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FREE TRADE, GLOBALISATION AND INTERNATIONAL DEBT

The British Press has been full this Spring with talk of the financial crisis in Asia, the meeting of the Bilderberg Group, and the G8 summit in Birmingham where the agenda was dominated by concern at current levels of international debt, especially that of the underdeveloped countries, and how the drive for global free trade might be given further impetus. We should recognise that their almost daily juxtaposition is not coincidence.

For the network of "think tanks" such as the Bilderbergers, which met at Turnberry Hotel near Girvan, in May, Trilateral Commissioners, members of the Council on Foreign Relations and the G8 board; the objectives of globalisation and world wide free trade, which they all espouse, and the increasingly dangerous potential for the international debt crisis to become unmanageable, are all closely related. Each impacts on, and feeds back upon, the others.

The continuing, primary objective of those who gather at the hub of this network appears to be to draft, and

persuade politicians to adopt, strategies designed to consolidate the power of international finance and to ensure the survival of the principle mechanism for its maintenance - the fractional reserve, debt-money system - by which global authority is ultimately exercised.

Alas, politicians more often than not seem very willing to oblige.

Hence we note Margaret Beckett, New Labour's President of the Board of trade, in an article in *The Times* of May 18, 1998, indulging surely in a little historical revisionism when she suggests, that as early as 1945 the first post-war Labour Government knew that protection of its planned welfare reforms required a commitment to "an open trade policy and support for the creation of what was GATT and is now the World Trade Organisation".

The intervening period it seems has simply underscored the merit of that proposition. For she continues, "Fifty years on, our commitment to the multilateral trading system and free trade remains undimmed ... (for it is) ... a powerful engine for growth which raises living standards across the globe ... (and) ... we must continue to reap the benefits for future generations".

Can it really be true that the first post-war Labour government which, in the high noon of the Keynesian revolution, nationalised the "commanding heights" of the British economy in the expectation of inducing greater equity and rising living standards for the British people, was simultaneously a devotee of the kind of "free market" theory which so enthuses Margaret Beckett today?

And if unfettered open market competition is really so important how does Ms. Beckett, and the Labour

government, reconcile that with the rapidly increasing global power of multinational corporations and the merger mania that is currently sweeping the new "free-market" world of international business? And are we to consider that the current intense competition amongst governments themselves, in the degree to which they are willing to offer taxpayers' money to multinationals to induce them to locate in their countries - is also a proper reflection of free market theory?

What then does Free Trade really mean?

Who developed the strategy; who is supposed to reap the benefits, and what has been the historical experience of Free Trade?

THE THEORY OF FREE TRADE

Neo-classical economists and their supporters suggest that international, competitive free trade offers the best prospect that internationally, real wage rates and capital costs will tend toward equalisation; world output will increase; all countries will make gains and, in time, each country will be enabled to maximise its national welfare.

Central to this theory is the idea that economic gain will accrue as specialisation in production increasingly reflects national comparative advantage and resource endowment (the kind of advantage that the vinticulturist in France or Portugal has over his British counterpart) in the same way as production gains derive from "division of labour" in the micro economy.

Other economists and interested observers are not wholly convinced. The highly respected Michael Todero, Professor of economics at New York

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University, for example, suggests that "Traditional trade theories neglect the crucial role national governments can and do play in the international economic arena. Governments often serve to reinforce the unequal distribution of resources and gains from trade resulting from differences in size and economic power. Rich-country governments can influence world economic affairs ... They can resist countervailing economic pressures from weaker nations and can act ... in conjunction with their powerful multinational corporations to manipulate the terms and conditions of international trade to their own national interests." (1)

Even Graham Searjeant of the Times, who appears to be broadly in favour of global free trade, recognises that

"Rich countries generally seize the lion's share of trade gains by pushing open trade in growth areas where they have an initial advantage and keeping the door shut on mature markets where poor countries can easily catch up". (2)

As we shall see, historical experience justifies these views.

Incidentally, we might also observe that international financiers and other non-governmental vested interest groups reflected in Bilderberg, Trilateral Commission, Council on Foreign Relations et. al., exert much more powerful influences on the long-term direction of world economic affairs than economists or elected governments ever do.

