

## EUROPE

# Europe organizes for development

## *Producer-consumer dialogue, Third World fund key to global entente*

In the aftermath of the Tokyo economic summit of Western heads of state, continental Europe is following the policies set forth not at Tokyo, but at the premeeting of European Economic Community heads of state at Strasbourg on June 22.

Press fanfare over an agreement to conserve energy to the contrary, the advanced sector summit did not resolve anything. As *Executive Intelligence Review* reported earlier, Great Britain and the United States arrived at the summit with a policy stance diametrically opposed to the West Europeans.

French President Giscard d'Estaing said that the

summit would succeed or fail on the basis of the positions reached on the four proposals adopted at the Strasbourg meeting: 1) transparency of the Rotterdam oil spot market to curb the speculative maneuvers of the British and American oil multinationals, 2) development of nuclear energy, 3) consumer-producer dialogue, and 4) temporary energy conservation.

A look at the postsummit spate of diplomacy and public statements indicates that France, Italy, and West Germany view Tokyo as a failure. They are now moving to set up a producer-consumer dialogue to secure oil-for-technology deals with the Arab nations. Europe is

### **Carlo Sarchi: a new international institution needed for development**

*Carlo Sarchi, the international director of Italy's state energy consortium ENI, spoke on July 7 before a Conference on Energy organized by the Italo-Arab Friendship Association in Rome. The following are excerpts from his remarks.*

Nuclear energy is an unstoppable factor (in development—ed.); the political obstructions began from 1973 on.... We must intensify relationships between consumers and producers in order to create a new world economic order. Geneva and Tokyo did not resolve the problems of this new world economic order, because they did not deal with the problems of the capital to finance scientific cooperation and research.

*Questioned on the role of the World Bank and the International Monetary Fund, Sarchi said:*

I will answer Mr. Celani immediately: I don't think that the World Bank and the International Monetary Fund can resolve the problems we have discussed, and I think that the European Monetary System resolves them only in part.... A new institution is necessary, a new mixed fund between the advanced sector and the other sectors; and I think that financing from this mixed fund must be granted only for specific development projects. We must create new institutions, international banks for development, which should include the existing Arab and European banks, the various European funds and the regional banks.

*Members of the audience accused ENI of not doing enough, saying "nobody talks about ENI," and attacked Sarchi for not mentioning alternative sources such as wind and biomass. Mr. Sarchi responded:*

I didn't mention biomass because it's irrelevant. In this world there are those who talk and those who act, and that's why we are not covered often in the press, because ENI is acting while others are talking.

also joining with those Arabs who have refused to submit to the Camp David accord to jointly denounce the United States' Mideast policy which poses a very real threat of war in the region.

### **Energy is still the issue**

Energy remains the leading item in Europe's postsummit organizing. Carlo Sarchi, the director of foreign affairs of the Italian state-controlled energy consortium ENI told the Italo-Arab Friendship Association in Rome that "nuclear energy is a key and unstoppable factor of development ... We have to intensify (oil) consumer-producer relations to create a new world economic order."

To deal with "the problems of capital to finance such cooperation and scientific research," Sarchi, who has just returned from a visit to Moscow, called for the creation of "international development banks" to finance "specific development projects" in the Third World based on European and Arab banks and funds.

Based on a 1976 proposal drafted by U.S. Labor Party Chairman Lyndon H. LaRouche, Jr., termed the International Development Bank, Sarchi's call provides a solid programmatic basis for Europe to counter Washington and London plans to pit the industrialized West against the Arab and Third World nations. Those plans include the deployment of U.S. troops to intervene in the Persian Gulf.

Sarchi's call more than implies that Europe should bypass the International Monetary Fund and World Bank. "We have to create new institutions," he said.

With these policies, Sarchi said, ENI is returning to the policies of its founder, Enrico Mattei, whose earlier efforts to bypass the multinational oil companies with state-to-state oil and cooperation deals led to his assassination in the early 1960s. Mattei's proposals featured a plan to link Africa, Europe and the East bloc sector through a centralized electricity grid and an Algerian oil and gas pipeline—proposals very similar to those made at the recent meeting of ministers from the East bloc countries' economic council (see ENERGY).

