EIR Feature

Europe must dump the monster of Maastricht, now

by Jacques Cheminade

The author is the president of the Schiller Institute in France, and has run several campaigns for the French presidency. This article aims to shape the debate around the European Community's Maastricht Treaty, which will be the subject of a referendum in France on Sept. 20.

The Maastricht Treaty on European Union, signed by representatives of all European Community (EC) member states on Feb. 7 and now waiting to be ratified by parliaments, is generally debated in the most irrational terms. Instead of conceiving the policies most appropriate for the people of Europe and for the world economy, almost all the "pros" and the "cons" base their thinking on prejudices and illusions. The "pros" claim that Maastricht will secure peace, economic growth, and the security of Europe, while the "cons" generally defend their respective countries, based on a notion of "national independence" that is often negative and chauvinistic. So if something meaningful is to be said on the Maastricht Treaty and its consequences, we should reject such ideological views and rather start with the challenge facing Europe today, as compared to what is actually written in the treaty.

"Is Maastricht an adequate answer?" should be the question in our minds. My answer is "no," not so much because of what is written in the treaty—which by itself leads to disastrous deflationary policies—but because of what it lacks.

Let me prove my case, not as a cool supporter of some self-centered "nationalism," but as a person committed to the cause of Europe. Europe, not as a mere word, but as a purpose, a lever to shift the world historical situation toward economic growth and social justice.

I. The challenge facing Europe

During the twentieth century, following the two world wars, the United States brought to the world, and in particular to Europe, its potential for economic

French President François Mitterrand (left) and German Chancellor Helmut Kohl meet in June 1990. If Europe is going to face the challenge of continental unity and development, it has to break with Anglo-American economic policies. The heads of state show no sign of doing so; but the coming referendum in France presents an opportunity to inject reality into the public debate.

recovery. We could and should say that, without the United States, without the intellectual and infrastructural capacities accumulated in the United States and made available to the rest of us, there would not have been a world economic recovery after 1918 and 1945.

Today, the situation is very different. The United States no longer has that intellectual and infrastructural potential. Its human infrastructure—schools, scientific laboratories, hospitals—has been destroyed by a "liberal" ideology sacrificing long-term investment in favor of short-term hot money and immediate gratification. The physical infrastructure of the United States—highways, bridges, railroads, ports, steel mills, shipyards—has also been destroyed by the same ideology, an economic monetarism leading to financial speculation and usury incompatible with any long-term purpose. America, since at least the murder of John Fitzgerald Kennedy, has been going backwards and has lost the wherewithal to be the basis for a world recovery.

That potential now lies in European and Eurasian resources, provided that the nations composing that Eurasian "whole" overcome their divisions through far-reaching economic development projects. It is a "whole" stretching, potentially, from Lisbon to Vladivostok, from Berlin to Tokyo, and from Paris to Jakarta.

Western Europe has a key role to play to ignite the process because—like the United States in 1918 and 1945—it has accumulated in the most dense form physical and human economic infrastructure. That ignition, in turn, means that Europe must transfer—like the United States did, imperfectly, with the Marshall Plan—its potential to the rest of the world, combining it with the similar potential of Asian countries, a potential less developed perhaps, but often more dynamic.

To this end, Europe must break with the prevailing Anglo-American "monetarism," the disastrous economic policies followed in Margaret Thatcher's England and Ronald Reagan's United States, and return to a true industrial policy, based on state-stimulated "great projects." There is no other possible option if there is to be a world economic recovery.

Let me sum up the tasks that Europe must carry out if it is to fulfill its historical mission:

1) Break with the Anglo-American world order of usury, and take advantage of Europe's lesser exposure to the present world financial speculative bubble. In other words, the true strength of Europe lies in the fact that its ratio of financial instruments to real physical investment is the lowest in the world, and its human and physical infrastructure is, together with Japan and Taiwan, the most advanced.

