

Rockefeller and Kissinger demand more 'free trade'

by Ana M. Phau

Trilateral Commission banker David Rockefeller and Henry Kissinger convened a conference in Washington on April 22-23 to discuss how to ensure that the economies of the continent are totally controlled by "free trade." In this way, the looting of Ibero-America would not only be continued and secured, but the continent could then be impressed into helping impose the General Agreement on Tariffs and Trade (GATT) worldwide. Underlying all the discussions, however, was a real worry over how to stop the revolution against these same policies now exploding in Ibero-America.

Hundreds of businessmen, the majority from Ibero-America, attended the so-called "Forum of the Americas," billed as "A Public Policy Conference on Open Trade and Investment: A Vision and an Agenda for the Americas" and cosponsored by Rockefeller's Americas Society, the Latin American Business Council (CEAL), and the Business Council on National Issues (BCNI), in cooperation with Nicolás Ardito Barletta's International Center for Economic Growth (ICEG).

Rockefeller seemed to be coming out of a Walt Disney movie, judging from his pretensions that the Ibero-American debt payments are going to save the collapsing U.S. banking system. "It's a happy irony, at least to this banker," he said, "that economic reforms in Latin America have so altered the economic picture that some U.S. banks are counting on their now-profitable, remaining Latin American debt to carry them through their bad real estate loans in this country."

Although these bloodthirsty bankers do need the billions of dollars looted from Ibero-America through the imposition of International Monetary Fund (IMF) conditionalities and free trade conditions that have "opened up" the economies of the continent, in no way are these funds going to stop the U.S. banks from collapsing.

A timetable assigned

The Rockefeller-Kissinger duo delivered their marching orders in no uncertain terms. Rockefeller demanded in his speech that a free trade zone in the hemisphere be established by the year 2000, and Kissinger said that the North American Free Trade Agreement (NAFTA) has to be completed before the November U.S. elections.

"I believe this conference must explicitly call for a free trade agreement that embraces the entire hemisphere, from Baffin Island to Tierra del Fuego. And not at some unspecified future date. We must call for an American Hemispheric Free Trade Area no later than the year 2000, eight years from now. That's eight years, I hasten to add, for the *completion* of the free trade agreement," Rockefeller told the conference. This is the first time anybody has given the Enterprise of the Americas Initiative of the Bush administration a specific timetable. The task of the conference, Rockefeller said, is "to lay the intellectual and practical foundations to modernize the social, political, and legal structures of this hemisphere so that they can embrace the mission of securing economic freedom."

In fact, on the next day, Bush acknowledged receiving his orders, telling the audience, "You may have heard some suggest that politics will dictate delaying the North American Free Trade Agreement until after the election. Well, those voices are not speaking for me. The time of opportunity is now. I've instructed our negotiators to accelerate their work. I believe we can conclude a sound, sensible deal before the election, and I want to sign a good agreement as soon as it's ready." Bush lied that NAFTA would produce thousands of "good jobs" in the United States.

Rivalry among other speakers was clear when it came to showing their commitment to these genocidal policies.



David Rockefeller (left) and Henry Kissinger, at the "Forum of the Americas" meeting in Washington. The bankers' push is on for a North American Free Trade Agreement, before the U.S. elections.

Mexican Secretary of Commerce and Industrial Development Jaime Serra Puche insisted that NAFTA is crucial to make free trade and liberalization "permanent policies, permanent rules," and praised the accord for assuring North American businesses access to cheap labor. The Mexican minister seems to view ensuring a "permanent" supply of cheap, unskilled labor, such as those who work under concentration camp-like conditions in Mexico's *maquiladoras* today, to be one of the great tasks of government, since he called western Europe's new-found access to masses of cheap labor in eastern Europe "the most important technological breakthroughs in Europe over the last five years!" This has "opened up opportunities to European firms to use labor-intensive technologies . . . [which] has lowered the relative cost of labor"—i.e., wages—in all of Europe, he argued.

Venezuelan Development Minister Pedro Vallenilla tried to assure the crowd that there are no social problems in Venezuela, that the only problem is that the Venezuelan poor are very impatient. And Brazil's Central Bank president Francisco Gros promised the audience that the Collor government is committed to doing everything possible to end what he called "the reckless search for growth at any cost" which guided Brazil in past decades. Brazil's big error, according to Gros, was to "pursue self-sufficiency in just about everything," and "produc[e] domestically everything we used," thereby developing an economy "which is still largely insulated from the outside world."

In his speech, Kissinger cynically joked about how little he had cared about Ibero-America in the past. However, he explained, since the Anglo-American establishment cannot control what happens in Eurasia any longer, it can certainly try in Ibero-America. "The area in which real creativity is possible is, in my view, the western hemisphere among the group of nations that are represented here," he said.

