What Haig and the Socialist International intend for Ottawa

by Kathy Burdman

Operating on both sides of the Atlantic, the officials planning the July 20-21 heads of state economic summit in Ottawa are working from a scenario written by David Rockefeller's Trilateral Commission for the destruction of the summit itself as a forum in which national governments may deliberate on the urgent new economic policies needed to head off the coming international depression.

Negotiations for the summit, according to sources in the Haig State Department and European capitals, have already hardened into a classic "left-right" split, in which the Socialist International governments of François Mitterrand in France and Pierre Elliot Trudeau in Canada will promote "left Keynesian" programs such as the Brandt Commission's program for the developing sector, while Britain's Margaret Thatcher will draw President Ronald Reagan into a "right-wing" free-market hardline position.

"The result," said a summit organizer at Donald Regan's U.S. Treasury Department, "could be a potential fist fight between the U.S. and the U.K., and the rest of Europe."

The Socialist International in fact is manipulating both sides of the game. The leading U.S. organizers of the Ottawa summit—Secretary of State Alexander Haig, former Secretary of State Henry Kissinger, Treasury Secretary Donald Regan, and their aides—are acting in policy alliance with the Socialists within the United States.

Caught in the center, and expected to be paralyzed under the scenario, are West German Chancellor Helmut Schmidt and Japanese Prime Minister Zenko Suzuki, who have been urging President Reagan to halt the extreme "free market" policies of U.S. Federal Reserve Chairman Paul A. Volcker. Volcker's current 20 percent interest-rate regime threatens the economic collapse of the West.

The aim of the Rockefeller Trilateral Commission, which is operating on behalf of the Propaganda 2 (P-2) Freemasonic lodge of the Venetian oligarchy, is thus to preclude all competent discussion of urgent economic questions. The result will be a deliberate world depression, implemented as Venetian policy, under the continuation of the Volcker interest-rate policy.

The end of economic policy

The pressing need for the Ottawa heads of state summit is for discussion by President Ronald Reagan, Chancellor Schmidt, and Prime Minister Suzuki on a series of measures to relaunch the world economy:

- The immediate and significant lowering of the *high interest-rate policy* of the U.S. Federal Reserve, to be followed by the major central banks of Europe under direction from their elected national governments.
- The stabilization of the *world currency system* through the remonetization of U.S. and European gold reserves at approximately $500 an ounce as a basis for the issuance of new international credits.
- The agreement by Western governments on the return to high-technology, heavy industrial *export trade* with the nations of the developing sector, to be aided by increased export credits.
- The radical revision of Western *tax* and *industrial policy* along Hamiltonian lines, to eliminate both the Keynesian and "supply-side" tax policies which impede heavy industry in favor of "postindustrial" service sector employment, and use taxation instead to enforce investment in capital goods and research and development.

Instead, according to a Trilateral Commission planning document for the summit now being used by both the United States and Great Britain, the Ottawa summit must not discuss economic policy, but rather turn exclusively to "political" topics such as relations with the Soviet Union.

The Trilateral document, " 'Trilateralism' and the Governance of the International Economy in the 1980s," was released by David Rockefeller at the March 1981 meeting of the Trilateral Commission in Washington on the day of the attempted assassination of President Ronald Reagan. The report, which is a plan for economic summits, was authored by Miriam Camps, senior fellow of the New York Council on Foreign Relations and leading author of the CFR's 30-volume

. *François Mitterrand: one side of the setup.*

1980s Project, which demands "controlled disintegration in the 1980s."

The Trilateral thesis is that nation-states can no longer make economic policy, which is best left to the "independent" central banks and their "technical" supranational organizations such as the International Monetary Fund and Bank for International Settlements. "There is a disjuncture, a lack of congruence, between the economic world, which is becoming truly global, and the political world, which remains dominated by the nation-state," Camps writes. "Now we are experiencing the problems of living in a world . . . that is becoming increasingly overcrowded."

"So far as summitry is concerned, it is not well suited to the kind of continuing consultations on macroeconomic policy that could usefully be carried on by a restricted group within the International Monetary Fund. Moreover, particularly at a time when relationships with the Soviet Union are difficult, dangerous, and potentially divisive, the summits must be 'political,' and must be concerned with seeking to reach agreed appraisals of the nature of the challenges confronting the West and with the economics of defense."

The Trilateral plan was first put forward by the Margaret Thatcher government of Britain at summit pre-meetings during May, and then endorsed as an Anglo-American "joint venture" for the summit by the U.S. negotiating team. The U.S. team, which reports to Vice-President George Bush, a former Trilateral member, is headed by President Reagan's personal representative for the economic summit, Undersecretary of State Meyer Rashish.

With the approval of Secretary of State Alexander Haig and Treasury Secretary Donald Regan, Rashish and the Treasury team preparing for Ottawa have adopted the Trilateral perspective as the basis for U.S. briefing papers to President Reagan on the entire conduct of the summit.

