

The nation of France: a ship foundering in high seas

by Christine Bierre

As the world heads toward a financial crash, not only is there no one in the French establishment to propose a fundamental change in the system, but the political climate in the country resembles more and more a ship of fools. The French nation, like nations around the world, is caught on high seas in the middle of the storm, but unlike Rabelais's metaphor, no wise captain is at the helm to lead it to a safe port.

The overall economic situation of the country is disastrous. The financial sector is still far from having "purged" its huge real estate debt, and the mere attempt to "absorb" it will further collapse the real economy. The case of the bank *Crédit Lyonnais* is most telling of a process of unending bailout, the cost of which is carried entirely by the taxpayers. When the crisis first erupted in the early 1990s, the total losses of *Crédit Lyonnais* had been estimated at around 70 billion francs (about \$14 billion); this figure was reestimated at FF 100 billion last year, and is now FF 130 billion, according to the most recent estimates. *Crédit Lyonnais* is not alone in this situation. At the end of February, the state announced its decision to bail out the *Groupe d'Assurance National*, France's public insurance giant, for FF 20 billion. Since 1992, the total losses of the GAN have reached FF 35 billion, of which FF 27 billion has been in the real estate sector alone. The crisis is hitting all the public sector companies, whose total accumulated debt is now estimated at some FF 600 billion.

As banks and industries collapse, unemployment levels have become unbearable: One out of four French citizens of working age is at this point either unemployed or living in a precarious situation, with no more income than someone employed in a make-work project or receiving state aid. Fear of the future has spread throughout the population, creating the potential for a social explosion of the same dimensions as December 1995, with the qualitative difference this time that the strikes have become more political, and are increasingly

targetting the Anglo-Saxon neo-liberal free trade system and the banks. Reflecting this tense climate, was the reaction of Renault workers to the company's decision to close down a modern factory in Vilvoorde, Belgium, because of a precipitous collapse in car sales. Joint strike actions and protests were immediately organized in both countries. Several thousand Renault workers from France joined the March 16 "March for Employment" in Brussels, along with eastern and other western European delegations.

Associates of the LaRouche political movement in France, from the Solidarity and Progress Party, intervened at these demonstrations with a leaflet titled "A New Horizon for Renault and Europe: From the Atlantic to the China Sea." It called for France to scrap the Maastricht Treaty's austerity conditionalities and wake up to the potential for global economic reconstruction, based around the Eurasian Land-Bridge. Apart from such interventions from the LaRouche movement, however, there is no institutional force in France at the present time that is prepared to take such initiatives.

Interns reject 'Anglo-Saxon' health care

During the last four weeks, a tough conflict has pitted medical interns against the state. In France, doctors who have just graduated first go through a several-year internship at university-connected teaching hospitals before going into the public or private practice of medicine. The interns' protests started against a measure adopted in the context of Prime Minister Alain Juppé's 1995 plan to balance the public health budget. That measure holds the medical profession responsible for any spending beyond the yearly growth rate of medical expenses voted by the National Assembly, and forces the profession to pay any excess spending out of its own pockets! The Juppé plan had given a three-year exemption for such payments to the young doctors. Extremely nervous about the

opposition to the plan, the government immediately accepted an extension in the exemption, to seven years.

But now, the interns have reoriented their strike to fight for the total rejection of the accountant mentality of the Juppé plan, explicitly denouncing it as an Anglo-Saxon health care system which will lead to blatant inequities. How can you treat anybody seriously by starting from financial constraints? the interns are asking. Until early April, the movement had involved 23 out of 26 university hospital centers as well as the private sector physicians. Many other sectors are also on strike, including bank employees, who are protesting deregulation of working hours; Air Inter employees threatened with layoffs because of the merger with Air France; and truckers fighting for retirement at 55 years of age. Other sectors are merely on hold while negotiations are proceeding.