## **Franco-Iraqi communiqué: an alliance for Mideast peace**

*At the conclusion of their four-day meeting, France's Prime Minister Raymond Barre and Iraq's Vice President Saddam Hussein issued a joint communiqué. Below are excerpts from the French daily Le Figaro's account, published on July 10.*

... The French and Iraqis prefer to stress the "global political results" of Barre's visit to Baghdad: a largely positive balance sheet, since it reveals an interesting identity of views as far as France and Iraq's way of safeguarding both their national independence and world political and economic balance. The French seem to have been particularly stuck by Iraqi prudence vis-à-vis both the situation prevailing in Iran and in Turkey and the Israeli-Arab conflict. Some details:

1) Iran: the authorities in Baghdad are more and more concerned by the anarchy prevailing in that country...

2) The Middle East: estimating that the Egypt-Israel peace treaty is condemned to fail ... Iraqi authorities will ... try to control the situation in Lebanon, by favoring a national entente around President Sarkis. The French share this analysis.

3) Turkey: the authorities in Baghdad will commit themselves to financially supporting the Turkish economy. Contacts will also be taken with Ankara's security organizations, in order to prevent any kind of "Iranian style" adventures ...

The French and Iraqis also discussed at length the perspectives for the "trialogue" (Europe, the Arab nations, Africa) proposed by Valéry Giscard d'Estaing. The Iraqi leaders would like to stick, for the time being, to a reactivation of the Euro-Arab dialogue....

### **Franco-Arab diplomacy for peace**

France maintains the most privileged political and economic ties with the Arab world and so it is France that is most active in the diplomacy to secure a producer-consumer dialogue and a development-based peace for the Middle East.

Europe and the French government in particular are making known their fears about the outbreak of a new Middle East war. West German Defense Minister Hans Apel, in response to a question as to whether West Germany plans to follow U.S. plans for a Mideast

intervention, said: "No, West Germany shall do nothing of that sort. We shall have no such troops and NATO is not going to do anything like it either because this is against the NATO Charter."

That same concern was expressed in the joint communiqué issued by French Prime Minister Raymond Barre and Iraqi Premier Saddam Hussein at the conclusion of the former's visit. Both countries attacked Washington's Middle East policy "before, during and after Camp David" and expressed their determination to prevent the Lebanese crisis, heated by Israeli intervention and support the right-wing Falange, from degenerating into a broader conflagration by supporting Lebanon's Prime Minister Sarkis by all means possible and defending the territorial integrity of Lebanon against Israeli attempts to partition the country.

France pledged to deliver to Iraq an exact replica of the "Osirak" nuclear-research reactor that was destroyed before it was shipped to Iraq last April. According to the French daily *Le Monde*, both sides

concurred that it was Israeli intelligence that was behind the sabotage.

Barre was accompanied by a team of specialists, including the chairman of the Atomic Energy Commission, Michel Pecquer. They secured an agreement from Iraq to increase its supply of oil to meet one-third of France's oil needs—up from the current 18 percent. Hussein said that Iraq "will never forget" France's attitude toward his country "during the most difficult moments of our history."

#### **New World Economic Order**

Picking up on the proposal made by the OPEC countries at their Geneva summit meeting, Hussein then proposed the creation of an "international fund" between oil producers and industrialized consumers to subsidize Third World energy needs. As the joint communiqué states: "The implementation of the New World Economic Order, which should be based on entente, requires the resolution of the oil question."

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### **'The impossible crusade'**

In an article published in *Le Figaro* July 9, veteran foreign policy commentator Paul-Marie de la Gorce details the various scenarios being issued from Washington for an invasion of the Middle East oil fields. While the stated intention of such an invasion would be to "protect" Western oil supplies, de la Gorce correctly explains how the opposite would in fact result from such a military adventure. De la Gorce begins by running down some of the contradictory statements made in Washington on this "impossible crusade" to save Western civilization from the Arab threat, and concludes by warning any French support for such an operation.

