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ATHENS FOR SECRETARY OF STATE'S PARTY

MY TELNOS 319, 323 AND 324: CHIRAC'S GOVERNMENT
SUMMARY

1. A GOVERNMENT COMMITTED TO CHIRAC'S PRIORITIES. CONCESSIONS TO MITTERRAND OVER THE FOREIGN AND DEFENCE PORTFOLIOS IN RETURN FOR HIS AGREEMENT TO SIGN ORDINANCES ON ECONOMIC POLICY AND ELECTORAL REFORM. CHIRAC'S MEN IN THE KEY ECONOMIC JOBS AND AT INTERIOR AND AGRICULTURE. THE UDF HAVE TO MAKE DO WITH LESS IMPORTANT MINISTRIES. SOME OLD FACES, BUT A LOT OF NEW ONES, SOME OF THEM YOUNG. CHIRAC OFF TO A GOOD START, BUT PLENTY OF DIFFICULTIES AHEAD: GISCARD, CHABAN, SIMONE VAIL, BARRE, NONE OF WHOM ARE IN THE GOVERNMENT, WILL BE READY TO CAPITALISE ON MISTAKES. SO WILL MITTERRAND.

DETAIL

2. CHIRAC'S STATEMENT LAST NIGHT (TUR) SUGGESTS THAT MITTERRAND HAS GIVEN HIM WHAT HE WANTED IN TWO CRITICAL AREAS: THE ECONOMY AND ELECTORAL REFORM. IN RETURN FOR A COMMITMENT TO RESPECT MITTERRAND'S PREROGATIVES, CHIRAC HAS APPARENTLY SECURED A PRESIDENTIAL UNDERTAKING NOT TO BLOCK IMPLEMENTATION BY ORDINANCE OF THE NEW MAJORITY'S ECONOMIC POLICIES, OR ITS COMMITMENT TO RETURN TO A SYSTEM OF MAJORITY VOTING. ENABLING LEGISLATION WILL APPARENTLY BE PASSED BY THE NEW PARLIAMENT, AND THEREAFTER THE NECESSARY MEASURE WILL BE DECREED BY ORDINANCE (A PROCEDURE REQUIRING THE PRESIDENT'S SIGNATURE).

3. CHIRAC EVIDENTLY UNDERTOOK THAT OTHER REFORMS WOULD BE INTRODUCED BY MEANS OF SPECIFIC LEGISLATION ACCORDING TO NORMAL PARLIAMENTARY PROCEDURES. BUT THIS IS A CONCESSION HE WILL HAVE BEEN READY TO MAKE: HE BELIEVES THE SUCCESS OF HIS GOVERNMENT (AND HIS PRESIDENTIAL PROSPECTS) DEPENDS ON MAKING RAPID ECONOMIC PROGRESS, AND THAT ORDINANCES ARE THE BEST MEANS. SIMILARLY, HE ATTACHES GREAT IMPORTANCE TO RETURNING TO A MAJORITY VOTING SYSTEM: IN PART BECAUSE IT IS A TENET OF THE GAULLIST FAITH, AND IN PART BECAUSE HE CALCULATES THAT THE RPR STAND TO DO WELL OUT OF IT. (WITH THE PS AT OVER 31 PERCENT OF THE VOTE MITTERRAND MAY NOW SEE ADVANTAGE IN IT TOO.) THE SMALLER UDF PARTIES WITHIN THE GOVERNMENT WILL BE LESS ENTHUSIASTIC, BUT BY SECURING PRESIDENTIAL AGREEMENT TO PROCEED BY ORDINANCE, CHIRAC APPEARS TO HAVE OUT-MANOEUVRED THEM. IT WILL NOT HOWEVER BE EASY TO SECURE THE NECESSARY MAJORITY FOR THE ENABLING LEGISLATION.

