

The UDF program—a plan for global economic growth

On Feb. 18, 1979, the Union for French Democracy (UDF) Congress unanimously adopted a program which it will put forth in the European Assembly to be elected this June. The program calls for the creation of a \$100 billion plus fund for European and Third World industrial development credits, as a special feature of the new European Monetary System (EMS). This program, whose principal architect is French Foreign Trade Minister Jean-François Deniau, ties together into one package the EMS, established, according to its cofounder, West German Chancellor Helmut Schmidt, as "the seed crystal" of a new international monetary system, and the intensive bilateral and multilateral diplomatic efforts that Giscard's government has deployed over the past year especially to create the concrete foundations for a new world economic order.

It is imperative that this program, which the *Executive Intelligence Review* is pleased to publish for the first time in the United States, and related economic and financial policies be put into effect in Europe as the means for breaking the financial stranglehold exerted by the International Monetary Fund (IMF). The IMF, built on the now-bankrupt Bretton Woods monetary system, must be replaced by a new monetary system that would generate large amounts of development credits at low interest to serve as the basis for relaunching industrial economic activity in the advanced sector and for developing the economic infrastructures and increasing the living standards of the developing nations. The IMF has, on the contrary, served as an economic and financial policing agency determined to enforce debt-collection and austerity — at whatever human and economic cost — to prop up the last vestiges of the City of London and its junior Wall Street partners' financial empire.

The urgency for Europe to move ahead with this break is underscored by news from high-level official sources in Bonn that West German Finance Minister Hans Matthöffer made a deal at last month's IMF meeting in Washington shortly before the EMS was officially inaugurated. The "bargain" was that the EMS would refrain for at least the next three months from challenging the authority of the IMF. That this is being pushed down Western Europe's throat is indicated by

the fact that the Turkish government of Prime Minister Bulent Ecevit has been left in a lurch with no backing for his attempt to reject an IMF dictatorship over his country's economic affairs. Ecevit has, as a result, been forced to implement a domestic austerity package that conforms to all the major IMF recommendations, with the exception that Turkey is not devaluing its currency.

Even certain Mexican authorities, previously very pleased with the prospects opened up by French President Giscard d'Estaing's visit there on Feb. 28, are reportedly extremely distressed over the fact that Europe is not aggressively pushing the EMS as the alternative to the IMF. Mexico's doubts about whether France and Europe as a whole can deliver were formed when the Group of 24 developing nations proposal for a \$15 billion technology transfer fund received no European support at the IMF conference.

France and West Germany similarly blocked with the U.S., Britain and Israel at a UN Industrial Development Organization meeting in Mexico City against an Indian proposal, backed by Mexico and a broad array of Third World nations, which called for massive development of petrochemical industries in the developing sector, using capital goods exports from the industrial nations.

More than simply splitting Europe from the developing sector countries across North-South lines, these compromises will weaken Europe's ability to resist the enforcement of a prediction in *The Economist* of London that governments would be collapsing across the continent by June of this year.

It's up to the Europeans. Either the EMS becomes a mere regional adjunct of the IMF pushing Europe-wide austerity, policed by NATO, or its cofounders Giscard and Schmidt live up to the EMS's promise by developing it into a real instrument for global economic development.

What kind of Europe?

The kind of Europe that Giscard and his allies have in mind to build with the EMS is the opposite of the balkanized "Europe of the Regions" for which Count Otto von Habsburg and the Pan European Union are the principal spokesmen. This Europe would be a Europe of

détente, entente, and cooperation from the Atlantic to the Urals, a Europe taking a leading role in forging a new North-South relationship based on mutual interest in economic development. It is the "Europe of the nations," the Confederated Europe, that former French President Charles de Gaulle and West German Chancellor Konrad Adenauer were forging over a decade ago with their special relationship that is paralleled today by the alliance between Giscard and West German Chancellor Schmidt. This Europe is seen not only as an economic necessity, but as a necessary war avoidance policy.

This Europe, centered around the Franco-German alliance, would be a new industrial giant, with enough clout to be politically capable of bridging East and West, North and South. Membership in the European Community will soon be extended to Spain, Portugal, and Greece. But Great Britain's membership is increasingly being called into question as a result of that nation's attempts to sabotage the European Monetary System, which has gone into effect as a country-to-country agreement, and Britain's refusal to fully implement EMS policy in such areas as Common Agricultural Policy, fishing rights, etc.

