European Agriculture

Trilateral mafia pushes trade war

by William Engdahl

The fuse is now burning and the next detonation of the bomb is set for July 1 in the trade war between the United States and European Community (EC) over agriculture. Investigation has uncovered an "agriculture policy mafia" running from U.S. Trade Representative Clayton Yeutter, EC Agriculture Commissioner Andriessen, to the Organization for Economic Cooperation and Development (OECD) in Paris and the GATT in Geveva.

All are tied into the Soviet-run International Institute for Applied Systems Analysis in Laxenberg, Austria, and to the secretive Trilateral Commission.

Barring a dramatic intervention from President Ronald Reagan before the July 1 deadline, a second phase of sanctions will enter into force targeting imports from European Community nations of such items as white wine, endives, and cheese.

"These sanctions, unlike the ones announced last month over Portugal, will be restrictive," stressed Mogens Marcussen, director of International Agriculture Affairs in Directorate VI of the EC in Brussels. Marcussen, a Danish lawyer who has spent the last 13 years in Brussels, revealed in a frank discussion, "We can't say if the U.S. will find a way out. I haven't great expectations. Only if the EC gives at least cosmetic compromises before July 1 will the confrontation possibly be cooled."

Marcussen said that EC countermeasures to the July 1 U.S. restrictions will affect U.S. exports of soya and other protein oils. In 1985, total EC agriculture export to the United States was $3.4 billion.

The background to the current dispute is not so important as the parties to the dispute and their common links to a Trilateral Commission strategy for "market oriented" world agriculture trade. Since the "market" in world agriculture trade is rigged by Trilateral-associated food-cartel companies (Cargill, etc.), "market-oriented" trade means trade at prices rigged to the benefit of the cartel, i.e., destruction of price subsidies by which European and American farmers are desperately hanging on to production capacity and solvency.

In February, Clayton Yeutter, U.S. Special Trade Representative, started action against the EC over the alleged terms of Portuguese and Spanish entry into the EC. According to sources in both Washington and Brussels, Yeutter's timing was politically motivated. Details of the Spain-Portugal entry, under which certain U.S. markets for grain and soybeans would be replaced with EC ties to the estimated size of some $648 million/year, were available to the U.S. government last August.

Sewing up soy trade

"The real issue," a spokesman for Yeutter's office in Washington told me, "is the oilseed question. The Portugal case, even though it itself is relatively small, is a precedent. That's the real fear for us." According to a spokesman for the American Farm Bureau Federation, U.S. exports of agriculture products have declined from a high of $10 billion in 1980 down to $5.3 billion through the third quarter of 1985.

And, of this $5.3 billion, fully $5 billion consisted of the high-protein soya and corn-gluten feed products, grain substitutes which have produced a major shift in U.S. livestock production in recent years. The total world market for these protein soya and other oilseed products, according to the Hamburg Toepfer Corporation, a big European grain trader, is approximately $30 billion per year. The production is almost entirely dominated by the huge cartel companies such as Cargill of Minneapolis and Switzerland.

Under a unique agreement made in 1962, Cargill, through its friends in the U.S. Department of Agriculture, negotiated a special concession, a so-called "levy free binding" exempting soybean and related products from EC import tariffs, the so-called variable levy. This has meant, for example, in Portugal, that against a cost of 360 ECU/liter of Portuguese olive oil, soyoil can be bought for 124 ECU/liter.

This has secured a lucrative market, most especially for Cargill, the $32 billion family-held company which is strongly tied to Soviet agriculture exports and to the pro-Moscow political machine of Walter Mondale. The soy trade concession is the "largest single U.S. trade concession in international agriculture trade," according to a spokesman for the American Soybean Association. "Portugal is just the stalking horse to set us up. The next move will be EC-wide imposition of restrictions on our soybean exports. We don't want trade war, we just want our markets."

Trilateral manipulation

The most important feature of the entire issue is the role of a network in both Brussels and Washington as well as in all relevant international trade agencies including GATT in Geneva, where the dispute will likely be referred after July. This network collaborated in a strategy study released in 1985 by the Trilateral Commission for imposing a free-market end to U.S. as well as European subsidies to farm producers. The strategy has been promoted by EC Agriculture Commissioner Andriessen since 1985 under the euphemism "increased market orientation."

Although, owing to his public position in the EC, Andriessen did not participate in person in the Trilateral strategy, his close friend and informal adviser, fellow Dutchman

Pierre Lardinois, headed the study. Lardinois was Andriessen's predecessor until he left Brussels in 1977 to head Europe's large farm lending bank, Rabobank in Utrecht. Andriessen's chief deputy for international agriculture trade, the German Helmut von Verschuer, did take part in the Trilateral strategy. Brussels sources say Andriessen fully backs the report.

