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INFO PRIORITY EUROPEAN COMMUNITY POSTS, WASHINGTON, UKDEL NATO
INFO SAVING CONSULS-GENERAL IN FRANCE

MY SAVING TELEGRAM 20 OF 7 MARCH: THE FRENCH ELECTIONS.

SUMMARY.

1. THE END OF AN UNEXCITING ELECTION CAMPAIGN DOMINATED BY THE ECONOMY AND UNEMPLOYMENT, LAW AND ORDER, IMMIGRATION AND AGRICULTURE. THE SOCIALISTS BUILT THEIR CAMPAIGN ON THE THEME OF RALLYING ROUND MITTERRAND. AFTER A NERVOUS START, THE RPR AND UDF CLOSED RANKS, WITH CHIRAC MAKING THE RUNNING. THE RIGHT ARE EXPECTED TO EMERGE THE CLEAR WINNERS. BOTH THE COMMUNISTS AND THE FRONT NATIONAL APPEAR TO HAVE BEEN SQUEEZED. CHIRAC IS THE FRONT-RUNNER FOR PRIME MINISTER, BUT THERE ARE OTHER POSSIBILITIES. A DIFFICULT PERIOD LIES AHEAD. AS SOON AS THE PARLIAMENTARY ELECTIONS ARE OVER, THE 1988 PRESIDENTIAL ELECTION CAMPAIGN WILL BEGIN. AN EARLY MITTERRAND RESIGNATION - IN ORDER TO RUN AGAIN - IS POSSIBLE BUT NOT PROBABLE.

DETAIL.

THE CAMPAIGN

2. FRANCE GOES TO THE POLLS ON SUNDAY TO ELECT 577 DEPUTIES TO THE NEW ASSEMBLY. IT HAS BEEN AN UNEXCITING CAMPAIGN WHICH HAS EVOKED LITTLE POPULAR INTEREST OR ENTHUSIASM, DESPITE EXTENSIVE MEDIA COVERAGE. IN PART THIS IS BECAUSE THE ARGUMENTS HAVE BEEN GOING ON SO LONG AND NO ONE HAS FOUND ANY NEW ONES: IN PART BECAUSE THE SYSTEM OF PROPORTIONAL REPRESENTATION INTRODUCED FOR THESE ELECTIONS HAS ABOLISHED THE OLD CONSTITUENCIES AND WITH THEM MUCH OF THE LOCAL INTEREST: IN PART BECAUSE THE POLICIES OF LEFT AND RIGHT ARE CLOSER TOGETHER THAN HAS BEEN THE NORM FOR MANY YEARS. THE BAD WEATHER HAS NOT HELPED.

THE ISSUES.

3. THE MAIN ISSUE HAS BEEN UNEMPLOYMENT AND THE HUGE RISE THAT HAS TAKEN PLACE UNDER A SOCIALIST (PS) GOVERNMENT ELECTED ON PROMISES TO REDUCE IT. BUT THIS HAS OFTEN BEEN SUBSUMED IN A WIDER DEBATE ABOUT THE ECONOMY AS A WHOLE. THE SOCIALISTS HAVE BEEN TAKING CREDIT FOR REDUCING INFLATION AND MODERNISING INDUSTRY: THE OPPOSITION HAVE BEEN ATTACKING THEM FOR BURDENING INDUSTRY WITH FINANCIAL AND ADMINISTRATIVE CONTROLS, AND FOR MISMANAGING THE ECONOMY SO THAT FRANCE HAS MISSED OUT ON THE RECOVERY HER PARTNERS HAVE BEEN ENJOYING. LAW AND ORDER, AND IMMIGRATION HAVE ALSO FIGURED PROMINENTLY, PARTICULARLY IN THE CITIES: WHILE IN RURAL FRANCE THE OPPOSITION HAS PLAYED TO, AND PLAYED UP, STRONG FEELING ON AGRICULTURAL ISSUES. FOREIGN POLICY HAS HARDLY RATED A MENTION

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| EXCEPT.

EXCEPT FOR NEW ZEALAND AND THE TURENGES AND, IN THE LAST WEEK, THE PROBLEM OF THE HOSTAGES IN LEBANON. THE OPPOSITION HAVE BEEN CAREFUL NOT TO EXPLOIT THE LATTER (NOT LEAST BECAUSE IT MAY FALL TO THEM TO FIND A SOLUTION AFTER THE ELECTIONS), BUT THEY HOPE PRIVATELY THAT IT WILL HELP DENT THE SOCIALISTS' CLAIMS TO BE EFFECTIVE MANAGERS AND CONVINCED THE VOTERS THAT THERE HAS BEEN A DECLINE IN FRANCE'S INTERNATIONAL STANDING UNDER THE SOCIALISTS, WHICH IS SOMETHING THEY CLAIM THEY WILL BE ABLE TO CORRECT.

THE PARTIES.

