

Spain," he added, would have a further negative consequence for growth and employment in Germany. Spoeri echoed Stoiber's call for a five-year postponement of the Maastricht deadline, adding that "everything has to be done to prevent this hara-kiri program for our industry. We cannot afford a galloping deindustrialization."

Despite the growing signs of anti-Maastricht revolt, Bonn and Paris are holding rigidly to the Maastricht targets. On Jan. 15, French President Jacques Chirac told the press that his priority would be job creation, social welfare, and economic growth. But in the next breath, Chirac reaffirmed his hard-line policy of slashing the public deficit and social welfare programs, the very policies which triggered the country's worst wave of protest strikes since May 1968. "Without an elimination of the State deficit, France will be weak," he insisted. "There is no doubt that the reform project to restructure the State budget is necessary."

In Germany, President Roman Herzog insisted, "Europe's internal market needs an enrichment through a single currency." And Kohl's coalition partner and Free Democratic Party leader Wolfgang Gerhardt warned that the strict deadline for Maastricht must "not be allowed to come into question, otherwise the strict sense of fiscal discipline will vanish."

EIR has received reliable reports that both Kohl and Chirac are working behind the scenes to try to speed the collapse of the Conservative government of Britain's Prime Minister John Major, by making public statements designed to fuel the "anti-Maastricht" opposition within Major's own party, which threatens to bolt if Major tries to bring Britain back into the Maastricht process. Following the British pound-sterling crisis of September 1992, Britain has remained officially outside the Maastricht process, along with Italy.

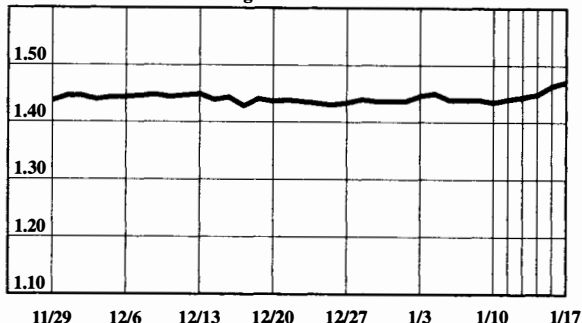
"Kohl and Chirac want a Labour government under Tony Blair, which would be a government they feel they could deal with on Maastricht," a senior Brussels source, who was until recently a high-ranking EU official, told *EIR*. Blair's Labour Party, unlike the Conservatives, are on record favoring British entry into Maastricht. *EIR* has also been told that in the last days of November, just as the anti-Maastricht protest strikes in France were getting under way, a confidential meeting was held in a Paris hotel between a representative of Blair's Labour Party and representatives of Kohl's government. The agenda was to work out a deal on Britain rejoining Maastricht under Blair, in return for Kohl's support. The outcome of the talks is not known, but the very fact that they were held, indicates the fierce determination of Kohl and Chirac to force Maastricht into being, regardless of the immense social cost.

At this juncture, events in Europe on every level are being defined by the Maastricht convergence criteria. In the Paris-based *International Herald Tribune* on Jan. 16, columnist Alan Friedman wrote, "Just a month ago it was heretical to speak of delaying the starting date of European Monetary Union beyond 1999. But now, in the face of an unexpectedly severe economic downturn, the prospect is being openly discussed."

Currency Rates

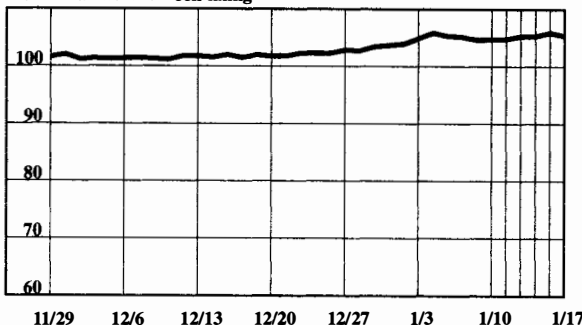
The dollar in deutschemarks

New York late afternoon fixing



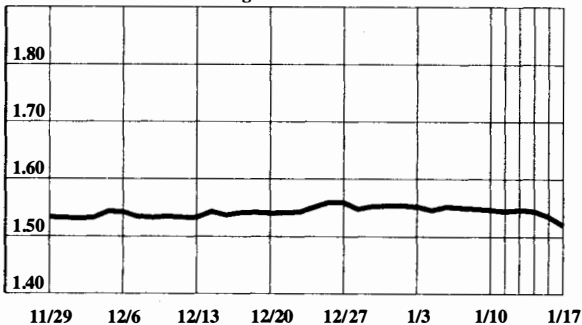
The dollar in yen

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

