

# Gaullists And French Industrialists Demand Economic Growth

Sept. 10 (NSIPS) — Leading spokesmen for French finance and industry have lined up behind the Gaullists' call to the newly formed Barre government to carry out a policy of industrial expansion and development.

Gaullist baron Michel Debré's article in the Sept. 5 French daily *Le Monde* put this domestic perspective into context when he called on France to have a "free-handed policy, without alignment, without integration," to counter the U.S. Treasury's "destruction of the international monetary system."

The views expressed by Debré and Jean Denizet, the leading economist for the *Banque de Paris et des Pays-Bas*, in the articles excerpted below have become hegemonic among the representatives of French industrial capital. In an interview in *Le*

*Figaro* Sept. 10, François Ceyrac, the president of the powerful French Employers Association, the CNPF, stated his hostility to a freeze on wages, "There is no question for us of blocking wages or going back on what has been acquired in buying power." His interview which followed his first meeting with Prime Minister Raymond Barre, also emphasized the need for a productive investments policy. Ceyrac distinguished between taxing industrial capital — which would break economic growth — and taxing the businessman, who should be treated like any other citizen. Compliance with these policies, Atlanticist French President Giscard d'Estaing has repeatedly been warned by Gaullists and industrialists alike, is the sine qua non for its survival.

## Gaullist Debré Sees A Non-Aligned Economic Policy For France

Sept. 8 (NSIPS) — The following excerpted article by leading Gaullist Michel Debré appeared in *Le Monde* Sept. 4 under the title, "Day of Reckoning: Day of Truth."

At last the dossier has been opened. At last truth has been spoken. Inflation, which has been gnawing at the vitality of France for years, is no longer denounced only in the parliament or in the press. Inflation is now dealt with at a higher level with the gravity required. It is late, very late. Years have been wasted, with the main consequence that France has lost her good standing with respect to West Germany. Deficit of our balance of payments, chronic instability of the franc, liquidity crisis of corporations — hence crisis of investments, worsening of social inequalities, impossibility of implementing military programs and modernization plans....The balance sheet is indeed as disturbing as it was possible to forecast, as disturbing as it had been forecasted and forwarned. Alas!

...The fight against the excess of inflation must be waged together with a productive employment-creating effort, hence an economic development effort. Which means that the resources used must not hit at the source of wealth, production. Much has been said about industrial redeployment in the fight against inflation. Nominal increases in purchasing power and no money instability provoke a sharp increase in consumption-linked activities. The necessary rigor must be followed by a boost to capital goods and durable goods production, together with the dumping of all the Malthusian arrangements which increase the overheads and sometimes even encourage inactivity. That is the way to prevent deplorable inflation.

The fight against the excess of inflation requires an original social policy. Inflation creates injustices and worsens others. The effort toward solidarity in all its aspects is a basic requirement. It is advisable to distinguish purchasing power, categorical if so, from consumption capacity, which covers more than purchasing power and which can be modulated when public interest commands. In this respect, priority must not always be given to the situation of the loudest speaking social categories. Justice and compassion will have it that social effort be taken at the initiative of government rather than at the initiative and will of the social partners. The best example in this respect is the situation of families....

The fight against the excess of inflation demands a national policy for two reasons. First of all, only the French need a strong, prosperous France. What the French won't do for

themselves, nobody is going to do in their place. Far from it. Thus, one does not call for some economic and social requirements, even though reason commands to do so, without demanding pride, and independence...Let us not forget that the destruction of the international monetary system as wanted by the U.S. Treasury forbids any anti-inflation policy at the level of the west. Everyone for himself is one of the momentous consequences of the disappearance of a neutral standard for currency valuation. Hence the absolute need for France of a free-handed policy, without alignment, without integration, if we want success...

## French Banker:

### "Barre Is A Man For Growth And Industrial Development"

Sept. 8 (NSIPS) — The following excerpts are taken from a Sept. 4-5 article in *Le Figaro* by Jean Denizet, economic director of one of France's leading private banks, the *Banque de Paris et des Pays Bas*.

Raymond Barre scored a decisive point with the few words he spoke at the Elysee immediately following his designation as Prime Minister...he spoke of inflation, the stability of the franc, and his tone of tranquil assurance swept away the miasma of doubt, skepticism, and impotence which have paralysed all efforts at recovery for the past several weeks...

Economic policy remains. Raymond Barre has been given a reputation as the "knight of austerity" which could lead to confusion. Without doubt, he has often said that the rise in oil and raw materials prices, which we have experienced for three years, necessarily impoverishes the nation and that this impoverishment is not compatible with a too strong rise in distributed incomes: that it is also not (compatible) with a reduction of investments and the financing of foreign deficit through borrowing. One can and must agree with this analysis, all the while finding that the words austerity, rigor, "not living above one's means," are not the most satisfactory terms to designate the policy to be followed.

