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Foreign and Commonwealth Office

London SW1A 2AH

19 January 1988

Dear Charles,

Michel Rocard

Rocard will call on the Prime Minister at 1700-1730 on 21 January as part of his Category I/ sponsored visit to the UK. He will also be meeting the Foreign and Defence Secretaries and the Chancellor of the Exchequer (as well as Mr Kinnock). Mr Mellor will host a dinner for him.

Rocard

/ I attach a copy of Sir Ewen Fergusson's despatch of 10 November on the 1988 French Presidential Elections, paragraphs 8-10 of which deal with Rocard. Also attached is a copy of a letter on Rocard from John Weston (Paris) and a personality report. Although Rocard's prospects for the Presidency are slight, they cannot entirely be discounted. His chances depend upon Mitterrand's standing down and Chirac supporters' declining to support Barre in the second round of voting (or vice versa). Rocard's present difficulty is that Mitterrand will not say whether he will stand again or not. If he does, Rocard will probably withdraw (despite his earlier denials) in order to avoid splitting the Socialist Party vote and sustaining a humiliating defeat at Mitterrand's hands in the first round. There are rumours of a deal under which Mitterrand may have offered Rocard the Prime Ministership, if he wins.

If, however, Mitterrand pulls out, Rocard will have little time to overcome divisions in his own Party and establish himself in the eyes of the public as a wholly credible contender for the Presidency. At present, with the focus on Mitterrand's intentions, Rocard is finding it difficult to capture public attention. He is projecting himself as a moderate, pragmatic social democrat, in an attempt to win over undecided voters in the centre, but he may risk losing support on the Left. Whatever the outcome, however, he will continue to be an influential figure on the French political scene, and one whose instinct seems to favour closer relations with Britain as well as with the FRG.

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### France: Economy

Rocard has been keen to dissociate himself from the ideological excesses of the Socialists in 1981-3, but is also critical of the present Government's record and policies. The French economy has emerged from 1987 in better shape than seemed likely at mid-year (despite the Stock Market slump), although it continues to perform below potential. Growth is currently about 2.75% and OECD forecasts indicate a decrease to 1.5% in 1988 and 1.25% in 1989. Inflation is down from 5.7% in 1985 to about 3% at present. Unemployment at 10.4% is higher than in the UK. French industry's competitiveness is currently causing concern: the 1986 trade balance showed a deficit of \$2.3bn.

### EC Issues

It will be worth talking to Rocard about current EC issues. As a former Agriculture Minister he is likely to be interested in the negotiations and, no longer being in government, may reveal some of the potential differences of opinion between Mitterrand and Chirac. What is said to him is also likely to get back to Mitterrand.

Before Copenhagen the French took a clear decision to work in partnership with the Germans on agriculture even though their interests did not coincide. The French Government received a critical press following the outcome at Copenhagen and there were some intimations that Mitterrand was disposed to blame Chirac for the outcome. Present signs are that the French still wish to work closely with the Germans. There are, however, substantial disagreements over cereals (the French want price reductions; the Germans want production controls and no price reductions) and over set aside, where the Germans favour a much higher level of Community support than the French. Our interest lies in reminding the French of where our interests are close and in avoiding any further widening of the gap between us on contentious issues such as the abatement.

We recommend that the Prime Minister:

- stress that we are keen to work with the French and Germans for an agreement in Brussels in February which builds on the Danish Presidency's text;



- ask how Rocard sees the future of CAP reform, given the conflict between the present pattern of Community spending and France's growing interest in more effective control, especially on the cereals regime;
- ask about the possibility of France's exerting influence on Germany over cereals where French interests lie in stricter budget control than the Germans want, and over set-aside, where the Germans are seeking a higher level of Community finance than the French want;
- emphasize the importance of the stabiliser package on the lines proposed by the Commission, not least as a means of constraining the future growth of Mediterranean products;
- underline that there is a particularly close identity of interest between the UK, France and Germany in controlling the growth of the structural funds and that we must continue to work together on this; and
- make clear the importance of avoiding any dilution of the Fontainebleau agreement, if there is to be an acceptable settlement.

