

Asset seizures a weapon in U.S. trade wars

by Chris White

The U.S. Treasury Department was the vehicle for launching a new phase in the Bush administration's fascist economic policy, with the publication on April 1 of measures directed against companies and individuals declared to be fronts or agents of the government of Iraq.

Fifty-two companies and 37 individuals, in the United States, Europe, and the Middle East, were identified in the report. Assets of these corporations and individuals are subject to seizure. It is now illegal, under powers taken in early August of last year, for any U.S. company or individual to do business with any of the companies or individuals identified on the list.

Why issue such a report now? Isn't the war supposed to be over? These are the kind of questions which ought to be asked, for they point toward the reality, once again, that Bush's holocaust against Iraq and its population is indeed a pretext for something else.

Bash the allies

The report's issuance is a transparent attempt to leverage backward U.S. popular opinion into support for financial, economic, and trade war now unleashed against allies in Europe and Japan. Remember how they riled up the mob on what they call the "burden-sharing" question—the press and the voices from Capitol Hill, like Sen. Ernest Hollings from South Carolina, and his friends, on how Germany and Japan weren't "doing enough." Those countries did pay the funds extorted from them for Bush's war, yet now the Treasury report, the asset seizures policy, is part of the escalation against them.

If this policy commitment continues to be tolerated, people might look back on the April Fool's Day release of the report to rue the fact that those who supported this approach

were themselves the ones who were played for suckers; for the consequences open up the short path to national suicide.

Since Germany and Japan remain the two islands in the world economy that are relatively unaffected, to this point in time, by the depression which ravages the Anglo-American world, and by the genocidal destruction wreaked against the Southern Hemisphere through International Monetary Fund conditionalities policies, trade war targeting Germany and Japan, if successful, will destroy the only basis for economic recovery anywhere in the world.

Blackmail and thuggery

The report on Iraqi assets draws on the so-called investigative work of the Pearson Group's newspaper, the *Financial Times* of London, and its reporter Allen Friedman; British government agencies, including the Department of Trade and Industry; and a private New York investigative agency associated with British intelligence, the CIA, and Edgar Bronfman's Anti-Defamation League of B'nai B'rith, known as Jules Kroll Associates. This outfit in turn was working with the Manhattan District Attorney Robert Morgenthau. The Los Angeles-based Simon Wiesenthal Center was also part of the combination which produced the blacklist.

This is the same basic crowd that set up the pretexts for the Persian Gulf war in the first place. Kroll Associates is described by British newspapers as "Wall Street's CIA." Kroll told CBS how he had estimated the amount of Iraqi assets salted away abroad: He simply made up a number, \$10 billion, by assuming that an arbitrary 5% of Iraq's earnings from oil sales had been salted away every year. Then, he deployed his staff to find the money. The Treasury's approach does not seem to be any different than this.

Targeted are leading German industrial corporations such

as Daimler-Benz, MBB, and Thyssen. The German companies have been accused of supplying the technology which assisted the so-called Iraqi war buildup. Such companies were identified in a recent broadcast of CBS television's "60 Minutes," and in subsequent coverage in West Germany's *Der Spiegel* magazine, as well as in the *Financial Times*. Not yet on the Treasury list, such companies as Daimler-Benz have come under investigation within Germany, because of pressure from the United States and Great Britain on the matter of their alleged transactions with Iraq.

Japan has been a target of a different sort. On March 29, the Bush administration's Office of the Special Trade Representative issued its latest report on "Barriers To Trade." Japan is cited as one among the principal obstacles to the spread of U.S. trade, along with Third World countries like Brazil, India, and Thailand. In this report, we learn that "excessive paperwork" is a principal reason why U.S. telecommunications equipment is barred from the Japanese market.

Production of a report of this nature on an annual basis was mandated by trade legislation now in force. The report is designed to provide the basis for the adoption of counter-measures and sanctions against countries which are targeted. This is the procedure which goes under the name "Super 301." The Special Trade Representative's report therefore delivers the same kind of message to Japan that the Treasury blacklist delivers to Germany. In the language of blackmail and thuggery this is: Do what we require, or there is more and worse to follow.

Both Germany and Japan have come under fire for not doing their "fair share" to help Bush and his allies in the genocide against Iraq. Both are expected to cough up the tribute required to pay for that military atrocity, and they have complied.

This is the kind of Goebbels-style propaganda which the majority of the U.S. population seems to fall for these days, the more completely when couched in the language of sports or "fairness." But such lies cover for the real target, and the real, twofold concern. On the one side, the fear of the emergence of a bloc of nations on the Eurasian continent committed to policies of economic and technological development, through upgrading of infrastructure; on the other, the rage that such a combination would disrupt the schemes for a new Roman Empire, based on subjugating the rest of the world to Anglo-American power, propagated in the name of Bush's new world order.

Such a policy alternative has a name: It is the Productive Triangle of European infrastructure development. As designed by the jailed U.S. politician and economist Lyndon LaRouche, rapid development of the core area bounded by Paris, Berlin, and Vienna, and the spiral arms which feed into that core area, through development of high-speed rail freight transport, would provide the margin of new wealth, in the form of increased productive potential, which alone can reverse the world's present course to disaster. Among

the companies identified on Kroll's target list are companies which would be the builders of the infrastructure programs called for in LaRouche's program.

Who is to blame?

Since there is no other such source for recovery available, the policies reflected in the Treasury and Special Trade Representative's reports are not merely insane, they are also criminal. And those who are the cheerleaders for such efforts ought to be seen in the same light.

For example, the issuance of the Special Trade Representative's report had been prepared by demands for governmental action from the National Association of Manufacturers and the "Big Three" U.S. automakers. The NAM wrote to President Bush demanding a federal government review of all aspects of U.S.-Japanese trade. Primly, the president of NAM, Jerry Jasinowski, insisted that his outfit did not seek to blame Japan for things the United States ought to take responsibility for itself. He went on to insist, however, that Japan is threatening the U.S. standard of living, the competitiveness of U.S. industry, the viability of U.S. high-technology industries, and so on.

The auto industry backed up this approach. The heads of the Big Three, meeting with Bush, demanded government action to restrict auto imports from Japan. Chrysler's Lee Iacocca insisted in a letter to the President that unless action were taken now to restrict Japanese auto imports, within the year Chrysler could be bankrupt and Ford "mortally wounded." Like the National Association of Manufacturers, he no doubt finds it easier to blame the Japanese than himself for the collapse of the U.S. economy. It was Iacocca, after all, who refused to run for President in 1988 because the President then elected would be faced with the biggest economic crisis ever, and Iacocca did not think himself qualified to deal with it. He was right.

But as Iacocca and the other complainers ought to be aware, the United States has no one to blame but itself for the destruction of the economy, living standards, and competitiveness on the international markets. The results of the present, dominant policy, called the "post-industrial" society, were foreseeable, and were foreseen by LaRouche, and have been reported in *EIR* for more than a decade. LaRouche's alternatives to such policies, featuring monetary and credit reorganization, promotion of technology- and energy-intensive skilled employment, and infrastructure development, were rejected by those who now call for the destruction of the economies which have thus far refused to follow the United States and Britain down the path of national suicide. They were also rejected by those who chose not to vote for LaRouche, in favor of sticking with proven disaster. Instead of getting behind a new round of bashing Germany and Japan, it would be better to ask what could be learned from those nations that would help LaRouche's Triangle proposal, and thereby the world, to survive.