it’s very dangerous.”