Secretary Haig's ties to the Trilateral Commission and the Venetian oligarchy's P-2 lodge have already been the subject of reports in the leading European press. Undersecretary Rashish for his part has long worked for the Rockefeller family, having begun his career in 1953 as director of John D. Rockefeller III's Resources for the Future.

Mr. Rashish was first brought into the State Department in 1960 by leading Trilateral member George Ball, Undersecretary of State for the Kennedy Administration, whose Lehman Brothers-Kuhn, Loeb investment bank is heavily implicated in the P-2 affair. Mr. Rashish's chief summit deputy, Assistant Secretary of State Robert Hormats, is a protégé of former Trilateral Commission Executive Director Henry Kissinger, who brought Hormats onto the National Security Council in 1969,

Alexander Haig.

The left-right scenario

With the United States' acceptance of the Trilateral plan as of this writing, the Ottawa summit is scheduled to break down into what is known as a "classical left-right scenario" as developed by the sociological profilers at the London Tavistock Institute (Sussex), the leading center of Venetian scenario-writing in Britain.

The United States and Britain are profiled to take the extreme "right" position on the crucial issues of interest rates, Third World development, and trade. Their basic premise will be that these issues are *not for debate* at the summit at all, as the Trilateral Commission negotiating paper states, since the United States and Britain have already decided upon their unilateral policies:

On *interest rates*, "the United States' position is clear," said an aide to Undersecretary of State Meyer

Rashish this week. "The United States has no intention of lowering its interest rates, nor of taking any artificial measures to loosen credit. President Reagan is absolutely firm in his commitment to this. There is nothing the Europeans can possibly say or do to change this or have any effect on U.S. interest rates whatsoever, and they are well aware of it."

The attitude being taken by the U.S. team is that "U.S. domestic considerations and domestic economic objectives come first, and that if we get our own house in order, the world economy will follow," said the State Department aide.

The British position is identical.

On the *international currency* markets, the U.S. and Britain take the position that the tremendous collapse of European currencies and destabilization of the European Monetary System (EMS) caused by high U.S. and British rates "is Europe's problem," a spokesman for Undersecretary of the Treasury for Monetary Affairs Beryl Sprinkel stated. "This administration believes that currency rates are best handled by the free markets. If the West German mark and French franc are falling, that is because their economies are weak. It is a problem of their own making. If the EMS is in trouble, that's their problem. The U.S. doesn't belong to it."

On the urgent need of *Third World* nations for credit relief and industrial exports from the West, the United States and Britain intend to preach "supply-side" economics, according to Mr. Rashish's office. The "supply-side" policy, as now being followed in the U.S. and British domestic economies, calls for an extreme free-market approach of tight money, coupled with tax cuts and budget cuts. In their view, the Third World requires no action from the West, nor relief from the 20 percent interest rates of the U.S. Federal Reserve which have made international credit intolerably expensive to most developing nations. Rather, Mr. Rashish's aide stated, the United States and Britain will advise the Third World to adopt its own supply-side policies, "to stimulate private-sector investment, to place greater reliance on the private sector, to shift away from development assistance, and to remove their domestic price-subsidy programs which now keep the price of food, energy, and credit in most developing nations at artificially low levels."

On *trade*, the United States has declared it will go to "trade war" against Europe and Japan unless these governments abandon their $6 billion in annual export-credit subsidies for trade, to which Washington and London object as a violation of the free market. Unless these credits are halted, warned Deputy Secretary of the Treasury R. T. McNamar in France recently, "There will be an export credit war."

The Regan Treasury, which is closely allied to the Haig State Department, is in fact considering the unilateral invocation of Section 301 of the 1974 U.S. Trade Act, which would close U.S. markets totally to European goods, according to Treasury sources. Such an action would cause a drop in world trade worse than that of the 1930 Smoot-Hawley tariff that touched off the Great Depression.

All these Anglo-American positions are non-negotiable as of this writing.

The Socialist position

The Socialist International governments of France and Canada, for their part, are profiled to take the extreme "left" position on these crucial issues. French President François Mitterrand and Canadian Prime Minister Pierre Trudeau will indeed demand that economics be discussed, but from a Keynesian standpoint calculated to drive President Reagan and Prime Minister Thatcher into hardened opposition.

On *interest rates*, French President Mitterrand and French Finance Minister Jacques Delors have announced their intention to confront the United States loudly with demands for a Keynesian-style "reflation" program to lower world rates through inflationary printing-press money.

With the backing of Mitterrand, Italian Finance Minister Andreatta, and the Dutch and Belgian governments, the Mitterrand government has announced that Europe "will speak with one voice against American interest rates" at Ottawa.

On the *international currency* markets, French Finance Minister Delors has devised a plan to use the European Monetary System for an attempted collapse of the U.S. dollar, with which France will threaten President Reagan at the summit, according to White House sources. France has proposed that all European nations place their dollar reserves into the EMS, which would then proceed to dump large quantities of the American currency onto world markets to pump-prime a run on the dollar.

