

an increase of 15% from last year. According to that poll, two categories combined, "very pessimistic" and "somewhat pessimistic," gives a figure of 73% this year as opposed to 47% last year! One out of three individuals interviewed by this second poll says he is against the government's deficit reduction policies, and one out of two would like the government to foster consumption, as some supply-side economists are proposing.

Opposition just beating their gums

The future facing the country, if Chirac continues to fixate on these rotten policies, is very grim. Even though there is much disgruntlement with the government's policies, nobody, with the exception of LaRouche ally and former President candidate Jacques Cheminade, is proposing an alternative. Within the majority, many attack the "strong franc" policy; but instead of blaming it on themselves (they were, after all, complicit when they were in the government under Mitterrand), and proposing to the other European Union partners a return to de Gaulle's dirigist, productive policies, they remain content with placing the blame on Germany and the Bundesbank (central bank), which they accuse of being the enforcers for the harsh Maastricht single currency convergence criteria. The group around Balladur, Pasqua, and Séguin within Chirac's party, the RPR, recently pressured him to have a "straight talk" with German Chancellor Helmut Kohl about easing the Maastricht criteria and being more flexible, if he is really serious about completing the European Monetary Union and its single currency.

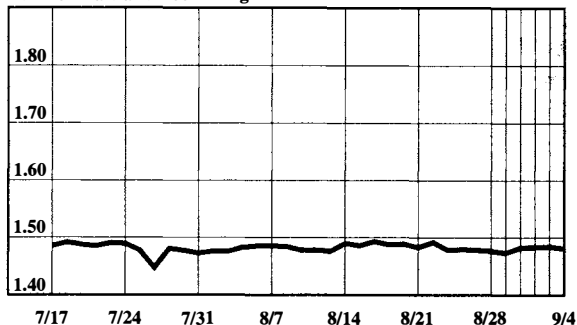
Others, like Mont Pelerin Society president Alain Madelin, Chirac's short-lived finance minister, recently issued a call in *Le Monde*, for the government to bailout the bankrupt banking system. Madelin proposed to reduce interest rates as close to zero as possible, in order to refinance the banks that will then be able to lend for a theoretical upswing. Ironically, Edouard Balladur, a fervent supporter of the Maastricht Treaty and its strong franc corollary, recently called on France to follow the "German reunification" model, where state subsidies financed the industrial reconstruction of the eastern sector. He proposed that the government credit institution, the Caisse des Dépôts et des Consignations, issue a large public loan to be used to relaunch the French government infrastructure projects, which were discontinued in the budget-balancing frenzy. Doing this, said Balladur, could restart investment in the public and the private sector.

The Socialist Party's Lionel Jospin opened the traditional summer cadre school with a new get-tough speech. The present disaster is a result of the "lies" Chirac told when he was running for President last year, he said. Even though Jospin called on his troops to fight those policies and not to go down as the "generation of the '30s," the Socialist Party supports the Maastricht Treaty and could find itself in the same predicament as its predecessors, if it does not explicitly turn its back on Maastricht.

Currency Rates

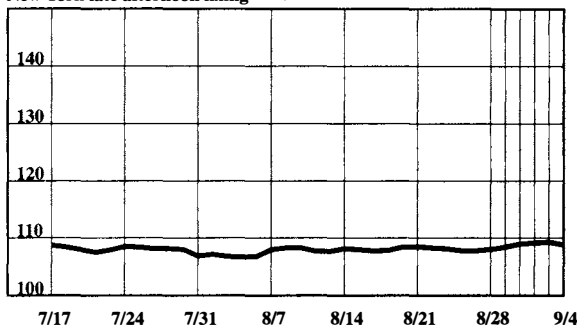
The dollar in deutschemarks

New York late afternoon fixing



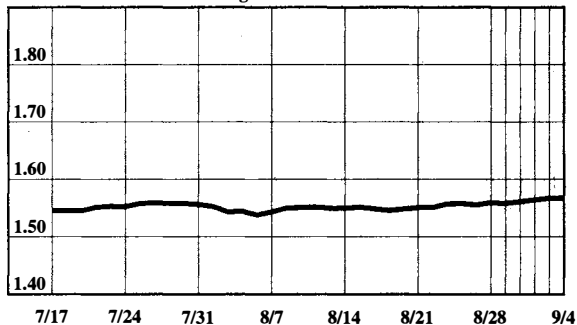
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

