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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

15 January 1986

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Dear Charles,

Call by M. Barre : 18.00 on 16 January

You will want to ask about the elections in

I enclose a recent letter from Sir John Fretwell describing Barre's current preoccupations and prospects, and a personality note.

France: a about the economic prospects generally.

As Sir John's letter implies, we expect Barre's attention to be concentrated on the political scene in France, and that he will be more than ready to give his views on what will happen at and beyond the March elections. (The prospects for the Left and Right were analysed in Sir John's two despatches sent to you under cover of my letter of 12 December). The latest opinion poll, published on 12 January, shows President Mitterrand to be slowly regaining popularity, with 36% of those polled expressing confidence in his performance; Barre remains the most popular of French politicians, with a score of 49%, well ahead of Messrs Chirac and Giscard d'Estaing, who have lost a little ground.

Barre will no doubt also be interested to hear the Prime Minister's views on recent political and economic developments in the UK. The French media have tended to take the line that, in giving a free hand to the Westland board, the British Government has effectively adopted a pro-American stance, to the detriment of efforts to further European collaboration. More generally, the French media have given extensive coverage in recent months to subjects such as inner-city riots, unemployment and race relations in the UK, painting a bleak picture of the effects of the Government's social and economic policies. French Socialist leaders have been quick to use such material in pre-electoral debate as evidence of what would happen if the Right came to power in France.

The main purpose of M. Barre's visit to London is to attend a dinner given by the International Chamber of Commerce, at which he and Mr Brittan will be the principal speakers. We understand that Barre

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will be speaking primarily about international trade issues. This might be an additional conversation topic if time allows (the Chamber of Commerce are expecting him at Grosvenor House at 19.00).

I am copying this letter and enclosures to John Mogg (DTI).

*Yours ever,
C R Budd*

(C R Budd)
Private Secretary

C D Powell Esq
No.10 Downing Street

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BRITISH EMBASSY,
PARIS.

FROM THE AMBASSADOR

10 January 1986

D M D Thomas Esq CMG
DUSS
FCO

Dear Dick,

BARRE

1. In the course of my two despatches of 2 December on French politics, I summarised Barre's position and the political strategy he is following. However, in view of his call on the Prime Minister on 16 January, you might like a slightly fuller description of his preoccupations and prospects, and one that takes account of developments over the past month.

2. Barre remains the most popular right-wing politician in France, and over all is second only to the enduring darling of the polls, Rocard. He also remains outspokenly hostile to a right wing government 'cohabiting' with Mitterrand after the March elections. He continues to justify his opposition on two grounds. The first is that cohabitation is against the spirit of the Constitution of the Fifth Republic which, he argues, requires government by a strong President commanding a majority in the National Assembly. If, after March, Mitterrand has no such majority, as seems likely, Barre believes he should resign so that there can be new presidential elections.

3. This self-consciously Gaullist pose as the champion of the Constitution is not, however, altogether convincing, as his opponents are quick to point out. It has always been recognised that the Constitution allows for a President and government of different political persuasions, even though this has not yet happened. Barre's critics therefore argue that it is he who is jeopardising constitutional stability by insisting that the President should resign before the completion of his seven-year term, rather than those

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who accept the need to cohabit if the Right win in March. They add that the real reason for Barre's enthusiasm for early presidential elections is his calculation that he would be well placed to win them.

4. Barre's second reason for opposing cohabitation is his belief that no coherent and effective economic policy will be possible if President and government come from different sides of the political divide. Whereas Chirac argues that a government of the Right must be ready to implement its economic policies in full, daring the President to obstruct them and so provoke a political crisis, Barre argues that this is an irresponsible approach. His view is that in order to implement its policies effectively the new government will need to be sure of its security of tenure for a full five-year legislature, which will be impossible if Mitterrand is still at the Elysée. Privately many on the Right agree with him, but they point out that nothing and no one can force Mitterrand from office in March, and that Chirac's position is therefore the only realistic one.

