

## France Will Renege on Mistral Helicopter-Carriers Sale to Russia: President Francois Hollande

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On November 25th, French President Francois Hollande <u>announced</u> that France, which has already missed two deadlines to deliver to Russia two completed Mistral helicopter-carriers to Russia, won't deliver either ship until Washington has no further complaints about Russia's support of breakaway rebels in Ukraine's southeast. Russia had already paid for both of these ships in full. Only the delivery is at issue here.

The Russian Government says that if the matter extends beyond a third deadline at the end of this month, and the first ship is still not delivered, then Russia will activate the non-delivery penalty for that ship, which, according to the BBC, would be around a billion dollars.

Hollande has been under <u>terrific pressure from President Obama to renege on the contract</u>, but French shipyard workers and others have held public demonstrations for France to honor the contract, because of the extensive harm to French shipbuilding and other industry that would result from France's reneging on an international contract: it would hurt all of French industry if the French Government were to prohibit contract-fulfillment over political differences.

The French President has, evidently, chosen the American President over his own country, but the penalty lawsuit from Russia will probably drag on for a long time, because Hollande used careful terminology in his renege-statement: he has "indefinitely suspended" delivery, not "cancelled" it. Consequently, the question as to precisely when France would "renege," and would consequently be in technical default on the deal, would need to be adjudicated.

Russia says that they don't urgently need these ships, and can continue on for a few more years with their existing carrier-set-up while they build their own ships to replace the two made-to-order Mistrals. In that eventuality, France's penalties on both ships could amount to nearly enough to pay Russia to build their own carriers, so that Russia could end up getting both new ships, of Russia's own manufacture, at little or no cost. This might be a French gift to Russia, but it would hurt France's commercial reputation even more than the penalties would be costing France.

The U.S. news media have widely condemned France for not having earlier said that they would renege on this deal. For example, a Republican, anti-Obama, columnist for the Washington Post said that "France's attempt to sell warships to Russia is both a 'sell the rope to hang themselves' moment and a comment on U.S. stature these days." (She didn't notice that the ships had already been sold and paid-for.) If President Hollande goes through with his stated intention to "indefinitely suspend" delivery, then perhaps he will win some new fans in the United States, but it probably wouldn't do anything to win President Obama any new Republican friends. Nothing that Obama has done thus far has won him support

from Republicans. France's President isn't likely to win their support, either; but, like Obama, Hollande seems to be trying hard to win it, no matter what French laborites and industrialists might wish.

Obama doesn't possess much clout among Republicans, but he still has lots of clout among some other world-leaders, for reasons which aren't entirely clear, but for which France, in particular, could pay dear.

Investigative historian **Eric Zuesse** is the author, most recently, of <u>They're Not Even Close</u>: <u>The Democratic vs. Republican Economic Records, 1910-2010</u>, and of <u>CHRIST'S VENTRILOQUISTS</u>: <u>The Event that Created Christianity</u>.

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