The chink in Chirac's armor

An economic policy which wins the IMF's "esteem" and destroys a nation's economy, has never won an election for anyone.

Speaking on French National TV's Channel 1 on Jan. 1, Economics Minister Edouard Balladur said he was flattered that his economic policy had won the esteem of the International Monetary Fund (IMF). This remark, dropped offhand during his interview, betrays the fundamental chink in the armor of the Chirac government.

In view of the 1988 presidential elections, Premier Jacques Chirac is striving to keep the economic situation under control, and thus making concession after concession to multinational financial interests. He hopes both to gain time without making waves and to draw foreign capital into French markets: a twofold benefit and quick way to bring in resources.

Unfortunately, behind this shrewd maneuver lurks a disastrous policy, based on enforcing austerity, or "rigor" as the government calls it. This is costing Chirac the support of his constituencies, mainly in small- and middle-sized industry and labor, and at the same time opening France up to foreign interests.

All the publicity being given to the sale of French nationalized companies that can be bought up by "raiders from outside" is one concrete effect of this policy. In fact, many experts say France is "one of the most vulnerable countries in the world to raiders," which explains why investing in the stock market has become such a speculative craze—fostered by ensuring profits to the small investors who buy and sell shares in Saint-Gobain or Paribas (the first two privatized firms)—while industrial investment stagnates or declines.

France is less protected than Switzerland or even Germany where, besides the big banks which are eager to keep out intruders, the federal anti-trust office (Bundeskartelamt) is always ready to react. Not to mention Japan where, in this matter, no one is "liberal." Even the United Kingdom and the United States have passed restrictive measures, while France submits to the speculative game known to destroy the economies of nation-states. Alain Chevalier, chairman of Moët-Hennessy, recently stated: "In America, there is a supremacy of finance and the short-term over industry and the long-term. . . . Maybe measures should be taken to prevent buying up businesses 'on credit'—because it is with other people's money that the 'raiders' proceed."

As for our "deregulation," it can only please the ready-to-pounce financial oligarchy, and hence the IMF. Already, vultures are circling. The "Venetian" financier, Carlo De Benedetti, has given himself a French base, the CERUS, worth 2 billion francs. Gérrard Eskénazi, former number two at Paribas, and his friend Albert Frères have built up in four years in Belgium a multibillion-franc firm, Pargesa-Bruxelles-Lambert, linked to the most unsavory multinational interests, those most determined to meddle in France. Morgan Grenfell, the London oligarchy's merchant bank, has just beefed up its Paris branch by adding the services of a former director general of the industry ministry. Mr. Jimmy Goldsmith is building up a press empire in France, partly with the hundreds of millions of francs he walked off with in Guatemala from the national oil company, Elf. The list goes on: Food processing, electrical equipment, munitions, the paper industry, and the media are all being targeted by these financial interests.

Certain nominations to key economic posts in the government are another indication of this "opening up" to forces hostile to France's independence and growth.

Jacques de Larosière, the managing director of the International Monetary Fund—and the man most responsible for "managing" the Mexican crisis—has become governor of the Bank of France, trading jobs with Michel Camdessus. The employer's association, CNPF, previously led by "national" bosses, will now be run by François Périgot, a director of the Anglo-Dutch trust Unilever. In the industry ministry, Alain Madelin—the whiz of the free-trade crowd surrounding Culture Minister François Léotard—has just named Jacques Maisonrouge, former manager of IBM International, to head up a key department.

Thus, more and more rapidly, France is being "occupied." Merrill Lynch, the international brokerage firm that moved in on London's "big bang" stock-market deregulation, says it is "very interested in Paris." Since Merrill Lynch is one of the top drug-money laundering institutions in the world, it now becomes clearer why the IMF has such "esteem" for our economic policy! That means we must absolutely change it—and destroying the substance of one's economy and imposing austerity on one's population in the process, has never won anyone an election.