

Report from Madrid by Leonardo Servadio

Trilateral tries for takeover

The battlecry is liberalism; the aim, turning Spain from a potentially industrial nation into a new Hong Kong.

On May 18, some 200 members of the Trilateral Commission met in Madrid. Little information filtered out of the inaccessible rooms where this "charity association," as some frustrated journalists labeled it, was meeting. According to *ABC*, the most "trilateral" of Spanish papers, the topics were: economic cooperation of the industrialized countries; opening up world trade; the Chernobyl catastrophe; and East-West dialogue.

There might be several reasons why the Trilaterals met in Spain at this time. The Spanish Socialist government is actively pushing for decoupling the Western Alliance, which is a Trilateral plan.

Talking to journalists, some Spanish Trilateral members denied any possibility that Communist Party members or Eastern Europeans could join the Commission, but did not exclude the possibility for the future. David Rockefeller landed in Madrid after a 15-day tour of Russia.

On May 3, the *Financial Times* of London had announced it was time to include Soviet Russia in annual economic summits of the "Big Seven," as well as a representative from Ibero-America. One can imagine Trilateral founder David Rockefeller dreaming of a future confab with Gorbachov and Fidel Castro, to plan out the next Five Year Plan for Western Europe and the United States.

But there is definitely one specific reason why the Trilaterals picked Spain. Spain is still an open field for economic policy direction. In the last part of the Franco regime, the Spanish

economy was run by the "technocrats" of Opus Dei, who built up important infrastructure, including nuclear plants, but then, in a quite oligarchical way, gave growing predominance to financial operations and abandoned real economic development.

Spain was, and is still, a very poor country. From 1973 to 1983, wages went up four times faster than the average for OECD countries, yet the minimum wage today here is still half that of France.

The cry for liberalism will be the center of the election campaign for the June 22 political elections. When the Socialist government was elected in 1982, it heralded social reforms and democratization. Part of the demogogy was a pledge to lower unemployment by about 700,000. After four years, joblessness is higher than ever. Official unemployment is 22%, while youth unemployment is 50%, the highest in Europe.

This occurred because of the "Moncloa Pact," a deal between government, labor, and industrialists to plan economic policy, under which the unions accepted wage cuts and growing unemployment. This allowed a slow death of the economy, in the total absence of new credit for capital formation.

In the mid-1970s, new credit represented a 30% yearly increase of the money supply. Now it has dropped to less than 10%, with additional restrictions in the credit-issuing capacity of the banking structure. Thus, while the trade unions take care of controlling the workers, the productive capacity

of Spain is being "reconverted" into oblivion.

Now, the opposition parties want to take advantage of the failure of the Moncloa Pact, to peddle to voters the free-market liberalism of the Mont Pelerin Society.

"Liberalization" advocates claim that the late dictator Franco had a dirigistic economic policy, which has continued, and must now be ended. But what this "liberalization" will entail has yet to be defined.

In some leading strata, there is a revolt against the International Monetary Fund's liberalism, the liberalism of high interest rates and cutting the budget under the banks' guidance. For many people here, free-market economics ("liberismo") means an economy free from the direct bureaucratic control of the State, but also free from the IMF and the supranational cartels and monopolies.

One objective of the Trilateral Commission is to organize Spain around "Hong Kong"-style liberalism, patterned on Hong Kong's role as the premier center of financial operations for the opium trade.

This relates to the recent leap in mafia-related activities in Spain. For example, the Venezuelan Cisneros interests, who have been linked to financial circles involved in the laundering of drug money, bought the supermarket chain, *Galerias Preciados*, at yard-sale prices. They are now mooted making Spain the springboard for a huge investment program in Europe. In Spain's Canary Islands, *Resorts International*, a mob-riddled outfit, has been channeling funds to increase casino gambling.

Kissinger's crony Mark Rich has sunk millions of dollars into the biggest office building in Madrid, *Jerez Towers*. Rich is already charged with financial crimes in the United States and illegal-drug related activities.