

Too late to be sorry, Hollande tells France's Sarkozy
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PARIS, March 7 — French presidential favourite Francois Hollande today dismissed Nicolas Sarkozy's promise to squeeze more tax out of the country's biggest companies as a late act of contrition after five years in power.

Francois Hollande in campaign mode in Nancy, March 5, 2012. — Reuters pic
Weeks from voting day, the 57-year-old Socialist — who accuses Sarkozy of helping the rich to tax breaks at the needy's expense — took to the airwaves to denounce the latest attention-grabbing campaign promise from the president, who is seeking re-election.

"It's dawned on Nicolas Sarkozy at the end of his mandate that some of the country's biggest firms — you mention Total — escaped paying tax," Hollande told radio station Europe 1. "It would have been a better idea to do it back in 2007."

He was responding to radio interviewers who highlighted that French companies quoted on the CAC-40 stock market index paid in the region of 8 per cent profit tax last year in a country where the profit tax rate is supposed to be 33 per cent.

The conservative Sarkozy trails his challenger in all polls ahead of an election that takes place in two rounds, with the opener on April 22 and a runoff — held in the likely event no candidate wins an absolute majority of votes — on May 6. Hollande would be the first Socialist president in 17 years if he were to win.

As the ballot looms large, the two main rivals are intensifying their media appearances, and have been trading barbs.

Sarkozy defended his record over a three-hour TV interview yesterday in which he also announced that he would halve the annual inflow of immigrants and raise €2-3 billion (RM8-12 billion) by tightening profit tax loopholes for companies listed on the CAC-40 index. He did not explain how the system would work.

"That's not market rates, it's madness." — Hollande, of speculation on David Beckham's wage

Hollande, who riposted during a two-hour radio show, accused Sarkozy of indulging in "political self-justification".

Sarkozy primarily lowered the tax burden on the rich after taking power in 2007. Accused of neglecting the less affluent, he has in recent weeks announced that he wants to raise VAT sales tax and ban bumper payoffs to corporate bosses.

Hollande has promised a tax reform that would include a drop in profit tax for small and middle-sized businesses and an increase for the biggest companies, alongside higher rates of personal income tax, including a 75 per cent rate of tax in income of €1 million upwards.

That proposal has won approval from a majority of French voters, according to polls, but raised concerns that French footballers, among others, could flee the country.

Hollande, himself an avid football follower, dismissed the charge. He noted, however, that recent speculation that football star David Beckham might move to a Paris club for a wage of €800,000 a month highlighted the very excess he opposed.

“That’s not market rates, it’s madness,” he said. — Reuters

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