

The New York Times targets McKinsey for doing business with China and Russia

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In an extraordinary article last weekend running to more than 6,000 words, the *New York Times* effectively issued notice to major American banks, investment houses and corporations to fall into line with US foreign policy as determined and prosecuted by the CIA, Pentagon and State Department.

The article entitled “How McKinsey has helped raise the stature of authoritarian governments” purports to be an exposé of the activities of the global management consulting firm that was founded in 1926. Undoubtedly McKinsey & Company have been engaged for decades in sordid deals with unsavoury individuals, corporations and governments—many with close ties to Washington. The purpose of the article is not to embarrass McKinsey and other American corporations into ending such operations, but to ensure that they march in lockstep with broader national interests.

Much of what is revealed is not new. The decision to publish the article now is completely bound up with the advanced preparations being made in the top levels of the American state apparatus for confrontation and war with China and Russia—the countries regarded by Washington as the chief threats to the continuing global domination of US imperialism.

As a result, the arguments advanced by the *New York Times* are thoroughly hypocritical and regurgitate the lies and half-truths that emanate from Washington. For decades, US administrations have shamelessly exploited “human rights” as a propaganda tool to vilify their rivals and enemies, while maintaining a studied silence on the abuses of autocratic regimes that are US allies and in some cases were installed by Washington.

The *New York Times* increasingly functions as a naked propaganda arm for US imperialism. Unsurprisingly, its so-called exposé of McKinsey’s activities is focused almost entirely on China and Russia to the exclusion of any mention, for instance, of the military dictatorship in Thailand, the one-party state of Singapore or the Stalinist police-state in Vietnam, to name a handful of the many

countries where American interests preclude criticism of human rights abuses.

In the case of Russia, the article repeats the denunciations of the Putin regime and its conflict with the Ukraine, following the US-backed ouster of elected Ukrainian President Viktor Yanukovich by fascist-led demonstrations. It delves into McKinsey’s relations with Yanukovich and the Ukrainian oligarch Rinat Akhmetov, who also had ties with Paul Manafort, a former Trump campaign adviser. All of this is grist for the mill of the allies of the *New York Times* in the Democratic Party, who are intent on pursuing President Trump for his alleged collusion with Moscow and claims of Russian interference in the 2016 US presidential elections.

The most significant aspect of the *New York Times* article, however, is its central focus on China and the involvement of McKinsey with aspects of the Chinese government’s policies that are now under sustained attack by Washington.

The article starts with a highly-coloured account of the McKinsey retreat in western China this year, where “hundreds of the company’s consultants frolicked in the desert, riding camels over sand dunes and mingling in tents linked by red carpets” while just miles away “a sprawling internment camp had sprung up to hold thousands of ethnic Uighurs.” The opening was not accidental: the detention of Uighurs is currently the hot issue being exploited in Washington, not out of any concern for democratic rights, but as a means of encouraging separatist movements and undermining the Chinese regime.

The *New York Times* also hones in on McKinsey’s involvement in two central policies of Chinese President Xi Jinping—the massive infrastructure plans known as the Belt and Road Initiative to link Eurasia, and “Made in China 2025,” a program that aims to ensure China is globally competitive in hi-tech sectors such as robotics and chip manufacture. Washington is fundamentally hostile to both plans because, if successful, they would undermine the strategic position of US imperialism in Eurasia and the world, and the economic dominance of key American

corporations.

The article is part of a rising drumbeat of criticism of the Belt and Road Initiative (BRI) for creating “debt traps” for countries involved. It implies that McKinsey colluded with the Chinese regime in encouraging Malaysia to sign up to expensive infrastructure projects such as a \$13 billion railway down the country’s east coast—now scrapped by the new Malaysian government. The *New York Times*, of course, ignores the fact that the US has for decades exploited loans and investment to pressure and bully countries to follow its policies.

McKinsey’s “crime” is that it has engaged with nine of the 20 top BRI contractors in China, “extols the benefits of the Belt and Road Initiative,” and managing partner Dominic Barton, “has served on the advisory board of China Development Bank, one of the two biggest Chinese lenders to the Belt and Road Initiative.” In what is a thinly veiled racist slur, the *New York Times* notes that more than 90 percent of the company’s 350 consultants in China are of Chinese descent.

For good measure, the article points out that one of McKinsey’s clients, China Communications, was involved in building “artificial islands” in the South China Sea—another target of US propaganda, not to mention provocative “Freedom of Navigation Operations” by US warships to challenge Chinese sovereignty.

As for “Made in China 2025,” the Trump administration is demanding that China dismantle the program, claiming that it involves intellectual property theft and illicit state subsidies. The *New York Times* openly acknowledges that the policy is “rattling European and American leaders who fear the plans will undermine their economies and set the stage for Chinese dominance.”

Significantly, the newspaper does not accuse McKinsey of breaching US sanctions or breaking US laws. In relation to Russia, it states: “But the larger question is whether the company, in pursuing legitimate business opportunities abroad, is helping to shore up President Vladimir V. Putin’s autocratic leadership.”

The implication is that it is no longer sufficient for American companies to pursue economic opportunities within the bounds of the law, but rather that their activities must be wedded to and integrated with the foreign policy and war preparations of US imperialism. Also implicit is that if McKinsey and other corporations are not prepared to adjust their businesses voluntarily, concerted pressure should be brought to bear, including via legislation if need be, to force them into line.

Behind the scenes, preparations are being made for all-out war, in which every arm of the state apparatus and economy will be marshalled. The Pentagon released a report in

October surveying American reliance on foreign sources, particularly rivals such as China, for key strategic materials and items. It declared that China’s economic strategies posed “significant threats to the US industrial base and thereby pose a growing risk to US national security” and called for “a solid defence industrial base, and resilient supply chains” to be “a national priority.”

In other words, the US had to ensure industrial capacity for protracted total war with China. The unstated corollary is that American corporations cannot aid US “enemies” by assisting economic activities that will bolster their military and strategic capacities to resist US aggression. The subordination of American companies to US interests is in line with the Trump administration’s nationalist and protectionist policies and moves towards economic warfare with China. It recalls the “corporatist state” of the Italian and German regimes of the 1930s that integrated companies with the state apparatus.

The very real danger of a catastrophic war between China and the US, both armed with nuclear weapons, is being discussed increasingly openly in the establishment media. In a worried comment yesterday, *Financial Times* correspondent Gideon Rachman pointed out that the aggressive US stance towards China was not just a policy of Trump but involved “a profound and bipartisan shift in American thinking”—that is, in ruling circles. He urged Beijing to accommodate to Washington as “it could be its last chance to head off a long-term confrontation with the Americans.”

While urging a deal between the two powers, Rachman warned: “It is not realistic to think that the US can ultimately stop China’s rise. Indeed, any effort to do that will lead to a dangerous surge in tensions. And that could easily end in war.”

The *New York Times* article underscores that advanced preparations are being made at all levels in the US for war with China. The American “paper of record” is already deeply integrated with the US military-intelligence apparatus, and is now urging that, in one way or another, American corporations have to do the same.



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