

# The End of Free Trade: Revolt Begins Against British Policy

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Not a moment too soon, a group of seven former European heads of state, five former finance ministers, and two former presidents of the European Commission, including former EU Commission head Jacques Delors, former French Prime Minister Michel Rocard, and former German Chancellor Helmut Schmidt, have gone public with an open letter to the EU Presidency and the EU Commission. They warn that the systemic collapse of the global financial system—a collapse which had been foreseen by “farsighted individuals”—brings with it the threat of unprecedented poverty, the proliferation of “failed states,” migration of entire populations, and further military conflicts. The financial world, they argue, has accumulated a massive amount of “fictitious capital” (!), with very little improvement for humanity. Among the immediate countermeasures they propose, is creation of a European Crisis Committee, and the convening of a world financial conference to “reconsider” the current international system and the globalized world order.

Although their letter, which was made public on May 21, does not expressly state so, its unusually sharp tone clearly reflects that the signers are aware of the imminent danger of the eruption of a new fascism: “But when everything is for sale [for profit—HZL], social cohesion melts and the system breaks down.” And even though the letter’s call for an emergency conference does not use the term “New Bretton Woods system,” its tenor clearly reflects the years-long campaign which the LaRouche movement has been waging for just such

a conference. It is also an implicit admission that, in view of the current systemic collapse, the entire design of the Lisbon Treaty, with its cementing into place of a neo-liberal policy, is a non-starter.

The reaction came promptly from one of the most notorious mouthpieces for the British Empire, Ambrose Evans-Pritchard. Writing in the *Daily Telegraph*, he characterized the letter’s “fulminating text” as the clearest proof of the existence of a European-wide publicity campaign for a “super regulator,” who would protect citizens from the social risks of modern capitalism. And that, in turn, threatens to reduce Britain’s Financial Services Authority to “a regional branch,” and would thus “pose a grave threat to the City of London” (!).

Mr. Evans-Pritchard deserves our thanks for his frankness! He couldn’t have been more direct: Any impediment to vulture capitalism in defense of the citizenry, represents a threat to London, which wants to remain the undisputed headquarters of the British Empire (see, for example, “Britannia Redux,” in *The Economist*, Feb. 3, 2007), and certainly not a “regional branch.”

The champions of what 19th-Century German-American economist Friedrich List termed the “British free-trade doctrine,” also must surely be irked that this “fulminating text” has been made public just at the point when the World Trade Organization (WTO) is attempting to bring the so-called “Doha Round” to a conclusion, so that, in conjunction with the EU, the last remaining measures to protect physical production and citizens’ general welfare, could be entirely eliminated in favor of unrestricted profit maximization. And the last thing they need right now, is a new round of the “financial locust” debate earlier sparked by former German Vice-Chancellor Franz Müntefering—only now with 14 former top po-

litical leaders backing it. Already before the 14 former leaders had issued their letter, an open confrontation had broken out between Pascal Lamy, director-general of the WTO, and French Agriculture Minister Michel Barnier, with the latter rising to the defense of the last remnants of protectionism provided by the European Common Agricultural Policy (CAP), and even proposing the CAP as a model to be followed by Africa and Latin America.

The former UN Special Rapporteur on the Right to Food, Jean Zeigler, in his 2002 book *The New Rulers of the World and Those Who Resist Them*, describes how at the time of writing, the WTO had already registered over 60,000 transnational firms for trade, finance, services, etc., but that world trade is dominated by only 300-500 firms in the United States, Europe, and Japan. He calls the WTO a “fearsome machine in the service of pirates.” And it is precisely this war machine which is now attempting, in cahoots with the EU—yet another non-elected, and therefore non-accountable bureaucracy—to achieve optimum conditions for speculators to make a profit.

When one hears that the United States or the EU are negotiating, Zeigler says, in reality it is the planet’s 200 most powerful transcontinental corporations which are setting the tone; and that is why the WTO has always been dominated by the transcontinental corporations’ rationales, and never by the interests of peoples and their respective states.

This unbridgeable conflict of interest between people on the one side, and the British imperialist, free-trade doctrinaire vulture capitalists on the other, who are threatening entire continents and are plunging ever greater masses of people into poverty, has never been clearer than it is right now, at a time when even the financial media are mooted that central banks could go bankrupt, and that the taxpayers will have to pay for speculative losses suffered by private firms.

## Separating the Wheat from the Chaff

And surely, the wheat never been more cleanly separated from the chaff than it is today, as far as heads of state are concerned. By their own words ye shall know them: The British Empire’s neo-liberal free-traders speak of “sustainable development,” “renewable energy sources,” “appropriate technologies,” etc., whereas the defenders of the general welfare speak of “food and energy security,” and the need for expanded production.

And so, the Schiller Institute’s worldwide campaign for placing a doubling of food production onto the agenda of the UN Food and Agriculture Organization’s conference in early June, is now intersecting a sense of responsibility being shown by a quite a few heads of state in the face of the worldwide crisis.

