

February 16, 2006

Contents

1- Perspective

March 20-26, 2006 – Release of major world crisis: « The End of the Western World we have known since 1945 »

We estimate to over 80% the probability that the week of March 20 to 6, 2006 will be the beginning of the most significant political crisis the world has known since the Fall of the Iron Curtain in 1989, together with an economic and financial crisis of comparable scope to the 1929 crisis. This last week of March 2006 will be the turning-point of a number of critical developments, resulting in an acceleration of all the factors leading to a major crisis, disregard any American or Israeli military intervention against Iran. In case such an intervention is conducted, the probability of a major crisis to start rises up to 100%, according to LEAP/E2020... ([pages 2 et 3](#))

2- Telescope

The seven facets of the world crisis in gestation

The American and Iranian decisions coming into effect during the last week of March 2006, will catalyse and turn into a total crisis seven sectoral crises affecting the whole planet in the political, economic, financial and probably military fields: loss of confidence in the Dollar, explosion of the US financial imbalances, oil crisis, end of the global US leadership, distrust towards the Arab-Muslim world, inefficiency of the global governance, and uncertainties about the European governance ... ([pages 4 à 7](#))

3- Focus 1

Euroland facing a Dollar plunge

The world crisis anticipated for the end of March 2006 will provide a test for the Euroland and determine the sustainability of its currency. The Dollar plunge will put upward pressure on the Euro against all other currencies (the Chinese currency in particular). This situation will result in the immediate and significant fall of the competitiveness of European companies exporting towards the Dollar zone, with a negative impact on European exportations and an immediate aggravation of unemployment in the Euro zone. Facing such a situation, the temptation will be strong for some countries to get away from the Euro. But ... ([pages 8 et 9](#))

4- Focus 2

The future of the EU constitutional project: Analysis of the converging capacity among the various institutional players

The internal difficulties of the member-states in continuing the European constitutional project were detailed in GEAB Nr1. This month LEAP/E2020 undertakes to analyse the converging capacity on this subject of the various institutional players. It is indeed one of the three requirements identified in this field... ([pages 9 et 10](#))

5- GlobalEurometre

This month's three indicators of the GlobalEurometre: Tide-Action, Tide-Legitimacy and Tide-Governance ([page 11](#))

1- Perspective

**March 20-26, 2006 – Release of major world crisis:
« The end of the Western World we have known
since 1945 »**

We estimate to over 80% the probability that the week of March 20-26, 2006 will be the beginning of the most significant political crisis the world has known since the Fall of the Iron Curtain in 1989, accompanied by an economic and financial crisis of a scope comparable with that of 1929. This last week of March 2006 will be the turning-point of a number of critical developments, resulting in an acceleration of all the factors leading to a major crisis, disregard any American or Israeli military intervention against Iran. In case such an intervention is conducted, the probability of a major crisis to start rises up to 100%.

The announcement of this crisis results from the analysis of decisions taken by the two key-actors of the main on-going international crisis, that is the United States and Iran:

→ on the one hand, there is **the Iranian decision to open the first oil bourse priced in Euros on March 20, 2006 in Teheran**, available to all oil producers of the region ;

→ on the other hand, there is **the decision of the American Federal Reserve to stop publishing M3 figures** (the most reliable indicator on the amount of dollars circulating in the world) from March 23, 2006 onward¹).

These two decisions are altogether the indicators, the causes and the consequences of the historical transition in progress between the order created after World War II and the new international equilibrium in gestation since the collapse of the USSR. Their magnitude as much as their simultaneity will catalyse all the tensions, weaknesses and imbalances accumulated since more than a decade throughout the international system.

We identified 7 converging crises (*out of which the first two are detailed in the Telescope section of the present issue*) which the American and Iranian decisions coming into effect during the last week of March will catalyse into a total crisis, affecting the whole planet in the political, economic, financial and probably military fields : **loss of confidence in the Dollar, explosion of the US financial imbalances, oil crisis, end of the US leadership, distrust towards the Arab-Muslim world, inefficiency of global governance and uncertainties as to the European governance.** The decision to cease M3 publication also illustrates the powerlessness of the US and international monetary and financial authorities in a situation where they will in the end prefer to remove the indicator rather than try to act on the reality.

