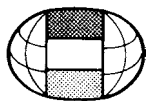
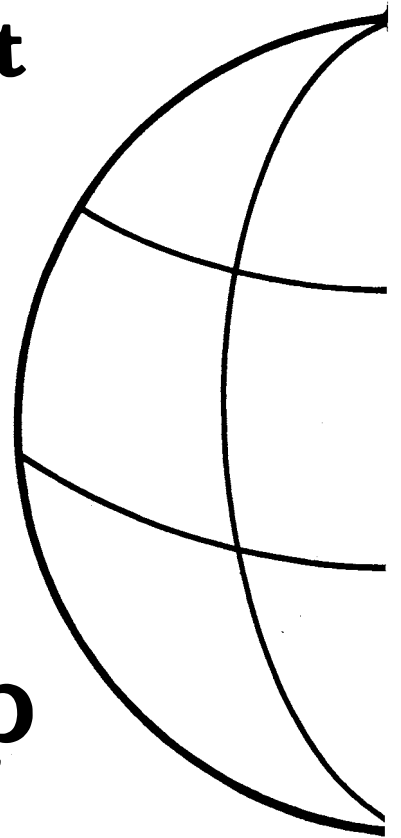


EIR Special Report

France's bid for world leadership

by Christopher White



Valery Giscard d'Estaing was elected President of the French Republic in April 1974. In the five-and-a-half years since that event, he has emerged as one of the leading statesmen to have held such a high office in the postwar period. Under his direction the French nation has again taken up a leading position among states on behalf of the tradition of humanism's grand design. The succession of initiatives launched from the state level in that period and culminating in the formation of the European Monetary System in June of 1978 at the Bremen summit of European Economic Community heads of state have correspondingly marked Giscard out as one of the major enemies of the political forces grouped around the British monarchy.

This reality is a far cry from the euphoria which greeted Giscard's election in the pages of the British and the American press back in 1974. At that time, C. L. Sulzberger, now retired from his position as roving editor of the *New York Times* wrote of Giscard as a "French Kennedy," who would dispense with the retrograde nationalism of General de Gaulle in order to collaborate with Britain's Prime Minister Harold Wilson in the renegotiation of Britain's membership in the EEC, and who would become a principal sponsor of London's plans for the "new European monetary and economic union." Now the same British conduits have organized slanderous attacks on Giscard and his policies both inside and outside France. This process reached a high point prior to last month's Dublin summit of EEC heads of state. In the weeks before that meeting, representatives of all layers of British opinion were mobilized on behalf of a campaign to stop the French.

In the intervening period between 1974 and today, the evolution of French policy has by and large disappeared from the pages of American-based newspapers, unless some attempt happens to be launched—as at the



Photo: Richard Melloul—SYGMA

time of the 1977 Shaba province affair in Zaire—to assimilate French policy, in appearance at least, into the overall thrusts of London and its allies in the United States. For Americans, the only coverage of what France's policies actually are is what has been made available through *Executive Intelligence Review* and the news service New Solidarity International Press Service.

France and the French President have been blacked out in that way because of London's fear of the new European Monetary System. Thus, in these pages we present a review of the leading features of that policy to place into circulation in North America a convenient overview.

Development and detente

The European Monetary System has been designed as the cornerstone of a new gold-based monetary order. It is a stepping stone from policies to offset the "benign neglect" of the U.S. dollar under the Carter administration by ensuring monetary stability within Europe, toward the implementation of a new monetary order which will replace the bankrupt regime of the International Monetary Fund's conditionalities-based approaches worldwide. In his televised address to the French nation last month Giscard announced that the new monetary system "will have been created by the spring of 1980."

The new monetary system, known now as the European Monetary Fund, is designed to turn around the present depression in advanced sector economies by generating a capital-goods-led export boom in the developing nations. The basis for the new system is provided by the tight alliances between Giscard and West Germany's Chancellor Helmut Schmidt, an alliance which has thus far been backed up by commitments secured from the factional supporters of President L. I. Brezhnev within the Soviet Union. Under the EMF, long-term, low-interest-rate, gold-backed credits will be extended for the financing of capital-intensive, city-building projects in the Third World. This approach will create the basis for a self-sustaining boom in the world economy, and will, as a byproduct, remove the ca outbreak of wars by breaking the grip of the Malthusian-in-outlook institutions internationally which are committed to the financial and raw materials interests of the City of London.

