

# British Factions Demand East-West Trade, Fusion

Oct. 22 (NSIPS) — Although the British have yet to initiate definite action to defend the pound sterling, they are perfectly cognizant of the fact that the present monetary system cannot hold up beyond Christmas. In light of the imminent collapse of the dollar sector, leading industrialists have begun to demand that Britain hook up with the Comecon trading arrangement and ensure the continuation of economic relations through East-West trade. The high level of factional discussion within the Cabinet and City of London circles has promoted the prestigious Times of London — which reflects opinion in the corridors of power — to demand a collaborative effort between the Soviet Union and the West to develop fusion power for peaceful uses.

In the midst of such discussion, former Conservative Prime Minister Harold MacMillan has re-emerged on the political scene with a call for a "broadly-based administration" to reverse the country's decline. "We either slide down and down or we have a Communist revolution...or we make an effort such as those we made in the past," said the 82-year old politician. MacMillan recommended that the Bank of England should "stick to bingo" since they had lost so much money in currency speculation, and advocated the use of science and technology to regenerate production and create industrial wealth.

"Unsung cooperation" between the Soviet Union, the U.S., Britain and France in the area of controlled fusion research "could bring vast supplies of power" stated the prestigious London Times, in a special 16-page section on Anglo-Soviet trade. The Times urged that priority must be given to "mutually-advantageous trade and economic links between the Soviet Union and Britain" with the participation of British firms in the development of Soviet natural resources. "Political support for detente depends on people seeing it as more than economic advantage," wrote the Times, referring to the arms race. Another article in the section stressed the political significance of Comecon economic planning.

Industrialists such as David Plastow, head of the nationalized Rolls Royce Ltd. have stressed that since the rules of the present western "free market system" effectively rule out any economic recovery, Britain would do well to join the Comecon. Similarly the London Chamber of Commerce emphasized the necessity of continued trade with the east bloc in a letter to British Trade Minister Dell.

Pressure on British Prime Minister Callaghan to break with the dollar and declare sterling inconvertible has become extremely strong, but Chancellor of the Exchequer Denis Healey is known to have argued against such moves. Healey told left-wing members of the Labour Party this week that their demand for a confrontation with the International Monetary Fund was "just daft", and Britain could not afford to offend its creditors. The left faction has repeatedly urged Healey to adopt an alternative strategy to defend the pound and free the country from the "dictates of international bankers."

## British Press Says Mark Revaluation Will Not Stop Economic Chaos

Oct. 19 — *The revaluation of the German mark was greeted with widespread skepticism by the British press today. The consensus was that a new monetary crisis could break out within weeks. The following are excerpts:*

**Financial Times:** "Revaluation of the D-mark in the European snake of jointly floating currencies was widely regarded today in West German banking circles as insufficient to ensure against

another currency crisis. But the move was welcome in so far as it prevented break-up of the snake...In the foreign exchange market the air was one of pessimism. One broker went as far as predicting a new crisis before the end of the month. This might be extreme, but there is a strong body of opinion that another will come before Christmas.

**Daily Telegraph:** "The surprise realignment of the mark...was only a qualified success on the foreign exchange markets yesterday...It has relieved the exchanges of some speculative pressure at least temporarily but it has not changed the facts of economic life."

**The London Times:** "West Germany's surprise decision to revalue the mark only partially succeeded in restoring stability to the international currency markets. The move appeared to help the hard-pressed pound, but other weak currencies, like the French franc and the Italian lire actually lost further ground."

## British Industrialist Calls For Britain To Join Comecon

Oct. 20 — *According to the Journal of Commerce today British state sector industrialist David Plastow has proposed that the only alternative to the present confusion on industrial policy would be for Britain to join the Comecon trading arrangement:*

David Plastow, president of the Society of Motor Manufacturers and Traders and Group Managing Director of Rolls-Royce Motors, claimed Tuesday that 'the motor industry cannot accept the present state of confused thinking by the government.... It is no longer a question of who rules, but what are the rules?... At present we are part of the western economic system and we must play by its rules — rules based on the principles of capital, risk and reward ... on the principle that you cannot spend what you have not earned.' If Britain does not wish to operate by these rules, the only alternative is to join Comecon — as there is no prospect of recovery for Britain by continuing to steer a path between these two alternatives.

The London Daily Express was the only British newspaper to print Plastow's daring proposal: "If we do not accept the rules of the Western system — that free market forces operate — then the only option is to join Comecon."

## London Chamber Of Commerce Urges Increase In East-West Trade

Oct. 18 — *The London Financial Times reported today that The London Chamber of Commerce has warned of growing dangers to trade between Britain and the Comecon.*

The London Chamber of Commerce and Industry yesterday warned that further controls applied to East European exports could cause lasting damage to trade prospects with those countries.... Growth in industrial development in Eastern Europe has presented increasingly attractive markets for Western manufacturers, especially of capital goods. This, the Chamber believed, must inevitably entail increasing reciprocal efforts by the East European countries to increase their hard currency earnings in the West. For many years the Chamber had worked vigorously with East European countries to promote an orderly and progressive development of two-way trade, through appropriate marketing strategies.