

EIR Special Report

Global industrialization by the year 2000

Europe's foreign policy alternative

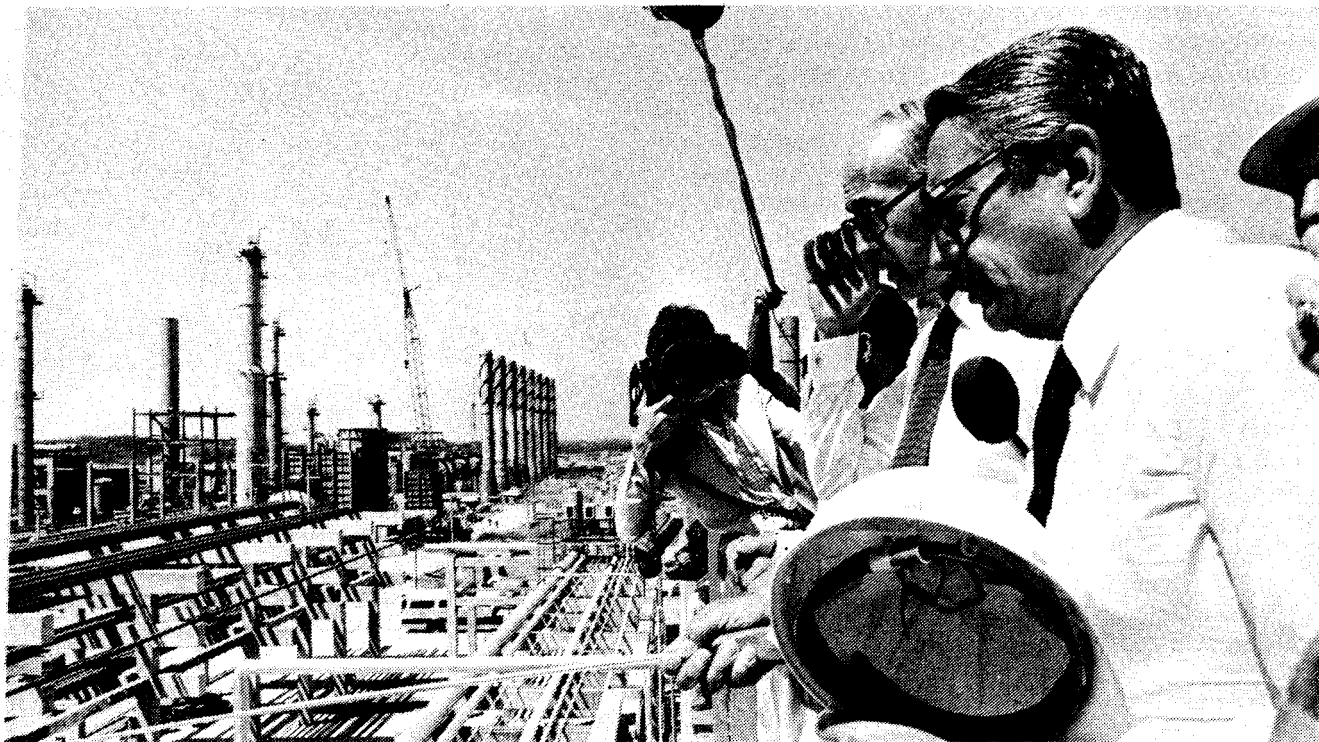
by Vivian Zoakos

The emerging European superpower led by France and West Germany is pitting itself—sometimes cautiously, but with a fair amount of consistency—against the zero-growth policies espoused by both the Carter administration and the Reagan brains trust. Europe's activities on behalf of a comprehensive Middle East settlement in opposition to the provocative Camp David accords have received a certain amount of angry coverage in the American press. But the economic component of the European diplomatic endeavors in the area has been carefully screened from the public.

Yet the Third World economic policy of France and West Germany is the cornerstone of their foreign policy. A paradigm for this is the Iraqi industrial and agricultural development program which, with French aid, will transform Iraq over the next two decades into the breadbasket for the entire Persian Gulf region.

The contravening American policy is a direct version of the Club of Rome "Limits to Growth" doctrine. This was most dramatically demonstrated by the just-released three-year "Global 2000 Report" commissioned by President Carter, conducted under State Department supervision and warmly endorsed by Secretary of State Edmund Muskie. The report concludes that "regional water shortages," a "20 percent increase in land area covered by deserts," and sharp increases in food and energy prices are the inescapable features of the coming two decades on a resource-finite earth. Therefore no alternative exists to mass population control and zero economic growth programming—a polite way of describing genocide.

French cooperation with Iraq's ambitious agroindustrial development program should be seen as the case study for what Europe wants to accomplish in the Middle East and, more broadly, Latin America and the Indian subcontinent. As detailed in the following report, France is providing Iraq with nuclear energy technology, including an expanded nuclear research center, that will function as the future basis for irrigating the deserts, bringing heavy industry to the country, and overall giving the lie to the State Department's predictions.



What France is accomplishing with Iraq, it looks forward to carrying forward in Latin America. Following his tour of various Latin American countries last week, French State Secretary Olivier Stirn indicated that Europe looks to Mexico and Brazil as two stabilizing forces on the continent that might shape a regional alliance capable of cooperating with Europe. *Le Figaro*, commenting on Stirn's declaration and the latest statements of President López Portillo, notes that France is eager to support the Mexican president's policy of using Mexican oil revenues as an instrument both for developing Mexico and for stabilizing the rest of the continent through development projects.

The economic philosophy behind the Franco-German approach was elaborated afresh by Chancellor Helmut Schmidt in an Aug. 7 interview with the *Kölner Stadtanzeiger*.

