

cabinet officials are known to have planned. Specifically, Haines charges that "the Old Lady" (the Bank of England) and the British Treasury manufactured a run on sterling on June 30, 1975 to force the government away from its negotiations for a social contract with the trades unions and towards more "drastic" austerity measures favored by the international banking community. "Suspicious that the Treasury and the Bank of England act together to thwart the honest yeoman of the Labour Government are always dismissed as part of the paranoia of the Left," writes Haines, a self-described "Cromwellian republican." "In this instance, they cannot be so easily dismissed ... Though it sounds melodramatic to say so, had they succeeded in the attempt, it would have been a civilian coup against the Government."

Backing up Haines's charges, Wilson's former Cabinet Secretary Sir John Hunt has called for the complete dismantling of the Treasury department during his testimony to the Commons Select Committee investigating the Civil Service. One member of the Parliament had asked him to confirm the veracity of the rumor that the Treasury had played a similar role during last fall's sterling crisis, which he did.

While Callaghan has been taking pains to stay above the scandals surrounding the Haines book, there is good reason to believe that he was not unaware of its content before publication. Not only is Bernard Donoghue, Haines's primary associate in the Wilson government, the head of Callaghan's policy planning staff, but the atmosphere generated by the book nicely complements the strategy that Callaghan has been following to make the

Treasury and Bank of England directly accountable to him and his personal staff.

Even the more popularly sensationalized sections of the book exposing the underhanded political maneuverings of Wilson's emotionally unstable personal secretary, Lady Falkender, indicate concerted effort within the Labour party to discredit the Rothschild-linked City of London financier figures, whom Lady Falkender numbered among her "friends." The most notorious of her acquaintances, Sir James Goldsmith (reportedly knighted by Wilson at the Lady's instructions) exhibited his "loyalty" to Callaghan last week by calling for the formation of a coalition government, the ploy being used to breakaway elements on the Labour Party right to bring the government down.

Sir Harold Wilson, himself now chairman of Callaghan's committee to investigate the City of London, has announced that the operations of the property speculators of Goldsmith's ilk will be the first to be investigated. Wilson said, that he intends to determine how it was that money was available in the early 1970s for speculation, but not for industrial investment.

Callaghan has an opportunity to further consolidate his position following the unfortunate stroke of Foreign Secretary Anthony Crosland, who led the fight against the Treasury's austerity package during IMF loan negotiations last fall. On the basis of Haines's charges that Lady Falkender personally directed Wilson's last cabinet reshuffle, Callaghan could easily sweep the decks of opponents to his industrial strategy by cleaning out the remnants of this "Falkender takeover" of the Wilson regime.

What The 'Chirac Phenomenon' Will Do To French Atlanticists

FRANCE

For the first time in ten centuries, Paris will actually have a mayor next month. Nationwide March municipal elections, the first major electoral test for French President Giscard D'Estaing since the beginning of his term in 1974, will pit thousands of "Union of the Left" Communist-Socialist lists against their opponents of the nominal "presidential majority," made up of the mass-based RPR Gaullist party, Giscard's Independent Republicans, and assorted social-democratic and centrist grouplets. However, everyone agrees that the crucial contest is the three-way Paris race, between an RPR list headed by former Prime Minister Jacques Chirac, a Giscardian list led by Industry Minister D'Ornano, and the Socialist-Communist coalition, whose list was established *in extremis* Feb. 14.

To the consternation of Giscard and all Atlanticists in France, Chirac has already been declared the winner. All polls — except for the fraudulent ones issued by the

pro-Carter magazine *L'Express* — agree that Chirac will crush D'Ornano and easily defeat the Union of the Left list, whose prospects in the "bourgeois town" of Paris were never good and whose protracted haggling for party position has not improved their image.

The great irony of the situation is that the Paris mayoralty race, which Giscard originally intended to use to submerge the Gaullists far down on a cumbersome "non-partisan" list headed by his pet D'Ornano, has turned into a potentially fatal political disaster for the President and Atlanticist interests in France. Chirac and his indignant followers simply pulled out of the alliance with the Independent Republicans, denouncing Giscard's "intolerable attack against faithful allies."

