

Trilateral Commission Meets In Washington

Endorses World Bank, IMF policy role

Exclusive from New Wave

WASHINGTON — Behind closed doors in the sumptuous meeting rooms of the L'Enfant Plaza Hotel in the U.S. capital, the Trilateral Commission met over the weekend of June 10 to evaluate its work of the past few years and map out the next decade.

The new executive director of the Commission, Henry Kissinger (replacing Zbigniew Brzezinski who has taken over Kissinger's old post as special assistant on National Security to the President), and Commission chairman and founder David Rockefeller, together with at least 10 past and present U.S. cabinet members, led the secretive sessions where America's allies in Western Europe and Japan were given briefings on the future of the "trilateral alliance."

The Trilateral Commission meeting, like that of its parent organization the Bilderberg Society two months ago (EIR, Vol. V, No. 16, April 25-May 1), took on the

character of a strategy session of British-linked monetarist forces to maintain global political control. This time, these forces were desperate to counter the tide toward a "Grand Design" of technologically advancing economic development, which was opened by the recent Bonn-Moscow treaties and involves greatly expanded trade and cooperation between the socialist sector, the developing world, and the same advanced capitalist countries represented in the "trilateral" grouping. (See "Bonn Summit," above.)

Despite a bewildering array of seeming variants on policy options in the three main areas of the Commission's discussions — food, energy, and labor relations — this underlying direction of the proceedings was given away by the Commission's full endorsement of the World Bank and International Monetary Fund as the final arbiters of all economic and energy policies. Not only did the Trilateraloids issue a statement calling for

Trilateraloids Hail IMF Conspiracy

Reprinted here are excerpts from last week's Trilateral Commission Energy Task Force Report, reviewing, particularly, the World Bank and International Monetary Fund functions. Emphasis has been added by the editors of the EIR.

As the first step the IMF, as the focal point for short-term balance of payments financing, should be strengthened and broadened in that role. Strengthening the IMF should begin with further increases in IMF quotas, as the basis for general drawings and lending capacity by at least 25 percent prior to the next five-year review.

In many cases, a tightening of the conditionality criteria of the IMF will also be necessary, as well as more public monitoring of the implementation of borrowing country policies. This action not only provides valuable information to potential private lenders but also gives added leverage for national policymakers to implement *sound, but sometimes unpleasant*, economic measures. It is important that countries with large balance of payments deficits be encouraged to begin taking the steps necessary to reduce or eliminate these deficits through internal adjustments to their economies....

Secondly, responsibility for the disposition of the facility's resources should be expanded to include such third world non-oil exporting countries such as Brazil and South Korea (and Mexico, according to Treasury Secretary Blumenthal — ed.). This change would not only validate a higher volume of lending

capacity but it would also more directly involve the LDC's in the management and utilization of the facility....

Expansion of International Development Association (IDA) funds to provide at least \$10 billion in soft loans... and greater capitalization of the International Finance Corporation.

Finally, the capital of the World Bank should be increased to remove constraints on lending to higher income LDCs. This process of depoliticizing multinational financing facilities will be less than fully effective however, if the U.S. Congress continues to insist on trying to add human rights conditions to IMF and World Bank lending criteria....

There should be consideration given to establishing a multi-lateral "cofinancing" guarantee facility. Under such an arrangement the OECD and OPEC countries might provide guarantees against default on a limited volume of new bond issues on bank loans to developing countries that meet certain criteria. Another possibility is for the IMF to develop joint financing programs with private financial institutions. These programs might involve cross default protection between the IMF and the participating private institutions and also give the private institutions the protection of any IMF restrictions that might be negotiated.

...One thrust of the Trilateral governments might be to foster international cooperation in, and financial support for, a number of energy demonstration projects, perhaps financed through the World Bank.

the strengthening of the police powers of these debt-collecting institutions (see box); but they underscored that commitment by endorsing U.S. Treasury Secretary Blumenthal's call during the proceedings for South Korea, Mexico and Brazil to take on "greater responsibilities" for how IMF allocations are made. Those countries, which have in widely varying degrees pursued a high technology-based economic growth policy, are thus called upon to participate in allocating credit for low-energy labor-intensive "development projects" which will protect debt payments at all costs.