In a speech which has been completely blacked out by the Western media, Egyptian President Hosni Mubarak told the World Economic Forum in Sharm el-Sheikh on May 18, that the world must take responsibility for the poor—not only in the developing countries, but also for the poor in the rich in-

dustrialized nations. And therefore it is utterly irresponsible to speculate on food and to use it for producing fuels, which simply ends up making food still more expensive. He promised that he will make this important issue a topic at the FAO conference (see *Documentation*).

## Eurasia Defends Itself

But the most important strategic shift by far, is the one currently under way in the aftermath of the newly upgraded strategic partnership among Russia, China, and India, which was agreed upon at a meeting of those three countries’ foreign ministers in Yekaterinburg, Russia, on May 15. Underlying this strengthening of their strategic triangle, is the British Empire faction’s intent to isolate each nation, so that it may be first destabilized, and then destroyed. Included in this, is London’s longstanding campaign against Russian Prime Minister Vladimir Putin, as well as the campaign against China around the Dalai Lama and the Uighurs in Xinjiang. Because, as they rightly fear: Russia, China, and India not only represent together more than one-third of humanity, with the world’s fastest-growing economies, but these countries are also now demonstrating clear determination to work jointly to establish a new international order.

In keeping with this, the new Russian President Dmitri Medvedev took his first foreign trip to Kazakhstan and China, his top agenda item being extensive cooperation, which, in the words of former Indian Foreign Minister Salman Haidar, is going to tap the full potential of mutual relations among India, Russia, and China.

Shortly before, at an agricultural conference on May 19 in Yessentuki, Russia, Putin declared that food security, stable prices, and developing the agricultural sector are going to be his government’s top priorities. Russia not only has the potential to become self-sufficient, he said; it can simultaneously become a food exporter, and can become a major player on the world food market. Putin’s remarks at the conference, along with those of Agriculture Minister Alexei Gordeyev, left no doubt that Russia—a country which today must import about 40% of its food, thanks to the “shock therapy” of the 1990s—will use all necessary subsidies and protective trade measures, and is prepared to ignore the WTO’s rules, in order to achieve its goal.

Putin emphasized that in view of the steep rise in food prices on world markets, agriculture has been moved to the top of his government’s agenda, because it so strongly influences Russia’s domestic situation, and because it especially afflicts the poorest layers of the population. Putin laid out five objectives for Russian agriculture: 1) increase gross output, through increasing the area under cultivation, as well as yields; 2) technological re-equipping of agriculture and the food-processing industry, using long-term credit; 3) achieve price stability by using anti-monopoly regulation and subsidies; 4) risk management; and 5) constant monitoring of the food products markets, and automatic regulation, using import and export tariffs. Putin also ordered a re-evaluation to deter-

mine whether Russia's existing agricultural trade agreements are in harmony with its national interests (see *Documentation*).

## **A Question of Morality**

It remains an open question, whether the governments of Europe's nations have the intelligence and moral integrity to follow Russia's example, or whether they will allow the negotiations between the WTO and the EU, and the policies of European Commissioner for Agriculture Mariann Fischer-Boel and of British Commissioner of the EU for Trade Peter Mandelson, to cause Europe's farmers to suffer losses which agricultural experts estimate will be on the order of 30 billion euros (\$47.4 billion). The Irish Farmers Association, for one, has announced that it will refuse to accept the WTO agreement. And we can assume that the policies set forth by the EU in these negotiations, will only serve to massively heat up the ferment in favor of a "no" vote against the Lisbon Treaty in Ireland's upcoming referendum.

The battle between the proponents of "British imperial free trade" and the defenders of the general welfare and of food security, is the most important conflict facing us today, because the future of civilization hangs in the balance. On the positive side, we can note resolutions passed by the state House of Representatives in Alabama, and submitted to the Michigan House, which call upon the U.S. Congress to take measures to double food production, to halt production of biofuels, to pay farmers parity prices for food products, and to cause the United States to immediately withdraw from the WTO and NAFTA.

It is furthermore extremely significant that for the first time in the post-war era, Japan has now broken from the "Washington consensus" and is preparing joint measures with a number of African organizations, to set a Green Revolution in agriculture into motion, on the model of what was done in the 1970s.

The FAO conference in early June provides us with an excellent opportunity to correct the failures of globalization, and to take up measures aimed at doubling food production as rapidly as possible. For, if the use of food to produce biofuels is a crime against humanity, then speculating on food is doubly so, and must be outlawed with stiff criminal penalties.

The British imperial free-trade system is more bankrupt today, than the Communist system was in 1989-91, and there can only be one answer to it: The New Bretton Woods system which Lyndon LaRouche had the foresight to propose years ago, must be immediately discussed and adopted at an emergency conference of the world's leading nations. The "fictitious capital" must be removed from the system, and the economy must once again become dedicated to securing humanity's long-term existence. One part of the Establishment is beginning to understand this. Therefore, if we are to preserve the world's population from immense suffering, there is no time to lose!