

# Schmidt deploys EMS for peace

*U.S. forced into alignment with new monetary system*

In highly coordinated political moves over the past week, the European-Japanese-Soviet bloc which has been organizing rapid implementation of the European Monetary System took major steps to force the U.S. into alignment with this new economic order and to defuse major global tension spots.

Primary in this was West German and Japanese extension of a combined \$30 billion currency support package to bolster the sliding U.S. dollar. This practical demonstration of the pro-dollar nature of the EMS has had the effect of shifting control of U.S. economic policy making away from the "austerity planners" and has provoked leading industrial layers to demand a followup on these financial actions through expansion of U.S. high-technology exports.

Italy, another until now weak link in the EMS ranks, has been strengthened over the past two weeks by visits of both French President Giscard and West German Chancellor Helmut Schmidt. After meeting with Schmidt, Italian Prime Minister Andreotti on Nov. 1 announced Italy's intention to join the EMS at its inception in January.

Meetings last week between Soviet officials and the two leading representatives of the French government resulted in comprehensive agreement on an international policy for arms and disarmament, a program for peace in the Middle East, and a plan for the stabilization through development of the volatile southern African region. This package, representing

a degree of collaboration matching that which produced the groundbreaking Schmidt-Brezhnev accords of May, is a major advance in the war-avoidance strategy of the pro-EMS forces.

At the same time, European initiatives toward West Africa opened up a new front in the war for development under an EMS umbrella. This week, ahead of an upcoming conference between EMS leaders and West African governments, an agreement emerged in Bonn to build a billion dollar irrigation project in the Sahel "starvation belt." Chief financing will come from the EC

and Saudi Arabia. The project, formalized in a meeting among the heads of state of Mali, Senegal, Mauritania and West German Foreign Minister Genscher, reflects ongoing planning between the now established Arab Monetary Fund and the EMS.

On the basis of these policy successes, Chancellor Schmidt was fully justified when he told the West German Bankers Association on Oct. 23 that the European Monetary Fund is to be made "the basis for a new *world* monetary system."

—Norman Solowey

## What will happen at the polls

*The real issues of the 1978 elections*

As this issue of the *Executive Intelligence Review* goes to press, campaign activity in local, state and congressional contests across the country is entering high gear. The Nov. 7 balloting is expected to deal reeling blows to the Republican Party, which has been sabotaged and discredited from within since the late-summer consolidation of former Secretary of State Henry Kissinger's control over its national leadership. A second result of the elections can be reliably predicted. This is the emergence of a new U.S. political geometry which will be dominated by the consistent spokesman for the policies of U.S. economic recovery now being forced upon the Carter Administration, the U.S. Labor Party.

With the July 1978 release by USLP National Chairman Lyndon H. LaRouche of the party's "100 Days" legislative program for a nuclear-energy and high-technology exports-based U.S. economic recovery, over 50 leading Labor Party spokesmen entered the field as challengers in state and federal election contests. The Labor Party electoral drive has been active in New York, Virginia, Pennsylvania, Connecticut, Illinois, Michigan, New Jersey, blanketing these, and other of the nation's most heavily industrialized states, with a three-point program for pulling the U.S. back from the brink of national suicide.

With one voice across the U.S., Labor Party candidates have