#### Two Possible Approaches

In reality, there are two possible attitudes in the face of the situation created by the rise in raw materials of 1973 and 1976, rises which have not finished: one was an attitude of relying on oneself, renouncing investments, reduced activity, reduced imports; in short, an attempt to realize a new equilibrium at a lower level of activity and effort.

The other attitude consists, on the contrary, of not beating a retreat, but of developing greater activity, realizing new investments to respond to new demand, namely new foreign demand. This is an attempt to fight against adversity through a grand effort at adaptation, demanding the mobilization of the nation and not throwing it into a semi-sleep.

It is thus the second attitude which should logically prevail today. Raymond Barre has always been a man of economic growth and industrial development for France. It is not likely that for him the new conditions born of 1973-74 have modified this fundamental option.

In a word, the battle against inflation today does not pass

through recession. It passes through an even stronger expansion than that of yesterday, more difficult also because different.

If austerity consists of putting men back to work, of creating new equipment, then yes to austerity. If the word means to tighten one's belt, to consume less because less is produced, then it is not the appropriate recipe. The mixture of inflation and insufficient upswing sanctions discouragement, discouragement of enterprises without means, unemployment without hope, social partners blindly defending — at the cost of nominal remunerations and increasingly rising prices — a shrinking cake or at least, one which is not growing.

Tomorrow's success must be the partners discussing in all clarity the sharing of surplus value....

## Japan Industrialists Move Internationally For Trade And Development Deals

Sept. 10 (NSIPS) — In the period since the Non-Aligned Nations' declaration for debt moratoria and new world economic order at Colombo, Japan's most prominent industrialists have moved internationally to secure trade and political alliances against Rockefeller. With initiatives throughout Western Europe, the Soviet sector, and the Third World, the Japanese have sought three objectives: 1) to cooperate in industrial development projects in the Third World and Soviet sector, 2) to secure alliances with their anti-Atlanticist counterparts in Europe, and 3) to provide economic and political support to critical Third World countries like Indonesia. Observers have remarked on the parallels between Japanese industrialists' actions and the international organizing of Italian industrialist Eugenio Cefis in the period prior to the accession of pro-development Prime Minister Giulio Andreotti. Most significantly:

\* Business Federation (Keidanren) chief Toshio Doko, just back from a Moscow meeting with Soviet Party leader Leonid Brezhnev, has scheduled a mid-October tour to Italy, France, West Germany, and Britain to discuss economic and political developments between Europe and Japan and trade with the Soviet sector, reports the Sept. 3 Tokyo daily Yomiuri Shimbun.

\* On Aug. 25, just two weeks after the Doko-led business delegation to Moscow, C. Itoh trading company Chairman M. Echigo led another delegation to the Soviet Union to discuss long-term economic cooperation particularly on Siberian resource and industrial development. This discussion persists despite an effort by Economic Planning Minister Takeo Fukuda to cut off Japanese credit to the Soviet Union.

\* Industrial Bank of Japan Chairman Shoei Nakayama, a leader of the "resource faction" of Japanese industrialists, attended a meeting in Turkey two weeks ago hosted by Japan's Foreign Ministry to promote trade and development in the Mideast. Other attendees included ambassadors from most Mideast countries, Nippon Steel President Tomisaburo Hirai and Mitsui and Co. official Tatsuzo Mizikami. The three businessmen emphasized that for too long Japan had restricted itself to simply economic matters in its dealings with the Mideast. Now, it must move into other activities as other powers do, i.e. political intervention. The industrialist-linked paper Yomiuri supported the meeting in a Sept. 2 editorial.

\* Japan will host Brazilian President Ernesto Geisel Sept. 15 to discuss several billion dollars worth of steel, petrochemicals and aluminium development in Brazil. These include a \$2.2 billion steel project at Tubarao with Italian participation and a \$1 billion project with the state-owned Alumínio do Brasil. Geisel, hitherto a staunch ally of the New York City banks, is under strong pressure from forces linked to Commerce and Industry Minister Servio Gomes not to let the projects be scrapped, and to secure aid from Japan since the U.S. has blacked out.

\* Japan is cooperating with Indonesia on several industrial development projects which the International Monetary Fund is trying to block. A government delegation arrived in Indonesia Sept. 2 to pursue discussion of further projects.

---

## NEW SOLIDARITY

—26 issues for \$5

50 issues for \$12

100 issues for \$20

## Campaigner

one year (11 issues) — \$10

NAME \_\_\_\_\_

STREET \_\_\_\_\_

CITY \_\_\_\_\_

STATE \_\_\_\_\_

ZIP \_\_\_\_\_

Order from: Campaigner Publications Inc., P.O. Box 1972 New York, N.Y. 10001

---