

Gaullists Put The Squeeze On Giscard

FRANCE

The French Gaullists have made an offer to France's President Giscard d'Estaing that the Wall Street-allied chief of state cannot refuse. Gaullist spokesmen have thrown down the programmatic gauntlet to Giscard in a series of policy statements over the last week centered around the Paris mayoral bid of the president's former Prime Minister and Gaullist Party (RPR) head Jacques Chirac. These pronouncements make clear that they graciously will accept nothing less than Giscard's full cooperation with their plans for domestic industrial and trade recovery via French participation in the new world economic order. Should the President refuse, the Gaullists have made equally clear that they will go for his jugular.

Chirac himself, reiterated the key points of the Gaullist economic program in a Jan. 28 press statement in Marseilles, a statement which had all the earmarks of General Charles de Gaulle's program for an independent French foreign policy and cooperation with the Third World.

Chirac accused Giscard of squandering "the capital of friendship and confidence (that France) gained when African nations became independent," and called for "a new Marshall Plan" by the industrialized countries to alleviate the Third World depression. France, Chirac claimed, must not wait until the divided OECD nations "speak with one voice" before attempting, on its own if necessary, to "pull the stalled North-South dialogue (on the new world economic order) out of its dead end."

The likelihood that the Gaullists' economic alternative to Wall Street put forward by Chirac in Marseilles will become French policy in the near future is increasing rapidly with consecutive consolidations of the Gaullist machine behind Chirac's mayoral candidacy. Gaullist "baron" Michel Jobert, known as the stinging public critic of Chirac collaboration with the Giscard regime during the latter's term as prime minister, emerged from a Feb. 1 meeting with Prime Minister Raymond Barre to tell the press that Chirac is conducting his campaign in the tradition of the Fifth French Republic de Gaulle founded.

Jobert's endorsement of Chirac's bid for the powerful municipal seat complemented the across-the-board support Chirac has gained from the Gaullist Party, reflected in the party's choice of political executive officers at its Jan. 30 central committee meeting. The newly elected political executive committee of the RPR has pulled in all major party tendencies, most notably the de Gaulle generation of old-line "barons" including Michel Debré, Pierre Messmer, Olivier Guichard and Maurice Couve

de Murville. Also sitting on the new committee is a sizeable contingent of "Corsican mafiosi" Gaullist leaders such as Alexandre Sanguinetti and René Tomasini, internationally known for their effective 1960s counterintelligence work against the Secret Army Organization, a Rockefeller-funded terrorist gang connected over the last two decades to Giscard's Interior Minister Michel Poniatowski.

Prime Minister Barre stepped into the act this week with a Jan. 30 radio press conference during which he refuted claims by Giscard's allies that the Chirac candidacy threatens a "crisis of the regime." Citing the Gaullists' support for his policies of economic and technological development, Barre stated that there exists "no fundamental difference" in outlook between him and Chirac. Moreover, according to the Paris newsdaily *Le Monde*, Barre held up his national radio statement until he had received news of both Chirac's Marseilles speech and the RPR central committee meeting that same weekend.

EEC Commissioner Calls for Development Grants to Third World

In an interview "timed to coincide with the European visit of Vice-President Mondale," European Economic Community Commission member in charge of aid and development, Claude Cheysson called for outright financial grants for the underdeveloped sector. The interview printed in the Jan. 29-30 issue of the International Herald Tribune, also called for participation of Eastern European countries in the new world economic order and European "integrated cooperation" with the Third World.

Cheysson has been a key figure in the North-South dialogue, and issued a public protest late last year when West European heads of state agreed that the talks had to be postponed until the Carter Administration took office.

The interview was conducted by James Goldsborough and excerpts are reprinted below:

Question: Whatever happened to the North-South dialogue?

Answer: ...Attitudes in our countries have been changing. Our governments now realized that we need working agreements with the developing countries on all aspects of commodities, transfer of resources, opening up of their markets, etc. The economic crisis has

changed the attitudes of the industrialized countries; this is clear for France, Germany, Italy, all of Europe and possibly Japan. There is now a much greater concern on the economic order of the world tomorrow.

Q: Why is Europe so concerned about this?

A: One reason is that during the past three years the Arab world has become the European Community's No. 1 customer. It now represents 13 per cent of our exports. The United States only about 11 per cent. But the rate of growth has multiplied by four with the Arab world, while it is declining with the United States. And what is happening with the Arab world could happen in other developing countries if only they had the financial means to make the purchases from us....

Q: How can this interdependence develop when much of the world has not completely recovered from the recession?

A: I am convinced that the least deflationary method of recovery, with the least inflation, is in the Third World markets....

Q: But how rapidly does this transfer of resources have an effect on our own economies?

A: Very rapidly. When the oil prices first went up three years ago, the EEC made a gesture, little appreciated in Washington at the time. We offered to put \$500 million in a pot, provided that other industrialized countries and the oil producers would put the balance to make up a \$3-billion fund. Washington never followed, but the others did and the \$3 billion was made. But what is interesting is that this money, pumped into the developing countries worst hurt by the oil-price increases, resulted in purchases from us of much more than \$3 billion. It was an almost immediate return, just as fast as if you had

pumped the money into our own economies. But without inflation.

Q: It is a rather new approach to try to get out of a recession through investing in another country, isn't it?

A: That's right. The problem is that it is still being done in the old style, through export credits, which is nonsense. Those developing countries with their potentially huge markets already have passed their indebtedness capacity. It is sheer hypocrisy to increase export credits to India and such countries when we know they can't be repaid. Why pretend it is credit when it will turn out to be grants? I prefer to call it grants, and link it to economic recovery.

Q: What about linking the Communist nations to this exchange?

A: ...Many Third World nations with nationalist movements, in the first stages of independence in particular, are convinced they can rely on Eastern Europe for support, not only in their liberation, but in their development. But participation from Eastern Europe also follows from détente. If there is détente it means that East and West are going to work together on these important problems...It could be done in the North-South talks, but it could also be done bilaterally...In any event, Western Europe should be part of a new world economic order.

Q: What of the U.S. role?

A: The United States must accept that capital development is essential in the Third World. The record of the U.S. over the last few years has been very poor...Europe needs to enter into the kind of integrated cooperation with the Third World which the U.S. is not ready to accept....

EXCLUSIVE

The Bullock Report: 'For The Health Of The British Industry'

BRITAIN

The determination of British Prime Minister James Callaghan's government to bring before Parliament major legislation providing for worker democracy in industry by this summer has provoked one of the most important debates on post-war British economic policy. The apparent source of the debate is the Bullock Committee report on industrial democracy, released last week, which calls for a revolution in the structure of industrial management as the only sound basis for the growth in production and technological expansion that British in-

dustry must now undertake.

The report specifies equal representation of employee and stockholder interests on boards of directors of all British companies with at least 2,000 employees as the necessary prerequisite for development of industrial investment and modernization programs to boost output and productivity in British industry. The report dismisses as "sham and token" worker coparticipation programs of the Swedish and West German variety which induce trade unions to impose austerity on their membership. The report stresses that "trade union involvement is fundamental to the industrial strategy, not simply because such involvement is necessary to forestall negative resistance to change, but also because employees,