Meanwhile, David C. Korten is somewhat more robust in his criticism of free market theory and asserts in his book, *When Corporations Rule the World* that the beliefs espoused by free-market ideologues reflect a number of quite different "explicit" assumptions including:

- * "People are by nature motivated primarily by greed.
- * The drive to acquire is the highest expression of what it means to be human.
- * The relentless pursuit of greed and acquisition leads to socially optimum outputs.
- * It is in the best interest of human societies to encourage, honor, and reward the above values." (3)

THE DEVELOPING STRATEGY AND HISTORICAL EXPERIENCE

Eduardo Galeano, on the basis of historical experience, also offers an interpretation of the impact of free trade which is very different from that

suggested by its most enthusiastic supporters. In his "truly majestic" book *Open Veins of Latin America - Five Centuries of the Pillage of a Continent*, he reminds us that globalisation and free trade theory is not new and, certainly for South America, has never been a recipe for ensuring a happy and prosperous people. He notes instead that Friedrich List (1789-1846), economist and father of the German Customs Union, once observed that "free trade was Britain's chief export ... (that) ... Nothing aroused such British anger as protectionism ... to which they sometimes ... gave vent in violent language, as during the Opium War against China."

However he also observed that Britain's commitment to free trade had only become "revealed truth for them after they became sure of being the strongest power ... (and) ... had developed their own textile industry under the umbrella of Europe's toughest protectionist legislation." (4)

Galeano records the impact of "free trade" in 1795, when in the Argentine's coastal hinterland, "Textile workshops wove three types of ponchos, and factories produced sturdy carts, cigars and cigarettes, leather and shoe soles in Tucuman and Santiago del Estro ... All kinds of cloth, fine woolens, and clergymen's black flannel came from Catamarca;

Cordoba turned out more than seventy thousand ponchos, twenty thousand blankets, and forty thousand Spanish yards of flannel a year, along with shoes and leather goods, sailing cinches and yards, carpetting and cordovan ... important tanneries and saddleries were in Corrientes.

Salta was famous for its fine saddles; Mendoza produced between two to three million litres of wine a year ... (that is until) ... Commercial agents from Manchester, Glasgow and Liverpool toured Argentina and copied Santiagan and Cordoban ponchos and Corrientes leather goods."

In due course, "Argentine ponchos costs seven pesos, Yorkshire ones three." As a result, "The world's most advanced textile industry won at a gallop ... (and) ... Interior Argentine provinces were ruined". (5)

In Rio de Janeiro, about the same period, he notes that US Ambassador, James Watson Webb, reported to Washington that, "In all of Brazil's

haciendas the master and his slaves dress in the products of free labour, and nine tenths of them are British. Britain supplies all the capital needed for internal improvements in Brazil and manufactures all utensils in common use, from the spade on up ... Great Britain supplies Brazil with its steam and sailing ships, and paves and repairs its streets, lights its cities with gas, builds its railways, exploits its mines, is its banker ..." (6)

Between 1822 and 1826 for example, Britain "extended to the liberated Spanish colonies around £21 million in loans ... of which, after deduction of interest and middlemen's commission ... scarcely £7 million had actually reached Latin America." (6)

Meanwhile The Bank of England was directly financing government treasuries and, since free trade resulted in a frenzy of importing, governments contracted increasing debts and repeatedly called for new loans.

By 1865 General Grant, newly elected as US President and celebrating victory in the American Civil War, observed that "For centuries England has relied on protection, has carried it to extremes, and has obtained satisfactory results from it ... After two centuries, England has found it convenient to adopt free trade because it thinks that protection can no longer offer it anything. Very well then, gentlemen, my knowledge of our country leads me to believe that within two hundred years, when America has gotten out of protection all it can offer, it too will adopt free trade." (7)

WINNERS AND LOSERS

Back in Europe, F. William Engdahl reports that "In 1820 ... Acting on the urgings of a powerful group of London shipping and banking interests centered around the Bank of England and Alexander Baring of Baring Brothers merchant bankers, Parliament passed a statement in support of the concept ... (of) ... so-called 'absolute free trade'." (8)

"By 1846, this declaration ... had become formalised in a Parliamentary repeal of domestic English agricultural protection, the famous Corn Laws ... based on the calculation of powerful financial and trade interests of the City of London, that their world dominance gave them a decisive advantage, which they should push to the hilt ... (for) ... **if they dominated world trade, free trade**

could only ensure that their dominance would grow at the expense of other less-developed trading nations.⁽⁹⁾

In effect though, the "repeal of Corn Laws protection opened the flood gate throughout the British Empire to a 'cheap labour' policy ... (and) ... The only ones to benefit, following an initial surge of cheap food prices in England, were the giant international London trading houses, and merchant banks which financed them ... (while) ... The class separations of British society were aggravated by a growing separation of a tiny number of very wealthy from growing masses of very poor, as a lawful consequence of 'free trade'."⁽¹⁰⁾

By the end of the 19th century however, "Britain embarked on a much more sophisticated ... form of maintaining its dominant role ... through its 'informal empire'... which emerged from the deliberations of ... a group of English policy elites who formed The Round Table ... (and) ... in 1919 established the Royal Institute for International Affairs as its principle think-tank."

