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ANGLO-FRENCH SUMMIT: FRENCH POLITICAL SCENE

SUMMARY

1. MITTERRAND HAS A LONG TIME IN POWER AHEAD OF HIM, BUT THE GOVERNMENT IS STILL SEARCHING FOR FORWARD MOMENTUM. THE RECENT FINANCIAL SCANDALS HAVE NOT SERIOUSLY HARMED THE GOVERNMENT, BUT THEY HAVE COME AT AN UNFORTUNATE TIME BEFORE NEXT MONTH'S MUNICIPAL ELECTIONS, WHERE THE PS NEEDS TO MAKE GAINS. CONTRAST BETWEEN MITTERRAND'S LACK OF UNDERSTANDING OF FINANCIAL MARKETS AND PRAGMATISM OF ROCARD/BEREGOVY SHOWS UP DIFFICULTY FOR FRANCE WITH ITS CENTRALISING, PROTECTIONIST TRADITIONS OF ADAPTING TO 1992. ON THE INTERNATIONAL SCENE, FRANCE IS HIGHLY ACTIVE, BUT LACKING A STRATEGY.

DETAIL

2. MITTERRAND'S RE-ELECTION LAST MAY HAS NOT YET GIVEN FRANCE THE STRONG COORDINATED GOVERNMENT WHICH IT LACKED DURING COHABITATION. MITTERRAND REMAINS, BY HIS AGE, EXPERIENCE AND POLITICAL SKILL, AS WELL AS BY HIS CONSTITUTIONAL POSITION, THE LEADING FIGURE ON THE SCENE. BUT HE HAS HAD AN UNEASY PERIOD - SPECULATION ABOUT THE DURABILITY OF A SOCIALIST GOVERNMENT, CRITICISM OF MITTERRAND'S ALOOF IMAGE, THE PARTLY POLITICAL PUBLIC SECTOR STRIKES IN THE AUTUMN, THE DIFFICULTIES FACING THE GOVERNMENT'S NEW EDUCATION PROGRAMME OR THE RECENT FURORE OVER FINANCIAL SCANDALS. NONTHELESS, NOTHING ALTERS THE FACT THAT THE MITTERRAND ERA STILL HAS SEVERAL YEARS TO RUN.

3. MITTERRAND'S QUOTE LETTER TO THE FRENCH PEOPLE UNQUOTE IN WHICH HE SET OUT HIS PRIORITIES BEFORE THE PRESIDENTIAL ELECTIONS WAS AN IMPRESSIVE DOCUMENT FOR THE ELECTORATE, BUT NOT STRONG ENOUGH EITHER IN DETAIL OR IN ITS GRASP OF THE NEEDS OF THE MODERN FRENCH ECONOMY TO SERVE AS A GUIDING FORCE FOR GOVERNMENT POLICY IN THE RUN-UP TO 1992. ROCARD HAS HAD SOME DIFFICULTY IN GIVING THE GOVERNMENT A SENSE OF FORWARD MOMENTUM WITHOUT THE UNEQUIVOCAL SUPPORT OF HIS PRESIDENT: AND MANY FRENCH OBSERVERS COMPLAIN, BOTH IN PUBLIC AND IN PRIVATE, THAT FRANCE IS NOT PREPARING HERSELF WITH SUFFICIENT SKILL

OR DETERMINATION FOR THE GREATER COMPETITION WHICH THE SINGLE EUROPEAN MARKET WILL BRING.

