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British success in Palma marathon: P32

A third election would break Spain's political deadlock, says poll

● Newspaper survey suggested that centre right Partido Popular, led by caretaker Prime Minister Mariano Rajoy, would get 37.8 percent in a new vote – more than the 33 percent it got last time and potentially enough to let it lead a coalition.



Budget plan shows Spain may need cuts.

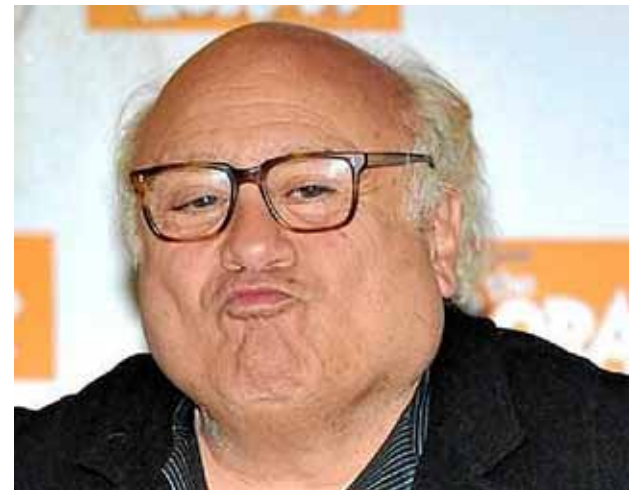
Madrid.— Spain's next government will have to find 5 billion euros (\$5.6 billion) in extra revenues or spending cuts to meet its deficit targets in 2017, according to the country's budget plan, at a time of unprecedented political instability. The euro zone's fourth biggest economy has been without a fully functioning government since an

inconclusive general election last December delivered the first of two hung parliaments. As a result, Spain was forced to roll over its 2016 budget plan instead of presenting a new one for 2017, putting it on course to overshoot a deficit target set by Brussels for next year.

It is expected to come in at 3.6 percent of national output, a

budget draft sent to the European Commission over the weekend confirmed, missing the 3.1 percent deficit goal.

The gap implies savings worth 0.5 percent of gross domestic product, or 5 billion euros, will be needed to get the deficit on track - requiring an agreement between parties on cuts or reforms. **See page 10.**



Danny DeVito heading to Palma for film festival: See Page Six

Plan to improve local education system: See Full Report on Page Three Inside Today



TIRED OF THE FOG? TRY THE FROGS!
CHOOSE PARIS LA DÉFENSE.

“TIRED OF FOG? TRY THE FROGS!”

London.— With a quip about British fog and French frogs, Paris began an advertising campaign yesterday aimed at poaching business from London after the Brexit vote raised questions about the future dominance of Europe's top financial capital.

Billboards showing a green frog wearing a tie sporting the colours of the

French flag and the slogan “Tired of the fog? Try the Frogs! Choose Paris La Defense” are being put up at London's Heathrow Airport and the London train station of the Eurostar, showcasing the French capital's business district.

The 23 June vote to leave the EU took many investors and chief executives by surprise, triggering the deepest politi-

cal and financial turmoil in Britain since World War Two and the biggest one-day fall in sterling against the dollar.

Some bankers have warned that London could gradually lose its position as the only financial capital to rival New York because foreign banks could move.