

France's New Industry Policy Lines Up With Bremen Accords

A bold industrial strategy is being created by French Industry Minister André Giraud to make France a leader in nuclear and space technology, fulfilling the accords worked out at the July 7 Bremen European Community summit to move rapidly into a new "European Monetary System" for financing large scale development in Europe and abroad.

All energy-related decision-making is being concentrated in the hands of Giraud, an advocate of nuclear energy development, with a newly created "General Directorate for Energy and Raw Materials" replacing the old Energy Delegation under Prime Minister Raymond Barre. Barre's policies focused on energy conservation — both oil and electricity — and often obstructed nuclear plant development.

With Giraud, decisions have been reached which return France to the kind of bold industrial planning initiated by then Prime Minister Pierre Messmer in 1974,

called for the Europeans to overcome delays in their national nuclear programs.

Giraud is also preparing a major transformation for France's Space Research center in coordination with the communication and computer companies. "Space today, like the nuclear field yesterday, is leaving the domain of scientific research and entering that of industrial production," Giraud has said. At the same time an "Office of Space Engineering" is to be set up, all to converge on, notably, mass production of satellites.

Another Messmer initiative is also being taken up in a big way: the production of nuclear propulsion engines for ships. An agreement has been signed between the government, Althosm Atlantic, and shipbuilding companies for one such engine. Eventually authorities are toying with a scheme for a nuclear-propelled merchant marine, both tankers and container ships obviously a major way to save oil.

The firing of Paul Mentré de Loye, an advocate of energy consumption cutbacks, from his post as head of the energy delegation under Prime Minister Raymond Barre was also announced, as Giraud made it clear that the government would not tolerate any obstacles to the implementation of the country's nuclear program.

French to Imitate Germans

In a front page article in the daily *Le Monde*, Aug. 1, Alain Verholes reports that Giscard and Barre will be trying to bring the French economy up to the level of West Germany's. This, the article reports, means orienting the economy towards meeting the industrial needs of the developing countries and the oil-producing countries in particular.

The article also cites an unspecified economic advisor to Barre scoring the depression economics advocated in the just-released OECD annual report. The advisor called the report "the advice of Anglo-Saxons who don't understand anything, or don't want to understand anything, about the new world situation" accords.

Regional Planning

The governmental body responsible for domestic industrial planning, the Commissariat au Plan (Planning Commissariat), is coming out with recommendations for a more state intervention-geared policy, in the words of the Paris daily *Le Monde*. Confronted with major social and economic problems created in the regions by waves of bankruptcies and manpower shrinkage in big firms as part of the general world depression, the Commissariat is recommending 78 measures that amount to an intensely "dirigist" regional planning policy. Instead of letting hard-pressed firms, "lame ducks," as they are called, go into liquidation and workers join the unemployment lines, the regional Prefects (the presidential emissaries in the regions) will oversee coordinating bodies — involving the Banque de France, the French central bank; representatives of small and medium-sized firms; representatives of the nationalized sector, and the Chamber of Commerce. These bodies will decide when and where to allocate credit to firms in distress. Against current practice, priority investment credit will also go to capital intensive enterprises and not just to any kind of job-creating outfit.

Generally, credit availability will be significantly relaxed for small and medium sized companies seeking expansion.

when the biggest 10-year nuclear reactor construction and general high-technology development program was launched. It is no accident that the new head of the Energy Directorate, François de Wissocq, was Messmer's advisor in 1974.

High-technology growth

The decision to build 10,000 Megawatts of nuclear reactors over the next two years, with the government speeding up procedures to grant the National Electricity Company EDF permission to build reactors, shows that France intends to implement the Bremen decision that

At the same time, the reins are being loosened on the Coface, the French Eximbank, in its credit allowance for exports. The Journal of Commerce reports that the French cabinet has agreed to boost credits to construction and civil engineering firms for exports into the Third World.

France is a leader in the field of infrastructural building in the Third World. French expertise goes back to the colonial days; while Great Britain was carefully respecting tribal paths and boundaries for better subjugation of the natives, the French, in good times at least, built roads, canals and bridges, schools and hospitals.

Civil engineering and nuclear plants are the two major contributions France pledged to make at Bremen towards the development of the Third World, as reasserted by President Giscard d'Estaing and his advisors.

The Agricultural Question

The Presidential decision to favor Portugal's and Spain's entry into the European Economic Community implies major changes for France's southern

The Soviet Angle

French Foreign Trade Minister François Deniau has just concluded a trip to the Soviet Union to prepare for the Franco-Soviet "Grand Commission" on trade and cooperation, to be convened in Paris in October. Deniau is president of the Commission. While Franco-Soviet trade exchanges were giving all appearances of lagging badly as of the first half of this year, Deniau signed an accord to build a chemical plant in the USSR for 170 million francs. A more ambitious plan for the French to build an aluminum plant in Siberia for 3 billion francs is now being actively studied.

agriculture, away from labor-intensive forms of production towards American-style modern farm technologies. Giscard d'Estaing has sent his Prime Minister a plan for setting up industry in south-west France, and has met with the leader of the farmers' Federation FNSEA, Michel Débatisse, who was originally against enlarging the EEC, came out of meetings with the

President saying he had changed his mind. "When it is shown to us that as a community at twelve, we will also be modifying the political structures of Europe, setting up a European monetary fund and going towards common economic responsibility, then we lay aside our objections," the farmers' leader explained. "In this light the Bremen and Bonn summits appear very encouraging to us."

President Giscard put out a statement saying the government will work to create "the conditions for a powerful economic organization of producers, capable of better marketing, better competitiveness in production and promotion of exports," and that "the French regions bordering Spain must seize the opportunity to extend their range of activities which geographical and economic expansion will offer."

The Paris newspaper *Le Matin*, controlled by Rothschild interests, already has been complaining that such expansion will lead to the "dangerous" use of heat generated by new nuclear plants for hothouse agricultural production.

'Free Enterprise' Versus Dirigism

The adoption of these dirigist policies is a slap in the face to "free enterprise" advocate Raymond Barre, Giscard's Prime Minister. Since they like Barre's austerity, Rothschild press organs in France are at a loss to reconcile very clear state-coordinated recovery measures with Barre's religiosity in favor of Friedmanite economics. *Le Matin* claimed two days ago that Giscard's pledge of recovery made at Bonn would not occur with Barre's control over policy. In fact, Barre is being isolated. The advocates of relaunching the economy include Labor Minister Beullac, and Transport Minister LeTheule, who is in the process of reorganizing his ministry for efficient action.

Giraud and his friends are acting in agreement with Bremen by putting "free enterprise" rhetoric on its head: freedom to industry-building yes, and let the zero-growthers freely go to hell.

September Deadline

The industrial strategy will come out in final form in September. It is then that specific industrial development guidelines will be put forth, the financing arranged etc. The publication of the domestic development and export plan is due to coincide with the arrangement of the final plans for

— Garance Upham