International Credit by Peter Rush

Selling World Bank plans to Europe

The special twist is a promise to maintain Third World importing ability

The Brandt Commission report on Third World development has moved to the center of discussions on petrodollar recycling to the Third World. The plan mandates centralized funding of investment in raw materials extraction, of biomass and other low-density energy sources, and "appropriate technologies" for labor-intensive agriculture.

An interview with Claude Cheysson in the May-June issue of *Europe* casts additional light on how the plan is being urged on Western European leaders. Cheysson is the commissioner in charge of European Community relations with the underdeveloped sector; he has always maintained a pro-growth, pro-"South" profile.

Cheysson is currently playing on the French and German desire to maintain trade with the Third World, dangling the promise that World Bank control of credit to the southern hemisphere will underwrite the LDC's purchasing power for imports, while commodity agreements will improve their balance of payments. The fact is that whatever infrastructural development the World Bank promotes is part of an overall push for de-urbanization and primitivization that will wipe out these regions as markets and as political allies.

Returning from talks with the Carter administration and World Bank officials in Washington, Cheysson was asked about "the new World Bank structural loan facility." He commented that the crux of the problem is the rising oil bills and deep indebtedness of the "middle-income developing countries."

"We industrialized countries are going to suffer, in particular, we in Europe. Exports to the developing world now represent almost 40 percent of the total exports of the Community, as compared to 13 percent of our exports to the United States," and 22 percent of total EC exports go to non-oil producing LDCs.

"Should they run short of resources to meet their equipment needs," Cheysson commented, "this will result in very, very serious additional crises in Europe that will affect those industrial sectors which until now have been safeguarded in the economic crisis—electrical equipment, railroad equipment, and so on. Just now, in the Sudan, they can't even use their tractors, because they haven't got the money to pay for the hydrocarbons . ... It's very important, therefore, that the World Bank and the regional banks should be given every facility to borrow on the market," to absorb the surplus of "the main oil producers." Cheysson further called for a "contractual approach between regions" through global commodity agreements, which "can build up security for investors."

Cheysson is rehashing the old Brookings Institution-Council on Foreign Relations blueprints that inspired the 1947 Marshall Plan as a purported alternative to war and depression.

Under the banner of "self-reliance"—at that time, touted for Europe—capital inflows were to finance the fuel and raw materials and food needed to restart European production and launch a non-dollar trading bloc. Europe was supposed to regain enough industrial strength to supply equipment to develop Third World commodity resources and make NATO a credible military-industrial entity. This was a completely neo-colonial concept, as Brookings frankly stated, adding that under no circumstances should Third World populations be allowed high living standards or population expansion. Nuclear energy production was ruled out for either Europe or the Third World.

Dwight Eisenhower, Konrad Adenauer, Charles de Gaulle and European industrialists aborted this plan. Now it is being retreaded to Europe and, as we report in our International section, to OPEC leaders. The *London Times* reported May 27 that at the June 22-23 Western economic summit, "It is likely that some firm initiatives will be approved to improve food production in the least developed countries and to further encourage energy development in the Third World. Support will be given to the World Bank's schemes, which at present envisage the spending of some $33,000 billion in the next five years on energy development." It is not at all clear that any such thing will happen. It is clear that if it does, it will be a disaster for both Europe and the LDCs.

© 1980 EIR News Service Inc. All Rights Reserved. Reproduction in whole or in part without permission strictly prohibited.