4. THE PS HAS FOUGHT BACK HARD SINCE THE NEW YEAR AND MADE UP GROUND. BUT THEIR CAMPAIGN HAS FALTERED IN THE LAST TWO OR THREE WEEKS, DESPITE MITTERRAND'S EFFORTS TO GIVE IT NEW MOMENTUM. HIS DECISION TO TAKE A PROMINENT ROLE DETERMINED THE PS'S STRATEGY: APART FROM JOSPIN (PARTY FIRST SECRETARY), COMPARATIVELY LITTLE HAS BEEN HEARD OF OTHER LEADING SOCIALISTS (INCLUDING FABIUS AND ROCARD). INDEED, THE PS ENDED UP OFFERING THE ELECTORATE NOT SO MUCH A PROGRAMME AS THE PRESIDENT. BEFORE THE CAMPAIGN, THEY SET THEMSELVES TWO TARGETS: WINNING 30 PERCENT OR MORE OF THE VOTES, AND REMAINING THE LARGEST PARTY IN THE NEW ASSEMBLY. THEY MAY FALL JUST SHORT OF 30 PERCENT BUT SHOULD CERTAINLY REMAIN THE LARGEST SINGLE PARTY - ALTHOUGH THAT HAS LITTLE PRACTICAL SIGNIFICANCE.

5. THE RPR AND UDF WATCHED NERVOUSLY AT THE BEGINNING OF THE CAMPAIGN AS THEIR LEAD IN THE OPINION POLLS NARROWED. THERE WERE OBVIOUS STRAINS BETWEEN THEM: AND BARRE THREATENED TO BE A MAJOR EMBARRASSMENT. BUT THEY CLOSED RANKS, AND IN RECENT WEEKS THE SOCIALISTS HAVE FOUND IT MORE DIFFICULT TO EXPLOIT THE RIGHT'S DIVISIONS THAN THEY HAD HOPED OR EXPECTED. CHIRAC HAS BEEN THE OPPOSITION'S DOMINANT PERSONALITY, CAMPAIGNING INDEFATIGABLY AND MAKING SOME GOOD SPEECHES AND TELEVISION APPEARANCES WHEN IT MATTERED. LEOTARD HAS ALSO PERFORMED WELL. AT THE END OF LAST WEEK, THE RPR/UDF POLL RATING WAS STEADY ON 43 - 44 PERCENT WHICH WOULD GIVE THEM 300 - 310 SEATS IN METROPOLITAN FRANCE. THEY CAN HOPE FOR ANOTHER 12 - 15 IN THE DOM-TOMS, WHICH WOULD GIVE THEM A COMFORTABLE BUT NOT OVERWHELMING OVERALL MAJORITY OF 50 TO 60 SEATS.

6. SUPPORTERS OF THE FRENCH POLITICAL EXTREMES ARE NOTORIOUSLY COY ABOUT ADMITTING IT TO THE POLLSTERS, WHICH MAKES AN ASSESSMENT OF THE COMMUNISTS (PCF) AND FRONT NATIONAL (FN) PARTICULARLY DIFFICULT. HOWEVER, IT SEEMS LIKELY THAT BOTH HAVE SEEN THEIR VOTE SQUEEZED. THE PCF, WHICH AS LATE AS 1973 STILL WON 20 PERCENT OF THE VOTE, IS WORRIED THIS TIME THAT IT MAY NOT EVEN MANAGE 10 PERCENT. LE PEN, A YEAR AGO, WAS HOPING FOR MORE THAN 50 - 70 SEATS, IS NOW WORRIED THAT THE FN WILL FAIL TO WIN THE 30 THEY NEED FOR FORMAL PARLIAMENTARY GROUP STATUS. MY GUESS IS THAT THE PCF MAY JUST REACH THEIR MODEST TARGET BUT THAT LE PEN WILL NOT REACH HIS.

THE PROSPECTS.

7. IF, AS THEY NOW EXPECT, THE OPPOSITION WIN ON SUNDAY, CHIRAC REMAINS THE FRONT-RUNNER TO BECOME PRIME MINISTER. DESPITE OCCASIONAL DISCLAIMERS, HE WANTS THE JOB AND HAS TRIED TO AVOID

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SAYING OR DOING ANYTHING DURING THE CAMPAIGN WHICH WOULD GIVE MITTERRAND A GOOD EXCUSE FOR DENYING IT TO HIM. CHIRAC RECKONS THAT THE POST HAS BECOME AN EVEN MORE ATTRACTIVE PROSPECT WITH THE FALL IN OIL PRICES AND THE DOLLAR. HE THINKS HE COULD MAKE A SUCCESS OF IT, CATCH UP BARRE IN THE POLLS, AND SO RE-EMERGE AS THE RIGHT'S LEADING PRESIDENTIAL CONTENDER. HE COULD THEN CHOOSE HIS MOMENT TO CAUSE A CRISIS WHICH WOULD FORCE A PRESIDENTIAL ELECTION.

