

# Casual about corruption

*Even as scandals rock the country, the French march on bravely, even cavalierly, towards the next century, taking events in their stride with habitual panache, says*  
**VAIJU NARAVANE**

“THE FRENCH have had a particularly excellent Christmas this year”, says the pot-bellied banker, Mr. Herve Ferret, taking a deep, appreciative sip of the golden Sauternes he is swirling in his glass. “And not just because the oysters have been singularly fat and succulent or the money has come rolling in, although there is that too! This Christmas has been spicy and juicy because of the deliciously crunchy political gossip that accompanied it.” Making loud, smacking noises, he continues: “Excellent, by the way this Sauternes with foie gras! However, to return to what I was saying, and I might sound cynical, but its true — Christmas usually tends to be long, somewhat lugubrious family repasts. People eat and drink too much and the hilarity turns maudlin. Not this time. Because we were not first laughing, then crying over our own poor fates. We were laughing over the antics and the supposed misfortunes of those that govern us. To think of old Mitterrand’s son spending Christmas night in prison tickled me pink.”

Mr. Herve’s conversation is peppered with culinary phrases. “The financial scandals surfacing in France are full of *détails croustillants pimentés* (hot, crunchy details) and give us enough *pain sur la planche* (bread on which to ruminate) to see us through next year, although new episodes are bound to arrive,” he says, his eyes gleaming in anticipation.

Mr. Jean-Christophe Mitterrand, son of France’s longest-serving, former socialist President, the late Francois Mitterrand, spent Christmas behind bars accused of money laundering, illegal arms sales (mainly to Angola), misuse of public office and fraud.

The President, Mr. Jacques Chirac, has himself been implicated in a vast network of kickbacks and corruption in Paris dating back to

the years he was the all-powerful Mayor of the French capital. Mr. Dominique Strauss-Kahn, Minister of Finance, Industry and Trade, recognised as one of the most brilliant economic managers in the Jospin Cabinet, was forced to resign because he allegedly received fictitious payments. The present Mayor, Mr. Jean Tiberi, has been accused of doctoring electoral rolls and running slush funds. The Right no longer wants him but he knows too much and is defying the party whip to stand for elections again.

It was influence-peddling that forced the former socialist Foreign Minister, Mr. Roland Dumas, to resign as the head of the Constitutional Council (France’s equivalent of the Supreme Court) following revelations of huge bribes and sexy shenanigans with his mistress, Christine Deviers-Joncure. She acted as the agent for sale of French frigates to Taiwan. The scandal, which also involves the French petroleum giant, Elf, and the government of Gabon, has now implicated the former German Chancellor, Mr. Helmut Kohl, and is likely to spread further.

The near-collapse of France’s largest public bank, Credit Lyonnais, shook the French and made them more cynical than ever. Bets with the biggest bad debts ever amassed by a bank — 125 billion francs (\$25 billion) — Credit Lyonnais has however survived because the Government has repeatedly bailed it out. Many of France’s top boardrooms have also been hit. Mr. Loik Le Floch-Prigent, former head of the state rail network, has been involved in a multi-billion dollar scandal involving siphoning off of money from Elf. The chief of the Dassault Aviation, makers of Mirage jets, was wanted in Belgium on alleged graft charges. The list is unending.

Opinion polls show that the French are not at all surprised at the corruption scandals rocking the country. Recently Mr. Chirac felt the need to go on public television to deny allegations (made on a video cassette by a deceased former party financier) that he was personally involved in and fully aware of the illegal activities of his RPR party. “When the President goes on national television to plead innocence and tell me he is shocked and hurt by revelations of murky financial double-dealing where the taxpayer has been taken for a fool — all I can say is that I am totally disgusted. Of course, we’ve known it all along. I personally have paid over 7000 francs (\$1000) to bail out Credit Lyonnais. I am disgusted but not surprised,” says a 50-year-old school



**The scandal-smeared French President, Mr. Jacques Chirac. (Inset) Mr. Jean-Christophe Mitterrand, son of the late socialist President... facing money laundering charges.**

teacher, Ms. Martine Renard.

