Treasonous Trilaterals organize trade war with U.S. European allies

by Lyndon H. LaRouche, Jr.

The respective U.S. and European branches of the Trilateral Commission, centered around attorney Lloyd Cutler, have brought the United States and its European allies to within weeks of the outbreak of war—trade war. The principal figures among the agents-provocateurs who have organized this political conflict, on both sides of the Atlantic, are members of the Trilateral Commission. Apart from Moscow itself, the principal beneficiary of such a trade war, is the Soviet empire. The financial interest which stands to gain the greatest financial profit from such a trade war, is a consortium of international food-cartels, including the Minnesota-based Cargill grain-monopoloy interests of the United States strongly represented in the U.S. Department of Agriculture's officialdom since the early 1960s, and under Secretary Richard Lyng today.

The details of the current roles of the Trilateral Commission and Cargill interests are matters adequately documented in currently breaking news dispatches on both sides of the Atlantic. I wish to draw attention to two outstanding aspects of Cargill's background-role in this connection, and then to concentrate the remainder of my remarks on the strategic lunacy of the present eruption of trade war itself.

For about 20 years, the policies of the Cargill-steered U.S. Department of Agriculture have been moving the U.S. toward two very ugly end-results. Since the first butter give-away to Moscow, under the Nixon administration, run under the cover of a U.S. subsidy to New Zealand dairy-export monopolies, U.S., Canadian, and Western European nations have been subsidizing the Soviet arms-build-up with a massive flow of food subsidies. The image of the Red Army, sliding into Afghanistan on a sea of U.S.-subsidized butter, is, symbolically, an accurate one. Meanwhile, the complex of Minnesota financial interests politically intertwined with Cargill, have been leaders, both in conduiting U.S. technology to Moscow, and conduiting Soviet peace propaganda into the U.S.

At the same time, the same combination of Cargill-centered food monopolies and the U.S. Department of Agriculture, have been developing the preconditions for a political dictatorship inside the United States: a dictatorship based upon "food control."

If we estimate the food-consumption requirements of the U.S. population in terms of a standard market-basket of good nutrition, a growing food-production shortage is developing inside the United States, and a more savage food-shortage already exists worldwide. Yet, we are cutting back the food production of North America, Argentina, and Western Europe, the only regions within a starving world organized to produce a surplus for large volumes of export. More and more, control of dwindling food supplies, is falling into the hands of a handful of firms, representing a Switzerland-based international foodstuffs cartel. More and more U.S. households rely less and less on the family kitchen, and more and more on "fast food" operations. The independent farmer is being wiped out of existence, as production of food is concentrated under the direct control of the international cartel and vast chains under the control of that cartel's monopoloy.

Compare wartime food rationing, the food-stamp program, and the methods by which food-control has been used by the Soviets in Eastern Europe, with the conditions of controlled food-shortages toward which the United States and Western Europe are being pushed today. We are not far from the potential circumstances under which politically-sensitive food-rationing could be introduced in North America and Western Europe. Those among us who have observed the way in which the world drifts these past decades, sometimes speak of "Murphy's Law": Whatever nonsense could potentially occur, usually does occur. Since there are those in the U.S. intelligence community who have been talking of a drift toward politically shaped food control for more than a dozen years so far, the likelihood that the conditions for food control will lead to food-control programs, is to be taken seriously.

The time might come, when the words which come out of your mouth, and the way your locality votes in elections, determine whether food goes in.

Apart from the potential for future would-be dictators of the United States, the increase in food-shortages is an immense source of super-profits for Cargill and other members of that wicked cartel. Since Cargill virtually runs the policies of the U.S. Department of Agriculture, and has for more than 20 years, the present drift of U.S. agriculture policy should not surprise anyone. Nor should we be surprised by the fact that foodstuffs are the leading issue of the trade war which the Trilaterals are now organizing on both sides of the Atlantic.

True, something must be done about the skyrocketing U.S. balance of trade deficit. A 200% tariff on European wines and cheeses is not going to help that trade deficit one bit. The Europeans will simply impose matching tariff-walls against U.S. exports, at a time when those countries' markets for U.S. goods are being depressed rapidly in any case. Boycotting West German machine-tools isn't going to help one bit, since the U.S. no longer produces a significant amount of machine tools: The Nixon, Carter, and Reagan administrations have already succeeded in shutting down U.S. machine-tool production.

