

What ought to be on the Houston agenda

by Chris White

On July 7, the heads of state and government of the Group of Seven top industrial nations meet in Houston, Texas, together with their finance ministers and central bank chiefs. For George Bush, a preview of what will be on the table for the meeting suggests, perhaps, a healthy portion of the broccoli the President says he finds inedible. For the world at large, it is certain that the one agenda item which ought to be discussed will not be.

What ought this agenda item to be? If the world were ruled by reason, it ought to be obvious. The bankruptcy of the dollar empire would be the top priority, in the context of discussing how to organize a real economic recovery for the collapsing economies of the Anglo-Saxon world, the disintegrating economies of the Soviet Union and China, and for the billions who live in the southern hemisphere, who face a future which at this point offers only hunger and famine, plague and war. The agenda ought to feature a program for using reunified Germany as the motor for the rapid industrial and technological development of Europe, centered in the triangle that links Paris, Berlin, and Vienna—as Lyndon LaRouche has proposed. The benefits of such a “productive triangle” would spin off to other regions of the world.

Instead of this, the agenda the United States puts forward, before the summit begins, includes these three points: “At the Houston summit we will press for progress in the Uruguay Round of trade negotiations, discuss economic support for various countries, and review progress on the environment.” This was announced by President Bush at a press conference in Washington, D.C. on June 30.

West Germany’s Chancellor Helmut Kohl and France’s President François Mitterrand will put on the table a proposal

for a multibillion-dollar package to aid the Soviet Union and Africa, and Japan’s Ministry of International Trade and Industry has drafted a series of economic proposals for Eastern Europe, though Prime Minister Toshiki Kaifu has made it clear that Japan will not join the proposed Soviet package. Great Britain and Canada are expected to support the United States in refusing to put any money into a package to support the Soviet Union.

‘Free enterprise’ insanity

That listing of Eastern European and African countries presumably covers most of what Bush had in mind when he spoke of “economic support for various countries.” What, then, is the significance of the U.S. insistence that the Uruguay Round of trade negotiations—the General Agreement on Tariffs and Trade (GATT)—and “progress on the environment” be included?

The answer is twofold, reflecting both the tactical commitments of the moment, and the underlying policy which has governed the U.S. approach to these gatherings since the mega-summit process began in the middle of the 1970s.

In the Uruguay round of trade talks, the United States, through such representatives as Secretary of Agriculture Clayton Yeutter, has insisted that a time frame be adopted by participants for the elimination of agricultural subsidies.

This is the work of the free enterprise wrecking crew, demanding that governments which support food production, by guaranteeing some form of income for farmers, cease to do so. It is a policy aimed at especially the European Community’s Common Agricultural Policy, at Japan, and at Third World nations that attempt to protect their ability to

produce food. It is a commitment to concentrate food control in the hands of corporations like Cargill, Archer Daniels Midland, and Continental Grain, while ensuring that the majority of the world's population does not have enough to eat.

The heading "progress on the environment" conceals a similar intent. Using such pseudo-scientific hoaxes as "the ozone hole" and "global warming," the Bush administration is demanding the elimination of the industrial and technological capabilities on which human survival depends. A case in point is the call for a ban on chlorofluorocarbons (CFCs), on the grounds that they are destroying the ozone layer—an allegation that is without scientific foundation.

Kissingerian consensus politics

The Bush administration's Houston agenda represents a continuing commitment to policies which underlay the organization of these annual summits from their beginning. That doesn't mean a unified commitment among all participants—far from it. It does mean, since such activities are organized on the basis of what American and British liberals call "the consensus," that the underlying commitment to the evil intent gets carried along with everything else, in the name of "consensus," "coordination" and so forth.

The Group of Seven summits began during the Ford administration, under the prompting of then-Secretary of State and National Security Adviser Henry Kissinger. The chaos which had followed President Nixon's decision to take the dollar off the gold standard in 1971, and the oil shock of 1973-74, were the spurs. The intent, on the side of Kissinger and his backers, was to organize a unified front among the major industrial powers against developing sector demands, voiced by such leaders as India's Indira Gandhi, Pakistan's Zulfikar Ali Bhutto, Mexico's Luis Echeverría, and Pope Paul VI for a new just world economic order. The demand then was for a world conference, between the countries of North and South, to create such a new order.

Against that demand, the Group of Seven affirmed, from the Guadeloupe and Rambouillet summits of 1974 and 1975, the primacy of the so-called international institutions—the International Monetary Fund, the World Bank, and the GATT—and did so by insisting that murderous IMF austerity conditionalities be enforced. Conditionalities policies, so-called, were designed to enforce the commitment that unless developing sector nations devoted all economic and financial means to service of debt, they would not get new financing. The intended effect was to destroy developing sector access to advanced sector technology and capital goods needed for development. The result, also intended by Kissinger and company, who insist that the world is overpopulated, was to plunge the developing sector, led by Africa, into a new Dark Age of genocide, while pushing especially the United States and other English-speaking countries into an economic depression worse than that of the 1930s. All in the name of protecting the political power of the financial institutions

which was threatened by the demand for a just new world economic order.

Writing off the Third World

This is the nightmare which continues in the name of the trade and environment agenda for Houston. The Twentieth Century Fund and the New York Council on Foreign Relations, two of the outfits which came up with policies for Henry Kissinger and the Carter administration in the 1970s, have just published reports which make this clear. Called "The free trade debate," and "Governments and corporations in a shrinking world," the reports, authored respectively by Gary Hufbauer of Georgetown University and Sylvia Ostry, formerly chief economist of the Organization of Economic Cooperation and Development (OECD), recommend that the Third World nations be eliminated entirely from international discussions on trade. The rationale offered is that many issues now central to trade negotiations are peculiar to advanced nations—for example, regulation of industry, commercial and securities law, and anti-trust law. They claim that GATT, with almost 100 members, is too unwieldy a forum for such discussions, and advocate its replacement by the 27-nation OECD, made up of the industrial nations of North America, Europe, and Japan. In the OECD, Third World nations will have no direct input or voice.

The point isn't whether GATT should be defended or not. As an institution, it is a horror show. But, behind the U.S. emphasis on trade is coming to the surface a proposal to keep the developing sector out of international discussions altogether.

This was a featured element during discussions held June 21-24 at Ditchley Park in England, the same Ditchley Park that once gave its name to the Ditchley Group of banks, which formed the core of the international creditors' cartel. The consensus at the Ditchley Park conference was that the Third World would be "the object rather than the subject of post-cold-war history, the problem rather than the solution," according to Edward Mortimer, the feature correspondent for the London *Financial Times*, who attended the conference. It was organized on the theme "Elements of change in international relations: a foreign policy agenda for the 1990s." Mortimer reported that the consensus was that the "new world" now emerging would be a "trilateral or tri-polar" world, based on North America, Europe, and Japan, although, said participants, "we would have to camouflage trilateralism in wider global institutions."

In a sane world, these annual summits would never have gotten started in the first place. But they did; and they have brought the world to the point where elements of the Anglo-American Establishment feel free enough to put forward in a public forum proposals designed to eliminate the developing sector from the international institutions. There is only one reason to do that, and it isn't anything that anyone with a human conscience would want to be associated with.