

such agreement with a black African state. A multinational West German electric power firm, Siemens, has already supplied Nigeria with a high-voltage power network, and will shortly begin building Nigeria's first nuclear reactor. Nigeria has been for several years a major supplier of oil to West Germany.

In discussions between Schmidt and Obasanjo, held at the army base that serves as the seat of the Nigerian government, Obasanjo asked Schmidt why West Germany still had no diplomatic relations with Angola. Schmidt replied that although West Germany had been trying to establish relations with Angola for several years, Angolan President Agostinho Neto refused to initiate diplomatic relations for fear that a missile base in neighboring Zaire, operated by a private West German firm, OTRAG, was being used as a secret NATO base in Africa. Although Schmidt told the Nigerian that he could not interfere with a private company, he did promise to discover if OTRAG, which has turned into a *cause célèbre* among the European and African left, is actually an illegal tax dodge operating under the cover of a make-shift rocket base in Zaire.

Both the Nigerian and West German governments skillfully handled charges in the *Nigerian Herald* and the *New Nigerian* that Schmidt was helping South Africa get weapons and giving Rhodesia support. The joint communiqué signed by both heads of state stated that "there is no kind of military and-or nuclear cooperation between the Federal Republic of Germany and the Republic of South Africa and there will be none."

Zambia

The Chancellor destroyed charges that West Germany is supporting Rhodesia during his one-day stop in Zambia. There, he not only met with Zambian President Kenneth Kaunda, but also with Josua Nkomo, the leader of the Patriotic Front guerrilla forces fighting the Smith regime in Rhodesia. Nkomo was told by Schmidt that "Bonn will always support those forces in Africa who really want equal rights."

Equally important, Schmidt promised Kaunda that West Germany will do something about the depressed prices of copper (which comprises 95 percent of Zambia's exports), and recent International Monetary Fund demands for more austerity in Zambia to meet debt service payments. The Chancellor promised that West Germany, a major voice in the IMF, would negotiate with that organization to ease the monetary pressure on Kaunda's government.

— James Cleary

2. Giscard: Wedding 'Western Technology And Oil Money'

Paris is bent on marrying "Western technology and oil money" to industrialize the Third World, in the words of the French weekly *Perspective*. Effectively, the government of French President Valéry Giscard d'Estaing is committed to what insiders call "the Grand Design," a

plan to relaunch the world economy through a massive inflow of technology into the Middle East, Asia and Africa.

This is "the proper subject of the Bremen and Bonn Summit" — as France's Economics Minister Monory said July 5 — and its launching pad will be the establishment by France and West Germany of a "European Monetary Fund," a competitor-to-the-death of the International Monetary Fund. Instead of the IMF's policy of austerity for debt collection, the new institution is reportedly planned to channel petrodollars and other financial resources into large-scale development projects.

The West German-Soviet agreement for 25 years of in-depth economic cooperation concluded last May was key in activating France for the Grand Design. Over the past 8 weeks, French leaders have been publicly mobilizing France's African and Arab networks, legacy of the Gaullist era, behind the peace and development drive.

First there were military-political interventions to stop British-orchestrated tribal destabilizations across the African continent, notably the case in Zaire, Chad, and Western Sahara, as well as a large peace-keeping force to help the Lebanese government assert its authority in the wake of the chaos generated by the Israeli invasion.

Step two involved the visit of the entire decision-making strata of the Saudi ruling family to Paris for top-level, secret talks with Giscard on the ways and means of using petrodollars for nuclear and infrastructural-agricultural development of the African continent and the Arab world. Among the subjects of discussion, say informed sources, was the feasibility of putting perhaps up to half a trillion dollars of Saudi money into the institutional form now emerging as the European Monetary Fund.

Step three was initiated publicly with Giscard's visit to his good friend King Juan Carlos of Spain at the beginning of July.

As was discussed with the Saudis, the Southern European economies of Spain and Italy could take off quickly with backing from West German and French industry, fostering Europe's total export capacity toward the Third World.

Thus while Chancellor Helmut Schmidt is taking care of Italy, notably with loans to help protect it from the voracious IMF, France's historical responsibility lies with Spain.