He praised the Bush administration's Enterprise for the Americas Initiative and characterized it as "the single-most creative American foreign policy initiative and in many

respects the most important."

'Democracy' Kissinger-style

For Kissinger, the lack of funds over the last decade to fight the cholera epidemic spreading throughout the continent, to build hospitals and infrastructure, and to fight narco-terrorism in Ibero-America, are all a product of "statism" and overregulated economies, not of the programmed and systematic looting of these nations through the imposition of IMF austerity. The solution, says Kissinger, is the "free market." While the transition to the free market may be a difficult one, he said, it is the only viable policy for the continent. "I do believe," he said, "that in the western hemisphere, there is a trend, based on the conviction that democracy is the most relevant form of government and that market economics is the only way to fulfill the aspirations of the population."

Fat Henry cited the example of Argentina's President Carlos Menem to show what has to be done in Ibero-America. In Argentina, Kissinger said, Peronism "has finally been integrated into the political process. . . . All the lectures on market economics and political democracy could not succeed until the Peronista Party was integrated into the political process. . . . I think it will be the historic merit of President Menem to have returned the Peronista Party into the democratic political process."

The way the case of Peru was handled revealed the lack of control Kissinger and his friends actually have over the developments in Ibero-America. Kissinger argued that the United States must keep a cool head when dealing with Peru, in order to focus on the most immediate task: ensuring that no other "Perus" overturn the free trade "democratic order" in the western hemisphere. Thus, he argued that when "you're dealing with narco-traffickers, Shining Path, and a corrupt judiciary, a certain amount of understanding of the problem is needed—even if we don't agree with the solution." But, as he explained to a journalist who questioned him on the "lessons for other policymakers" from the recent developments in

Ibero-America, "I think in Peru the major lesson [is that] one should prevent that a situation get so much out of hand."

Rockefeller made clear, however, that "democracy" is still non-negotiable. "A return to unelected military rule of course would be unthinkable and untenable. . . . Domestic and foreign investment would once again dry up, and any hope for economic recovery would be completely lost," he stated.

In case anybody missed the point, Americas Society President George Landau concluded one of the panels, reminding the audience that since the Feb. 4 coup attempt in Venezuela, foreign investment in Venezuela fell by 92%, and 70% of the investment in bonds and stocks fled the country. "I think it should be a warning to coup plotters, not just in Venezuela, but anywhere, that if you want regional markets, if you want NAFTA, if you want economic growth, coup plotters should think twice. They're never going to save the country; they're only going to ruin it."

What these people really mean is that it doesn't matter if you have a U.S.-imposed Marxist as head of the government, as in the case of Haiti, or a corrupt President, as in the case of Venezuela, as long as you follow the orders of the Anglo-American financial establishment and sacrifice the population in order to impose deadly IMF conditionalities and save the U.S. banks.

Stop protectionism at all costs

The first panel, chaired by Rockefeller, discussed how regional free trade accords, such as NAFTA, are not only not contradictory to global trade agreements, but serve to maintain GATT's policing powers over the economies of the West, and ensure that no government retreats from free trade. In fact, participants argued, it is because Ibero-America can play a key role in securing GATT, that it is urgent that NAFTA be signed, sealed, and delivered before November.

Agreement on the new GATT accord is currently stymied, because some of the demands made by GATT—such as fixing international controls over services and intellectual property rights—are currently limited by national legislation, Arthur Dunkel, director general of GATT, told the conference. The solution, he insisted, is to limit national sovereignty. Dunkel, who flew in from Geneva for one day to be at the conference, happily noted that "a whole range of domestic laws and regulations which have hitherto been considered part of national sovereignty are now open to negotiation. This may be the most innovative, but least perceived, aspect of the round in many parts of the world."

No specific sector should be split off from the general negotiations, insisted Dunkel, because the issue is to use the global approach to force concessions on particular issues which governments would refuse to touch otherwise. The key task of GATT right now, he said, is "how to hold the line against protectionism. . . . The pervasive nature of protectionism is such that only collective action by governments can defeat it and ensure progress towards liberalization."

Industrial nations targeted

Although they were not represented at the meeting, a huge amount of pressure was put on industrialized nations to end their protectionist policies toward basic industries, open up their economies to cheap-labor products from the developing sector, and destroy their economies. In fact, according to these lunatics, these protectionist policies in the industrialized nations are responsible for the misery in Ibero-America. If protectionism continues in industrialized nations, this "will bring great economic pains to Latin America, precisely at the juncture where the region is changing its development strategy and trying to show that market competition is the best way to enhance their economic prospects," said Argentine Deputy Economics Minister Carlos Sánchez.

Sánchez warned: "But if international protectionism continues, Latin American growth prospects will surely decline and, as experience shows, an environment of low or no growth is the best scenario for protectionist arguments to gain political strength."