The French elites, however, seem oblivious to the fact that they are sitting on a financial and social powderkeg. In spite of the many early warning signals of the coming crisis, the government and the majority of the *nomenklatura*, from the left and the right, are clinging to the very policies which have caused the crisis: the neo-liberal laissez-faire doctrines, the primacy of financial investment over production, and the monetarist credo of the Maastricht Treaty with its absurd convergence criteria. For “Gaullists,” such as Prime Minister Juppé, who, some years ago, betrayed de Gaulle’s concept of economic planning, it is inconceivable today to reject neo-liberalism. The world of economic planning, as de Gaulle practiced it, is for them a bygone “conservatism,” and the only thing to do now is to adapt and prepare the nation to fight the jackals in the fierce jungle of a globalized world economy.

In Shakespeare, Hamlet’s incapacity to change the situation for fear of the “unknown,” is quite a common disease in France, where it is called Cartesianism, the clinging to a fixed logical-deductive system of axioms, in spite of the fact that it bears no correspondence to reality. Just as France clung to the Maginot Line prior to World War II, so now it clings stubbornly to Maastricht and the other liberal dogmas.

What defines ‘loyalty to France’?

Another crying example of the French elites’ incapacity to adopt new solutions to problems, a dogmatism which de Gaulle polemicized against in many of his writings, is to be seen as well in French policies toward Africa. Even though the breakup of Zaire was provoked by the British-directed offensive of Ugandan President Yoweri Museveni, Rwandan Defense Minister Paul Kagame, and Museveni puppet Laurent Kabila, nobody can deny that 30 years of the corrupt Mobutu regime, aggravated by the 1990 total cutoff of Western aid to Zaire, created the conditions for the rapid implosion of that country under the attacks of Kabila, assisted by the well-trained armies of Kagame and Museveni.

In spite of the collapse of Zaire, in spite of the fact that Mobutu is dying of cancer, the French government has supported Mobutu to the bitter end, refusing to seek out leaders of moral and intellectual qualities who could replace him and



French Prime Minister Alain Juppé, whose plan to impose austerity is meeting growing resistance.

mobilize the country against Kabila.

This stubborn clinging to the established order in France or in Africa, is the quality in Jacques Foccart, the architect of French Africa policy over the last 30 years, that was praised by many in eulogies published after his death in late March. Originally, Foccart was the official liaison of President Charles de Gaulle to Africa; a mission that he fulfilled while becoming personal friends with practically all of the Francophone African heads of state, with whom he was often in daily telephone contact. The commentaries praised Foccart for his loyalty to de Gaulle and to France, whose Presidents he continued to serve in this capacity until his death.

But what is the situation in Francophone Africa, that Foccart should be so praised for his “loyalty”? Thirty years after their independence, those countries are in a process, not of economic and political development, but of full devolution. Their institutions are weaker than ever, their economies looted by the structural adjustment programs of the International Monetary Fund and by the 1994 devaluation of the CFA (African) franc. Politically, those countries are still run by some of the most gruesome dictators, and nothing has been done to facilitate access to power by competent and idealistic leaders. As a result of this situation, more and more of those countries are contesting the “privileged” alliance that united them with France, and are willing to envisage alliances even with the devil, the hard-core factions of the British Empire promoting Museveni, for instance, to get out from under French control.

As Francophone Africa falls apart, did any of the elites question Foccart’s “loyalty” to France, in the name of which he supported some of the worst dictatorships in Africa and some of the worst policies that came from Paris? No. The list of names of people who could replace Foccart after his death,

from present Secretary of State for Cooperation Jacques Godfrain, Foccart's official heir presumptive, or Jean François Probst, from the prime minister's cabinet, leave hardly any doubt that the policy will be to cling stubbornly to Foccart, without Foccart.

Power struggles beneath the calm surface

If the general political discussion is governed at all levels—on issues ranging from immigration to foreign policy—by a soft consensus among all parties, the Socialist Party plays the role, at best, of a moderate opposition. But, under the table, the knives are out, and the political scene is dominated by power struggles, factional bickering, and *revanchisme*, a situation which de Gaulle would have characterized as one of complete havoc.

