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MY TELNO 1007: PRESIDENT MITTERRAND'S VISIT TO LONDON, 16 OCTOBER.

SUMMARY

1. MITTERRAND'S PERSONAL POPULARITY HAS RISEN UNDER COHABITATION: HE IS PLAYING A WAITING GAME. FOREIGN VISITS HELP DISGUISE THE SHIFT OF POWER TO CHIRAC. FRENCH SEEM GENERALLY TO SHARE OUR VIEWS OVER MAIN SUBJECTS FOR THE EUROPEAN COUNCIL. DISCUSSING REYKJAVIK WITH THE PRIME MINISTER SUSTAINS PRESIDENT'S IMAGE AS A KEY PLAYER IN EAST/WEST RELATIONS. HE HAS NOT WHOLLY ENDORSED THE GOVERNMENT'S RESPONSE TO TERRORISM. AMBIGUITY ON UNIFIL. PERHAPS MORE INTEREST THAN CHIRAC IN PREPARATORY COMMITTEE FOR MIDDLE EAST PEACE CONFERENCE. A MAJOR OBJECT OF VISIT WILL BE TO SCORE POINTS IN COHABITATION STRUGGLE.

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DETAIL

INTERNAL POLITICAL SCENE

2. MITTERRAND'S POPULARITY RATING IS NOW HIGH (OVER 60 PERCENT, ACCORDING TO A RECENT POLL). HE IS GIVEN CREDIT FOR THE RELATIVELY SMOOTH WORKING OF COHABITATION. BUT THE ELYSEE HAS BEEN UNABLE TO DISGUISE THE FACT THAT POWER HAS SHIFTED FROM THE PRESIDENT TO THE PRIME MINISTER. RECENT POLLS REVEAL THAT THE PUBLIC HAS BELATEDLY UNDERSTOOD THIS. MITTERRAND CAN AND DOES DELAY LEGISLATION; BUT HE CANNOT PREVENT CHIRAC FROM IMPLEMENTING THE GOVERNMENT'S PROGRAMME. IN THESE CIRCUMSTANCES, THE PRESIDENT COMFORTS HIS POSITION WITH FOREIGN VISITS AND PLAYS A WAITING GAME. HE HOPES THAT THE MAJORITY WILL BECOME UNPOPULAR AND THAT ITS DIFFERENT COMPONENTS WILL FALL APART OVER THE RIGHT'S CHOICE FOR THE 1988 PRESIDENTIAL ELECTION. THIS WOULD ENHANCE THE CHANCES OF THE LEFT'S CANDIDATE WHOM MANY ASSUME WILL BE MITTERRAND HIMSELF. WHETHER IT WILL BE REMAINS UNCLEAR. IN A TYPICALLY AMBIGUOUS STATEMENT ON 13 OCTOBER, THE PRESIDENT PROFESSED RELUCTANCE TO STAND FOR A SECOND TERM, BUT CAREFULLY LEFT OPEN THE POSSIBILITY THAT HE MIGHT BE PREVAILED UPON TO DO SO.

FOREIGN VISITS UNDER COHABITATION

3. AFTER HIGH-PROFILE VISITS TO THE US AND SOVIET UNION IN JULY, MITTERRAND MADE A LONG DELAYED STATE VISIT TO INDONESIA IN MID-SEPTEMBER. HE HAS ALSO MADE DAY TRIPS TO THE FRG AND NETHERLANDS. HE WILL SPEND A WEEK OR SO IN AFRICA NEXT MONTH, AROUND THE FRANCO-AFRICAN SUMMIT.