In his address to the Cortes, the Spanish National Assembly, Giscard reflected that Spain and France "embody the principles of Christian humanism in Europe." He continued,

Whether concerning the consolidation of détente, advancing the cause of disarmament, favoring the implementation of the new world economic order, or contributing to the development of Africa, Spain and France can unite their efforts to the extent that their objectives are identical and their means often complementary.

The French also consider Spain a crucial stepping-stone into Latin America. Thus various French government representatives have talked about, or alluded to, the possibility that Spain might give a helping hand to

'Bonn Summit: A Franco-German Grand Design?'

These excerpts are from an article which appeared in the June 29 issue of the French newsletter Perspectives, written by A. Gascuel, its foreign policy editor.

Preparations for the July 16 Bonn Summit of the main industrial countries has entered an active phase. . . . There is a project which could closely associate France and Germany, on the initiative of Paris: it consists of launching the development of the Third World on a large scale, by coordinating Western technology with the financing means of the oil producing countries. This idea is not new. What is new is that the German Chancellor is interested. For a long time persuaded that Germany should remain neutral in front of the evolutions and the political events in the rest of the world, being content with ensuring progress in trade, he now sees the advantage of a more active and concerted policy, of which there would be several simultaneously:

— Acceleration of the development of the Third World, and an upswing in activity provoked by its increase in buying power. Experience shows that the Western countries should not fear this "rise of the Third World," which creates more jobs than it eliminates. It is a question of integrating the populations of the Third World in the Western economic system, to

whose functioning they will contribute, for the greater benefit of all.

— Political stability of the Third World countries, since the governments in place would, thanks to increased (economic) aid, be able to more efficiently resist attempts at destabilization. . . .

— Maintenance of control over raw materials sources. This is a stronger argument. As much as it is absurd to imagine the USSR establishing its empire over the whole of the Third World, the struggle for raw materials is increasing and becoming more precise. To help the Third World is to ensure economic stability, the permanency of trade, the long term activity of the Western economies which Moscow could, by controlling the sources of raw materials, threaten. . . .

This economic argument is reinforced by experience. We see certain countries of the Third World that have "gone to the East," coming back to the West. . . .

There are several signs of Helmut Schmidt's interest for this grand "design," of multiple aspects: he is presently visiting Nigeria and Zambia, he has met with Prince Fahd of Saudi Arabia who also talked with Giscard d'Estaing. It remains to convince the other Westerners. It is said that President Carter hesitates to commit himself on the side of Europe. . . .

French aerospace sales into Latin America and putting its extensive banking connections to use for encouraging other exports. For months now French emissaries have been traveling to that doorway to Latin America, the great Republic of Mexico. After the atomic energy chief and the Agricultural Minister came Industry Minister Giraud, who openly spoke of French expectations of nuclear plant construction projects in Mexico, Venezuela, and Argentina.

In the wake of the Giscard-Carlos meeting, there is talk of employing French expertise in the construction of the subways in Mexico City, Caracas, and Buenos Aires. And, Giscard has been officially invited to Mexico.

After the Spaniards' decision to buy four Airbus planes and take options to the next-generation B-10 Airbus plane, the Venezuelan airlines decided to put in orders for the B-10 as well, making for a real boost to the French aerospace industry.

The Giscard-Carlos entente has military implications as well since Spain is making faces at the British push to have it enter Nato, and, adding insult to injury, just decided to tighten military cooperation with the French in all areas and to buy 49 Mirage F-1 jets from the industrial firm of Dassault.

3. Japan's Mitsubishi Institute Proposes \$500 Billion Peace Fund

Masaki Nakajima, chairman of Japan's Mitsubishi Research Institute, and leading spokesman of the industry-based "Zaibatsu" economic grouping, has proposed a \$500 billion "World Peace Development Fund." The fund would mobilize the technological resources of the advanced nations to transform the Third World. This international cooperation for development, Nakajima stressed, is the only guarantee of world peace.

An exclusive translation of an interview with Nakajima, who is now advising Japan's Prime Minister Fukuda on the role Japan must play at the Bonn economic summit, is excerpted below. The interview originally appeared in the June 21 Japan Economic Journal (Nihon Keizai Shimoun), titled: "Light at the End of the Tunnel: A New Deal for the 1980s; Global Infrastructure Fund: Construct a \$500 Billion Peace."

Q: It is said you have a proposal to establish a "global infrastructure fund" or world-wide public works realization fund. . . .