The *affaires* are rampant, and scandals are hitting President Jacques Chirac and his associates, as well as the old Mitterrand networks in the Socialist Party. Among those targeted is a very close friend and associate of Chirac, François Pinault, the head of Pinault-Printemp. In the 1980s, Pinault made a killing through the purchase of \$2 billion out of the \$3 billion Executive Life junk bond portfolio that Crédit Lyonnais had just purchased. Pinault, who made a \$1 billion profit in this affair, was able to buy his share originally thanks to a loan made for this purpose—by Crédit Lyonnais! The scandal, however, is the following. Among the assets Crédit Lyonnais is now trying to sell in order to cover up parts of its huge debt, are some remaining elements of this deal with Pinault. The Financière Pinault owes FF 1.5 billion to Crédit Lyonnais, and the bank still holds a 24.6% participation in Artemis, at the heart of Pinault's company. Crédit Lyonnais had originally paid FF 3 billion for all this. Today, to help Crédit Lyonnais, Pinault offered at first to buy up these assets for FF 800 million, and then, gallantly moved up his offer to FF 1.5 billion, making a nice profit of FF 2 billion.

Among the left-wing, the scandal over the extensive phone taps ordered by the Elysée Presidential palace during the Mitterrand era, is hitting the old Mitterrand networks full force. The entire set of transcripts of the phone taps on thousands of people were just recently discovered in a box rented by Major Prouteau, the former head of the Elysée anti-terror unit. Some elements of those archives, in which most of whose information is protected under defense secrecy laws, have been published. A letter by Prouteau to Mitterrand, in which he details all the new taps that he has asked for, and the missions to be accomplished, as well as reports with notations by Mitterrand himself, leave no doubt that the late President was personally leading these black operations which spied on thousands, in some cases for no other purpose than to protect the secrets of François Mitterrand's private life, including the existence of his illegitimate daughter, Mazarine.

Another element of the political havoc is the judicial system, in which the judges, using the corruption of politicians as a pretext, have gone out on a limb and are castigating

politicians and industrialists in a comprehensible, but dangerous revolt. Not only are the heads of many top industries under investigation or in jail, but judges are handing down extremely harsh sentences, going way beyond the crimes actually committed. If some of these sentences are well deserved, other cases show a dangerous bias. This is the situation in the case of Paul Suard, the former head of Alcatel, one of the top high-tech infrastructure companies in the country, who will probably get a non-suspended jail sentence for having taken FF 1.4 million of company money to set up a security system at his private home. However, Suard had this security system installed, on the advice of police, at the height of the wave of kidnappings launched by Direct Action terrorists who had already killed several industry heads. Similarly, the prison conditions under which Loik Le Flock Prigent (the former head of the national oil company Elf Aquitaine, who is accused of having used Elf money for personal purposes, and another target of the judges' crusade) is being detained, are abominable.

The French Mussolini

Who benefits from this degenerate climate? The xenophobic Jean Marie Le Pen, whose National Front is gaining momentum nationwide. The victory of Catherine Megret, the wife of one of Le Pen's top lieutenants, Bruno Megret, in a mayoral race in the southern city of Vitrolles, has reinforced the Le Pen camp, and there is much concern that a real breakthrough for Le Pen could occur in the 1998 legislative elections.

A French version of Mussolini, Le Pen speaks "straight," denounces the corruption of all politicians, and reduces all problems to a demagogic, below-the-belt attack against immigrants, whom he accuses of stealing French jobs, causing the deficit of the Social Security system, increasing rates of crime, and whatnot. More recently, Le Pen has successfully tailored his campaigns to a working class audience, denouncing globalization and outsourcing as one of the main reasons of unemployment. The recent victories of Le Pen have led to a broad reaction and mobilization of new layers against such antics.

Hideous as Le Pen might be, however, it is the traditional parties which, through their corruption and incompetence, have created the conditions, the ocean in which the Le Pen movement swims, fostering the growth of his movement. Sometimes those parties have directly aided Le Pen. Without Mitterrand, who opened up the national media to him as a means to split the right wing, Le Pen would be nothing to this day. It is the lack of design, the lack of vision, the pettiness and corruption of the so-called traditional parties, which are responsible for the growth of the Le Pen electorate. Just as in Germany, where the optimism created by reunification virtually destroyed the fascist Republikaner party of Schönhuber, so in France, enthusiasm raised in the population for the realization of a grand design of development for the world will be the only way to send Le Pen back to the oblivion which he should never have left.