The "political" side of this selling job for the IMF and World Bank was handled by a string of anti-Soviet tirades closely echoing the statements of Dr. Kissinger and his Carter Administration double, Dr. Brzezinski, tirades which dominated particularly the first morning session of the weekend meeting.

However, despite public posturing of unity, from insider reports the actual proceedings of this past weekend were far from achieving full accord behind Kissinger's collect-the-debt-and-confront-the-Russians line, and some observers wondered whether this policy would withstand national pressures for peace and real economic development from each side of the "trilateral" formula. In fact, certain of the combined formulations coming out of the meeting — such as nuclear energy partially being endorsed for the advanced sector, while genocidal "soft" technologies were advocated for the less developed countries (LDCs) — suggested an effort to coopt precisely those prodevelopment pressures while not giving in on the basic issue of IMF institutional control.

In this light, as well, was seen the Trilateral Commission's (and Henry Kissinger's personal) endorsement of the Willy Brandt-World Bank plan to bring developing sector raw materials under the full control of the Fund and Bank using the "soft approach" of allowing the victim governments to "participate" in relinquishing their national sovereignty to these institutions. Brandt, the chairman of the ruling West German Social Democratic Party and head of the Socialist International, has projected himself over the past year as chief of an "eminent persons" commission canvassing for stronger World Bank and IMF control over the restructuring of the world economy. The Trilateral Commission became the first major organization to endorse Brandt's North-South "solutions."

Although Brandt was not present at the conference in person, the invocation of his schemes was an unmistakable signal by Kissinger. It is well known in politically informed circles that Brandt has steadily subverted the "Grand Design" policy of Social Democratic Chancellor Helmut Schmidt and his prodevelopment allies in Western Europe, the United States and Japan.

Policing the Advanced Sector

From the first day of meetings, Kissinger oriented the proceedings in one direction: the creation of *control* mechanisms for energy in the light of "predictions" that oil prices will go up. For this policing purpose, fuel banks, regional nuclear fuel banks, and the

strengthening of the International Energy Agency all played a major part in discussions despite the fact that Western Europe and Japan were essentially told to use their judgment on nuclear policies — a reflection of the fact that the governments of Japan, West Germany, Italy and France have already demonstrated their firm commitment to the development of nuclear power.

Such piecemeal pronuclear "concessions" however could not paper over the political attacks to which Kissinger and his spokesmen subjected those trilateral "partners" and their elected political leaderships. Although the morning session of the first day was dominated by Kissinger's two pet topics — launching economic warfare against the socialist sector, and forcing the U.S. Administration to take a harder bargaining position toward the Soviets in strategic arms negotiations — the U.S. White House and the governments of Japan and West Germany were successively made the targets of broadside attacks.

The first morning's panel on "The Domestic Setting to American Foreign Policy-Making" featured Rep. John Anderson (R-Ill.), Sol Chaikin of the International Ladies Garment Workers Union (AFL-CIO), and Anthony Solomon, U.S. Undersecretary of Treasury for Monetary Affairs. The threesome in no way concealed their goal of weakening the vulnerable U.S. President Jimmy Carter — ironically, the very same president installed in office in 1977 with much assistance from the Trilateral Commission. Anderson "predicted activism" in the role of the U.S. Congress in determining the final outcome or failure of the ongoing Strategic Arms Limitation Treaty (SALT II) negotiations — tantamount to a threat to Carter that no SALT treaty will be passed unless he keeps up a provocative posture against the Warsaw Pact. As one source put it, this "is keeping the President in line."

Sol Chaikin went further in presenting (behind a thinly veiled "labor" front) the Brzezinski-Kissinger view of the current Administration. Chaikin attacked the "softness" of the Carter White House toward the Soviets in the SALT talks, and described "a growing feeling of uncertainty and insecurity in our country, particularly by those who had much higher hopes after the 1976 presidential elections." Sources indicated subsequently that the "those" referred to by Chaikin were an extrapolation based on outbursts such as one by the former West German Defense Minister Georg Leber, criticizing West German Chancellor Schmidt for supporting President Carter's decision to hold back on the production of the so-called neutron bomb.

The highlight of the morning session was Undersecretary Solomon's off-the-record remarks to the conference. Solomon reportedly blasted Europeans and Japanese alike for their practice of subsidizing exports. According to one source, Solomon systematically listed and dismembered the economic figures presented by the governments of each of these countries, laying special emphasis on Italy and Japan, the most stubborn opponents of the Carter Administration's trade-slashing policies.

