

Science is the driving force of the EMS

Why the British can't stop the new monetary system

In war, economic or fighting, soldiers learn to welcome the sound of big guns superseding the endless rounds of smaller arms fire. This week the big guns of the Europeans have sounded, the guns of science and technology.

The war analogy is not inappropriate. The French newspaper *Les Echos* produced a banner headline, "An Objective: to Adapt Research to the World Economic War," detailing the French Council of Ministers decision to centralize all research laboratories and establish close working ties with industry, to gear up the nation for the European Monetary System (EMS) battle with Britain's International Monetary Fund (IMF).

Even more powerful is the publishing of Lionel Taccoen's new book for the French national electric company, EDF, titled, "La Guerre de l'énergie" — the Energy War. In it, Taccoen makes the devastating argument that the extreme poverty of some Third World countries demands that they have large-scale nuclear exports from the advanced nations. If they regress to wood burning, Taccoen warns, their populations will perish.

Focussing on the European Community (EC) foreign ministers meeting Jan. 15, and the following EC Parliament meeting at Strasbourg, Jan. 17, French Foreign Minister Jean Francois-Poncet and West German Chancellor Helmut Schmidt have opened an unprecedented siege for the technological upgrading of the Third World through the development of the advanced sector. France and Germany are fulfilling the promises made at the historic meeting of Schmidt and French President Giscard d'Estaing at Aachen (Aix La Chapelle) last fall, as well as the \$100 billion economic program of Giscard's political party, the UDF.

At Strasbourg, Francois-Poncet told the European parliamentarians that "five years after the great trauma of 1973, the economic situation of the member states, (of the EC) is not, on the whole, satisfactory ... the first imperative for Europe, therefore, is to get out of the crisis. A durable solution to the problem of unemployment necessitates action to adapt the industrial structures to the conditions of the new world economic order." The new world economic order was declared the basis for Third World development at the meeting of the nonaligned heads of state in Colombo, Sri Lanka, in August 1976.

Francois-Poncet concluded that the presidency of the EC Council of Ministers will "notably commit itself to bring to fruition the discussions on energy savings and new energies." He also included "the efforts concerning the second four-year plan for energy research and development, as well as the program for research and teaching in the field of thermonuclear fusion, in which the hoped-for success of the Joint European

Torus can manifest in an overwhelming way the eminent place of Europe."

These policy commitments triggered more artillery barrages — especially in France. Vowing to "shake up" French industrialists, Francois Ceyrac, head of France's powerful employers confederation, Le Patronat, told his top ranking audience in Paris, "1979 is going to be the year of industry ... maybe a real new industrial revolution, which will have two poles: the industrial expansion of the Third World and the sophistication of technology in the advanced sector."

On the other side of the battle lines, British-sponsored "autonomist" terrorists blew up a power line from the Brennilis nuclear plant in Finistere, France, causing electrical shortages for one week.

Rebuffing the British

The present battle was begun by French Foreign Minister Francois-Poncet chairing his first meeting of the EC Foreign Ministers in Brussels on Jan. 15. Rebuffing British Foreign Minister David Owen, Francois-Poncet demanded to know what right the British had to intervene in the European agricultural question since they did not join the EMS. Poncet then said he would postpone the agricultural ministers meeting a week and combine it with a finance ministers meeting. As the British were about to veto this option, Poncet then declared that he had decided to postpone the agricultural ministers meeting even further.

Francois-Poncet asserted that he would preside over the reorganization of the Lomé Agreements (the EC subsidies to agricultural commodity producing nations) to be concluded by July, and admit Greece, Spain and Portugal to the community as rapidly as possible.

Reorganization of Lomé, at the minimum, threatens to reduce British political advantage from EC subsidies to West Indies sugar producers, and more likely to give broad but temporary price supports to a much enlarged group of Third World nations. This would wean them away from British run "Common Fund" proposals during the period of transition to large-scale development.

To emphasize that France will not tolerate British use of the continental peasantry against technological growth and industrial reorganization, a far-reaching agricultural reform bill will be introduced into the spring session of the parliament, according to press sources.

According to the plan, French agriculture will be transformed into a U.S.-style, highly mechanized agro-industry to enable the nation to export high value foods to the Third

World. It will form a national body of farmer organizations, agrobusiness representatives, wholesalers, and personnel from the finance, economics and agriculture ministries to create what is described by one observer as a "national cooperative" to act for the country as local cooperatives benefit farmers.

In addition to high protein exports to the Third World, this sweeping reform will improve the diets of French workers as it transforms the peasantry into an industrial workforce.