Meanwhile British capital "had been flowing in prodigious amounts into, especially Argentina, Brazil and the United States to form bonds of financial dependence in many ways more effective than formal colonial titles."⁽¹¹⁾

Returning again to Galeano, we learn that the resulting impetus to "free trade" involved a "huge increase of imports, especially of luxury articles; governments contracted debts, which in turn called for new loans, so that a minority could live fashionably. The countries were mortgaging their future in advance, moving away from economic freedom and political sovereignty."⁽¹²⁾

Latin America, as a result of free trade and imperialism, imposed through the developing alliance between international finance and their major client corporate enterprises, has never subsequently been free of its debt burden. Nor has it ever truly exercised political sovereignty for long. The division, as earlier in Britain, between a tiny elite owning great wealth and the mass of the population who experience grinding poverty, remains as wide as ever.

By 1987 the combined external debt of Brazil, Mexico, Argentina and Venezuela alone had reached US\$ 302 billion. In 1993 Anna Isla, writing on

The Debt Crisis in Latin America, reported that, "In Peru, Bolivia, and Brazil, people ... are reduced to ... eating Nicovita (fish-meal used for fattening chickens) and wet newspaper, not because they are not producing food, but because they are forced to sell the food they produce to the North to help meet debt servicing payments."⁽¹³⁾

If this tale of globalisation, free trade, debt, poverty and loss of sovereignty is extended to Africa and Asia the experience is seen to be even more devastating. By 1989 the external debt of Less Developed Countries alone, had risen to \$US billion 1,262.8 and in some cases, including such major countries as Brazil, Mexico and China, it became barely possible to meet interest payments on outstanding debt from their total export earnings!

In the last years of this century matters continue to get worse and in the October 1994 issue of the IMF's *World Economic Outlook* (Table A. 37) the forecast was that in 1995 total external debt would be \$US billion 1748.6 and annual debt servicing would rise to \$US billion 211.1.

THE DEBTS OF DISHONOUR

In this context Ian Bell, refers to the meeting in Birmingham of the G8 board in his article "The debts of dishonour" in *The Scotsman* and, with considerable justification, comments that, "Hypocrisy is a commonplace of diplomacy, of course, but we 'most developed' nations have raised it to something of an art form ... (for) ... In pursuit of global trade - on our terms, at our prices - we have beggared half the world ... (and) ... Poverty, recession, unemployment, war, famine - ... are part of the deal.

Thus it may be that the IMF, with America as principal, will save Asian economies from collapse, but the equity for debt swap involved will mean asset - stripping on a huge scale. That, in turn, will mean terrific bargains at low, low prices for, er, American companies."⁽¹⁴⁾

It will also mean, surprise, surprise, bailing out western commercial banks at taxpayer expense. In connection with the debt crisis of the early 1980s for example, John Denholm asserts that "quite literally in the period from 1987 to mid 1990, taxpayers of North America and Europe provided their banks with a rock bottom figure of \$US 40 billion in tax relief ...

(And so that we might grasp the magnitude of of such a sum he notes) ... that it is greatly in excess of the GNP of virtually any Third World country with the exception perhaps of the very biggest ones like India and China, and is some ... 55 times UNICEF's budget for 1990... (or) ... is much more than the \$US 34 billion of Official Development Assistance (ODA) accorded to all developing countries in 1987."⁽¹⁵⁾

If therefore, this drive to ever greater concentration of financial and corporate power, which is the central objective of the free-trade/globalisation agenda, and the associated great tide of debt, gross poverty and environmental destruction around the world is to be turned, and if the feared implosion of international economies is to be avoided, Western politicians must begin, urgently, to listen carefully to a much wider constituency and a different agenda.

They should begin by taking much more seriously, the views of the most credible activists in the international voluntary sector and to their own wider electorates.

Simultaneously they should lend much, much less attention to the powerful vested interest groups to whom, currently, they seem most inclined to defer.

