

# The Line-Up On The Eve Of The Bonn Summit

As the Bonn Summit approaches, international forces on both sides of the development debate are taking a stand on what kind of forum Bonn is to be.

The July 16-17 meeting in the capital of West Germany continues a series of meetings bringing together the heads of government of the seven leading industrialized noncommunist nations, to discuss pressing economic and political issues with the purpose of coordinating policy — wherever possible. The participating nations include the United States, Great Britain, West Germany, France, Italy, Japan and Canada. The last meeting took place in London in July, 1977, and was widely considered as Jimmy Carter's debut among the industrialized nations.

Under the leadership of the governments of West Germany, France, and Japan, which have coordinated their preparations with the USSR, and such developing sector leaders as Saudi Arabia and Mexico, an agenda has been prepared for the mid-July conference which includes the following major policy items:

- 1) supporting the U.S. dollar by investing surplus dollars in high-technology industrial development projects;
- 2) expanding nuclear fission as a global energy source and rapidly achieving commercial application of thermonuclear fusion as the power source of the future;
- 3) implementing capital-intensive regional development plans as the solution to dangerous conflict spots in Africa and the Middle East;
- 4) replacing the International Monetary Fund and World Bank as the dominant international credit institutions, with new institutions which will finance economic development rather than merely collect debt.

This is the agenda which Jimmy Carter will confront in Bonn. Here we present a survey of some of the specific proposals, organizing, and counterorganizing underway on the eve of the summit.

## 1. Schmidt Takes The Grand Design To Africa

West German Chancellor Helmut Schmidt's June 26-29 trip to Nigeria and Zambia, the first visit to black African states ever by a West German Chancellor, is the best example yet of how Schmidt intends to organize a Grand Design for development among Third World nations.

At the Chancellor's historic May 6 meeting with Soviet President Brezhnev in Bonn, the two men signed a 25-year economic cooperation pact that stressed that a nation's economic well-being is the key to preserving the peace. Both nations pledged to increase economic cooperation between their countries and the Third World. It is clear from the results of Schmidt's African visit he used his agreement with Brezhnev to develop West German ties to Africa.

Schmidt's accomplishments in Africa range from a nuclear cooperation treaty with Nigeria to support for Zambia against International Monetary Fund austerity

conditions, items that are clearly designed to facilitate the increase in overall world trade.

Schmidt, however, is not using his African trip merely to flesh out his trade and peace agreement with Brezhnev. At the July 16 Economic Summit in Bonn, he will present the results of his African tour as concrete proof of the feasibility for Grand Design economic development between industrialized nations and the underdeveloped Third World.

### *Prince Fahd and Schmidt*

Before departing for Nigeria, Schmidt held a reception for Saudi Arabian Prince Fahd in Bonn on June 26, highlighted by his speech on North-South relations. Fahd had purposefully arrived in Bonn *before* the July summit to give Saudi Arabian approval for Schmidt's plan to use OPEC oil wealth to purchase advanced technology from the West to industrialize the Third World. Schmidt's welcoming speech to Fahd shows how he viewed his task:

We stand today before the historic task of linking North and South, industrial countries and developing countries, as well as the oil countries, in a peaceful dialogue for long term cooperation. We want to contribute to the development of an

international order that gives all countries and all people a fair chance. We need an order which is not constantly threatened by disruption and conflicts. The danger with disruptions and trespasses is that confidence is lost in the continuous development of our world.

Hours after this speech, Schmidt faced the first threat to both his African trip and the Bonn summit as his plane was parked at the Hamburg airport, ready for take off. After one look at a speech prepared for him to give to the Nigerian Institute for International Affairs, the Chancellor postponed his departure one hour, and called his closest aides together to deal with what he called "a threat to the Bonn summit." Schmidt rejected the prepared speech from the office of Economics Minister Otto von Lambsdorff:

Lambsdorff speaks a kind of gibberish about market economy which even a court of law could not understand. We are not going to Nigeria to address the founder of liberal economic policies, Granddad Walter Eucken, gentlemen, but to a military government. . . .

After this meeting, Schmidt penned his own speech, which read in part:

My trip should be understood as the announcement of our desire and will to seek with you a common way to bring our historical allies of continental Europe and Africa closer together. Europe and Africa are not only geographical

neighbors, but also natural and ideal economic partners. Therefore, the Federal Republic cannot pursue a policy with respect to Africa that is oriented only to our own, German interests. Our interests must be imbedded in the area of the economic and political relationship of Africa as a whole to the European Economic Community.

Schmidt developed the idea of "real freedom," which comes not merely with the liberation from colonial rule, "but must be assured through a continuously developing economy within secure and recognized borders. We want to help the African states become strong economic partners with whom we can carry on mutually advantageous trade." Schmidt blasted speculative schemes for "commodity stabilization" through a "common fund" — plans in fact authored by the Brookings Institution to gullible Third World leaders and promoted by IMF partisans Henry Kissinger and the Second International's Willy Brandt — as the illusory product of "a handful of propagandists."

#### *Nigeria*

Schmidt backed up his words with concrete actions, impressing Nigerian head of state Obasanjo with the speed and skills used by West German construction firms to finish the Tin Can Harbor Development project in record-breaking time, 15 months. In return for this proof of good faith Obasanjo signed a nuclear power cooperation agreement with Schmidt, West Germany's first

### Europeans Seek Stability In Africa

Zambian President Kenneth Kaunda has declared his support for the "Grand Design" campaign of West German Chancellor Helmut Schmidt, who visited Zambia last week. Describing Schmidt as an "eminent statesman", Kaunda said, "The German Federal Republic holds the key to peace in Africa and the world in its hands."

Schmidt's highly successful visit to Zambia included a meeting with Rhodesian Patriotic Front co-chairman Joshua Nkomo. As Schmidt explicitly noted, the meeting was intended as a signal to Rhodesian Prime Minister Ian Smith that Western Europe supports the Patriotic Front's fight for a settlement leading to majority rule, not Smith's white minority government.

Schmidt's diplomacy has been complemented in peace and development initiatives by Angola, Zaire, Portugal, and France to improve relations between the African and European countries. These initiatives are serving to counter British and Belgian efforts at destabilization of the region.

While Schmidt was in Zambia, Angolan President Agostinho Neto issued orders on July 1 that refugees from Zaire's Shaba province now living in Angola move further from the Angola-Zaire border, to forestall a repeat of April's invasion of Zaire by a Belgian-sponsored refugee army. At the same time, Zairean President Mobutu Sese Seko has backed away from his earlier charge that Angola and Cuba were responsible for the invasion. A Zairean government

news agency release July 1 charged that "certain sectors in Belgium" helped the Shaba rebels, threatening to cut off diplomatic relations with that country.

#### *Portuguese-Angolan Rapprochement*

After meetings between President Neto and Portuguese President Ramalho Eanes, the two countries have put together a joint commission to supervise improvement of their economic and diplomatic relations, including improved trade ties and the repatriation of thousands of skilled white Angolans who fled the former Portuguese colony during the 1976 civil war.

There are also indications of a reversal of French policy toward Angola after a meeting last month between Foreign Minister Louis de Guiringaud and the Angolan Ambassador to Brussels Luis de Almeida. France is reportedly backing off from any connections to the three anti-government guerrilla counter-gangs now operating in Angola, and is considering possible increases in trade and other economic ties.

President Leonid Brezhnev of the Soviet Union has effectively endorsed European efforts to stabilize Africa. Brezhnev this week told the President of Madagascar that he did not object to attempts by the West to settle the Namibian (Southwest African) and Rhodesian conflicts, so long as those efforts "meet the lawful interests of the peoples" involved.

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