Delors policy spells trouble for France

by Dana Sloan

France has been dragged into a downward spiral of destabilization since the end of March, following the pattern painfully familiar to Third World nations. President François Mitterrand has gained powerful enemies ever since he began to break with the "post-industrial society" ideologues who, from special presidential adviser Jacques Attali to Socialist Party leaders like Jean-Paul Quiles, had expected to control his economic policy. However, in a classic case of the "Third World syndrome," Mitterrand himself opened the door to the wolf, in the form of International Monetary Fund dictates.

Back on March 22, as the French franc was being battered on the foreign exchange markets, European heads of state met and, under the impulse of the Bank for International Settlements, the IMF, and their West German enforcers induced Mitterrand to begin slicing away at his own throat. In exchange for a mild rather than drastic devaluation of the French franc, Mitterrand was to give the IMF's man in the cabinet, Jacques Delors, dictatorial powers over economic policy. Once this had been accomplished, the *Financial Times* of London duly issued an editorial calling off the speculators. That respite only lasted a few weeks, as was intended, and now the franc is heading toward a fourth devaluation.

Any Western figure who is at this point advising Mitterrand to continue along the path of the "fiscal austerity" advocated by the IMF and allied institutions, deserves to be put on the payroll of Yuri Andropov's KGB. For the fiscal austerity approach is the surest path to France's destruction economically, politically, and as a world power. Austerity is dismantling the French nuclear program, whose continued growth even during the past years of crisis has kept the economy afloat. Austerity means that France, currently America's closest ally in Western Europe on military policy, will be undone.

'The Mexico treatment'

Spokesmen for the IMF and BIS have candidly told *EIR* that their intention is to "give France the Mexico treatment." At the IMF, an officer on the French case declared that, in the near term, the IMF would not demand that France go all the way with IMF conditionalities, but that the European Community (EC) would take charge of the conditionalities on its behalf.

On May 17, the French government was granted an EC loan of $3.6 billion, reimbursable over a six-year period. The EC's stated condition was that the French government continue to implement the policies of Delors, who since the post-March 22 cabinet reshuffling has combined the functions of economic, finance, and budget minister. German Finance Minister Gerhard Stoltenberg, whose actions are guided by Friedmanite assets of the oligarchic Mont Pelerin Society, declared upon the announcement of the loan that its purpose is, like the proverbial carrot, to make Delors' policy "succeed."

The EC loan must be added to $4.6 billion already borrowed during the first four months of the year, bringing France's gross foreign indebtedness to the unheard-of sum of $50 billion. None of those loans has done more than buy a little time between devaluations. The franc is collapsing daily to new record lows, so that a figure of 8 francs to the dollar is not an impossibility.

Nuclear energy and overall policy

As the EC loan was being negotiated, a committee on long-term energy planning submitted its recommendations to the French government, and called for the nuclear program to be scaled down, building only one nuclear reactor per year to supply France's dwindling energy supplies. The proposal, if approved by the government, would mean collapsing France's most advanced industry, which at this point is the last prop for the economy. Alsthom Atlantique, which produces the turbines used in nuclear plants, has already announced over 3,000 layoffs; its top management has said publicly that anything less than orders for three nuclear plants per year means the end of the industry.

Reflecting the divergent currents cohabitating uneasily in the government, Energy Minister Michel Auroux told the press that "energy production overcapacity is more of an asset than a handicap, and nuclear technology is an advantage that France should exploit." On the same day, Minister of Environmental Affairs Huguette Bouchardeau praised the commission's report. What is instructive is that Bouchardeau—whose son François directs the Longo Mai terrorist training camp network (see *EIR*, May 10)—was newly brought into the Mitterrand government in the reshuffling that was dictated by the IMF.

The IMF program, by that or any other name, has provided the cannon fodder for France's political destabilizers, in the form of students, shopkeepers, and farmers all enraged by the economic crisis and all easily manipulable. The policy appropriate under these circumstances is the same policy now under intense discussion in Ibero-America: to promote a debtors' cartel, and replace the era of IMF-dominated financial policy with institutions dedicated to generating credit for the high-technology industrial recovery demanded by Western military security requirements.