

newspapers should be suitably encouraged to speak out against Giscard's plans and the network which is charged with implementing them. Again, if the French are so crazy as to periodically tolerate such obscene charades of national masochism then let them, on condition that they keep the phenomenon contained where it belongs.

Such an approach must be complemented by efforts to accelerate the re-emergence of the relatively more healthy and sane elements among French leading individuals and institutions. This purpose can be most speedily effected if relevant forces in West Germany and Italy proceed full steam ahead rapidly with the creation of a new gold-based monetary system along the lines of the Labor Party's Private International Development Bank proposal, in alliance with the Comecon Sector and

leading Third World nations.

Such measures resolutely pursued over the next weeks will destroy the motivation for Giscard's presently proposed course of developments by bringing down the bankrupt monetary and debt structures on which it is predicated. More positively, by facilitating a tremendous increase in global economic activity, the new monetary system and its concomitant packages of investment and trade-related deals will provide a powerful stimulus for rationality among the relevant forces of French Gaullists, industrialists and trade unions.

Under those conditions, perhaps the French can finally be induced to clean up their own mess, and bring their nation back into alliance with the rest of the human race for progress. You, meanwhile, had better act as if your life depends on it. It does.

Carter Throws Up Smokescreen Around Schmidt Summit Meet

SPECIAL REPORT

The Carter Administration has thrown up a smokescreen around the July 13-14 summit meeting between President Carter and West German Chancellor Schmidt. Official Washington reports on the meeting have attempted to give the entirely incredible impression that Carter fully agrees with Schmidt on the necessity for a dramatic relaxation of tensions with the Soviet Union. Schmidt, who during his visit was delegated to act as official spokesman of the European Economic Community, is well known to consider détente the priority international issue, and to have profound reservations about the Administration's provocative and highly dangerous posture toward the Soviets.

The official July 15 communiqué asserted that "Basic agreement on major issues" had been achieved. These issues include, in addition to détente, international nuclear energy development, which the Schmidt government considers a matter of economic survival for Europe, in sharp contrast to Carter's commitment to zero energy growth; and Washington's demand that Bonn help to "stimulate" the world economy by reflating its currency, to which Bonn is averse. The communiqué dismissed these tense, unresolved questions by claiming, "The small differences (between the two governments) have often been exaggerated in public accounts." In the future, the two chiefs of state will maintain more frequent telephone contact to "ensure that exaggerations don't occur."

It remains unclear at this time whether Schmidt was indeed duped by the eery, conciliatory reception he received, or whether he will be spurred to execute a more vigorous policy of détente in response to Carter's obvious stonewalling. At a press briefing on July 14, Schmidt announced that in the second half of this year, he will

issue a "new initiative" to further disarmament talks with the Soviets at the Mutual and Balanced Force Reduction (MBFR) talks in Vienna. In contrast to the Strategic Arms Limitation Talks (SALT), at MBFR, Western Europe has a negotiating position independent from the U.S. Interestingly, Schmidt cited the need for this "new initiative" by referencing the "stalemate" at the SALT rounds, which the U.S. has intentionally used as a forum to provoke Soviet hostility. However, it is most remarkable that Carter — publicly — showed little concern for Schmidt's efforts to use MBFR as a substitute for SALT, and according to both the *Washington Post* and the *New York Times*, simply endorsed Schmidt's call for progress.

Powell's Cynicism

The cynical attitude of the Administration about achieving any genuine policy consensus with its "leading western ally" was flaunted at the official press briefing on the talks delivered by Carter press secretary Jody Powell. Powell repeated the line that no serious disagreements had emerged. An incredulous press corps groaned throughout his remarks. At one point, Powell claimed that both leaders had decided that if the present sessions of the Belgrade preparatory sessions for the Conference on Security and Cooperation in Europe (CSCE) proceeded well, the western delegations would accept Soviet President Brezhnev's proposal for the convening of international conferences on energy and environmental problems.

Prior to his arrival in Washington, Schmidt has specifically endorsed this Brezhnev plan. However, the U.S. delegation at the CSCE rounds has not only shown no interest in this proposal, but has attempted to rally the West Germans and other Europeans there for the show-down with the Soviets on "human rights." A member of the press corps challenged Powell whether the United States had then changed its policy for CSCE. Powell's only response was, "I don't know."

