

Report from Paris by Jacques Cheminade

Barre crowd pontificates on economy

The balance sheet of Socialist rule is dismal. And the Davos-Trilateral candidate for President would make it worse.

Bruno Durieux, the economic adviser to the French presidential candidate and former premier, Raymond Barre, has launched an indictment against the economic balance sheet of the "Seven Mitterrand Years." His calculated analysis is right in its broad outlines, but without the slightest serious proposal for reform. Moreover, what little is known of the Barre crowd's intentions, shows that they would do nothing but worsen the situation.

Mr. Durieux is incontestably right on two fundamental points:

- The investment situation, and particularly productive investment, is particularly worrisome in France. Since the start of Socialist François Mitterrand's presidency seven years ago, investment has stagnated, and has not recovered its 1980 level; whereas in Japan and United Kingdom during the same period, investment progressed by 54.4% and 32.7%, respectively.

- The indicator of France's market share—the best measure of our economy's competitiveness—has been trending downward since 1980. The volume of France's exports relative to the eight major industrialized countries has declined relentlessly.

We will leave it to the Socialist Party's experts to cavil over purchasing power, employment, and the rise in prices, and dwell only on the above two points, which go to the core of the problem.

Mr. Durieux has a strange concept of time, which seems to obey political opportunism more than the economic

logic so dear to his boss. In fact, while claiming oh-so-sincerely that he is "entirely in agreement" with the policy followed by Prime Minister Jacques Chirac since 1986 (when Chirac's neo-Gaullists replaced the Socialists in the government), Durieux then goes ahead and includes the two last years of Chirac's administration in the balance of the seven-year term he attacks.

Above all, he fails to tackle the phenomenon at its source. It was during 1976-81—yes indeed, the "Barre years" as premier of France—that this decline began: The financial austerity "cure" was imposed on the economy. In fact it provoked, already at that time, a stagnation of investments, a strangling of research, and a "freeze" in purchasing power, ending the impetus of the de Gaulle and Pompidou years. Since we're getting into drawing up balance sheets, let's have them start on the right date!

But today the most essential thing is not the numbers, but what one wants to do with the numbers. What the "Barre crowd" experts propose, breaks down to a twofold choice: austerity imposed on labor, and tax breaks granted to existing revenues! It is not—contrary to their declared intentions—a policy of aiding or relaunching investments, but a policy aimed at strengthening the "club" of the owners of acquired positions.

There are three actual priorities for France:

- 1) Stop thinking in terms of "profitable markets"—typical Barre crowd reasoning—and think of useful markets to *make* profitable. Since men,

women, and whole economies are dying under the debt burden and lack of funds, they must be made capable of entering or re-entering the productive circuit, which creates wealth, by obtaining long-term, low-interest credit for capital goods. Markets are created, and made profitable with productive credit. That was the approach of the 1947 Marshall Plan, it's the approach of the new "Marshall Plan" of LaRouche and Cheminade—and it's the opposite of the Barre crowd's policy to impose International Monetary Fund "structural adjustment."

- 2) Square the accounts: which means on the one hand "deflating" speculative financial holdings, and on the other hand eliminating an unjust—and unpayable—debt. It means ruining Barre's financial cronies, in the club of Davos and the Trilateral Commission, to save economic production and standards of living.

- 3) Promote investment, not by reducing taxes in favor of holders of existing titles—private or corporate—but by encouraging, by selective credit or fiscal policy, the development of new technologies, which generate productivity. Penalize financial speculation which does not create wealth. These are the bases for a national unity policy in France, and a fine design of generosity and greatness toward the countries of the "South" which demand justice.

Bruno Durieux has shown that he is an excellent accountant. Unfortunately, the question today is one of national and world economy, not of arithmetic; it is of assuring justice and producing wealth, not of managing the financial crisis. We have to get out of the maelstrom, not jump into the pit with greater or lesser competence.

The author is a candidate in this spring's presidential election in France.