

'Technetronic' strategy for France led by Paribas bankers

by Laurent Murawiec

The French business community was shaken the first week of March by the unexpected announcement that the giant investment bank Paribas (Banque de Paris et du Pays Bas) was taking the controlling share of the huge Empain-Schneider conglomerate from Belgium's Baron Edouard Jean Empain. The purchase price of 90 million French francs represents quite a bargain: Empain-Schneider employs more than 132,000 and has an annual turnover of FF 40 billion.

Included in the Paribas acquisitions are the small but powerful Bank de l'Union Européenne; Creusot-Loire and its subsidiaries Framatome and Novatome, which are responsible for fulfilling orders to construct nuclear plants that are placed by the state-controlled electricity monopoly EDF; and a variety of large corporations, mainly in the fields of engineering (civil and mechanical) and steel (including specialty steel and shipyards).

With this move, which reportedly enjoyed the early backing of President Valéry Giscard d'Estaing, Paribas greatly strengthens its central position in ownership and policy control of the French economy. The policy direction it will now take is a crucial element for determining the direction of French global policies, weeks before the April 26 presidential elections.

Paribas, a bank more than a century old with traditional links to Lazard Frères, has—aside from its substantial standing on the international financial markets—a history of geopolitical involvements which have made it a *political* factor to reckon with. Its deep involvement in the pre-1914 Baghdad Railway venture of Deutsche Bank and Germany gave it the clout to set up the Compagnie Française des Pétroles in 1924, the "eighth sister," and to challenge British and American interests in the Middle East.

The current Paribas chairman, Pierre Moussa, a former French colonial office official and former director of the World Bank for Africa—in other words, a leading representative of old French "imperial" policies—shares with the bank a long history of involvement in left-wing politics. This "left" history i

Giscard's social-democratic challenger in the presidential elections, Socialist Party leader François Mitterrand, and Fabian Gaulist Jacques Chaban-Delmas, who, as

prime minister from 1969-72, had infuriated the late President Georges Pompidou with his Kennedyesque "nouvelle société" policies.

Moussa's global conception is that of acting as a "bridge between the key role of the nation-state and the one-world features of modern economic life," which leads to great political-intellectual flexibility and adaptation to dominant policies, including those of French President Giscard. "Our influence," Moussa adds, "is on the Montreal-Hong Kong line," a wholly different set of considerations. Lord Roll of Ipsden, the S. G. Warburg chairman, sits on the Paribas board.

Industrial takeovers

Paribas was also recently involved in the reorganization of the giant communications conglomerate Hachette, which has diversified interests in media, publishing, electronics, and communications. A controlling share of Hachette was recently sold, with prompting from Giscard and support from Paribas, to the high-technology "military-industrial" conglomerate Matra-Industries, a fast-growing business with interests in advanced electronics, in telecommunications, in sports cars, in military equipment, and in one of Europe's leading broadcasting organizations, Europe Number One. Matra-Industries immediately brought in a new partner from Hachette, media king Daniel Filipacchi, a publisher of several well-known pornographic journals with connections to the notorious Permindex intelligence operation.

Yet a third major restructuring that has altered France's political landscape in the past year was the takeover of France's fifth largest corporation, the troubled national computer and electronics manufacturer, CII-Honeywell Bull by Saint-Gobain-Pont-à-Mousson (SGPM). To broaden its horizon in the electronics field, SGPM then bought up 25 percent of Italy's Olivetti.

One underlying logic behind all three affairs is the indispensable consent, if not the initiating impulse, of President Giscard. Another component involves a different kind of business, namely the "technetronic" designs on French and European industry.

Speaking to the Feb. 6 Conference on European

Management in Davos, Switzerland, European Commissioner Viscount Etienne Davignon, whose purview within the European Community now includes industry, energy, and research, announced a "much tougher line" on subsidies extended by the member nations to their industries. "No subsidies [will go] to depressed areas and traditional industries, except to reduce capacity, restructure, and innovate. Community powers will be used to prohibit certain kinds of subsidies. . . . Community funding will be granted to such areas as energy conservation, coal gasification, and data banks."

