

## GATT: the real agenda of the Group of Seven

by Carol White

There has been a lot of hoopla around whether, when, and so forth, Soviet President Mikhail Gorbachov would be present at the July Group of Seven (G-7) summit meeting in London. This is a convenient ruse to cover the reality of the summit, which is the continued Anglo-American push to force through a General Agreement on Tariffs and Trade agreement, which places destruction of European food production center stage.

Speaking in Bardejov, Czechoslovakia at a conference of the Institute for East-West Security Studies on June 7, U.S. Vice President Dan Quayle reiterated that "the U.S. views trade as more important than aid, and expects Western Europe to liberalize its markets for goods from the East." He called upon the Czechs to form a bloc with the United States to force open the European Community (EC) market to food imports. He said that, vis-à-vis the economies of Eastern and Central Europe, "The U.S. will open its markets as wide as possible, and expects the European Community to do the same. The U.S. is making this question a top priority of the G-7 summit in London next month."

The degree to which the Anglo-American bloc had been making headway in its strong-arming on this issue was signaled by the public stance of the 12 EC finance ministers meeting in Paris, who issued a declaration on June 6, stating that reaching a General Agreement on Tariffs and Trade (GATT) agreement must have "the highest priority on the international economic agenda." They stressed that "the pace of negotiations must be intensified in all areas." They also wished the EC to be committed to "indirect negotiations to achieve specific binding commitments" on three areas pertaining to agriculture and farming.

Dutch Finance Minister Wim Kok was quoted in the *International Herald Tribune*: "If we fail to bring the Uruguay Round to a successful end, it will be a black page in the

development of the world economy."

Enormous pressure has been brought to bear on the German industrial sector, with the result that the German Industry Association (BDI) and the German Congress of Industry and Commerce (DIHT) have joined with the German Labor Federation (DGB) to echo Kok's position, and meet U.S. demands. A joint letter was mailed to the European Commission in Brussels on June 10, in effect buckling under to American pressure. They call for a priority discussion of "fundamental reform of the agricultural policy of the European Community," and urge the G-7 summit to remove the obstacles against a resumption of the frozen GATT talks. U.S. Trade Representative Carla Hills met with the BDI executive board in Cologne on June 7.

On June 6, Hills had told the Institute of Directors in London that a breakthrough must be achieved on the GATT Uruguay Round, and on European trade concessions by the end of July. Hills laid out the U.S. position in an interview with the *Financial Times* of London June 10, where she said: "Let us hope that at this G-7 meeting in London, the leaders can say something meaningful and mean what they say. My President has been extremely courageous. He has put the Uruguay Round at the top of his trade list. And he is prepared to put restrictions on the table so long as other nations do likewise. If the rest of the trading world will not deal with their restrictions, it will not be the fault of the U.S."

Hills insists that the agreements must begin with agriculture, and move on to other areas. Agriculture, she says, "is the magnet to persuade the developing world to deal with the other topics, where there are now no rules: services, investment, the protection of intellectual property, and market access." She is particularly adamant on the matter of intellectual property rights, contemptuously dismissing Third World nations' objections that an agreement on this is

not in their interest: "How in the world is a developing country going to attract technology transfer and investment if it steals patents?"

U.S. Secretary of Agriculture Edward Madigan had the same thrust, speaking in Berlin June 7. He urged Germany to take the lead within the European Community, in tearing down farm trade barriers, which he compared to the Berlin Wall.

He warned that the U.S. Congress could take unilateral protectionist measures unless world agriculture trade were liberalized at talks this year under the aegis of GATT. He stated: "It is difficult for Americans to comprehend why the United States should accept the export of automobiles, machine tools, and industrial chemicals from Germany while European borders to our agricultural goods remain closed." Madigan has been in Germany for meetings with his German counterpart Ignaz Kiechle.

### Europe on the fast track

The commission for trade negotiations, the steering committee of the GATT, has met in Geneva under the leadership of GATT Director General Arthur Dunkel, and has worked out a program of meetings for GATT's seven working groups, to speed up the process of GATT agreements by the end of July. Three of the working groups—for market access, GATT regulations, and the service sector—will meet twice before the end of July, while one session is scheduled for the groups on agriculture, textiles and clothing, and intellectual property rights. At the end of July, the steering committee will meet again, and it is hoped in GATT circles that progress will have been achieved by then because of the priority being given to GATT at the mid-July G-7 summit.

What Bush, with prodding from the British, is demanding is simply more imperial tribute of the sort exacted during the Gulf war to balance the U.S. trade deficit. Financiers want access to \$5 trillion worth of fresh loot over the next 10 years, of which the U.S. share is supposed to be over \$1 trillion. This was the perspective laid out by administration loyalists, both Republicans and Democrats, during the Senate debate at the end of May on Bush's "fast track" reauthorization request for free trade negotiations. The \$5 trillion is supposed to be made up of amounts which include \$300 billion to come from the final elimination of Europe's food production policy; and between \$600-800 billion to result from opening European governments' procurement policies to so-called competitive bidding, i.e., to U.S. and British companies.

It is called "free trade," but that's not what's going on. The U.S. has just reported a balance-of-payments surplus for the first time in years. The surplus is the result of allied tribute, extorted allegedly to cover the so-called costs of Bush's splendid little war in the Gulf. The tribute more than compensated for the trade deficit the U.S. is still running. In the name of GATT and free trade, the idea now is to make such arrangements permanent, to the greater glory of Anglo-

American finance. Thus, David Rockefeller, associated with the bankrupt Chase Manhattan Bank, has become a top promoter of the idea that, without a successful GATT agreement, there will be "catastrophe."

If, as now seems likely, they succeed, it would destroy world recovery prospects, and continental Europe and Japan will follow the United States and Britain into economic collapse and depression.

### It is the U.S. which must learn

This approach was denounced June 10 by U.S. presidential candidate Lyndon LaRouche in a statement released from the Rochester, Minnesota prison where he is held a political prisoner because of his leading opposition to these kinds of policies.

LaRouche said with regard to the upcoming G-7 meeting: "As most of you know, the Bush administration, supported by the Thatcherites in Britain, are demanding that the world at last submit—every single nation, every nook and cranny of this planet—to the *instant* adoption of the United States and Britain's version of Prof. Milton Friedman's free market ideology.

"Now, it's a pretty stupid idea; because, as most of you remember, back about 25 years ago, the United States was still the most powerful, most successful, and most productive economy on this planet. Today, we are the worst—with the exception of Britain, which is the absolute bottom, the absolute pits. We are the worst among all of the industrialized non-communist nations of the world.

"Obviously, the policies we have followed for the past 25 years have been stupid ones; because, in the same period, other nations, which were far behind us in 1963, for example, are now way ahead. And they didn't get ahead by cheating. They just got ahead by not being as stupid as our bankers and our politicians in Washington have been.

"Maybe it would be a better idea for the United States to adopt the policies that have made Japan and West Germany successful, and junk this free market ideology, than demand we take the whole world down to a bottomless pit of ruin.

"Believe me, with the exception of one or two major banks, our entire U.S. banking system and most of our financial system is already bankrupt. We are the basket-case of the Western world.

"The time has come to stop pretending we're so smart, when we have proven ourselves so dumb. The time has come to recognize that in economic policy, in monetary policy, in tax policy, and so on and so forth, over the past 25 years, every administration has been consistently stupid; and our entire leading banking community as well.

"The time has come to learn the lesson of our own present misery. And that is, that we've had the wrong policy, the policy has failed, and the best thing to do, is learn the lesson of experience, and perhaps impose upon ourselves the economic policies of West Germany and Japan."