

France, West Germany Form Axis For Energy, Economic Cooperation

Practical, thoroughgoing collaboration between West Germany and France in halting terrorist blackmail attempts and apprehending terrorist criminals has sparked a fundamental shift in the relations between these two nations. Held apart ever since British influence succeeded in undermining an alliance between General de Gaulle and Konrad Adenauer in the middle of the last decade, West Germany and France committed themselves this week to formulate a joint economic policy for nuclear development and economic expansion, counterposed to British demands to practice inflationary "fiscal stimulation" and undermine the very fabric of the European Economic Community.

A firm alliance between Europe's two most powerful countries has been in the offing for some months, but a number of factors helped put it into place only recently. Most important of these is the Soviet Union's full approval of the alliance, an attitude which has already extended to active collaboration in rooting out terrorist networks within Eastern Europe, as well as with intensified financial and economic cooperation. French Defense Minister Bourges's groundbreaking visit to Moscow this week, and this December's visit to Bonn by Soviet leader Brezhnev indicate that on critical issues Paris, Bonn, and Moscow are — in French Prime Minister Barre's words — "thinking together about the future."

*The alliance was also made possible by the defeat of the "left wing," proterrorist groups and support networks, which have until now successfully poisoned the ideological atmosphere with talk about "a rise of fascism" in West Germany and with "Germanophobia" in France. Although such proterrorist press conduits as *Le Monde* and *Frankfurter Rundschau* continue along these lines, the "all-party coalition" in Bonn and a programmatic Gaullist-Communist alliance in France is now ensuring that their influence remains minimal. West Germany is well on the way to resuming construction on the nuclear projects halted by environmentalists, thereby opening up prospects of intense Franco-German collaboration on conventional and fast-breeder projects, as well as on nuclear fusion.*

Schmidt-Barre Talks:

"Thinking About The Future"

French Prime Minister Raymond Barre arrived in the West German capital Oct. 20 for two days of working dis-

cussions with West German Chancellor Helmut Schmidt. The visit marks the beginning in a new cooperative period of Franco-German relations.

At a welcome dinner, Barre toasted Schmidt with the following words: "Overcoming the trials of our history, we have decided to cooperate with West Germany to build a communal Europe, and to work towards peace in the world... We see what we have done since 1950... We have become accustomed to living together, working together, and thinking together about the future."

More than a goodwill mission, Barre's visit was a strategic session of the highest significance. During the first two-hour meeting, the two leaders concluded a "secret pact" to contain and exterminate the terror plague, according to press sources. Other issues foremost in the talks, according to the Paris financial daily *Les Echos*, were the need to "vastly enlarge cooperation on the fast breeder and high-temperature nuclear reactors," and to adopt common energy development and export policies. Both nations are campaigning for nuclear-based industrial development, and are considering Soviet President Brezhnev's proposal for pan-European conferences on energy and transportation, according to the French daily *L'Aurore*. The "new world economic order" was also on the agenda, the Parisian paper *Le Matin* reported.

At a press conference, Barre was needled with questions about "rumors" that cooperation between West German and French police had not been adequate during the Baader-Meinhof kidnapping of West German industrialist Hanns-Martin Schleyer, and had caused friction between the two countries. Barre denied this, responding that cooperation has been excellent. "Would you please remember that it was we who caught Croissant," he said, in reference to the lawyer who is now awaiting extradition to West Germany for his collaboration with the Baader-Meinhof group.

U.S. Press Break On Franco-German Alliance

With the exception of this news service, the *Baltimore Sun* Oct. 25 is the only major newspaper in the U.S. to report on the emerging Franco-German political alliance. The *Sun's* article reads in part:

"Paris — Relations between Europe's two largest countries reached one of their highest postwar levels in the past week's antiterrorist efforts.

"The dramatic hijacking rescue in Somalia, extraordinary police cooperation, and, indirectly, the sharp dispute on the French left have helped lower the tone and scope of anti-German attitudes in leftwing parties and publications here.

"Even the suspicious suicides of three leading terrorists has not produced a replay of recent articles in the French press that went so far as to try to justify the terrorist activities.

"I would say relations between France and West Germany are as good now as at any time since the reconciliation between de Gaulle and Adenauer," one veteran observer said."

