

without exception, even more grave than those which confronted them in 1930, considering how North-South problems and East-West competition have added to economic and financial chaos? It is quite understandable why the head of the Japanese government has such a pessimistic attitude: his country is the first one to be affected by the Americans' and Europeans' protectionist measures. But the specter of a collapse of a system familiar to them was enough to make the great men assembled in London shiver with fear.

Britain

Financial Times, May 9:

The outstanding characteristic of the London summit which ended yesterday was the visible determination of all the participants to represent the meeting as a success.... The communiqué concludes with an expressing of confidence in the 'continuing strength of our societies and the proven democratic principles that give them vitality.' With reasonable luck, this confidence will prove to be well-founded. But the fact that seven governments chose explicitly to spell it out is an implicit recognition of the strains facing our societies and their proven democratic principles.

London Times, May 9:

The world has not been changed by the summit.... But

Britain's Future:

Military Or Trade Union Solution?

BRITAIN

Last week's elections in Great Britain, in which the Conservative party gained local political control over 95 percent of the country's population, have provided a rallying cry for Conservative Opposition leader Margaret Thatcher who called the results a mandate for Tory policies and demanded the immediate resignation of Prime Minister James Callaghan.

While the government's future was technically not affected by the election results, the Liberal Party, the other major election loser, has warned Callaghan that it will demand major policy concessions in exchange for its continued support in Parliament. The government has already withdrawn one major item from the voting calendar after Liberal threats to side with the Tories against Labour.

As even some leading Tory politicians have admitted, the elections results indicate a strong dissatisfaction — particularly among Labour's trade-union base — with the government's ability to carry through on its industrial program, rather than a straight backing for a Tory government. The crux of the government's failure is its determination to hold onto the shreds of its strategy

there is both a boldness and a realism about the spirit of the communiqué that encourages hope. It bears the unmistakable stamp of Mr. Carter's personality. What the world has for a long time needed more than instant mechanistic solutions to deep-seated social and attitudinal problems is the kind of leadership which men follow because they believe that way lies success. That need has at last begun to be met, thanks to Mr. Carter's summit.

Financial Times, May 10:

There is some apprehension among Europeans about the President's expected call for visible action on weapons standardization.... An American call for action now could therefore be deeply embarrassing and might upset the relationship gradually being built with the French in this field.

London Times, May 10:

(Concerning the dissident Bukovsky and the human rights question) "The question is mainly one of means rather than ends. The sterile confrontation in Europe and the oppression of Eastern Europe cannot be changed by war and was not noticeably changed for the better during the extreme confrontations of the cold war, when moral absolutism was at its height on both sides. Improvement has only come since the level of enmity has diminished and the willingness to talk, trade and to negotiate has increased."

of export-led industrial growth, while world trade continues to drop precipitously. As a result, the government is now caught in the impossible bind of trying to simultaneously meet the restrictive loan conditions laid down by the International Monetary Fund, and the warnings of trade-union leaders that significant economic recovery must be evident before they will agree to further restrictions on wage increases.

The Latin American Solution

Brian Crozier, director of the known CIA-linked Institute for the Study of Conflict, and friend and colleague of Thatcher's foreign policy speechwriter Robert Moss, issued an undisguised call for a fascist solution to Britain's economic crisis in an article in the *Daily Telegraph* of May 3. Reporting on his "heartening, and even exhilarating" visit to the military dictatorships of Chile, Uruguay, and Argentina, Crozier admonished his readers not to be sucked into an attitude of "synthetic indignation" over the crimes of the military juntas of these three countries since the military had saved "the people from a fate infinitely worse than anything that is now happening." Drawing a direct parallel between Britain's current government and the pre-junta government in Argentina, Crozier claimed that the present military government in Argentina "has laid the pre-conditions for an economic miracle. Whether the miracle

comes to pass will depend on whether the Government has the will and skill to rid itself of the twin burdens of trade unionism and a swollen state sector."

