

## INTERNATIONAL

# Tokyo summit: a war over energy?

Events on the opening day of the Tokyo summit of OECD advanced sector nations presage confrontation in the days to come between the United States and Great Britain on the one side and France and most of continental Europe on the other.

The joint British-American position for the summit, which is focussed on the issue of energy, is typified by the announcement made by Secretary of Defense Harold Brown on the June 24 "Issues and Answers" television program reporting that the U.S. would create a 110,000-man military strike force for intervention into the Mideast to "secure the oil fields" if necessary. The British have not only applauded this move—absurdly predicting that it would not meet with any Soviet resistance—but have made their own complementary proposals for various forms of economic boycott of the Arab oil producers as part of a "hard line" approach. One such proposal, published in the June 27 London *Daily Telegraph*, called for the U.S. and Canada to use the "grain weapon" against the Arab "oil weapon."

The West Europeans, on the other hand, led by French President Giscard d'Estaing, represent a diametrically opposite policy stance. On the first day of the Tokyo summit Giscard said at a press conference that Europe would brook no compromise with the proposals adopted at the earlier European Community Strasbourg summit that called for: 1) transparency of the Rotterdam oil spot market to curb the speculative maneuvers of the British and American oil multinationals; 2) development of nuclear energy, 3) consumer-producer dialogue, and 4) temporary energy conservation. Telling the gathered press corps that the Tokyo summit would succeed or fail on the basis of the positions reached on these four proposals, Giscard once again took President Carter sharply to task over his handling of the international oil emergency, putting aside diplomatic language to accuse him of willful

"negligence." This latest rebuke followed even sharper statements given to *Newsweek* in the course of an interview last week (see below).

### BRD lines up with France

Just as the summit was about to begin, reports from the West European press confirmed that the remaining disagreements between France and West Germany had been dropped. West German Chancellor Helmut Schmidt, according to the French daily *Le Matin*, announced on the plane between Moscow and Tokyo that he had dropped his reservations on the issue of control over the Rotterdam spot market, thereby putting an end to rumors of a split between the two leading European allies. The position paper circulated in Tokyo by the West German delegation was thus identical to the Strasbourg resolutions, proposing fast development and implementation of nuclear energy, control of the spot market, and a world-wide energy dialogue.

As for the Japanese, the congruence of views first pretended by the Carter delegation was denied by Japanese spokesmen, and later again by Schmidt's press spokesman Klaus Boelling. The West German press reports statements from Boelling in Tokyo saying there was "no substance" to earlier reports of an across-the-board agreement reached between President Carter and Prime Minister Ohira prior to the summit. Rather, he said, Schmidt and Ohira had held a "good" preliminary meeting where some level of informal agreements had been reached.

The Carter delegation, as *Executive Intelligence Review* reported last week, left for Tokyo armed with a position paper jointly authored by the International Monetary Fund staff under North American Division Director Joaquin Ferran, Treasury Secretary Blumenthal's office, the National Security Council and others.

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## Europeans' bottom line

*The following are excerpts of the communiqué adopted by the heads of state of the EEC at the Strasbourg European Council meeting June 22. The French government has indicated it will accept no less than endorsement of the Strasbourg principles at Tokyo. The United States is flatly opposed.*

The European Council considers it indispensable that a world energy strategy between consumer countries and consuming countries be defined, aimed at:

- ensuring a more moderate and more rational use of oil as a non-renewable natural resource;
- permitting the continuation of economic growth, no longer based on increasing oil consumption but based on the development of other energy resources;
- ensuring that the developing countries also have the energy necessary for their development.

If such a strategy cannot be developed, the world will rapidly be brought to an economic and social crisis of great scope.

The European Council affirms the will of the Community to play an exemplary role in these actions. It recalls the decisions already made during its March 1979 session, and in particular the decision to limit oil consumption in 1979.

...An effort of this scope can only be carried out if a simultaneous effort, of similar scope, is made by the other industrialized consumers who must also limit their oil imports....

This effort will be accompanied by action towards the free markets where the prices practiced have no relation to the prices practiced by the producer countries.

The Council is pleased with the measures taken in this respect by the Energy Council [of the EEC], to improve surveillance of the market. As far as registering international transactions, the Council invites the Energy Council to put these measures, whose principles have been laid out, into effect if the other industrialized states are ready to adopt analogous measures....

For these measures to remain compatible with the growth of their economy, the Community and its member States will pursue and amplify the energy redeployment they have already started. This redeployment will be based on a reinforcement of the actions already started for energy savings and will put nuclear energy, coal, and as soon as possible, other renewable energy sources, into effect....