2) Break with the notion of isolated or semi-isolated "empires," and establish a growth-oriented system, of the type that Friedrich List developed with the German *Zollverein,* or Customs Union. This must be done now, before Europe is drawn into the financial collapse and credit crunch of the United States, Japan, and the stock markets of the so-called emerging economies.

3) Secure the development of eastern Europe through an infrastructural development plan based on high-speed trans-

port, improved storage facilities, organization of distribution and energy expansion through a nuclear construction drive in the East.

4) Secure the development of the Third World, and in particular Africa and the Middle East, first because social justice demands it, and second because broader markets are needed for the Eurasian whole.

5) Launch infrastructural projects on a global scale, cutting through the limitations of "borders" or influences so as to generate an overall shift in economic logic, from financial entropy to negentropic growth.

6) Create a new international monetary and financial system, which shall ensure that credit be generated for the aims cited above, while speculative ventures and money flows be penalized.

7) Establish national banking systems, the national banks being controlled by the authorities of the different nation-states rather than by technocratic, independent interests undemocratically coopted. To promote such policies, the state needs a credit-generating system obedient to the orientations for which the people have voted. Concretely, this would mean to avoid privatizing the Banque de France and to nationalize the German Bundesbank.

8) Create jobs as part of the process of the "takeoff" in the East and in the South. Unemployment is now the big challenge facing France and West Germany as well: Close to 50% of the east Germans are now unemployed or underemployed, and 15% of the French, in real terms (the official rate is 10%, but 5% more should be added, which are kept out of the statistics).

9) Establish alliances with all states in the world which follow similar or compatible policies, so as to coordinate the world recovery.

The much-touted talk of a "recovery" under present conditions is nothing but a hoax, because there can be no recovery within the confines of monetarism and financial usury. What is required from Europe, is that it be Europe! Faithful to its own historic mission, Europe should lay the foundation for a true recovery, through policies which break with the "logic of monetarism" and instead, act upon the physical economy.

Bearing in mind the nine points we have made, we return to the Maastricht Treaty. Clearly, it does not meet the challenge. First because of what it lacks, and second, because of its own logic, which leads in the opposite direction of what Europe most urgently needs.

II. The monetary logic of Maastricht

A. A financial straitjacket

The Maastricht Treaty does not start from the standpoint of a concrete industrial, agricultural, or social goal. On the contrary, it establishes monetary rules and is only concerned with stabilizing prices. It is guided by a purely anti-inflationary logic, precisely at the moment when the main problem of the world economy is deflation, not inflation.

Worse, by tying Europe into a monetary straitjacket, it blocks our continent from playing its natural role after the fall of the Berlin Wall: to be the source of a great design for industrial and infrastructural development from the Atlantic to the Urals and beyond, as de Gaulle wanted it. Therefore, Maastricht not only does not include a program for Europe, but it will actually stop Europe from carrying out the program it needs.

B. 'Financial stability'

The treaty's authors are obsessed by "financial stability," involving stable prices, well-balanced public finances, and a healthy balance of payments. In the treaty, monetary policy—which commands interest rates, credit issuance, currency printing, and short-term capital flows—has no other goal than itself.

Concretely, this means the respective weights of taxes and social expenditures are not supposed to be changed, while prices are held stable and economic policies, harsh. This leaves no room for economic growth!

Why? Because the firms will only be able to find "sources of productivity" through cutting back employment, which, in turn, will lower consumption.

At the same time, the banks, hit by the bankruptcy of the real estate sector, of stock brokers and middle-sized firms, will not be able to lend enough to the economy because they will have to keep their "Cooke ratio" at 8% (the ratio of capital equity to overall loans).

In such a situation, the firms, hit all at once by high interest rates, reduced consumption, and a credit crunch, while prices cannot be increased, will abstain from investing and continue to lay off workers.

The state's financial base will be eroded by deflation, which will lead to the state reducing expenditures in education, public health and research, though still borrowing to make up for the loss of resources.

In other words, Maastricht would bring to Europe American-style depression conditions.