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4. RECENT CONTACTS HAVE CONFIRMED THAT THE FRENCH SHARE OUR VIEW OF THE PRINCIPAL SUBJECTS TO BE ADDRESSED AT THE EUROPEAN COUNCIL, IN PARTICULAR THE EMPHASIS ON JOB CREATION AND THE CONTRIBUTION TO THIS OF SMALL AND MEDIUM ENTERPRISES. LIKE US, THEY WISH TO AVOID THE COUNCIL LAUNCHING INTO PREMATURE DISCUSSION OF THE FUTURE FINANCING OF THE COMMUNITY. ON THE SUBSTANCE OF THIS ISSUE, THEY MAY BE READY TO CONSIDER AN EARLIER INCREASE IN OWN RESOURCES THAN WE ARE, BUT AS AN ACTUAL OR POTENTIAL NET CONTRIBUTOR THEY SHARE OUR INTEREST IN BRINGING THE GROWTH OF SPENDING UNDER CONTROL. THEY WILL ALSO AGREE THE PRIORITY TO BE GIVEN TO DISCUSSION OF THE STRENGTHENING OF THE COMMUNITY'S EXTERNAL DEFENCES AND INTERNAL COOPERATION AGAINST TERRORISM, DRUGS AND ILLEGAL IMMIGRATION, SUBJECTS WITH A HIGH PUBLIC PROFILE IN FRANCE AT PRESENT.

5. IN OTHER AREAS OF EC WORK, THE FRENCH ARE PROVING GENERALLY HELPFUL PARTNERS IN SUPPORT OF OUR PRESIDENCY OBJECTIVES. THEY DID NOT OVERPLAY THEIR HAND AT PUNTA DEL ESTE AND WERE VERY APPRECIATIVE OF OUR HANDLING OF THE PRESIDENCY ROLE. THEY HAVE TAKEN A POSITIVE APPROACH ON THE INTERNAL MARKET, IN PARTICULAR ON LIBERALISATION IN THE TRANSPORT SECTOR. ALTHOUGH THE PRESSURE OF MAJOR VESTED INTERESTS (E.G. THE ROAD HAULAGE LOBBY OR AIR FRANCE) IS ALWAYS LIABLE TO HOLD THEM BACK. ON THE CAP, THE FRENCH RECOGNISE THAT BUDGETARY CONSTRAINTS AND THEIR EXPORT INTERESTS MAKE IT NECESSARY TO PURSUE THE PROCESS OF REFORM, THOUGH IT WILL BE POLITICALLY EASIER FOR THEM IF THIS IS ALONG LINES ALREADY ESTABLISHED (SUCH AS MILK QUOTAS AND CEREALS CO-RESPONSIBILITY LEVIES) RATHER THAN BY MORE RADICAL DEPARTURES SUCH AS LAND DIVERSION.

EAST/WEST

6. WE HOPE TO RECEIVE OUR FIRST OFFICIAL FRENCH BRIEFING ON REACTIONS TO THE OUTCOME OF REYKJAVIK LATER TODAY. CHIRAC TRIED YESTERDAY TO DISSIPATE THE INITIAL PESSIMISM. MITTERRAND IS ON RECORD AS CONSIDERING THAT SDI WILL REMAIN CENTRAL TO THE DIFFICULTIES BETWEEN THE TWO SUPERPOWERS FOR A LONG TIME TO COME. ON THE OTHER HAND, FEW FRENCHMEN WILL REGRET THE FAILURE TO REACH AN AGREEMENT ON INF, PARTICULARLY IF IT INCLUDED THE COMPLETE ELIMINATION OF AMERICAN INF IN EUROPE. AND THEY HAVE BEEN CONSISTENTLY SUSPICIOUS OF WHAT THE US MIGHT DO IF IT CAME TO THE CRUNCH OVER COUNTING IN FRENCH (AND BRITISH) STRATEGIC WEAPONS. IF REYKJAVIK IS FOLLOWED BY A LONG PAUSE IN US/SOVIET CONTACTS, THE FRENCH MAY BE TEMPTED TO LOOK FOR A MORE ACTIVE ROLE FOR THEMSELVES.

TERRORISM

7. MITTERRAND WILL WANT IT TO BE KNOWN THAT HE HAS DISCUSSED TERRORISM WITH THE PRIME MINISTER, BUT IS UNLIKELY TO HAVE ANY DETAILED PROPOSALS. HE HAS AVOIDED EXPLICITLY ENDORSING THE GOVERNMENT'S RECENT SECURITY MEASURES. THE PRESS HAVE REPORTED ELYSEE HINTS THAT HE BELIEVES CHIRAC OVER-REACTED TO THE RECENT BONDINGS (THE LEFT IS WORRIED ABOUT INCREASED POLICE POWERS INFRINGING HUMAN RIGHTS). ON THE OTHER HAND, THE ELYSEE ALSO HINTS THAT MITTERRAND IS NOW MORE ROBUST THAN CHIRAC IN REFUSING NEGOTIATIONS WITH, OR CONCESSIONS TO, TERRORISTS. (IN FACT, SUCH A

