

are openly preparing for this eventuality, while extracting what they can under the current process of "reform."

Rural inflation worse

The breakdown may come very soon. The third plenum of the Communist Party Central Committee held in November eliminated most of the austerity measures which had been implemented last June in an attempt to rein in hyper-speculation, inflation, and corruption. The measures primarily strangled the state sector industries and the economies of the interior provinces, while having little effect on the rampant speculation in the South. Several of the poorer provinces, such as Hubei and Yunnan, have experienced even higher rural inflation than in the cities, so that the austerity measures imposed an enormous squeeze on both farmers and local rural enterprises. In Guangdong Province, however, where most of the speculation originates, the economy has been largely "dollarized" with Hongkong dollars, and most of the credit for speculation comes directly from Hongkong, beyond Beijing's control. A new approach was needed.

The plenum announced plans for new tax policies aimed at redirecting the profits from the South into Beijing to meet the crisis in the national budget, but it is widely reported that such plans are unlikely to be successfully implemented. The expected return to virtually unrestrained speculation may instead lead to further disintegration.

The fight against GATT goes on

by Christine Bierre

The ecologist movement in France is blatantly attempting to co-opt the ferment against the General Agreement on Tariffs and Trade. For the spiritual offspring of the Club of Rome, the spectacular rise of popular opposition to GATT is seen as fertile ground for spreading their pernicious ideas of local control and rural idiocy. In this context, Ecoropa, a European ecologist organization founded by Teddy Goldsmith, among others, held an anti-GATT press conference in Paris on Dec. 7, to which they invited representatives of other national and international movements opposed to the GATT Uruguay Round. The guests' interventions were quite interesting, and the conference as a whole had the merit of showing just how widespread opposition to GATT is in many different countries of the world and among different social layers.

The press conference was well attended by the media, whose representatives all jumped on the star of the show, Jack Lang, the Socialist former culture minister. Max Gallo from the Citizens Movement, founded by former defense minister Jean-Pierre Chevènement, was also present and deplored the lack of information and debate on GATT, while strongly ridiculing those who "genuflect before market monotheism."

Representatives of the French Consumers' Union, the Belgian Greens, and American associations directed by Ralph Nader also took the floor during the conference.

After a barrage of propaganda about the defense of Mother Earth and the forests, it was certainly good to hear from the farmers present, who consider the defense of man to be a priority. Guest speakers included Professor Nanjundaswamy, president of the Indian farmers' movement KRRS; the president of the Mexican Permanent Forum of Rural Producers (FPPR), Alberto Vizcarra; as well as Jacques Laigneau, president of the French group Rural Coordination.

The KRRS has taken spectacular actions over the past months against Cargill and other food and grain cartels. They have every reason to do so, because the Uruguay Round imposes dictatorial control on their activity, forbidding farmers from sowing seeds. In India, large foreign companies which take local seeds and treat them, however slightly, in laboratories, can then take out a patent on the altered seeds and sell them back, at a much higher price, to the Indians.

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Local farmers do not even have the right to set the seeds aside from one year to the next, but must always buy them anew from a patent holder.

Alberto Vizcarra showed how the FPPR was set up to fight against GATT and the North American Free Trade Agreement. After 1982, he stated, the international financial community tried to completely destroy his country's economy, through a policy of astronomically high interest rates and exponential growth of the foreign debt. Mexican peasants are following with great interest and inspiration the actions of

GATT 'breakthrough' leaves disputes unresolved

Agreement was finally reached on Dec. 15, after seven years of negotiations, on the so-called Uruguay Round of the General Agreement on Tariffs and Trade. The accord must still be ratified by national governments, and will not take effect before 1995.

While some free trade advocates are hailing the agreement as a "breakthrough," others are pointing out that the final accord was reached by simply dropping key issues of contention—for the moment. These will be negotiated over the coming months.

The London *Financial Times* of Dec. 21, reporting on a press conference given in Paris by Kumiharu Shigehara, the chief economist of the Organization of Economic Cooperation and Development (OECD), underlined that the agreement is "only half the battle." It does not mean that all trade problems have been solved, he said. The agreement does not cover, or only partially covers, a number of long-standing problems.

To take some examples, the issue of subsidies for aircraft construction has been scrapped for the time being. The new World Trade Organization (WTO), originally intended to be the supranational czar of world trade rulings, has been left "with no teeth," with the details of its functioning to be agreed upon later.

The important issue of liberalization of financial services had been unresolved, because of U.S. insistence on the right to keep out certain foreign banks or insurance companies, especially Japanese. But this has now been settled, by preventing any Third World member country of GATT from forbidding any bank or insurance company of any other GATT member from setting up operations in that country. This will give free rein for expanded financial blackmail and drug-money laundering.

their colleagues in France, he said.

Jacques Laigneau explained why Rural Coordination is against including agriculture, which is concerned with life itself and not with inert merchandise, in any free trade agreements. He finds particularly disgusting those who say that Third World countries should be allowed to "make their misery pay" by exporting cheap products onto world markets. On the contrary, he stated, it is in our mutual interest to help those countries develop themselves and their domestic markets.

Gaia worship and feudalism

The position of Ecoropa was presented at the end of the conference by Teddy Goldsmith, a guru of the upper class radical environmentalists. His brother, Sir Jimmy Goldsmith, made a fortune through the stock market and other financial operations and then financed some of Teddy's ideological activities, including *The Ecologist*, which was one of the first publications to popularize the Earth goddess Gaia. According to Teddy Goldsmith, Gaia will come back one day to crush those who have violated "the laws of nature."

Some of the arguments developed by Teddy Goldsmith at the press conference were reasonable enough: It is wrong to say that an increase in world trade will reduce unemployment; the contrary is true. The only ones who will profit from the GATT agreements are the 500 or so multinationals that control 75% of world trade. Far from helping the Third World, free trade will lead to dislocation in those countries and to civil wars.

However, Goldsmith's proposals will make your hair stand on end. His approach is to "revitalize the local economies," while leaving big financial groups free to determine the overall framework, or the "superstructures," of the world economy. His description evokes visions of George Orwell's *1984* or some other modern form of feudalism.

In England, where Teddy Goldsmith resides, his organization has undertaken 120 projects in various towns and rural areas. The towns "adopt" neighboring farms and make sure that the farm production is bought. His group is even proposing the creation of a "local currency" to prevent the money from leaving the region.

In other words, many fish bowls are created in which the goldfish can swim around at will. The citizens, fixated on their local affairs, will hardly be concerned by great policymaking decisions or by the future of humanity. And they, of course, will never inquire into who, from outside of the fishbowl, is manipulating them.

Such an approach would lead to a world financial dictatorship on the one hand, and a myriad of uncoordinated local initiatives on the other. The alternative approach would seek rather to organize a vast producers' movement, which could operate internationally, nationally, and regionally, to counter perverse financial interests and to defend a program of peace through development.