French President Hollande outlines budget cuts, law-and-order policies in TV interview

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In a half-hour prime-time interview last night on TF1 television, French President François Hollande of the Socialist Party (PS) pledged to deepen austerity policies and sought to win back the confidence of the ruling class, amid a rapid fall in his poll ratings.

An OpinionWay poll found that after a 14 percent plunge over the last month, Hollande's approval rating stands at only 46 percent. Approval ratings for Prime Minister Jean-Marc Ayrault and Interior Minister Manuel Valls both fell 13 points to 46 and 45 percent, respectively.

Sections of the trade union bureaucracy have responded by demanding that Hollande move more quickly to implement social cuts. (See "French trade unions urge spending cuts, labour market deregulation ") Over the weekend Bernard Arnault—France and Europe's richest man, with a net worth of $41 billion—threatened to move to Belgium to avoid the 75 percent tax Hollande has proposed on yearly income over €1 million ($1.28 million).

Hollande responded with a speech exclusively focused on domestic policy, pledging to make spending cuts and tax increases, while defending law-and-order policies like the mass expulsions of Roma by Valls' police forces.

He promised to prepare German-style short-time work legislation, which would allow firms to arbitrarily choose how many hours to employ their workers. These policies were a major part of German capital's ability to overcome the initial shock of the 2008 economic crisis, by allowing them to massively cut hours worked and wages paid.

Amid a renewed economic downturn, the French ruling class is anxious to pass similar legislation. Hollande said that "it will be done with social dialog"—i.e., by an agreement between trade union and business groups—but that, if this was not possible, "the state will intervene."

He also pledged to make €33 billion in deficit cuts—including €10 billion in spending cuts, €10 billion in tax increases on households, and €10 billion by closing corporate tax loopholes. The tax increases on households prominently include ending the elimination of taxes on overtime pay, a measure that will hit working class taxpayers hard. Hollande called these cuts "unprecedented under the Fifth Republic," which began in 1958.

Hollande also admitted that his administration was counting on only 0.8 percent economic growth for 2013. He brushed aside observations from his interviewer, TF1's Claire Chazal, that such minimal economic growth would require him to make even deeper spending cuts in order to meet his goal of balancing the budget by 2017.

Hollande pointedly refused to rule out job cuts at automaker PSA, which has announced 8,000 job cuts, saying that there should be "fewer jobs lost."

Much of the interview was devoted to reassuring the ruling class that his campaign pledge to impose a 75 percent tax rate on top income brackets did not intend to impose the cost of the economic crisis on the personal fortunes of the financial aristocracy. One of the centerpieces of Hollande's election campaign stands starkly exposed as empty demagogy.

Hollande stressed that this tax increase would apply only to yearly wage income, not income from capital or capital gains. Given that the bourgeoisie overwhelmingly derives its income from capital and not from its employment in corporate management, this means that Hollande's tax increase would only apply to approximately 2,000 people, largely athletes and artists.

A corporate executive with a €900,000 salary and €5

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million in interest income from his fortune would pay nothing more under Hollande's tax increase.

Le Monde estimated that the income accruing to the government from the tax increase would be only a few hundred million euros. When one considers that the top 10 percent of the French population owns over €5.6 trillion, fully 62 percent of the national wealth—and the top 1 percent by itself monopolizes one quarter of the national wealth—the tiny character of Hollande's proposed tax increase is clear.

He explained, "It's not a question of going to look for supplementary resources … [It is] so that people who earn the most can say, 'we are participating in the civic effort.'"

That is to say, while Hollande imposes massive cuts on the working class and defends the massive wealth of the rich and super-rich, he is trying to help the ruling class make bogus claims they are making shared sacrifices.

When Chazal mentioned Arnault's threat to leave France and noted that French elites were nervous about the 75 percent tax rate proposal, Hollande replied by sycophantically abasing himself before the rich: "Elites must be recognized. I believe entrepreneurs, those who make sacrifices for jobs, who transform the reality of our territories, who conquer markets, who make money—they deserve to be recognized by the nation."

Such free-market nostrums on big business's contribution to the nation are cowardly and absurd as a response to threats by a multibillionaire to leave the country to evade paying his taxes.

Significantly, the speech omitted any discussion of international issues, such as Hollande's calls for the US and its allies to forcibly impose a new government in Syria, or his lining up behind the German government and the European Union to demand massive austerity in Greece. Any discussion of the EU's agenda in Greece—including demands for a six-day workweek, further cuts to the minimum wage, and billions in new spending cuts—would have shattered his attempts to posture as "pro-growth."

This speech exposes the reactionary character of the PS, which has nothing socialist about it except its name, and petty-bourgeois "left" parties like the New Anti-capitalist Party and the French Communist Party that called unconditionally for a Hollande vote in this May's elections.

Hollande closed his interview with a brazen defense of Interior Minister Valls' ethnic targeting of the Roma for mass deportation—a policy that Hollande is continuing from the administration of his predecessor, the unpopular President Nicolas Sarkozy. Under Sarkozy, numerous press commentators suggested a policy of ethnic-based deportation was illegal and recalled the anti-Roma policies of France's fascist Vichy regime during World War II. Hollande embraced the raids, however.

Asked by Chazal if such law-and-order measures were "in conformity with left-wing ideas," Hollande responded that they were "the duty, the obligation" of his government. He said that Roma would be expelled from their camps to other housing, or—for Roma of foreign origin—deported back to their countries of origin.

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