As the Schmidt-Giscard technology-motivated economic assault broadens, one issue is becoming prominent: nuclear power. Sabotaged for at least half a decade by U.S. demands for nonproliferation guarantees and export curbs against its own nuclear producers, the question of nuclear power for the Third World was raised most trenchantly by Taccoen. He argued that *only* nuclear power development will save many areas of the world.

France has just concluded an agreement with the People's Republic of China for nuclear research, construction of an accelerator and consideration of the building of an Orpheus nuclear research center. Moreover, France's apparent determination to break the Anglo-American control of world uranium has led to strong efforts to stabilize the Zairean government, including a doubling of French economic assistance and a warm reception for Angolan Ambassador to France Luis de Almeida's request for heavy French participation in Angola's development requirements.

The Mexican government is currently studying the proposals made by E.P. Volchkov of the Soviet Technabexport to train Mexican technicians in Soviet nuclear power plants and provide technical assistance for the construction and operation of uranium enrichment facilities in Mexico. According to the Mexico City daily *Uno Mas Uno*, the Soviet offer is considered "exceptional" in comparison to offers made by Japan, Canada, and France.

The German-Arab connection

If these developments were not sufficient to profoundly dismay the "New Dark Ages" advocates, the successful talks concluded between West German Undersecretary of State, Rainer Of-fergeld and Deutsche Bank chief Thierbach with Saudi officials in Riyadh were. Thierbach announced "great prospects" for West German investment in Saudi Arabia, praised the political stability of the government and announced close cooperation to fight world inflation between the two countries. The investment packages will be concluded at top-level meetings in Bonn on Jan. 19-20 and again on Feb. 1-2 with the initiation of a German-Saudi Capital and Investment Commission.

Yet it is not the economic packages or even the institution of the EMS itself that will insure the success of the EMS. Clearly, continental European leaders are viewing such mechanisms as predicates in the technology-led new world economic order.

Unquestionably the British and their American agents might destabilize the Italian government, perhaps even succeed in pulling off a military coup in Iran to manipulate world oil prices against industry and make the Lomé reorganization rocky. But a high-technology development policy by the Schmidt-Giscard forces, if maintained and carried through, cannot be defeated by the forces of the New Dark Ages.

—Leif Johnson

North Sea speculation used to attack dollar

The City of London financial machine is presently feeding a massive speculative bubble in world oil markets driving prices to levels nearly \$3.00 a barrel over the price of oil produced by the Organization of Petroleum Exporting Countries (OPEC), even after the Jan. 1, OPEC price rise.

The pretext for the latest speculative binge follows the crisis in Iran which has closed down Iran's oilfields, cutting out between 5 and 6 million barrels a day (mbd) of total world production. As a result of tight markets arising from the drop in output the producers of North Sea crude are driving up the price to upwards of \$16.00 a barrel, setting a deadly trend in world markets. Some grades of North Africa oil are selling for as high as \$17.30 a barrel.

In addition, the talk of a new oil crisis is being used to cover for speculative attacks on the dollar, and to whip up broader anti-dollar market sentiment. The Dow Jones wire service claims that European authorities would like the dollar no stronger than 1.85 marks, because their oil bills are still denominated in dollars. The West German central bank contributed to the adverse climate Jan. 16 with a West Berlin speech by Bundesbank Vice-President Karl-Otto Poehl. Poehl's warnings that West Germany cannot sustain 1978's \$24 billion level of dollar-support intervention produced a slight but distinct dollar weakening not reversed by later Bundesbank assurances that it will continue to intervene.

Ironically, the U.S. press which headlined stories of doom and gloom about the economic effects of the last OPEC price rise in December have barely uttered a word about the current price rises due to Britain's machinations. In fact, the decision of the last OPEC meeting to implement a price rise in small increments was designed to halt the sort of oil speculation that is presently taking place. Numerous sources noted at the time that Royal Dutch Shell and British Petroleum would be hard hit by the new pricing initiative, since they are both notorious for buying up inventories of OPEC crude prior to price setting meetings as a hedge on price rises.

Now it is both BP and Shell that are making a speculative killing on North Sea oil — of which they control nearly half of the 1.5 mbd output. But other multinational companies, particularly those which are crude short (having a small access to the wellhead) and act as middlemen in marketing crude, are joining the bandwagon in speculatively driving the price of oil through the ceiling.

Saudi Intervention

Saudi Arabian Oil Minister Zaki Yamani has called a meeting of four non-OPEC oil producers — Canada, Mexico, Norway, and the U.K. — to discuss the current market situation next month. In particular, the Saudis have impressed upon the government of Great Britain that it should impose a price ceiling on North Sea oil in an effort to stem the speculative tide. In the long