

European allies before giving another of his strongman, anti-Soviet speeches, nor makes use of the "red phone" to Moscow.

...Andreotti, too

In Italy, Prime Minister Francesco Cossiga, the only chief of government of a major continental European power who might have lent some support to the Carter administration's cold war drive, is on the verge of being ousted. Cossiga will probably be replaced by a new "national solidarity" government led by former Prime Minister Giulio Andreotti, similar to that which he headed in 1976-79 based on an agreement between the Christian Democrats and the Italian Communist Party.

Paris and Bonn are, meanwhile, taking steps to drastically reduce the influence of Britain in the European Community (EC). Britain is the only EC member to have endorsed Carter's trade embargo against the Soviets and has also consistently obstructed the development of the EMS. According to the January 28 London *Times*, the Thatcher government now faces "total defeat" in its campaign to reduce British contributions to the EC budget. The French remain "obdurate" in refusing to grant concessions, the *Times* reports, but "the really crushing turn of events has been the hardening of attitudes in Bonn."

British realists

The war danger and the threat of isolation from the rest of the European Community has even forced certain "realist" factions within Britain to speak out against "Iron Lady" Thatcher. Both Conservative Party leader Ted Heath and Labor leader James Callaghan criticized Thatcher's support for Carter in parliamentary speeches this past week on the basis that it was essential to maintain communication channels open between Britain and the Soviets.

Heath warned that "We are discussing the danger of a third world war caused by stumbling into it by mistake or misjudgment...The only way for the West is to have a clear strategy and build an understanding with both the East and the Nonaligned countries."

Callaghan said "It is now clear that the understanding in Europe between NATO and Warsaw Pact countries is not sufficient to prevent a widespread conflagration in other parts of the world that could develop into a nuclear conflict...I want to enter discussions with the Soviet Union about the prospects of constructing a new set of rules and understandings." But while the British "realists" are anxious to head off a looming U.S.-Soviet military showdown, they oppose the economic development policies advanced by the Paris-Bonn forces which are necessary to prevent such conflicts in the future.

France

Giscard and Indira form a new global alliance

by Paul Zykofsky, New Delhi correspondent

The summit between India's newly elected Prime Minister Indira Gandhi and the President of France Valery Giscard d'Estaing, has concluded in New Delhi with what French circles are describing as a new strategic alliance between the two countries—one which gives both new capabilities for intervention into a rapidly deteriorating world situation.

With Giscard's four-day visit to India, Prime Minister Gandhi has gained a key partner from the "superpower for peace" that France and West Germany have been attempting to construct independently of both Washington and Moscow. Giscard has extended his policy of economic development of the Third World through "technology transfer," with emphasis on nuclear energy (see interview below), into India, the most important developing nation.

And this combined political "clout," in the clearly stated views of the two leaders, will be wielded to stem the tide toward world war by reversing the British policy of "zero growth" and deindustrialization for the advanced and developing sector alike.

French Foreign Minister Jean François-Poncet told journalists in New Delhi that France, with its "Indian friends," aimed "to see to it that the voice of peace be strongly heard." He added: "This is what we have achieved."

Strategic reality

The seriousness with which the two leaders view their strategic task was expressed in the joint communiqué issued at midpoint of the visit, saying "both countries are committed to act upon the responsibilities which devolve in the present critical times on France and India because of their respective policies of detente and nonalignment."

In a reference to the U.S. arms buildup of India's neighbor and historic adversary Pakistan, as well as prob-

ably to China, Gandhi and Giscard declared that "in order to stop further escalation all states should refrain from any action which could intensify great power rivalry and bring back the Cold War, especially dangerous arms buildup liable to threaten peace and stability in sensitive regions. Accordingly, the President and Prime Minister have decided to take all necessary initiatives to defuse present tensions and to help create a climate of mutual trust and confidence."

Less officially, the Indo-French alliance reached working agreement on a policy vis à vis the Soviet Union's military move into Afghanistan which contrasts pointedly to the Carter administration's posture of confrontation.

American journalists who attempted to press French Foreign Minister François-Poncet on what France would do to "get the Soviets out of Afghanistan" were met with sarcasm. He retorted to one such question, "Who has done something powerful enough to get them out?"

When confronted with bluster about American naval and other deployments in the region, the French official wryly asked if such moves were directed against Afghanistan—or Iran.

The India card

According to informed Indian sources, the French see their ties to India—and bolstering Indira Gandhi as the leader of the nonaligned nations—as key in defining their whole framework for Asia, the continent which contains the two most dangerous "hot spots," Southeast Asia and the Middle East.

President Giscard is planning a visit to China later this year, and it is clear that he chose to come to India first to make the priorities of French policy for stability apparent to all.

Giscard declared at New Delhi airport before his departure on Jan. 29 that the two goals of his visit had been achieved. One goal, he said, was to "establish between our two countries a dialogue corresponding to our roles in world affairs." The other goal was the "aim to give our economic and technical cooperation the necessary impetus."