5. Barre continues to project himself as above narrow party political concerns (although he is leading the UDF electoral list in Lyon), a leader ready to rally the French behind him from Right to Left. With his eyes fixed firmly on the Elysée, he plays down the importance of the Legislative elections, but is nevertheless taking great care to ensure that he is never out of the media limelight. He is making frequent television appearances, giving regular press interviews, and travelling widely. He is also emerging as one of the present government's most trenchant economic critics.

6. In recent weeks government and socialist party spokesmen have been making great play with a batch of good economic statistics. The unemployment figures are slightly down for 1985 as a whole; inflation is below 5% and (according to preliminary estimates) only rose 0.1% in December; the foreign trade deficit was reduced in 1985 compared with 1984 and there is the promise of further improvements. All this, not surprisingly, the socialists are capitalising on as hard as they can, and it may well swing some votes in their favour. Barre however, will have none of it. He points out that France's foreign trade performance is much worse than her European competitors; as is her growth rate. The fall in inflation he attributes to external factors (falling oil prices and a falling dollar) and to the maintenance of price controls on 60% of products and services. And he points to the burden of taxation and high external debt

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as factors which are suffocating enterprise and growth. He makes a good case, and the socialists fear him. But even as he sets about demolishing their claims to be good economic managers, he warns the opposition that the underlying fragility of the economy, which the socialists seek to disguise, requires a more vigorous fiscal policy than the RPR seems to contemplate and prudence in implementing liberal reform. These warnings go down particularly badly with Chirac and the RPR, who also resent his insistence that the new government will have little real room for manoeuvre. They brand him a 'diviseur' - the divider of the opposition - a charge which Barre treats with indifference, confident that his analysis is correct and that in due course he will be vindicated.

7. Barre thus continues to play a solo game. He pursues his presidential ambitions by insisting that he is not a politician like the others, bound by party considerations. Rather he is free to speak his mind whether the big battalions like it or not. Whatever the RPR/UDF attitude to cohabitation, he thinks it may well be short-lived, prompting early presidential elections which he will be well placed to win. If, however, Mitterrand manages to hang on during what could turn out to be two years of political and economic tension, Barre thinks he will also benefit from having warned against the trials and tribulations that lie ahead and from having had no direct responsibility for, or part in, them. He may be right. He shows absolute confidence in himself and his judgements - which Frenchmen like in a potential President. But he is of course well aware that his stance is a gamble. He makes the opposition appear divided in its policy prescription; and he exposes the prospect of further divisions within the centre/right - and a struggle for pre-eminence - if they win a majority and attempt to govern. This detracts from the opposition's appeal as the March election approaches. Moreover, if the centre/right succeed in forming an effective administration after the elections, Barre will risk being marginalised or, if he continues to snipe at them, appearing more interested in his personal ambitions than in the proper government of France. So although he is well placed as a presidential hopeful, he has a difficult hand to play in the complex political game which opens on 17 March on the morrow of the legislative elections, as indeed do all the other key players.

John Fretwell

John Fretwell

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BARRE, RAYMOND

Former Prime Minister.

Born 1924 in Réunion. Professor at Caen, then Paris. Director of Economic Research at the National Institute of Political Sciences 1958. Cabinet of Jeanneney (Minister of Industry 1959-62). Professor of Political Economy, Sciences Po, 1963. French Vice-President of the Brussels Commission, with responsibility for economic and financial affairs 1967-72. Member of the General Council of the Bank of France in 1973. His first Ministerial post in Giscard's Government was as Minister of Foreign Trade from January 1976 until August of the same year when he replaced Chirac as Prime Minister. He was reappointed Prime Minister following the Government's success in the 1978 Legislative elections and remained in office until Giscard's defeat in May 1981. UDF Deputy for Lyons since 1978.

As an economist, Barre has been more concerned with teaching than thinking. His main work on political economy (published in 1956) has become the basic text book for French universities. He is an economic liberal, but a monetary disciplinarian. He favours a greater role for market forces within the framework of a French economy which still retains considerable government intervention, and is opposed to protectionism.

