

# CGT union convicted of embezzling funds of France's biggest works committee

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If any further proof is needed to demonstrate that the trade unions are not workers' organisations but appendages of the corporations and bourgeois state, the October 1 verdict against the French energy utility (*Electricité et Gaz de France*) EDF-GDF's works committee is sufficient. To make up for the collapse of their dues base among workers, the CGT (General Labour Confederation) and the Stalinist French Communist Party (PCF) are being massively and illicitly funded by the ruling class.

The corruption case against the EDF-GDF central works committee, whose Social Action Fund (CCAS) run by the CGT union is the biggest in France, found eight individuals and four organisations guilty of embezzlement. The verdict directly implicates the ailing Stalinist daily *l'Humanité*. The guilty verdicts relate to breach of confidence and of complicity in receiving of funds.

The social fund was illicitly used by the CGT to fund its operations, including fictitious jobs and the financing of PCF activities including *l'Humanité*'s annual festival. Though the total sums involved were not revealed, the social fund has an annual budget of €400 million a year, and the unions have clearly received illicit funds to the tune of millions of euros.

Despite, or rather because of, the corrupt nature of EDF's CCAS, the company sought to protect its relationship with the CGT by immediately dropping any demands for civil damages when the trial opened in June.

The sentences handed down were quite lenient. The *Humanité* newspaper was fined €75,000, as was IFOREP, the audio-visual branch of the CCAS, for aiding the fraudulent use of CCAS funds in a partnership deal over filming the annual *Humanité* Festival in the 1997-2005 period, costing the CCAS

€1.11 million.

The CGT and its energy branch (FNME) were each fined €20,000 for "concealing breach of trust".

Considered to be the key figure in the affair, Jean Lavielle, the ex-chairman of the CCAS board of directors, received an 18-month suspended prison term and only a €4,000 fine.

PCF Senator Brigitte Gonthier-Maurin was given a ten-month suspended prison sentence for taking fictitious employment at CCAS while working for the PCF.

The case came to light amid a faction fight inside the CGT, after member Jean-Claude Laroche took over management of the CCAS in 2002. He found that the CCAS was buying up tens of thousands of issues of *l'Humanité*, paying six-figure sums to PCF-linked groups, and paying for sound-systems at election meetings for then-PCF presidential candidate Robert Hue. A struggle broke out as Laroche, who is not a PCF member but an associate of ex-PS politician Jean-Pierre Chevènement, apparently sought to cut off funding to the PCF.

The integration of the unions, the PCF, and France's broader pseudo-left milieu into the state machine as witnessed in such corruption trials, reflects their deep hostility to the workers. Devoid of any mass base in the working class, they have become a corporate-funded police force to slash workers' living standards and strangle workers' struggles. Broader union membership has fallen from 36 percent of the workforce in 1949 to seven percent in 2004.

The Perruchot report on the financing of the unions commissioned by parliament in 2011, places the dependence of the unions in their true light. The report's findings are so sensitive that they will not be made public for 25 years. However, one fact did

surface regarding the union's annual financial expenditures of €4 billion, over 90 percent of which is provided by the employers and the state. Only four percent comes from members' contributions. (See: French unions secretly financed by millions of euros from business groups)

The PCF and the unions are fighting together with the employers to impose the austerity policies of France's ruling Socialist Party (PS) and the European Union on working people, creating levels of poverty unseen since the 1930s. The PCF endorsed PS president François Hollande in the final round of the 2012 election. Figures show that in 2012, there were 8.6 million poor people in France, an increase of 1.3 million since 2002.

The CCAS was founded in 1946 under PCF Industry Minister Marcel Paul in the post-World War II bourgeois government of France set up by General Charles de Gaulle and the PCF. The CCAS presently employs 3,700 people. The PCF once dominated the French workers' movement, but it collapsed after the PCF participated in pro-austerity PS governments in the 1980s and the Stalinist dissolution of the USSR in 1991.

When the “legal” methods employed by the capitalist class to fund the CGT and PCF fail, illegal methods are substituted, and if they are exposed, they are only leniently punished.

This was revealed in another corruption scandal when the head of the Engineering Employers Federation (IUMM), Denis Gautier-Sauvagnac, was sentenced last February to one year in prison and fined €375,000 for breach of trust and undeclared employment. His sentence is under appeal. He admitted belatedly at his trial that the missing €16.5 million from the slush fund of the Engineering Employers had been distributed to the unions in envelopes of €200,000 per week between 2000-2007.

The purpose, Gautier-Sauvagnac explained, apparently with a straight face, was to “lubricate social relations.”

Arnaud Leenhardt, Gautier-Sauvagnac's predecessor at the head of the UIMM, explained the reasons why the ruling class funds the unions as follows: “Employers needed solid unions. When faced with strikes and employers taken hostage, you are very happy to have a union capable of channelling these excesses and getting a return to work.”

Besides handing envelopes of cash to the unions, the UIMM “legally” funded union journals which are hardly read by workers, and corporate money is poured into the Stalinist annual festival of *l'Humanité é*, where companies rush to snatch up over-priced stands and advertising. (See: France: Stalinist paper *l'Humanité* on verge of bankruptcy)

Today, this festival could not exist without two ingredients: the money from France's leading CAC-40 stock exchange-listed corporations who subsidize the event, and pseudo-left parties, including the New Anti-capitalist Party and Workers Struggle, which bring in attendees. Both elements support the Stalinist newspaper, which in conjunction with the CGT, has sold out every major general strike and suppressed every revolutionary struggle in France since 1936.



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