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| CHANGE

CHANGE OF HEART IS RATHER UNCONVINCING.) IT IS UNLIKELY THAT MITTERRAND WILL HAVE NEW IDEAS ON SUMMIT SEVEN COOPERATION AGAINST TERRORISM; BUT WE SHOULD BE WARY OF THE DOMESTIC FRENCH POLITICAL IMPLICATIONS OF ANY PROPOSALS IN THIS AREA. (THE GENERAL FRENCH RELUCTANCE TO ACCEPT ANY SORT OF COORDINATION OR OVERSIGHT FROM A GROUP WHICH INCLUDES THE US IS COMPLICATED BY A COHABITATIONAL SUB-PLOT, SINCE THE SUMMIT SEVEN IS A FORUM WHERE MITTERRAND IN EFFECT ECLIPSES CHIRAC.)

ARAB/ISRAEL

8. SOVIET IDEAS FOR A PREPARATORY COMMITTEE FOR A MIDDLE EAST PEACE CONFERENCE WERE FIRST UNVEILED IN THE WEST TO MITTERRAND. HE REACTED CAUTIOUSLY, BUT IS CONSIDERED TO BE SLIGHTLY MORE SYMPATHETIC TO THE PROPOSALS THAN CHIRAC. PERES WAS IN PARIS LAST WEEK (THE QUAI ARE GIVING AN EC BRIEFING LATER TODAY).

9. MITTERRAND'S CONSTITUTIONAL RESPONSIBILITIES FOR THE ARMED FORCES GIVE HIM A SPECIAL INTEREST IN THE PROBLEM OF THE UNIFIL CONTINGENT. LIKE CHIRAC, HE HAS TO SEEK A BALANCE BETWEEN SEEMING TO PUT FRENCH SOLDIERS' LIVES AT RISK FOR A FUTILE CAUSE AND SEEMING TO WITHDRAW FROM LEBANON (WHERE FRANCE CONSIDERS ITSELF TO HAVE A SPECIAL POSITION) UNDER TERRORIST PRESSURE. CHIRAC IS IN THE LEAD OVER HOSTAGES AND MITTERRAND'S PROFILE IS NOW LOW. HE IS NOT PERSONALLY ASSOCIATED WITH CHIRAC'S ATTEMPT TO NORMALIZE RELATIONS WITH IRAN (BUT NEITHER IS HE SO PERSONALLY ASSOCIATED AS CHIRAC WITH THE FRENCH POLICY OVER THE LAST 10 YEARS OF SELLING ARMS TO IRAQ).

MITTERRAND'S OBJECTIVES

10. AS NOTED IN MY TELNO 1007, ONE OF MITTERRAND'S MAIN OBJECTIVES IN SEEKING THIS EXCHANGE WITH THE PRIME MINISTER, IS CERTAINLY TO SHORE UP HIS DOMESTIC POSITION. (WE HAVE LEARNED THAT THE ELYSEE HAVE KEPT THE VISIT A SECRET FROM THE QUAI - AND NO DOUBT THE MATIGNON - UNTIL THE WEEKEND.) HE NEEDS TO BE SEEN TO BE ACTIVE IN FOREIGN AND EC AFFAIRS, AS WELL AS IN DEFENCE, TO SUSTAIN HIS CLAIMS STILL TO BE THE MAJOR ACTOR IN THESE AREAS, HOWEVER DIMINISHED HIS CONTROL OVER THE GOVERNMENT MACHINE. NOT ONLY WILL HE IN GENERAL WANT TO BE SEEN AT THE TOP TABLE, BUT SPECIFICALLY HE MAY WELL BE PREPARING HIS TACTIS VIS-A-VIS CHIRAC FOR THE BILATERAL SUMMIT IN NOVEMBER AND THE EUROPEAN COUNCIL IN DECEMBER. WE MAY WELL FACE SOME PROTOCOL PROBLEMS ON BOTH OCCASIONS, SO SHOULD BE WARY OF ANY TRAPS THAT MAY BE LAID NOW.

FRETWELL

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