The 'monetarisation' of the US debt is a very technical term describing a catastrophically simple reality: the United States is undertaking not to refund their debt, or more exactly to refund it in "phony money"; and they anticipate that the process will accelerate at the end of March, in coincidence with the launching of the Iranian Oil Bourse, which can only precipitate the sales of US Treasury Bonds by their non-American holders. The choice made by the US administration will result in a complete loss of confidence among their main allies who often are also the greatest holders of US Dollars (United-Kingdom, The Netherlands, Japan, ...²). Diplomatic, strategic and military consequences will be deep and durable.

.../

¹ The information on the creation by the Iranian government of an oil bourse priced in Euros (<http://www.mehrnews.com/en/NewsDetail.aspx?NewsID=260851>) first appeared in Summer 2004 in the specialised press. The Federal Reserve announced on November 10, 2005 that it would cease publishing the information concerning M3 from March 23, 2006 onward : <http://www.federalreserve.gov/releases/h6/discm3.htm>

² Source: Bank of International Settlements, [Table 9A, Consolidated Claims of Reporting Banks on Individual Countries](#)

1- Perspective... (continued)

Moreover, in order to try to avoid the explosion of the "real-estate bubble" on which the US household consumption relies, and at a time when the US saving rate has become negative for the first time since 1932 and 1933 (in the middle of the "Great Depression"), the Bush administration, in association with the new chief of the US Federal Reserve and a follower of this monetary approach, will flood the US market with liquidities.

The non-accidental conjunction of the Iranian and American decisions, is a significant step in the release of a systemic crisis marking the end of the international order set up after World War II, which will be characterised between the end of March and the end of the year 2006 by a Dollar-plunge (possibly down to 1 Euro = 1,70 US Dollars in 2007) putting an immense upward pressure on the Euro, a significant rise of the oil price (over 100\$ per barrel), an aggravation of the American and British military situation in the Middle East, a US budgetary, financial and economic crisis comparable in scope with the 1929 crisis, very severe economic and financial consequences for Asia in particular (and namely China) but also for the United Kingdom³, a sudden stop to the economic process of globalisation, a collapse of the transatlantic axis leading to a general increase of all the domestic and external political dangers all over the world.

For companies and governments, European ones in particular, the required strategic and operational decisions must be made as soon as possible in order to soften the « monetary, financial and economic tsunami » which will break on the planet at the end of next month. To use a simple image – by the way, one used in the political anticipation scenario « USA 2010 »⁴ -, the impact of the events of the last week of March 2006 on the "Western World" we have known since 1945 will be comparable to the impact of the Fall of the Iron Curtain in 1989 on the "Soviet Block".

For Euroland in particular, this crisis will be a key-test of its sustainability. The Euro's sudden and significant rise and the general destabilisation of global markets and economy will expose Euroland to contradictory pressures related to contradictory challenges:

- . on the one hand, the immense economic challenge for maintaining the competitiveness of Euro zone companies, accompanied by a social challenge of similar scope for protecting European employment, creating a centrifugal force – some countries of the Euro zone will be tempted to find salvation by their own means;

- . on the other hand, the imperious need to find stability and protection in an unpredictable global environment, creating a centripetal force.

According to LEAP/E2020, the quality of Euroland governance during this crisis will determine the course of events. This aspect is the topic of Focus 1 in the present issue.

At this stage, only a direct and immediate action on the part of the US administration aimed at preventing a military confrontation with Iran on the one hand, and at giving up idea of monetarising the US foreign debt on the other hand, could change the course of events. It is obvious today that not only such actions will not be initiated by the current leaders in Washington, but on the contrary that they have already chosen "to force the destiny" by shirking their economic and financial problems at the expense of the rest of the world. European governments in particular should draw very quickly all conclusions from this fact.



³ The United Kingdom indeed owns close to 3,000 billion \$ of credits, that is almost three times what countries such as France or Japan own.

(source Bank of International Settlements, [Table 9A, Consolidated Claims of Reporting Banks on Individual Countries](#))

⁴ Cf. [GlobalEurope Anticipation Bulletin N°1 \(January 2006\)](#)

