

# The Clearstream affair: French right wing in crisis

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In the wake of the weeks-long demonstrations against the “First Job Contract” (CPE) a violent dispute has erupted within the French political elite. The position of Prime Minister Dominique de Villepin appears ever more untenable and President Jacques Chirac is being increasingly drawn into the conflict.

The controversy has not taken an overtly political form but instead emerged as a scandal that is drawing in ever-wider circles. One exposure after another is coming to light as secret intelligence documents appear in the media, revealing a dense, barely penetrable network of plots and intrigues.

Meanwhile the political warfare has had its first victim: Jean Louis Gergorin, the vice-president of the aviation and arms company EADS, has resigned from his post in order to “concentrate himself entirely on his defense.” It is expected that high-ranking political heads will also roll.

At the heart of the dispute which has dominated the news in France for days is the so-called Clearstream affair. Briefly, it involves the following:

At the beginning of January 2004 Dominique de Villepin, at that time minister of foreign affairs, met with the recently retired general of the French military secret service, Philippe Rondot, and the EADS deputy, Jean Louis Gergorin. Gergorin is an old and trusted friend of Villepin. Twenty years previously, in his function as departmental head in the State Department, Gergorin had engaged and promoted the young career diplomat.

Gergorin is said to have presented at this meeting a list of secret bank accounts held by French politicians and managers with the Luxemburg finance company Clearstream. Rondot was assigned to instigate investigations. The Ministry of Defense, to which Rondot is accountable, was not informed about the meeting and its subject.

The list turned out to be a falsification and so far it remains unclear who was behind it. The main suspects are Gergorin and another employee of EADS and the French secret services, Imad Lahoud.

The most prominent names on the Clearstream list are Paul de Nagy and Stéphane Bosca. These names could only refer to Nicolas Sarkozy—Villepin’s fiercest rival inside his own party. Sarkozy is the offspring of a Hungarian nobleman and has the full name Nicolas Paul Stéphane Sarkösy de Nagy-Bosca. Sarkozy was also not informed by Villepin about the suspicions leveled against him and the investigations undertaken by Rondot.

Villepin evidently tried to implicate his fellow minister in a scandal—without any success. Against the will of both Villepin and his mentor, Chirac, Sarkozy took over the presidency of the governing UMP in November 2004.

The secret service agent Philippe Rondot made detailed records of the events. They have been confiscated by two magistrates who are conducting investigations into “slandorous accusations.” The notes were made public last Thursday by the newspaper *Le Monde*. From the records it follows that Villepin had acted against Sarkozy with the full knowledge and perhaps at the request of the president.

*Le Monde* concludes: “The involvement of the head of state unmistakably emerges from the testimony. Contrary to official statements it is very probable that Jacques Chirac issued ‘instructions’ in this affair... Irrespective of what the prime minister has said so far, the almost obsessive search for elements which could compromise the UMP president is unmistakably clear.”

The plot was not limited to the presidential palace and the State Department. Four months after the meeting in Villepin’s office the Clearstream list was allegedly sent anonymously to the magistrate Renaud van Ruymbeke, who was investigating bribery payments in connection with the sales of frigates to Taiwan. As the weekly paper *Le Canard enchaîné* has since revealed, Judge van Ruymbeke had previously held a secret meeting with Gergorin. He therefore very likely knew the source of the “anonymous” letter—a point which raises further questions about the role of the judge and the probable informants.

*Le Canard enchaîné* published yet another revelation. The satirical paper, which frequently makes public exposures, accused Chirac of maintaining his own illegal account with the Japanese bank Tokyo Sowa, containing over €46 million. Chirac has denied the charge, declaring the Republic is not “the dictatorship of rumors or the dictatorship of slanders.”

As is usually the case with such scandals, much remains murky. Above all it remains unclear so far who is pulling the strings behind the scenes, who has been passing on investigation documents to the press, or the role played by other members of the government.

It is no surprise to learn that leading politicians in France have skeletons in their closets. Since the 1970s there has not been a French president who was not involved in one major scandal or another.

Georges Pompidou was suspected in the Markovic affair of maintaining links with the criminal underworld. Valéry Giscard d’Estaing took monetary gifts from dubious African potentates. François Mitterrand, whose own affairs would fill an entire book, spied on numerous colleagues. And Jacques Chirac only managed to survive the numerous bribery affairs stemming back to his period as mayor of Paris because in 2001 a high court awarded him immunity as long as he remained president. He cannot even be called to testify as a witness.

When the skeletons are wheeled out by the press for public presentation then there are usually political motives behind it. This is once again the case. The Clearstream affair represents the highpoint of a conflict between Chirac, Villepin and Sarkozy that has been smoldering for a long time.

Villepin’s own authority had been severely undermined by the mass movement against the CPE. He adopted an unyielding attitude towards the protests and rejected any concessions, but finally had to back down and withdraw the controversial element of his legislation. An agreement with the trade unions, which permitted the government to save face, was negotiated under the leadership of Sarkozy.

The Clearstream affair now administers a deadly blow to Villepin’s credibility, and little stands between Sarkozy and the presidential

candidacy. Villepin has been desperately protesting his innocence, and was backed by president Chirac in a television speech last Wednesday. But the evidence amounted against both men is substantial.

Meanwhile, Sarkozy acts triumphant and presents himself as a victim. Last Tuesday, he told 5,000 party members he would defend himself “against vile intrigues cooked up in the rumor kitchens and against dilettante plotters who spread filth.” He threatened he “would not take half-measures in the search for the truth.” He did not mention the name Clearstream but everybody knew what he was talking about.

In reality Sarkozy is hardly the innocent victim he claims to be. The newspaper *Libération* has cited numerous references that he was already informed about the Clearstream list in October 2004. The paper writes: “One should first ask whether the interior minister did not know of Rondot’s investigation some time ago. And whether he sought to profit from it by making himself the victim.”

