

enforcement side, and counter-intelligence covert operations against the enemy's own covert operations forces.

Above all, as in warfare, the war cannot be won unless one exacts penalties from the real enemy, the enemy who

stands behind his terrorist and environmentalist foot-soldiers. One must strike at the enemy himself with sufficient effectiveness to force him to withdraw. Any alternatives to this approach are strategies of defeat.

# Labor Strife Masks Opposition To Healey

## Callaghan Fails To Consolidate Counterpole

The British Government of Prime Minister James Callaghan is currently being battered by a wave of industrial unrest which certain City of London financier forces hope will lead to Callaghan's premature fall from power and his replacement by a coalition more amenable to their designs.

---

### BRITAIN

---

When a strike by electricity workers blacked out television coverage of the traditional ceremonies which mark the opening of Parliament after summer recess, the *Daily Telegraph* could not help but savor the irony of the situation. Its lead editorial gloated: "With perfect symbolism and exquisite timing, the lights are going out all over Jim Callaghan." The Rothschild-linked *Times of London*, more to the point, recommended that Callaghan hand over the leadership of the Labour Party to the City of London's puppet Chancellor of the Exchequer Denis Healey, lest Healey lose his bid for power in the aftermath of a snap General Election.

What these monetarists have failed to estimate is the tremendous opposition from within Britain to a Healey takeover, reinforced by international censure of recent Healey-Bank of England connivances. Analysis of the current political line-up and especially events surrounding the Cabinet decision to "float" the pound indicate that Callaghan — responding to unmistakable trade union and industrialist pressure — made strenuous efforts to oppose Healey's "deal" with the City of London to wreak havoc on the domestic British economy as a by-product of the City's financial warfare against the dollar.

According to press accounts, Callaghan was strong-armed into allowing the pound to float upward (leaving the dollar in its wake) after the City's first preference — the lifting of exchange controls to permit channeling of "hot" money into profit-making overseas investment — was ruled out by the Cabinet as "politically impossible." The Trades Union Congress (TUC), Britain's labor confederation, had argued that permitting funds to flow out of the country would interfere with the availability of investment capital for British industry and the TUC's political clout prevented Healey from getting his way.

Although Healey was able to make good on at least half his bargain with the City's bankers — since the unofficial pound revaluation did not require Cabinet or Labour Party sanction — even this plan to insure the

"demise of the dollar" (as one commentator matter-of-factly put it) has backfired, due to combined action in defense of the dollar by the world's central banks.

The Confederation of British Industry, Britain's leading organization of industrialists, has protested the unmooring of the pound in no uncertain terms, claiming that a stable pound is essential to promote export growth. Within the government, a Cabinet faction appears to be taking shape which is adamantly opposed to Healey's reflationary demands. The debate over what to do with North Sea oil revenues has split government ministers into two camps. One, around Energy Secretary Benn Trade Minister Dell, and Industry Minister Varley, favors the use of such revenues for improved social services and industrial investment. The other, led by Healey and taking its instructions from Bank of England Governor Gordon Richardson, would channel such revenues into a short-term consumer boom via tax cuts and other reflationary devices. According to last week's *Sunday Times of London*, Callaghan is leaning towards the former position, which bears the hallmarks of trade union influence; while Healey's ephemeral solution is being attacked from all sides. At least one financial commentator, Anthony Harris of the *Financial Times*, has warned that "monetarist policies have impressed markets which themselves tend to be monetarist; but if the real world does not prove to be at least partly monetarist too, the Chancellor (Healey — ed.) could be in trouble."

#### *Callaghan Tested*

While Healey has been forced to concede on a number of issues due to trade union and industrial pressure, Callaghan is also being put to the test by these same forces. With British workers refusing to tolerate another year of collapsing living standards, a winter of industrial strife in support of higher wages is inevitable. Indeed, it has already begun, with the power workers, railway workers, miners, and now firemen lodging demands for 30-90 percent wage increases, well in excess of Healey's suggested pay "ceiling."

The Callaghan Government is still taking an extremely tough line with the unions, vowing not to let spiralling wage demands undermine its counterinflation strategy. Home Secretary Merlyn Rees, a Callaghan ally, has announced that troops will be used to maintain firefighting capability if the Firemen's Brigade Union goes ahead with its threatened strike set for Nov. 14 — an extremely provocative stance. Callaghan has also vowed that the miners will not be allowed to breach the unof-

ficial pay code either, since the coal industry is government-owned.