4. MITTERRAND'S PRIORITIES REMAIN THE SAME: TO EXERT FRENCH LEADERSHIP IN MOVING EUROPE FORWARD, TO SEEK SOLUTIONS TO THE DEEP-ROOTED PROBLEMS OF NORTH-SOUTH AND TO HELP BRING EAST-WEST RELATIONS, INCLUDING ARMS CONTROL, TO A STATE OF GREATER MUTUAL CONFIDENCE. THE ENVIRONMENT HAS BEGUN TO MOVE INTO THE FRONT LINE AS A FOURTH PRIORITY. BUT HAVING IDENTIFIED THE ENDS, THE FRENCH ARE STILL UNSURE ABOUT THE MEANS. THE GOVERNMENT'S FOREIGN POLICY INITIATIVES HAVE SO FAR LACKED OVERALL COHESION, OFTEN CREATING AS MANY MINUSES AS PLUSES (FOR INSTANCE, THEIR MOVE ON CSCE LAST AUTUMN AND, MORE RECENTLY, THEIR ATTEMPT TO GENERATE A EUROPEAN MOMENTUM ON THE MIDDLE EAST, NOT TO SPEAK OF THE HANDLING OF THE ROCARD ENVIRONMENT INITIATIVE).
5. IN ECONOMIC POLICY TOO (SEE MIFT) AN ATMOSPHERE OF UNCERTAINTY REMAINS. THERE IS NO SIGN SO FAR OF ANY SHIFT BY THE ROCARD GOVERNMENT AWAY FROM PRAGMATIC ECONOMIC POLICIES, AND THE PERFORMANCE OF THE FRENCH ECONOMY HAS BEEN STRONGER THAN MANY WERE PREDICTING A YEAR AGO. BUT THE MESSAGE REMAINS CONFUSED ON THE DEGREE OF STATE INTERVENTION AND THE GOVERNMENT HAS NOT YET DECIDED HOW BEST TO TACKLE THE MOST DIFFICULT, FOR FRANCE, OF THE EC ECONOMIC ITEMS, PARTICULARLY FISCAL ISSUES.
6. THE RECENT FINANCIAL SCANDALS HAVE MADE THINGS MORE DIFFICULT FOR MITERRAND AND PARTICULARLY FOR BEREGOVY. ON THE BRIGHTER SIDE, MITTERRAND'S TELEVISION INTERVIEW ON 12 FEBRUARY, DISTANCING HIMSELF FROM THE SCANDALS AND UNDERLINING HIS DISTASTE FOR THE CORRUPTING POWER OF MONEY, WAS WELL RECEIVED BY THE FRENCH ELECTORATE (THERE IS A LONG TRADITION FOR SUCH ATTITUDES TO FINANCE). NOR HAS THERE YET BEEN ANY CONFIRMATION THAT SENIOR PEOPLE IN GOVERNMENT WERE DIRECTLY INVOLVED IN THE SCANDALS THEMSELVES. BUT WORRIES REMAIN ABOUT THE CAPACITY OF THE PARIS STOCK EXCHANGE TO PLAY A LEADING ROLE IN THE MORE COMPETITIVE FUTURE, ABOUT THE REAL DETERMINATION OF THE GOVERNMENT TO ALLOW THE FINANCIAL AND COMMERCIAL SECTORS TO DEVELOP AS THEY MUST FOR THE SINGLE MARKET AND INDEED ABOUT THE PRESIDENT'S ATTITUDE TO THE FREE PLAY OF MARKET FORCES.
7. MEANWHILE, THE MUNICIPAL ELECTIONS (12 AND 19 MARCH) IMPOSE SOME SHORT-TERM CONSIDERATIONS ON MITTERRAND AND THE GOVERNMENT. WHILE THESE ELECTIONS NEED BE NO MORE POLITICALLY SIGNIFICANT THAN ANY OTHER SET OF LOCAL ELECTIONS IN THE MIDDLE OF A LEGISLATURE, THE SOCIALIST PARTY (PS) IS ANXIOUS TO RE-GAIN THE TOWN HALLS IT LOST AT

ITS LOW PERIOD IN 1983. IT NEEDS TO KEEP AT BAY BOTH THE COMMUNIST PARTY (PCF), WHICH IS BEGINNING TO RE-GAIN ITS CONFIDENCE AFTER ITS POOR PERFORMANCE IN 1988, AND TO KEEP OPEN A LINE TO THE CENTRISTS, WHOSE SUPPORT MITTERRAND WOULD LIKE BUT ONLY ON HIS OWN TERMS. A POOR PERFORMANCE BY THE PS NEXT MONTH COULD FORCE MITTERRAND INTO AN UNWELCOME CHOICE BETWEEN BUYING SUPPORT FOR HIS PRESENT GOVERNMENT EITHER ON THE LEFT OR ON THE RIGHT. THE SCANDALS HAVE COME AT A BAD TIME IN TERMS OF THE PS'S CAMPAIGN FOR A BROADER RANGE OF SUPPORT.

8. THE KIND OF POLICIES NEEDED TO WIN THIS SUPPORT AS FRANCE APPROACHES THE EUROPEAN ELECTIONS AND HER EC PRESIDENCY ARE LIKELY TO CONTAIN A GOOD DOSE OF EURO-RHETORIC E.G. ON THE SOCIAL DIMENSION OF THE INTERNAL MARKET.

9. ON THE INTERNATIONAL STAGE, MITTERRAND HAS ENSURED THAT 1989 WILL BE A HIGH PROFILE YEAR FOR FRANCE. THE BICENTENNIAL CELEBRATIONS ARE UNFOLDING BY FITS AND STARTS, WITH A CHARACTERISTIC FRENCH MIXTURE OF FLAIR AND LAST-MINUTE PLANNING, BOTH OF WHICH WILL NO DOUBT BE ON SHOW ON 13/14 JULY. A SERIES OF INTERNATIONAL CONFERENCES IN FRANCE, BEGINNING WITH THE CW ONE IN JANUARY, WILL CONTINUE TO PREOCCUPY AN OVERLOADED FOREIGN POLICY MACHINE. GORBACHEV WILL COME HERE IN EARLY JULY, AND MITTERRAND WILL CONTINUE HIS OVERSEAS VISITS, INCLUDING TO POLAND. ALL THIS ACTIVITY IS GRIST TO MITTERRAND'S MILL, BUT MAY NOT MANAGE TO CONCEAL THAT THE GREAT TACTICIAN REMAINS IN SEARCH OF A STRATEGY. A SUCCESSFUL FRENCH PRESIDENCY (WHATEVER THAT MAY MEAN) IN THE SECOND HALF OF THE YEAR IS PERHAPS THE TOP FOREIGN POLICY PRIORITY. THAT SUGGESTS THAT THE MOST USEFUL OUTCOME OF THIS SUMMIT COULD BE TO TEASE OUT FRENCH INTENTIONS FOR THEIR PRESIDENCY, POINTING THEM AWAY FROM AREAS OF POTENTIAL CONFRONTATION AND IDENTIFYING AREAS OF COMMON GROUND. I FEAR, HOWEVER, THAT ON MANY SPECIFIC ISSUES, THE FRENCH THEMSELVES WILL NOT HAVE A CLEAR PICTURE OF THE WAY AHEAD.

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