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File JWP



France

10 DOWNING STREET

From the Private Secretary

3 March 1982

VISIT BY M. CHIRAC

As promised, I enclose a record of the main points made by M. Chirac during his tete-a-tete talks with the Prime Minister and the working lunch which followed these talks. I should be grateful if the confidential nature of the enclosure could be respected and if circulation could be restricted to the minimum necessary.

A. J. COLES

Sir Anthony Royle, KCMG, M.P.

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File 7up



10 DOWNING STREET

From the Private Secretary

3 March 1982

VISIT BY M. CHIRAC

M. Chirac, Leader of the Rassemblement pour la République and Mayor of Paris, called on the Prime Minister at 1215 today for talks followed by lunch. The talks were tete-a-tete. I attended, but M. Chirac did not take up our invitation to bring a Private Secretary with him. The talks were followed by a working lunch for a total of 12 persons.

As you know, the event was essentially of a Party nature. I enclose a record of the main points made by M. Chirac. I should be grateful if this could be given a very restricted circulation.

I am sending a copy separately, on a confidential basis, to Sir Anthony Royle at Central Office.

A. J. COLES

Francis Richards, Esq.,
Foreign and Commonwealth Office.

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cc Master

SUBJECT
MAIN POINTS MADE BY M. CHIRAC DURING TETE-A-TETE CONVERSATION WITH THE PRIME MINISTER AND DURING WORKING LUNCH AT 10 DOWNING STREET ON WEDNESDAY 3 MARCH 1982

French Internal Situation

M. Chirac said that the main problem faced by the Right was that their support had decreased even though that of the Left had not increased. Essentially, the last elections had shown that the Right, after 23 years of power, was tired. It had proved unable to produce fresh ideas. Now the Socialist/Communist majority in the country was decreasing. All the elections in the last few months had shown an increase in the Opposition vote and a decrease in that for the Government. The elections in half of France's cantons later this month were of little importance. But he attached great importance to the elections due in March 1983 in the towns and provinces. He believed that the Opposition would register a considerable success then. Following that, the Government would find it very hard to pursue Socialist policies. He did not believe the Government could last out its term. A new general election was likely in two-and-a-half years.

France, like the United Kingdom, was a rich country, and time would have to elapse before Mitterrand's Socialist measures did fundamental harm to the economy. But in one-and-a-half to two years the standard of living would be seen to decline. Taxes were increasing. The budget deficit was enormous and would reach 180 billion francs this year. Pressure on interest rates would inevitably follow, as would a high rate of inflation. France was now running a deficit on its social security programme, which was madness. The balance of payments deficit was increasing and unemployment had now reached over 2 million. Britain had a larger number of unemployed but the difference was that our situation was improving while the French was worsening.

Mitterrand knew nothing of economics. It was important not to misunderstand him. He was a real Marxist. His ambition was to be a man of destiny. He wanted to change French social

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structures profoundly and write a page of French history. He did not in the least wish to be a Social Democrat like Helmut Schmidt. He also wished to be the person who achieved the unity of the working classes by recapturing the Communists. But to do that he had had to take over Communist ideas. That was why he was dangerous. He would never do anything which would provoke the departure of the Communists from his Government. He might take measures opposed to the Soviet Union but he would always stop short of that critical point. His policies were designed to divide France which was why he (Chirac) was optimistic for the future.

The central question now was - when would the general elections be held? The French tradition was that Parliament lasted its term. But he did not believe that would happen this time. Although Mitterrand would do his best to keep the Communists in Government, he (Chirac) thought they would eventually resign because they could not accept a system where the standard of living declined. If they left, Mitterrand's Parliamentary majority would be cut so radically that new elections would be necessary.

As he had said, the Left was not gaining ground but the Right had lost it. In a sense, this was good because it was easier to win back people who were discouraged but had not gone over to the other side. But it would need a genuinely new programme, one which did not harp back to the past but which was not the Socialist way either. In philosophy, it would be close to that of the Prime Minister and President Reagan, though it would be adapted to France's special circumstances. He hoped that before the end of this year these new ideas would be clear enough to stimulate public opinion in favour of the Opposition. He was now seeking very close relations between the two Parties of Opposition. Political links had been reinforced and they would fight elections together. The main immediate purpose was to win the elections in the cities and provinces in a year's time. If they achieved this, it should be possible to create a situation in which the

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the Government was reduced to a state of paralysis. Public opinion would not accept a position where a Party with 28 per cent of the votes continued to govern. But if all this failed, the Right would win the normal elections in 1986.

Foreign Policy

Mitterrand sought a national consensus on foreign policy but his programme revealed many contradictions. His policy on El Salvador and Nicaragua was deeply disturbing and was helpful to the Communists; yet he talked of strengthening the West in East/West relations. Today Mitterrand was leaving for Israel but he had accorded the PLO more status than any French President before him. His statements on Poland had been very strong but he had signed the gas deal with the USSR. The latter was a very bad arrangement. Thirty per cent of French gas would come from the Soviet Union. The same amount of gas could have been obtained on the same terms from Norway.

As regards the United States, he (Chirac) did not believe that economic recovery would come as quickly as Reagan's budget statement had suggested.

With regard to Germany, he had close links with Herr Kohl. He believed that the end of the social democratic experience in Germany was approaching. He hoped this was the case because it was important to achieve greater transatlantic solidarity which would be possible with a CDU/CSU Government in Germany.

European Defence

M. Chirac said that "for our time" it would be necessary to maintain good relations with the United States. But NATO was a tired organisation. He was not opposed to the Organisation but he doubted whether it was capable of efficient response to the Soviet threat. What would happen if the Russians used SS20s against European targets, particularly if they ensured, as was technically possible, that American troops in Europe were not harmed? No American President would respond militarily