Documentation

Balance of power politics

From the "Forum of the Americas" keynote speech by Henry A. Kissinger.

When I started working for Nelson Rockefeller, my lack of knowledge about Latin America was only matched by my lack of interest in Latin America. And the Rockefeller family was extraordinarily persistent, kept after me and then when I came into government I was engulfed for a while in the Vietnam War, Middle East wars, East-West relations, but under the tutelage of Bill Rogers who worked with me first as assistant secretary of state for Latin America and then as undersecretary of state, I became more and more aware of the crucial importance of Latin America.

It's sort of curious. When you're used to East-West thinking, I would think nothing of taking a trip to London for dinner, but Mexico City seemed light-years away. That was a big operation for me to go to Mexico City. Today it's different. I go to Latin America more than I go to Europe. . . .

Now the communist world has disintegrated. The Soviet Union is no longer a threat. The alliances created during that period will have to change their significance. There's a great deal of discussion about the spread of democracy and market economics as a natural phenomenon all over the world and there's a certain guarantee for peace. That may or may not be true. There's no historical evidence at this point either way and there's not even historical evidence that democracy is spreading in the countries where communism has col-

lapsed. But it is spreading in the western hemisphere and market economics are dominant in the western hemisphere.

In Eurasia, the biggest problem the United States faces is how to establish new relationships in alliances that are no longer held together by a common thread. . . . But with respect to all of this, we are subject to evolution and developments that we can influence only marginally. What happens in the former Soviet Union will not be determined primarily by American policy, although it can make a useful contribution to it. And it will be affected by legacies of history, ethnic rivalries, geopolitical conflict that cannot be managed from Washington, and for which, quite frankly, we are historically not very well prepared.

The United States has never had to deal with what it will face in Eurasia, in the Middle East, which is a group of sovereign nations of more or less equal capacity from which we can neither withdraw and which we cannot dominate.

All American historical textbooks, most of American literature on international affairs, rejects the concept of equilibrium, the concept of balance of power, by which nations of more or less equal strength will be driven to conduct their relationships. And in my view, the big intellectual drama of American foreign policy, the most intense debates of the next decade, will arise when we realize that there is no terminal point to history, that there will be no end to the evolution of foreign policy, that we can neither withdraw nor dominate, and that we therefore have to deal in nuances, in balances, in imperfect outcomes, in regions of profound passions that do not always march to a North American drummer. So, I look at much of what we do in Eurasia at this moment as consolidating, if we can, old relationships in western Europe and as some kind of damage limitation and the prevention of catastrophe in the countries where communism has collapsed. And the same is importantly true in such regions as the Middle East.

The area in which real creativity is possible is, in my view, the western hemisphere among the group of nations that are represented here. And like all converts, I may become more fanatical on that subject than the true believers. . . .

I have not always agreed when it was said that certain areas of the world, like the former Soviet Union, are now democratic and are now market oriented and to use that as the basic justification of our foreign policy. But I do believe that in the western hemisphere, there is a trend, based on conviction, that democracy is the most relevant form of government and that market economics is the only way to fulfill the aspirations of the population. . . .

It is only within the last decade that the approach through import substitution, through state domination of major sectors of industry, indeed of the economy, of military dictatorships, has been abandoned. . . .

A few years ago in the beginning of the Salinas term in Mexico, I spoke to one very highly placed official, and he was outlining some of the ideas that would dominate the new

administration. And I said, what about a free trade area? And he said, don't ever mention that in Mexico. He said, that will be perceived as exploitation by North America. We can go step-by-step. We can make sectoral agreements. But don't ever mention a free trade area if you don't want to damage all of us who believe in free trade. Today, the free trade area is a fundamental political commitment of the Salinas administration, and indeed if for any reason we in North America faltered on that commitment, we would do untold damage to all of those who have committed themselves to a course of action that a few years ago would have been considered absurd. . . .

I began by saying that I believe the most creative policy of this administration, the one for which it will be longest remembered, is the Enterprise Initiative. . . . The Enterprise Initiative can work only if there are market economies and generally democratic governments in Latin America. Autocratic governments will always be tempted to appeal to traditional nationalism. Planned economies will always be tempted to return to the vested interests and to state control which has dominated so much of the Latin American economy. . . .

I do not believe that we can confine this process to Mexico, the United States, and Canada. Once the Free Trade Agreement is signed and approved by the Congress, we should look at countries like Chile that meet all of the requirements; countries like Argentina, that two years ago one would have thought could not possibly be talked about in this context; and I would say that with all the ups and downs, countries like Venezuela, Colombia are certainly eligible for discussions on the subject. And when one looks at Brazil, the largest of the countries, and its recent political changes, one can see today where this vision of an area from Alaska to Argentina is not just a dream, but may become the most dynamic reality of the contemporary world. . . .