4. THE GOVERNMENT IS NOT ONLY COMMITTED TO CHIRAC'S PRIORITIES, MOST OF THOSE APPOINTED TO THE KEY ECONOMIC PORTFOLIOS ARE FROM THE RPR AND ARE CLOSE TO HIM PERSONALLY. BALLADUR, WHO TAKES ON THE

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SUPER MINISTRY OF ECONOMY, FINANCE AND PRIVATISATION, IS A PARTICULAR CONFIDANT AND FRIEND. I AM TELEGRAPHING SEPARATELY ABOUT HIM: BUT HE HAS CLEARLY EMERGED AS THE PRINCIPAL MEMBER OF THE CABINET AFTER CHIRAC HIMSELF, AND HIS PERFORMANCE WILL BE CRUCIAL TO THE GOVERNMENT'S SUCCESS. HE IS ASSISTED BY JUPPE (BUDGET), NOIR (FOREIGN TRADE) AND CABANA (NOT AS GARBLED IN TUR) FOR PRIVATISATION, THREE OF THE ABLEST AND MOST PRAGMATIC OF CHIRAC'S CLOSE FOLLOWERS. IT LOOKS A STRONG TEAM.

5. SEGUIN IS A CLEVER CHOICE FOR SOCIAL AFFAIRS AND EMPLOYMENT. ON THE LEFT OF THE RPR, HE SHOULD BE AS CAPABLE AS ANYONE OF REDUCING THE FRICTION BETWEEN A LIBERALISING CHIRAC ADMINISTRATION AND TRADE UNIONS HOSTILE TO SOME, AT LEAST, OF THE NEW GOVERNMENT'S REFORMS (E.G. OBOLITION OF CONTROLS GOVERNING REDUNDANCIES). SEGUIN'S PERFORMANCE WILL ALSO BE CRITICAL: THE NEW GOVERNMENT DOES NOT WANT TO USHER IN A WAVE OF STRIKES, PARTICULARLY AFTER THE SOCIALIST GOVERNMENT'S IMPRESSIVE RECORD IN THIS AREA.

6. CHIRAC HAS SIMILARLY PUT HIS OWN MEN INTO THE INTERIOR MINISTRY. PASQUA IS APPOINTED MINISTER, AND SEEMS LIKELY TO CONCENTRATE, ANYWAY INITIALLY, ON ELECTORAL REFORM: WHILE PANDRAUD (A FORMER DIRECTER-GENERAL OF THE NATIONAL POLICE) TAKES ON LAW AND ORDER AND TERRORISM. BOTH ARE ON THE RIGHT OF THE RPR AND BOTH ARE SEEN AS TOUGH AND UNCOMPROMISING. IT WILL BE THEIR JOB TO GIVE SUBSTANCE TO THE RPR'S ELECTION PROMISES TO ACT DECISIVELY IN COMBATTING CRIME. (THIS IS AN AREA WHERE CHIRAC WILL BE PARTICULARLY CONSCIOUS OF THE THREAT TO HIS RIGHT FROM LE PEN.)

7. GUILLAUME, THE NEW MINISTER OF AGRICULTURE, IS NOT A MEMBER OF THE RPR, BUT HE HAS APPEARED VERY CLOSE TO CHIRAC IN RECENT YEARS. GUILLAUME ALSO HAS THE REPUTATION OF BEING TOUGH, AND HAS PROBABLY BEEN CHOSEN BY CHIRAC TO BE JUST THAT, IN LINE WITH THE RPR'S CAMPAIGN RHETORIC ON AGRICULTURAL ISSUES. (I HAVE TELEGRAPHED SEPARATELY ABOUT THIS IN VIEW OF MONDAY'S AGRICULTURAL COUNCIL IN BRUSSELS.)

8. THE CHOICE OF MONORY FOR EDUCATION WILL PROBABLY REINFORCE THE MOVMENT STARTED BY THE SOCIALISTS TO ENSURE THAT SCHOOLS TEACH THE BASICS AND COME TO TERMS WITH ECONOMIC REALITIES. HE IS A MAN OF ABUNDANT COMMON SENSE WHOSE FORMAL EDUCATION NEVER WENT BYOND PRIMARY SCHOOL BUT WHO BECAME A RESPECTED MINISTER OF INDUSTRY AND THEN FINANCE.

