

France is out to shut down Rotterdam

French President Giscard d'Estaing, who has stated that the success of the June 26 Tokyo summit of Western leaders would depend "solely on whether a solution to the energy problem was found," is forging a European bloc to face down the British and the U.S. and their agenda for strongarming submission by industrialized nations around the fabricated "energy shortage."

One day after Western Europe began closing ranks behind French policies for shutting down the Anglo-American multinational oil companies speculation operation known as the Rotterdam spot market, the oil multitis threw down the gauntlet by threatening to cut off oil supplies to energy-dependent Italy.

As both the Europeans and their enemies in the British-centered alliance of financiers and aristocrats who run the "Seven Sister" cartel have broadcast, the Rotterdam oil swindle is the only real item on the Tokyo agenda.

A year ago, Europe's leaders met at the Bremen premeeting to map out their strategy for announcing the formation of the European Monetary System at the Bonn summit. In the forefront were French President Giscard and West German Chancellor Helmut Schmidt. The question at Tokyo is whether Europe's EMS co-founders will team up again to break London's Rotterdam swindle and move the new monetary system into Phase II: the formation of a new European Monetary Fund to finance worldwide industrial and agricultural development.

At the pre-Tokyo meeting last week in Strasbourg, energy ministers of the European Community adopted a new proposal, part of a French program, to curb oil prices and halt speculation by registering and publishing transactions of petroleum products.

France is further warning the Europe might have to set up its own oil exchange—to function with government surveillance—if the United States and Japan do not cooperate when the European proposal is presented at Tokyo.

The day following the EC energy ministers' agreement, June 19, the oil multitis struck back at the weakest of the continental European powers going to Tokyo—Italy. The Seven Sisters demanded that the Italian government approve a rise in oil prices to consumers by 50 percent, and when Italy offered a 25 percent rise, the multitis walked out of negotiations threatening a cutoff of supplies.

Strasbourg strategy

A French memorandum covering energy policy included these proposals:

- Starting this week, there is to be a weekly publication of prices and quantities of refined or crude oil production handled through the Rotterdam market.

- A register is to be set up listing prices and quantities of oil products transactions within the Community, to be mandatorially published and made available to any government. (The West Germans with the British and others conceded a conditional approval, pending Japanese and U.S. agreement at Tokyo.)

- The French also proposed tough measures to prohibit overpriced transactions on the Rotterdam market, with Italy and Belgium in agreement.

- While European leaders agree with France that "the EEC has a better chance of dialogue with the OPEC oil producers without the participation of the U.S. than with it," according to a French press report, West Germany was reported as insisting that contacts had to be "informal," demanding that French Energy Minister Giraud (and his Irish counterpart) only meet Saudi oil minister Yamani after Tokyo so as not to give the impression that the EEC is "going it alone," writes the West German press. (That meeting has been scheduled for June 30 in London.)

- France also drew agreement, in principle, with Giscard's call for the institution of a common fund to help non-oil producing countries develop their own sources of energy.

- Finally, the French propose an international energy saving plan that would involve declining ceilings on oil imports on the strength of nuclear energy development). The British and others have so far disagreed, demanding specific energy austerity measures to reduce consumption. "Unless nuclear programs are vigorously pursued" say the French, "there will be no economic growth in future years and the cohesion of the whole international economic system may be put in doubt," reads an excerpt quoted in the June 18 Financial Times.

In a televised address prior to the Strasbourg meeting Giscard told the French population: "... We are going to propose a joint resolution to our partners. ... It has already been discussed by the Ministers of Energy of the Nine who modified certain aspects of it. ... I consider that it is fundamental that we reach an agreement; fundamental for all of us, for our economic and social interest and fundamental for Europe because on this subject we are all in the same situation. ... I have high hopes we will succeed."

West German participation

The French are fairly confident, judging from commentaries in the leading French financial daily *Les Echos* of June 20, that though the battle will be rough, they will

succeed in winning over the West Germans on the energy issue. In fact, Chancellor Schmidt's recent push for nuclear energy development indicates just such an agreement.

Schmidt has called for the Tokyo Summit to create a world-wide energy conference with the participation of the East bloc, and is backing this call with a major proposal for a pan European power grid as one solution to energy problems in both East and West. With the news that the West German leader has scheduled a stop in Moscow both before and after the Tokyo meeting, Schmidt is expected to deliver a surprise or two to the British-U.S. axis in Tokyo.

Behind the upfront battle on the control of the spot market, the French strategy for Tokyo and beyond is to strive for the emergence of a Europe-Africa-Mideast bloc—the signal for “phase II” of the EMS: the European Monetary Fund. Political commentator Paul-Marie de la Gorce directly reflected Giscard's thinking in an explanatory article June 20 in *Le Figaro*. First, de la Gorce notes that not all Europeans have the same

interests: “There are in Europe British and Norwegian oil producers who have the greatest interest in price hikes, especially since their crude is one of the most expensive to produce, or gas producing countries like Holland who indirectly profit from it.”

He defined Giscard's policy as “a return to the idea of cooperation with the oil producers, which France had put forward in 1973-74. The government had then attempted to create a convergence between its own interest and those of the producers: one of the instruments used were long-term oil supply contracts at stable prices, while all possibilities for equipment contracts were explored. ...”

De la Gorce concludes that Giscard is encouraged by the Saudis, and has recruited Algeria (soon to be visited by Foreign Minister Jean François-Poncet) to the idea of political dialogue between Europe, Africa and the Arab world to lay the foundation for economic cooperation agreements.

—Garance Phau

Giscard: 'peace-oriented world organizations must be created'

The following are excerpts from the Japanese daily Asahi Shimbun's report on their exclusive interview with French President Valéry Giscard d'Estaing.

President Valéry Giscard d'Estaing of France Tuesday proposed the creation of peace-oriented new world organizations....

Giscard said that many of the existing world organizations could be called legacies of World War II and that they were consequently marked by war. He said peace-oriented new world organizations different from them must be created.

The French leader said he was expecting the Japanese to play a role in Asia in this respect....

The President, who initiated the annual economic summit of major industrial democracies and the chairman of the EC summit, said the energy issue was the most serious of those confronting the world now.

He stressed that the energy question can never be solved without solidarity among the consumer nations and cooperation with the oil-producing countries.

Giscard said the success of the coming Tokyo summit solely depended on whether ways of solving the energy problem could be found. He added he was not only looking forward to a successful conference, but he was going to Tokyo with the strong resolve to make it a success....

Speaking in an impassioned manner, Giscard said the difficulty of the energy question was that it could

not simply be left to market forces. Changes in the demand-supply situation could immediately worsen unemployment and would have an overall social and economic impact. Therefore, short-term policies could not succeed no matter how much effort was made, unless a measure of long-term balance was achieved, and, on the problem of oil, that the consumer countries should voluntarily refrain from self-seeking competition and instead act together, in addition to urging that the oil-producing countries try to increase their output.... France has raised strong objections to the recent U.S. decision to introduce a \$5 per barrel oil import subsidy.

In the interview, Giscard said this decision must be scrapped. At the same time, he severely criticized speculative oil purchases on the spot market by some industrial countries....

France puts priority on the development of nuclear power.... Nuclear power was the only alternative source of energy which France could possess at least for the next 15 to 20 years.

The President said he wants to make French civilization one of the most advanced in the modern world. He also said that Europe must build a new kind of organization by itself....

Miki: 'Japan should act more positively' on energy question

On June 9, the Japanese daily Yomiuri published its interview with former prime ministers Takeo Miki and