Barre was a surprise choice as Prime Minister in 1976, having played no previous part in partisan politics. He professes distaste for the wheeling and dealing side of politics but when Prime Minister defended with evident relish and much pugnacity his Government's policies both in Parliament and in the media. Barre's term of office was closely identified with the eponymous Plans for economic recovery. He steadfastly maintained that there was no viable alternative to his policies but the opinion polls suggest that he was the scapegoat for the electorate's dissatisfaction with the level of unemployment and inflation.

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After the 1981 elections Barre at first adopted a low but adamant profile in the hope that public opinion will eventually turn to him as the man "in reserve for the Republic". This strategy appears to be paying off: UDF supporters in increasing numbers see him as their candidate for the 1988 Presidential election. Barre has done nothing to discourage such expectation.

Barre has never fully reconciled himself to the UK accession to the European Community, not because he is anti-British but because he believes that the UK's membership cannot fail to alter the character of the Community to France's disadvantage.

He is married to a wife of Hungarian descent. They have two boys. He speaks good English.

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10 DOWNING STREET

From the Private Secretary

2 January 1986

VISIT OF M. RAYMOND BARRE

Thank you for your letter of 31 December about M. Barre's visit to London. The Prime Minister would like to see M. Barre and could do so at 1615 on 16 January. I should be grateful if an invitation could be issued to him to call then.

(C. D. POWELL)

Len Appleyard, Esq.,
Foreign and Commonwealth Office.

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Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

31 December 1985

Monsieur Barre is coming to London. He has not - or not yet - asked to see you.

Would you like to invite him to call? $\rightarrow$ Yes
Or let the Foreign Secretary see him on this occasion? $\rightarrow$ no
Dear Charles, CDP 31/12

Visit of M Raymond Barre: 16 January

As we informed you on the telephone shortly before Christmas, M Barre will be visiting London on Thursday 16 January to attend a dinner given by the International Chamber of Commerce, at which he and Mr Brittan will be the guest speakers. We have no other details of his programme.

Were there to be a convenient gap in the Prime Minister's diary on the afternoon of 16 or the morning of 17 January, we would see some merit in her inviting M Barre to call at 10 Downing Street. Although his continuing firm opposition to the notion of "cohabitation" with President Mitterrand (and the latter's apparent determination to stay in office whatever the outcome of the 16 March elections) makes it unlikely that M Barre will hold office in the immediate post-election Government, he is likely to remain prominent and influential in France and a strong candidate for the next Presidential elections due in 1988. He has undoubtedly appreciated previous visits to Downing Street, most recently in March 1985.

M Barre's visit takes place only a few days before the Prime Minister's meeting with Mitterrand in Lille on 20 January to announce the CFL decision. It would be prudent for any call to be treated in a suitably low-key way. M Barre is in fact unlikely to seek undue publicity.

I should be grateful if you would let me know whether the Prime Minister can agree in principle to receive M Barre and, if so, suggest one or two possible times. We would then ask our Embassy in Paris to explore the possibilities with M Barre's office. If a call were arranged, we would aim to provide a note on M Barre's current prospects and preoccupations a day or two beforehand.

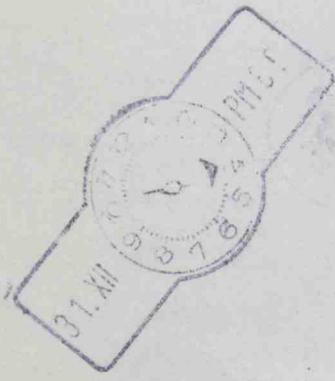
If the Prime Minister cannot see M Barre on this occasion, Sir Geoffrey Howe would in principle be willing to do so.

Yours ever,
L V Appleyard

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

Forward and acknowledgment notice
London 14th Jan



Dear Mother

Yours and
affectionate