9. TH UDF HAVE DONE LESS WELL THAN THEIR RPR COUNTERPARTS IN THE IMPORTANCE OF THE MINISTRIES THEY HAVE SECURED, IF NOT IN THEIR NUMBER. THE PARTI REPUBLICAIN (PR) HAS TWO FULL MINISTERS, LEOTARD AT CULTURE AND COMMUNICATION (AND APPARENTLY FIFTH IN ORDER OF PRECEDENCE), AND MADELIN AT INDUSTRY, POSTS AND TELECOMMUNICATIONS AND TOURISM. CULTURE IS A PRESTIGIOUS MINISTRY IN FRANCE, BUT EVEN SO LEOTARD WILL BE DISAPPOINTED THAT MITTERRAND APPARENTLY VETOED HIM FOR DEFENCE. THERE WILL HOWEVER BE PLENTY OF SCOPE IN THE COMMUNICATIONS HALF OF HIS PORTFOLIO FOR REDUCING THE CONTROLS THAT NOW GOVERN THE MEDIA, AND PERHAPS FOR PRIVATISING ONE AT LEAST OF THE STATE CONTROLLED TELEVISIONS CHAINS, SOMETHING TO WHICH THE PR IS HEAVILY COMMITTED. THERE SHOULD ALSO BE PLENTY OF SCOPE FOR MADELIN'S ENTHUSIASM FOR DEREGULATION OF INDUSTRY. IN ADDITION TO THESE TWO YOUNG TURKS OF THE PR, THE PARTY HAS FIVE OTHER JUNIOR MINISTERIAL POSTS.

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10. THE CDS HAVE TWO SENIOR MINISTERS (MEHAIGNERIE AND MONORY) AND FOUR JUNIOR ONES. THEIR PARTICIPATION IN FORCES IS OF CONSIDERABLE INTEREST SINCE THE PARTY IS HEAVILY BARRISTE IN SYMPATHY AND THERE WAS SPECULATION BEFORE THE ELECTIONS ABOUT WHAT ATTITUDE THEY WOULD ADOPT TO COHABITATION. THERE ARE STILL CONSIDERABLE DIFFERENCES AMONG THEM: BUT CHIRAC WILL BE PLEASED THAT THE LURE OF OFFICE HAS TEMPTED SO MANY ABOARD. HE HAS ALSO FOUND PLACES FOR TWO RADICALS (ROSSINOT AND BARIANI), AND FOR SANTINI OF THE TINY SOCIAL DEMOCRAT PARTY.

11. WHERE CHIRAC HAS NOT HAD HIS WAY IS OVER FOREIGN AFFAIRS AND DEFENCE. HERE MITTERRAND HAS SUCCESSFULLY INSISTED ON PEOPLE ACCEPTABLE TO HIM. RAIMOND (SEE SEPARATE TELEGRAM) WHILE NOT CHIRAC'S FIRST CHOICE, MAY NOT HAVE CAUSED HIM MANY PROBLEMS. APART FROM HIS DIPLOMATIC EXPERIENCE, HE SHARES A QUALIFICATION WITH A NUMBER OF OTHER IMPORTANT MEMBERS OF THE NEW GOVERNMENT, INCLUDING CHIRAC HIMSELF: HE WORKED DIRECTLY FOR POMPIDOU IN THE EARLY 1970S. GIRAUD IS AT FIRST SIGHT AN UNEXCITING AND UNIMPRESSIVE CHOICE FOR DEFENCE, BUT HE HAS EXPERIENCE OF GOVERNMENT AND IT IS RUMOURED THAT PART AT LEAST OF THE MILITARY ESTABLISHMENT ASKED FOR HIM - ALTHOUGH OTHERS SEEM DISAPPOINTED.

