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Prime Minister

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TO PRIORITY FCO

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MY TELEGRAMS NOS 243 AND 244: PRIME MINISTER'S VISIT TO PARIS

1. MOST OF THE POLITICAL AND ECONOMIC PREOCCUPATIONS OF PRESIDENT GISCARD AND THE FRENCH GOVERNMENT ARE UNCHANGED FROM THOSE DESCRIBED IN MY TELEGRAMS UNDER REFERENCE.
2. ON THE INTERNAL SCENE, THE EUROPEAN ELECTIONS ARE INCREASINGLY DOMINATING FRENCH POLITICAL LIFE. IN SPITE OF ATTEMPTS BY THE GOVERNMENT TO PLAY DOWN THEIR INTERNAL POLITICAL SIGNIFICANCE, THE ELECTION RESULTS ARE SURE TO BE INTERPRETED AS INDICATIVE OF GISCARD'S PROSPECTS FOR RE-ELECTION IN 1981. HE HAS HIMSELF NOW WITHDRAWN FROM THE CAMPAIGN DEBATE ON EUROPE. FRONT LINE GOVERNMENT SUPPORT FOR THE GISCARDIAN LIST, HEADED BY MME VEIL, IS BEING GIVEN BY M BARRE.
3. THE PROSPECTS FOR MME VEIL'S LIST ON 10 JUNE, AND BY IMPLICATION FOR THE PRESIDENT'S STANDING, LOOK GOOD. FRENCH OPINION POLLS HAVE TO BE TREATED WITH SOME CARE: BUT THEIR FINDINGS HAVE CONSISTENTLY PUT MME VEIL'S LIST WELL OUT IN FRONT. EVEN IF SHE FAILS TO ACHIEVE THE HANDSOME OVERALL VICTORY PREDICTED BY SOME POLLS, MME VEIL'S LIST SHOULD COME OUT ROUGHLY EQUAL WITH THAT OF THE SOCIALISTS. THE LATTER ARE NOT DOING AS WELL AS THEY HAD HOPED AND HAVE RUN A POOR CAMPAIGN. BUT THE MAIN LOSER STILL LOOKS LIKE BEING JACQUES CHIRAC AND THE GAULLISTS, WHOM THE POLLS HAVE BEEN PUTTING ANYWHERE BETWEEN 5% AND A SURPRISING 21% BEHIND MME VEIL.
4. IN THEIR CONCERN TO KEEP UP THIS GOOD POSITION, THE ELYSEE ARE SHOWING GREAT SENSITIVITY IN THE CLOSING STAGES OF THE CAMPAIGN ABOUT ANYTHING WHICH MIGHT PREJUDICE THEIR PROSPECTS. THIS MOOD HAS A CERTAIN BEARING ON THE PRIME MINISTERS VISIT. THE ELYSEE APPEAR TO BE VERY CONTENT THAT THE TALKS ON 5 JUNE WILL BE SUCH THAT NO FORMAL PRESS CONFERENCE IS CALLED FOR. THE SECRETARY GENERAL OF THE ELYSEE COMMENTED TO ME THAT THERE ARE SOME SUBJECTS WHICH IT IS BEST TO AVOID IN PUBLIC BEFORE THE ELECTIONS. GENERALLY SPEAKING PRESIDENT GISCARD WILL WISH

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TO AVOID ANY SPECULATION OR COMMENT FOLLOWING THE TALKS WHICH MIGHT BE USED BY HIS OPPONENTS TO DEPICT HIM AS LESS THAN A RESOLUTE DEFENDER OF FRENCH INTERESTS WHETHER IN COMMUNITY OR WIDER MATTERS. ON THE OTHER HAND HE WILL BE HAPPY TO REAP THE BENEFITS OF BEING SEEN IN A GENERAL SENSE TO BE PLAYING HIS ROLE OF LEADER IN EUROPE DURING THE FRENCH PRESIDENCY. THERE IS ALSO PLENTY OF MILEAGE FOR HIM IN BEING SEEN TO SPEAK IN VERY DIGNIFIED FASHION AS NATIONAL LEADER TO NEIGHBOURING NATIONAL LEADER.

5. ON THE ECONOMIC FRONT, ENERGY IS MUCH THE GREATEST PREOCCUPATION. THE FRENCH GOVERNMENT NOW SEES THE PROSPECTS FOR GOOD ECONOMIC PERFORMANCE FOR THE YEAR AS A WHOLE AS BEING THREATENED BOTH BY A POTENTIAL SHORTAGE OF OIL AND BY ITS RISING COST. THE FRENCH GOVERNMENT IS ANGRY AND WORRIED ABOUT THE DECISION OF THE AMERICAN GOVERNMENT TO SUBSIDISE OIL IMPORTS (I UNDERSTAND THAT M GIRAUD SPOKE TO MR HOWELL ABOUT THIS THIS MORNING). FCO PLEASE PASS TO SAVING ADDRESSEES.

HIBBERT

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