Without the development of nuclear energy in the coming decades, economic growth would not be possible. The nuclear programs must thus be vigorously relaunched. Recourse to nuclear energy must be carried out under conditions ensuring the security of the populations....

The decisions made today demonstrate that Europe is ready to assume its responsibilities. The Council invites the other industrialized consumer countries to undertake an effort of the same scope and develop their national energy resources, without which the contribution of the Community towards world energy equilibrium will not have its full effect.

In conjunction with the other industrialized consumer countries, the Community and its member States are ready to establish contacts with the producer countries in order to jointly define the perspectives for supply and demand on the world oil markets....

The paper's major proposals indicate the extraordinarily dangerous course of American policy at this time which is premised on inducing a direct confrontation between the advanced sector and the oil producers to ensure the success of plans for putting the world economy firmly under International Monetary Fund control, freezing economic and industrial development, and inevitably leading to a potentially deadly East-West confrontation. The American position paper thus calls for: 1) voluntary deflation of the advanced sector, 2) a moratorium on nuclear energy development and plant construction, 3) the denial of Third World access to private Euromarket financing outside of IMF conditionalities, and 4) a "consumer boycott" stance vis-à-vis the OPEC oil producers. The full import of policy toward the Mideast is of course inherent in Harold Brown's announcement of the new American strike force readied for military intervention into that area.

Not surprisingly, the authoritative West German financial daily *Handelsblatt* reported on June 27 that the Saudis and Kuwaitis were urging, at the OPEC producer conference, that OPEC adopt the European Strasbourg resolution as its policy, particularly the abolishing of the oil spot markets and the pro-

posal for a producer-consumer dialogue.

Only the British are in full agreement with the U.S. When Blumenthal laid out the American position at a June 13 International Monetary Conference in London, the *Financial Times* of London noted correctly that everything he said was an echo of the policies laid out a week earlier by Sir Geoffrey Howe, British Chancellor of the Exchequer. The British have also strongly endorsed the special intervention task force, whether or not it leads to a confrontation with the Soviets, as the London *Daily Telegraph* pointed out June 27.

#### **A Moscow 'summit'**

Anglo-American insistence on what Energy Secretary Schlesinger identified as a "Malthusian" policy of crushing austerity internationally managed by the IMF has in fact had the effect of pushing the West Europeans—who have shown little propensity for committing suicide—into ever closer cooperation with Moscow. A remarkable spate of sudden visits to the Soviet Union by West European heads of state in this period is making Moscow the center of a summit nearly parallel to that taking place in Tokyo.

West German Chancellor Schmidt flew to Tokyo directly from Moscow where he held broad ranging

discussions with Soviet Premier Kosygin and Foreign Minister Gromyko on "the urgency of continuing détente." A series of preliminary proposals were made during these talks, including West German construction of nuclear plants on Soviet territory and other broad-ranging economic and political plans. President Giscard of France then announced at the cited press conference June 28 that he too would be flying to Moscow after the conclusion of the Tokyo summit, and he was echoed later by Italian Prime Minister Giulio Andreotti who issued a similar announcement.

For their part, the Soviets have followed up their talks with Schmidt with a series of major proposals. First, the Warsaw Pact delegation at the Vienna MBFR (European conventional arms and troop reduction) talks announced that they were willing to accept the NATO proposal for collective ceilings. Until now, the Warsaw Pact had insisted on ceilings for each individual country—the major reason being Moscow's fear that under a collective ceiling arrangement troops would be reduced everywhere but West Germany. The Soviet concession is thus a clear vote of confidence in the Schmidt government.

Secondly, Soviet Energy Minister Neprorozhinyi has reiterated the proposal first made during Schmidt's

### **France organizes a counter strikeforce**

*The following are excerpts of an article published in Le Monde June 26 concerning the reorganization of the French military begun three years ago. Authored by military analyst Jacques Isnard, the article places these French plans in the context of the now confirmed reports from Washington on the creation of a 110,000-man American intervention force. Further below, the response of French government officials, seeking to dispel the impression created by the Le Monde article that the French are planning parallel deployment of their military with the U.S.*

While the United States is putting into place a force for intervention in the Third World, France is drawing the conclusions from its recent expeditions in Africa to reorganize its military machine for outside action, in order to permanently have available inter-army detachments, composed essentially of professionals, trained to participate in these kinds of operations outside of Europe.