8. BUT MITTERRAND DISLIKES MAKING THE OBVIOUS CHOICE, DISLIKES CHIRAC, AND REALISES THAT HE WILL BE THE MOST UNCOMFORTABLE PARTNER TO "COHABIT" WITH. OTHER OPTIONS ARE OPEN TO HIM. ONE IS TO RESIGN AT ONCE BEFORE A NEW GOVERNMENT IS FORMED. THERE HAVE BEEN RUMOURS IN RECENT DAYS THAT IN THE EVENT OF AN OPPOSITION VICTORY, THIS IS WHAT HE WILL DO, THUS FORCING A QUICK PRESIDENTIAL ELECTION WHICH HE BELIEVES HE WOULD HAVE A FIGHTING CHANCE OF WINNING. BUT MITTERRAND HAS SOME GOOD CARDS IN HIS HAND AND I WOULD EXPECT HIM TO PLAY THESE BEFORE RISKING ALL ON A SINGLE THROW. IT IS A POSSIBILITY WHICH CANNOT ENTIRELY BE EXCLUDED, BUT IT LOOKS AT PRESENT MORE LIKE PSYCHOLOGICAL WARFARE DESIGNED TO KEEP THE OPPOSITION OFF BALANCE.

9. ANOTHER OPTION, AND ONE MUCH CANVASSED, IS TO NOMINATE SOMEONE OTHER THAN CHIRAC AS PRIME MINISTER. CHABAN-DELMAS, GISCARD, SIMONE VEIL AND LEOTARD ARE AMONG THE POSSIBILITIES. EACH OF THEM HAS HIS OR HER ATTRACTIONS AS FAR AS MITTERRAND IS CONCERNED: AND THE CHOICE OF ANY OF THEM WOULD PUT GREAT STRAINS ON RPR/UDF COHESION, WHICH WOULD SUIT MITTERRAND NICELY. IT WOULD BE IN CHARACTER FOR HIM TO TAKE A LITTLE TIME AND EVEN TO SOUND OUT A NUMBER OF ALTERNATIVE CANDIDATES BEFORE COMMITTING HIMSELF.

CONCLUSION.

10. OPINION POLLS ARE BANNED IN THE LAST WEEK OF THE CAMPAIGN, SO THERE IS NO WAY OF TELLING WHETHER VOTING INTENTIONS HAVE CHANGED IN RECENT DAYS. THE SOCIALISTS STILL HOPE FOR LATE GAINS. THEY TAKE COMFORT FROM GONZALEZ'S REFERENDUM VICTORY AGAINST THE ODDS IN SPAIN: THEY HOPE THAT MITTERRAND'S RESIGNATION THREATS WILL FRIGHTEN SOME VOTERS INTO THEIR CAMP: THEY WILL BE CROSSING THEIR FINGERS THAT MITTERRAND WILL PULL OFF SOME DEAL (AT NO MATTER WHAT COST) WHICH BRINGS THE HOSTAGES TRIUMPHANTLY HOME FROM LEBANON ON THE EVE OF POLLING DAY.

11. THEIR HOPES COULD YET BE REALISED: BUT MY GUESS IS THAT THEY WILL NOT BE. DESPITE THE RECENT IMPROVEMENT IN THEIR RATINGS, THE SOCIALISTS REMAIN GENERALLY UNPOPULAR AND DO NOT LOOK CAPABLE OF DENYING THE OPPOSITION A CLEAR VICTORY. OUR OWN OBSERVATIONS OF THE CAMPAIGN AROUND THE COUNTRY TEND TO CONFIRM THIS. I THEREFORE STILL EXPECT THE RPR/UDF TO WIN WITH A CLEAR MAJORITY, OF PERHAPS 40-50 SEATS: AND FRANCE TO HAVE A PRESIDENT AND PARLIAMENTARY MAJORITY OF DIFFERING POLITICAL PERSUASIONS FOR THE FIRST TIME IN THE HISTORY OF THE FIFTH REPUBLIC. (A WAVE OF EUPHORIA AND OF SYMPATHY FOR MITTERRAND AS HE GREET'S RETURNING HOSTAGES AND TEARFUL RELATIVES ON NATIONWIDE TELEVISION COULD REDUCE BUT NOT, I THINK, ELIMINATE THE MARGIN.)

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12. IF THIS IS THE OUTCOME, A PERIOD OF GREAT POLITICAL UNCERTAINTY LIES AHEAD. EVEN IF THE RPR/UDF ARE THE CLEAR VICTORS, THEY FACE THE PROBLEM OF TRYING TO GOVERN WITH MITTERRAND, WHILE AT THE SAME TIME MAINTAINING THEIR OWN PRECARIOUS UNITY. NEITHER TASK WILL BE EASY. BOTH WILL BE MADE ALL THE MORE DIFFICULT BY THE FACT THAT THEY WILL HAVE TO MANAGE AGAINST THE BACKDROP OF THE 1988 PRESIDENTIAL ELECTION CAMPAIGN, WHICH WILL BEGIN IN EARNEST ON MONDAY EVEN IF MITTERRAND DOES NOTHING TO BRING IT FORWARD.

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