And they should initiate a serious study into the operation and effects of the fractional reserve debt-money system which the whole world uses; which is at the root of virtually all of our socio-economic problems and which is simply not sustainable for much longer. TSC

Notes:

1. Michael P. Todaro, *Economic Development in the Third World*, (New York: Longman), p. 392.
2. Graham Searjeant, *The Times*, May 21, 1998.
3. David C. Korten, *When Corporations Rule the World*, (London: Earthscan, 1995), p. 71.
4. Eduardo Galeano, *Open Veins of Latin America: Five Centuries of the Pillage of a Continent*, (New York: Monthly Review Press, 1973), pp. 197-198.
5. Galeano, *Ibid*, p. 195.
6. Galeano, *Ibid*, p. 196.
7. Galeano, *Ibid*, p. 220.
8. William F. Engdahl, *A Century of War, Anglo-American Oil Politics and the New World Order*, (Bottiger Verlags-GmbH, 1992), p. 109.
9. Engdahl, *Ibid*, p. 10.
10. Engdahl, *Ibid*, pp. 11-56.
11. Engdahl, *Ibid*, p. 13.
12. Galeano, *Ibid*.
13. Isla Anna, *Canadian Woman's Studies* (Vol 13, No. 3).
14. Ian Bell, *The Scotsman*, May 20, 1998.
15. Susan George et al., *The Debt Boomerang*, (London: Pluto Press, 1992), pp. 19-20.

THE SHAPE OF THINGS TO COME

by Alex Falconer MEP and Dave Smith

With the approach of the triple zero year 2000 (and for purists, the new millennium which begins the following year), we can expect to see growing numbers of doom merchants taking to the streets, demanding that we repent because the end is nigh. They will doubtless be accompanied by many exploitative authors and publishers who jump on the lucrative bandwagon, preying on peoples' fear of the future.

Putting to one side the hype of the false prophets and the pedlars of pulp fiction, there is a third, and much larger, category of people who believe that the human race faces a potentially apocalyptic future.

These people do not suffer from pre-millennial tension. They don't expect the crunch to come this side of the millennium, and probably not for quite a few years after. But, within the next few decades, they know we face global catastrophe in several guises.

With a few exceptions, these disasters-waiting-to-happen have been created by homo sapiens. With fewer exceptions, they can be averted by us, if we move fast enough and soon enough. Unfortunately, the response so far has been uneven, sluggish, and inadequate. Despite the fine words of some politicians, the manmade problems are getting worse.

Global warming is changing our weather patterns, increasing the destructiveness of events such as hurricanes, droughts and floods. The rising seas threaten the very existence of some nations.

Despite the need to trap carbon dioxide, we continue to devour forests for the sake of a few years of unsustainable agriculture.

We have a global economic system which forces people to grow cash crops for export, to finance debt repayment, when they themselves are malnourished. Global financial institutions lock people into poverty and unemployment as the price for loans which they cannot afford to repay. The international monetary system is unstable, and it is run by organisations whose modus operandi is increasingly discredited, and who even admit (to themselves but not openly to

others) that they have made major mistakes.

People are living in misery and dying as a result. Famine, plague and pestilence, far from being eradicated, are being exacerbated by the globalisation of capitalism.

To the threat of environmental or economic collapse, we should also add the dangers of international conflict. As we have recently been reminded, we still have the capacity to blow up the world several times over. The nuclear time bomb is still ticking away in the hands of an expanding and increasingly rowdy nuclear club.

REACTION AND PROACTION

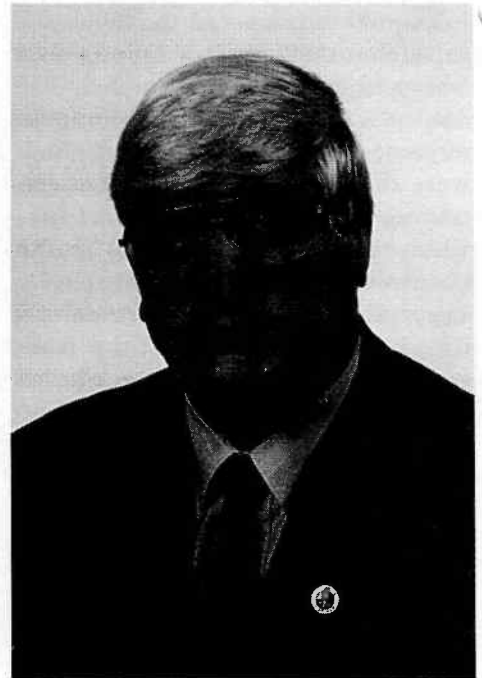
Many, many people see what is happening. They band together to campaign for change, and to help those who are suffering. There are tens of thousands of organisations throughout the world, dedicated to particular or general action on the environment or debt or poverty, and campaigning for human rights, peace and development.

As people examine the causes of the issues which concern them, they meet other issues and other campaigners. They realise that their concerns are related, and that the way forward is intertwined. They forge links and make common cause, but do not necessarily take the next step.

If these things have common causes, and it is our contention that they do, then the solution must encompass all the problems. Furthermore, it should not surprise us that in a world where profits rule supreme, all roads to salvation lead back to the global economic and financial system.

The dangers which we face in the next few decades are, if not cataclysmic, then without doubt, extremely serious. The present system has shown itself incapable of addressing them adequately. We therefore need radical changes to the system.

