

French Presidential elections defy calculations of Paris nomenklatura

by Christine Bierre

The victory of Lionel Jospin, the Socialist Party candidate, in the first round of the French Presidential elections on April 23, was a surprise to all, and proves that in a time of crisis, even the best attempts to rig the elections through manipulation of polls and media, are bound to fail. Since mid-February, all of the polls predicted a sure victory for Jacques Chirac, the president of the nominally Gaullist party (Rally for the Republic, RPR), with over 25% of the vote, and a second place, but far behind, for Jospin. The results were almost the opposite: Jospin came in first with 23% while Chirac trailed behind with slightly over 20%.

What does this mean for the outcome of the Presidential race, which will only be defined in the runoff between Chirac and Jospin on May 7? Not much since, in reality, the main issue is one of program and not of personalities.

The entire campaign focused on social issues: what to do about the whopping unemployment, about the hundreds of thousands of homeless, how to solve the problem of the plunging living standards of the majority of the French popu-

lation. With the notable exception of Edouard Balladur, who didn't hide the fact that he intended to pursue an austerity policy in order to maintain the French franc and to fight against the budget deficit and indebtedness, all the other candidates—from the racist Jean Marie Le Pen to the Trotskyite Arlette Laguillier and the environmentalist Dominique Voynet—ran on platforms calling for state intervention to create jobs and increase wages.

But beyond election-campaign demagogy, who is willing to attack the real causes of the economic crisis? As Jacques Cheminade, the friend of Lyndon LaRouche who took part in the race, expressed it many times: To tackle the economic crisis in France, it is necessary to attack the Treasury, the Bank of France (central bank), and all the other financial authorities that are applying to France the monetarist recipes of Wall Street and the City of London. In the name of the defense of strong currencies and of the fight against inflation, the high interest rate policies adopted by the Bank of France and the others, have killed productive investment and pro-



Jacques Cheminade on the campaign trail, visiting an industrial plant. He is calling for a break with "the markets" and the launching of an industrial recovery program.

moted rentier capitalism instead. These policies are largely responsible for the soaring unemployment rate in the majority of the European countries. Anyone who promises wage increases and jobs must tackle those problems.

Cheminade's impact

The importance of Cheminade's campaign is precisely that it was aimed at responding to those questions and at influencing the electoral and post-electoral debate with his solutions. Throughout the campaign, he denounced, as the main cause of the economic crisis, the speculative cancer which is pumping money out of real production. He also attacked the "incestuous little club made up of high-level civil servants of the Treasury, the Bank of France, and the Economics and Finance ministries," which serves as the transmission point in France for the monetarist theories rampant in Wall Street and the City of London. To counter those tendencies, said Cheminade, it is necessary to break with "the markets" and to restore to the state the means to run the economy. This means bringing to an end the autonomy statute of the Bank of France and its power to issue currency and to control credit flows. Finally, he said, it is absolutely necessary that Europe adopt a Marshall Plan perspective toward eastern Europe and the South, reorienting credit in the range of several hundred billions of dollars, toward great infrastructure projects.

In the extremely tense climate that dominated this election campaign, those themes did have a certain impact. One of the reasons is the fact that certain factions in Chirac's as well as in Jospin's camp are beginning to question the present monetarist policies. For many years, the monetary policies of France have favored "the markets" and rentier capitalism by keeping real interest rates extremely high. This policy has often been justified as a policy favoring a "strong franc," in a fixed parity to the deutschemark, a policy aimed at keeping inflation at a near-zero rate. Part of this policy is also the defense of the Maastricht Treaty of European Union, with its absurd "convergence" criteria which would force all of its participants, with the exception of Luxembourg, to adopt stringent austerity policies in order to reduce public deficits and indebtedness, respectively, to below 3.5% and 60% relative to the GNP.

This was the real debate behind the fight that broke out during the latter part of the campaign, between Chirac and the head of the Bank of France, Jean Claude Trichet, when Trichet made a public statement opposing anything but symbolic wage increases. Both Chirac and Henri Emanuelli, the president of the Socialist Party, immediately, and appropriately, intervened to tell Trichet not to meddle with what was none of his business: the state's wage policies.

The City of London and other financial headquarters, however, immediately recognized what was at stake. According to articles in the financial daily *La Tribune*, the group in the RPR that has steered Chirac's policies toward a "social"

Cheminade: I'll build a national movement

The following statement was issued by Presidential candidate Jacques Cheminade on the evening of April 23:

My campaign gave me the chance to air my ideas and to present a real project for France. A certain press, reprimanded—but unfortunately to no great consequence—by the National Control Commission, prevented me from really making this project known to a majority of French men and women. Moreover, my honor was constantly attacked.