"Our country has changed very much since Ludwig Erhard's time in office . . . the first factor in this was the resolution of our own foreign policy, by our policy of nonaggression, negotiations and treaties with the states of Eastern Europe.

"This Ostpolitik has—although this was not its main aim—provided us with a much greater degree of freedom of action, and freedom in foreign policy. The second factor is the economic and monetary policy success of the Federal Republic of Germany. The BRD has the largest currency reserves in the whole world, and the second-largest gold reserves . . .

"This increase in our political weight is surely not only convenient for us. It is a service not only to Europe

as a whole but also a service to the whole world, since under joint German-French leadership the European Monetary System was created, which is functioning quite well and has a balancing, dampening effect on the currency disturbances of the whole world."

Schmidt pointed out to his monetarist-minded domestic critics that West Germany's state indebtedness rate is about 30 percent, compared to 50 percent for the United States, 60 percent for the United Kingdom, and 62 percent for the German Reich in 1914.

Furthermore, the bigger a modern industrial economy becomes, the greater the need for credits, Schmidt insisted. There is no basis for populist objection to debts, so long as production is also rising, he said.

Asked about conflicts with the U.S., Schmidt replied: "I wouldn't say conflict, I would rather say difference of interests . . . to the extent that we have increased our political weight, we are less constrained to approve everything which the United States considers right. . . . Our position today is different from the one we were in 15 years ago, or 20 or 25 years ago. Then, we were just a dependent client, whereas today we are an important partner of the United States in many respects."

Europe cannot be unconditionally dependent on the U.S. for its defense, Schmidt said. "Nothing is unconditional in this world . . . One cannot say 'I would unconditionally repeat any mistake my friend or partner makes'—that is wrong."

Schmidt stressed that it was the diplomatic intervention by French President Giscard and himself which eased the dangerous deadlock in U.S.-Soviet communi-

cations since Afghanistan. But the situation remains dangerous, he said, and the world economy is still unstable.

For pursuing their global peace diplomacy and industrial policy, France and Germany have come under extraordinary siege from the Carter administration and its allies.

The Israelis, who are pursuing a policy of willful provocation exemplified by the annexation of Jerusalem, have gone to the extreme of calling West Germany Nazi for "interfering" in Middle East politics. Similarly the Begin government is daily attacking France for its nuclear deal with the Iraqis. As President Giscard pointed out, the Iraqis, unlike the Israelis, have signed the nuclear nonproliferation treaty. It therefore appears that Israel's actual concern is to stop Arab industrial development, and not to prevent Iraq from testing a nuclear bomb.

U.S. strategic doctrine— against Europe

From the U.S. side, President Carter has just made it official that he is willing to sacrifice Europe in case of conflict with the Soviets. The announcement was made this week that Carter has made limited nuclear warfare the official military doctrine of the United States. With the acceptance of a theatre nuclear doctrine, Washington affirms that wherever the U.S. cannot mount sufficient conventional strength—in Europe as well as the Persian Gulf—it may deploy tactical nuclear weapons.

At the same time, talk of invoking the Mansfield Amendment is once again making the rounds of the various policymaking think tanks. A spokesman for the U.S. Middle East Institute who is also attached to the Ditchley Foundation noted a few days ago that if Europe continues to behave "too independently," the United States might withdraw American troops currently stationed on European soil.

There is no doubt that such threats inject caution into the Allies, particularly the more vulnerable West Germans. But there is also an important aspect of diminishing returns to this type of American blackmail. With the Soviet Union offering disarmament and highly lucrative trade, and the Arabs offering petrodollars as well as trade in exchange for assistance in securing peace in the Middle East, Europe is increasingly forced to jump one way or the other. As long as the U.S. offers nothing but Malthusian policies, it becomes increasingly clear that Washington is merely speeding up the point at which it will lose all allegiance from its most important allies. While America contracts its own industrial base, France and West Germany can organize an industrial boom that would leave the United States isolated in its economic collapse.

A paradigm: France and Iraq

by Judith Weyer

Last month the Iraqi government issued a statement through its official Iraqi News Agency explaining the motivation behind the French-Iraqi cooperation to build nuclear power generating capacity in Iraq: "Iraq intends to utilize nuclear energy notably to fertilize its western desert . . . the transformation of this region will have important climatic and agricultural repercussions and will serve as a model for analogous experiences in other parts of the Arab world, which have the largest deserts in the world."

For both Paris and Baghdad, the sale of the nuclear plant to Iraq is the paradigm of growing Euro-Arab economic cooperation, in which the supply of the most advanced forms of technology to underwrite economic development is at stake.

Since July 1979, when French Premier Raymond Barre held talks with Iraqi President Saddam Hussein, the two countries have been working together not only to expedite bilateral trade relations, but to resolve the broader issues of economic growth for the developing sector as a means of providing global stability.

It is because of the far-reaching economic and political implications of the French-Iraqi nuclear agreement that Israel has used assassination and terror, threatening to escalate to a fifth Arab-Israeli war, to block the realization of Iraq's development goals.

In numerous statements since becoming president last year, Hussein has repeatedly stressed that the only long-term means by which the Arab world can confront Israel is by rapidly developing itself into a global economic force. He has stressed that Israel is fully committed to using its military strength, including its nuclear capacity, to undermine that endeavor.

In 1978, days before the French-built training reactor was to be delivered to Iraq, a terrorist bombing destroyed the reactor and the plant in which it was built. It was widely circulated in France at that time that the action had been taken by Israeli intelligence. A few months later, during a visit to Paris, a nuclear physicist working