

## Europe takes the reins on monetary policy and the Middle East

by Dana Kastner

A new world monetary system backed by gold will come out of the European Economic Community summit meeting June 12, and be placed before the Venice summit of OECD heads of the world's leading non-Communist industrial powers 10 days later, according to a variety of continental sources converging on that report. France and West Germany, working as one, plan to couple this monetary initiative with a package for lasting Middle East peace. Together, the initiatives will comprise a basis for recycling Arab petrodollars into development projects that can avert economic catastrophe in the Third World, and presage negotiations with the Soviet Union on various related political and economic agreements.

That comprehensive package is more than an undiplomatic slap against everything the U.S. Carter administration stands for. Europe is openly *breaking* with U.S. policy on all important matters, from monetary reform, to the Middle East, to the Afghan crisis. The stakes are too high—human civilization itself—to compromise further with the lunacy in Washington.

According to the same sources, French President Valéry Giscard d'Estaing and West German Chancellor Helmut Schmidt are already engaged in a subsidiary initiative to secure what the Carter administration has bungled with Olympic boycotts and grain embargoes: a withdrawal of Soviet troops and armor from Afghanistan. The minimum condition for that withdrawal is the postponement of NATO's deployment of medium-range Pershing II missiles on European soil, within 4-minute striking time of major Soviet cities. That decision was taken Dec. 12, 1979, ten days prior to the Soviets' Afghan

deployment. Only the "nuclearization" of China under visible NATO sponsorship is considered a greater provocation by the Kremlin.

The nature of the European package mirrors the interconnections between the war danger and the breakdown of international monetary relations. French Prime Minister Raymond Barre told the OECD group meeting in Paris this week that the world is in a situation whose danger is unparalleled since World War II. The cause, he said, is the collapse of the system of the International Monetary Fund. A global initiative is necessary to prevent the Third World countries from being ravaged—"hot spots" must be cooled through economic salvation.

The same point was underlying in Foreign Minister Jean François-Poncet's strained discussions with President Carter and Secretary Muskie in Washington last week. The Western banking system as it now stands is no longer capable of recycling petrodollars into the Third World, he told a press conference afterward.

Similarly, the economic advisors of Chancellor Schmidt are reported to be drafting a plan with OPEC nations, led by Saudi Arabia, to solve the Third World financial crisis. One official called it a matter of "life and death in economic and political terms."

The survival of the developing sector depends on a resolution of the Middle East crisis. One key factor is the position of Saudi Arabia, which has endorsed a European initiative for peace; King Khaled of Saudi Arabia will make what observers are calling a "crucial visit" to Bonn June 16-20, on the eve of the Venice summit. As François-Poncet told his Washington audience last week, "a global

settlement is needed . . . before the elections in the United States." In Venice, the Europeans will introduce resolutions on the Middle East encompassing recognition of the Palestinians' right to a homeland and international guarantees of Israeli security within 1967 borders.

Immediately after the Venice summit, Helmut Schmidt will visit Moscow to put his signature on a 25-year plan to link West German industrial production to Soviet needs, notably including collaborative production of nuclear reactors on Soviet soil.

Only one week later, Giscard d'Estaing will be in Bonn for consultations with the just-returned Schmidt. Although they have regularly communicated, this is the first official state visit by a French President since Charles de Gaulle inaugurated an earlier Franco-German alliance by visiting Konrad Adenauer in 1962.

### **The Anglo-American elite splits**

The oligarchical elite of Great Britain, Europe, and the United States is no longer unified in backing the Carter administration. Certain "Olympian families" are now plainly frightened of current U.S. policy's threat to provoke the Soviets into a new deployment of their awesome power. Those still backing the Brzezinski group in the White House are only one of the discernible factions, but they still hover like vultures, guarding a rotting corpse.

"We will not permit in the United Nations any action that would destroy the sanctity of and the present form of the U.N. Resolution 242 (on the Palestinian question—ed.)," Jimmy Carter told the Washington press corps after François-Poncet told him Camp David was dead. "We have a veto power that we can exercise to prevent this Camp David process from being destroyed or subverted, and I would not hesitate to use it if necessary," Carter continued.

Europe's answer to Carter is to take their Middle East initiative to Venice, not to the United Nations. In Venice, the U.S. has no veto power. However, the backers of Carter do have sabotage capabilities.

One of the leading such capabilities at the moment is named Francesco Cossiga, the prime minister of Italy. Last week, Cossiga was linked personally to the Red Brigades terrorists—a assassins of an Italian premier! But Cossiga has refused to resign. His reason: he is current interim head of the European Economic Community, and must remain in office to preside over the Venice summit meeting.

Another capability of the "kook" Olympian families is called the government of Israel. Prime Minister Menachem Begin's faction of Zionism was created and is controlled by the Jesuit intelligence service of the Hapsburg and Pallavicini-led "black nobility" of Europe—the creators of Cossiga and the Red Brigades. Begin's government not only backs growing violence by Israeli

extremists on the West Bank, but is threatening military action against Syria. The Soviet Union has made clear that Syria is under Soviet protection . . .