Later, it was learned that Japanese Economic Cooperation Minister Kichi Miyazawa answered these

criticisms by reminding the audience that Japan had successfully modernized, locating the problem of trade with a suggestion that Solomon put his own house in order. "Economic cooperation between industrialized nations is still flabby, and the United States is indifferent or oblivious to the effects the fluctuating dollar has on other economies...." Responding to Solomon's demand for rapid "restructuring" of the Japanese economy, the Minister stated: "The Japanese economy is a good case in point. After the successful struggle that began in 1868 with the Meiji Restoration to modernize the economy, it was decimated in World War II. But we pulled it right back up again within two decades. Our economy kept going and bounced back after being hit by what is called the 'oil crisis' of 1973. We have weathered enough bad situations....If there is a crisis today I think it lies in our attitudes....If we approach our various troubles with a sense of powerlessness and defeatism — then we have really got a crisis on our hands.

"The desire to cooperate is stronger now than it has ever been in the past," Miyazawa concluded forcefully, "and we have at our disposal rich technological and theoretical knowledge for problem-solving that gives our age less uncertainty than ever before."

While Miyazawa left abruptly after this defense of Japan's policies, many top advisors to Japanese Prime Minister Fukuda were reported actively organizing throughout the conference and in Washington political circles on behalf of the dramatic proposal for a \$1 billion joint U.S.-Japanese fusion energy development program which Fukuda made this spring during a visit to the United States.

The use of the Brandt line, like Solomon's diatribe, was introduced quite explicitly to counter the "Grand Design" policies of the West German and other European governments. A Dutch representative, speaking about NATO, dutifully toed the Kissinger economic warfare line by expressing interest in cutting off aid to Cuba for its involvement in the African continent. But as even Chaikin admitted, such "linkage" formulations ran into "some criticism" when it came to questioning the need to transfer U.S. capital and technology abroad.

Kissinger intervened personally, first to emphasize his own method — the International Resources Bank proposal made at the 1976 United Nations Conference on Trade and Development in Nairobi — and then to endorse the Willy Brandt variant. Kissinger's IRB is a straightforward looting scheme by which developing countries' raw materials wealth is mortgaged to monetarist institutions to pay debt. Brandt's formulation, on the other hand, involves getting the acceptance of government members to "invite" foreign companies to "develop" these resources.

The World Bank's recent report made public the same day as the Trilateral conference, was frequently cited as evidence of that institution's "interest" in financing oil development in the Third World as one option for energy. For most of the LDCs, however, "renewable" sources of energy — wind, biomass, solar and other technologies of minimal energy density which are apt for supporting only the most labor-intensive, thinly populated

economies — are advised.

The energy and food programs which emerged from the Trilateral Conference are summarized below. Alongside the monetarist thrust of these, the formal outcome of the meetings is only of passing importance. The Trilateral voted itself into existence for another five years. Commission founder David Rockefeller indicated that it was no major feat that over half the current U.S. Administration, many of the previous Ford cabinet and members and advisors of powerful governments in Europe and Japan are also in the Commission. If they had obtained power, he suggested, it is because they are so good — not because, as has been speculated, there is a "conspiracy" at work.

However, the presence and absence of certain Trilateral members revealed deep schisms within the organization. Dr. Kissinger more than represented the hawkish faction of American power circles, whose role is played inside the Carter Administration by Brzezinski and others. But Carter's Secretary of State Cyrus Vance, although a Trilateral member, attended the proceedings for barely a few minutes. Similarly, no representative close to Western Europe's Schmidt attended the conference, and the ousted West German Defense Minister Georg Leber merely turned up to back Kissinger's anti-Soviet pronouncements.

—Leela Narayan

Energy Task Force

The energy report was prepared by John C. Sawhill, president of New York University and former administrator of the Federal Energy Administration under the Nixon Administration; Keichi Oshima, a major advisor to the Japanese government Atomic Energy Commission, and Ministry of Trade and Industry and Economic Planning Agency; and Hans Maull, a long-time fellow at the International Institute for Strategic Studies (London), and Center for Contemporary European Studies at the University of Sussex, England.