A repetition of spring 1974, when a bitter confrontation between the Conservative government of Edward Heath and the National Union of Miners took place, is extremely unlikely, since few sane trade unionists want to see Callaghan replaced by Tory leader Margaret

Thatcher. However, Callaghan's credibility is undergoing its most crucial test. To the extent that he continues to enforce austerity-level pay policy without enunciating strategy for industrial growth or joining on-going Franco-German efforts to bring sanity to the world monetary system, Callaghan's future may be as bleak as Healey's.

## Gaullist Chirac on 'Mastering the Future'

*From public statements, it appears that the Gaullist Party of France, otherwise known as the RPR, has made a "left turn" in the words of the leftist Parisian Le Matin. The Gaullists have come to realize that only by "recapturing the working class electorate of General de Gaulle" can the party grow and insure victory for the majority in the March elections. The government majority coalition currently consists of the RPR and the Independent Republican Party of President Giscard d'Estaing.*

### FRANCE

*Gaullist Party chairman and Mayor of Paris, Jacques Chirac, has been campaigning throughout the country for a program of national growth and national economic planning reminiscent of the de Gaulle era. Chirac's campaign platform is largely the result of the influence of Michel Debré, former prime minister under de Gaulle.*

*Here are excerpts from Chirac's campaign statement which appeared in Le Monde on Nov. 4 under the title: "Mastering the Future."*

"Less than 80 years ago, Paris was the capital of invention and technical innovation. After Germany and Great Britain, France honorably achieved the first stage of industrial development, that of coal and the steam machine. But the enrichment of the nation was hard on the humble and the condition of the workers (was) miserable. A little more than 20 years ago, electricity and oil permitted a new leap forward. But this time the conquests of progress were better shared: the buying power of the French wage-earners more than doubled during the 20 years that preceded the present crisis.

"It is this progression, better controlled socially, which is now at stake. But prospects exist. Nuclear energy, electronics, biology lead to decisive practical applications, opening new, fabulous horizons, even if they are sometimes a cause for concern. We have no choice. We must enter this "new age" of human destiny. It is a question of mastering the future. Only those nations which achieve this will be able to preserve their political independence...

"There exists in France a long and constant intellectual and moral tradition, fed according to the ages by very different input, but always in a state of more or less open hostility towards economic and technological progress... Saint Simon had sketched the most authentic

socialism, with an organization and morality of producers. Unfortunately his thought did not prevail."

At this point, Chirac addresses the antiproduction ideology which was "characteristic of the aristocracy" and which the 1789 revolutionaries "did not eliminate."

Chirac appeals at great length to former Premier Mendes France and other socialists to come out of the closet and assert their commitment to industrial development, against the predominant nonsensical and destructive zero-growth ideology that is put forward by Socialist Party leader François Mitterrand.

Chirac then outlined a program to get the economy back on its feet:

"What is needed is a real, determined, precise national will, which means national planning, the plan being nothing more than the instrument of the political will applied to the economy. And since, except in a dictatorship, such a political will can only come from the sovereign people, the latter must pronounce itself on the goals and means of its future.

"The electoral period will really be profitable for democracy if the country were to become conscious at that time that it must, above all, come out for the development of nuclear energy, as well as energy savings (that is, oil — ed.), for production of high technology qualifications, and a high surplus value, for a powerful agro-food industry, in short for what will constitute the precondition for progress as opposed to decadence."

Chirac outlines the necessary solutions as:

1) fighting unemployment through relaunching the economy by credits to capital intensive investments in industry,

2) State economic planning for a growing economy, setting up goals, and the financial means to achieve those industrial development plans.

Finally Chirac speaks of the need for "workers participation" which he locates in the upgrading of labor power that alone makes possible a worker's share in economic decisions. "Automation will take over more and more of the fastidious, repetitive and badly paid tasks. The effort accomplished in the area of education and professional training will, in a parallel fashion make each Frenchman into a highly skilled technician. At the price of heavy investments, a country like France, if it chooses the option of progress, will be in a position to upgrade each year hundreds of thousands of jobs, making them more productive, more interesting and much better paid..."