

Stunned W. Europe, U.S. Prepare To Come To Terms With Colombo

NEW YORK, Aug. 25 (NSIPS) — Virtually all of Western Europe is preparing to begin negotiations with the non-aligned countries of the developing sector following last week's conclusion of the 85-nation summit meeting in Colombo, Sri Lanka. In the United States, Republican Party and Administration figures close to President Ford are considering whether to dump the Kissinger strategy of debt collection by force, and come to terms with the Non-Aligned program for a new "universal monetary system" and general debt moratorium.

Within a space of a few days, the Colombo meeting has fundamentally changed the world political map, creating potentially favorable conditions for early agreement on a new world monetary system between the advanced capitalist countries, the socialist sector, and the Third World. But the political determination of whether the Colombo moves will lead to an orderly transition to the new monetary system, or a chaotic collapse of the old one, falls principally to the U.S. Labor Party's mobilization of mass support in the United States for its International Development Bank (IDB) program. The IDB, first proposed by U.S. Labor Party Presidential candidate Lyndon H. LaRouche, Jr. in April 1975, is the prototype for the Non-Aligned group's "Universal Monetary System."

French Premier Jacques Chirac and his cabinet resigned today, leaving Atlanticist French President Giscard in almost total political isolation. The immediate trigger for the French political crisis, which followed weeks of mounting Gaullist pressure on Giscard, was the Colombo meeting's resolution to embargo oil shipments to France, in retaliation for President Giscard's role in Kissinger's gun-running to the South African outlaw government.

Rapidly, the strength of the Gaullists, who publicly support debt moratoria and a new gold-backed monetary system, will escalate to make possible a French-Italian alliance in Europe in support of the Colombo resolutions. Privately, the Italian government of Giulio Andreotti has agreed to mediate the Third World's demands for debt moratorium within Western Europe. Virtually no sector of the Italian government is prepared to oppose him.

Swiss Review IDB

In Switzerland, leading bankers broke ranks with Henry Kissinger's debt-enforcement policies as soon as news arrived

of the Colombo meeting's decisions, predominantly featured in the Swiss press. The Swiss, as a matter of pure expediency, now perceive that they have no choices open but to collaborate with the Third World, or watch the monetary system dissolve into panic. White House signals that the United States will not respond to Third World debt moratoria with trade embargoes and other forms of economic warfare have had a devastating effect on European financiers' confidence in Wall Street.

Top Western German government officials are scrambling to put together a "compromise" formula on debt moratorium, according to a source close to German Development Minister Egon Bahr. What makes life even more difficult for West Germany's Junior Yankees is their inability to determine which way President Ford will move. "We will follow any policy the United States adopts," a diplomat said.

Indeed, the most important decision still has to be made on negotiations with the Third World at the Ford White House. Internationally, all eyes are turned on the Republican Administration, which will decide the role of the world's most powerful economy in the new international monetary system. Senior advisors to Ford say that the International Development Bank and related proposals have been "taken under advisement," and are now under close scrutiny by White House officials. In private discussions a handful of senior Republican leaders have expressed cautious willingness to negotiate the shape of the next world monetary system with the Third World. In response to the U.S. Labor Party's campaign for mass support for the International Development Bank, a group of Mid-western industrialists have begun recruiting support for a positive U.S. response to the Colombo initiative.

Wall Street itself is a shambles after Ford ruled out a "hard line" response to debt moratorium. As a top Republican Party official put it, "Panic is a mild word for what's going on there."

Left stranded by the Ford Administration, the New York banks are left with no hope of short-term survival, except to convince the Third World to continue the debt "rollover" game of the last 18 months. The Third World has sustained a bankruptcy in fact, while preserving the illusion of solvency at the major Eurodollar banks. The price for this has been declining import levels and collapsing domestic living standards in most Third World countries, under continued threats against current-account trade financing by the New York debt collectors.

Gaullist Barons Gain Tactical Victory Over Giscard After PM Chirac's Resignation

Aug. 27 (NSIPS) — With the resignation Aug. 25 of his "revisionist" Gaullist Prime Minister, Jacques Chirac, France's Atlanticist President Giscard d'Estaing suffered a major tactical defeat. Although Giscard apparently forced Chirac out by denying him the means to contro his rebellious Atlanticist ministers, and thus the loyalties of the UDR Gaullist party base, the composition of the new government shows that far from eliminating Gaullist influence (as the U.S. Atlanticist press claims), Giscard has had to make concessions to Gaullist "barons" Debré, Chaban-Delmas and Guichard.

As the West German newspapers Sueddeutsche Zeitung put it yesterday (before the composition of the new government was

known): "... The President, only supported by the center parties and accidental majorities, no longer has any base in parliament. With this, the constitutional conflict ... has already broken out into the open ... The result is an explosive political situation, which cannot be fully evaluated." To prevent such catastrophic developments, Giscard has had to trade "revisionist" Chirac for the support of the much more demanding "barons."

The composition of the new government reflects traditionalist Gaullism. The new Prime Minister — who will also run the Finance Ministry — is Raymond Barre, a "technician" without party affiliation who served General de Gaulle as vice-president of the EEC Commission in the 60's. Barre today received

Debré's endorsement. His deputy-minister of Finance will be Gaullist Robert Boulin.

Equally significant is the promotion of Gaullist Guichard to Minister of Justice, in replacement of raving Atlanticist Lecanuet, who ends up in charge of the Ministry of Economic Planning. Finally, Ambassador to the U.N. Louis de Guiringaud, who spent most of his career in Third World posts, replaces Atlanticist non-entity Jean Sauvagnargues at the Foreign Ministry.

