

Europe's steps to save the world from Carter

by Alice Roth

Angered and alarmed by Carter's confrontationist policy toward the Soviet Union, Western European governments have accelerated their efforts to establish a new gold-backed monetary system based on economic cooperation between the advanced capitalist nations and the East bloc to industrialize the Third World. In the estimation of European leaders, typified by French President Valéry Giscard d'Estaing and West German Chancellor Helmut Schmidt, such an economic program is the only means of averting threatened superpower conflicts throughout much of the Third World and could provide the basis for a long-lasting detente.

At the conclusion of his four-day visit with newly elected Indian Prime Minister Indira Gandhi, Giscard announced that he will soon launch a major new initiative to stabilize the world monetary system and foster new approaches to development financing.

According to French government sources, Giscard and Schmidt will meet in Paris on Feb. 4 and 5 in an emergency summit to "salvage detente from the wreckage." Giscard's economic initiative will be the leading item on the agenda.

Phase II of EMS

On Jan. 28, the London *Financial Times* leaked word of a furious debate which had just broken out within the European Community's monetary committee, a team of experts who have been assigned the task of drafting the technical plans for the second phase of the European Monetary System (EMS). It would appear from the

Financial Times' somewhat hysterical coverage that the Giscard government is backing a plan for the creation of a powerful European central bank, or European Monetary Fund, which would be backed up by the EMS nations' enormous gold reserves, and have the authority to issue short-, medium-, and long-term credits.

If the EMF were to lend to Third World governments, it could easily supersede the International Monetary Fund and World Bank whose "zero-growth" austerity policies are creating the unstable political conditions which lead to war.

Meanwhile, the growing danger of a new world war, in which Western Europe could be reduced to rubble overnight, has resulted in a strengthening of those European political factions who are pursuing war-avoidance policies.

In West Germany, Helmut Schmidt's Social Democratic government has gained support and, according to the weekly *Der Spiegel*, most leading industrialists now oppose the campaign of cold-warrior Franz Josef Strauss who is the Christian Democrats' candidate for the chancellorship. Despite its own connections to the Anglo-American foreign policy establishment, *Spiegel* this week published a scathing editorial attack on Henry Kissinger, entitled "Despite Kissinger: Holocaust?" which warned that the former U.S. Secretary of State's "limited" nuclear warfare scenarios would cause the major powers to stumble blindly into World War Three.

In the same issue *Spiegel* writes that Schmidt is horrified that Carter neither contacts America's Western

European allies before giving another of his strongman, anti-Soviet speeches, nor makes use of the "red phone" to Moscow.

...Andreotti, too

In Italy, Prime Minister Francesco Cossiga, the only chief of government of a major continental European power who might have lent some support to the Carter administration's cold war drive, is on the verge of being ousted. Cossiga will probably be replaced by a new "national solidarity" government led by former Prime Minister Giulio Andreotti, similar to that which he headed in 1976-79 based on an agreement between the Christian Democrats and the Italian Communist Party.

Paris and Bonn are, meanwhile, taking steps to drastically reduce the influence of Britain in the European Community (EC). Britain is the only EC member to have endorsed Carter's trade embargo against the Soviets and has also consistently obstructed the development of the EMS. According to the January 28 London *Times*, the Thatcher government now faces "total defeat" in its campaign to reduce British contributions to the EC budget. The French remain "obdurate" in refusing to grant concessions, the *Times* reports, but "the really crushing turn of events has been the hardening of attitudes in Bonn."

British realists

The war danger and the threat of isolation from the rest of the European Community has even forced certain "realist" factions within Britain to speak out against "Iron Lady" Thatcher. Both Conservative Party leader Ted Heath and Labor leader James Callaghan criticized Thatcher's support for Carter in parliamentary speeches this past week on the basis that it was essential to maintain communication channels open between Britain and the Soviets.

Heath warned that "We are discussing the danger of a third world war caused by stumbling into it by mistake or misjudgment...The only way for the West is to have a clear strategy and build an understanding with both the East and the Nonaligned countries."

Callaghan said "It is now clear that the understanding in Europe between NATO and Warsaw Pact countries is not sufficient to prevent a widespread conflagration in other parts of the world that could develop into a nuclear conflict...I want to enter discussions with the Soviet Union about the prospects of constructing a new set of rules and understandings." But while the British "realists" are anxious to head off a looming U.S.-Soviet military showdown, they oppose the economic development policies advanced by the Paris-Bonn forces which are necessary to prevent such conflicts in the future.



France

Giscard and Indira form a new global alliance

by Paul Zykofsky, New Delhi correspondent

The summit between India's newly elected Prime Minister Indira Gandhi and the President of France Valery Giscard d'Estaing, has concluded in New Delhi with what French circles are describing as a new strategic alliance between the two countries—one which gives both new capabilities for intervention into a rapidly deteriorating world situation.

With Giscard's four-day visit to India, Prime Minister Gandhi has gained a key partner from the "superpower for peace" that France and West Germany have been attempting to construct independently of both Washington and Moscow. Giscard has extended his policy of economic development of the Third World through "technology transfer," with emphasis on nuclear energy (see interview below), into India, the most important developing nation.

And this combined political "clout," in the clearly stated views of the two leaders, will be wielded to stem the tide toward world war by reversing the British policy of "zero growth" and deindustrialization for the advanced and developing sector alike.

French Foreign Minister Jean François-Poncet told journalists in New Delhi that France, with its "Indian friends," aimed "to see to it that the voice of peace be strongly heard." He added: "This is what we have achieved."

Strategic reality

The seriousness with which the two leaders view their strategic task was expressed in the joint communiqué issued at midpoint of the visit, saying "both countries are committed to act upon the responsibilities which devolve in the present critical times on France and India because of their respective policies of detente and nonalignment."

In a reference to the U.S. arms buildup of India's neighbor and historic adversary Pakistan, as well as prob-