This is relevant to the trade-war conflict in the following way. Before coming to Washington to become U.S. trade representative last summer, Clayton Yeutter was in the same Trilateral strategy group with Lardinois and von Verschuer of the Brussels EC. Yeutter, then president of the world's leading food-commodity speculation operation, the Chicago Mercantile Exchange, also worked closely in the Trilateral group with Albert Simanov, of the Paris based OECD, an economic policy body being promoted to oversee the regulation of industrial economies by international banking interests, following the May 3-6 Tokyo Economic Summit.

Simanov and his group in Paris were instrumental in inserting a paragraph into the Tokyo declaration calling for more "market oriented" policies for agriculture.

Another figure in the Trilateral strategy was Gilbert Salomon, the controversial French chairman of Socopa, the giant meat processor which was involved in fall 1985 in a corruption scandal involving von Verschuer's Directorate VI, in which huge quantities of EC surplus beef were in effect given free for feeding the Soviet Red Army. Socopa is controlled by 20-year-long Gorbachov intimate, France's "Red Billionaire" Jean Baptiste Doumeng.

The man who engineered the bureaucratic details of the meat scandal, Claude Villain, left Directorate VI, where he had been von Verschuer's boss, to become president of Socopa. Today, Villain is a senior civil servant advising French Finance and Privatization Minister Edouard Balladur on agriculture! Balladur was the man who reportedly forced the new Agriculture Minister Guillaume to back down from earlier insistence on higher farm prices from the EC. That compromise has unleashed chaos in European farming as prices drop below breakeven for tens of thousands of family farmers.

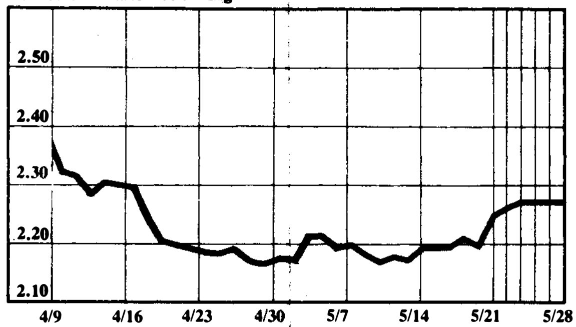
Finally, the presence in the Trilateral agriculture group of Aart de Zeeuw, another Dutchman close to Lardinois and Andriessen, must be noted. He is chairman of the GATT Committee on Trade in Agriculture, where the trade dispute will likely be referred for negotiation.

This "free market" strategy, as one participant admitted in private discussion, will allow the large international agriculture lending banks such as Trilateral founder David Rockefeller's Chase Manhattan (tied to Cargill), and Trilateral strategist Lardinois's Rabobank, or the French Crédit Agricole whose director-general, Jacques Lallement, is a member of the Trilateral Commission, to buy up the most vital farms and farm production assets in the coming depression. Already, Rabobank is targeting the top 30% of U.S. farms which are being sold for pennies in some hard-hit farm states.

Currency Rates

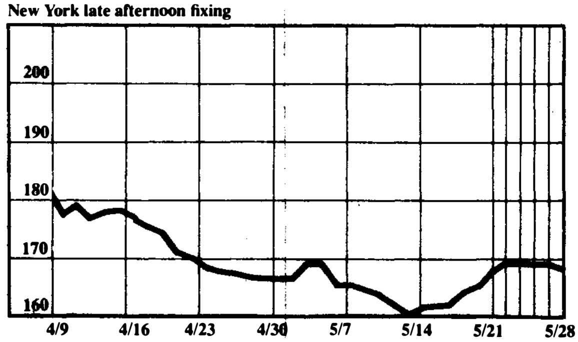
The dollar in deutschemarks

New York late afternoon fixing



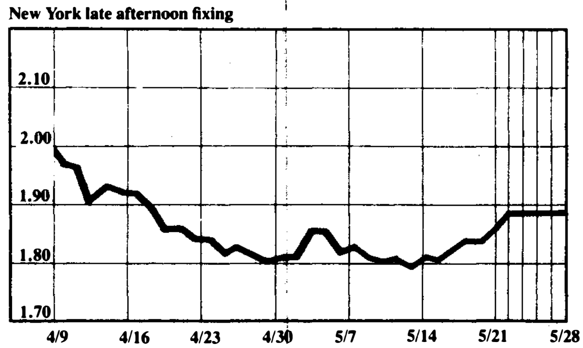
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing