

SAVING TELEGRAM

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FRENCH INTERNAL POLITICS

SUMMARY

1. Dog days for Chirac. The economic prospects are discouraging, his scope for foreign policy manoeuvre is limited, and the Abdallah trial was mishandled. The success of the privatisation programme, and the capture of the Action Directe leaders are not enough to dispel RPR gloom. The Socialists hope to exploit his difficulties and are preparing to attack the Government's programme when Parliament reassembles in April. They are increasingly optimistic about their presidential election prospects, although, Barre has re-emerged as a formidable challenger.

DETAIL

2. Chirac is doing his best to suggest that, even if the Government has not yet completely recovered from the blows inflicted by the students and unions at the end of last year, it is at least fully convalescent. Many remain unconvinced.

3. Much recent economic news has been discouraging. Whereas in January Chirac was confidently proclaiming that the indicators had seldom looked more favourable, by the end of February, Balladur (Finance Minister) was obliged to admit that inflation and unemployment will rise this year compared to last, and growth will not accelerate as hoped. Although the Government are not admitting it, the trade balance may also slip into the red. These are scarcely results best calculated to propel Chirac into the Elysée. His belated attempts to pursue a dialogue with the Unions and address social questions will not compensate for a poor performance.

4. In the foreign affairs field Mitterrand and Giscard have elbowed Chirac out of the European limelight. The latter's room for manoeuvre is anyway limited by hostility on the Right wing of his party (the RPR) to institutional reform, and by budgetary constraints which oblige him and Balladur to appear more grudging than they might like to new spending proposals. Chirac has also been embarrassed over Gorbachev's latest INF offer. Having initially blown cold, the Government began to blow tepid after Mitterrand had intervened to remind everyone that there is an Alliance issue at stake here politically and that, even under cohabitation, the Elysée has a role in setting the main lines of foreign and defence policy. At the same time public differences on this subject have surfaced within the right-wing coalition, with notably the Minister of Defence opposing the tepid line.

5. The Abdallah trial has done nothing to help the Government's reputation, reinforcing doubts about its principles and its competence. In a week in which Pasqua (Interior Minister) solemnly told the country that democracy had to yield where the interests of the State supervened, and in which Matignon apparently tried to fix things so that Abdallah received a

light sentence only to see him condemned to a life term, Chirac's claims to lead a government dedicated to pursuing a relentlessly tough line against terrorism looked even hollower than usual. This did not however stop him repeating them.

6. All this is having a depressing effect on the RPR. The privatisation programme which is going well, the capture of the hard core leadership of Action Directe, and the discovery of new terrorist arms caches are welcome rays of light; but not enough to compensate for the encircling gloom. The party's supporters are dismayed by the impression of a Government that is not in command of events, that is easily wrong-footed by Mitterrand, and by Chirac's and the RPR's poor showing in the opinion polls. They are only half persuaded by Chirac's insistence that things will improve and that, in due course, the country will reward them rather than their armchair critics.

7. Chirac's opponents on both Left and Right hope to exploit his difficulties. The Socialists (PS) will try to embarrass the Government when Parliament reassembles in April by attacking the privatisation of one of France's main television channels; and over plans to press ahead with a referendum in New Caledonia which will be contrived to show that the island wishes to remain French. They will also attack the Government's economic and social policies, where they believe Chirac remains distinctly vulnerable. On the eve of the PS Party Congress (early April), there is optimism that the party's candidate can win next year's presidential elections, even if they do not yet know who that candidate will be. A majority within the PS hope Mitterrand will run again; but even his supporters are not sure whether he means to do so. He also looks older, at a time when ageing presidents are not in vogue. If he stands down, the party will probably turn to Rocard.

8. Barre meanwhile has re-emerged as the strongest presidential contender (the latest polls suggest he might just beat Mitterrand), far ahead of the other challengers. The RPR hope he has peaked too early and will do all they can in the weeks ahead to dent his armour. He meanwhile is saying just enough to keep himself in the public eye; just enough to indicate criticism of the Government and distance himself from it; just enough to remind everyone that there is a convincing Right wing alternative to Chirac.



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