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FM PARIS

TO FCOLN

TELNO 319

OF 201751Z MARCH 86

INFO IMMEDIATE ATHENS (FOR THE SECRETARY OF STATE'S PARTY)

INFO PRIORITY EC POST, WASHINGTON, UKDEL NATO

INFO PRIORITY CONSULS GENERAL IN FRANCE

MY TELNO 313: THE FRENCH LEGISLATIVE ELECTIONS SUMMARY

1. MITTERRAND HAS APPOINTED CHIRAC AS PRIME MINISTER. APPARENTLY HE WANTED SIMONE VEIL: BUT SHE FAILED TO SECURE THE BACKING OF OTHER UDF LEADERS WHO PREFERRED TO SAFEGUARD THEIR ALLIANCE WITH CHIRAC. MITTERRAND HAS SINCE SOUGHT TO PUT CHIRAC'S APPOINTMENT IN THE CONTEXT OF SCRUPULOUS RESPECT FOR THE ELECTORATE'S VERDICT: BUT HE WAS LEFT WITH LITTLE CHOICE IF HE WAS TO AVOID THE RISK OF A PROTRACTED POLITICAL CRISIS. THERE APPEARS TO HAVE BEEN HARD BARGAINING BETWEEN MITTERRAND AND CHIRAC OVER CABINET APPOINTMENTS AND THE IMPLEMENTATION OF ECONOMIC POLICY. CHIRAC'S APPOINTMENT CARRIES RISKS FOR MITTERRAND. HE HAS NO CONSTITUTIONAL POWERS TO DISMISS HIM, AND CHIRAC MIGHT PROVE A SUCCESS. MITTERRAND WILL TRY TO PREVENT THIS. CHIRAC IS LIKELY TO ANNOUNCE THE NEW GOVERNMENT SHORTLY. IT IS WITH HIM THAT WE MUST EXPECT TO DEAL IN THE NEXT FEW MONTHS. I RECOMMEND A MESSAGE OF CONGRATULATIONS.

DETAIL

2. I HAVE HEARD FROM AN EXCELLENT SOURCE THAT MITTERRAND SECRETLY OFFERED THE PREMIERSHIP TO SIMONE VEIL ON SUNDAY, BUT THAT SHE WAS OBLIGED TO REFUSE IT WHEN SHE FOUND THE FOLLOWING MORNING THAT THE OTHER UDF LEADERS WOULD NOT SUPPORT HER. THE APPARENTLY PREFERRED NOT TO JEOPARDISE THEIR ALLIANCE WITH THE RPR, WHO HAD MADE IT CLEAR THAT CHIRAC MUST HAVE FIRST REFUSAL.

3. ASSUMING THIS ACCOUNT IS ACCURATE, MITTERRAND MUST HAVE REALISED THAT HE RISKED A TRIAL OF STRENGTH WITH THE NEW MAJORITY IF HE CHOSE SOMEONE OTHER THAN CHIRAC. THEY MIGHT HAVE REFUSED A PARLIAMENTARY VOTE OF CONFIDENCE TO HIS NOMINEE, WHICH COULD HAVE LEFT FRANCE WITHOUT EFFECTIVE GOVERNMENT FOR WEEKS AND MIGHT ULTIMATELY HAVE OBLIGED MITTERRAND TO CALL NEW ELECTIONS. THIS WOULD HAVE BEEN HIGHLY UNPOPULAR AND THE PRESIDENT WOULD HAVE RISKED TAKING MUCH OF THE BLAME.

4. HE THEREFORE ACCEPTED THE LOGIC OF THE SITUATION AND OFFERED THE JOB TO CHIRAC DURING A TWO HOUR MEETING ON TUESDAY EVENING. CHIRAC LEFT THE ELYSEE WITHOUT ACCEPTING AND WENT TO CONSULT HIS UDF PARTNERS, AS HE WAS OBLIGED TO DO UNDER THE TERMS OF THE JOINT STATEMENT ISSUED BY BOTH RPR AND THE UDF THE DAY BEFORE (MY TELNO 304).

CONFIDENTIAL

15.

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5. THERE IS NO CERTAINTY ABOUT WHAT MITTERRAND AND CHIRAC SAID TO EACH OTHER. HOWEVER IT SEEMS LIKELY THAT MITTERRAND RESISTED SOME OF CHIRAC'S PROPOSED CABINET APPOINTMENTS, AS WELL AS HIS WISH TO IMPLEMENT MUCH OF THE NEW MAJORITY'S ECONOMIC PROGRAMME RAPIDLY AND BY ORDINANCE (MY TELNO 290). THERE IS ALSO SPECULATION THAT MITTERRAND REITERATED EARLIER DEMANDS FOR A SAY IN FOREIGN AND DEFENCE POLICY AND INSISTED THAT BOTH PORTFOLIOS SHOULD GO PEOPLE WHO WERE ACCEPTABLE TO HIM PERSONALLY, AND THAT AN ELYSEE FOREIGN POLICY ADVISER SHOULD HAVE DIRECT ACCESS TO THEM. HE APPARENTLY WARNED CHIRAC SPECIFICALLY AGAINST LECANUET AS FOREIGN MINISTER, AND LEOTARD AS DEFENCE MINISTER, PARTLY ON THE GROUNDS THAT BOTH HAD MADE PARTICULARLY VIRULENT ATTACKS ON HIM DURING THE CAMPAIGN AND WOULD NOT, THEREFORE, BE SUITABLE FOR MINISTRIES WHERE COHABITATION IS LIKELY TO PROVE PARTICULARLY IMPORTANT. IT IS ALSO REPRTED THAT HE TURNED DOWN DAILLY FOR JUSTICE. WHATEVER THE TRUTH OF THESE ACCOUNTS, THERE HAS OBVIOUSLY BEEN ENOUGH OF A SPIRIT OF ACCOMMODATION ON BOTH SIDES FOR CHIRAC TO ACCEPT MITTERRAND'S OFFER, WHICH HE DID EARLY THIS EVENING. IN THE END CHIRAC MAY HAVE MADE CONCESSIONS ON APPOINTMENTS IN RETURN FOR ASSURANCES FROM MITTERRAND OVER THE USE OF ORDINANCES. IT IS NEVERTHELESS SIGNIFICANT THAT THE PROCESS TOOK 48 HOURS.