The ramifications of the Elf scandal go beyond the French borders. Payments to Mr. Kohl’s Conservative Party are just a minuscule portion of Elf’s illegal activities which involve bribes to an African leader, a slush fund for Christine Deviers-Joncure, payments to operatives of the former Interior Minister, Mr. Charles Pasqua, and the secretary of Mr. Dominique Strauss-Kahn. It is now spreading beyond Europe and into the Middle East and Asia.

As scandals to the left of them and scandals to the right of them volley and thunder, the French march on bravely, even cavalierly, towards the next century, taking events in their stride with habitual panache.

“In America they would have set up God knows how many grand juries and independent counsel to look into these cases. We just shrug and let the judges get on with it. Not much will come of it. We are like that; it’s the Latin temperament. Live and let live is our motto,” says a 25-year-

old car salesman, Mr. Bernard Le-coque.

However, there is little chance of that. In recent years, France has seen the emergence of tenacious, tough and independent judges and examining magistrates who have doggedly pursued cases despite pressure from the Justice Ministry. Ms. Eva Joly, a courageous magistrate, has led the crusade against Elf, while other judges, like in Italy following the “Clean Hands” investigation, have become public heroes.

All these scandals reveal the extent of the nexus between the government and public industries. Many of the big state-owned companies have been used by corrupt officials, politicians and boardroom bosses to fund and fuel illegal transactions for private profit, robbing the taxpayer of billions of dollars. For the first time, the French are beginning to wonder whether Mr. Chirac will be able to stand for re-election. A Pandora’s box is beginning to open. For the moment, however, it has opened just a crack.

France  
19-16

# Jospin in the dock

**Mr. Lionel Jospin has been hoist with his own petard. So anxious was he to give the impression of running an open, democratic Government that Ministers were encouraged to air their differences. But the virulence of their criticism has left the French Prime Minister reeling, says**  
**VAIJU NARAVANE.**

IT HAS been the worst return from the summer break a French Prime Minister has known. Mr. Lionel Jospin's popularity has plummeted a full 20 points and the man who appeared invincible just a couple of months ago has suddenly become vulnerable, subject to the vagaries of public opinion.

"We are paying for everything. For Corsica, for the departure of Interior Minister Jean-Pierre Chevènement, for high petrol prices and the opposition from the Greens. Unfortunately, all of it has piled up together," said a socialist sympathiser.

Towards the end of June, the Government was badly shaken by the controversy surrounding Mr. Jospin's proposal to give limited autonomy to the violence-ridden Mediterranean island of Corsica. Mr. Chevènement, one of the pillars of Mr. Jospin's team, expressed deep reservations about what he called a sell-out to violence. The two men, old friends, agreed to mull over their differences but Mr. Chevènement decided to slam the door on his return from vacation, dealing a severe blow not just to the Government but to the credibility of Mr. Jospin's plan for Corsica. Matters were further complicated when tax cuts announced by the Finance Minister, Mr. Laurent Fabius, fell far short of expectations and appeared to coddle France's powerful middle classes prior to elections looming next year.

The cherry on the cake of adversity came in the form of protests over spiralling fuel prices from disgruntled farmers, hauliers, fishermen, taxi drivers and the like. Having abolished road tax just a week earlier and flaunted a 30 billion franc treasury sur-

plus, the Government could hardly say no to the wild cacophony of demands from every quarter. The press had a field day. Mr. Jospin, who so far had been accorded grudging admiration, was suddenly seen as "weak and lacking in foresight".

"We are not used to receiving such slaps in the face. We felt we had positively resolved a crisis through negotiation. We did not allow the situation to worsen and avoided the use of force. Of course we did not expect to be congratulated, but neither did we expect to be punished like this," a close Jospin aide is reported to have said.

