

Sarkozy television interview: a brazen defense of the financial aristocracy

Antoine Lerougetel**14 July 2010**

President Nicolas Sarkozy gave an hour-long, prime-time interview on France 2 Monday, aiming to defend his presidency against charges of corruption and conflict of interest, while continuing to push for large, unpopular pension cuts. Sarkozy's interview with newscaster David Pujadas was his first TV broadcast since his resounding defeat in the March regional elections.

The charges center on evidence suggesting that Labor Minister Eric Woerth, who is tasked with preparing the pension cuts, took illegal political contributions from billionaire Liliane Bettencourt, who also gave Woerth's wife Florence a job. Bettencourt owns a large stake in L'Oréal, a beauty products conglomerate. Her €17 billion makes her the richest woman in France.

She is at present under investigation for tax evasion and the illicit financing of Sarkozy's ruling UMP (Union for a Popular Movement). Hours before Mr Sarkozy appeared on television, police raided the personal offices of Mrs. Bettencourt, close to the 87-year-old's mansion in Neuilly. One of the biggest beneficiaries of Sarkozy's "tax shield"—a tax cut for high-income earners that costs €16 billion yearly—Bettencourt received a €30 million tax rebate last year.

Sarkozy's strategy in this interview was to brazenly defend all those accused of wrongdoing, while arrogantly asserting the class prerogatives of the financial aristocracy.

He devoted the first 20 minutes of the televised interview to defending Woerth. Relying on a hastily drawn up, government-commissioned report of the General Inspectorate of Finances exonerating Woerth, Sarkozy proclaimed the honesty of his minister. He charged all those who accused him of misdeeds with "calumnies and lies."

This position is not credible. The next day, *Le Nouvel Observateur* published a letter sent to the UMP by Bettencourt wealth manager Patrice de Maistre in 2006, explaining how the Bettencourts would circumvent the law limiting donations to political parties to €7,500 per year by channeling them through different UMP associations.

Indeed, revelations continue to surface of questionable

financing of Sarkozy's campaign by leading figures of the French business world. An article on the Internet news site *Médiapart* explains that Woerth helped Sarkozy set up a donors' club, the First Circle, made up of France's financial élite: Olivier and Laurent Dassault, the military airplane manufacturers; Guillaume Dard, CEO of Monpensier Finance; funding dinners with billionaire Vincent Bolloré, Philip Capron of Vivendi, David Rothschild the banker, and Princesse Laure de Beauvau-Craon of Sotheby France.

The ladies and gentlemen of the First Circle provided Sarkozy with €9 million to fund his 2007 presidential election campaign. His *Parti Socialiste* (PS) opponent, Sérgolène Royal, made do with €743,432. According to the Swiss *Le Matin*, the First Circle's gatherings in Switzerland were not choosy as to whether the cheques donated to Woerth "were drawn on Swiss bank accounts undeclared to the French tax authorities."

Woerth was forced to resign his position as UMP party treasurer yesterday on the grounds of a conflict of interest. However, he is continuing with his pension-cutting portfolio as Labor Minister.

The investigations of Woerth are being carried out by government-appointed public prosecutor Philippe Courroye, a Sarkozy supporter. Courroye is also investigating the accusations of Claire Thibout, a former accountant for Liliane Bettencourt, which suggest she and her deceased husband were involved in the illegal financing of Sarkozy's conservative UMP party.

Excerpts from reports of police interrogations of Thibout were leaked to the media. They appeared to conflict with her original statements to *Médiapart* that Bettencourt had provided large illicit cash donations in envelopes to UMP officials, including Sarkozy. However, when full police transcripts were finally obtained, they did not discredit Thibout's initial testimony to *Médiapart*. According to *Libération*, Sarkozy advisor Claude Guéant orchestrated the leaks in order to discredit Thibout's initial testimony.

Sarkozy made an all-out defense of the financial aristocracy's right to evade taxation and impose drastic

social cuts and mass sackings on the working class at will.

A leitmotif of the interview was the need to satisfy the banks and maintain a good credit rating. He insisted this could only be done by improving France's competitiveness and cutting social spending, adamantly refusing to increase taxes. As a result, Sarkozy has pledged to the European Commission budget cuts of 5 percent of GDP (roughly €100 billion) to fall entirely on the working class, as opposed to billionaires like Bettencourt.

Sarkozy's unabashed defence of the class prerogatives of big business was most obscenely expressed in his justification of his policy of tax concessions, amounting to a yearly gift to the rich—the so-called “tax shield.” He asserted that if billionaires like Bettencourt were too heavily taxed, they would take their wealth elsewhere. He recalled that L'Oréal employs 64,000 workers and expressed concern that they should lose their jobs.

Sarkozy exclaimed in Bettencourt's defence that she pays “several million euros per month” in taxes. Pujadas murmured, “40 millions” [annually]. A *Le Monde* blogger calculated that this yearly tax bill, given Bettencourt's yearly income of €700 million, amounted to a mere 5.7 percent tax rate.

“The world is a village,” he said, maintaining that taxes on individuals would decrease their purchasing power and depress the economy, while increased taxes on firms would drive them from the country. He praised his administration for slashing 100,000 government jobs since he took office in May 2007, with 34,000 more job cuts to come in 2011.

He waxed lyrical on Germany's social cuts and tax breaks for the rich. “I admire the German model. I want to imitate it,” he said, pointing out that these had been approved by social democratic governments. Also, Sarkozy explained, Spanish social democratic premier José Luis Zapatero had abolished wealth tax in 2008, bringing Spain's tax policy in line with Germany's.

Sarkozy refused to budge on his pension cut. It will raise the retirement age to 62, increase government workers' pension contributions from 7 to 10 percent and raise receipts by €4 billion. On this he made his most breathtakingly cynical assertion that, by reducing pension rights, he would be able to bring pension funding into balance by 2020 and would prevent the injustice for young workers of not securing the funds for their future pensions.

Sarkozy also issued more reactionary calls for law-and-order measures against poorer suburban areas. He announced plans for a crackdown on a working class area to the north of Paris, Seine-Saint-Denis, by withdrawing benefits from the parents of children who are absent from school or in trouble with the police. Parents would have to assume financial responsibility for damage caused by their

children.

The fact that Sarkozy could make such a blatant defense of the right of the rich to plunder the working class demonstrates his confidence that there is no political organization that will challenge him from the left. He relies on the trade unions, the PS and petty-bourgeois tendencies like the *Nouveau Parti Anticapitaliste* to hold back and dissipate political opposition in the working class.

The PS has limited its comments to calling for Philippe Courroye to be replace by an independent judge to investigate the accusations. Sarkozy categorically and indignantly refused this suggestion in his interview. Former PS first secretary François Hollande has gently chided Sarkozy for putting off a cabinet reshuffle until October: “It would have been better to have a reshuffle straight away.”

Nobody on the left has called for the resignation of the president or for new elections. What is clear is that the *Médiapart* revelations have given a boost to the PS, whose first secretary Martine Aubry is tipped in opinion polls as being able to beat Sarkozy in the 2012 presidential elections.

Sarkozy made a point early on in the interview of “paying tribute to the sense of responsibility of the social partners”—that is, the unions. He boasted that he had achieved his “reforms” without any “tragedies” or “violence,” and expected that the return to work in September would be manageable with their help. He added that he would be in touch with the “social partners” over the summer.



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