It is now openly admitted by the pro-European socialists that Maastricht is not going to be "social" at all. But contrary to their belief, neither will it be "economic." As we see in the United States today, Maastricht will mean a regime of social and economic depression, both at once. This is still hidden in Europe, because we are living off our past per capita wealth, but our lack of productive surplus is rapidly emerging, as the population ages, and less means are generated to feed the social security and pension funds.

Far from addressing the problem, Maastricht brushes aside the solution.

Philippe Lagayette, number two at the Banque de France, stated in a recent interview with the daily *Libération:* "The Maastricht Treaty is built upon an anti-inflationary option, the basis for economic growth," but he went on to admit, "The programs on which our experts are presently working are not necessarily austerity programs." This means that austerity is consciously the law of Maastricht, while non-austerity is conceived as only a possible exception.

C. 'Convergence criteria' are impossible to meet

The Maastricht Treaty has a single currency as an absolute goal. From now until the issuance of that single currency, at the latest on Jan. 1, 1999, all the member states are supposed to meet four criteria:

- The yearly budget deficit should be less than 3% of the Gross National Product (GNP);
- The total public debt should be under 60% of GNP;
- The rate of inflation of each single country should not be more than 1 5% higher than the average of the three members with the lowest rates;
- The long-term minimum interest rate of each country should be no more than 2% above the average of the three countries with the lowest interest rates.

These four criteria, if enforced in EC member countries, mean the harshest deflationary policy ever imposed upon industrialized countries. The end result would be a depression in Europe.

In reality, such "convergence criteria" are so impossible, that the authors of the treaty admit that measures proving good will in respect of those goals would be considered sufficient. But for countries like Spain, Italy, or Belgium, even those measures would be enough to hinder any economic growth, as we shall see. As of today, only France and Luxembourg would be able to meet these criteria—France because of the harsh policies already imposed by a decade of socialist rule, and Luxembourg because of its status as a tax haven for billionaires. Even Germany, given the difficulties facing it since reunification, could not meet the Maastricht goals.

D. The debasement of the nation-states

To allow such anti-popular and anti-growth policies to be enforced, Maastricht organizes the debasement of the nation-states.

First, the denationalization of all central banks has been imposed, which means de facto privatizing the Banque de France, a step backwards in history. The future European Central Bank will not be under the control of any elected institution. Although this is coherent with the "free market," liberal approach of the treaty, it deprives the states and the representatives elected by the population of any control over the bank. The governors of the bank will be "responsible, with all guaranteed independence," and composed of professionals of the financial markets appointed by the member states and the national central banks. Only the European Central Bank will be allowed to issue currency, not the national banks. Furthermore, the European Central Bank will have power over the national governments, ranging from pressure to outright sanctions (fines, mandatory changes in loan policies, etc.).

In a word, it will be a "bankers' government."

Second, the economic policy of the member states is defined according to guidelines of the EC Council, with decisions made by a qualified majority. The Council of Finance Ministers, on recommendation of the European Commission, elaborates a project for the main orientations of the economic policies of the member states and the Community as a whole, and reports to the European Council (made up of heads of state). The European Council, on the basis of the Council of Finance Ministers, defines the main orientations of the economic policies of the member states and European Community as a whole. Its recommendations are adopted by the vote of a qualified majority.

Moreover, to secure tighter coordination of these economic policies and convergence of the economic performances of all member states, the European Council—on the basis of reports made by the European Commission—watches over the economic evolution in each of the member states and in the EC as a whole.

When it is established that the economic policies of a member state are not in conformity with the main orientations defined above, or that they threaten to endanger the functioning of the Economic and Monetary Union, the council can decide, following a proposal from the commission to recommend policies to member states and make those recommendations public.

According to article 104C, the member states should avoid "undue public deficits," and the European Commission watches the evolution of their budgetary situation and public debt policy, so as to check errors or mistakes.

If one member state does not fulfill the conditions of public spending or state debt, the European Commission publishes a report. The council then decides whether the deficit is "undue" and may send a report to the member state, first confidentially, then publicly, if the member state does not correct its policy.