#### Gorbachev and East/West Relations

Rocard will probably wish to hear the Prime Minister's view of Gorbachev and his prospects. She could refer to:

- Gorbachev's political position: Eltsin's fall was a setback, but he is determined to press on with change despite resistance in the party and elsewhere. The June Party Conference will be vital for his efforts to restructure the Party.
- the introduction on 1 January of major economic reforms, including cost-accounting of 60% of Soviet enterprises; implementation will be very difficult in practice, since the central planning mechanisms are all intact.
- on human rights, the improvements, which are welcome, but the lack of fundamental policy changes.



- the potential for beneficial change in Eastern Europe, but also the risk of instability created by Gorbachev's influence and internal reform.

On East/West relations, we recommend that the Prime Minister welcome the closeness of UK and French views - a major factor in achieving the INF Treaty on Western terms. She could also welcome the proposed series of meetings between Shultz and Shevardnadze to prepare the Moscow Summit. In building East/West confidence it will be important to continue pressing for progress on regional issues and human rights as well as arms control. On Afghanistan, the Soviet Union is building up expectations of a withdrawal this year: we are encouraging this, whilst stressing that Afghans must be free to choose their own government. On CSCE, we attach importance to maintaining a firm Western line on human rights, and remain sceptical about the Soviet proposal for a Moscow Humanitarian Conference.

#### Arms Control

We recommend that the Prime Minister stress the importance we place on the early ratification of the INF agreement and encourage Rocard to speak in favour of the treaty. She could also welcome the firm line taken by President Mitterrand on SNF modernisation and confirm to Rocard our support for the arms control agenda reaffirmed at the Brussels NAC in December 1987; a 50% START agreement, a global ban on chemical weapons and a correction of the conventional imbalance in Europe.

#### Defence issues

Rocard is likely to be particularly interested in the Prime Minister's views on Western defence. He himself is keen for Franco-German cooperation not to be exclusive and for Anglo-French cooperation to develop also. The Prime Minister could indicate our broad support for recent developments in Franco/German defence relations provided that they bring France into closer cooperation with NATO. We would not want France's developing bilateral relationships with different countries, including the UK and the FRG, to weaken multilateral arrangements for collective defence. We have in this context noted President Mitterrand's assurances that the French aim is to strengthen existing defence arrangements. We welcome developments in Anglo-French relations, particularly in equipment

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collaboration and the nuclear field, and are looking at ways of making further improvements.

World Economy

Finally, if Rocard asks about the world economy, the Prime Minister could underline the fact that tackling the continued imbalances requires co-ordinated action. This is likely to be a major preoccupation in 1988. Some progress has been made in Japan, and the US is taking some steps to put its house in order. However, in the FRG several years of substantial domestic demand expansion are needed to cut the trade deficit. It will be important also to counter protectionism. There is an emerging consensus that a mid-term review of the Uruguay Round should take place in winter 1988/89. Whilst avoiding any shift of attention from substantive negotiations, we shall want to ensure that an "early harvest" package contains reaffirmation of the general principles on agricultural reform. French support for this will be necessary.

The UK and France have a common political interest in helping resolve debt problems, especially those holding up Africa's economic recovery. Reducing interest rates on Paris Club debt rescheduling would help. IMF-led adjustment programmes throughout the developing world need to be strong to be effective. French support is necessary on both counts.

I am copying this letter to Alex Allan (HM Treasury) and Brian Hawtin (MOD).

*long over,*  
*L Parker*

(L Parker)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street



BRITISH EMBASSY,  
PARIS.

8 January 1988

David Dain Esq  
Western European Department  
Foreign and Commonwealth Office

cc: *Mr. Warner (immed) (see)*  
*Sec (MATS) (wk) (P)*  
*Mod* *Rm 5196*  
*Schubert* *B* *12* *Li*  
*Mr. Young* *11/1*  
*Mr. [unclear]*

*cc Belp*

*An important*  
*contribution to*  
*the briefing, which*  
*I did acknowledge*  
*ide.*  
*D*