6. THIS HORSE-TRADING HAS PROVIDED EARLY EVIDENCE OF MITTERRAND'S CONTINUING CAPACITY TO INFLUENCE EVENTS. IT WILL HAVE LEFT SOME DISGRUNTLED RIGHT WING POLITICIANS, LECANUET AND LEOTARD AMONG THEM (EVEN IF IN LECANUET'S CASE, CHIRAC MAY SECRETLY HAVE BEEN RELIEVED BY THE PRESIDENT'S VETO). CHIRAC WILL NOW HAVE TO BE ALL THE MORE CAREFUL TO TAKE THEIR SENSITIVITIES INTO ACCOUNT. NEVERTHELESS, HE PROBABLY CALCULATES THAT THE VITAL THING IS TO CONSTITUTE A GOVERNMENT WITHOUT FURTHER DELAY AND START IMPLEMENTING THE NEW MAJORITY'S PROGRAMME: HIS HAND SHOULD BE STRONGER VIS-A-VIS THE PRESIDENT ONCE HIS TEAM IS IN PLACE. HE IS EXPECTED TO ANNOUNCE THE COMPOSITION OF THE NEW GOVERNMENT VERY SHORTLY. (FOR BIOGRAPHY OF CHIRAC SEE LPR.)

7. MITTERRAND HAS SOUGHT TO GIVE THE IMPRESSION THAT HIS CHOICE OF CHIRAC, THE LEADER OF THE LARGEST PARTY WITHIN THE NEW MAJORITY, STEMS FROM A DETERMINATION TO ACT IN COMPLETE CONFORMITY WITH THE LETTER AND SPIRIT OF THE CONSTITUTION. THIS IS A STANCE WHICH HE JUDGES WILL BE WELL RECEIVED IN FRANCE AS A WHOLE, AND WHICH HE HOPES WILL INCREASE HIS MORAL AUTHORITY AND HIS POPULARITY.

8. BUT THE FACT THAT MITTERRAND APPARENTLY TRIED TO AVOID NOMINATING CHIRAC ILLUSTRATES HIS AWARENESS OF THE RISKS AND DIFFICULTIES WHICH HIS APPOINTMENT PRESENTS. THE FIRST IS THAT HE MAY HAVE SADDLED HIMSELF WITH A PRIME MINISTER HE CANNOT GET RID OF. BY A CURIOUS CONSTITUTINAL QUIRK, THE PRESIDENT CAN APPOINT THE PRIME MINISTER BUT CANNOT DISMISS HIM. UNLESS THE PRIME MINISTER RESIGNS, THE PRESIDENT'S ONLY RECOURSE IS TO DISSOLVE THE ASSEMBLY.

CONFIDENTIAL 2.

19.

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9. ANOTHER RISK FROM MITTERRAND'S POINT OF VIEW IS THAT DESPITE THE NEW GOVERNMENT'S SLIM MAJORITY AND INTERNAL TENSIONS, CHIRAC MAY MAKE A SUCCESS OF MATIGNON, REAPING BENEFITS FROM FALLS IN THE OIL PRICE AND THE DOLLAR. MITTERRAND WILL BE WATCHING CHIRAC'S POPULARITY RATINGS CLOSELY, CONSCIOUS OF THE RISK THAT HE MAY OVERTAKE BARRE (PARTICULARLY AFTER THE LATTER'S POOR SHOWING IN LYONS), AND THEN BE TEMPTED TO PROVOKE A POLITICAL CRISIS IN THE HOPE OF FORCING, AND WINNING, PREMATURE PRESIDENTIAL ELECTIONS. MITTERRAND WILL MANOEUVRE TO TRY TO ENSURE THAT THIS DOES NOT HAPPEN AND THAT CHIRAC DOES NOT BENEFIT UNDULY FROM HIS OCCUPANCY OF MATIGNON. HE WILL BE LOOKING FOR OCCASIONS TO TRIP HIM UP AND WILL KEEP OPEN THE POSSIBILITY OF HIMSELF CALLING EARLY PRESIDENTIAL ELECTIONS IF HE THINKS HE CAN WIN THEM.

10. IT IS IMPOSSIBLE TO SAY HOW LONG COHABITATION WILL LAST. (BARRE SAID YESTERDAY THAT HE GIVES IT UNTIL THE AUTUMN.) BUT I DO NOT EXPECT A CHIRAC GOVERNMENT TO HAVE DIFFICULTY IN SECURING A VOT OF CONFIDENCE AND WE SHOULD THEREFORE WORK ON THE ASSUMPTIN THAT IT IS WITH SUCH A GOVERNMENT THAT WE SHALL HAVE TO DEAL, ANYWAY FOR THE NEXT FEW MONTHS.

11. I RECOMMEND THAT THE PRIME MINISTER SEND A MESSAGE OF CONGRATULATION.

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