If, finally, the member state continues to refuse to follow its injunctions, the council can decide to compel the member state to take measures "appropriate to reduce the budget deficit" on short notice.

The council can impose upon the member states that they write reports on their policies according to a precise calendar, so as to follow, step by step, the adjustment efforts.

The council can go so far as to "invite" the European Central Bank to readjust its investment and loan policies toward the reluctant member state, and demand that the member state make "an appropriate deposit of funds" in a European Community account, paying no interest until that member state has corrected its undue budget deficit, according to the

Farmers in Brussels, Belgium demonstrate in December 1990 against the General Agreement on Tariffs and Trade (GATT), and its free trade policies that are wrecking agriculture.

council's final judgment.

Similarly, in matters of foreign policy and security, the council decides on action by unanimous vote, but decisions on the enforcing actions are taken by a qualified majority.

This means an overall system in which the veto—and therefore the national independence—of a nation-state can be systematically overridden.

The key point is that such a system aims entirely at imposing deflationary policies upon each member state, over the protests of its population and institutions.

Let's again quote Philippe Lagayette, the vice director of the Banque de France: "National policies will be coordinated. Each year, general orientations of European economic policy will be determined at the level of heads of states and governments. The Council of Finance Ministers will systematically check the application of such orientations in each country. As for budget deficits, a particular procedure is planned. It can become mandatory for those members which go into an undue budget deficit. If one country goes beyond the limits of the EC guidelines, the Council of Ministers will first make recommendations, then decide sanctions."

This is to say that policies of "competitive disinflation"—a new name for austerity—are going to be the law, with a supranational control to enforce these policies, sanctions being decided against member states by a qualified majority.

E. A shrinking Europe

Many countries will not be able to meet the financial requirements for joining the system of a common currency. Therefore, we are going to hear more and more jargon about a Europe "at variable speeds" or "at a variable geometry."

What it means has been bluntly said by Jean Boissonnat in the French financial newspaper *La Tribune* (Boissonnat is not an adversary, but a proponent of Maastricht): "This being said, it is true that the single currency is going to be a true revolution. It is no less true that the purposes are at least as political as economical. And let's say, to speak brutally, that it is unthinkable that such a system could exist before the end of the century. It will only be possible among five or six countries among the Twelve [members] whose economies are sufficiently compatible."

Translating such a declaration into political terms, it means that southern Europe will be excluded from the Monetary and Economic Union, as well as eastern Europe. France will be at the center of a small Europe defined by financial rigor, and not of a great Europe defined by economic growth, development, and modernization.

Similarly, within the member states, the logic of Maastricht will leave behind the regions, professions, firms, men and women unable to adapt themselves.

Inside and outside the member states, the logic of contraction will prevail.

F. Technocratic rule

Civil servants divorced from national realities and not answerable to any constituency are supposed to play a key role in Maastricht's Europe. They will be the ones preparing all decisions for the Council of Ministers, to be adopted by a qualified majority.

De facto, the commission replaces more and more the power of national parliaments or administrations. To its increased powers will be added those of the European Central Bank and the Luxembourg Court of Justice.

In Brussels, the industrial, agricultural, economic, and social policies will be conceived under a consistent financial bias.

Already now, the powers of Commissioners Brittan and Ripa di Meana, in charge of Competition and Environment, respectively, do not favor a strong industrial Europe; they promote the logic of industrial and agricultural contraction. Any attempt by European firms to establish alliances against American or Japanese competition is immediately labeled illicit, because it violates the "rules of competition" or the "protection of the environment."

It should be stressed that Europe was not built through the European Commission, but through association of state-owned or privately owned firms carrying out common programs, like the Airbus, military or space endeavors. Now, with its increased powers, the European Commission is hampering these programs instead of promoting them.