Until his controversial proposal to offer Corsica limited autonomy last June, Mr. Jospin had appeared unshakeable and commentators had begun to speak in awed terms of "the Jospin method" of government. He appeared to be steering a steady, serene course, handling his multi-party, centre-left-communist coalition with amazing dexterity. It was called governance by consensus and the Prime Minister was given credit for consulting his Ministers, commended for a balancing act that killed two birds with one stone. It won him brownie points for being democratic while keeping all members of his coalition happy.

But public opinion is a fickle mistress and what yesterday was described as government by consensus is today seen as weakness, vacillation and indecision, as lack of firmness. Mr. Jospin's straight,

no-frills, no-nonsense delivery which was applauded as honest and direct is today derided. He is being accused of hauteur in certain quarters, of being a goody two shoes in others. His tendency to occupy the moral high ground which had enchanted now only tends to irritate.

Mr. Jospin has been hoist with his own petard. So anxious was he to give the impression of running an open, democratic Government that Ministers were encouraged to air their differences. But the virulence of their criticism has left the Prime Minister reeling. Ms. Dominique Voynet, Environment Minister and leader of the Green Party, and Mr. Chevènement, who heads a small leftist party called the Citizen's Movement, have to keep their own constituencies in mind. Ms. Voynet denounced the decision to abolish road tax and the granting of tax cuts to industries dependent on fuel, saying they went against the principle of taxing consumption as a disincentive. Paradoxically, the strengths of Mr. Jospin's Government have suddenly become its weaknesses.

The Prime Minister's post is clearly the most difficult and unenviable job in France. There is none of the glamour attached to the presidency; tough, often unpopular decisions have to be taken and the slightest wrinkle in the smooth running of the country is attributed to him. Most Presidents have used their Prime Ministers to deflect blame from themselves, changing them when

they felt the tide of public opinion was beginning to turn hostile. Presuming, of course, that the President and the Prime Minister belong to the same party.

The situation changes when the French elect a President and a Parliament from opposing political families. The French call it cohabitation and have taken to it like a duck to water. It makes for entertaining political theatre but it also tends to undermine good government by pitting the country's two top posts against each other. With presidential elections in 2002 and the crucial Paris mayoral race less than a year away, the presidency and the Prime Minister's office are forever on the look out for opportunities to cut the grass from under each other's feet. Hardly a healthy way to run a country.

Locked in a popularity duel with the President, Mr. Jacques Chirac, the Jospin Government is now engaged in carrying out a damage-limitation exercise. Ms. Voynet, after attacking Mr. Jospin and threatening to leave the Government, now says she knows the Prime Minister is committed to Green causes. Mr. Jospin and his advisers are looking for other sweeteners to win back lost popularity. This could come in the form of a reduction in VAT which, at 19 per cent, is one of the highest in Europe. Other indirect taxes could also be reduced. Insiders say the Prime Minister may even be prepared to re-consider his proposal to give limited autonomy to Corsica.

UN

# Stifling a yawn,

AGENCE FRANCE PRESSE  
PARIS, SEPT 24

**F**RANCE goes to the polls Sunday to approve a measure described as the biggest change in the country's system of government in nearly 40 years, but which has left most of the public blank-eyed with boredom.

Attention is less on whether most voters will back a reduction in the presidential term to five years — according to the polls they certainly will — but on whether enough of the electorate will turn out to give the exercise any democratic validity. Polls show that around two-thirds of the public intend to abstain.

So lacklustre has been the de-

bate that the number of those declaring an intention to vote actually diminished as polling day approached. An abstention rate higher than the previous record — 63 percent in a 1988 referendum on New Caledonia — will be seen as a rebuff to the country's political classes, and especially President Jacques Chirac who called the referendum in July.

He is already reeling from grave political allegations after Thursday's *Le Monde* newspaper published the posthumous confession of a former colleague who claimed that Chirac had personally known of illegal party funding in the 1980s. Earlier this year Chirac reversed his longstanding hostility to the proposal to cut the presidential term from

# France votes on 5-yr presidency

Most political leaders, including Socialist Prime Minister Lionel Jospin, are also supporting a 'yes' vote, but few have bothered to mount a high-profile campaign, and none has succeeded in galvanising the public. Only the far-right and the breakaway Gaullist RPF party oppose the reform.

