

Guillaume's 'Marshall Plan': challenge to malthusianism and looting

by Jacques Cheminade

This article was inspired by two discussions which the author, chairman of the Schiller Institute in France and secretary-general of the European Labor Party-France, held with members of the cabinet of the French agriculture minister, François Guillaume. The author would like to thank them, and express his hope that their efforts may help to advance the cause of justice and peace through mutual economic development.

The proposal for a new "Marshall Plan" on behalf of the Third World, made by François Guillaume and taken up by Jacques Chirac with great enthusiasm, must be considered, quite beyond its own qualities, as the trigger for a return to an economic order defined by mutual growth and justice. It is thus located strictly in the orientation of Gaullist commitment, and the necessity defined by the encyclical *Populorum Progressio* and the position taken up by the Pontifical Commission, "Justitia et Pax," on "an ethical approach to international indebtedness." As a weapon against usury and financial looting, its importance was immediately grasped by the multinational malthusian forces, who are using every means to distort and torpedo it. In explaining here what it is, and the context in which it is set, we hope both to reestablish the truth and to express our support and help to bring it into being.

To understand its deep meaning, one must imagine the young François Guillaume, after World War II, discovering with wonder his first tractor on his parents' farm, in a Lorraine village, and seeing the recovery of production and the return of the joy of life. This tractor, symbol of progress and hence of a more human and less difficult labor, he later learned, had been bought thanks to the Marshall Plan. Forty years later, thinking back on his parents' under-equipped farm, on the "unprofitable" markets of Europe in those years, and on what seemed in those conditions to be an impossible gamble to revive the economy, which was nonetheless tried and won, it came quite naturally to the mind of the agriculture minister to make the comparison with the present situation of the Third World countries. Then, he thought, there was an

America which had built up enormous gains in productivity during the war, and a Europe bled dry. The solution was to carry out a transfer of wealth, in their mutual interest, one sector feeding and simultaneously outfitting the other. A "durable co-prosperity zone" was thus created. So today, it would be a matter of organizing such a "transfer of wealth," with Europe and the United States feeding and outfitting the countries of the South.

This is the "simple" reasoning of a producer seeking to revitalize partners for the common good, which is an immense challenge to the reign of usury in today's international relations. Of course, François Guillaume's entourage at the Agriculture Ministry cannot present an overall plan that would go beyond their administrative competency, and have limited themselves to a proposal of food aid in favor of the most disinherited of the Third World countries. However, on the one hand, this plan is situated in the context of an overall position of France in favor of rescheduling and moratoria on the Third World debt, and of a lasting, substantial lowering of interest rates; on the other hand it is, explicitly, directed against the agriculture and food cartel. Thus it is a first step toward a new economic order based on productive credit and not usury, as Jacques Chirac presented the first elements to his "interlocutor" President Reagan in Washington.

The "Guillaume Proposal" starts from the idea that the Third World countries have two needs: immediate food aid to keep their populations from starving or going hungry, and assistance for developing economically, particularly in agriculture. To oppose one to the other is absurd, say Mr. Guillaume's advisers, and is nothing but a pretext for doing neither. The "take-off" can only be based on both at the same time. To say, then, as some do, that the Guillaume Plan "consists of nothing but massively exporting food to the LDCs," and that "this massive transfer could have perverse effects on the dependency of countries and local development," is thus in bad faith and absurd. The Guillaume Plan must be seen as the first stage of a rocket, of which the second is being built at a more general level of responsibility inside

the Chirac government.

Its aim is first to feed, knowing that the very substance of nation-states and authority of the governments that run them rests primarily on the capacity to assure their people's survival. In the long run, the aim is to allow each country to achieve food self-sufficiency, but in the short run it is necessary to intervene to save human lives from death, and states from disintegration. For immediate intervention, the minister's advisers note that the big grain producers, particularly, have a "surplus" on hand relative to paying demand. Both Canada and the European Community, as well as the United States, Argentina, Australia and New Zealand, therefore have to cut their production. However, at the same time, because of the **price depression**, they have to sell to "solvent" buyers—U.S.S.R., Japan, Saudi Arabia, UAE, Korea, etc.—at prices of **around \$75-83/ton** on the world market, since the production cost for the highest-profit producers is actually about **\$168/ton**, and the average production cost is \$200-234/ton, depending on the country.