Besides, the Court at Luxembourg will have a supranational monopoly over the interpretation of treaties and the arbitration of intra-European conflicts opposing, for example, member states to the EC. We can expect that the judges in Luxembourg will systematically tend to favor the views of their administrative European colleagues in Brussels, rather than support the member states.

National governments, parliaments, and administrations—and the voters—will be more and more isolated or excluded from real power.

G. No guarantee of peace or security

Now, as the first major war since 1946 has broken out on European territory, in former Yugoslavia, the Maastricht Treaty perpetuates the division of Europe—the Twelve and their close associates on one side, the East on the other side.

How, in such conditions, could it be said that Maastricht will guarantee peace on the whole European continent?

It does not define conditions or ways to intervene in conflicts, and is not entitled to do so. If tomorrow a conflict were to erupt in the former Soviet Union, Europe would not be in a better position to intervene after Maastricht than before it.

Maastricht only stresses the solidarity among 12—or 11—countries that nobody seriously imagines would go to war with each other. Beyond that, Maastricht means nothing.

Worse, the French-German Euro-corps, a possible step toward a European guarantee of its own security, has been constantly reined in by its own authors.

French Defense Minister Pierre Joxe stressed that the Euro-corps "is going to operate under NATO command in case of aggression," in an interview given to *Jane's Defence Weekly* and published in London on June 17. "We are placing the fruits of French-German military cooperation and of European cooperation on the table of the Atlantic Alliance," said Joxe. In a recent meeting in Petersberg (near Bonn), the foreign affairs and defense ministers of the Western European Union declared that the WEU is going to be "both the European pillar of the Atlantic Alliance and the embryo of a European defense identity." This is to say that the two are of the same nature. So much for Maastricht's "original concept."

H. British privilege

If something is to be said on power relations in the Europe of Maastricht, it is that France loses its "exceptional role" in European defense and economy, as defined by de Gaulle, and that England gains it.

Great Britain has been the only state to obtain "exceptions" to the common rules, so as to be a Trojan Horse in Maastricht's Europe, with a minimum of inconvenience. The British have been exempted from the common rules in matters of social and monetary policies.

Their "jump" into the single currency is going to be subordinated to a favorable vote by their parliament, and not to be "mandatory," as it is for the other member states.

This is clearly a regime of double standards, revealing what lies behind Maastricht.

In concluding, we can go so far as to say that the future order of the European Central Bank, as it is defined, will establish an International Monetary Fund (IMF)-type of authority over Europe, in a regional sense, but with a rigor like that imposed upon countries in the Southern Hemisphere. This will paralyze any efficient development policy, and keep Europe under the financial control of the Anglo-American system, for which Maastricht would only play the role of a conveyor belt.

This is why we keep repeating that Maastricht is more important for what it prevents Europe from doing, than for what it is in itself.

III. Evaluation of Maastricht's impact

A. The University of Liverpool view

The first competent public estimation of Maastricht's economic and social impact was made by a team at the University of Liverpool, under Patrick Minford.

This team states that the Economic and Monetary Union, as defined by the treaty, implies that two economic stabilizers disappear: the classical budget responses to economic bumps, and the interest rates weapon.

Therefore, in case of an economic challenge in Maastricht's Europe, the rate of overall instability will be 80% greater than that of a Europe ruled by flexible exchange rates and a policy of monetary coordination among central banks.

Minford concludes that "we should refrain from seeing only advantages in a single currency. The Monetary and Economic Union threatens, instead, to shake the European economies. Governments should think twice before submitting to such a fatality."

The Monetary and Economic Union, in fact, would only be economically possible if there were overall economic growth in Europe and mobility of labor.

The unemployed, under such circumstances, would go from a region hit by a local crisis to find employment where development is taking place. But we have seen that the Europe of Maastricht implies deflation, not development. Therefore, in the absence of development and mobility of labor, only massive budget transfers from one region of Europe to another more impoverished would lessen the impact of a crisis. But this does not exist under the liberal-Darwinian law of Maastricht.