The program of Raymond Barre's government is not known yet, but Giscard himself said two days ago that its immediate task is to defend the French franc against speculative attacks and to initiate the struggle against run-away inflation, thus indicating that — for the first time since Giscard's election in May 1974 — something serious may be done to combat the devastating effects of Wall Street's export of hyperinflation and deindustrialization through the Eurodollar market and the Cayman Islands swindle.

Debré himself said on French radio today that UDR Gaullist support for the government would depend on the nature of the latter's policy, stressing in particular the necessity of a resolute development-oriented anti-inflation struggle, and of national independence.

Francois Ceyrac, head of the French employers' association CNPF, in effect announced that his organization is in the Gaullist camp in a radio interview yesterday. Commenting on rumors of an upcoming incomes' policy, Ceyrac agreed that the growth of wages must be moderated, while stressing that "this moderation also applies to non-wage revenues, including capital revenues." This de facto call for a tax on capital corresponds with a long-standing demand of the traditionalist Gaullists.

This surprisingly positive statement from France's industrialists, along with the often reaffirmed anti-austerity stance of the French Communist Party (PCF) and the trade-unions, shows to what extent Wall Street's creature Giscard is boxed in.

Sanguinetti:

French Need "Adventure In Non-Alignment"

Aug. 26 (NSIPS) — The following interview with Alexandre Sanguinetti, former Secretary General of the Gaullist (UDR) party appeared in the Aug. 23-29 issue of the weekly Le Nouvel Observateur:

Q: Aren't you afraid of soon being bypassed if your affirmation of Gaullist principles by an ex-Prime Minister by the name of Jacques Chirac?

A: I hope so with all my heart.

Q: Some attribute your criticisms against the policy of French President Giscard to disappointed ambition or ill humor. What do you think?

A: Frankly, taking into consideration the services which I have rendered the people in power, by seeming to be docile I could have attained a lovely career. Besides I haven't any personal quarrels with any of the princes who govern us. My ambition is simply to live by my convictions.

Q: But it is not really clear what you accuse Giscardism of, except that it replaced Gaullism-Pompidouism. . . ?

A: No. My complaints are political. In diplomatic matters, for instance, I think that we have returned to dependency. The head of state and his government accept the status quo in Europe and in the world. They no longer reject blocs. National independence, however, means refusing to submit Europe to these two imperialisms, who are both rivals and accomplices, and

which perpetuate an obsolete world....Our government should on the contrary seek to break this passé scheme (the 1949 North Atlantic Treaty), by which we are locked in by the Americans' Atlantic Pact and the Soviets' Warsaw Pact. . . . In truth, I believe that the French people need the great adventure of non-alignment. But that is precisely what is denied to them. This is one of the examples of the return to the 4th Republic which we are witnessing today.

Q: Not on all levels. You, nostalgic for Gaullism, are you not seduced by the — often authoritarian — style of the government of the head of state?

A: Let's be serious. Not long ago Giscard reproached Charles deGaulle for his "solitary exercise of power." Today, he outdoes the General. Never, for generations, has power been so solitary. (Earlier 20th century French Premier Georges) Clemenceau relied upon the political class to govern, deGaulle on the masses who frequently questioned him by means of referendum. But what does Giscard rely upon? Honestly, I ask myself. What I do know in any case is that we are in a pseudo-monarchy.

Q: How do you show that?

A: By a general demeanor and a thousand little details. . . . Above all, what strikes me is this air of boredom, of fatigue, which he displays so frequently. Louis XV must have looked the same at the end of his reign.

Q: Nonetheless many Frenchmen continue to consider the head of state as a man of good will. . . .

A: That is not the problem. I am obliged to admit that Giscard was elected on his economic and financial competence. What's left of it today?...All that our National Administration School graduates in power know to do to cure inflation is to raise the interest rate and increase the price of postal stamps. You see where they've brought us: the collapse of the franc. . . . No one can lastingly govern France unless he represents both the left and the right. But Giscard is the right, and it alone. His reformism is only a verbal one. . . where are the great social changes? One still waits for the immense fiscal reform the country needs. One also waits in vain for the reform which will transform the relations of capital to labor. For the wage earners cannot be citizens in the nation and subjects in the factory. Our active population counts 80 per cent wage-earners today: if we want to reach a social consensus, they must be given a share of power in their workplace, in brief, they must be associated with capital. Indeed, autogestion would fragment the productive capacities. The collectivist way would fatally lead to the domination of a master-party and its bureaucracy. As for liberalism, which is an addition of individual egoisms, I sometimes wonder whether it does not lead us straight to fascism.

Q: You mean that there is a potential fascism in Giscardism?

A: I only ask to be wrong. But I believe that, through some sort of logic, some in this regime may some day tip over into fascism. Why? Because liberalism goes toward fascism when it feels threatened. The progressive take-over of the press by certain men whose origins and ties are known to everyone is, in my view, an omen. In the name of free enterprise, freedom of expression is being killed. What I am also being bothered by is the fact that the government seems to look for support in the sociological classes which feed fascism, historically, rather than in the whole nation. Unfortunately, when (French Socialist Party head) François Mitterrand says that the left has behind itself the sociological majority of the country — the majority of the active population — he is right. It is the inactive who today compose the main batallions of the "advanced liberal society."

Q: According to you, Alexandre Sanguinetti, you are no longer part of the presidential majority?

A: I have never been a part. I have always rejected that notion, which is not Gaullist. If there is need of a majority in the