The Communists, who are in the ruling coalition, are calling for abstention, while the Greens — also in government — are split between supporters and opponents. Despite the widespread unconcern, commentators said a five-year term — the "quinquennat," as it is known in France — would be the most important governmental reform since President Charles de Gaulle introduced direct elections to the presidency



**Chirac...Problems on all fronts**

seven years to five, arguing that he now believed the change was "modern, useful and risk-free".

But announcing the referendum, he set the tone of general indifference when he declared, "If they say 'yes,' that's fine. If they say 'no,' that's fine too".

in 1962. Many warned it could have profound, even destabilising consequences.

"It is a step into the unknown," said constitutional expert Didier Maus. Supporters believe the seven-year presidency, introduced nearly 130 years ago and then written into the Fifth Republic by de Gaulle in 1958, is too long in a modern democracy, and that more frequent popular consultations would make the office more accountable.

They also say it would make less likely periods of so-called cohabitation when — as now — France's President and Prime minister come from opposing political camps.

But some opponents argue that if the presidential and parlia-

mentary cycles are brought into line, with elections for both every five years, the President will invariably command a majority in the National Assembly, and his powers will be dangerously enhanced.

Others argue the opposite — that to win at five-yearly elections, a President would have to rely heavily on the political parties in the Assembly, and he would thus lose the independence of action that has defined the role for the last 40 years.

The confusion over the implications of the reform, the general assumption that it will pass, Chirac's volte-face and an uninspiring campaign: most French people regard them all as good reasons for staying at home.

INDIAN EXPRESS

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# That top of the world feeling

**L**AST SUNDAY when France returned from the edge of catastrophe to beat Italy in the Euro 2000 final, some half a million people made a beeline for the Champs Elysees in Paris to celebrate. They hooted car horns, sang, sprayed each other with champagne and danced with mad abandon until the wee hours of the morning.

One of the revellers, a woman, plump and fortyish, interviewed by a reporter said: "Our victory did not surprise me at all. It couldn't have been any other way. At the moment France is sailing under a favourable wind and after many years things are going right for a change. How could we have lost? It's unthinkable."

The French are not a nation given to this kind of hyperbole. As a rule they are collective moaners, often bad-tempered and complaining. But there is a curious feel-good factor in the air these days and the mood is upbeat.

"The sales have not been this good in a very long time. There is a kind of febrility, an excitement even. It is true that the holidays are approaching, the weather is better and people are nicer because its sunny. But that does not account for the sales. Even women in their late Fifties and Sixties are dropping by to pick up something dainty and attractive," says a woman who runs a shop in Montmartre.

Her optimism is echoed in the figures recently released by the Ministries of industry, finance, labour and employment.

France has not only come out of the recession of the Eighties, it is one of Europe's fastest-growing economies.

The Government finds itself in the enviable position of having an unbudgeted extra 29 billion francs to spend and the weak Euro has ensured that exports are booming. "It's a heady mix. The economy is doing well and that has injected a certain confidence into the people. No longer are the newspapers full of sad stories of huge job cutbacks or the closure of factories.

The way this feel-good factor is reflected in the press too is very subtle. Now you have more stories of people who used their creativity and imagination to hit the jackpot after having been thrown out of their jobs — adversity bringing out the best in them.

*As a nation the French are not given to hyperbole. But, says VAIJU NARAVANE, there is a curious feel-good factor in the air these days and the mood is upbeat.*

There is a positive spin on the articles while before they tended to be sob stories of people feeling sorry for themselves. There is a new gung-ho spirit in the nation,"

industry is casting its net for mergers and acquisitions and the country has just taken over the rotating six-month Presidency of the European Union.

The President, Mr. Jacques Chirac, has vowed that the French term at the head of the E.U. will be a model of efficiency and productivity.