Let us remember that the McDougall report of 1977, ordered by the European Commission, had rejected the idea of a European Monetary and Economic Union unless accompanied by a large common budget to be invested in the more backward regions. This report said that were Monetary and Economic Union made without such investment schemes, the poor regions would drag down the wealthy ones.

This is exactly what Maastricht is going to do, if adopted. In precise terms, it is the Europe of Maastricht that the McDougall report of 1977 rejected, in advance, and rightly so.

B. The IMF's evaluation

A confidential IMF evaluation on the economic impact of Maastricht has just been leaked by the press, and confirms our analysis.

According to that evaluation:

1) In a first, optimistic, scenario, if the "financial markets believe in Maastricht's adjustments," the enforcement of the "convergence criteria" on the member states will lead to economic growth dropping by 0.4% yearly between 1993 and 1996. The recession will be the hardest at the beginning of Maastricht—some −0.8% in 1993—and a positive impact of +0.1% could be expected by . . . 1996.

2) In a second, pessimistic scenario, if the "financial markets do not believe in Maastricht and expect monetary disorder and new parities," the Maastricht effect will be much worse and longer. The negative effects of the budgetary policies will combine with the impact of high interest rates to bring about a European depression.

For the 12 EC members, the negative impact on growth would be −0.8% per year (double the figure of the scenario above), with a peak of −0.9% in 1993 and still a −0.5% in 1996.

Italy, the worst case among the industrial countries (excluding Greece) would be drawn into a maelstrom: The drop in growth would reach first −2%, then −2.7%, −3.2% to reach −3.4% during 1993-96.

All other evaluations, even the one from the European Commission, go in the same direction.

C. Other evaluations

Brussels EC headquarters estimates that the impact of Maastricht will cause a drop in growth of 0.5% in the 1993-95 period, with a stimulation of 1%, "once the adjustment measures have produced their effect."

In France, the Finance Ministry has made a model; the fact that it is kept secret proves it is far from optimistic.

The main private forecasting institute, Rexecode, has also made an evaluation. In its highly "optimistic" version (interest rates dropping by 0.5 to 1% and growth rising by 0.5% compared to the present period), Rexecode says that only France, Great Britain, Germany, and possibly Spain will meet the "criteria of convergence" established by Maastricht. Italy, the Netherlands, Belgium, and Greece would be out—and we are speaking of a highly optimistic scenario.

In the Rexecode "pessimistic scenario" (interest rates keep their 1991 level and growth 0.5% lower than the present), none of the European countries will meet the criteria of Maastricht by the year 2000. Even France, the country in the relatively best position, will have a budget deficit above the Maastricht ceiling of 3% of GNP. Rexecode concludes: "Our pessimistic scenario is far from unrealistic; it is, on the contrary, the most likely one. It foresees a weak and non-inflationary growth in Europe, with interest rates maintained at their present level. And this 'moderate' scenario means, in Maastricht terms, a catastrophe."

Italy, for example, has a debt representing 103% of its GNP, and a budget deficit of about 10% of GNP. Even were the most deflationary policies enforced, they would only lead to a 98% to 138% debt to GNP ratio, and to a 4.4% to 12.7% budget deficit to GNP ratio. Italy will be in the position of a Third World country if the guidelines are enforced.

Belgium is scarcely better off: Its budget deficit reaches 6.3% of GNP, and its debt is 130% of GNP. And Greece spells disaster: Its budget deficit is beyond 10% of GNP and its debt is 150% of GNP, with a yearly rate of inflation of about 14 to 18%. The Greek drachma does not even make it into the present European Monetary System!

Finally, in France, there are also projections by the OFCE (French Observatory of Economic Conjunctures) and the CEPII (Center of Forecasting and International Information). Their model is called Mimosa, and its perfume is also kept secret, because it is undoubtedly very bad. Only in one previous instance have the OFCE and CEPII kept an economic study "embargoed."