What is the UDF?

To really understand what the UDF is, one has to look back briefly to the period since the founding of the Fifth Republic by Charles de Gaulle and the political and institutional legacy he left behind. De Gaulle profoundly altered the shape of France, not only by bringing the country to the takeoff point as a major industrial power, but by using that power to place France at the forefront of the international scene as an independent power. His achievements ranged from the independence of Algeria, ushering in a policy of concerted economic cooperation with the developing sector countries; a rejection of the Cold War and ushering in the era of "détente, entente and cooperation" with the Soviet Union; and, ultimately, the withdrawal of France from the integrated military command of NATO in 1966.

De Gaulle and his policies were opposed with a vengeance by the Anglo-American elites, who, from the Council on Foreign Relations and William Buckley in New York, to the Royal Institute for International Affairs in London, directly conspired for his overthrow. They mobilized internationally and in France itself through covert support for the Secret Army Organization (OAS) and one of its more well-known leaders, Jacques Soustelle. The OAS drew upon disaffected political and military layers who united in their attempt to prevent Algeria from achieving independence by sponsoring repeated assassination tries against de Gaulle, coup d'états, and terrorism against de Gaulle's supporters.

Because the OAS also drew upon layers which had originally rallied to the Gaullist camp, de Gaulle had to

rely for support on networks and building blocks from other political parties. One of the main building blocks was the Independent Republican Party of Giscard d'Estaing. Giscard himself was brought into the Finance Ministry in 1954 and eventually became Finance Minister in 1962. Another key figure who worked with de Gaulle was Prince Jean de Broglie who was among the negotiators of the 1962 Evian accords that made Algeria independent and who, as State Secretary for Overseas Affairs, played a crucial role in de Gaulle's increasingly pro-Arab and anti-Israel Middle East policy. Throughout this period of the early 1960s, Giscard and de Broglie were working to transform the Independents into a movement that would support — albeit, critically — the government of de Gaulle and the constitutional principles of the governing institutions he set up.

The UDF is Giscard's building block today. After several weeks of debate on all levels of leadership, the Deniau program was unanimously adopted by the February UDF Congress. But, the UDF is by no means a homogeneous institution committed in its entirety to the conception of an independent confederated Europe described above. Originally formed last year as a coalition of political parties broadly supporting the policies of the French President, the UDF is deeply factionalized, a fact which is occasionally reflected in the program itself.

The UDF coalition controls 121 seats out of the 491 that compose the National Assembly, or roughly one quarter of the electorate. It is not a party, but is composed of:

The Republican Party. Originally called the Independent Republicans, the party was set up in June 1966 as the vehicle for Giscard d'Estaing's strategy to capture the presidency. A more detailed study of the PR (which commands about half the strength of the UDF) appears below.

The Center for Social Democrats. The CDS is headed by Jean Lecanuet, which — unlike the Republicans — spearheaded the opposition to de Gaulle throughout the 1960s on every issue. By the time of the dismantling of the OAS in late 1962 to early 1963, OAS members and supporters flocked in droves to join the CDS. Today, on the eve of President Giscard's summit with Leonid Brezhnev in Moscow, the CDS is calling on the President to make the continuation of favorable Franco-Soviet relations contingent on Soviet compliance with "human rights" requirements. The CDS's fingerprints are evident in the section of the UDF European program dealing with détente. Lecanuet is President of the UDF and was appointed as one of the coleaders of the UDF ticket for the June European Parliamentary elections. The CDS has only about half the number of representatives elected in the National Assembly as the Republicans do.

The Radical Party. The Radicals are led by Jean-Jacques Servan-Schreiber, whose political fortunes have been dwindling. Last year, he lost his bid for reelection to the

Regional Council of Nancy. Originally something of a fellow traveler of Giscard and widely played up in the American press as a "French JFK," Servan-Schreiber is well known for his attacks throughout the 1960s against the "UDR-State" (UDR is the former name of the Gaullist Party). He continues to advocate greater decentralization of government powers. "Minister of Reforms" in Giscard's first 1974 government, Servan-Schreiber quickly resigned in disagreement over the government's continuation of a pronuclear policy. His weekly magazine *L'Express* was recently bought up by the Rothschild-allied Jimmy Goldsmith of Britain.