The prospect of the Black-Jesuit-Carter faction rushing headlong against awesome Soviet power in the Persian Gulf or Mediterranean has produced entirely appropriate fears of *Götterdaemerung* ("twilight of the gods") among other elite families of the NATO nations. One leading indicator is the analysis presented by Grafyn Doenhoff's West German newspaper, *Die Zeit*. The article, authored by a spokesman for London's International Institute for Strategic Studies (IISS), asserts that there are three reasons for the European break from the Carter administration. First, Carter promised Schmidt, Giscard and others at the Guadeloupe summit last year that the U.S. would not use a "China card" against the Soviet Union. Carter lied. Second, Carter's Camp David process is dead and would not lead to peace in any case, but he has continually threatened and contained independent European efforts for peace. Finally, the United States has systematically attempted to destroy trade with the Comecon nations. Europe and especially West Germany are determined to increase trade relations.

Also indicative is the statement made by Robert Guy, gold director of N.M. Rothschild, to the Singapore world banking conference sponsored by the *Financial Times* of London. Rothschild proposed a return to the gold standard. "Experience," he said, "has shown that we can no longer rely solely on a paper currency system." The Rothschilds, at least, may be determined to survive, by backing France and West Germany at Venice.

The faction of the Anglo-American elite for which Lord Carrington speaks, however, seeks a middle path which might stave off a Soviet confrontation provoked by the Black-Jesuit-Carter faction, but also avert European economic and peace initiatives. The British Foreign Secretary and allies in the Socialist International working through NATO's Brandt Commission have sought to have a new resolution on Palestinian rights introduced into the United Nations, and have worked to topple the Begin government in Israel. The Arab nations might, it is hoped, be duped into a long-drawn-out negotiations process settling nothing, but blocking the consolidation of French influence in the Arab world.

The Saudis have not been fooled; nor have the Palestinians. An official PLO spokesman told a Saudi interviewer recently that they are "strongly resisting the British attempts to put forward cosmetic formulas for Security Council Resolution 242 and to weaken the momentum of the European stand."

Even London's own IISS, in its *Die Zeit* analysis of the split in the Atlantic Alliance, acknowledged that the British position on the Middle East is transparently "superficial." The battle is between Europe and the Black-Jesuit-Carter "kooks."

## France's Raymond Offroy

# 'I know Washington's peanut brigade'

*On May 28, Ambassador Raymond Offroy granted an interview to the French Journal du Parlement which we excerpt here.*

**Q:** Mr. Offroy, you wrote an article for *Le Monde* on May 6 which was really explosive . . . you make the grave accusation that the American expedition in Iran wasn't meant to succeed.

**A:** That is exactly what I think. I have said it and I will reiterate it. The failure was expected and it was, in practice, organized: not enough helicopters, stolen filters, the weakness of the commando units, the vulnerability of the whole operation show that. . . .

Last February, I followed the Reagan, Bush, Brown, and a bit of the Kennedy presidential campaigns. I gave conferences on the European problem and the European conception of the double Iran-Afghanistan crisis in front of different American audiences. . . .

I especially listened from Boston to Texas. They told me: "American public opinion will force President Carter to undertake a military operation in Iran."

I told them: "There is a lot of talk of Entebbe, but it would not be the same thing in Teheran, where the American embassy is stuck in the middle of a capital city with four to five million inhabitants, with crowds watching day and night in front of the building . . .

Numerous high level personalities I talked to just replied: "We will carry out the operation even if we are not going to succeed. You are going to see what you are going to see."

**Q:** They used that tone of voice?

**A:** Yes, that tone of voice, an authoritarian tone in which I saw how they despise Europe and the Europeans. . . .

They added: "You Frenchmen, you the Europeans, you must follow us. It is required that you follow us."

**Q:** Isn't it unthinkable that the Americans would launch a floundering operation in order to fail?

**A:** The facts are there. The proof is there. In the same way that the Russians made a show of force by invading Afghanistan, the Americans wanted to make a show of force to let us know that, they are not isolationists.

The failure or the gesture itself was not important. . . . Cyrus Vance was not mistaken when he tendered his

resignation even before the launching of the operation . . . I immediately cast aside the explanation that the Americans were clumsy, and I must add that the expedition launched on Teheran in April 1980 was ruined since November 1979. They acted like a gentleman who would leave for a long trip taking only \$10 for his expenses. It is assured that such a gentleman will get into trouble.

**Q:** According to what you think and know, the Americans are trying to transform the nations of Europe into satellites . . . Isn't that going too far?

**A:** Not at all. I go as far as to say that the Americans plan to threaten European oil supplies through an eventual blockade of the Straits of Hormuz. One of the presidential candidates (you will note his gross ignorance) reproached me, a Frenchman, for not putting the Djibouti military base at the disposal of the American fleet!