12. ALTHOUGH CHIRAC HAS IN EFFECT HAD TO ACCEPT SOME CONTINUING PRESIDENTIAL ROLE IN FOREIGN AFFAIRS AND DEFENCE, HE HAS NEVERTHELESS MANAGED TO PUT HIS ALLIES INTO JOBS THAT ARE RELATED OR SUBORDINATE. BARIANI, THE JUNIOR MINISTER AT THE QUAI, IS A RADICAL, BUT HE IS CLOSE TO CHIRAC PERSONALLY (AS ONE OF THE DEPUTY MAYORS OF PARIS), AND WILL BE A USEFUL ALLY ON THIS COHABITATIONIST BATTLE-GROUND. (WE DO NOT YET KNOW WHAT HIS SPECIFIC RESPONSIBILITIES WILL BE.) PONS, FORMER SECRETARY GENERAL OF THE RPR, BECOMES MINISTER FOR THE OVERSEAS DEPARTMENTS AND TERRITORIES WHICH, IF TECHNICALLY A DOMESTIC MINISTRY, IS ONE WITH INTERNATIONAL IMPLICATIONS (E.G. NEW CALEDONIA). AURILLAC AS MINISTER FOR COOPERATION WILL BRING TO OVERSEAS AID POLICY A WIDE RANGE OF EXPERIENCE INCLUDING DIRECTLY ON AFRICA. THE APPOINTMENT OF FLOSSE WITH SPECIAL RESPONSIBILITY FOR THE PROBLEMS OF THE PACIFIC UNDERLINES THE NEW GOVERNMENT'S STRONG FEELING ABOUT THIS AREA (MURUROA, THE TURENGES, ETC), AND MME. MICHAUX-CHEVRY'S RESPONSIBILITY FOR 'FRANCOPHONIE' HIGHLIGHTS THE RPR'S COMMITMENT TO FRANCE AS A WORLD POWER, AND FRENCH AS A WORLD LANGUAGE. AS THE TOKEN NON-WHITE IN THE GOVERNMENT, SHE MAY BE INTENDED TO SOFTEN THE IMAGE CREATED BY THE HARD MEN AT INTERIOR.

13. THERE ARE A NUMBER OF OLD FACES (CHALANDON, GIRAUD, MONORY), BUT

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A LOT OF YOUNG BLOOD TOO. SEGUIN STANDS OUT PARTICULARLY, BUT OTHER RISING RPR STARS ARE INCLUDED SUCH AS JUPPE, NOIR, CARIGNON, DEVAQUET AND MICHELE ALLIOT-MARIE. THEIR ARRIVAL IS MATCHED BY THE INCLUSION OF LEOTARD, MADELIN AND LONGUET OF THE PR.

CONCLUSION

14. CHIRAC SEEMS TO HAVE GOT MUCH OF WHAT HE WANTED. HE CAN APPARENTLY PURSUE HIS PRIORITIES BY ORDINANCE AND HE HAS CLOSE ALLIES IN MOST OF THE KEY JOBS. BUT PLENTY OF DIFFICULTIES LIE AHEAD. THERE MAY BE TENSIONS WITH THE UDF OVER THE ALLOCATION OF THE MINISTRIES: EVEN IF THERE ARE NOT, HOLDING THE MAJORITY TOGETHER WILL BE A DIFFICULT AND DEMANDING TASK (WHICH MAY BE WHY TOUBON HAS BEEN LEFT AS THE SECRETARY GENERAL OF THE RPR). RAPID IMPLEMENTATION OF THE NEW MAJORITY'S ECONOMIC POLICY MAY POSSIBLY PRODUCE QUICK AND POPULAR RESULTS AS CHIRAC HOPES: BUT IT MIGHT INITIALLY LEAD TO HIGHER INFLATION AND UNEMPLOYMENT AND AN EARLY OPPORTUNITY FOR MITTERRAND TO STRIKE. AS CHIRAC KNOWS, MISTAKES COULD QUICKLY PROVE DISASTROUS. NOT ONLY IS MITTERRAND LYING IN WAIT,, BUT GISCARD, CHABAN, SIMONE VEIL BARRE AND LECANUET WILL BE TOO: NONE OF THEM IS IN THE NEW GOVERNMENT, AND ALL SEE A BRIGHTER FUTURE FOR THEMSELVES IF CHIRAC FAILS THAN IF HE SUCCEEDS.

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