The National Center for Independents and Peasants. CNIP is the political party in which Giscard first launched his political career and is led by former Finance Minister Antoine Pinay. The CNIP has dwindled to a tiny faction since the split of the Independent Republicans in 1962, as a result of the CNIP's identification with the French-Algeria cause and earlier open compromises with the World War II Vichy regime.

The Social-Democratic Movement of France. The MDSF is a small right-wing social democratic splitoff from the Socialist Party, led by Jacques Hinterman.

Giscard's Republican Party

The Independent Republicans (now the Republican Party) were originally formed as a parliamentary group in 1962 following nationwide elections that were provoked by the CNIP over the Algerian issue. The CNIP lost so many seats that they no longer had the 30 necessary to form a parliamentary group. The Republicans became a full-fledged party in June 1966 after Giscard's dismissal as Finance Minister by de Gaulle. In addition to Giscard and de Broglie, whose roles as "building blocks" have been reviewed, another key member needs to be identified: Prince Michel Poniatowski. Although not appearing in the party's original organizational chart in any official capacity, Poniatowski has played a crucial role as Giscard's personal advisor.

De Broglie vs. Poniatowski

Jean de Broglie and Michel Poniatowski have exemplified the two opposite poles of thought on domestic and international issues around Giscard, until de Broglie's assassination in December 1976. Domestically, Poniatowski has consistently attempted to use the Republicans in alliance with other parties, such as Lecanuet's CDS, as the spearhead for first destroying de Gaulle's leadership, and then moving in to wipe out the Gaullist party as a major force in politics through the creation of a "centrist confederation." During the mid 1960s, when de Gaulle first launched a policy of détente with the Soviet Union, Poniatowski went on record opposing "the excessive rapprochement with the USSR" as a policy "which presently has no meaning and is even dangerous." Known as an ardent opponent of the independence of Algeria, Poniatowski maintained, in all

likelihood, more than just contacts and "connections" with the terrorists in the OAS. He is most likely the source of leaks to the OAS concerning Council of Ministers deliberations during 1961 and 1962, as the agent "12A" identified in OAS correspondence and documents. Poniatowski was also a ring leader of the Zionist lobby's campaign against de Gaulle's Middle East policies.

Jean de Broglie not only opposed Poniatowski in the internal factional struggles, but, as we saw above, took an active part in carrying out the Algerian policy that "Ponia" was determined to obstruct. Further, de Broglie believed in "the necessity of putting science and technology at the service of development in the Third World." A supporter of European cooperation "from the Atlantic to the Urals," de Broglie called for "political, not strategic solutions" to the problem of East-West relations. As late as 1972, in response to Poniatowski's call for a "centrist regroupment" against the Gaullists, de Broglie reaffirmed his loyalty to "the presidential majority" backing President Pompidou.

It was in 1966, when Giscard was replaced as Finance Minister by Michel Debre, that Giscard decided to play the opposition game engineered by Poniatowski, against the counsel of other advisors such as Jean-François Deniau who urged him to continue building a positive relationship with the Gaullists. Having opted for Poniatowski's strategy for making it to the top as president, Giscard spent the next 10 years carefully shaping his image as "anti-de Gaulle."

Giscard won the presidential elections in 1974, narrowly defeating Socialist Party contender François Mitterrand by less than half a million votes. He had the support of a large faction of the Gaullist group led by Jacques Chirac, the current President of the Gaullist RPR party.

The election of Jimmy Carter to the White House in November, 1976 profoundly shocked Europe — and Giscard in particular. This and the December 1976 brutal street murder of Jean de Broglie, whom Giscard had known well since adolescence, combined as a crucial turning point for Giscard. In March 1976, a dramatic cabinet shakeup took place in which Interior Minister Poniatowski and Justice Minister Jean Lecanuet of the CDS were fired from their posts. At best, Poniatowski was guilty of extreme neglect in the de Broglie affair and those responsible for the investigations have repeatedly attempted, without success, to get him to testify on his personal and official role.

It was following this "March massacre" that Giscard's foreign policy began to reflect the unique heritage given France by Charles de Gaulle. This foreign policy orientation has been increasingly consolidated in the past two years, such that now President Giscard has become a strategic leader in the battle to ensure the prosperous posterity for humanity.

— Dana Sloan