"The French example is of interest. This is the only country in Europe where the Chief Executive and his Prime Minister — and both posts carry considerable power under the French Constitution — belong to opposing parties. Mr. Chirac's politics are essentially

amazing how well these two men have steered the destiny of France despite the deep differences that separate them.

"They are political rivals but until now they have managed to keep their personal competition from damaging or influencing their political choices. Whether this will continue to be the case is uncertain," says Mr. Penicault.

Elections are approaching and this rivalry is now beginning to become disruptive, even somewhat destructive. Both Mr. Chirac and Mr. Jospin would like to be elected President of France in 2002 and are jostling for media attention. Mr. Jospin with the help of Mr. Chirac's old foe, the former President, Valery Giscard d'Estaing, cornered the President into accepting a shortening of the French presidential term from seven to five years. A referendum has now been fixed for September 24 and it could go either way.

This is not without risk for Mr. Chirac. If the French abstain heavily and the minimum required number of voters do not go to the polls, the President's credibility would be so damaged that he would in all probability be forced to resign. If the answer is a resounding yes, it will strengthen Mr. Chirac's hand, but it would not seriously undermine Mr. Jospin who has always supported a shortened presidential term.

In addition, there is the hotly-contested Paris Mayoral poll in ten months' time. The incumbent, Mr. Jean Tiberi, a long-time Chirac loyalist has been accused of rigging voter lists and there is real danger of the corruption scandal reaching the President himself who, before being elected Head of State, was one of the capital's most successful and high profile Mayors.

It is with this backdrop of political manoeuvring that France has taken over the E.U. presidency. The French have sketched out an ambitious agenda. They would like to move towards a European rights charter, successfully reform European institutions and humanise the faceless bureaucracy in Brussels by "bringing it closer to the citizens".

But will France's redoubtable duo be able to carry the plan forward in the face of their own conflicting ambitions?



France's ruling duo, Mr. Jacques Chirac and Mr. Lionel Jospin... leading the charge.

says Mr. Jean-Claude Penicault, an economist.

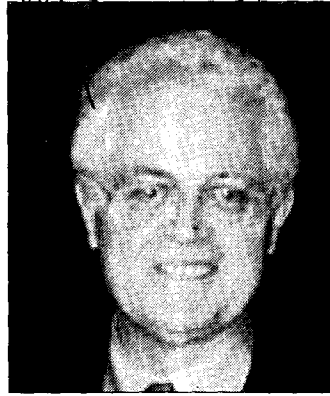
But the heady mix referred to by Mr. Penicault is more than just the return of temporarily lost confidence. Another essential element is power, and France feels both economically strong and politically powerful.

After a late entry into the cyber world France has caught up extremely fast. French

liberal, although he has made something of a mantra out of social solidarity.

"The Prime Minister, Mr. Lionel Jospin, on the other hand, is much more of an old style socialist, still agitating for the protection of social rights — paid vacations, heavily subsidised health care, security of employment, reduction of working hours. It is quite

Jospin inducts  
old rival in  
ministry



Mr Lionel Jospin

**ASSOCIATED PRESS**

PARIS, March 27. — France's Socialist Prime Minister, Mr Lionel Jospin, today fired two ministers and brought in former premier and long-time party rival, Mr Laurent Fabius, in a government shuffle aimed at bringing new energy to his flagging leftist team.

Mr Fabius, who had been president of the National Assembly, was named economics and finance minister, replacing Mr Christian Sautter, the presidential Elysee Palace announced.

Former culture minister, Mr Jack Lang, a Socialist party stalwart, was named education minister, replacing the unpopular Mr Claude Allegre.

The French Prime Minister was becoming increasingly hobbled by massive street protests targeting the education minister's reform programme as well as a plan by the finance minister to streamline the tax collection system and the treasury.

Strikers forced Mr Sautter to delay the deadline for turning in French taxes by two weeks.

**THE STATESMAN**

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