The group of "richest" countries is hence subsidized by the producers, who sell minimally at half their costs of production! The "poor" countries cannot buy in any case, because they lack "profitable markets"! We are in a total absurdity. Now this absurdity was created and maintained by the world food cartel companies, especially Cargill and Continental Grain, which play off the producer countries against each other. They hope that a "price war," financed by U.S. government resources, over which they exert their dominion, will force the producers to their knees and give them absolute control over the markets. The U.S. agriculture secretaries, who have all, since the 1930s, been linked to the cartels, have very clearly told the Europeans, Argentines, and New Zealanders that they hope for "a knives-drawn battle in which they alone will have the means to hold on to the end." They hope to use the same knife to cut the throats of the Third World countries, consumers, and producers—of course including the American producers!

The Guillaume Plan is a political means to derail their maneuver, while laying the basis for an accord between threatened "victims," i.e., between grain producers penalized by unremunerative prices, and for whom compensatory subsidies (artificial in any case) are lower and lower, and consumer countries which are reduced to famine or want.

It is thus a question of agreeing, among producers, on a "floor price" for grain, which should be set at least at \$168/ton, and imposing this on the "solvent" buyers. This would only be justice, a price corresponding to the remuneration of the production factors. The surplus thus obtained by the producers would be, per ton, equal to \$168 minus \$75-83, or about \$83, which, applied to the annual total of the exports to the "paying" countries, or about 100 million tons, would free up a total of about \$8 billion. This amount would be put into a "Special Fund," which would allow for feeding the regions of the world with the greatest need, at no cost. Thus,

the edible grain stocks (about 160 million tons in the world today) could be cut down by 40 million tons a year, or reabsorbed within four to five years.

The criticisms of this plan are of three types:

1) Distortion of free competition, constituting a "grain producers' OPEC." This reproach is made precisely by the spokesmen of the cartels, who have, themselves, constituted an actual malthusian cartel! "The union of producers and producers" thus made, is but a riposte to their maneuver; hence to denounce it as a "distortion of competition" would be a very bad joke, if it did not imply the deaths of millions of human beings.

2) The claim that under the pretext of aiding the Third World, it would only aim to sell off the European Community's, especially France's, surplus. One can reply to this that if selling the surplus means saving human lives, it is hard to see what is immoral about it! Moreover, the "Fund" constituted by sales of grain at a just price is only aimed at emergency situations: 12 million refugees to feed in the world, countries incapable of food self-sufficiency in the short term and bereft of any resources to buy, and countries which are structurally deficient (for example, Bangladesh). The critics should propose other solutions!

3) "Artificial" competition which would stifle local production and increase "poor" countries' dependency. First of all, it is hard to see how one could compete with that which does not yet exist! Second, the Guillaume Plan, on the one hand, foresees that, step by step, the accumulated "special fund," once food needs are assured, could be oriented toward aiding agricultural development. On the other hand, it does not claim to be an overall solution but an emergency intervention (of which the product, \$8 billion or minimally \$5 billion, would still constitute some 10-15% of the total annual Third World debt service). The minister's advisers stress that they are aware of the plan's inadequacy in itself, and propose a link—which goes beyond their competency—with a second phase: production assistance.

This plan is conceived as resting on five principal pillars, creating an overall logic of "take-off" which would replace the present policy of scattering minimal credits over numerous beneficiaries: 1) aid to development of infrastructure (warehouses to allow products to be preserved and prevent their destruction, for example by rodents, and transport, to link up "enclaves" in the interiors of countries and bring their products onto urban markets). 2) Assistance to agricultural development proper (particularly, providing potable water and irrigation). 3) Assistance to production (farm machinery, farm chemicals, etc.). 4) Making production "profitable," by establishing an aid system to farm income to stabilize populations and repopulate rural spaces often abandoned in the "exodus to the urban ghettos." The aim, Mr. Guillaume's advisers say, would be to set farm prices which would not only repay the costs of production but permit its technical modernization. 5) Help in organizing and educating produc-

ers. Here, the experience of the AFDI [French Farmers and International Development] will be precious in the first steps of this new, North-South cooperation.

