
A View from Paris

In the face of U.S. trade war, Europe is at its most stupid

by Jacques Cheminade

The following editorial commentary appeared in the French fortnightly newspaper Nouvelle Solidarité. The author is the president of the Schiller Institute in France.

At the Birmingham summit on Oct. 16, the two subjects that demanded the most rapid and incisive response from the assembled European Community heads of state were not included in any of the decisions: the future of the European Monetary System (EMS) and resistance to the war being waged via the General Agreement on Tariffs and Trade (GATT) by the American Bush administration. Instead, they talked about the “three priorities of the Twelve”: to democratize decisionmaking, make the European Community functioning more transparent, and avoiding stepping on national susceptibilities. Jacques Delors called the summit, “in order to reassure public opinion” and because it would have “political and psychological usefulness.” It is about as surrealist an image as Little Red Riding Hood and Grandmother cleaning the house and washing the dishes, while the Big Bad Wolf is kicking in the door.

The offensive from across the Atlantic

The real “priority” of the Twelve is to face reality: the American offensive—or more precisely, Anglo-American offensive—to dismantle the EMS, break the Franco-German alliance, and impose a global free trade system on GATT in which the United States will be the sole superpower. Already unacceptable in itself, such an offensive is all the more serious insofar as the American economy’s present functioning is by its nature predatory, feeding off the substance of other countries and the American people themselves in order to uphold what Father Ubu called “phinancial pomp.” In this context, as then-Director of Cnetral Intelligence William Webster outlined in a 1989 speech in Los Angeles, all the efforts of America’s strength should be mobilized above all against its “competitor allies,” that is, against Europe and Japan.

It must be clearly understood that the American economic and trade war is being imposed not simply because Bush wants to be reelected at the expense of Europe, but because

the logic of “savage liberalism” brings to the conflict the “survival of the fittest” imposing itself, as the Darwinians say, on those “less fit.” The tragedy is that the Europeans are playing the game.

Add to this the fact that “irregular wars”—“ethnic” or not—will multiply in the very places in the world where the economic and political fabric is weakest, whether in former Yugoslavia, Georgia, Afghanistan, or in Tajikistan. This multiplication is every bit as inescapable as the worldwide financial and trade war, if the economic and financial decline is not stopped—eradicating hope—which creates the conditions under which nations and the will to coexist founder.

The situation is being aggravated even more because the predatory financier interests are using, manipulating, or even encouraging these “irregular wars” to further their own ends. This is the case of the conflicts in former Yugoslavia, which Messrs. Baker, Eagleburger, Carrington, Vance, and Owen want never to stop, because they comprise a tool for the destabilization and blackmail against Europe and in particular against the potential (which could be achieved) for a Franco-German alliance.

Offer the U.S. ‘peace through development’

That is why it is so important that the European heads of state bring to a sudden halt the American manipulations, while offering them an alternative, which is peace via mutual economic development.

This situation is absolutely clear, looking at the “negotiations” held in Brussels on Oct. 11-12. George Bush, since the meetings were ended, confirmed, according to his view, that the United States made great strides in the areas of differences, including market access, services, internal agricultural aid, and subsidies for agricultural exports. The United States, he said, went as far as possible to respond to the preoccupations of the EC; the negotiators did everything they could. He concluded that the parties are too close to the goal not to seize the opportunity, whatever their domestic policies.

This pronouncement, a tissue of lies, aims at putting pressure on Europe and preparing world opinion, in case

the "negotiations" collapse, to place responsibility on the Europeans.

The American wars

In reality, the American delegation wants, above all, to impose its law rather than negotiate.

In every area, the United States declared war on Europe:

- Agriculture: laying claim at the same time to the overseas markets that had long ago been acquired by the EC in places like Algeria, Morocco, Tunisia, African states, and Poland, with the aid of 100% subsidies for their own grains and a reduction of 24% in the global export volume of the EC, and to foist their oilseeds (soybean) on the internal market of the Twelve! Giving in to American pressures would come down to agreeing to a more than 20% set-aside of productive land, and this added onto the 15% set-aside already found unacceptable in the new Common Agricultural Policy (CAP);

- Airlines: in which the American companies will make off with nearly all the transatlantic air traffic;

- Weapons exports: in order to shut out European suppliers (Dassault to Taiwan, Eurocopter in Turkey);

- AIDS testing kits: to make good the crookedness of Robert Gallo;

- Steel: by excluding cut ingots from Usinor-Sacilor and more than 2 million tons of steel sheet and plate sold by the EC to the United States, the equivalent of production of thin sheet metal for Lorraine, even though European steel exports have declined from 28% to 15% of the American market in eight years!

- Bananas: in order to impose a "banana-dollar" against bananas from the Antilles and Africa, thanks to the wages of poverty coming out of the "slave plantations" in Ibero-America;

- Dollar exchange rates: in order to secure a medium- and long-term dominant position for American products, thanks to the devaluation of the dollar against European currencies, and in the short term in order to "break" the Franco-German front, by accusing Germany's Bundesbank of everything, while organizing operations against the French franc.

European passivity

President Bush did not hesitate to tell South Dakota farmers that the United States was going to take "very aggressive" measures to spell out to the EC that the United States is going to fight it. In Detroit, where the American President presented his "Program for American Renewal," he underlined his wish not only to keep the United States as a "military superpower" and an "economic superpower," but also to make it into an "exporting superpower." What this means is to systematically take parts of the markets away from the competing developed industrial countries, i.e., war against Europe and Japan.

In the face of this Europe remains, as it was put by Philippe Labarde in *La Tribune de l'Expansion*, "blindly obedient."

It's quite incredible that we should find ourselves in the position of being accused, when there is such a large European trade deficit with respect to the United States and Japan, and when we offer the largest, most solvent, and most accessible market in the world!

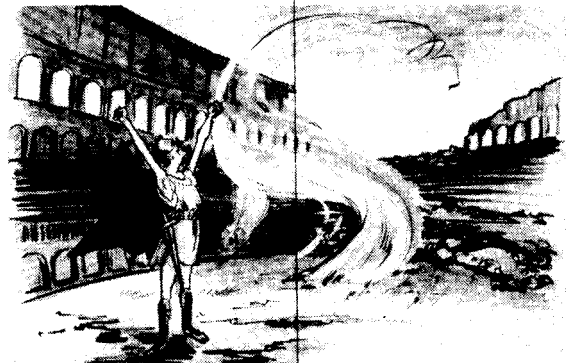
France, rightly, can accuse its allies of weakness. We should, however, clean our own house first: In implementing "competitive deflation" (whether today's Bérégovoy version or tomorrow's Balladur version), in offering no alternative whatever to the countries of the East and South, we ourselves are doing nothing more than "playing the game"—a game which is leading both Europe and the world into the pit.

Where is the serious thinking on an industrial and agricultural policy for the European Community? Where is the serious thinking globally on foreign trade policy? What are we proposing concretely to our partners in the East and in Africa? What does Europe envisage will work to revive the world economy?

One can be at least clear and certain of one thing: Not one of the essential questions was posed in Birmingham.

It is true, as Jacques Delors says, that the summit only aimed at reassuring public opinion. Isn't there just a whiff of the perfume of Munich in that?

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