Schmidt Proclaims Humanist Policies

In a series of statements and interviews this week, West German Chancellor Helmut Schmidt reaffirmed that neither international terrorism nor threats from the United States and Britain will alter his government's policies of energy growth and expansion of industrial capacity. Addressing members of the Trilateral Commission in Bonn Oct. 26, the Chancellor said that "inflation is a betrayal of the world's economy. It does not create the trust we need from industry and workers, but rather helps to destroy it." Echoing the thoughts of Charles de Gaulle, Schmidt called for a "Europe of the Fatherlands," instead of the "total integration" of Europe demanded by Britain to wreck Europe's economy.

Interviewed by the daily *Süddeutsche Zeitung* a few days earlier, Schmidt announced his final break with the British monetarists' heroes, Nazi Finance Minister Hjalmar Horace Greeley Schacht and John Maynard Keynes: "We should not have a policy based exclusively on Keynes and Schacht, or on only patent recipes à la Keynes and Schacht... We need a whole series of concepts — stimulate private investment, public investment, tax relief, etc... I warn about the threat of a lack of skilled labor in the 1990s — industry must begin right now to train the labor force for that time."

Although Schmidt's policies have been shifting away from monetarism approximately since U.S. President Carter's inauguration, this statement is his first official reversal of his endorsement of Schacht 18 months ago. During a May 12, 1976 televised parliamentary debate, Schmidt had said that "We must concede with the greatest pain that, albeit with the most terrifying goals and the worst instruments, in the final analysis, it was first Schacht and Hitler who drew the correct consequences from the monetary standpoint."

In the *Süddeutsche Zeitung* interview Schmidt promised that his government will continue on its anti-inflationary course, and that he is optimistic because in comparison to other nations, West Germany has over the past four years created an excellent basis for fending off a spiraling depression in 1978. In addition, he said, the overwhelming majority of the West German population does not feel threatened by the economic situation, as indicated by their support of the government's conduct in ending last week's terrorist hijacking.

Asked whether his conduct will in any way be affected

by the country's five economic institutes — all of which are calling for economic "stimulation" measures — he said, "These gentlemen have proven wrong so many times in the past that we aren't going to be bothered by them. The only positive aspect of their studies is to show what *could*, but will definitely *not* happen."

In another interview with the same newspaper, Schmidt was questioned about his further plans to eradicate international terrorism. "First we will present to our domestic and also to our foreign public every detail we know about the international links of terrorism," he said. "Then we will move for an international resolution on hijacking in the United Nations, and insist on the need for additional special checking of West German airplanes at foreign airports. Any country which does not prove willing to do so will not be serviced by West G

Schmidt was also asked to comment on Social Democratic Party Chairman Willy Brandt's criticism that the government is currently too concerned about its "all party" policies and too little about the differences between ruling coalition and opposition groupings. With barely concealed hostility, he diplomatically replied that "Willy Brandt is right... but against terrorism, a joint all-party move is really essential."

Speaking at a trade union conference Oct. 24, the Chancellor claimed that the unions are now fully behind his policies. "Foreign trade unionists should take into account that neither the Bonn government, nor the trade unions here will go for inflationary policies." Trade union support for Schmidt's pronuclear efforts will culminate in a mass demonstration to be held early in November.

West Germany, Bulgaria Sign Joint Antiterror Declaration

Concluding his two-day official visit to Bulgaria, West Germany's Foreign Minister Hans-Dietrich Genscher announced that in addition to discussing questions of economic cooperation, he and State Council Chairman Todor Zhivkov are issuing a joint statement denouncing international terrorism. Genscher commented that this is the first time his country has made any such declarations with an Eastern European country. "I feel so encouraged," he added, "that I will push for a resolution to be placed into the Belgrade meeting on security and cooperation" in Belgrade, site of this year's Conference on Security and Cooperation in Europe.

Another East European country, Czechoslovakia, has joined with a number of Western nations to tighten up security measures at their airport in Prague.