The conflict between Sarkozy and Villepin is not just about personal differences. Sarkozy is certainly an ambitious political climber who is capable of anything in order to further his career, but exactly the same could be said about Chirac’s favorite Villepin. Nevertheless, Sarkozy’s rise to prominence within the right wing does reflect a fundamental reorientation in French politics.

In contrast to most other French politicians, the 51-year-old is not a product of the elite school ENA, which has been the basis for generations of political rulers in France. Sarkozy’s father, a nobleman, fled Hungary in 1944 following the invasion of the country by the Red Army and went on to serve five years in the French Foreign Legion. When Nicolas was four years old his father left the family and his three small children. His mother took up law studies and made a career as an attorney.

From childhood the current interior minister learnt to subordinate his personal needs in favor of planning his career and fighting his way to the top—a circumstance which he exploits today to present himself as an ordinary type who just gets on with the job. At the same time, however, he maintains close relations with the rich and famous. He grew up in the wealthy Paris suburb of Neuilly sur Seine, and was mayor of the district for 20 years.

With regard to domestic affairs Sarkozy advocates a strong, authoritarian state. He enjoys photo opportunities with members of France’s heavily-armed CRS police unit. During the CPE protests he personally ordered the evacuation by force of the Paris University of Sorbonne while returning by plane from a trip overseas. And last summer during uprisings by young people in the French suburbs, Sarkozy referred to the youth as scum that should be swept from the streets with high pressure hoses.

Such outbursts, spectacular deportations, and brutal police deployments against immigrants have been deliberately used by Sarkozy to increase his standing with the extreme right. He is not, however, racist in the classical sense. To stabilize the state apparatus he is also prepared to win over and use conservative layers of the immigrant community. As interior minister he set up a French Muslim Council in order to strengthen cooperation between the government and Islamic clerics. He has also argued in favor of an American-style “positive discrimination”—flying in the face of France’s republican tradition, which rejects measures which violate the principle of equal treatment of all citizens.

In national politics Sarkozy began his political career as a supporter of Edouard Balladur, and became his budget minister in 1993. Balladur stood against Chirac in the presidential elections of 1995 and lost. There were differences between the two men, particularly over economic policy. Chirac and his later Prime Minister Alain Juppé accused Balladur and Sarkozy of making populist concessions to voters and lacking budgetary discipline.

Juppé, however, then virtually provoked a rebellion when he sought to convert his policies into practice. Hundreds of thousands reacted to his

attacks on social security benefits, pensions, health insurance and jobs with three-and-a-half weeks of strikes and demonstrations which finally cost Juppé his job.

The conflict over budgetary policy reignited two years ago when Sarkozy took over the Ministry of Finance and Economic Affairs. He initially opposed the European stability pact, which enforces strict budgetary constraints on France, but he was eventually reined in by the president.

In foreign affairs Sarkozy pursues a policy of a strong France in classical Gaullist tradition. But his stance is less bound up with the pro-European Union stance that is traditionally seen in France as a means of standing up to the US and keeping its German neighbor under control. Sarkozy follows a more pro-US line than Villepin and Chirac and ruthlessly defends French interests in Europe. This was evident when, from his ministerial office, he organized the takeover of the German chemical and pharmaceutical giant Aventis by the French company Sanofi Synthelabo—much to the annoyance of the German government.

In Germany, Sarkozy maintains closer contacts to the Bavarian Christian Social Union of Edmund Stoiber than to the Christian Democratic Union led by the German chancellor, Angela Merkel. Like Sarkozy, Stoiber also takes a more skeptical position towards the European Union and fights in particular for regional interests.

Important differences between the two rivals in the UMP also emerged in the course of the CPE dispute. While Villepin gave the trade unions the cold shoulder, Sarkozy sought to integrate them so as to bring the mass movement under control. And his calculations bore fruit.

To summarize, Sarkozy represents a political line which combines a strong, authoritarian state with a nationalist economic and foreign policy combined with corporatist elements—i.e., the integration of the trade unions and other social organizations into the state apparatus. Such elements are characteristic of many authoritarian and even dictatorial regimes.

Of course there are no hard and fast divisions. Both Sarkozy and Chirac are capable of swift political about-turns. Nevertheless, the fact that Sarkozy has risen to become the unquestioned candidate of the French right indicates that the French ruling class is endeavoring to develop new forms of rule. After 10 years in which every attack on the working class has unleashed storms of protest which have often persisted for weeks and involved millions, the ruling elite requires more repressive methods of rule.

Jacques Chirac strove for a long time to prevent Sarkozy’s rise to prominence, but the latter now has the support of influential sections of the ruling elite and the membership of the UMP.

Just one-and-a-half years ago 85 percent of party delegates voted Sarkozy to the post of chairman of the party. Chirac sought to obstruct his election by presenting an ultimatum—either he could be party chairman or minister, but not both. In response Sarkozy promptly resigned as minister. Six months later Chirac was forced to accept him back into the government.

Sarkozy’s popularity in the UMP is not matched by any support from the population as a whole. This right-wing, law-and-order politician is hated by young people and the working class. An additional factor is that the Clearstream scandal threatens to bring down not only Villepin and Chirac but the entire UMP.

This is also the fear of the “Socialist” Party, which does not want to take over government under circumstances where the entire political establishment is discredited. Following a call last Wednesday by six SP national assembly deputies for Chirac’s resignation and new elections, the six were sharply reprimanded by the party leadership. The chairman of the party, François Hollande, and the leader of the official “left” in the party, Henri Emmanuelli, immediately dissociated themselves from the proposal in the name of “respecting electoral time periods.”



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