Campaigns such as Jubilee 2000 are making great strides in raising awareness, both among the public and politicians. If they manage to overcome the recalcitrance of the USA et al, then the measures they are demanding would



Alex Falconer MEP

certainly alleviate the worst effects of the present system.

However, while debt cancellation is a necessary part of any strategy to overhaul the global economy, it only treats the symptoms of the malaise. Unless we also attack the root causes, then the symptoms will recur, or we will be subject to another manifestation of the underlying disorder.

Consider deforestation (and the consequent loss of biodiversity and acceleration of global warming). In temperate regions, most primary forest has already been destroyed. Tropical rainforest is disappearing so fast that at current rates, there will be little left by 2040. Schemes such as debt for nature swaps are too often aimed at alternative exploitation that provides little benefit for local populations, and in any event, are totally inadequate to deal with this scale of destruction.

Deforestation is the inevitable result of the rapid economic growth policies adopted by many developing nations in response to the demands of the global financial institutions.

The (unsustainable) growth imperative permeates all the problems we face. It makes us look at the world through a distorting lens. Productivity is measured in terms which ignore pollution by toxic

and climate changing chemicals. When modern agriculture, based on fossil fuels and chemical fertilisers, uses ten calories of non-renewable energy to produce one calorie of food, is it really an advance upon traditional practices that yield two calories of food for every calorie of renewable energy input?

THE POWER BEYOND NATIONS

Given the undeniable severity of the consequences of inaction, why are the nations of the world not tackling these problems effectively? Pin the blame, yet again, on the global economic system.

Nations are not the only players in the game. Transnational Corporations have bigger turnovers and more power than many nations. They can even take on and win in battles against supranational institutions such as the European Union. The supposed regulators of international trade and finance, such as the WTO, are in practice captives to the Transnationals' agenda.

It would be untrue to say that capitalist enterprises are not interested in long term future prosperity. But they do apply a heavy discount rate to future benefits, which means that in all but the most extreme circumstances, short-term profits are the prime motivation determining their actions. Such is their power, internationally and within nations, that their short-term perspective is inevitably the dominant factor determining government policies.

Short termism is inherent in the global economic system. An examination of the factors which contribute to short-termism reveals fundamental flaws in the system. The long term solution to the destructive tendencies of global capitalism requires that we identify and eliminate those flaws.

This is, of course, A Massive Task. However, it is also essential for the long term survival of the human race.

WHAT IS TO BE DONE?

A few months ago, we met with a handful of people to discuss this situation, and what we could do about it. We agreed that given the size of the task, any campaign must aim to involve, link and unify in action, the many and diverse forces already campaigning on one or more of the issues. Also, it was recognised that while such a campaign would essentially be one which created a

network among existing organisations (it would be counterproductive to attempt to duplicate the work which is already being done), it should also be flexible enough to engage new supporters.

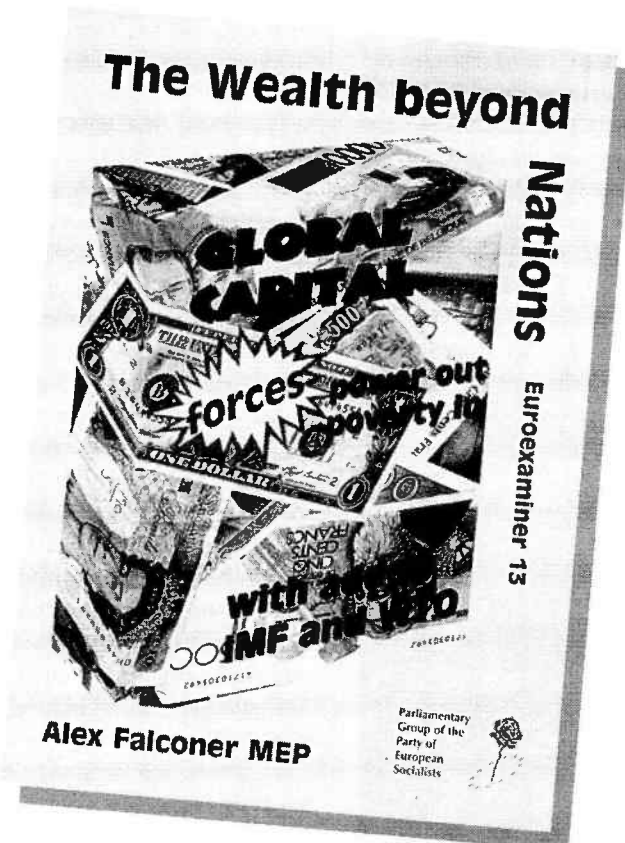
At subsequent meetings, which have involved activists from Non-Governmental Organisations, churches, and the labour movement, we decided to concentrate in the first instance on building support for the idea of such a campaign among Scottish organisations and activists. To this end we prepared a short pamphlet that outlined the main principles on which we thought a campaign could be built, but making it clear that the purpose of the pamphlet was to stimulate interest and debate, not to serve as a definitive and immutable founding statement. Apart from anything else, we know that we live in an imperfect world, and that attempts to impose "perfect" solutions on it are doomed to failure (and we wish that more economists would realise it too).