New World Order On Agenda Of Moscow Talks With French Officials

The visit of French Defense Minister Yvon Bourges to the USSR Oct. 20-25 was the occasion of an exceptional show of friendship towards France by the Soviets. The conservative paper *Le Figaro* best described on Oct. 25

the welcome: "Mr. Bourges was given a tour of the Baikonour space center, something reserved up to now for very high rank officials, normally heads of state. On the French side only former Presidents General de Gaulle and Pompidou had been able to visit the Soviet center. Furthermore Mr. Bourges was received yesterday by the Soviet top leader Leonid Brezhnev, something which had never happened to any Western country's defense minister. The Kremlin reserves this honor for heads of state or, on occasions, for some foreign ministers. On the military level Mr. Bourges was spoiled with shows of new Soviet military hardware."

Coinciding with the Bourges visit, a delegation of the French bank Crédit Lyonnais, led by former presidential advisor Brossolette, has been meeting in Moscow with directors of the Gosbank, as well as Prime Minister Kosygin and other high level officials. The subject of the talks were broad ranging, from means of financing bilateral trade, to joint Franco-Soviet investments in Third World countries. Well-informed sources close to the French government report that the two delegations discussed the feasibility of acting jointly for a new world economic order, with financial and other arrangements to open the way for a world industrial recovery and development. French sources said specifically that the proposal for an International Development Bank put forth by U.S. Labor Party Chairman Lyndon H. LaRouche in April 1975 was being used as a model for a new world order.

Brezhnev On European Detente

The following remarks on disarmament in Europe were made by Soviet President Brezhnev Oct. 21. Brezhnev was welcoming Moraji Desai, the visiting Prime Minister of India.

As for Europe, the obvious task is to fulfill political detente with military détente. What can be done for this? We think the following can be done:

- * Conclude among the participants of the all-European conferences a treaty on not making first use of nuclear weapons against each other. The draft of such a treaty has already been submitted by the Warsaw Treaty nations. It is understood that if all the adherents of such an agreement observe it, this will completely preclude the outbreak of nuclear war in Europe, as well as between European countries and the USA and Canada.

- * To agree, at least, not to expand the military-political groupings and alliances in Europe by adding new members to them.

- * To consistently implement the measures provided in the Helsinki final declaration...

If the two countries from the southern part of the Mediterranean basin want the measures of military trust provided for in the final Helsinki Declaration to encompass this region, which is adjacent to Europe, then we would regard this with understanding.

This is the platform of actions we have advanced for consolidating military détente in Europe.

Of course, if other states have constructive thoughts in

this area, we will regard them with all attention and seriousness.

All these problems could be comprehensively discussed in the near future — parallel with the Vienna negotiations — at special consultations of all the states which adhere to the Conference on Security and Cooperation in Europe (CSCE).

French Economic Planner Denounces Low Production Policies

Jean Ripert, head of the French economic planning agency Commissariat du Plan did not mince words in denouncing the two fraudulent economic strategies now on the market in France in an Oct. 22 *Le Figaro* article. Ripert criticized the "slow growth" based on the "low-import, low-productivity services sector of the economy," which can only lead to economic stagnation, deterioration of the public services, increasing tax burden, and additional unemployment. Secondly, he attacked protectionism — "the return to administrative methods of distributing physical resources" — which will bring about a "drop in living standards, greater centralization and a new phase of prolonged stagnation similar to that of the 1930s." His statements are considered reflective of the opinions of French Prime Minister Raymond Barre.

"The difficulties ahead ... call for ... a national mobilization," Ripert continued, "analogous to that evoked by the reconstruction of our country between 1945 and 1950 and the coming of large generations just after the decolonization period between 1958 and 1965. However, the more or less rapid success of such an effort depends on the implementation of new forms of economic cooperation.

"The meaning and usefulness of economic planning today are in this paradox.

"Only long term, reciprocal arrangements between nations will be capable of removing the perverse mechanisms which accentuate the difficulties of deficit countries, developed or not, and thus could lead to general protectionism...

"Monetary agreements aimed at fostering investments in the weaker countries, and at stabilizing the parities of their currencies seem to be the best chance, beyond national efforts to that effect, for reestablishing the confidence of European investors and for bringing about a durable recovery of productive investments. A European-wide economic planning — and in some areas an international one — must be devised, which will be based not on the harmonization of growth rates ... but on mutual commitments made by the countries involved.

"In this context, the successive phases which will give sense to national effort remain to be defined. This is the role of economic planning...."