**Q:** You told him Djibouti is independent? . . . Did you speak to the close advisors of President Carter?

**A:** Yes, I have seen those who call themselves the "peanut brigade." The peanut has become such a symbol that my wife was offered an honorary peanut. . . .

**Q:** Will there be a war? Should we expect it?

**A:** Neither the U.S. nor the Soviet Union want a war. But we run the risk of a stupid accident, a Sarajewo.

**Q:** Because of the Americans?

**A:** Presently America doesn't yet know very well how far is too far. What I can say for sure is that a rapprochement between the U.S.A. and China would absolutely not be tolerated by the Russians. It would mean war.

**Q:** How can we avoid that trap laid for us?

**A:** The West must open negotiations with Moscow to reach an equilibrium in armaments for Europe. Without it, we will see the Americans trying to impress the Russians with military initiatives, and either the Russians will get impressed and Europe will become a vassal of America, or the Russians will go straight ahead and it's war in Europe, because we will be the battlefield and the Americans will intervene only if they deem it opportune. There is, in the U.S.S.R., a team of "young," hawkish "turks," and in America there is Brzezinski. . . . Muskie is only a shadow and doesn't know the first thing about Europe.

**Q:** Mr. Ambassador, I ask you one last question, which is a weighty one . . . is Brzezinski dangerous?

**A:** He is a very dangerous man, much more than the diplomatic Kissinger was. He is of Polish origin and wants revenge on the Russians for everything they did to Poland. Brzezinski is vengeful; he wants the Soviet Union to bite the dust, but it is we who will be forced to.

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## Documentation

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### 'It is time for the voice of Europe to be heard'

*The following are excerpts of an article appearing in the London Times June 2 on West German Chancellor Helmut Schmidt's planned initiatives for the late-June Venice summit of Western industrialized nations.*

West Germany intends to use the Western economic summit in Venice in three weeks to focus the attention of the other major industrial countries on the financial crisis facing the Third World. . . .

It is thought possible that Helmut Schmidt will suggest that the industrialized countries of the world call on the members of OPEC to help.

"The figures were frightening after last year's doubling of the price of oil. They are more frightening now," one senior Bonn government official commented. . . . Coping with the higher oil prices is becoming a matter of "life and death in economic and political terms" for many of the non-oil Less Developed Countries.

. . . Bonn officials reel off a daunting list of countries threatened. . . . These range from the small, such as Costa Rica to the very large, India. . . . While the International Monetary Fund and the World Bank are liquid enough to increase their lending on a considerable scale, the *problem of the less developed countries deficits is so large as to require additional action.* . . . (emphasis added)

### 'A matter of life and death for the LDCs'

*Following his talks with Secretary of State Muskie in Washington, the Foreign Affairs Minister in France, Jean François-Poncet gave a press conference. Excerpts of that press conference follow.*

**Q:** Have your discussions with Muskie narrowed differences on the Middle East?

**A:** We hope so. The difficulties now emerging in the Camp David process do not surprise us. They make it necessary for Europe's voice to be heard.

**Q:** How does France perceive its role in war avoidance and the economic development of the Third World?

**A:** The main issue in the crisis is our relations with the Third World. If we coped with the last oil shock it was because oil revenues found their way to the Third World via the Western banking system. Whether this can hap-

pen now, with the greater indebtedness of the banking system, is unclear. . . .

**Q:** Is Camp David dead?

**A:** I will not comment on Camp David.

**Q:** Did Muskie ask you to stop the initiative?

**A:** He said he was worried that it would affect Camp David. We said it would not. A trend to a global settlement is needed. . . . It should take place before the elections in the United States.

**Q:** What is the likelihood of a Soviet withdrawal from Afghanistan?

**A:** There can be no option of the troops remaining. This will take firmness and dialogue.

**Q:** Do you agree with the other Europeans that it is impossible to get the Soviets out of Afghanistan until a Middle East settlement is reached which would unify the Arab camp?

**A:** I agree with that.

### Saudis and the PLO: 'The British oppose Europe'

*The following are excerpts of an interview with PLO official spokesman 'Abd al-Mushin Abu Mayzar published in the Saudi Arabia Samir Sa'ad ad-Din May 14.*

We must recall here that the British attitude to the Palestinian issue weakens the European move. It is known that Britain is the founder, sponsor and advocate of the Zionist plan. It is historically responsible for the displacement and expulsion of the Palestinian people from their homeland. Britain is now working to weaken the European stand in favor of the Camp David agreements and Israel. We in the PLO are strongly resisting the British attempts to put forward cosmetic formulas for Security Council Resolution 242 and to weaken the momentum of the European stand. . . .

*The Saudi Arabian news service Riyadh Domestic Service ran a wire May 23 which endorsed European initiatives in the Middle East.*

The failure of the negotiations on the so-called autonomy for the West Bank and the Gaza sector has led the decision makers of the EEC to embark on a cautious move to prevent the situation in the Middle East from further deteriorating. . . . It [is] necessary to support the Western [European] efforts, perhaps because they enjoy qualities the American administration at present lacks.