We have also been pleased to hear that similar campaigns are being built elsewhere, offering the possibility of building a global network, connecting national, regional and local groups. In this context, we were also heartened by a success of the campaign against the Multilateral Agreement on Investment.

The campaign was internationally coordinated, largely via the internet. It has provided a valuable lesson in how progressive forces can make use of new technology to tackle global issues.

We are now in the process of "recruitment". There have been fringe meetings at several conferences, and we would appreciate invitations to speak at others. The currently ad hoc group operates under the working title of the Global Economic Reform Movement, but that's only the germ of an idea. That we still have no fixed title is deliberate, and reflects the early stage of development. Having pointed the finger at the fundamental flaws, we do not want to preempt the wider discussion of the campaign's objectives and organisation. For that, dear reader, we await your involvement.

Alex Falconer is the Member of the European Parliament for Mid Scotland and Fife. Dave Smith is Alex's researcher. They have worked together on many pamphlets, the most recent of which was "The Wealth Beyond Nations", available free of charge from 25 Church Street, Inverkeithing, Fife KY11 1LH.
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THE 1998 BILDERBERG MEETING

“The world’s most powerful secret society” – *Punch* magazine, 23 May - 5 June 1998

by Alan Armstrong, with Alistair McConnachie at Turnberry.

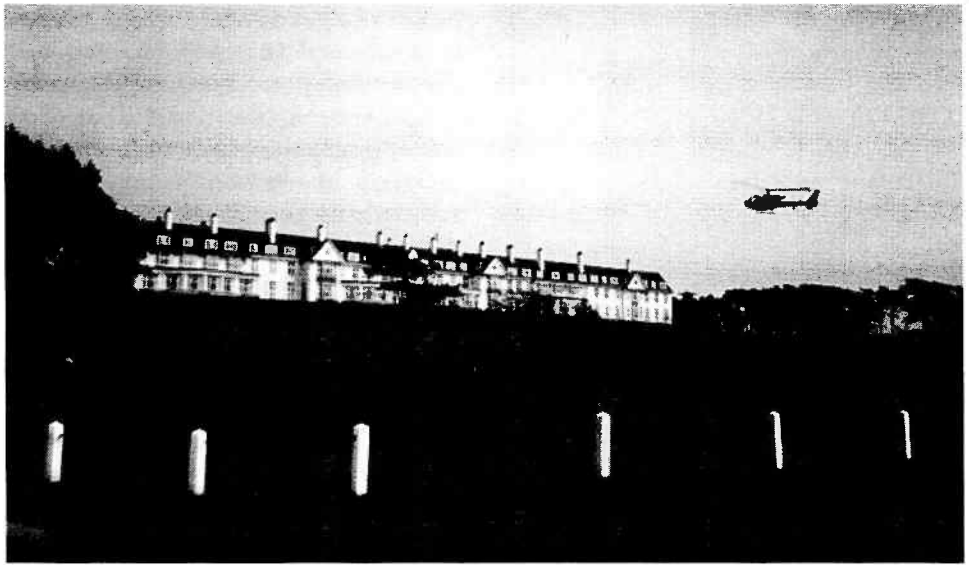
P*unch* magazine’s report continued, “Few have heard of the Bilderberg Council. But its 120 members are some of the most powerful people on the global stage. It meets amid unparalleled secrecy to discuss the future of the world.”

Punch was referring to the meeting held at Turnberry Hotel, near Girvan on the West coast of Scotland on Thursday 14th – Sunday 17th May 1998. Until very recently, any reference to even the existence of the highly secretive Bilderberg Group was greeted with great skepticism by the world’s media. *Punch*, along with the *Mail on Sunday*, the *Scotsman*, the *Scottish Daily Mail*, the *Scotland on Sunday* and *The Social Crediter*, met outside the gates of Turnberry to find out what was going on.

The 123 participants at the meeting, conducted as always in secrecy and accompanied by a powerful police presence, included Lord Carrington, Chairman since 1990, UK Defence Secretary George Robertson, William Hague Leader of the Opposition, Kenneth Clarke ex-Chancellor of the Exchequer, Henry Kissinger and a great clutch of other heavyweight movers and shakers from the world of international banking, industry, multinational corporations, and senior politicians, of whom some are still in power and some others showing real potential!