Chirac:

Mitterrand Is Dangerous

At a rally in Paris Oct. 23, RPR President Jacques Chirac has made it clear that his "neo-Gaullist" party is

bent on winning the coming legislative elections by reviving the program that made De Gaulle's success: right to work, "democratic economic planning" through which to put the economy back on its feet, (workers') "participation" and fight against unemployment.

"Everything must be done to recapture the thousands of working-class votes that supported General de Gaulle," exclaimed one Gaullist député, echoing RPR

leader Yves Guéna's contention a few days before that "only Gaullism is capable of rallying the working-class layers without whose support the majority will be beaten by the left-wing parties, be they united or not."

Chirac also escalated his offensive against the Socialist Party whose leader, François Mitterrand, he denounced as "the greatest danger France is confronted with at this moment."

Troubled Spanish Economy Turns To Triangular Trade Expansion

Spanish President Adolfo Suárez took Spain's entire political spectrum by surprise earlier this month, when he invited the leaders of all political parties represented in Parliament to a summit to negotiate a government program that would allow his party, the Union of the Democratic Center (UDC), to rule the country with the opposition's extragovernmental support. Suárez's initiative, which stands against a background of terrorist violence and accelerating economic deterioration, was welcomed by the main opposition parties — the Spanish Socialist Workers Party and the Spanish Communist Party — as well as by the country's press and major trade unions.

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The program under negotiation includes economic policy, an antiterrorism bill that will reorganize security forces and create a specialized antiterrorism unit, and the reformation of institutions inherited from Franco's regime. The first session of the all-party meeting, devoted to economic policy, was held Oct. 15.

Suárez skillfully prepared the way to the convocation of the summit at Moncloa, the presidential palace. Prior to the meeting, Suárez struck a resounding success by forcing the opposition to accept an amnesty bill which, contrary to the Communist and Socialist parties total amnesty proposal, will not include terrorists from organizations such as GRAPO, the Basque separatist ETA, and extremist right-wing groups. Suárez also pulled together a cross-party consensus with his restoration of Catalonia's autonomous government, the Generalitat. The decree restoring the Generalitat, however, makes it very clear that the "autonomy" issue must be understood merely as a transfer from the central to the regional government of those responsibilities which do not hinge on global national or international matters, and underlines that it is "provisional in character" and can be annulled by the President for state security reasons.

The Moncloa Summit

The significance of the Moncloa Summit as a means of strengthening Suárez's government cannot be overestimated. Every since he was appointed President, but especially over the last three months, Suárez had been under increasing attack by the Socialist Workers Party, a satellite of the Second (Socialist) International. With the same Second International line of "neofascism" used in West Germany by Willy Brandt et al. against the government of Chancellor Helmut Schmidt, the Socialist Workers Party attacked Suárez's "Francoist past" as proof of the President's "insincerity" regarding the establishment of a democratic government in Spain. The Socialists conducted a strong "antirepression" campaign focused against Suárez's Interior Minister, Martin Villa, in which nothing less than the minister's head was demanded. Rumors and counterrumors of a government crisis and possible military intervention developed almost daily. Simultaneously, monetarist mouthpieces such as *Foreign Affairs* heralded Felipe Gonzalez — the Socialist Workers head known among informed circles in Europe as "el morenito de Bonn" (Bonn's dark-skinned boy) for being a "Willy Brandt creation" — as the alternative leader for Spain given the "expected" crisis in the Suárez government.

Communist head Santiago Carrillo, for his part, was bidding on a mish-mash "coalition" government whereby each party, from left to right, would share a piece of the power pie to ensure a perpetual fight over policy as Spain sank deeper and deeper into chaos. Except for the neofascist Alianza Popular, Spain's parties were deaf to Eurocommunist Carrillo's call.

As the date of the summit approached, a wave of coordinated violence broke out, culminating in the assassination of the president of the Vizcaine Deputy House, Augusto Unceta, by a terrorist commando Oct. 15 — the day of the first session of the Moncloa summit. The same day, however, 15 top leaders of the terrorist GRAPO were rounded up in Alicante, and several other terrorists were captured elsewhere in the country, in an operation coordinated by the Interior Minister.

The standard for Suárez and the Moncloa Summit was stated editorially by the Spanish daily *ABC*: "The con-