

BNP Paribas fine highlights France-US tensions over Ukraine

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Russian President Vladimir Putin's remarks in a speech to the diplomatic corps in Moscow on July 1st expose the growing tensions between imperialist countries, in particular between France and the United States.

Putin said: "We are aware of the pressure that our American partners are exercising on France in order that it abandon the delivery of the Mistral [navy vessels]...and we even know that they have suggested that if France does not deliver the Mistral, they would discreetly eliminate the sanctions against the bank BNP Paribas or at least minimise them." He then qualified the American attitude as being "blackmail".

The Mistral in question are military vessels that France built for Russia, on the basis of the contract signed in 2011 concerning two high-tech helicopter carriers of the Mistral BPC type (power projection and command vessels). The first delivery is to take place in October 2014 and the second in 2015.

Putin was referring to BNP Paribas, which was investigated in the US for violating sanctions imposed by the US on countries like Sudan, Iran and Cuba. The bank was fined a record \$9 billion (€6.5 billion) in June and faces a partial suspension of its operations in dollars. The sanctions against BNP were a major theme during President Obama's visit at the D-Day commemorations in France on June 6.

The sale of these warships to Russia by a NATO member country had been criticized by the US military, but that had in no way posed an obstacle to close military collaboration between the US and France. However, in the context of the aggressive American campaign in alliance with Germany in the Ukraine and imposition of sanctions against Russia, the tone hardened between the two imperialist powers.

Victoria Nuland, the US head of European Affairs at

the State Department, declared in Congress that the Obama administration had "expressed its concerns in a consistent fashion on the subject of this sale".

At the same time, US financial authorities threatened the BNP with a fine of billions of dollars, a sum judged to be punitive and which had scandalised the French political establishment. Obama, who has overseen the handing of trillions of dollars of public money to Wall Street, publicly refused to intervene to cancel or even reduce the penalty against BNP, hypocritically claiming that he did not want to appear to favor the banks in judicial proceedings.

On May 13, during an official visit of French Foreign Minister Laurent Fabius to Washington, the Obama administration openly criticized the Mistral sale to Russia. US Secretary of State John Kerry called it "non constructive".

On this occasion, a spokesperson of the State Department declared, "We have several times expressed our concerns with the French government in relation to this sale, and we do not think that the time is convenient to pursue such military contracts."

At the end of May, several US congressmen offered to have NATO buy or lease the vessels, to encourage France to cancel its contract with Moscow.

During the June 4-5 G7 summit in Brussels, Obama again pressured Paris to cancel the Mistral contract with Russia.

Fabius and French President François Hollande flatly rejected the idea that the sale could be cancelled, insisting that it did not fall within the framework of recent sanctions imposed by the US and the European Union on Russia. According to several reports in English-language media, Paris is also playing an important role in blocking the adoption of European sanctions against Russia.

Putin undoubtedly made his comments for his own political reasons, aiming to maintain divisions within NATO about which tactics to employ against Russia in the Ukraine crisis. However, these remarks indicate the profound economic and strategic rivalries between the imperialist powers stemming from their neo-colonial offensive in the Middle East and Eastern Europe.

Already in February, US officials had threatened French companies with sanctions if they re-established their commercial links too quickly with Iran, a potentially lucrative market also coveted by US companies. (See: US threatens French companies with sanctions over Iran) These conflicts are now resurfacing in the Ukrainian affair.

Within the context of the imperialist drive to control Ukraine and weaken Russia, the European imperialists would prefer not to imperil their economic interests in Russia. The European sanctions are much less stringent than those imposed by the US. Also, in the current talks on a cease fire in Ukraine, the German and French governments are negotiating directly with the Russian president.

A decision by Paris to abandon the Russian contract would mean losing not only the €1.2 billion cost of the vessels, but other future contracts for France—not only with Russia, but with other countries.

In recent years, France had pursued a close collaboration with the US within NATO, whose central command it rejoined during the presidency of Nicolas Sarkozy in 2009. In the US-NATO war against Libya in 2011, French imperialism played a front line role, as well as in the US campaign for regime change against President Bashar al Assad in Syria.

Confronted with the rise of German imperialist power in Europe in the context of devastating austerity imposed on Europe by the EU, French imperialism was hoping to reinforce its weight and assert its geo-strategic interests in particular in its former colonial empire in West and North Africa and in the Middle East. This policy has ended in a resounding failure.

While the fall out from the wars in Libya, Syria and Mali has set the region ablaze, inter-imperialist rivalries are again intensifying. US-German collaboration against Russia in Ukraine allows Berlin to aggressively assert its political and military interests in Europe, while the geo-strategic differences are growing within NATO.



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