The policy recommendations below are in the context of a "prediction" and recommendation for raising the current price of oil to provide incentives for other energy options. Emphasis was placed on the controlling end of energy options rather than strengthening of the International Energy Agency (IEA), and a great deal of discussion on "the rift" that had developed between Europe, Japan, and the U.S. on the nonproliferation question.

For the United States: Deregulation of natural gas, and the removing of price controls on crude oil. "Globally if prices remain at or near current levels, there will be little economic incentive to develop readily substitutable alternative sources or to reduce demand growth as rapidly as would be desirable under the more pessimistic longer-term forecasts.

"Trilateral countries must (a) consider various mechanisms for increases over the next several years in those areas of the economy where it is desirable to encourage conservation and (b) provide special

incentives to industry for the development of alternative sources of energy." For the United States reduction of oil imports is advised, as well as pushing ahead with conversion to coal gassification, and major "renewable" energies are recommended to be advanced at as rapid a pace as possible.

For Europe: Because of the differentiated nature of European oil and other energy resources as well as clear resistance to antinuclear policies, a case-by-case energy evaluation is promoted for Europe. Recommendations are similar to the U.S. though here, nuclear power is left to the discretion of the government's needs. A Trilateral energy summit was urged as soon as possible.

For Japan: Japan's nuclear orientation is advised but a "heavily nuclear orientation might be broadened to provide increased attention to solar and other alternative energy sources." Support has been given to a joint fusion research program between Japan and the U.S.

For Lesser Developed Countries: It is here that the zero-growth nature of the anglophile Trilateral Commission most strongly comes through. Given the strong dependence of the industrial countries on OPEC oil, great emphasis is placed on maintaining this special relationship, even through giving OPEC funds special investment opportunities in the advanced sector OPEC is encouraged to continue expansion in oil production. For the non-oil producers, within the LDCs, "renewable energy technologies" are advised. But, to propose no nuclear power for the Third World would be patently ridiculous given the tremendous support for it in those areas.

Thus the proposal states, "Basing itself on evaluations from U.S. National Academy studies on application of solar energy to villages in Tanzania, the task force recommends this as an economically competitive energy option for many LDCs." Such a recommendation is largely aimed at what the World Bank has previously named "the Fourth World," the impoverished countries slated for direct and immediate genocide.

Food Task Force

Virtually all the discussions on how to increase food production are in the negotiations stage and have not been made public at this time. Yet Umberto Colombo, an Italian member of the Trilateral Commission and one of

the principal authors of the food proposals being deliberated in the Commission, revealed a scheme for doubling the rice production in South and Southeast Asia by 1993. The total cost of this project will be somewhere between \$50-100 billion, to be financed by a combination of grants, bilateral aid, and loans to whichever area is committing itself to the "domestic changes" necessary for the success of this project. These domestic changes involve orientation of the economy to straight rural development, i.e., maintaining the village structures over further development of cities.

Mr. Colombo indicated in an exclusive interview to *New Wave* that the new rural thrust of India under its current government is being watched closely as the most likely candidate. The project involves intensifying production through greater output per acre in already cultivated lands. The plan focuses on providing better irrigation and cropping, requiring greater use of labor and "appropriate" technology. It will be labor-intensive primarily but will also utilize the advances of the Green Revolution in seed improvements and harvesting. It is known that the Rockefeller and Ford Foundations will, along with the World Bank, do the "feasibility studies" within the year and then turn their studies over to the Brandt Commission and various donor and recipient governments to choose the pilot project.

Informed sources indicated that the food task force will become a determining area for funneling OPEC funds, particularly in the cases where an oil producer is a grain-deficient nation. OPEC financing is believed to range to some 20 percent of the investment made by the advanced industrial countries in these projects. It is known that Japan is greatly interested in locating the project in Southeast Asia while some OPEC producers such as Iran would prefer the Indian subcontinent.

Japan wants the project under the auspices of the Asian Development Bank while other members, particularly Britain and the U.S., would prefer it directly under the World Bank. Some of the latter group have also questioned whether money is not better spent in "export industries" with the food-deficient nations buying the surplus from current producers. This grouping has emphasized population control as the predominant need for South Asia in particular, starkly revealing the zero-growth thrust of the program. The authors of the food report repeatedly disassociated themselves from this population control recommendation.