Investigatory journalist Robert Eringer, in his book *The Global Manipulators* (Bristol, England: Pentacle Books, 1980) notes that “The steering committee certainly has an amazing eye for choosing guests who are on the way up. Most of the current leaders of the

Kenneth Clarke being unco-operative.
Sunday 17th May 1998, 1pm.



Turnberry Hotel; scene of the 46th Bilderberg Meeting. An army helicopter comes in to pick up Secretary of State for Defence, George Robertson. Friday 15th May 1998, 4.30pm.

West have emerged from the depths of Bilderberg ... Every British Prime Minister of the past thirty years has attended Bilderberg ... (and) Denis Healey was an early member of Bilderberg and was on the steering committee long before he became Chancellor the Exchequer.” Tony Blair attended the meeting on 23–25 April 1993 at Vouliagmeni in Greece when he was Shadow Home Secretary.

WHY THE SECRECY?

Punch noted, and Bilderbergers would not deny, that the Council meets “amid unparalleled secrecy to discuss the future of the world.” But why? In this context, Robert Eringer wrote to David Rockefeller, Chairman of Chase Manhattan Bank to enquire about Bilderberg. An assistant directed him to a Mr. Charles Muller, a Vice President at Murden and Company, “the organisation which assists with the administration of American Friends of Bilderberg, Incorporated.” (p. 11) Muller sent him a printed message which included the suggestion that it was, “In order to assure perfect freedom of speech and opinion, the gatherings are closed and off the record. No resolutions are proposed, no votes taken, and no policy statements are issued during or after the meetings.”

Eringer subsequently established that

in fact this is not so. He managed to obtain a copy of a “Strictly Confidential” record of the meeting held in Barbizon, France in March 1955 and one of the September meeting in Garmisch, West Germany the same year, which records that “Participants in this conference may, in light of the consensus of opinion expressed during the discussions, be able to pass these views on to public opinion in their own spheres of influence, without disclosing their source.” (p. 30)

Finally, in a letter to Eringer, one time member Sir Paul Chambers wrote, “I am under obligation not to disclose anything about the Bilderberg Group to anybody who is not a member of that group. I am very sorry that I cannot help, but I am clearly powerless to do so and it would be wrong in the circumstance to say anything to you about Bilderberg.”

There is enough here to allow us to insist that if there are grand strategies to be developed, presumably in the “best interests” of the world’s peoples, they should be made in forums that are subject to full democratic scrutiny and accountability. Not behind locked doors at private meetings of a largely self-appointed elite establishment.

Why should democratically elected representatives attending these meetings feel it necessary to maintain complete secrecy over what is discussed? It is also open to question whether the British

Police Force should have provided armed security for such a "private meeting" or whether an Army helicopter should have been used to ferry Defence Secretary George Robertson. According to his spokesman, "He was fulfilling an official engagement as Secretary of State for Defence and, as such, transport was met by public expense." (*Mail on Sunday, Night and Day* supplement, June 14, 1998, p. 15.)

THE TURNBERRY AGENDA

According to the official *PRESS RELEASE Bilderberg Meetings*, dated May 14, 1998: "Among others the Conference will discuss NATO, Asian Crisis, EMU, Growing Military Disparity, Japan, Multilateral Organizations, Europe's social model, Turkey, EU/US Market Place."

Hopefully, journalists are beginning to wake up, at long last, to the idea that Bilderberg is real and that it is a very important influence in the world. Perhaps, the veil of secrecy can be lifted if only a little and with that hope, Alistair McConnachie set out to find participants who might be willing to say something about what was going on inside the hotel.

Hotel staff coming and going would just look at their feet without uttering a word. A reporter for the *Scottish Daily Mail* who knocked on the doors of the staff accommodation block was arrested, handcuffed and detained for eight hours in Ayr Police Station under Section 14 of the Criminal Justice Act (Scotland), which is invoked when police have reason to suspect an offense has been committed! This episode is reported in *The Press Gazette* of 22 May.

However, for a few hours on Saturday, between 12 noon and 3pm, the delegates spent time in the grounds, either playing tennis, playing golf on the course by the sea, or visiting Culzean Castle a little up the coast. Alistair McConnachie and a colleague had time to speak to delegates as they passed.