House Speaker Jim Wright is approximately correct, in reporting that during the past four years, the United States has been transformed from the world's largest creditor, to the world's biggest debtor—and, he might have added, the world's worst credit-risk among major nations. He should have added, that "four years ago" is the time that Treasury Secretary Donald T. Regan and Kissinger Associates, Inc. acted to shut down the import-markets of Central and South America. He should have added, that the reason the Reagan administration took such actions causing the spiraling of U.S. trade-deficits, was that President Reagan decided, during the spring of 1981, to continue the Federal Reserve policies which President Jimmy Carter and Paul Volcker had launched during October 1979.

Up to 1982, what we call the developing sector was the market on which North America, Japan, and Western Europe depended for the net margin of export-balances of the industrialized nations as a whole. Those markets began to shrink under the new international monetary rules adopted at the 1972 Azores and 1975 Rambouillet monetary conferences. The 1979 actions of the Carter administration plunged the developing sector into an insoluble and worsening debt-crisis, which exploded as the 1982 "debt bomb." The Reagan administration responded to the 1982 crisis in the worst possible way, ordering debt-ridden nations to slash their imports from Europe and the United States, and forcing those nations to increase their exports into the United States.

At the same time, over the past 10 years, especially, the U.S. industrial and agricultural sectors have been gutted into a state of accelerating collapse by U.S. government policies aimed at helping us to become a "services"-oriented "post-industrial society." The idea was, that we should shut down chunk after chunk

with low-priced imports of food and manufactures, instead.

Then, in 1983, came the "economic recovery" which never happened. True, the rate of collapse during 1983 and 1984 was much slower than during the summer and fall of 1982. During the second half of 1982, the rate of collapse touched a 12% rate, and rebounded to a rate of collapse of

First shots fired in trans-Atlantic trade war

On Dec. 30, President Reagan announced, on recommendation from U.S. Trade Representative Clayton Yeutter, that Washington will impose tariffs of 200% on certain agricultural products of the European Community (EC), should a settlement not be reached by Jan. 31. The targeted items include French cognac and white wines, German cheeses and wines, Italian wines, Danish hams, and Dutch cheeses.

Immediately, the Trilateral Commission's networks on both sides of the Atlantic began to fuel the flames of trade war:

- Sources at the EC Agriculture Commission reported that the EC is drawing up a "retaliation" list, which would hit U.S. exports of corn gluten feed, rice, and other goods.
- Yeutter boasted that the U.S. sanctions were aimed at "stopping the EC trade in its tracks." It was former Trilateral Yeutter who, in 1985, shortly before leaving the Chicago Mercantile Exchange to come to Washington, participated in a task force which drafted a "free market" program for European and U.S. farm policy, calling for removal of government subsidies to farmers.
- On Dec. 16, after meetings in Brussels with EC External Trade Commissioner Willy de Clerq (another Trilateral), Yeutter declared his intent to pressure European governments to stop state subsidies to its Airbus aircraft consortium, Europe's most important aircraft maker. Then on Dec. 30, Yeutter demanded that West Germany come up with "voluntary restraints" on machine-tool exports to the United States.
- On Jan. 5, EC Industry and Technology Commissioner Karl-Heinz Narjes (also a Trilateral) told the German daily *Bild Zeitung*, "We Europeans must remain firm in this war of nerves. We cannot accept that the Americans adjust world trade rules to their desires. What today is agriculture, tomorrow could be machine tools, cars, or airplanes." Narjes is calling for "professional crisis management" to step in, implying that the disputes will escalate.

nearly 5% during 1983 and 1984. Then, during 1986, we collapsed the physical-goods producing sector of our economy about 15%, much worse than 1982: but the President wishfully insists that this is a "wonderful economic recovery," even after the voters massively rejected his "recovery" in the November 1986 elections.

