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TO IMMEDIATE FCO

TELEGRAM NUMBER 797 OF 15 SEPTEMBER 1980

INFO ROUTINE BONN; UKREP BRUSSELS AND WASHINGTON.

INFO SAVING TO OTHER COMMUNITY POSTS.

## ANGLO-FRENCH SUMMIT 19 SEPTEMBER: THE FRENCH SCENE

1. ON THE EVE OF THE PRIME MINISTER'S AND YOUR VISIT TO FRANCE, THE MAIN FEATURES OF THE FRENCH SCENE CAN BE SUMMARISED AS FOLLOWS.

### 2. INTERNAL POLITICS

(A) PRESIDENT GISCARD IS RIDING FAIRLY HIGH. HE HAS A POWERFUL ASSET IN M. BARRE WHO, IF PRESIDENT GISCARD WERE INCAPACITATED, WOULD PROBABLY BE A STRONGER PRESIDENTIAL CANDIDATE THAN ANY OF PRESIDENT GISCARD'S LIKELY RIVALS IN THE ELECTION.

(B) THE COMMUNIST PARTY (PCF) AND ITS TRADE UNION ORGANISATION (CGT) COMPLETED THEIR RETURN TO A HARD LINE JUST BEFORE THE INVASION OF AFGHANISTAN. THEY ARE TRYING TO STIR UP INDUSTRIAL AND SOCIAL TROUBLE. THIS, AS THE FISHERMAN'S STRIKE SHOWED, IS LIKELY TO BACKFIRE ON THEM. THE GOVERNMENT IS WELL ABLE TO TAKE ADVANTAGE OF THIS SITUATION BY KEEPING TOUGHLY BUT RESILIENTLY ON COURSE.

(C) THE TROUBLE-MAKING OF THE PCF AND CGT EMBARRASSES CHIEFLY THE SOCIALIST PARTY AND ITS TRADE UNION ORGANISATION (CFDT). HAVING BEEN COMMITTED BY M. MITTERAND TO "UNITY OF THE LEFT", THEY ARE NOW THROWN INTO CONFUSION AND DO NOT KNOW WHERE TO GO OR HOW TO GET THERE.

(D) THE GAULLISTS (RPR) HAVE THROWN THEMSELVES INTO CONFUSION. BY MAKING HIMSELF A PRESIDENTIAL CANDIDATE, M. DEBRE HAS GIVEN ENCOURAGEMENT TO THE MANY GAULLISTS WHO DISLIKE M. CHIRAC. WHETHER THE LATTER DECIDES TO STAND OR NOT, HIS CHANCES OF CONTRIVING ANY EFFECTIVE COMBINATION AGAINST PRESIDENT GISCARD ARE NOW MUCH REDUCED.

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### 3. ECONOMIC AFFAIRS.

M. BARRE IS STEADILY GRADUATING FROM BEING FRANCE'S BEST ECONOMIST TO BEING FRANCE'S BEST POSSIBLE PRIME MINISTER AND STRONG MAN. A DIFFICULT PERIOD LIES AHEAD WITH DECLINING GROWTH, INFLATION RATES AT A RELATIVELY HIGH LEVEL, A DETIORATING EXTERNAL BALANCE AND RISING UNEMPLOYMENT. BUT THE FRANC REMAINS ONE OF THE FIRREST CURRENCIES IN EMS, AND FRANCE SEEMS LIKELY TO WEATHER THE RECESSION AT LEAST AS WELL AS MOST OF HER PRINCIPAL PARTNERS. THE GOVERNMENT SHOW NO SIGN OF BEING DEFLECTED FROM THEIR POLICIES OF STRICT MONETARY AND FISCAL CONTROL AND A STABLE CURRENCY. M. BARRE IS MANAGING TO GIVE THE IMPRESSION IN A SERIES OF SPEECHES AND ARTICLES THAT HE REALLY KNOWS WHAT HE IS DOING AND THAT FRANCE IS DOING BETTER THAN MOST OF HER NEIGHBOURS.

### 4. FOREIGN AFFAIRS.

THESE CONSTITUTE PRESIDENT GISCARD'S PRIVATE THEATRE, WHERE HE STAGES A SUCCESSION OF SPECIAL PRODUCTIONS AND ATTRACTIONS FOR THE FRENCH PEOPLE. LEADERSHIP IN EUROPE JOINTLY WITH THE FEDERAL REPUBLIC OF GERMANY IS THE CURRENT SPECIAL FEATURE. CONTRIBUTORY THEMES VARY WITH THE EBB AND FLOW OF INTERNATIONAL EVENTS, BUT QUESTIONING OF US LEADERSHIP, DETENTE IN EUROPE, INTERVENTIONISM IN AFRICA, AND SYMPATHY FOR THE ARABS RECUR FAIRLY FREQUENTLY IN VARIOUS FORMS. THE IMPROVISATIONS OF THE PRESIDENT'S FOREIGN POLICY AROUSE SCATTERED CRITICISM IN FRANCE, BUT ON THE WHOLE HIS WAY OF CONDUCTING AFFAIRS SATISFIES A WIDE RANGE OF FRENCH PREJUDICES. THE NATURE OF AN EVENTUAL FRANCO/GERMAN EUROPE IS LEFT VERY VAGUE. THE IDEA IS PROBABLY NOT EXCLUSIVE: BUT FOR HIS PART PRESIDENT GISCARD WILL NOT WANT THREE TO PLAY UNLESS THE THIRD PARTNER AGREES TO ABIDE BY MOST OF THE FRANCO-GERMAN, I. E. FRENCH, RULES.

### 5. DEFENCE.

THERE IS NO DEFINITE CHANGE IN FRANCE'S "INDEPENDENT" DEFENCE POSTURE, BUT HER INTEREST IN THE SECURITY OF NEIGHOURS IS BEING EXPRESSED MORE FREQUENTLY, PROBABLY BECAUSE IT ADDS VERISIMILITUDE TO THE THEME OF FRANCO-GERMAN LEADERSHIP IN EUROPE. FRANCE'S DEFENCE INDUSTRY IS BEING KEPT STRONG BY ASSIDUOUS EXPORTS TO THE THIRD WORLD.

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## 6. THE COMMUNITY.

FRANCE IS ON THE DEFENSIVE HERE AND THE SUBJECT IS THEREFORE OUT OF FAVOUR UNTIL AFTER THE PRESIDENTIAL ELECTION NEXT MAY. IT IS EXPECTED THAT BRITAIN WILL THEN ONCE AGAIN BE THE MAIN OPPONENT. FOR THE MOMENT BRITAIN SEEMS TO BE ASSIGNED TO A SORT OF PURGATORY, WITH THE ONUS OF PROVING MERIT OR DEMERIT BY THE WAY IN WHICH THE FISHERIES DEBATE IS CONDUCTED AND IN DUE COURSE THE NEXT AGRICULTURAL PRICE-FIXING ROUND. THE LATTER WILL COINCIDE WITH THE PRESIDENTIAL ELECTION NEXT APRIL AND MAY AND IS THEREFORE OF PARTICULAR SENSITIVITY TO PRESIDENT GISCARD.

FCO PLEASE PASS SAVING TO BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG, ROME AND THE HAGUE.

HIBBERT.

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