In the spirit of Mr. Guillaume and the whole of the French government, the "food flows" will have to be accompanied by financial flows to aid production. Their concept is the opposite of the World Bank and the Brandt Commission's, which proposed "minimum assistance" and the "village pump," claiming that great projects are necessarily "totalitarian and artificial." People in Paris are convinced that this argument is just the hypocritical disguise hiding a refusal to give the massive help needed for take-off. The minister's advisers underline that without great projects, the micro-projects make no sense. They believe that the building of a village pump or a gift of two zebras cannot trigger any growth process, and that if there is a drought, the pump won't work and cannot be repaired, and that undoubtedly the zebras sent as draft animals will be eaten in the desperation and impossibility of feeding them. . . .

As with food aid and assistance to production, great projects and micro-projects cannot be separated; each only makes sense in relation to the other, in a total environment built for progress.

Thus, the Guillaume Plan is really a "detonator" leading to a complete development policy for the Third World, wholly opposed to the order defined by today's International Monetary Fund conditions, which Mr. Chirac so strongly attacked in Washington. Understood in this way, and as the first real effort of a country of the North since the cooperation policy defined by General de Gaulle, this plan has gathered the enthusiastic support of numerous French-speaking African leaders. Mr. Eyadema, of Togo, Mr. Diouf, of Senegal, Mr. Bongo, of Gabon, and Mr. Houphouet Boigny, of Ivory Coast, all welcomed with immense interest the explanations of Cooperation Minister Michel Aurillac on this subject. Even more, as proof of the popular support for this kind of plan in France, the Agriculture Ministry had never received so many letters of support and requests to join!

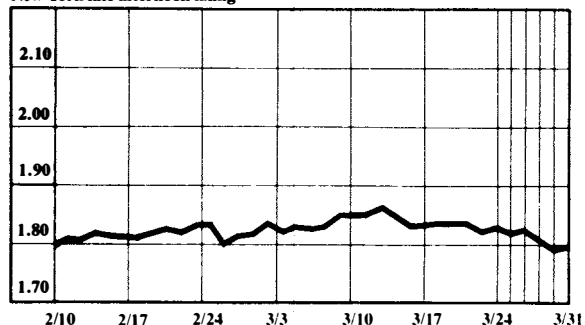
Historically, a great opportunity has thus been brought to the world by France's policy. Support for the Guillaume Plan in the perspective of industrialized countries' summit slated for June in Venice can, in particular, trigger a redefinition of international relations. In fact, the combination of France's policy, in general followed by Italy and Germany, the stance taken by the Vatican, and the efforts of the African and Ibero-American countries, is in the process of creating a viable alternative to the order of pillage and financial genocide which derives from the present International Monetary Fund policy, relayed by a majority of the Brussels European Commission.

Jacques Chirac's U.S. visit could thus define the opening of a new era. The friends of Lyndon LaRouche, in Europe and the United States, are fully committed to fighting for this "new era" and "new deal" to come about as soon as possible. In today's crisis, which would doom the world economy to collapse if nothing were changed, the sooner the better.

Currency Rates

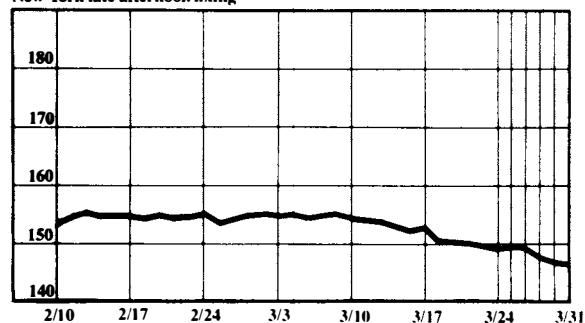
The dollar in deutschemarks

New York late afternoon fixing



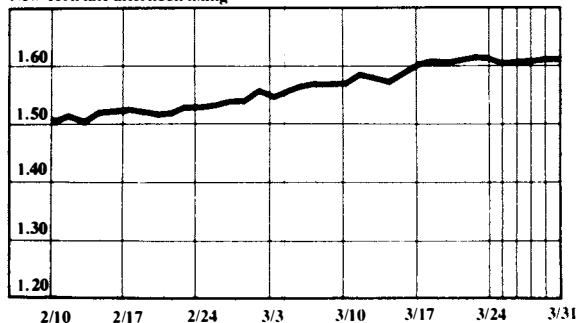
The dollar in yen

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