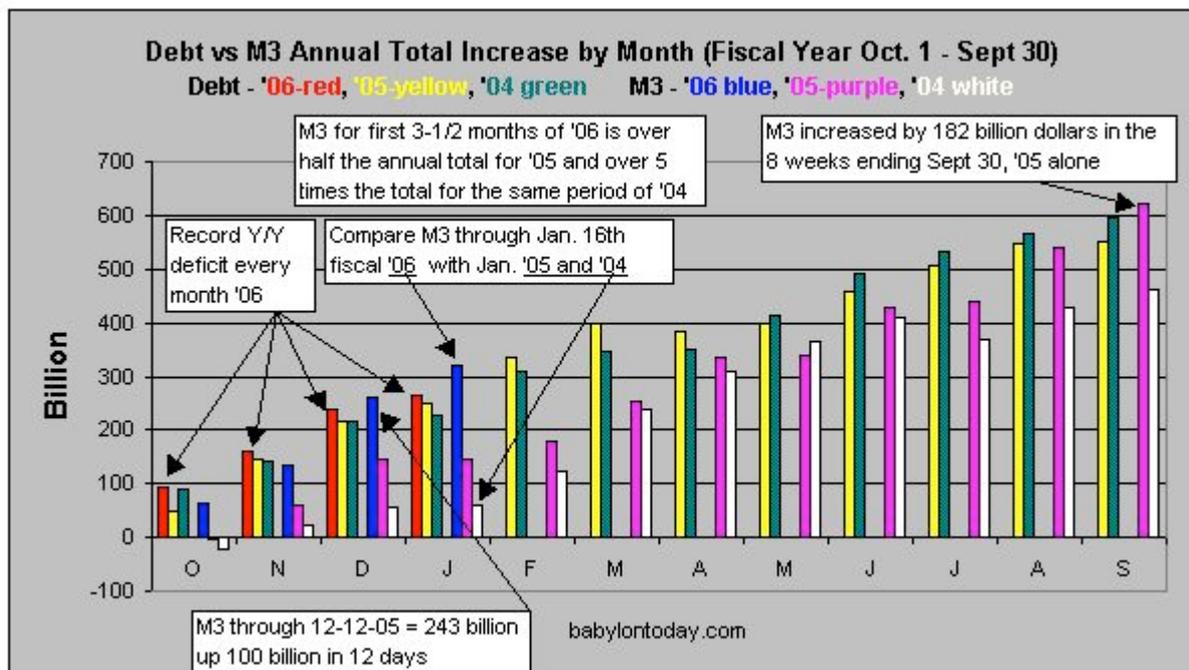
2- Telescope

The seven facets of the world crisis in gestation

The American and Iranian decisions coming into effect the week of March 20-26, 2006 will catalyse **seven sectoral crises** into a total crisis, affecting the whole planet in the political, economic, financial and probably military fields: loss of confidence in the Dollar, explosion of the US financial imbalances, oil crisis, end of the US leadership, distrust towards the Arab-Muslim world, inefficiency of global governance and uncertainties as to the European governance. Of course these crises are interconnected, even if the actors in each sector have a tendency to take into consideration their sectoral datas only; it is precisely this feature which increases the risk of acceleration of the course of History at the end of March 2006. In the present issue, the first two sectoral crises are detailed. The other ones will be presented in the following issues.

2.1 From a « loss of confidence » in the Dollar to an era of « distrust » towards the Dollar

With their decision to put an end to the publication of M3 and other indicators designed to measure the evolution of Dollar ownership worldwide, the US authorities initiated a policy of « hidden monetarisation » of the US debt. The Bush administration's incapacity to handle the various deficits (budgetary, commercial) and the related debt, will result in a **monetary creation of unequalled proportion, leading to a dilution of the American debt in an ocean of Dollars**. The process has in fact already started: during the first three and a half months of the US fiscal year (beginning in October), the Federal Reserve has increased by 320 billion USD its stock of currency, that is 5 times more than it did over the same period last year.

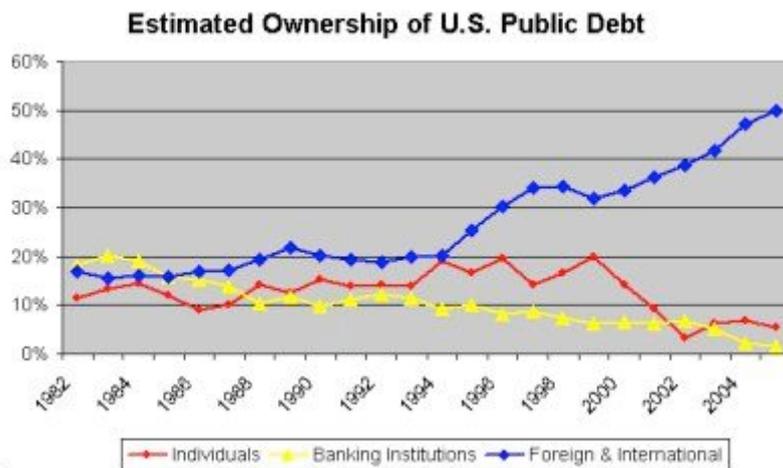


America's economy growing by an average of 1% in the fourth quarter of 2005, this significant increase of M3 can by no means reflect a growth of the real American wealth. It is therefore the result of a money creation leading to the "dilution" of the US debt.

.../

2- Telescope (continued)

Of course this phenomenon directly affects US Treasury Bond holders who will be changing their Bonds into « phony money ». In this regard, it might be useful to contemplate the following information⁵: the share of the US public debt (Treasury Bonds) owned by US banks fell down to 1.7% in 2004, while they owned 18% in 1982. In parallel, the share of this same debt owned by foreign investors went up from 17% in 1982 to 49%.



If the main governmental holders of US Treasury Bonds follow Voltaire's famous advice « If you see a banker jump out of a window, follow him; there is surely money to be made! », the decisions that Chinese, Japanese and European central bankers will make are easy to anticipate. As regards oil-producing countries, obviously they have already anticipated the trend: one of the big financial « mysteries » of the year 2005 related to the fact that extra petro-dollars earned by them no longer returned to be invested in the US as used to be the case. The envisaged explanation is that they preferred to invest them in Asia, or Europe, or in their own region⁶, in consideration of the increased risk of assets' freezing in case of legal disagreement or problem. This situation once again illustrates another decisive factor of the approaching crisis: the generalised loss of confidence in the Dollar and in the US government; knowing that for a reserve currency like the Dollar, confidence is key. In fact we have already entered an era of « distrust towards the Dollar », resulting from the Bush administration's loss of external (and now internal) credibility. A study conducted by the Pew Research Center on the image of the United States worldwide⁷ confirmed that "there is no sign that the EU crisis has fuelled a desire for a closer trans-Atlantic partnership". The study notices on the contrary that « most Europeans surveyed want to take a more independent approach from the U.S. on security and diplomatic affairs ».

This has a corrosive effect on the credibility of the Dollar: in addition to monetary, economic and financial problems, an increasing rejection of the United States is felt among public opinions, in particular those of the country's historic European ally and the second holder of Treasury Bonds (over 500 billion USD in November 2005, after Japan owning 682 billion, and far ahead of China owning 250 billion)⁸.

.../

⁵ Source: Bond Market Association, [Holders of Treasury Securities: Estimated Ownership of U.S. Public Debt Securities](http://www.dailykos.com/story/2006/1/28/122315/558) ; <http://www.dailykos.com/story/2006/1/28/122315/558>

⁶ Source: The Economist, November 10, 2005, http://www.economist.com/displayStory.cfm?story_id=5136281

⁷ Source: Pew Global Attitudes Project, July 2005, <http://pewglobal.org/reports/display.php?ReportID=247>

⁸ Source: US Department of the Treasury, <http://www.treas.gov/tic/mfh.txt>

2- Telescope (continued)

It is also the Europeans who own half of the credits priced in Dollars in the world (10,000 billion out of the 20,000 in total)⁹. This shows that the strings of a Dollar's confidence crisis are not so much pulled from Asia. Like in the Iraq crisis where the Europeans thwarted Washington's attempt to use the UN, it is in Europe too, especially in the case of a military strike on Iran, that a chain-reaction leading to a radical rejection of the US policy by public opinions could be triggered. The discovery that besides all the rest, the US are trying to pay their 10,000 billion USD of European credits in « phony money » is not likely to improve this feeling.

2.2 Explosion of the US financial imbalances

A lot has already been said and written on the explosion of the US budget and finance deficits. It should be reminded here that public deficits are superior to federal government's deficits 'per se'. On February 13, 2006, the US public debt, on the rise by more than 2 billion \$ each day under the current pace, reached 8,205,376,724,587.34 \$ according to the US Department of the Treasury¹⁰, that is close to 28,000 \$ per US citizen.

In order to finance their debt and more generally their deficits, the United States absorb close to 80% of the global savings¹¹. This situation imposes on their economy (interest rate, productivity...) to remain significantly more attractive for international capitals than any other economy in the world (and that the confidence in their economy and in their currency remains strong). The control exerted by the US and their British relay (who are tied to the Dollar's destiny given their amount of credits and assets labelled in this currency) over the international media, and in particular over the economic and financial press, certainly aims at perpetuating this situation, literally one of national security interest. And it is a significant fact that these very media neither mentioned the Iranian Oil Bourse nor the end of M3 publication. As shown in the Iraq crisis, but also in numerous scientific cases such as global climate warming, the Bush administration has a rather complex relationship to the truth, and many analysts now wonder about the reliability of US economic and financial statistics. Are we about to experience an "Enron" case of global magnitude? Is the world about to discover, like it did with the Soviet figures after the Fall of Iron Curtain, that US statistics were in fact phoney? It won't be long before we know.

In any case, the current policy conducted by the US Federal Reserve, creating large amounts of Dollars, probably aims at preventing by all means the explosion of the « real estate bubble »¹² on which most of the American household consumption relies (by means of mortgage loans calculated on the basis of their house's value).

.../

⁹ Source: Bank of International Settlements, [Table 9A, Consolidated Claims of Reporting Banks on Individual Countries](#)

¹⁰ Source: US Department of the Treasury, <http://www.publicdebt.treas.gov/opd/opdpdodt.htm>

¹¹ It should be noticed that the upward trend of the Dollar in 2005 was mostly the result of an interest rate differential which was favourable for the US Dollar, and of the "tax break on foreign earnings" Law (only valid for 1 year) which brought back to the US over \$200 billion in the course of 2005.

(source : CNNmoney.com http://money.cnn.com/2005/10/05/news/economy/jobs_overseas_profits).

¹² This « real-estate bubble » is not only American, even though it took enormous proportions in the US. The United-Kingdom too is strongly affected by this trend, as well as other international real-estate markets. It seems likely that real-estate would contribute to circulate the crisis in the same way as the Internet bubble did. According to The Economist (09/02/2006), residential property in the developed economies leaped from 24,500 billion Euros up to over 55 billion Euros in 5 years only. Germany and Japan are the two only countries which have not experienced such rise in the course of last year. Analysts predict for 2006 a fall of the prices by at least 20% in many countries; it is therefore a gigantic bubble which is about to explode, bigger than the Internet bubble in the 90's, and twice as big as the stock market speculation bubble in the 20 's.

2- Telescope (continued)

It is true that at a time when the US saving rate has become negative for the first time since 1932 and 1933 (in the middle of the "Great Depression"), the Bush administration, in association with the new owner of the US Federal Reserve and a follower of this monetary approach, has no alternative in electoral times than flood the US market with liquidities in order to avoid serial individual bankruptcies, the collapse of household consumption and of the US economy on the latter is relying.

In terms of external trade imbalance, one recurring problem of the US these years has been that the Dollar's fall never resulted in reversing the trend of a growing trade deficit. In addition to the high American household consumption and to the weak growth of other world economies (two arguments often given), LEAP/E2020 wonders whether the United States still produce any exportable goods (apart from movies and music). **This is a key-question as its answer would enable to estimate the reality of US productivity profits; and to evaluate the feasibility of reducing the deficit by any other means than by significantly reducing American consumption (i.e. by a strong decrease in the US living standard).** The present issue is no place for an in-depth debate on these aspects, and LEAP/2020's reply to that question is the following: apart from a few high-tech sectors and from the financial sector, the US hardly produces any exportable goods or services any more; the automobile sector, and the crisis affecting GM and Ford, provides a relevant example. To make things clear, the world no longer wants to buy US cars because they no longer correspond to its needs; and the productivity profits of the US car industry rely on a the sole domestic consumption. What is the real value of such profitability in a globalised economy? None, in our sense; it is just another phoney indicator. LEAP/E2020 therefore concludes to the fact that the US will not be able to avoid a significant decrease in their living standard if they want to absorb their deficits. This single perspective highlights the dimension of the crisis that is about to accelerate at the end of March.



3- Focus 1 Euroland facing a Dollar plunge

The crisis anticipated for the end of March 2006 will provide a serious test for Euroland and will determine whether the Euro is sustainable or not. The significant fall of the Dollar will automatically induce a strong upward pressure on the Euro against this currency, and against others linked to the Dollar (the Chinese currency namely). The situation will provoke an immediate and significant fall of the competitiveness of European companies exporting towards the Dollar zone, with a negative impact on European exportations, accompanied by an immediate aggravation of unemployment in the Euro zone. In this situation, some countries will be tempted to get away from the Euro in order to avoid difficulties. However this centrifugal force will be opposed by the level attraction of the one and only zone of monetary stability that Euroland will provide. If a conflict between these two opposite trends develops within Euroland, it will be even more perceptible in non-Euroland member EU-countries.

In this regard, Euroland leaders should be concerned with the need of new member-states (all of them future members of Euroland) of a solid anchorage. These countries will be the most exposed to instability and the situation will impose clear perspectives as well as efficient protection mechanisms for their currencies. In parallel, the case of the three 'non-Euroland but EU-15 members' – Denmark, Sweden and the UK – will soon emerge as these countries will be in a rather tricky situation. Denmark and Sweden will most probably express a desire to join Euroland which will not be opposed by public opinions. The British case is more complex because, as detailed previously in this issue, the UK is closely intermingled with the Dollar zone and their amount of assets in US Dollars is very superior to those of the rest of the EU (about a third of Europe). In this condition, and in the case of such a crisis, their economic and financial situation is difficult to anticipate, further than predict that their situation will be the trickiest of all European countries. The City has been playing for decades the role of Wall Street's side-channel. A financial and monetary crisis affecting the Dollar would therefore be catastrophic for the London financial centre.

Euroland leaders should therefore study three types of scenarios in order to anticipate the crisis:

- . **a scenario of « anchorage » of the new Member states, going as far as considering their fast entry in Euroland in case of emergency;** Italy was accepted while it did not comply (by far) to the requested criteria; there is no reason then why it would not be possible to integrate the 10 new Member-States to Euroland, if the situation imposed it.
- . **a scenario of fast negotiation-integration with Sweden and Denmark.**
- . **and a more random scenario, analysing the possibilities regarding the United-Kingdom.**

In the framework of such a crisis, UK's entry in Euroland should be based on the definition of monetary, financial and economic fundamentals clearly compatible with the Euro zone, otherwise the UK would import in Euroland its Dollar-related instability. Euroland leaders should start today working on the elaboration of these indispensable conditions.

This work of anticipation highlights the fact that the Euroland governance will be the decisive element for the Euro zone to cross as safely as possible this severe world crisis. Today already, within the EuroGroup and the ECB, a work group should start to elaborate the above mentioned scenarios in order to avoid being taken by surprise when the crisis is released. The Euroland needs a real Plan B because the Europeans know that a Plan A solely is not enough.

.../

3- Focus 1 (continued)

In parallel, Euroland leaders should set up two instruments to gain partial control over the course of events:

. a light, but politically visible and legitimate, **institution of economic steering of Euroland (the Euroland Secretariat)**, totally distinct from EU institutions, even physically (neither Brussels, nor Luxembourg, nor Strasbourg), in order not to be affected by the current rejection of EU institutions. Its first objective would be to regain the Europeans' confidence, and to show that their democratically elected « heads » are commanding... and that the "commands" are efficient. The Euroland Secretariat will be this instrument and it will enable to define the common economic, industrial and social answers to the negative effects of the crisis.

. a **legitimate and democratic political authority which can only be a « Euroland Summit »** regularly held, one every four months, capable of orienting, piloting, reassuring and reacting rapidly.

Moreover Euroland leaders, politicians and central bankers, together with their Asian, Russian, oil-producing countries' counterparts, should consider to design the strategy required to get out of the Dollar-era in good order.

Like for any human construction, it is when difficulties arise that will be measured the Euro's capacity to keep up to its promises of stability and protection of the hundreds of million Europeans sharing or about to share it. Failure would be simply be the end of the EU project.



4- Focus 2

The future of the EU constitutional project: Analysis of the converging capacity among the various institutional players

The internal difficulties of the member-states in continuing the European constitutional project were detailed in GEAB Nr1. This month, LEAP/E2020 undertakes to analyse the converging capacity on this subject of the various institutional players. It was indeed one of the three requirements defined in this field.

Within the EU Council, it is illusory to envisage the least agreement to be made on the future of the constitutional project until 2009, when the next European elections take place. Indeed, the hopes certain people may have that a « French solution » will emerge after the next presidential election of this country in 2007, are of the same kind as the hopes of the same people during Spring 2005 that poll opinions would head towards the "Yes". As described in GEAB Nr1, LEAP/E2020 does not see how the future French president, whoever that is, would be able to obtain the slightest majority (including parliamentary) in favour of a ratification of a constitutional project similar to the one rejected last May. In the case of The Netherlands, things are even more obvious. It is therefore impossible for the years to come to find an agreement within the EU Council since each member State will depend on very different domestic conditions, often incompatible with compromises on this aspect. Countries which have already ratified the treaty will not retract, countries which already rejected it have the same constraint, and countries which haven't yet done so will remain in the expectative. "Per se" the Council is therefore incapable of defining a common position on that aspect. This situation describes the general framework of the convergence of institutional players on the future of the Constitution: in fact, beyond declarations of intention and symbolic postures, such a convergence is made impossible by the very division within the Council.

