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FM PARIS

TO IMMEDIATE FCO

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PRIME MINISTER'S MEETING WITH CHIRAC, 22 NOVEMBER: FRENCH
POLITICAL BACKGROUND.

SUMMARY

1. THE PRESIDENTIAL PRE-CAMPAIGN HAS STARTED. SPOTLIGHT ON SCANDALS. CHIRAC IS ATTEMPTING TO CONCENTRATE ON GOVERNMENT BUSINESS, BUT ECONOMIC DEVELOPMENTS ARE CAUSING HIM PROBLEMS. HIS MAJOR RIGHT-WING CHALLENGER, BARRE, IS GAINING GROUND. EAST/WEST ISSUES AND FRANCE/FRG RELATIONS TOP HIS INTERNATIONAL POLITICAL AGENDA. THE BILATERAL ATMOSPHERE IS SATISFACTORY.

DETAIL

2. FRANCE IS IN THE THROES OF WHAT HAS BEEN DUBBED THE PRESIDENTIAL PRE-CAMPAIGN. THE ELECTIONS MAY STILL BE SIX MONTHS AWAY BUT MANOEUVRING IN THE RUN UP TO THEM DOMINATES POLITICAL LIFE. SINCE PARLIAMENT REASSEMBLED AT THE BEGINNING OF OCTOBER, OSTENSIBLY TO DEBATE NEXT YEAR'S BUDGET, THE PARTIES HAVE BEEN ATTACKING EACH OTHER VIGOROUSLY, CULMINATING TWO WEEKS AGO IN THE LUCHAIRE AFFAIR. THIS TOUCHES MITTERRAND DIRECTLY SINCE IT IS ALLEGED THAT HE CONNIVED AT, OR AT LEAST FAILED TO HALT, THE EXPORT OF NEARLY HALF A MILLION ARTILLERY SHELLS TO IRAN BETWEEN 1983-86 IN CONTRAVENTION OF A GOVERNMENT EMBARGO WHICH HE HAD HIMSELF IMPOSED, WITH A SIDE BENEFIT TO THE SOCIALIST PARTY. MITTERRAND HAS REJECTED THE ACCUSATION OF CONNIVANCE AND, SO FAR, THE AFFAIR HAS HAD NO EFFECT ON HIS POPULARITY (HE REMAINS AHEAD OF ALL HIS RIVALS). NEVERTHELESS, THE RIGHT HOPE THAT IT WILL DAMAGE HIM AND HELP TO DETER HIM FROM STANDING FOR A SECOND TERM. FOR THE MOMENT ALL MITTERRAND WILL SAY ABOUT HIS INTENTIONS IS THAT HE HAS NOT YET MADE UP HIS MIND (WHICH IS PROBABLY TRUE).

3. CHIRAC PERSONALLY HAS TRIED TO DISTANCE HIMSELF FROM THE MUD-SLINGING, LEAVING IT TO LOYALISTS IN HIS OWN PARTY (RPR) TO DIRTY THEIR HANDS. HE ARGUES THAT AS THE LEADER OF THE GOVERNMENT SINCE MARCH 1986 HE IS THE PRESIDENTIAL CONTENDER BEST QUALIFIED TO ENSURE FRENCH ECONOMIC RECOVERY AND LEAD THE COUNTRY INTO THE BRAVE

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NEW WORLD OF THE SINGLE EUROPEAN MARKET AFTER 1992. IN THE SUMMER THERE WERE SIGNS THAT THIS APPROACH WAS HAVING SOME EFFECT. BUT MUCH OF THE OPTIMISM HAS RECENTLY EVAPORATED. DISAPPOINTING PROGNOSSES FOR THE FRENCH ECONOMY AND THE SHOCK OF THE STOCK MARKET CRASH (SEE MY TELNO 1174) HAVE COMPROMISED CHIRAC'S HOPES THAT HIS RECORD AS PRIME MINISTER WOULD HELP TO BOOST HIS PRESIDENTIAL CHANCES.