Otto Wolff von Amerongen, Chairman and CEO of Otto Wolff GmbH in Germany was the first to stop and explained that the meeting was structured with short introductions to a chosen topic and then a general discussion. Two British delegates explained that there is a panel which consists of a moderator and two or three people. They have about 10 minutes each on the chosen topic and then there is

"discussion questions", which last for 5, 3 or 2 minutes. There are no introductory documents, and there are no records. At the most there is a page on a 3 hour debate. It doesn't circulate documents between its members. One of the British delegates believed it was not possible to mount a conspiracy in a group like the Bilderbergers because it has no existence between its meetings.

George Papandreou, Greek Alternate Minister for Foreign Affairs was out jogging and came over to speak. He said they had been discussing, "Everything. Everything from the Asian crisis to Portugal to whatever else." He was happy to have his photo taken, "You want to put me in the paper like this? They'll love it in Greece." He jogged off, urging, "Be strongly critical, whatever you write!"

George Papandreou, Alternate Minister for Foreign Affairs in Greece, and Alistair McConnachie.
Saturday 16th May 1998, 2.30pm.



A little light is beginning to shine on this group. For example, Will Hutton, Editor of *The Observer*, who was an attendee at the 13-15 June 1997 Bilderberg Conference at Lake Lanier Islands outside Atlanta, Georgia wrote on 1st February 1998 ("Kinder capitalists in Armani specs") that "the Bilderberg Conference ... is one of the key meetings of the year ... the consensus established here is the back-drop against which policy is made worldwide".

A recent former delegate who "holds a senior position in the media" (*almost certainly Hutton - TSC*) was quoted anonymously at length by Malcolm Macalister Hall in the *Mail on Sunday* article of June 14, 1998. Macalister Hall writes: "But he says that Bilderberg is part of a global conversation that takes place each year at a string of conferences, and it does form the backdrop to policies that emerge later. 'There's the World Economic Forum at Davos in February, the Bilderberg and G8 meetings in

April/May, and the IMF/World Bank annual conference in September. A kind of international consensus emerges and is carried over from one meeting to the next. But no one's really leading it. This consensus becomes the background for G8 economic communiqués; it becomes what informs the IMF when it imposes an adjustment programme on Indonesia; and it becomes what the president proposes to Congress."

The Bilderberg Group is one of a constellation of "private groups" with related global agendas. They include the Trilateral Commission, the Council on Foreign Relations and the Royal Institute for International Affairs (Chatham House). Arnold Toynbee, the central figure at Chatham House for thirty years from 1925 to his retirement in 1955 might have been speaking about the ethos of any one of these groups when he commented that they were "denying with our lips what we are doing with our hands" (*International Affairs*, Vol. 10).

The Social Credit Secretariat is keen to contribute what it can to ensuring that the agendas of such organisations are made fully open to democratic scrutiny and that especially our elected politicians cease attending such group meetings for so long as they are subject to any instruction to secrecy.

Finally, we put the following comment on record, passed to us, from one of the many people we spoke to and who shall remain nameless, "Book your holidays in Portugal next year."

Any readers who want a copy of the full list of delegates are invited to write, enclosing a s.a.e.

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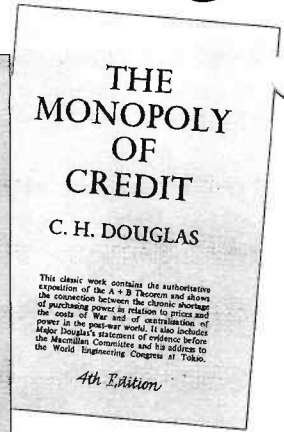
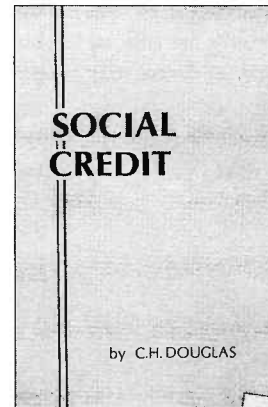
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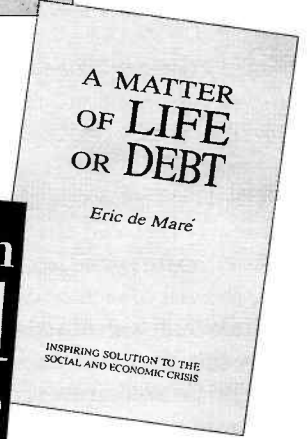
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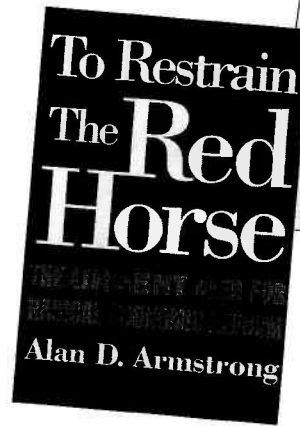
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