U.S. Democratic Party presidential candidate Lyndon H. LaRouche is viewed by many leading circles in Europe, including in France itself, as the intellectual author of these new monetary system arrangements. The black out of this, the central feature of French policy, is in large measure a function of that reality. Widespread public recognition and debate of the new arrangements within the United States would greatly enhance both the

LaRouche campaign and the effectiveness of the work of his allies in Europe, a prospect which London fears even more than the EMS.

It is the creation of the European Monetary System and the web of supporting international alliances which have been built up on behalf of the effort which has thus far characterized the quality of the Giscard presidency. The battle to implement that new system globally over the next weeks and months will however be decisive in determining one way or another the kind of world to be created in the 1980s.

Legitimist elite

In retrospect this reality should not have confused the anglophiles even back in 1974. Giscard's efforts on behalf of the EMS now can almost be seen as a continuation of his efforts since his service as General de Gaulle's finance minister in the early and mid-1960s. Thus, Giscard has always argued, as he did in his speech to the annual meeting of the International Monetary Fund in Tokyo on Sept. 9, 1964, for the creation of a gold-based international credit system which could permit Third World development to take place.

This view was expressed in an interview with the French radio station Europe No. 1 on Aug. 22, 1966.

"Why do the Europeans think of gold?" Giscard asked. "Because they do not have a currency corresponding to the renaissance of their economy. They have solid national currencies. Europe has once again become a world economic power. It does not have a currency which expresses its presence in world economic reality. The truth is that we would probably talk a lot less about gold if there was a European currency equal to the great currencies of the world.... The economic renaissance of Europe presupposes a European monetary presence."

Though this approach to policy has been Giscard's since the early 1960s, it is itself the result of an outlook that was imbued in early years. Giscard was brought up by his father Edmond Giscard d'Estaing to be a conscious continuer of what is known in France as the Legitimist tradition. This is the tradition in French statesmanship which subsume such historic nation-builders as Louis XI, Henri IV, the Cardinals Richelieu and Mazarin, Jean Baptiste Colbert, and the Marquis de LaFayette, the ally of Benjamin Franklin and George Washington in the international effort to create a republic on this side of the Atlantic. Giscard, in fact, traces his family from the Admiral d'Estaing who headed the French naval forces deployed on behalf of America during the War of Independence.

Views not entirely new

Valery Giscard d'Estaing's views on the need for a new world monetary system and Third World development have matured, but they are not entirely new. While presiding over the National Assembly's economic affairs in the 1960s, and serving as Finance Minister in the governments of both de Gaulle and Pompidou, Giscard's statements and writings were already expressing features of what later became "the theory behind the European Monetary System."

In an interview published in *Europe*, Aug. 22, 1966, Giscard—having just left de Gaulle's government—declared that France must "export capital," as this is France's "traditional vocation."

To do so, he continued, requires "allocating on the internal level the necessary resources for the financing of these capital exports."

"When there are international monetary meetings," he said, "the United States thinks of the dollar,

the British think of the pound, and the Europeans think of gold. Why do the Europeans think of gold? Because they don't have a currency corresponding to the renaissance of their economy... Europe has again become a world economic power... The economic renaissance of Europe supposes a European monetary presence."

On Mar. 18, 1968, on the eve of leaving for a visit to the United States, as President of the Finance Commission of the French National Assembly, Giscard stated:

"The only region in the world which is in a position politically and technically today to draw the lines of a new international monetary system is Europe. As the disciplinary effects of gold began to attenuate, a monetary order could only rest on a balance between forces of the same dimensions. Such has not been the case since the war in the IMF, dominated by the U.S. financial power. To ensure this equilibrium, Europe has to define a single policy expressed by a single voice... This single thesis would entail the definition of a new credit instrument based on gold and whose management would be ensured under conditions in which the responsibility of Europe and America would be on an equal footing...."