As Gaullist leader Michel Debré has said, the Mayor of Paris will be a towering political figure because of the inordinate weight of the capital in heavily centralized French political and administrative affairs. If the Mayor is a friend of the President, the government will see its action enhanced; if a political adversary, however, the government will be virtually incapable of ruling *against* the Mayor. That is precisely the reason why Paris has not had a Mayor for so long, and why it has been ruled by

a figure-head "City Council President" under the Interior Minister's tight control throughout the modern era. The Gaullists themselves fought against the executive fiat which changed Paris' status two years ago, and are now using the new rules to consolidate their own position. *C'est de bonne guerre!*

Chirac's anticipated victory will be used as a bastion from which to annihilate any attempt by the Atlanticist President and his acolytes to lead France down the austerity path insistently pointed to by the Carter Administration and the International Monetary Fund. In a way, the Gaullists are making Giscard an offer "he cannot refuse." Either, they say to Giscard, you adopt our program in the domain of defense (preservation and expansion of the "multi-polar" nuclear "dissuasion force"), national economic and political independence (including a resolute *no* to the "Tindemans Plan" for a united political Europe), international cooperation with all potential trade partners, including the East Bloc, in which case we will support you faithfully; or, you act otherwise, and we will fight you tooth and nail from our advantageous positions, and eventually precipitate a national crisis in which you will probably lose your job, Mr. President.

There is, of course, no guarantee that Giscard will follow the path of national political sanity dictated by the Gaullists. Although the President has toned down his Atlanticist rhetoric lately, it is an open secret that his most cherished wish is to split the Union of the Left and invite the Socialists into the government, where they would replace the bothersome Gaullists. This perspective is broadly that of the Trilateral Commission, the New York Council on Foreign Relations, and other U.S. think-tanks and policy making bodies, which have excellent relations with Socialist leaders Mitterrand and Rocard.

The problem with this — from an Atlanticist standpoint — is that the Gaullists are known experts at sabotaging contrary deployments. The RPR leaders make no bones about the fact that their new party — founded last December 1976 — was created specifically to cut into the presumed electoral strength of both left and right opponents, exactly like the RPR's predecessor, the UDR, at the time of General De Gaulle's return to power in 1958.

So far, the Chirac tactic has met with great success. While the D'Ornano candidacy, whose program is to

bring back "silence" to the city of Paris, has become a public laughing stock, the Union of the Left is the scene of increasingly violent infighting between paranoid Communist leaders strapped by the pro-Gaullist sentiments of their working class base, and Socialists anxious to govern and try their hand at Trilateral deindustrialization programs. The "common front" list, which the two left parties finally agreed upon this week, entails so many concessions by the PCF to the Socialists that it will only serve to accelerate working class motion into the Gaullists' camp.

To hasten that process, appeals by the Gaullist "barons" (the recognized historical leaders of the movement) to the Communist rank-and-file are multiplying. In a radio interview Feb. 14, Debré reaffirmed the Soviet Union's "peaceful intentions" and denounced the Carter Administration as "the main political and *military* danger to Europe." Said Debré: "Though I am known as an anti-Communist, I will ally with anyone" to prevent the election of the supranational European Parliament prescribed by the Tindemans Plan. Last weekend, RPR executive member Alexandre Sanguinetti attacked Giscard for preparing to replace his Gaullist allies with the Socialists, leaving the PCF "free" to join in and enforce austerity, or break up the Union of the Left.

The Gaullists are also organizing the Giscardians' own base against the President. Last weekend, five "middle class" institutions — France's largest farmers' and white collar workers' unions, the Chamber of Trades and Artisans, the Association of Small and Medium Industries, and the medical doctors' professional association — regrouped for the defense of "their common interests" — a move clearly sponsored by Chirac. Days earlier, the Socialists had begun a vast "seduction campaign" in the direction of those same layers, with few results.

For good measure, RPR parliamentary head Labbé Feb. 16 accused Interior Minister Poniatowski and Equipment Minister Lecanuet of blatantly violating the civil rights of RPR leaders in Paris with 200 illegal phone taps and other listening devices. This issue threatens to blow sky-high Poniatowski's whole array of CIA-inspired "dirty tricks," including bombings and assassinations which he has used against Giscard's political opponents.