On *Third World* development policy, Pierre Trudeau of Canada intends to push strenuously for endorsement at the summit for the 1979 report of the Brandt Commission, the Socialist body headed by Socialist International Chairman Willy Brandt, former chancellor of West Germany. The Brandt report calls not for competent industrialization of the developing sector, but rather for a "welfare" program of labor-intensive make-work projects in the LDCs to reduce economic growth there and lower population growth. Chief among Trudeau's plans is the Brandt Commission's support for the proposed new World Bank Energy Affiliate, which would spend $25 billion in Western government funds, and a total of $92.3 billion in funds, by 1985, to set up soft-energy projects such as solar energy, gasohol, and dung recycling in the LDCs. The objective is to drastically reduce Third World oil imports and energy consumption.

To finance the Brandt scheme, Trudeau and Mitterrand will reportedly call for a large-scale "transfer of resources" from the industrial West, which would suffer a cutback in living standards and capital investment, in order to redistribute funds to the LDCs.

On *trade,* the Mitterrand government, which has already denounced the U.S. Treasury's trade posture as "trade warfare," will propose a "Global Davignon Plan" modeled on the European Commission program of Count Etienne Davignon. The Davignon Plan has already erected a supranational control commission over the European steel industry that has rationalized and shut down more than 10 percent of European steel capacity over the past few years on the excuse of "apportioning markets."

"Mitterrand rejects the nationalism of Reagan and Thatcher," said a source close to the French government, "and believes that the U.S., Japan, Europe, and the Newly Industrialized Countries [NICs] must be brought into a global trade framework. This should reorganize and rationalize world steel and other industries such as automobile production and chemicals." The French idea is to shut down large sections of Western industrial production and grant them to the NICs.

Every one of these supranational Fabian proposals is deliberately designed to provoke maximum rage and rejection in Washington and London.

The consensus process

All of these positions of the left and right have been thoroughly aired during the pre-summit meetings. There is now an effort by Undersecretary of State Rashish and his deputies to promote the idea in Washington that differences at the summit can be "papered over" for the immediate period of the summit, in the interests of focusing discussion on a Western "consensus" regarding relations with the Soviet Union. This, of course, was also originally proposed in the Trilateral Commission summit scenario.

According to Mr. Rashish's office, the heads of state may agree to disagree for the time being on the basis of the European perception that the United States and Britain are absolutely immovable in their policies—with the proviso that the Reagan administration is prepared to endorse the right of France and Canada to implement their Fabian programs if they choose in their countries.

The governments at Ottawa "will agree on the need to forget differences over the smaller issues in the interets of strategic objectives," asserted a White House source this week "because the Europeans realize the U.S. is immovable in its policies."

The official stated that the Reagan administration is now prepared to reach an "entente" with the Mitterrand government on the basis that Reagan "will not condemn what Mitterrand is doing in his own country." The White House source further stated that Reagan's policies and those of Mitterrand are "the same" on a fundamental level, in that both are attempting to promote investment in the "postindustrial" service sectors and shift capital out of the heavy industries.

Undersecretary Rashish's office also reports that the United States may now accept the Canadian government's position paper on North-South issues which contains many of the Brandt Commission provisions as "a good paper to begin negotiations."

It is true that the Trilateral Commission and Thatcher version of supply-side economics, notably the Volcker interest-rate policy, which has been adopted by the Reagan administration to date, is in fact the identical policy to that of the Socialist International in its net effect on the world economy. Supply-side economics would simply let the developing sector and Western economies slide into hell via the free market, using a depression enforced by high interest rates. The Brandt Commission approach of Mitterrand and Trudeau would use supranational agreements to shut down industry in the West and enforce mass starvation in the developing sector.

It is also true that there is now a great deal of effort at the Haig State Department to focus the discussion at Ottawa on the plans of British Foreign Minister Lord Carrington for a "new Yalta" agreement with the Soviet Union.

The British and U.S. defense community are concerned to reach some agreement with the U.S.S.R. on world military matters for the near term, in order to allow the planned shift of Western economies into the "postindustrial" era to proceed as scheduled. The Anglo-Americans are aware that any need for a competent technology based military buildup in the West could never be accommodated under the "postindustrial" program, and wish to avoid the need for such a buildup for as long as possible.

Accordingly, Rashish's office is quite concerned to promote the idea that the Ottawa summit can reach some sort of "consensus" on the strategic question.

Whether an outright clash erupts, or whether "consensus" is the predominant atmosphere, the results for the real-world economy will be the same, unless the concerns and recommendations of Chancellor Schmidt and Prime Minister Suzuki are seriously addressed by the United States.

Yet, it is possible that the summit communiqué may not publicize a split in the West, there can, however, be no such "papering-over" of the fundamental situation as forecast by Rashish.