

Editorial

Austerity will no longer sell

Canadian voters dealt an overwhelming defeat to the ruling Progressive Conservative party on Oct. 25. This should be taken seriously as a harbinger of things to come.

Among other things, the victory of Jean Chrétien has definitely put the North American Free Trade Agreement (NAFTA) up for grabs. His first public statement after the landslide vote for his Liberal Party was registered, was to reiterate his intention to renegotiate the treaty, and also to defend existing Canadian subsidies to energy producers.

These moves will certainly make things harder for Bill Clinton, who has trouble enough trying to shove NAFTA down the throats of American lawmakers; but it also signals a changed climate in Canada. It appears that austerity will no longer sell.

Like Clinton, the Liberals had campaigned on a slogan of economic growth which included a \$4.5 billion public works job-creation program. To what extent they will carry through on that remains to be seen, but it is clear that the mood rejecting austerity which swept the Canadian population, just as it did Clinton voters last year, is not limited to North America—where revolt simmers also in Mexico. Around the world, we are seeing social explosions under conditions of worldwide economic collapse.

Consider Canada against the backdrop of the French government's backdown in the face of resistance by airline workers and others to announced government austerity moves against them and the French aerospace industry as a whole.

The strike at Air France virtually shut down air traffic in that country for more than a week. It enlisted wide-ranging support throughout the population, particularly from the farm sector. Was the smell of 1968 in the air? Even the suspicion of this was apparently so frightening to President François Mitterrand that he has changed course abruptly, giving in to the workers and declaring himself to be an opponent of unlimited free trade and International Monetary Fund-mandated austerity measures.

During an Oct. 25 television interview, Mitterrand

said that free trade was fine up to a point, but that open markets often meant injustice and an American "diktat." The Socialist politician recalled that he was never enthusiastic about privatizing state enterprises, especially those industries such as aerospace, which involve national prestige: "Why," he asked with much justification, "should private, even foreign capital profit from the best of France?"

No doubt this change of heart by Mitterrand was influenced by the appearance, alongside the posters supporting the airline employees, of signs denouncing the General Agreement on Tariffs and Trade (GATT) and attacking other moves against farm subsidies.

Nor will the mood of revolt give any joy to the heartily disliked government of Prime Minister John Major in Britain. On the Oct. 27, the London *Times* reported on the French strike with obvious unease. Commenting on the fact that the strike is part of a broader rallying of the French population in support of state-owned industries, the *Times* attempted to ridicule those remnants of Gaullism that persist. As correspondent Charles Bremmer put it, the French public is "far from convinced that it should abandon the formula which has worked well since Jean-Baptiste Colbert shaped the dirigist doctrine, up to the 1960s. Those were the years when industrial planning and a welfare state helped make President de Gaulle's Fifth Republic so prosperous that it was dubbed 'a Soviet Union that works.'"

The popular discontent is also being mirrored in policy discord now surfacing over the handling of the Russian crisis. At issue is growing recognition that IMF shock therapy methods are backfiring and catapulting Russia back into a military dictatorship.

It is time for a drastic change; but a populist mood can be dangerous if ignorant people are led to embrace radical fascist solutions out of desperation. The London *Times* fears a return to Gaullism in France, but the truth is that the only leader today who represents the real tradition of Gaullism is the American Lyndon LaRouche. It is LaRouche's solutions which must become hegemonic if this window of opportunity is not to be slammed shut.