

France and the Federal Republic of Germany form a close partnership which will maintain continuity of EEC policies for the next year. Europe is now able to raise its united voice in international affairs, and a large part of the European Community's policy is cooperation with the East bloc nations and the Third World. As Europe is a greater Europe, because both Western and Eastern Europe originated in common cultural, but also economic roots, negotiations with the Comecon are of key importance.

Several days later, as reported in *Die Welt* Oct. 5, Schmidt addressed a congress of historians in Hamburg, warning against Christian-Social Union leader Franz-Josef Strauss's belligerent use of the theme of German reunification:

I want to warn against sentimental use of the issue of German reunification. . . . Europe cannot be limited to the area of the present European Community . . . but has to be seen and understood in its manifold unity. . . . We (must) contribute to the next chapters of history and thereby shape our own future. We must also make history, and not just conserve the past..

But while Brzezinski and his Kissingerian allies are using their hold over the Carter Administration to

create what one German source described as the worst era of official relations between West Germany and the U.S. in the postwar era, Giscard and Schmidt are using what means they have at their disposal to influence the White House. According to sources close to the West German Foreign Ministry, the BRD and France used last week's International Monetary Fund conference in Washington to discreetly set up channels of communication with the White House independent of the normal channels controlled by Brzezinski.

Similarly, when the *Frankfurter Allgemeine Zeitung* alleged that West Germany fears an early agreement between the U.S. and Soviet Union on strategic arms limitations (SALT) because it would somehow leave Europe defenseless, Defense Minister Apel responded with a statement affirming that his government "looks forward to a successful and early conclusion" of SALT II.

The Franco-Soviet "Grand Commission," created when Charles de Gaulle initiated the era of "détente, entente and cooperation" with the Soviet Union, just concluded its highly successful Thirteenth Session, presided over by French Prime Minister Raymond Barre and Soviet Deputy Prime Minister Kirillin. In order to keep growth in trade moving toward targeted tripling between now and 1980 decided by Giscard and Brezhnev during their 1977 summit meeting, France has announced that it is ready to unblock up to 10 billion francs worth of credit "at a favorable rate," according to French Finance Ministry sources. Among the firms that would be involved in new deals are Pechiney-Ugine-Kuhlman (for a 3 billion franc aluminum plant in Siberia), Technip (a gaslift plant in Siberia worth 750 million francs), and other projects with Creusot-Loire, Rhône-Poulenc and Saint-Gobain. In addition, agreement was reached on increasing joint research in fastbreeder and fusion energies, and space cooperation.

## The EMF versus the IMF

*On Sept. 26 the Italian financial daily Il Fiorino published a pointed comparison of the European Monetary Fund and the British-backed International Monetary Fund. Here are excerpts from the article entitled "EMF versus IMF," which was written by Antonio Lovato and datelined Paris.*

President Giscard d'Estaing and Chancellor Helmut Schmidt are determined, cost what it will ... to implement the plan for a "European zone of monetary stability" before the year's end ... Italy has committed itself ....

The EMF will end up being the alternative to the IMF with the following characteristics: the EMF is in favor of fixed parities, in opposition to the floating system that the IMF has accepted. The EMF also has rehabilitated gold, while the IMF is for demonitizing gold .... The EMF would meanwhile become the dispenser of credits on a scale not much below that of the Washington-based Fund.

The impression is that France and the Federal Republic of Germany will exert all sorts of pressures on Italy to make it enter in the monetary zone ...

British participation is still rather doubtful ... England prefers the IMF, which is accustomed to giving her greater amounts of credit than any other beneficiary .... England, whose gold reserves make up only 5 percent of total reserves.

## Trade stems unemployment

Interviewed on Soviet television at the conclusion of the Commission talks, French Premier Barre expressed satisfaction with the results in increased trade. But he added:

You know that Franco-Soviet economic cooperation is not only economic but that it is for Europe and for the world. I hope, for my part, that this Franco-Soviet entente, this cooperation between our two countries, can be an important factor of international détente, of peace in Europe and in the world. It is with confidence that I envisage the future of our relations. . . .

Hungarian government leader Janos Kadar is arriving in Paris Nov. 17 to meet with President Giscard, the First Franco-Hungarian summit since before the Second World War. Trade deals lead the agenda. Following President Giscard's visit last month to Poland, a French delegation is currently