Economic content

The second point defines the aspect of the visit which gave concrete form to the strategic views of the two leaders. Giscard in a speech stated this in terms which indicate the long-term French and Indian objectives: "Finally, what is at stake is to reinforce our cooperation and to exchange our experiences in the most recent

technological domains such as space, nuclear energy and new sources of energy, and computers, which will order the destiny of the world by the end of this century."

French government and private sector, he said, will join in such cooperation to "realize common projects."

While many of the details of such cooperation remain to be worked out in further talks, including expanding existing French assistance to India's nuclear energy program, a number of deals were concluded during the visit. These include French financing and technical assistance for: a \$1.25 billion aluminum processing plant; deep shaft coal mining; \$125 million for completion of the major Rajasthan irrigation canal project; cooperation in petrochemicals, fertilizers, drugs and chemicals; and trade and industrial collaboration in joint projects in third countries.

EMS implications

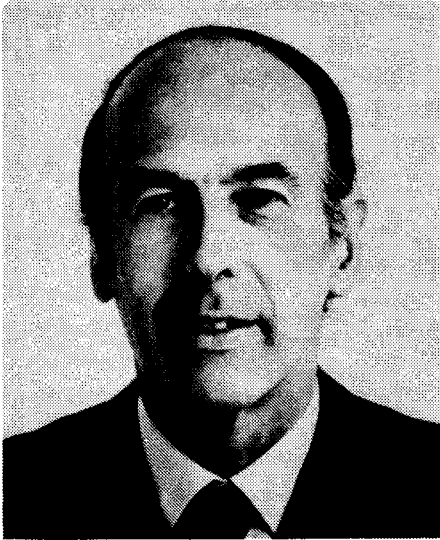
On a more profound level, French Foreign Minister François-Poncet indicated that France is advancing the global economic and monetary policies embodied in the creation of the European Monetary System. Asked by the correspondent of the Indian weekly *New Wave* about the plans for Phase II of the EMS where it would take on the role of the kernel of a new international system, Poncet cautiously said that "we are not there yet." So far, he said, the EMS is only an instrument of monetary stability.

"From that," he went on, "to a unified monetary system capable of extending such credits to developing nations, this is something more ambitious. I will not say that we do not have this in mind but we are not there yet."

That this goal may be closer as a result of the Gandhi-Giscard summit was strongly suggested by the fact that François-Poncet began his press conference with the announcement that Giscard will meet with his EMS partner, West German Chancellor Helmut Schmidt, next week in Paris, on his return from India.

He then referred to an upcoming visit of Soviet Foreign Minister Gromyko to India (following the very recent trip of Gromyko's deputy to Paris), and noted, "The Indian government has its own contacts; we have our own contacts."

The Franco-German summit is "an important meeting for many obvious reasons," he stressed. Senior French officials indicated privately that the objective of the upcoming Giscard-Schmidt summit is to "salvage detente" from the wreckage created by the Carter administration's precipitous actions against the Soviet Union.



The president interviewed

'Our task: an effective nuclear plan'

Following are excerpts from an interview given by France's President Valéry Giscard d'Estaing to Radio Europe No. 1 on Jan. 18. In it, Giscard stresses that whereas there may be other sources of energy, France has chosen to develop nuclear. Other French spokesmen have made clear that all nations should choose likewise.

Q: Mr. President, France has no oil, and oil is becoming increasingly expensive and scarce. France therefore needs an alternative energy source, hence the choice of nuclear power. Is this an option that's been taken at the expense of other energy sources, other investments?

A: France has no oil, it's true, as everyone knows, though in actual fact it does have a very small amount. The research program to be pursued in France should enable our country to tap a not insignificant quantity of oil and gas on the mainland and off the coasts, since there may be off-shore deposits. The two sources together might amount to something like 10 million metric tons a year. This is my target. But it is a very long way from our national consumption which is going to be in the range of 240 to 250 million oil-equivalent tons in coming years. As you say, the world's oil is going to become more scarce and is costing more every year.

Therefore we had to look for national sources of energy for France. We did so in several directions. First of all there are, of course, new sources of energy....

I'm not going to swamp you with figures but we have prepared a program for 1985 under which, as you know, we expect to have energy savings equivalent to 35 million tons of oil [from conservation], and a nuclear electricity output equivalent to about 43 million tons of oil. So it's almost on the same scale...

Why nuclear electricity? At the present time there is no other readily available technology. There won't be for 10 or probably 30 years. Moreover, it is an investment that pays off highly since the higher oil price means that one kilowatt-hour produced in a nuclear plant will cost about 13 or 14 centimes whereas the kilowatt-hour produced from oil will cost on the order of 24 to 25 centimes. So there is a very significant difference in price. Lastly nuclear electricity enables France to be more independent from the energy viewpoint, that is so nobody can tell us what to do.