*Dear Dain,*

MICHEL ROCARD

1. With Michel Rocard due to call on the Prime Minister, the Secretary of State and Mr Younger on 21 January, and the Chancellor of the Exchequer on 22 January, you may find it useful to have an assessment of his position and prospects.
2. These have changed little since the Ambassador's Despatch of 10 November «The 1988 Presidential Election: The Race and the Runner». Rocard's dilemma remains as set out by the Ambassador, namely that, although he has declared himself a candidate for the Presidency, and is campaigning energetically, no-one is currently paying much attention. Interest on the Left remains focussed on Mitterrand, who continues to tease the country about whether or not he will stand for a second term (probably because he has not yet made up his mind). This guessing game distracts attention from Rocard (and other potential Socialist candidates) and makes it difficult for him to make his presence felt or his voice heard. He is likely to have to put up with this for some weeks yet. No-one knows when Mitterrand will finally announce his intentions but the betting in the Socialist Party (PS) is not before the second half of February and perhaps not until early March.
3. If Mitterrand decides to stand again, it seems increasingly likely that Rocard will withdraw his candidacy, despite insisting last year that he will remain in the race whatever happens: if he does not withdraw, he risks expulsion from the PS, and a humiliatingly low score in the first round of the elections which might well destroy his career. If, however, Mitterrand chooses to stand down, Rocard remains the front runner for the Socialist Party nomination. After Mitterrand, he is comfortably the most popular Socialist politician in the opinion polls, and he commands a sizeable courant within the PS, probably of between a quarter and a third of party members. Rocard's hope is that this would be enough to persuade the party, including Mitterrandists disappointed by the President's withdrawal, to fall in rapidly behind him, without the need for a contested and possibly

/bloody



bloody primary for the nomination. But this may be too optimistic: others in the PS, such as Fabius and Chevènement, may make a fight of it, as much for reasons of internal party politicking as because they can hope to beat Rocard. The damaging spectacle of a divided Socialist Party squabbling for the nomination only weeks before the Presidential elections take place would hardly be best calculated to impress the electorate at large, or to assure that the PS was in top form to fight those elections on behalf of Rocard (or any other candidate).

4. However, even if everything were to go perfectly from Rocard's point of view and he secured the nomination without a fight (perhaps even with Mitterrand's endorsement), he would still remain an outsider for the Presidency. The very fact that Mitterrand had opted out would suggest that he did not believe a Socialist victory was likely this year; and if the odds seemed unfavourable to the tried, tested, and now widely popular Mitterrand, they would be even more unfavourable to Rocard. The latter may be well regarded but there is as yet no very clear public perception of what he represents, nor any sure conviction that he has the intellectual, and indeed physical, stature that the electorate look for in the occupant of de Gaulle's throne.

5. In an attempt to counter this, Rocard has been busy trying to give himself a sharper political profile recently, recalling that he warned that the ideological excesses of the first two years of Mitterrand's septennat (1981-83) would prove mistaken, and projecting himself as a social democrat of moderate, pragmatic persuasion. He has been trying to establish himself as the candidate of the Centre-Left, a keen supporter of the market economy, but also of high social spending, a Socialist distrustful of dogma who would try to govern from as near the centre of the spectrum and with as wide a consensus as possible. Many Frenchmen find this attractive (which helps in part to explain his consistently good poll ratings), but it is not an altogether comfortable position for him. Within the PS some on the Left are suspicious of his commitment to «genuine Socialism», while outside the party many electors of Centrist sympathies are more naturally inclined to Barre than to Rocard. He thus risks a loss of support and confidence on the Left, without necessarily attracting any compensating gain on the Centre-Right.

6. Nevertheless, if Rocard's prospects of victory are not currently very bright, the conventional wisdom is that they cannot be entirely dismissed. His entourage argue that once the distracting uncertainty of Mitterrand's intentions has been resolved (they assume by a Presidential

/decision



decision not to run) there will be a surge of interest in, and support for, Rocard. They claim that the PS will put aside its differences; that all those disposed to vote for the Left will swing behind Rocard as the only credible candidate; and that many in the Centre will also shift to Rocard when, in the course of the campaign, they come to realise that Barre is only masquerading as a Centrist and that his instincts and reflexes are really Gaullien in character (even though he is not formally a Gaullist). This, they claim, will ensure Rocard a very strong showing in the first round and an excellent launching pad for the second, decisive round which they argue the Right will probably lose because it is disunited. According to their scenario, many of Barre's supporters will refuse to switch to Chirac if he emerges as the Right's champion, and many of Chirac's will similarly refuse to go to Barre if instead he triumphs in the first round; so allowing the Left's candidate, Rocard, to capture the Elysée. There are a good many ifs in all this, and a good deal of brave talk. It is I suppose just possible that things could work out in this way (though personally I have never believed it).