In less explicit terms, leading financial and industrial circles have joined Crozier's attack on the Callaghan government, effectively sabotaging government attempts to unite the trade unions and industry behind a joint industrial growth strategy. The Confederation of British Industry (CBI), the leading employers' group, has mobilized against the controversial Bullock Report on worker participation, which recommended equal representation of trade-union and stockholder representatives on company boards of directors. The CBI demands instead a system of shop-floor co-participation through which productivity, grievances, and other issues could be discussed, but not the company's investment program, one of the key tenets of the Bullock Report. The CBI has also elaborated on a general strategy enunciated by Thatcher on television several weeks ago, which calls for the virtual elimination of the national trade-union movement, substituting instead a tripartite body to determine overall wage increases for a given year which would then be negotiated at the company level.

TUC: Stand Fast

The Trades Union Congress, has been urging the government to stick with its industrial strategy, even if it

means, as TUC general secretary Len Murray said, the creation of a "new international monetary system." The Congress has called for the creation of a £1 billion industrial investment fund to channel investment into manufacturing industries, as determined by the priorities of the government's industrial strategy. The fund, to be financed primarily from North Sea oil and gas revenues along with private sources, would provide much needed investment for industry, which the TUC charges has not been forthcoming through private channels.

Ironically, the same Labour voters whose abstentions last week paved the way for the Tory victory in the local elections, have made it abundantly clear that the government would receive their support if it followed such a strategy. Labour MP Bryan Gould, whose views the *London Times* of May 13 described as part of "a growing criticism within the Parliamentary Labour Party of the Government's submission to IMF direction," warned the government that it faced certain electoral disaster if it stays in office "simply to meet Treasury forecasts of rising unemployment and depressed living standards." Voicing the criticism made by numerous trade-union leaders throughout the country, the financial secretary of the influential South Wales miners union warned the government that its future depends on renouncing its policy of collaboration with the IMF and international bankers.

Ulster Protestant Strike Falters

The general strike launched by Protestant extremists beginning midnight May 2 and aimed at halting all but essential services in Northern Ireland has failed to gain the support of Protestant workers and it looks like the strike will collapse before it can do major damage to Callaghan's strategy for industrial recovery in the province. However, the very fact that the strike is faltering has raised the potential for a "violent backlash," says one spokesman for the security forces.

Workers at a power-generating plant decided against walking off their jobs yesterday, after a long meeting, a significant setback to hardline Protestants in the umbrella Ulster Unionist Action Council. The Council organized the strike to press for a return to direct British rule in Ulster and a security crackdown against the Irish Republican Army. According to all reports, at least 90 percent of the Protestant workforce — who were expected to down their tools in support of the economic shutdown — returned to their jobs after a short time. Shops and businesses have reopened, despite widespread intimidation by Protestant paramilitary groups. Both trade unionists and industrialists have denounced the strike action as jeopardizing the fragile progress which has been made to date in

restoring economic stability to the province.

The British Government's effort to keep industry and commerce going by deploying extra security forces to the province has crippled the strike's effectiveness. However, incidents of violence have continued, as members of the Ulster Defence Association, a Protestant private army enforcing the strike, attacked policemen and troops who moved in to clear roadblocks. Several persons were reportedly injured as the paramilitary thugs roamed the streets, hurling stones at buses and hijacking vehicles.

Although it is too early to predict the outcome of the strike, it is significant that the leader of the hardline Protestants and chief organizer of the economic sabotage, Rev. Ian Paisley, has been expelled by his colleagues in the Union of United Ulster Conservatives (U.U.U.C.) group of Members of Parliament. U.U.U.C. spokesman James Molyneaux warned publicly that Paisley was involved in what amounted to a "putsch" attempt, aimed at illegally declaring a provisional government run by Protestant hardliners in Northern Ireland. Molyneaux's identification of this "Rhodesian" scenario will certainly take the steam out of such plans, and probably bring about an early end to the industrial disruption.