Davignon's European Commission counts on the support of the European Parliament to ram such policies down the throats of reluctant European governments. Most directly, this strategy aims at isolating the government of France, whose unbending adherence to its nuclear program, including the advanced fast breeder programs and proliferation of nuclear sales to the Third World, has proved a major obstacle to the anti-industrial, anticapitalist designs of such supranational bodies as the Club of Rome, the Organization for Economic Cooperation and Development (OECD), and the German Marshall Fund.

Sir David Nicolson, a Tory member of Britain's parliament, has been especially active in defining such a European-wide sunrise/sunset outlook. In a document soon to be released, Sir David contends that the EC's Common Agricultural Policy (CAP) should be largely dumped and resources devoted to a "coherent industrial policy." What the policy should be he spelled out quite precisely: "moving [the EC's] industrial base up-market away from the old labor-intensive industries into new high-technology ones. This requires a willingness to restructure declining industries. . . . Because of the importance of the defense sector as a market for high technology, Europe should look again at the case for building up its own defense capability and reducing its reliance on the U.S.A."

It is useful to underline the identity of design between such proposals and those outlined at the Washington, D.C. conference of the Socialist International and the German Marshall Fund in early December, titled "Eurosocijalism and America." De-industrialization, de-urbanization, and the ascent of energy-poor, electronic-gadgets industries were the leitmotifs.

In December 1976, Giscard commissioned top civil servant Simon Nora to conduct a study on "The Effects of Informatics on Society and the Economy." *Informatics* is the catchword for the mass use of computers and electronics in daily economic, social, and individual life. Nora himself is a veteran Fabian *haut-fonctionnaire* with a wealth of past associations with Pierre Mendes-France and Jacques Chaban-Delmas as well as with various local subsidiaries of the Club of Rome.

Nora recruited rising young technocrat Alain Minc,

currently the vice-president of SGPM's joint operation with Olivetti, as his co-author. Nora enlisted half the French membership of the Club of Rome as consultants: Jacques Lesourne, who led the OECD "Interfuturs" project; Robert Lattes, Paribas chief economist and grey eminence in high-technology affairs; and André Danzin, who heads the Institute for Automation and Informatics Research. Other consultants included mad left-wing terrorist philosopher Michel Foucault, a much-publicized advocate of schizophrenia and paranoia as legitimate social expressions; Mitterrand's chief economist and adviser, Jacques Attali, a proponent of the replacement of the economy with "culture"; French sociologist Michel Crozier, top profiler for the Tavistock Institute, who planned the student component of the May 1968 upsurge against de Gaulle; and Alain Touraine, also an advocate of the postindustrial society.

The Nora-Minc report, "L'Informatisation de la Société," was filed with the president in January 1978, and part of its proposals have actually become executive policy. The Nora-Minc report was published last year in the United States by MIT in book form under the title *The Computerization of Society*. Its approving introduction was contributed by an American ideologue of postindustrialization, social democrat Daniel Bell of Harvard.

The basic thesis is that "the prime challenge of the coming decades is not, for the advanced policies of mankind, the capacity to master matter. This is granted. The challenge lies with the difficulty of building the network of connections that enhance information with organization." What this jargon concretely means, the authors conclude, is the end of capital-intensive employment, and of industry generally, with the simultaneous destruction of centralized forms of political, social, and economic life. Computers, or informatics generally, are precisely the instruments of this shift into the "polymorphous, informational society."

Under the cover of preparing the state to manage the "new emerging conflicts" typical of such a postindustrial society, Nora and Minc are in fact fielding proposals to turn the nation-state into the instrument of its own demise—its powers devolving to decentralized and de-federated basis-groups and communities. Concomitantly, the report presents such proposals of co-opting "environmentalist" policies as the sole defense against the social ferment this movement represents, and, in addition, proposes the "informatization" of the economy in order to meet the "IBM challenge" before it is too late.

A Frenchman is quite amazed to see the policies of Mitterrand's advisers put forward to the president almost verbatim by supposedly faithful senior civil servants, where otherwise Giscard's own policies have been largely marked by a strong nationalist industrial out-

look (which the Council on Foreign Relations likes to dub "neomercantilist"). It is time for the president to smell a rat (or a Socialist mole), in his own camp.

