



BRITISH EMBASSY,
PARIS.

FROM THE AMBASSADOR

23 July 1985

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DUSS
FCO

M. Amos

*An interesting analysis,
which should be shown
to the Prime Minister
before she sees M. Fabius.
He does not come through
as a very impressive
figure.*

JS
24/7

Dear Derek,

THE FRENCH PRIME MINISTER'S VISIT TO LONDON

1. Fabius will be lunching with the Prime Minister on 1 August shortly after the anniversary (17 July) of his first year in office. This letter provides some **political background**, and assesses Fabius' current preoccupations and prospects. I am writing separately about the subjects he may raise with the Prime Minister and about the foreign policy aspects of the visit.

Background

2. Mitterrand's bold choice of "this young Prime Minister whom I have given to France" (**Fabius will be 39 next month**) was dictated by two main considerations. The first was loyalty. **Fabius is a Mitterrand-made man**, and owes his meteoric rise entirely to the President. He caught his eye in the mid 1970s, shortly after passing out brilliantly from the Ecole Nationale d'Administration, and rapidly became a member of Mitterrand's inner circle. His critics argue that Fabius' decision to join Mitterrand was prompted by opportunism rather than socialist convictions. His friends counter by pointing out that he did so at a time when it was far from certain that he would be rallying to a future, rather than spent, force. Whatever his motives, his total dependence on Mitterrand has meant that until recently he has had little chance of establishing a base of his own in the party, and no independent following in the country. The President could be confident that Fabius would be a loyal, indeed a pliant, instrument.

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3. The second reason for choosing him was the contrast he could provide with his predecessor, Mauroy, who had long become a political liability. Mitterrand wanted Fabius to calm political passions, inflamed by three years of Mauroy's assertive socialism, and instead to offer the country an image of efficient managerial government, largely shorn of ideological content.

Performance

4. This is what Fabius has attempted to do. The French Communist Party's refusal to join his government helped presentationally, by underlining the contrast with the Mauroy period. Fabius reinforced this impression during his inaugural speech to Parliament when he scrupulously refrained from polemics and stressed that this administration would concentrate on modernising French industry, and on promoting national unity. These have been the twin themes he has emphasised unwaveringly ever since; and his watchwords "moderniser and rassembler" are the title of a book he is to publish in the autumn.

5. His premiership has also been marked by a much greater awareness than that of his predecessor of the importance of policy presentation and explanation. Much to the opposition's irritation, he has obliged one of the main television channels to give him a fifteen minute slot once a month so that he can answer carefully pre-cooked questions and explain what the government is doing. He avoids all reference to party politics, projecting himself as an open-minded Prime Minister more interested in shaping France to meet the challenges of the next century than in the political battles of the moment. It has proved a popular formula and may well have contributed to his high opinion poll ratings during his first nine months in office. These have been declining recently (about 40-45% of those questioned now have a good opinion of him, down about 10% since the spring), but he still remains more popular than the President (whose rating is currently in the 30-35% range), and much more popular than the Socialist Party (PS) (which has the support of only 20-25% of the electorate).

6. In an interview to mark the end of his first year in office, Fabius acknowledged that his attempts to rally the nation behind the government had achieved little, but gave himself good marks for his efforts to modernise France. Not everyone would agree on his record on modernisation. Fabius deserves credit for maintaining the broad economic policy of rigour mapped out by Delors (when he was Mauroy's Finance Minister) aimed at reducing inflation and the foreign trade deficit. He has allowed industrial restructuring

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in areas such as steel and shipbuilding to continue, albeit less fast than was probably necessary. He has resisted siren calls for more government spending from some quarters in the socialist party concerned about unemployment (now some 2.4 million). He has also laid public stress on the need to keep up scientific research, improve training, and bring France more into the age of the computer, eg through a schools computerisation programme. But Fabius has shown little or no sign of having an overall economic vision or programme of his own, still less one genuinely capable of modernising France. State intervention in industry is less evident than it was, but this, like the painful industrial restructuring itself, is more a reflection of the current constraints on government spending than of a new approach. He has adapted his public image to the vogue in France for economic liberalism and has endorsed moves by his Finance Minister, Bérégovoy, to introduce minor liberalisation measures (revising the system of restrictions on credit, freeing petrol prices). But he has not espoused the cause of liberalisation of the economy as his own.

7. In short, in economic matters as elsewhere, he gives the impression of skilfully adjusting to prevailing pressures rather than steering a determined course. This has not gone unnoticed. The opposition have been quick to underline Fabius' apparent adaptability on questions of economic policy. They point out that he was Minister for the Budget from 1981-83 and must therefore share responsibility for the ill-fated reflationary policies then pursued. They are joined by critics from Fabius' own party and within the administration in pointing to his well-known tendency, particularly evident when he was Minister of Industry (1983-84), to duck difficult economic and industrial decisions or to shift responsibility for taking and defending them on to others. In fairness to Fabius, he was not given the job of Prime Minister by Mitterrand in order to lead the country off in a new economic direction. But the lack of drive in this vital area may reflect a lack of ideas and convictions of his own.

8. As for promoting some sort of national consensus around the government, Fabius has had little success because this was a largely unrealistic objective. With Parliamentary elections only eighteen months away, the Right had no interest in muting their attacks on the government, or in calming the political battle. This would have been to play into the socialists' hands, just at the moment when the Right were confident they had them on the run. What Fabius has been able to do, however, is to lower the political temperature to some extent, as Mitterrand wanted. By adopting an unpolemical tone of voice, and doing almost nothing which the Right can argue is ideologically motivated, he has made it harder than in Mauroy's day for them to attack the government; and impossible, anyway thus far, to mobilise the huge anti-government demonstrations which were a feature of Mauroy's last year in office.