4. APART FROM THE DIFFICULTIES POSED BY A WILY MITTERRAND, AND A SLUGGISH ECONOMY, CHIRAC MUST ALSO CONTEND WITH THE CHALLENGE FROM BARRE, WHOSE PREVIOUS EXPERIENCE MAKES HIM WELL PLACED TO CAPITALISE ON THE PRESENT MOOD OF UNCERTAINTY. HIS OWN UNDOUBTED PROBITY MAY ALSO ATTRACT VOTERS ALIENATED BY A POLITICAL LANDSCAPE STREWN WITH DISFIGURING SCANDALS. LATEST POLLS SUGGEST THAT HE HAS GAINED GROUND IN RECENT DAYS AT CHIRAC'S EXPENSE AND MIGHT NOW BEAT HIM IN THE FIRST ROUND OF THE PRESIDENTIAL ELECTIONS.

5. THE PRIME MINISTER WILL THEREFORE MEET CHIRAC AT A TIME WHEN HIS GOVERNMENT IS IN SEARCH OF SUCCESS, AND HE SHOWS SIGNS OF FLAGGING IN THE POLLS. NEVERTHELESS, HIS ENERGY IS BOUNDLESS, HE IS A FIRST-RATE CAMPAIGNER AND HE CAN BE EXPECTED TO FIGHT ALL THE WAY.

FOREIGN POLICY ISSUES.

6. THE WORLD ECONOMY AND EC MATTERS APART, FRANCE'S RELATIONSHIP WITH THE FRG AND THE EUROPEAN CONTRIBUTION TO ALLIANCE DEFENCE FOLLOWING AN INF TREATY COMTUNUE TO BE CHIRAC'S MAIN FOREIGN POLICY PREOCCUPATIONS (HE IS TO MAKE A MAJOR SPEECH ON DEFENCE ON 12 DECEMBER). ON INF CHIRAC AGAIN VOICED DOUBTS ON THE IMPLICATIONS OF DOUBLE ZERO FOR EUROPE WHILE IN LISBON LAST WEEK: HE IS THUS OUT OF STEP WITH US REQUESTS FOR PUBLIC SUPPORT TO HELP CARRY CONGRESS ALONG. SOME COHABITATIONAL STRAINS SHOWED IN HIS JOINT VISIT WITH MITTERRAND TO THE FRG FOR THE SUMMIT LAST WEEK. THE GUARDIANSHIP OF FRANCE'S ROLE IN EUROPE, AND PARTICULARLY THE RELATIONSHIP WITH THE WEST GERMANS, WILL NO DOUBT FIGURE IN THE CAMPAIGN RIVALRY OVER THE NEXT FEW MONTHS. ON IRAN/IRAQ FRANCE'S PROFILE HAS DROPPED IN RECENT WEEKS, WITH THE GORDJI AFFAIR STALEMATED AND FRANCE'S HABITUAL INCLINATION TOWARDS IRAQ INHIBITING THEIR HELPFULNESS AT THE UN (WE HAVE BEEN TRYING HARD TO GET THEM TO PLAY A MORE COOPERATIVE ROLE IN THE WESTERN TEAM - PARIS TELNO 1162). NEW CALEDONIA/FRENCH POLYNESIA REMAIN SORE SPOTS FOR CHIRAC BOTH IN FRENCH RELATIONS WITH REGIONAL STATES AND IN DOMESTIC POLITICS. WE NEED TO WATCH FRENCH ATTEMPTS TO REINSURE THEIR POSITION IN THE REGION BY CULTIVATING RABUKA IN FIJI.

BILATERAL

7. THE TEMPERATURE HAS FOR THE MOMENT BEEN LOWERED IN THE DISPUTE

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OVER FISHING RIGHTS IN THE CHANNEL, BUT THE PROBLEM REMAINS TO BE SOLVED. FURTHER MEETINGS ARE IN PROSPECT. OTHER BILATERAL BUSINESS IS CALM. THE GOVERNMENT'S REPUTATION REMAINS HIGH AND THE UK CONTINUES TO RECEIVE BROADLY SYMPATHETIC TREATMENT IN THE FRENCH MEDIA, EG OVER THE UK ECONOMY, ENNISKILLEN, THE EUROTUNNEL LAUNCH AND DEFENCE MATTERS, THE ONE MAJOR EXCEPTION BEING SPACE POLICY AND OUR DECISION NOT TO PARTICIPATE IN THE THREE ESA PROJECTS (FCO TELNO 1133).

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