

Financial scandal threatens to engulf French presidency

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The latest of a series of investigations into the finances of political parties in France has led to the indictment of ex-prime minister Alain Juppé and widespread suspicions of illegal financial practices by President Jacques Chirac.

Juppé, who was prime minister until June 1997, and Chirac are the two most prominent political figures to be targeted by the investigating judge of Nanterre, Patrick Desmure. He has been leading the inquiry into the finances of the Gaullist party, Rassemblement pour la République (RPR), for the last three years. Also charged is Michel Roussin, an ex-minister in Juppé's cabinet and prior to that a principal private secretary to Chirac in his former position as mayor of Paris. The charges have been brought under the law on financial transparency concerning political parties, introduced in 1988 and amended in 1990 and 1995.

Juppé has been charged with covering up the payment of staff working for the RPR by the Paris Council (the capital city's administration) and by private companies during his tenure as general secretary of the party. Charges levelled against him include 'embezzlement of public funds', 'complicity to and concealment of aggravated breach of trust', and 'concealing the misappropriation of public property'.

Chirac's name came up for the first time in relationship to investigations into illegal party funding in March this year. Robert Galley, treasurer of the RPR between 1984 and 1990, also under investigation, told the judge that Chirac had asked him to find money more or less by any means necessary. Juppé was linked to illegal funding activities when an ex-head of personnel at the Paris Council, Georges Quémar, told the daily *Le Parisien* in May that there were around 200 'fictitious contracts' at the Paris Council during the 1980s.

A search at the Hotel de Ville, the headquarters of the Paris Council, in the first week of July produced 15 of these illegal contracts. This became the basis on which Juppé and Michel Roussin were officially charged and summonsed to appear before the court on August 21. Four days later, Juppé intervened on the main television channel, TF1. He accepted responsibility for everything that happened in the period concerned, explaining that, all in all, he had worked to 'adapt' the RPR's practices to the new laws once they came into effect.

By 'taking responsibility for this entire period', Juppé was clearly trying to protect Chirac against any further accusations. Nevertheless the following day the leading daily *Le Monde* announced that 'the investigation was moving closer to Chirac's presidential election campaign' of 1995. Their article said that some of the people hired via the suspicious contracts were active as staff for Chirac's election campaign. They cited one document carrying Chirac's handwriting as example of his involvement into the murky system of nepotism practised by the Paris council.

As a consequence of Juppé's indictment, a discussion has started about the possibility of treating the head of state, Chirac, like any other person if he has committed actions against the law before he became president. This line is pushed by the current Minister of Justice, Elisabeth Guigou of the Socialist Party (PS), but has met strong opposition as an attack on the functioning of the presidency.

The investigation into the RPR finances started three years ago, just two months after Chirac became president and Juppé his prime minister. It originally focussed on unknown figures, most of them treasurers and ex-treasurers of the RPR. It only started to involve major figures earlier this year as Jean Tiberi, Chirac's right hand and his successor as mayor of Paris, and his

wife were investigated.

Another investigation has been launched into the finances of the Union pour la Démocratie Française (UDF), the former coalition partner of the RPR. In August leaders of the UDF, including its president, François Léotard, an ex-minister of defence in the Balladur government, were summonsed before the judge to explain the origins of loans made to one of the parties in the UDF coalition, Démocratie Libérale (DL). The investigation has prompted accusations and counter-accusations within the UDF and DL, making the already existing internal warfare even more poisonous. Léotard refused to sign the protocol of his meeting with the investigating judges.

These investigations are accompanied by a media campaign that is remarkable in that it takes at face value everything the judges say. Every bit of evidence and every move by the judiciary is followed by teams of reporters and widely publicised. Political figures, whose every word was published as indisputable truths when they were in government, are now presented in page-long articles as corrupt and shady characters.

Such investigations in the past served the purpose of keeping under control corrupt financial practices that, if unchecked, would undermine the credibility of the parties that have constituted the bedrock of the Fifth Republic. The effect of this investigation, however, is to destabilise the parties themselves, particularly the Gaullist RPR, whose two top leaders, Juppé and Chirac, are now under attack.

In the last days of August a number of leaders of the RPR went on the offensive to oppose what they described as a concerted attempt to destabilise their party. Philippe Seguin, the party's president, opposed judicial attacks against the national president as contrary to the constitution. He told *Le Monde* on August 28 that the 'type of investigation presently conducted by the judge Patrick Desmure, the consequence of which is to discredit the politicians and through them, democracy, can well go on for another 10 or 15 years, if nothing is done.' He asked the government to redefine the laws on party finances, which should only condemn practices leading to personal enriching. This was opposed by Prime Minister and Socialist Party leader Lionel Jospin with the argument that such a decision would look like an amnesty.

Significantly the financial scandal has unfolded over three months that have been dominated by the bitter conflict between different wings of the main bourgeois parties over the question of collaborating with the fascist Front National (FN). Sections of the UDF have actually merged with the FN and now run regional administrations alongside them. The majority of the RPR leaders have up to now opposed such an approach. The leading politicians involved in the two investigations are those who have been most outspoken against any collusion with the FN because of the fear of destabilising political life in France and provoking opposition in the working class.

The move to indict Juppé and then Léotard came within weeks of the French victory in the Soccer World Cup. The success of a French team, composed for a great part of players whose parents were immigrants, was used as a rallying point by those politicians opposed to involving the FN in government. Chirac placed himself at the head of enthusiastic crowds celebrating a mixture of nationalism and multiculturalism.

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