This tradition has defined the continuity of the elite from which Giscard has drawn to staff his cabinet, including such childhood friends as Foreign Trade Minister Jean-François Deniau and such family friends as Jean François-Poncet. The latter, the current foreign minister, is himself the son of a good friend of Giscard's father.

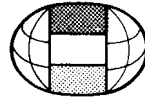
Giscard's father, now slandered as a follower of Vichyite General Petain in World War II, was an aggressive fighter on behalf of what he called the "American system of technological progress and increasing productivity" against the enemy whom he identified as British Keynesianism. Giscard, when at school, would deliver speeches against Great Britain, the "hereditary enemy" of France.

The French elite of which Giscard is a part has kept alive the tradition of nation-building out of which France was created in the first place. It has been the work of LaRouche and his associates in Europe which has provided the conceptual approach necessary to bring the work of nation-building off the drawing boards and to create the prospects for global implementation. Every step in that process during the presidential term of Giscard to date has been fiercely contested by the forces associated with the leading opponents of the nation-builders grouped around the City of London. Giscard's North-South dialogue proposal of 1974 and 1975 was sabotaged directly by then Secretary of State Henry Kissinger in order to prevent a hook-up with the conceptual approach recommended by LaRouche in his proposal for the creation of an International Development Bank. As part of this process King Faisal of Saudi Arabia, a proponent of gold-based international monetary arrangements, was murdered. Giscard's efforts with Algerian head of state Houari Boumedienne were similarly abruptly terminated with the murder of Jean de Broglie, a leading French political representative in the Arab world and elsewhere. And France's relations with the Soviet Union have been undermined through the assassination of Robert Boulin, mooted to be the next prime minister of France.

Trails in all these murders and sabotage operations lead back to a circle of so-called intellectual anglophiles within France organized around Jacques Soustelle, the Jesuit anthropologist and organizer of "Secret Army Organization" (OAS) assassination attempts against General de Gaulle during the period prior to 1963. Soustelle is a leading member of the networks associated with the same forces responsible for the blackout of French policy here in the United States. Soustelle, in turn, typifies the evil of the network which has to be cleaned up internationally if the new monetary system is to be implemented and the work of rebuilding the nation builder tradition is to be taken forward successfully.

Energy Policy

The 'grand design' for nuclear power



French President Giscard d'Estaing has plenty of reasons for boasting that his country's nuclear program is the most ambitious in the world. Not only is France ensuring that its own growing energy needs will be met increasingly with cheap, abundant nuclear energy, but nuclear energy development has become one of the weapons in Giscard's diplomatic arsenal.

President Giscard's repeated calls for "organized cooperation" between the industrialized and oil-producing countries goes hand in hand with his attempts—vain in the case of the United States—to get the West to embark on a crash program for the development of nuclear energy. It was only on Giscard's insistence that a call for the development of nuclear energy was included in the final resolutions adopted by the summit of the heads of state of the seven industrialized powers which took place in Tokyo on June 28 and 29 of this year. Most developing sector countries do not have to be asked twice if they are willing to embark on such programs, and readily seek out France as a reliable partner in such endeavors.

A good example of French intervention in a foreign country on behalf of nuclear energy is West Germany. On a state visit there early last October, Giscard stressed to Chancellor Schmidt, his partner in the founding of the European Monetary System, the importance of breaking through the deadlock that has stalled nuclear plant construction in West Germany. Provisions for 50,000 megawatts of nuclear power generating capacity by 1985 have already been cut in half. But after Giscard's intervention, there are more and more signs that government and industry are ready to fight for the country's nuclear development program.

There is, in Giscard's mind, something about nuclear energy which goes beyond the question of mere economics or energy independence. Rather, the development of atomic power and other industries that are based on scientific breakthroughs are an indication of the birth of a new era of civilization. Giscard expressed this in a Sept. 14 interview with Roger Therond in *Paris-Match* magazine: