

press on the significance of O'Kennedy's statements on the PLO issue, were angered by the fact that these statements were deliberately and systematically ignored by the *Times* and other papers.

Coming 24 hours after Secretary of State Cyrus Vance's speech, King Hussein's speech drew the battle lines for the General Assembly fight: new world economic order and Middle East peace. It was a sharp rebuff to Vance, who in his address had called upon Hussein to join the Camp David process. In his intense efforts to undercut the efforts to consolidate a new world economic system, Vance also expressed nothing but pessimism over the General Assembly's moves to

resolve international economic inequities and related problems, cautioning that "progress is not inevitable."

Vance's statements were echoed by Lord Carrington, Britain's Foreign Secretary.

Soviet Foreign Minister Andrei Gromyko stressed what the stakes are at the U.N. Focusing on the danger of war, Gromyko made it clear that the Anglo-American economic perspectives, the Camp David accords, and the use of the China card increase the danger of war. The world must have peace, he stressed, if the problems being addressed by the General Assembly are to be solved in accordance with reason.

—Nancy Coker

France's François-Poncet: EMS to replace the IMF

In his Sept. 26 address to the General Assembly, French Foreign Minister Jean François-Poncet made it clear that France is taking no back seat in international policymaking, particularly in the quest for the establishment of a new world economic order and a durable Middle East peace. Standing firmly behind the statements made before the General Assembly by Jordan's King Hussein, François-Poncet called for the involvement of the PLO in the peace process and appealed to Israel "to cease insisting on exclusions" and deal with the PLO.

Even more noteworthy than his speech was François-Poncet's press conference at the U.N., held just prior to his address. When asked by Executive Intelligence Review if Europe—in particular France—is working with the developing sector to consolidate the European Monetary System as a vehicle for the industrial development of the Third World and the dismantling of the International Monetary Fund, François-Poncet acknowledged that "the objective is to give it such a dimension in the future." This statement marks the first time that a European government official has publicly acknowledged that the EMS is indeed perceived by Europe as a key weapon to break the IMF's grip on the developing sector. Excerpts of the press conference and of François-Poncet's speech to the General Assembly follow.

François-Poncet began his press conference with the following statement:

Our priorities are very clear. One is poverty, which has become—is becoming—a major problem in the world of today.... This means a major challenge to the indus-

trialized and to the developed world. This challenge must be met.

Priority number two is energy—energy as a key to economic growth and progress. In that respect, I insist on what I consider to be a very important decision taken at Tokyo.... The industrialized nations of the world have committed themselves to base their future growth on energy that will not come from imports of oil. This is very important because we all based our growth in the past on greater amounts of oil purchased on the world market. The impact of this is that the remaining and hopefully increased production of oil can go to the developing nations who do not have, as do the industrialized nations, the technical and scientific possibilities to develop as quickly alternative sources of energy. For instance, my own country, as you may know, is engaged in a major program of development of nuclear energy, which will lead us in 1985 to produce 50 percent of all of our electricity from nuclear sources. And this enables us to forecast a fairly rapid growth without increase in oil imports. This means that there is a big step towards the beginning of a possible consultation between the industrialized countries and the developing countries.

In the question period following François-Poncet's introductory remarks, Executive Intelligence Review asked the following question:

At the recent Nonaligned summit in Cuba, the Nonaligned called for the speedy establishment of a new international economic system to replace the IMF. In this light, it appears that Europe's—in particular France's—efforts to remonetize gold as Phase II of the European Monetary System set the stage for cooperation between Europe and the developing sector for the establishment of a new monetary system centered around the EMS. To what extent is Europe, and France in particular, working with the developing sector to

consolidate a new monetary system committed to the industrialization of the Third World and committed to putting an end to the kind of austerity conditionalities demanded by the IMF? Secondly, in your opinion, what could the U.S. do to help facilitate the consolidation of the EMS as the vehicle for the industrialization and development of the Third World?

François-Poncet's response follows:

That is a very interesting question. I would say, one, we are indeed—you are right on this—dedicated to the industrialization of the Third World. And we are well aware that at this stage there are a certain number of financial blocks or obstacles on the road to industrialization. Some of those countries are heavily indebted. This is, I think, one of the major problems of the years ahead of us. Two, what can the European Monetary System do in that respect? Quite frankly, little as yet, if you are going to be serious about it. The European Monetary System is coming into being at this stage, as you may know. The ECU, which is the unit, is in use only between the central banks. It is a means of settling accounts between the central banks. It does not have as yet another dimension. But the objective is to give it such a dimension in the future. So, I am saying in regard to the vision that you were expressing that this might be the case; we will see; it might become the case. But I think today it would be unrealistic to say so.

Now, what can the United States do to help the EMS? One, wish it well! I understand this is the case and I'm happy that this is the case. I think it is a very reasonable attitude because the EMS is one of the elements that can stabilize the world economic system—not the only one—and of course it will be a big help if the stabilization of the dollar were added to it, because obviously the instability of the dollar has repercussions within the European Monetary System, not to the extent that it has created tensions that have disturbed or prevented the European Monetary System from working. And the important element since it has been created is that it works in a difficult monetary environment. I would say that it is already a first—maybe modest—but a first success.

The following are excerpts pertaining to the Middle East from François-Poncet's address to the General Assembly:

1. A review of the situations of crisis and tension that persist in the world shows that these fall into two categories. Some situations are linked to the process of decolonization of which they are an anachronistic survival. This is the case with Namibia and Rhodesia. Others result from military *faits accomplis* and should be neither endorsed by the peoples concerned nor recognized by the international community. I refer to the Middle East and Southeast Asia.

However, in all these instances, the crisis situation can be attributed to the fact that deeply rooted realities are being ignored or misperceived; that needed changes—needed because they are natural and legitimate—are being opposed or blocked; and that in some quarters the mistaken conviction that “might makes right” still persists....

On the subject of the Middle East, I come to a conflict that is quite different. It is as old as our organization. Thirty years have elapsed and with them how many hopes unfulfilled and paths vainly explored to find the key to peace!

My country makes no claim to define a new framework for negotiation or to devise some new procedural skill, after so many other countries. That is not where the problem lies: there has been too much passion and too much suffering to hope to be able to build peace on ambiguity.

Here again, what is needed is recognition of the realities instead of escape from them, tackling the problems, not evading them.

The realities in this case are:

- the right of the Arab states to recover their territorial integrity;
- the right of the Palestinian people to a homeland;
- and the right of all the states in the area, the Arab states as well as the state of Israel, to live in peace within secure, recognized and guaranteed boundaries.

These three principles form a whole. They cannot be dissociated without being forsworn; they are valid for all the parties concerned, including—as the Nine have just stressed—the Palestine Liberation Organization.

This presupposes that both sides make the effort to look the facts in the face: these two great peoples, the people of Israel and the Palestinian people, will not be able to postpone indefinitely the moment when they recognize one another. It will be necessary to enlarge the dialogue, to cease insisting on exclusions; all the protagonists must agree to talk to each other. Certain indications lead us to hope that the time is approaching. France is following the situation attentively and will make every effort to see these signs multiplied because they point toward the only real path of peace.

In speaking of peace in this area of the world, I also have in mind Lebanon, which has so many ties to my own country. In recent months Lebanon has been the object of attacks whose repetitive and excessive nature prompted the Security Council to convene. France condemns these attacks which strike at the unity, independence and territorial integrity of Lebanon. They affect the Force sent by the United Nations to the southern part of the country; they put in jeopardy the very existence of one of our organization's member states.