

PRIME MINISTER

MEETING WITH THE SECRETARY GENERAL OF THE RPR

You are to meet M. Juppe, the Secretary General of the RPR briefly tomorrow morning. You will remember talking to him at Ewen Fergusson's dinner in Paris a few weeks ago. He is very much Chirac's man, and it is in response to Chirac's request that you agreed to see him. He is making a tour of European capitals before the European Elections to give himself and his party a rather higher profile. He will also have seen the Foreign Secretary and the Chancellor.

There are a number of talking points which you could use:

- The recent municipal elections in France. Although the Socialists did best, the right wing, and particularly the RPR, did better than they expected. In particular they won a spectacular victory in Lyons, while M. Chirac maintained his tight hold on Paris. In general, the results are seen as vindicating M. Juppe's efforts to spruce up the party.

- EC issues. You will want to tell him of our opposition to a withholding tax on savings, and say that we hope the Delors Committee will spell out in full the implications of economic and monetary union. You will want to underline the importance of maintaining an open market in Europe after 1992. You should mention the Nissan problem. On frontiers, you should say that we are streamlining procedures - indeed, we are well ahead of others on this - but must retain the controls essential for security.

- Defence issues. You might discuss with him the political situation in Germany and the difficulties this is likely to create when it comes to getting a decision on SNF modernisation at the NATO Summit. You can also emphasise our continuing interest in stronger bilateral defence cooperation with France.

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- Environmental issues. You could refer to the growing importance of these in politics, and explain why we did not attend the recent meeting at The Hague.

- European Parliament. As you know, the Spanish Conservatives are going to pull out of the EDG which will leave us rather isolated except for the Danes. You might ask, in a very tentative way, whether he sees any prospect for cooperation between the RPR and the British Conservatives in the European Parliament.

CDP

CDP

22 March, 1989.

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Foreign and Commonwealth Office

London SW1A 2AH

21 March 1989

Dear Charles,

Visit by RPR Secretary General

The Prime Minister has agreed to a request by M Chirac to see the RPR Secretary General. She will see M Juppé briefly at 1100 on 23 March; he will be unaccompanied; there will be no need for interpretation as he speaks excellent English. A biography is attached (The Prime Minister met M Juppé at a dinner given by Sir Ewen Fergusson on 26 February). M Juppé will also see the Foreign Secretary (22 March), the Chancellor of the Exchequer and Lord Trefgarne (23 March). M Juppé is making a European tour before the European elections. He has already visited Brussels (Martens and Tindemans), Madrid (Gonzalez) and The Hague (Lubbers).

France Internal

M Chirac's RPR (Rassemblement Pour la République) is the largest and best organised of the French right-wing parties. It was formed by M Chirac in 1976 following his resignation as President Giscard's Prime Minister that year. The RPR's brand of Gaullism stresses individual responsibility, supports small businesses and is deeply hostile to Socialism and Communism. The party's appeal runs through all sections of the community and is particularly strong among agricultural workers.

Important municipal elections took place in France on 12 and 19 March. The Socialists have done well with a net gain of 12 towns including Strasbourg and Blois. M Rocard was re-elected with ease. The right-wing were braced for considerable losses but fared better than expected. The RPR's performance vindicates M Juppé's efforts to rejuvenate the party and portray a younger, more modern image. For the Right the major event has been the spectacular victory of Michel Noir (RPR) in Lyons against the sitting (UDF) Mayor. M Barre (second on the UDF list in Lyons) was eliminated in the first round and will not even become a municipal councillor. Sir Ewen Fergusson's telegram of assessment should be available shortly.

The Economy

The economy has shown greater strength in recent months. Inflation is currently about 3%. Growth estimates have been revised upwards to 3.6%. Unemployment has fallen but remains

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a cause for concern at about 10.1%. M Rocard continues the fight against inflation (currently 3.3%), but the impetus of the Chirac government's deregulatory policies has been lost.

We understand that M Juppé wishes while in London to concentrate on economic, monetary and defence issues. As time permits, the Prime Minister may wish to draw on the following.

EC Issues

The main issues on which the French government will wish to make progress during their Presidency in the second half of 1989 are monetary and social issues, audio-visual developments, and the taxation of savings. These priorities are broadly shared by the RPR.

The Prime Minister will wish to underline our commitment to progress on the Single Market, and to the Hanover/Rhodes priorities. She will wish to explain that we see grave dangers in the Commission's proposal for 15% minimum national withholding taxes on savings by EC nationals: capital from outside the EC would be withheld, to avoid identification, and EC capital would move out of the Community. On monetary issues she might say that we await the Delors Group report, and hope it will spell out in full the many hurdles on the road to Economic and Monetary Union, and the need for a practical, step-by-step approach.

The Prime Minister might remind M Juppé that 1992 must not lead to a "Fortress Europe". The Community should be a force for liberalisation in the GATT Uruguay Round. A protectionist approach would stifle the dynamism of the Single Market.

The Prime Minister might say, on social measures, that the Community needs to concentrate on getting down unemployment. Useful work can be done at Community level on health and safety at work, labour mobility and training. But we are against a regulatory approach and could not accept compulsory worker participation in any European Company Statute.

If the question of frontiers comes up, the Prime Minister might point out that we are streamlining procedures (eg we have this month combined our UK and EC immigration controls into a common channel), but that we must retain, at water's edge, those controls essential for security. Meanwhile it is important to increase EC police/customs cooperation against terrorism, drugs and illegal immigration.