Giscard's problem is that he has allowed the monetarist management of his prime minister, Raymond Barre, to lead the country's economy into an impasse summed up by the following figures: 14 percent inflation; FF 60 billion trade deficit; 1.6 million unemployed. Social unrest is so strong that Giscard is by no means assured of his re-election. And if he begins another seven-year term, the success of his policies is in doubt. Drastic measures will be required, starting the day after the balloting.

Already, Giscard is being pushed to effect a "Socialist turn" and go ahead with the "reforms" indicated in the Nora-Minc report. Mitterrand supporter Jean-Jacques Servan-Schreiber gave the proposals a popular form recently in his international best-selling book *Le Defi Mondial (The Global Challenge)*, and a good many of Giscard's supporters and advisers are now pushing in the same direction.

One of Giscard's possible choices for prime minister is the Paribas-supported, New Left-linked Chaban-Delmas. Among the more "right-wing" profiles, some of Giscard's own ministers have bought the technetronic perspective lock, stock, and barrel through the think-tank influence of the *Nouvelle Droite (New Right)* and its intellectual center, the Club de l'Horloge, which represents important components of Giscard's organized electoral support.

Giscard's trusted personal friend and adviser Michel Poniatowski has himself not been immune to the French version of the Club of Rome's technetronic outlook. In the sphere of science—his principal area of activity—he has presented policies that mix equal parts of the informatics follies of the Socialist International (along with its sister, telematics—telecommunications, bio-engineering, and so forth) with proposals for the development of controlled thermonuclear fusion. This is not to say, of course, that there is anything inherently wrong with advanced electronics and telecommunications industries. It is to state that they can only be effective if they enhance global productivity of fusion-powered, capital-intensive forms of production and employment.

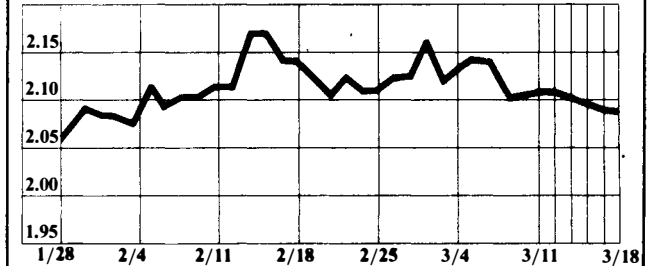
In the past few months, France has undertaken sales, or negotiations for sales, of nuclear technology to Brazil, South Korea, Algeria, Morocco, Tunisia, Egypt, and Nigeria—a far cry from the Club of Rome's policy of stopping technology transfer to the Third World and imposing starvation on Africa.

This is the choice that faces France and President Giscard, the fight shaping the election, and the actual international stakes behind the French presidential elections.

Currency Rates

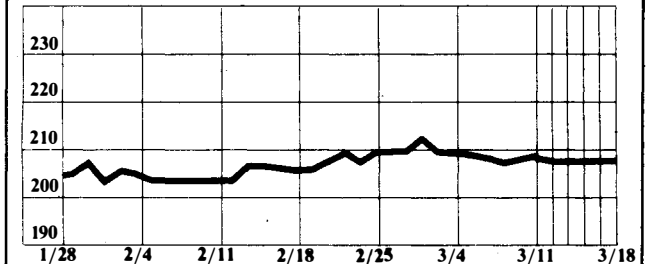
The dollar in deutschemarks

New York late afternoon fixing



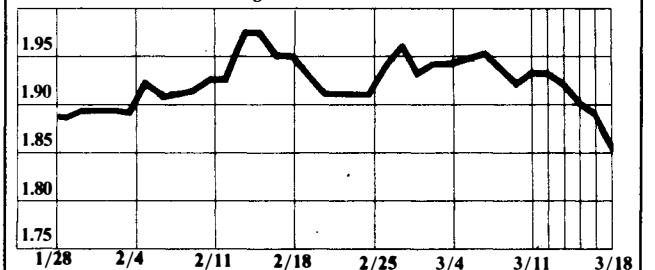
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