/Preoccupations



Preoccupations

9. Fabius' main preoccupation is of course, the legislative elections scheduled for next March. Earlier this year he acknowledged publicly that these were likely to be difficult for the PS; privately, like most socialists, he is probably chiefly concerned about the scale of the impending defeat.

10. He believes the best means of minimising this would be to present the PS as a party that has learnt much from its five years in power and which has, in consequence, moved away from traditional left-wing socialist positions to a point nearer the centre of the political spectrum. (Those close to him talk of the need for the PS to fashion itself in the image of the West German SPD, jettisoning the Marxist attitudes which still infect some party thinking, and assuming a broadly social democratic character.) On this basis, Fabius argues that the party would be well placed to campaign in next year's elections on the platform that it alone can combine economic and industrial modernisation with social compassion, something he claims the Right cannot do because it is committed to "savage liberalism".

11. Fabius' vision of a modernised, centre-leaning socialist party may well have an appeal for Mitterrand (indeed, they almost certainly cooked it up together), since he would like the PS to be in a position to attract moderate elements of the present opposition into a coalition government, in the event of a hung parliament next year. The problem is that large sections of the party, led by its First Secretary, Jospin, are bitterly opposed to any such shift, arguing that the PS must remain true to its traditions and firmly "anchored on the Left". They suggest, more or less publicly, that Fabius' approach owes more to short-term electoral calculation than to socialist convictions. In recent weeks this has led to a public quarrel between Fabius and Jospin, over the leadership and management of the election campaign, and the long-term orientation of the party. Partly because the party machine is instinctively traditionalist, and dominated by Jospin's friends, and partly because Fabius' rivals were content to see him embarrassed by the dispute, the compromise eventually patched up leant more towards Jospin than towards him. As a result it looks at present as if the PS will probably fight the elections along traditional lines (although this will only be finally decided at the Party Congress in October), while offering a measure of cooperation to those whose ideas are compatible with their own. However Mitterrand may yet contrive to edge opinion in the PS in a direction more favourable to Fabius, and hence to his own interests in the post-election period.

/Prospects



Prospects

12. Whatever the evolution of thinking in the PS in the next six months, Fabius faces the prospect of fighting the elections next March in uneasy harness with Jospin, on a platform which is not greatly to his liking, and of leading the government to almost certain defeat. Jospin has said that the party will concentrate on the ideological battle with the Right (which is what the traditionalists enjoy) leaving Fabius to defend the record of five years of socialist government. Fabius will probably skate over the Mauroy period as much as possible, but he will no doubt be ready enough to argue his own case. He can be expected to take the line that he has managed the economy responsibly and effectively, without thought of easy popularity, and has laid the groundwork for beating unemployment. But in order to make his case he will want no unpleasant surprises between now and the elections, such as a forced devaluation, or a significant increase in unemployment. He will also try to ensure that threats from the Communist trade union, the CGT, to give the government a hot industrial autumn, come to nothing; and to avoid further trouble in New Caledonia.

13. In the longer term Fabius' eyes are on the Presidency. Assuming Mitterrand does not stand for a second term (which is unlikely but cannot be excluded), Fabius will probably try to secure the socialist party's presidential nomination for 1988. Two factors in particular may work in his favour:

- Mitterrand's support. Mitterrand appears to be deliberately grooming Fabius as his dauphin (although in typical Mitterrand style obscure hints emanate from somewhere in the Elysée that the President is not entirely satisfied with his protégé; and Delors has been carefully placed in reserve).
- His own popularity. If his poll ratings remain relatively good over the next two years, this will increase the chances that the party will turn to him.

14. But there are also factors working against him:

- His dispute with Jospin and the PS traditionalists about the future direction of the party could undermine his chances, particularly if battled is rejoined after the elections (or even before), as seems very likely, and proves protracted and bloody. Those on the Left of the party, in particular, may well argue that Fabius lacks deeply-held socialist convictions and should not be entrusted with the future of the PS.

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- There are other strong contenders for the nomination, including his predecessor, Mauroy, and the ever-popular Rocard, who has already announced his candidacy. Chevènement (Minister of Education) and Jospin may also throw their hats into the ring. Delors watches and waits.
- Being Prime Minister when the socialist party is defeated. None of his rivals for the Presidential nomination will mind if some of the blame for defeat in the 1986 legislative elections rubs off on Fabius, whether fairly or not.

15. In so far as it is possible to make a sensible assessment at this stage, I would conclude that Fabius' chances of the socialist party's nomination in 1988 are no worse than those of his rivals; but they are very far from certain. And at present few would give the socialist candidate much of a chance of beating the Right's challenger for the Presidency itself, unless Chirac, Barre and Giscard pursue their rivalry to the point of mutual destruction.

16. Fabius can thus be almost certain of losing the premiership in 1986, but very far from certain of winning the Presidency in 1988. However, he has one great asset; his youth. If he fails in his attempt to reach the Elysée in 1988, there will be plenty of time to try again. As he himself is said to have pointed out, he will be younger than Mitterrand is now when presidential elections are held in 2009. He can wait for the PS to come back into fashion. But if I had to offer a purely personal observation it would be that Fabius may have risen too far too fast and that when he loses Mitterrand's all-powerful patronage he may come down with a bump. If that happens there will be a lot of people around to make sure he does not have such an easy ride next time.

*Yours truly,
John*

John Fretwell