As a result of the particular structure that has existed in many Latin American countries, there can arise the difficulty that some governments that attempt reform suffer from the legacy of their own past and are not given as much credit by the populations for the austerity that is inevitable from reform. The gap between the richer and the poorer can apparently increase, and perhaps increase in reality in the early stages of economic reform. . . .

In Peru, I do not know whether what was done was in any way justified, and far be it from me to justify it. But, on the other hand, I also believe that when one deals with narco-traffickers, Shining Path, one dominant, radical party, a corrupt judiciary, that a certain amount of understanding of the problem is necessary even if we don't agree with the solution. . . .

Let me go back to where I started. I believe that the free trade agreement between Canada, Mexico, and the United States is the key to the evolution that I have described. That will enable us to defend market economics and a democratic evolution in the western hemisphere and to extend it. . . . It should be signed on all sides and defended on all sides as a

political vision and not purely as a trade negotiation. . . . My view is that this administration has already paid the price politically for the agreement, so they might as well defend it because their opponents will not let them forget it. . . .

Bush: NAFTA all the way

Excerpts from President George Bush's speech at the conference:

We're well on our way to creating something mankind has never seen: a hemisphere wholly free and democratic, with prosperity flowing from open trade. From Mexico City to Buenos Aires, that vision is becoming a reality. . . .

Alongside this economic revolution, we have witnessed and played a vital role to shape a political revolution just as powerful. Two years after we initiated Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. In El Salvador, after 12 years of civil war, our consistent efforts have brought peace. In Nicaragua, we succeeded in our goal of restoring peace and democracy through free elections. . . .

This peaceful revolution throughout the Americas did not happen by accident. It is the work of a new generation of courageous and committed democratic leaders with whom we have worked closely in pursuit of common goals. The new spirit was demonstrated in June of last year, when the OAS [Organization of American States] General Assembly passed a resolution designed to strengthen the international response to threats to democracy. . . .

Recent events in Haiti, Venezuela, and Peru remind us that democracy is still fragile and faces continued dangers. In all our nations, powerful special interests cling to old ideas and privileges, promote protectionism, and resist expanded trade.

For the diehards—for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military dictatorship, for the stubborn holdouts for economic isolation—I want to make one point clear: . . . As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the western hemisphere. . . .

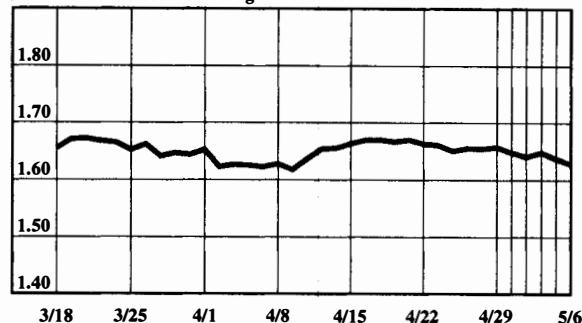
Democracy's rebirth led Argentina and Brazil to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rain forest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade and working to restore its economic vitality. . . .

The United States' economic destiny is linked to Latin America's. No army of protectionists can change that. When Latin America suffered its debt crisis of the early 1980s, we suffered through a corresponding drop in trade. . . . We'll knock down barriers wherever we find them, to open markets. . . . We will fight hard against protectionism both at home and abroad. . . .

Currency Rates

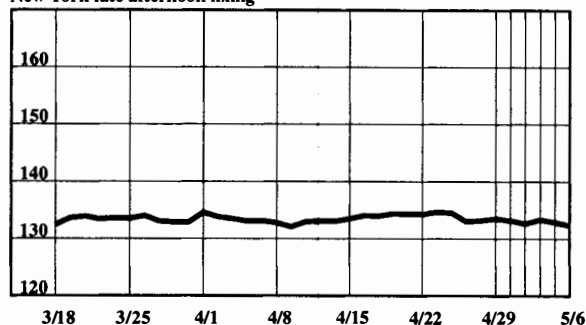
The dollar in deutschemarks

New York late afternoon fixing



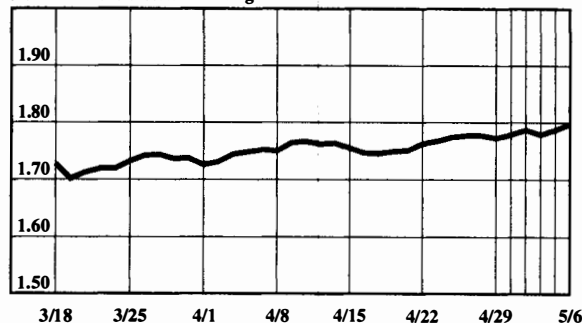
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