The very low level of the campaign, fomented and sustained by a handful of journalists, allowed the far right to score a worrying success.

I welcome, nonetheless, the good result for Lionel Jospin and the second place for Jacques Chirac. I am ready to conduct a dialogue with both of them in order to measure how committed they are to fighting the financial cancer which is eating away the economy and to supporting a new East-West and North-South Marshall Plan.

Around my candidacy, a new political force has been born and it will be around for a long time; the letters and encouragements which I received open up such a hope.

Gaullist policy and which is led by Philippe Seguin, the head of the National Assembly, is considering breaking entirely with the present policies, in favor of what is called here in Paris, the "Other Policy." The main points of this Other Policy include a break between the franc and the deutschemark, a franc floating away from the European Monetary System, and a lowering of interest rates in France in the hope that this would stimulate investment and make French products competitive.

Cheminade intervened to shape this debate, rejecting both the present and the Other Policy as incompetent, and calling instead for 1) burying the Maastricht Treaty; 2) establishing a reference currency and a system of fixed parities; 3) putting an end to the autonomy of the Bank of France; and, 4) most important of all, creating a positive climate for productive investment by launching a new Marshall Plan toward eastern Europe and the South. To the persistent questions that Germany's Bundesbank would never accept those policies, Cheminade insisted that one should not mistake Germany for the Bundesbank, that the German nation has every interest in adopting this Marshall Plan, in particular in light of the crisis



Jacques Cheminade gives a press conference in the town of Nancy during his campaign for the Presidency. Although a nasty media slander operation against him kept his vote total below 1%, he has emerged as a nationally known figure, and his programmatic proposals are the subject of heated debate.

looming in Russia and in eastern Europe.

Just days after, Jean Paul Fitoussi, the head of the French Foreign Trade Observation Post (OFCE), who has sometimes been called the leader of the French neo-Keynesian school—a man whom Jacques Cheminade praises as the best economist of France—gave an interview to *La Tribune* on precisely those issues. Known to be totally against the present policies, which he denounced in a recently published book entitled *The Forbidden Debate*, Fitoussi did not spare his attacks against the “Other Policy.” One has to be “mad” to defend, against the present policies, this “Other Policy,” which would amount to a weak franc, high inflation, and isolation, he said. He denounced the high-interest-rate policy as being a policy of “no future.” Instead, he called for France to lead the way and lower its interest rates. The International Monetary Fund or other European financial institutions could easily extend Special Drawing Rights or other currency instruments to the eastern European and southern countries, so as to make available the credit necessary to develop the infrastructure they desperately need. This, he said, would be a “magnificent way out” of the crisis, which would reinforce those countries and cause a real upswing in the industrialized countries.

Media assault against Cheminade

It is in this type of debate that Cheminade’s intervention was crucial, during the election process and afterwards. A student of LaRouche’s school of “physical economists” dating back to Colbert and Leibniz—as well as of France’s national administration school, the ENA, where he learned all about Charles de Gaulle’s concept of a planned economy—Cheminade is the only one among the candidates able

to set the economy right once again.

This is the reason why France’s financial establishment, and its media outlets, attacked his candidacy with particular fury. Cheminade not only has the competence, but he also has the courage to stand up to “the markets,” something that neither Chirac nor Jospin has. It is interesting to note in this respect that as soon as “the markets” attacked the franc, following Chirac’s declarations against the head of the Bank of France, Chirac and Seguin immediately proceeded to reassure those markets, indicating that there would be no change on the policy of the strong franc, nor would the autonomy statute of the Bank of France be put into question.

During the two to three weeks that the official campaign lasted, a little gang of journalists in the national press agency AFP, *Le Monde*, the two largest TV channels (TF1 and France 2), and some of the Radio France-affiliated stations launched wave after wave of slanders and lies against Cheminade, in an effort to stop him from delivering his message. In spite of this, thanks to his official campaign, Cheminade benefitted from nearly two hours of national TV time, divided in spots ranging from 1 to 15 minutes. All these programs were aired on national public radio and on the international and overseas territories affiliates of Radio France. On top of this, his programmatic leaflet was distributed by the state to the homes of the nearly 40 million voters of France.

Cheminade the mystery candidate; Cheminade the surprise candidate; Cheminade the friend of LaRouche; Cheminade has now become a household word in France, and even though his vote tally was contained to a small 0.3% this time, this election campaign has offered him the airstrip from which his political movement will be able to take off in the months ahead.