

Chirac's cabinet: The battle is on

by Dana S. Scanlon

What direction France will take in the battle over the control of economic and foreign policy, was settled neither by the election of Gaullist party leader Jacques Chirac as President of the Republic, nor by the May 17 announcement of his cabinet. All the contradictions that were apparent during Chirac's campaign against his chief opponent from the Gaullist party—and the top choice of the “free market” forces led by the City of London—Edouard Balladur, were maintained in his new cabinet.

The new government will be headed by Alain Juppé, who, as foreign minister in the cabinet of exiting Prime Minister Balladur, was the architect of France's disastrous policy in the Balkans war, to associate France with British policy there. Juppé has acted, at least in that arena, as a pillar of the Franco-British Entente Cordiale, whose first run in the early 1900s brought about World War I. Prime Minister Juppé heads a mega-cabinet composed of 26 ministers, 2 minister-delegates, and 14 state secretaries. Other notables in the cabinet include:

- Jacques Toubon, a longtime Chirac loyalist, as justice minister (the number-two cabinet position);
- Hervé de Charette, close to former President Valéry Giscard d'Estaing, as foreign affairs minister;
- Jean-Louis Debré, son of veteran Gaullist leader Michel Debré, as minister of interior;
- Alain Madelin, the head of the monetarist Mont Pelerin Society in France, as minister of economics and finance.

Though not unexpected, the appointment of Madelin is a blow to all those who held to the illusion that Chirac would immediately make good on his many campaign promises to make social policy—that is, fighting unemployment through state spending to revive the economy—into his top priority. Madelin's closest associates are the leaders of the so-called free market school of economics, and the architects of the economic shock therapy policies that have devastated eastern Europe.

Coexisting with Madelin and others who hold the key portfolios, are a series of newly created posts aimed at organizing an economic upswing. Such an upswing is hardly possible without breaking with cancerous speculation (defended as a legitimate source of profit by Madelin and company) that is eating away at the French economy. There is

a Ministry of Economic Development and Planning, as well as a Ministry for Equipment, Transport, and Infrastructure. On the social side, there is also a Housing Ministry and a Ministry for Integration and Against Marginalization (“marginalization” means the homeless, unemployed, underemployed, and so on).

Not represented in the new cabinet is Philippe Seguin, the voice of Chirac's “Social Gaullist” policies and president of the National Assembly, France's parliament in which Chirac's party has a significant majority. On May 14, just before the new cabinet was announced, Seguin, in an interview on the TV program *Sept sur Sept*, declared that “today, the main objective is the fight against unemployment. When we succeed in reducing unemployment, then we can expect a reduction of deficits and a strong currency.” Seguin scored the Maastricht Treaty's call for a joint European currency as an impossibility given the need to make fighting unemployment, and not budget cutting, the priority. He repeated his attacks against the independence of the Bank of France, warning that “we will have to determine what are the responsibilities of governments and of central banks.”

Not exactly fire-breathing attacks, but significant enough when the push is to force France into “reassuring the markets” by wielding the government-cutting and budget-cutting axe à la Newt Gingrich. In fact, days before the elections, financiers in the City of London threatened to unleash a wave of speculative attacks against the franc if Chirac were elected.

The unnamed *éminence grise* of the campaign against the financial power of London and the Entente Cordiale is Jacques Cheminade, the surprise ninth candidate of the Presidential campaign. Cheminade, a former official of the Ministry of Economics and Finance during the 1970s and early 1980s, is a collaborator of U.S. economist Lyndon LaRouche, and stunned the political nomenclatura of the country by qualifying as a Presidential candidate. Cheminade made breaking the power wielded by the City of London over France's (and Europe's) dwindling economic base into the battle-horse of his campaign. Despite enormous efforts to vilify him, Cheminade was able, in scores of live TV and radio interviews, as well as his own official spots, to keep this issue center-stage.

How much this kind of advice will be heeded remains an open question. But despite the apparent supremacy in the cabinet of the friends of finance, which way Chirac will turn has yet to be determined. That he will have to make a decision is certain. For, in addition to the systemic crisis affecting the French economy, he will sooner or later have to confront one of two potential crises. If he carries out the policies demanded by the “markets,” the risks of social upheaval are enormous, given the populist promises he made during his campaign. If he breaks with the markets, he will have to face the wrath of the speculators, who will be certain to demand a pound of his political flesh.