The Reagan administration is reacting as the Hoover administration reacted to the crises of 1929 and 1931. The administration has been difting, over the past six months, toward a repetition of the same sort of trade war policies which set off the Great Depression of the 1930s, the infamous Smoot-Hawley tariff legislation. That is precisely what the trade war with Europe represents, a revival of the lunacy of Smoot-Hawley.

There is no solution, unless we face the cruel fact that the U.S. economy has been in a roller-coaster series of ups and downs, mostly down, over the entire period of the Reagan administration so far. Once Washington faces that fact, the solution is in sight. What we need, what Western Europe needs, and what our developing-sector markets need, is a genuine, old-fashioned sort of general economic recovery.

True, the GNP figures insist that a recovery has been in progress, although every major branch of the physical economy, basic economic infrastructure, national defense procurement, agriculture, manufacturing, and energy-production, has been collapsing over the past ten years. The GNP figures are partly faked, for political reasons, as most administrations of the past 20 years have faked their GNP and inflation-trend reports. Yet, faked figures are not the whole reason the government has been describing a slide into a depression as an "economic recovery." The level of purchases of the U.S. has been kept up significantly, by using more and more borrowing to buy goods and services way above our national income. That is how we were turned from the world's major creditor, into the world's biggest debtor. Subtract the increase of combined public and private debt from the GNP figures, and the result is a figure with some resemblance to the fact of collapsing infrastructure, agriculture, and manufacturing.

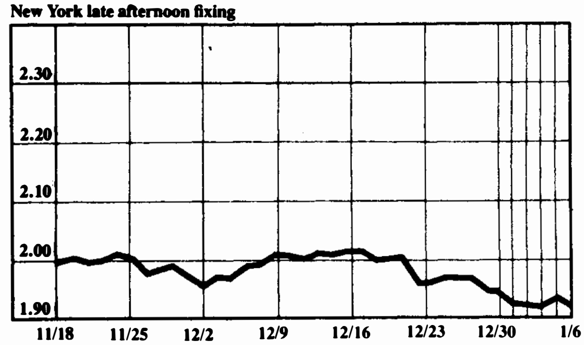
Very simply, we must earn more. On this point, Speaker Jim Wright is on the correct track in his thinking. We need an investment-boom in basic economic infrastructure, agriculture, and manufacturing, especially in high-technology capital-goods of competitive export-quality. We must study the success of Peru's economy under President Alan García, and recognize that similar reforms throughout Central and South America, for example, will reopen the precious export markets upon which we used to depend so much. Instead of squabbling with Japan and Western Europe, over shares of the world's worsening poverty, we ought to be negotiating fair shares of a world whose markets are expanding.

I find it not surprising that Cargill and the Trilaterals who are the softest on Moscow, should be leading in organizing trade wars which can help no one but Moscow.

Currency Rates

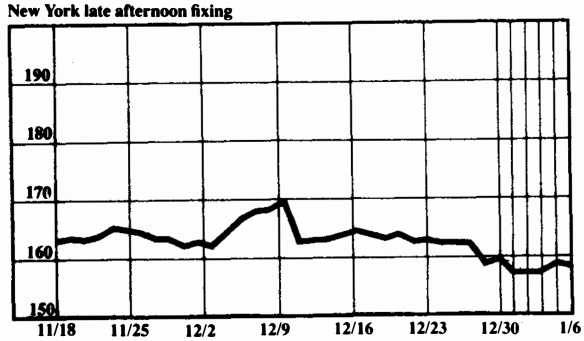
The dollar in deutschemarks

New York late afternoon fixing



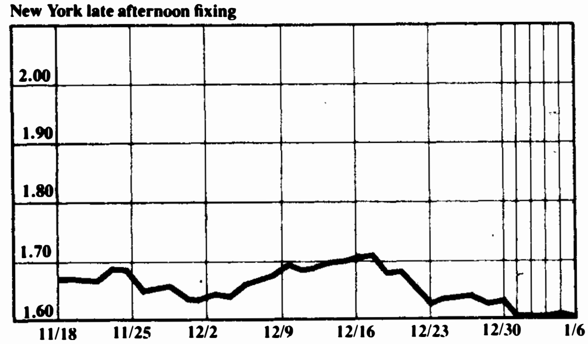
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing