

Frexit?

OP-ED Come spring of this year, another European heavyweight will test whether or not the EU is truly weakened. The French presidential election scheduled for April is increasingly looking more like the Brexit vote this past summer, as well as the 2016 U.S. presidential election. In comparison, each of these elections have witnessed substantial and atypical nationalist rhetoric. The Euro-skepticism that drove the Brits to vote 'Leave' is consistent with that currently thriving across France. Politics aside, the economic implications of Brexit have been costly for the island nation and its allies. If a Frexit vote were also to occur as a consequence of the upcoming election, the results would be just as bad.



First off, what are the odds of the Frexit 'leader' and National Front candidate Marine le Pen actually winning the contest? Recent opinion polls showed Le Pen leading the race with 27% of the vote. Her closest rival, Emmanuel Marcon, garnered the support of 25% of electorate going into the first round of the presidential election. Francois Fillon trails both Le Pen and Marcon with 20% support. Despite her lead, the surveys also showed Le Pen losing to both Marcon and Fillon in the second round of voting. To euro and global economic supporters, this is positive news. Le Pen is an ardent isolationist when it comes to issues of international trade and continental economic cooperation. To the contrary, her opponents maintain more positive stances toward working with foreign economies.

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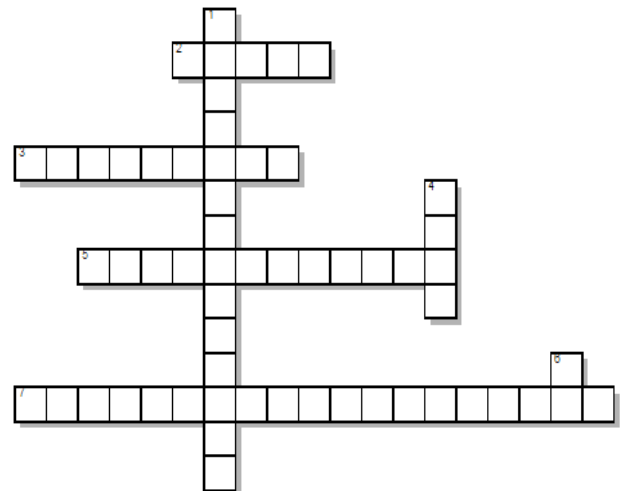


Aside from the nationalist sentiment France is grappling with in this election, a major economic debate focuses on the consequences of using the common currency, the euro. Marine le Pen argues that if the nation were to return to its former Franc, their products would instantly become competitive in non-Euro markets. While this is an economically-viable argument, there is a disadvantage to this. Low-income French would most likely suffer the most. As their exports become less expensive, due to the devaluation of the Franc, their imports would become much more expensive. Along with this, their interest rates could very well skyrocket.

We should not forget the National Front's growing base that is carrying them in this election, because they are the very people that a "Frexit" could economically devastate. By the end of spring, the final fate of the European Union and its currency could be decided. A French departure would extend the damage done to the EU this past year, possibly causing a global recession. As such, Europe needs to be united now more than ever. — AC

Sources: bit.ly/2IlhqWB, for.tn/2bqZcix, bloom.bg/2mBKStg

Crossword of Gold



ACROSS

- 2 This "Frexit" leader is currently the leading candidate for the upcoming French presidential election.
- 3 U.S. GDP _____ by 1.9% in the last quarter of 2016.
- 5 Which holiday did us Penn Staters proudly celebrate over the weekend?
- 7 Which British stock exchange attempted to merge with DeutscheBorse?

DOWN

- 1 Which German stock exchange attempted to merge with the London Stock Exchange?
- 4 Which former president called for an investigation into Trump's ties to Russia?
- 6 Indicted Samsung chaebol leader Lee Jae-yong is now confined to a small prison cell with a television produced by this competitor.