7. Should Rocard against these odds become President, he would be well disposed towards the UK. He seems genuinely to like and admire much that is British and is an advocate of close Franco-British relations. He has also been arguing within the Socialist Party for a close, trilateral Franco-British-West German relationship as essential to the future of Europe, both within the Community, and in the context of European defence. I would expect him to want to explore these issues as fully as possible in London. The fact that the Prime Minister, Secretary of State, Chancellor of the Exchequer and Mr Younger were willing to give up time to see him would of course help us to get off to a fast start with the new administration. But in any case if, as seems more likely, his hopes of the Elysée do not materialise, the attention paid to him in London should nevertheless prove a good investment: he is likely to remain a major figure on the French political scene, and an influential voice within it, for some time to come.

*Johns*  
*the*  
*JW*

P J Weston



## CONFIDENTIAL

ROCARD, MICHEL

Député. Former Minister of Agriculture.

Born 1930 in the suburbs of Paris. Son of Professor Yves Rocard CBE, a distinguished nuclear physicist. Studied literature and entered the Ecole Nationale d'Administration (ENA). Inspecteur des Finances 1958. Head of the Economic Budget Division in the Planning Department of the Ministry of Finance 1965. Secretary-General of the Commission des Comptes et des Budgets Economiques, 1965-67. Resigned from government service in 1967 to stand (unsuccessfully) in Legislative elections at PSU (Parti Socialiste Unifié) candidate. Secretary General of the PSU 1967-73. PSU Presidential candidate, 1969. PSU Deputy for the Yvelines, 1969-73. Joined Socialist Party 1974. Member of the National Secretariat 1975-79. PS Deputy for the Yvelines since 1978. Minister for the Plan 1981-83. Minister for Agriculture from 1983 until his resignation in 1985.

Rocard made his name as a national figure during the May events of 1968. His party was the only one to be identified with the student movement, and its leaders occupied key positions in the main student and teacher organisations. He broke with the PSU in 1974 after its failure to amalgamate with the Socialist Party. He then rose swiftly in the Socialist Party. During the past decade, Rocard has moderated his leftist image. He is an advocate of the introduction into French industry and government of autogestion (in industry, workers' control; in government, decentralisation). This is the last remaining link between the Rocard of the late 1960s and the present day. On economic policy he is a moderate.

At the PS Congress at Metz in 1979 a re-alignment of forces within the Party left Rocard and his ally Mauroy in the minority. Both remained members of the Executive bureau of the Party but lost their places as National Secretaries. In 1980 Rocard made an unsuccessful bid for the PS's nomination for the 1981 Presidential election. Subsequently he played no formal part in Mitterrand's campaign, although on the eve of the second round he was asked to appear on television to defend Mitterrand's economic policies from Giscard's accusations that they were extremist.

Rocard remains one of France's most popular politicians. Opinion polls taken after Mitterrand's victory suggested that he would have been the most popular choice of the electorate as a whole for the post of Prime Minister. But his past rivalry with Mitterrand and his political position fairly far to the right of Mitterrand's socialist coalition gave little real prospect of his being put in charge of the Government. As Minister responsible for the Plan he had the chance to put into practice his ideas about economic self-management and decentralisation, but had to combat the tendency of his Ministerial colleagues to exclude him from their deliberations. He got off to a good start at the Ministry of Agriculture in terms of his relations with the difficult farming community, but later ran into some difficulties with them over CAP reform and domestic issues. His resignation in May 1985 was allegedly motivated by opposition to the introduction of proportional representation for legislative elections. He has concentrated since on trying to strengthen his position for the 1988 Presidential elections. He remains top of the opinion polls and has announced his intention to run again to become President. But some doubt if he has either the 'killer instinct' or the organisational talent to make it to the top. He has a strong intellect, and keen political instincts. A good speaker when audible (very rapid delivery), his distinctive brand of intellectual garrulousness some times speaks more of a hyper-clever university don than a statesman of Presidential stamp.

In 1980 he visited the UK as a COI Category I sponsored visitor. He met FCO Ministers and representatives of the CBI and the TUC. Rocard speaks good English. He is divorced and remarried (to a sociologist). He has two children by each marriage.



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