As to the other two EU institutions, the Commission and the European Parliament, none of them will have a significant political influence until 2009 on this aspect. **The European Commission** is no longer (since a decade already) an influential political decision-maker on the big European issues. It is facing great difficulties, a very negative image among the public opinion, and a structural incapacity to implement an efficient communication policy. For LEAP/E2020 therefore, whatever will be the Commission's declarations, and those of its communication relays (Brussels think-tanks or pro-European movements), they will have no effect on the progress of the « European Constitution" file, unless it proposed the suppression of Title III. But Title III reviews precisely the powers and competences that the Commission wishes to constitutionalise. It is therefore extremely unlikely that such proposition could be expressed by this institution in the years to come; or that the Commission would converge with the Council in case the latter would propose it.

As regards **the European Parliament**, it is in a paradoxical situation as it is deprived from any political or judicial means enabling it to have an influence on the re-launch of the constitutional process. Euro MPs voted some projects in this sense which had no political impact on where it was required to have some, that is on the public opinion or on the leadership of big national parties. So as to play a leading role (and potentially it could play this role as theoretically it results¹³ from the only available European election), the European Parliament should incarnate a real popular legitimacy and build a capacity to act independently from member-States (and therefore from national parties) and from the Commission. Such development is of course impossible until at least the next European election.

Until 2009, LEAP/E2020 sees no converging capacity whatsoever for the EU institutions to re-launch the European Constitution project.



¹³ Theoretically only, since these elections take place in a strictly national framework ; Therefore they are only 25 cumulated national elections, instead of one vast trans-national election.

5- The GlobalEurometre

February 2006's 3 TIDE indicators

- . **TIDE-Governance: 43%** of the people surveyed consider that the EU is unable to implement the concrete answers to their expectations. This represents a rise by 7 points compared to January 2006, indicating a significant degradation in the Europeans' opinion of their leaders' capacities. However, in the field of foreign relations, on the Iran case, the panel forms a large majority (65%) agreeing on the fact that European governments will be in line with their opinions and refuse to support a US or Israeli military action.
- . **TIDE-Legitimacy: 8,5%**, that is to say a worrying stability of the massive perception that national governments do not reflect their fellow-citizens' expectations as regards Europe. This figure underlines a severe problem of political legitimacy of the EU, given that the main channel of legitimacy in the EU goes through national governments.
- . **TIDE-Action: 12%**, that is a little bit more than a tenth of the people surveyed consider that the EU is capable to implement the major decisions made by its leaders in the last years. This indicator significantly decreased since January 2006 (though it was already low: 24%). This trend is particularly eloquent on the European Constitution as the amount of those who think it has a future was cut by half in one month-time, and despite the institutions' attempts to vivify it. The feeling that there is a « generalised institutional breakdown in Europe » grows stronger.

February 2006's GlobalEurometre

GlobalEurometre 01-2006	Yes	No	Doesn't know
1. Do you think that the current EU constitution project has a future?	12 %	82 %	6 %
2. Do you think that some form of Euroland economic governance should be established?	76 %	12 %	12 %
3. Do you think that a Euroland Summit will be organised by the end of 2006?	33 %	33 %	34 %
4. Do you feel that your country's government reflects your people's expectations regarding the European construction?	12 %	82 %	6 %
5. Does your country's government reflect your own expectations regarding the European construction?	5 %	95 %	0 %
6. Do you think that a military action will prevent Iran from getting nuclear weapons?	20 %	68 %	12 %
7. Do you think that a military confrontation with Iran will trigger a world economic and financial crisis?	67 %	26 %	7 %
8. Supposing you own US Dollars, would you sell them in the coming months?	47 %	33 %	20 %
9. Do you think that the European governments will support a US or Israeli military action against Iran?	27 %	66 %	7 %
10. Do you think that the European public opinions will support a US or Israeli military action against Iran?	12 %	67 %	13 %