D. The arguments of the pro-Maastricht camp

At this point, the pro-Maastricht camp has to admit the validity of these evaluations: Reality cannot always be denied. They bring up two arguments to oppose these pessimistic views:

1) Maastricht is a bitter pill to swallow, but afterward, the sick man will recover in a spectacular way. French Prime Minister Pierre Bérégovoy said in Brussels: "When our economic policies converge, and when we enjoy a single currency and reach totally free exchange, then economic growth will naturally come."

2) With or without Maastricht, austerity and deflation are going to prevail, and it is better to suffer together, in a coordinated way, than to be alone.

An EC adviser, for example, said:

"With Maastricht, it will be painful, but one day it will go away. But without Maastricht, it would be much more difficult. . . . Monetary and Economic Union or not, the member states will have to reduce their debts or deficits at any cost, lower their defense expenses and clean up public finances. Adjustment is not a choice, it is mandatory in any case."

We beg to disagree with such blackmail. In fact, the so-called European "experts" put the future of Europe within the frame of deflation, adjustment, and austerity, as if it were a mandate of God. It is not. It is a mandate of the Anglo-American system.

We are convinced that a new policy, neither inflationary nor deflationary, is possible, provided it is based on credit for infrastructure and production, and a healthy destruction of the financial bubble.

But this demands courage and will to face the Anglo-American system. In other words, the question is simple: Are the Europeans more afraid of the Anglo-American policies than of their own financial collapse, the spread of war over eastern Europe, and the waves of refugees from the East and from the South? Do Europeans still perceive reality? This is the true problem of Maastricht.

IV. Beyond perception

In the aftermath of the Danish vote against Maastricht on June 2, many French public figures spoke out against the treaty. Though the official political establishment is for Maastricht, still within the UDF, the neo-Gaullist RPR, the Socialist Party, the business leaders' association CNPF, the ecologists, and the farmers' union FNSEA, there is growing opposition to the treaty, and this could reshape French politics.

On the extremes, the National Front of Jean Marie Le Pen and the Communist Party of Georges Marchais are both against it—Le Pen on the basis of a mixture of neo-liberalism (von Hayek) and Darwinism, and the Communists on the basis of blind dirigism and chauvinism. Both are protest movements that cannot rule France.

Then, Philippe de Villiers leads a neo-Catholic movement calling for a "return to national values" and rejection of a supranational order. His problem is a neo-liberal economic approach, verging on Thatcherism.

Among the Gaullists and neo-Gaullists, Philippe Séguin and Charles Pasqua, the "no to Maastricht" group does represent a majority in the party and campaigns much more actively than the leadership, which is calling for a "yes" vote. This dissident phenomenon is being closely watched by all observers of the French political scene.

Within the Socialists, Jean-Pierre Chevènement leads the "rejection front" with a program for the economic development of Europe.

Are the Europeans more afraid of the Anglo-American policies than of their own financial collapse, the spread of war over eastern Europe, and the waves of refugees from the East and from the South? Do Europeans still perceive reality? This is the true problem of Maastricht.

The managers' union, the CGC, also has called for a "no" vote.

France, therefore, looks somewhat like Denmark did before the referendum there: The establishment is for Maastricht, while a broad array of active dissidents is against it.

For the time being, the campaign for a "yes" vote has not been convincing, and the different evaluations of the treaty's economic impact will not help. To repeat "Maastricht, or chaos," as French President François Mitterrand does, does not persuade people anymore.

True, if the referendum took place today, the "yes" would win with about 55-57% of the vote. But those in favor of a "no" vote become more numerous by the day, as many of the undecided join the opposition to the treaty.

The extreme unpopularity of the Socialist Party and government, which are organizing the referendum, won't help the cause of Maastricht either.

In conclusion, whatever the result of the French referendum on Sept. 20, a political debate has been launched on far-reaching issues. This provides a chance to propose the orientation that Europe needs, as described above, and to make it known to the population. This will in turn raise the level of the debate, and perhaps create a higher standard of citizenry to respond to the challenge of history at the end of the twentieth century. Whatever the odds, to educate the population—and, if possible, the political caste—is our task and our hope.