As you saw with the recent oil crises, those who have oil can dictate to those who don't. It is very important to improve our energy independence. These are the reasons, then, which have led to our electro-nuclear program.

You asked whether this would be at the expense of other investments. First of all, what is it going to cost *in toto*? Electricité de France [the national power utility] is spending 16 billion francs [\$4 billion] this year for this program and when the construction of power plants is at its height, it will be a maximum of 20 to 21 billion francs [\$5 to \$5.25 billion], which is relatively little compared with total investments in France. And, as I said a moment ago, these investments give good returns.

Lastly we are going through a period in which we have to support economic activity, and the fact that a major national utility has a large-scale investment program is not something that diminishes investments elsewhere. On the contrary, it helps our country's economic activity.

Q: France's decision to opt for nuclear power, Mr. President, implies a secure and lasting supply of uranium. Does France have sufficient reserves?

A: In the past we had little coal and oil. As it happens,

however, we have quite a lot of uranium on our national territory—Metropolitan France produces 6 percent of all the uranium in the world. Our country has, moreover, been actively pursuing a policy over the past few years to acquire uranium rights and deposits so that French companies have secured control of about 240,000 metric tons of uranium in the world, that is to say, 100,000 metric tons in France and 140,000 metric tons abroad, and every year we are increasing our share of uranium abroad. At present we use about 6,000 metric tons of uranium a year, a figure that will peak at just under 10,000 metric tons by the 1990's. So we have both national reserves, and an active policy for acquiring uranium mining rights.

Q: Are we certain that the countries with which we signed contracts will continue to sell it to us—African countries for example?

A: There is no reason to doubt that these contracts will be upheld. So far things have progressed quite normally with our partners. Furthermore, the contracts are conventional international accords—which means that the states concerned naturally have rights regarding the operations they maintain in keeping with these accords—and up till now France has been very satisfied with the conditions under which they have been put into practice.

On the subject of uranium let me point out that beyond the techniques in use at this time there is another possibility, as evidenced by France's Phénix power plant, namely, the breeder reactor. A nuclear power plant of this kind does not consume all the material that is fed into it; instead it regenerates it for further use. By employing the breeder reactor technique it would be possible to extract roughly 60 times more energy from the same quantity of uranium.

Bear in mind the figures I gave you a moment ago. For conventional nuclear plants we have considerable supplies in France and, in the context of breeder reactors, we would indeed have extremely ample supplies.

Try to imagine it like this: if the uranium mined in France were one day to be used in breeder reactors, France's energy potential, its energy reserve, would be comparable to that of Saudi Arabia. A combination of our natural uranium resources and the use of breeder reactors—if ever this production technique is extensively developed—would make our position immensely secure as far as our supplies are concerned.

Q: What state do you think France would now be in if it had not opted for nuclear energy and if its program for the construction of nuclear power plants had been seriously slowed, if not halted, as has happened in the case of most of our European neighbors?

A: The program provides a test for a country's foresight and clearheadedness. The decision to go ahead with the building of nuclear power plants...has resulted in their being ready for service five years later. There comes a point, therefore, when a decision is made that is sometimes politically quite difficult. Let me remind you that five years ago most French people were not in favor of nuclear energy. They have progressed since then so that today the majority (57 percent) are in favor of it....

At the time, however, they were not.

Decisions were made, therefore, whose beneficial effects were not to be felt for five years. Had we not followed this plan, we would either have had power cuts or investments that would have increased our dependence on foreign countries. If we had not built conventional [nuclear] power plants we would have had electricity cuts.

At present 17 percent of the electricity consumed daily by the French people is produced by nuclear energy. For every six light bulbs burning in a house, the electricity for one of them is produced by nuclear energy.

Of course, we could have built standard non-nuclear power plants, but what a waste that would have been. They would have increased our dependence on oil and led to electricity production costs that even now are 50 percent higher than nuclear-produced electricity. Such a decision would have shown a lack of foresight.

Q: In view of the advantages of nuclear energy, ought we not to accelerate the French program? What is there in fact to stop us?

A: We have accelerated it as much as we can. An initial plan was drawn up during the time of President Pompidou which when I was elected I immediately decided to accelerate. In 1974-75 it was decided to push the program to the utmost limits of our production possibilities and from 1974 to 1979 it was faithfully carried out.

Early in 1979, at the time of the events in Iran and even before the situation had clarified, I held a meeting (at the beginning of February) to discuss whether we could speed up our nuclear program even more. We reviewed the physical capacities of our means of industrial production and were able to raise our two-year commitment for 1979/1980 from the planned 10,000 Mw to 12,000 Mw, the maximum at present attainable. Taking into account, therefore, our industrial capacity, and the problems of planning and preparing [nuclear] sites, we cannot go any further in France.

Our task is to carry out the electro-nuclear program effectively. This means avoiding increases in construction costs and estimates while also satisfying local inhabitants and their elected representatives on the question of power plant sites....