Canadian Round Shows Minimal Success

Before meeting with Carter, Schmidt spent six days in Canada, speaking twice with Canadian Premier Trudeau, and also holding a series of closed sessions with regional officials. During these talks, marginal success was achieved by the West German delegation in convincing the Canadians to break an embargo agreement with the United States, whereby both countries have refused to export uranium for nuclear reactors.

Schmidt is reported by West German press to have taken a hard line with the Canadians. However, according to Canadian Foreign Minister Jamieson — a known operative for the Carter Administration — the preliminary agreement reached with Schmidt to resume Canadian shipments of uranium to the European Economic Community is very tentative, and will only be

signed if the West Germans agree not to re-export the uranium to chief contractors, like France.

Responses in the West German media to the Washington stopover have been guarded so far. The industrial daily *Handelsblatt* headlined its report, "The Fight is No Longer in the Open," and emphasized that none of the controversial issues were allowed to come up. The *Frankfurter Allgemeine Zeitung* noted with concern that "détente has become quiet," and that U.S. foreign policy is responsible for the present "low-point" in relations to the Soviets. *Allgemeine* editor Harry Hamm correctly remarked in addition that the Soviets appear to have responded to Carter's ploys by strengthening ties to Western Europe as much as possible. But, Hamm made the devastating mistake of claiming in the same breath that Carter is an extremely popular U.S. President.

Carter Steps Up Terrorism To Stop DC-PCI Economic Program

ITALY

On July 13 the head of the large center faction of the Italian Christian Democracy, Flaminio Piccoli, stood up in Parliament to announce that he had received "direct and indirect" information that Italy was scheduled to be the scene of an imminent wave of terrorism of completely unprecedented proportions, and consequently drastic measures must be taken if a bloodbath were to be prevented. Piccoli's warning came on the heels of an escalating round of grisly shootings throughout the north conducted by the Red Brigades extremist countergang, and days after Jean Paul Sartre led an attempt to drape terrorism in a veil of legitimacy by labeling the Italian government a "police state."

The trigger for the scheduled Italian terror wave is the successful conclusion of a programmatic agreement between the ruling Christian Democracy (DC) of the Prime Minister Giulio Andreotti and the Communist Party (PCI). Although formally including four other political parties, it is well known that the recently signed agreement is in fact a bilateral DC-PCI effort formalizing a close alliance that has existed since the formation of the present government in the summer of 1976.

Earlier this month the Andreotti-allied wing of the Christian Democracy, which includes the group around Piccoli, succeeded in drafting a joint program with the Communists that established the guidelines for government policy in all major areas of domestic policy. With the signing of the programmatic document, the shaky pro-development coalition of Premier Andreotti for the first time has been placed on a solid footing, with enormously enhanced powers to pursue a policy course whose hallmark has been anti-Atlanticism from its inception.

Although the precise terms of the agreement have yet to be made public, some key included features are sufficiently well known to establish the nature of the policies it is based on. One of these is the bill known as Law Bill 382, now in Parliamentary committee. According to PCI Central Committee member Armando Cossutta who drew up the bill, it aims at creating the bureaucratic infrastructure for more efficient national economic planning. Bill 382 would simultaneously curtail the independent powers of key ministries, powers which have allowed the holders of these ministries to effectively sabotage key aspects of Andreotti's programs. Industry Minister Donat Cattin, for example, is violently opposed to the bill's passage. Not accidentally, Donat Cattin is known by Italian political insiders to be part of the retinue around the Agnelli family of FIAT fame, the leading representative of monetarist and hence, anti-Andreotti policies inside the country.

Behind the Threats

There is no doubt, however, that something rather more substantial than the formal content of the DC-PCI program is responsible for the sudden threats of retaliation which have been launched against the Andreotti government of late.

Thinly veiled threats have been issued by the Carter Administration, whose abrupt about-face on the subject of Eurocommunism has been extensively commented on by the Italian press. While the DC-PCI agreement was still under negotiation, Secretary of State Vance gave an interview to Italian daily *Il Tempo* reserving for the United States the right to issue strict sanctions against Italy if the PCI was allowed into the threshold of government. This policy reversal away from Carter's earlier promises of non-interference was once again reiterated by Kissinger and Brzezinski during their July 14 meeting with West German Foreign Minister Hans Dietrich