

Haig Announces Mobilization to Destabilize Britain, Italy

Nov. 5 (NSIPS) — General Alexander Haig, Supreme Commander of NATO forces in Europe delivered a scarcely veiled warning to what he termed the “sick men of Europe” Britain and Italy, in a Nov. 3 speech before the British House of Lords’ Defense Group. Haig threatened “some Western leaders (who) believe they can cut down on their security expenses as a means of solving their international problems.” The paper-clip General, who denied outright the danger of a Soviet attack on Europe, warned that NATO would more likely be plagued “by troubled crises on the periphery of the NATO flanks.”

Haig’s statement this week is the most public indication of the open destabilization efforts now underway against the British and Italian governments whose vacillation is making the necessary break with the dollar empire will immediately endanger the lives of millions of people in their own countries. Atlanticist factions within the governments of both countries moved this week to impose stiff austerity programs that conform with demands emanating from top Atlanticist circles — programs that will mean further cuts in living standards and the “triage” of essential life-supporting services.

Official German Democratic Republic radio, Stimme der DDR warned Nov. 2 that there were 5,000 CIA agents working out of the U.S. Embassy in Rome now being deployed into not only Italian parties, but the government administration itself in preparation for a NATO coup against the Andreotti government. Les Echos, the French financial daily, made the report known in the West by publishing it the next day.

Haig’s London speech was primarily directed against threats over the past two weeks from British Prime Minister James Callaghan and Defense Minister Fred Mulley that, failing an international effort to solve Britain’s sterling crisis, Britain’s NATO responsibilities would have to be reviewed. Haig, however, declared that “We can never concert our efforts in the socio-economic area if we undermined the bedrock, the ribcage on which all collective action must be built. Any politician who believes he can undercut security to solve the socio-economic questions is on a confused course.”

Callaghan’s reluctance to implement the severe economic measures being demanded by his Atlantic “allies” has triggered visible factional unrest within Britain and the Labour government itself. At this point, the Prime Minister’s major base of support in the country is the left wing of the Labour Party, the Tribune Group, and the highly influential TUC (Trades Union Congress), both of whom are pushing for an end to the pound sterling’s role as a reserve currency, among other measures in support of Callaghan’s already-elaborated strategy to regenerate British industry. Backed by the votes of both the Labour party and TUC conferences earlier this fall, these forces are mobilizing shop floor and constituency support for a national campaign against the public spending cuts being demanded as ‘sensible’ economic policy by Wall Street and IMF financiers. Callaghan, who was told by TUC general secretary Len Murray that the unions would back him as long as he resisted the demands of the “opponents of growth,” has publicly warned that attempts to impose tough austerity demands on Britain would cause “bloodshed in the streets.”

However, the Conservative opposition, as well as the right-wing Manifesto group of the Labour party are demanding that the government implement massive public spending cuts and tax increases immediately to “prove” to Britain’s international creditors that the government is “responsible.” This faction’s

ability to sway Callaghan towards capitulation to the Atlanticist view was strengthened substantially this week.

Yesterday, the Labour party lost two out of three seats in Parliamentary by-elections, which means the government no longer has an absolute majority, and has a working majority in Parliament only as long as two renegade members of the Scottish Labour Party, and two members of the Ulster Union Conservatives — one of them racist Enoch Powell — continue to vote with the government on major issues. Margaret Thatcher, leader of the Tory Opposition, warned that even the loss of one seat by the government would be treated by her party as an open mandate against the government’s current strategy and that the Tories would be moving to bring the government down at the earliest possible opportunity.

Earlier in the week, Chancellor of the Exchequer Denis Healey and top British Treasury official Joel Barnett — both of whom have been working closely with the U.S. Treasury and IMF team now in Britain — made surprise announcements of a spending strategy that will mean massive spending cuts for local authorities in health, education, transport and other social services. While unwilling to define the exact measures that will be taken, Healey’s warning on the need to cut the government’s borrowing requirement was, according to the Nov. 3 Daily Telegraph, “doubtless the sort of things IMF leaders want to hear as they consider whether Britain should have another loan.”

Paralleling Healey’s statement, Barnett told the House of Commons that the spending allowances for local authorities laid out in the 1976 budget would have to be strictly adhered to, despite the fact that inflation is currently running 5-6 per cent higher than the government forecast in figuring the budget. By refusing local authorities funds over their budgeted amounts, the government is effectively instituting cuts of two to three billion pounds at the municipal level.

The effect of these cuts on the local authorities will be disastrous. David Ennals, Minister for Social Services has admitted that small maternity hospitals will have to be closed throughout the country — despite the fact that Britain already has the highest infant mortality rate during the winter months in Europe. A spokesman for the British Association of Social Workers said “we are petrified that local authorities will apply the new cut implied by sticking to the cash limit estimates across the board, instead of protecting the most vulnerable at all costs.” In short, Barnett’s announcement will mean death for the high-risk population like the elderly, the very young and the severely ill.

According to the Daily Telegraph, Carter’s presidential victory in the U.S. could make it even worse for Britain, since his prospective Secretary of the Treasury, Felix Rohatyn has threatened to make Big MAC policies the condition for any U.S. assistance to Britain.

In Italy, Prime Minister Andreotti has found himself in a similar box to Callaghan. The Italian Communist Party is mobilizing mass support for a policy of pro-development and has strongly mooted that it will withdraw its support for the Andreotti government if he imposes tough austerity measures. Meanwhile, Treasury Minister Stamatii pledged a “zero growth” policy for the Italian economy this year, and announced a package of measures including cuts in the cost of living increases promised Italian workers, increases in personal taxes, and increases in transport, communication, and energy rates.