Thursday morning for example, Tom Reston, spokesman for the State Department, denied "all intentions of military intervention in the states of the Gulf." ... But Thursday night, the Secretary of Defense himself, Harold Brown, did not mince his words: "The United States could intervene militarily if their vital interests were threatened."

We must now coldly analyze the hypothesis being discussed. ... American public opinion would not subscribe ... to massive expeditions involving hundreds of thousands of men. But the United States can also not be disinterested by the rest of the world and give up weighing on the development of international crises.

In practice, it's a question of being able to recreate, if need be, operations analogous to Lebanon in 1958 or Santo Domingo in 1964. The objective would be, not to occupy vast territories or control large populations, but to act instantly, without risking failure in a limited operation in order to control an essential point. ...

But does this mean that Washington could at will control an oil zone in the Gulf and thus break the political and economic power of OPEC? An operation such as this would only succeed if it succeeded totally and instantaneously. Any delay ... would leave the defenders enough time to sabotage or paralyze the oil installations: in short, the extraction and exportation of oil would be made impossible, whereas the

According to press reports, Barre's Iraq visit is the first in a series of visits to Arab nations which the French prime minister is scheduled to make this summer. Barre's trip coincides with that of French State Secretary for Telecommunications who was dispatched to Syria and follows that of West German Foreign Minister Genscher who has just completed a whirlwind tour through Iraq, Saudi Arabia and Libya.

French President Giscard d'Estaing will be visiting the United Arab Emirates later this month as part of the ongoing consultations that are leading toward the implementation of his proposal for a Euro-Arab-African "dialogue" whose program could be ENI's "international development bank."

The theme of the Franco-Iraq communiqué was echoed by France's Ambassador to Mexico Jean Rene Gernard in a statement to the press. "It is necessary," he said, "to avoid a confrontation between oil producers and consumers." Rather, dialogue is the path to solving the energy problem.

He called for the realization of a "New World Economic Order" and emphasized that alternate energy resources can and must be found—particularly nuclear. Nuclear power, he said, will "save France some 50 million tons of oil by 1985. Ambassador Gernard concluded by stating that Mexico's President Lopez "Portillo and Giscard d'Estaing both see the energy problem from a rational and humanist standpoint."

By contrast, Washington's view is "irrationality." So charged veteran foreign policy commentator Paul-Marie de la Gorce on the pages of *Le Figaro* on July 9. An "impossible crusade," said de la Gorce, warning against the possibility of an American intervention into Mideast oil fields and "this deregulation of the mind and kind of warrior-like hysteria observed here and there." He attacked "the deliberately Malthusian policy" of Washington for refusing to develop its own plentiful oil resources.

—Kathy Stevens

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goal would have been to control them entirely ...

Those who dream of an oil and anti-Arab crusade which Washington would lead and supply not only ignore the military facts, but they are completely mistaken as to the interests and intentions of the United States. We must recall here that the latter are the world's oil producers and that they have gigantic internal resources which a deliberately Malthusian policy has until now sterilized, but which could change the supply conditions of the American market...

An American or Western intervention today would provoke a dramatic upheaval in this part of the world ... of which Europe and Japan would be the first victims.... No American leader who keeps a cool

head could seriously envisage running such a risk ... just to bring down the price of a barrel.

It is true that people and their governments don't always keep a cool head. Why couldn't irrationality and passion prevail today as they have so many times in the past? The worst is this deregulation of the mind which we are witnessing, and the kind of warrior-like hysteria that can be observed here and there. This is undoubtedly spreading a little everywhere. But let's sweep in front of our own door and look at what's happening in France: the shadow of Suez appears behind certain behavior and certain statements: as though some were looking for revenge for the last overseas wars, without admitting it. And why not come out and say that this is accompanied, alas, by obvious

traces of racism? The Arabs are fingered as responsible for everything that's not going right....

Nothing would be more contrary to the interests and principles of French policy than to lend ourselves to some foreign adventure or push others toward it. The Foreign Affairs Minister Jean François-Poncet said so categorically when the question was to put to him one week ago. It is not proof of complacency toward the present government to urge that all sections of public opinion support the government on this point: if only to drive out the old demons to which public opinion could once again abandon itself.