These "intervention cells," set up in advance in the three armies, will be trained to be ready to

respond to the most diverse crisis situations, including the case in which France's oil supplies would be threatened....

The traditional [French military] action on the North/Northeast border of the country and the conventional defense of its other borders are now considered on an equal level [of importance] with the security of certain sensitive areas of the national territory against a parachuted, infiltrated or shore-landed adversary and with the protection of the vital interests of France outside of the central European theater, which require, according to the General Staff, light, limited, well-equipped and immediately available forces....

It is not a simple coincidence if, after its 1977 and 1978 interventions in Africa, the General Staff continues to this day to stress the necessity of training, on a permanent basis, French forces in outside actions under the most diverse conditions, and [the necessity] of the lessons to be drawn from previous engagements in order to improve the organization of the present military machine.

Intervention of paratroopers or navy commandos in the sands of the oil fields, control "at the source"

visit for the creation of a unified East-West European energy grid. Stating that the question of West Berlin was no longer a significant issue, Neprorozhyni called for the building of a high-tension electricity conduit connecting Poland, East Germany and West Germany with the Comecon electricity grid. Through West Germany, the rest of Western Europe could then be integrated into the grid.

For his part, Chancellor Schmidt called for an international energy conference to include the USSR. The Soviets would thus be brought into the consumer-producer talks urged by French President Giscard.

#### **Military umbrella over Mideast**

A startling announcement has now been issued by the French press, notably *Le Monde*, indicating the far-reaching response which France is prepared to make to stop Anglo-American plans aimed toward forcing an international confrontation over the Mideast. As reprinted in this issue of *EIR*, *Le Monde* published some of the details of a French plan to create its own intervention force and broad-ranging military capability for the protection of not only the Arab countries, but also the Mediterranean African countries which Giscard has included in his call for a "trialogue" of European,

Arab and Third World nations. Unlike the provocative use to which the U.S. would put its huge strike force, the French plan would be carried out in accordance with Arab need to seek protection against dangerous American military interference. It was the Iraqi government earlier this month who proposed such a plan to the French ambassador, after news of the U.S. strike force had become known.

While the French government has of course issued a formal denial to the announcement in *Le Monde* and *Les Echos*, it is most likely that, based on a knowledgeable evaluation of French policy at this time, these reports were correct. Needless to say, the U.S. would find itself in a highly awkward position with respect to its own nominal ally, France, if it attempted to implement plans for use of its military capability in the Mideast. And this represents only one of the dangerous absurdities which America's adoption of British policy has led this country thus far. Far more dangerous would be for France and West Germany to allow the U.S. and Britain to dictate terms at Tokyo and elsewhere, allowing the creation of Secretary Schlesinger's Malthusian nightmare under International Monetary Fund dictatorship.

—Vivian Zoakos

of the supplies of the consumer countries, and the protection of their off-shore oil wells as well as their maritime supply lines, are so many of the scenarios which the General Staff ... is being assigned to study in the list of overseas expeditions which they could be called on to carry out if the political opportunity was felt.

There is much talk, within the General Staff, of the recent creation within the "outside action" of detachments trained to participate in these kinds of interventions....

For the navy, the problem is very complex,... Surveillance of France's energy traffic poses the greatest difficulties. The supply could be interrupted at the source, by the closing of the oil wells themselves, or during the travel course of the tankers, beginning with the "required passage" of the vulnerable Straits of Hormuz between the Persian Gulf and the Indian Ocean....

The merchant marine ... could become the target of a single navy equipped with numerous submarines or surface to surface missile-launching ships, taking advantage of the surprise effect.

The General Staff does not exclude the possibility

of returning—in the case of a grave crisis, as during the Second World War—to the organization of maritime convoys, escorted by warships....

*The French government reaction to this article was quoted the next day in Le Monde, June 27.*

Official circles in Paris indicate, according to Agence France Presse, that "the reorganization of the French armed forces, which began three years ago, ... does not signify that France has the intention of intervening in any part of the world whatsoever." The Elysee spokesman denied that "any new machinery is currently being put into place, nor even being studied, to intervene in any place in the world whatsoever."

They add that France defense policy is not linked to a particular political conjuncture. It is not, they add, because the United States is organizing a force of 110,000 men ... to intervene in the Middle East or in other zones outside of NATO's zone of influence, that France would necessarily adopt the same policy.

Government circles have, according to AFP, qualified as "political fiction" any interpretation tending to make the contrary be believed.