/Security Issues



Security Issues

The French are as opposed as we are to SNF negotiations, fearing that their own systems might be dragged in. But if they thought that NATO's modernisation of LANCE could be achieved only at the price of some form of SNF negotiations, they might see their interest lying in postponement of modernisation. The Prime Minister might therefore confirm our view of the dangers of negotiations but emphasise the importance of modernisation, something the French have already undertaken for their own nuclear weapons. On conventional arms control, the Prime Minister need only underline the importance we attach to the two security negotiations that began in Vienna on 9 March, conventional armed forces in Europe (CFE); and on confidence-building. Prospects for progress are better now than they have been for some years. But Alliance unity will be a key requirement. On bilateral defence relations, the Prime Minister might confirm our continuing interest in increasing practical cooperation between our forces where this can enhance the Europeans' overall defence contribution to the Alliance (we are pursuing in particular more joint maritime activity; exercising of our reinforcement routes through Northern France; and increased French activity in support of NORTHAG).

Bilateral Issues

The Prime Minister might refer to her meeting with President Mitterrand at the 27 February Anglo-French Summit in Paris and to her visit to Paris in July for the bicentenary celebrations and the Economic Summit (we shall write separately with recommendations on the Prime Minister's bicentenary participation).

The Prime Minister might confirm that good progress is now being made on the Channel Tunnel.

Should the environment come up, the Prime Minister might say that we believe in a global approach to global problems and see the way forward as being through strengthening the existing UN framework, not by creating new international institutions.

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

Yours,
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
 10 Downing Street

JUPPE, ALAIN

Secretary-General of the RPR. Former Ministre délégué responsible to the Minister of the Economy and Finance for the Budget.

Born 1945. Educated at the prestigious Ecole Normale Supérieure, Sciences-Po and ENA, becoming and Inspecteur de Finances in 1972. Worked in Chirac's Prime Ministerial cabinet in 1976 and subsequently for the then Minister for Co-operation (Aid). He joined Chirac in the Hotel de Ville in Paris in 1978, becoming Deputy Mayor of Paris in 1983 and taking on responsibility for the city's financial and budget affairs. He became RPR National Secretary for Economic Recovery in 1984 and played a leading (and liberal) role in preparation of RPR and subsequently RPR/UDF economic policy. Elected a député for the Paris area in March 1986. Appointed Secretary-General of the RPR by Chirac in June 1988.

Demonstrated a vigorous approach to budgetary problems whilst Minister, juggling with the difficult task of reducing simultaneously taxation, expenditure and the budget deficit. But clearly found Balladur's close supervision irksome. Since Chirac's defeat in the 1988 presidential elections, Juppé has loyally held the fort for him within the RPR, fending off those, like Philippe Séguin (qv), who questioned Chirac's leadership. He has forged a new team of députés in their thirties and forties (Barzach, Perben, Sarkozy, Alliot-Marie) with the aim of rejuvenating the party's image. Favours building bridges with the same generation in the Parti Républicain (Léotard, Madelin). But accused by some in the RPR of neglecting its traditional, provincial Gaullist base for superficial Parisian slickness.

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V CATON, PARIS
JOHN RAMSDEN, ESQ, WED, FCO
CHARLES POWELL, ESQ, NO 10

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MBTTAN 4431

RPR SECRETARY-GENERAL'S CALL ON THE PRIME MINISTER: 23 MARCH 1989.

1. ALAIN JUPPE'S CABINET YESTERDAY GAVE ME THE FOLLOWING DETAILS ABOUT HIS PROGRAMME IN LONDON AND ABOUT THE BACKGROUND TO HIS VISIT.

PROGRAMME IN LONDON

2. SO FAR ONLY A CALL ON PETER BROOK, CHAIRMAN OF THE CONSERVATIVE PARTY, AT 10AM AND THE CALL ON THE PRIME MINISTER AT 11AM ARE FIRMLY FIXED. I UNDERSTAND THAT IT HAS PROVED IMPOSSIBLE FOR DIARY REASONS FOR MR YOUNGER TO RECEIVE JUPPE, BUT THAT THE SECRETARY OF STATE MIGHT BE ABLE TO SEE HIM ON THE EVENING OF 22 MARCH. JUPPE HAS ALSO ASKED FOR CALLS ON THE CHANCELLOR AND ON THE IISS, WHICH HAVE YET TO BE CONFIRMED. CHRISTOPHER MITCHELL-HEGGS, A BRITISH LAWYER RESIDENT IN PARIS AND ACTIVE IN THE CONSERVATIVE ASSOCIATION, IS ARRANGING A LUNCH WITH CONSERVATIVE PARLIAMENTARIANS AND OTHERS ON THE 23RD.

3. JUPPE WILL BE ACCOMPANIED BY JACQUES BOYON, FORMER JUNIOR DEFENCE MINISTER UNDER CHIRAC, AND JEAN-PAUL DELEVOYE, RPR DEPUTY FOR PAS-DE-CALAIS AND RPR NATIONAL SECRETARY RESPONSIBLE FOR ECONOMIC QUESTIONS.

BACKGROUND TO THE VISIT

4. JUPPE'S VISIT TO LONDON IS PART OF HIS GRAND TOUR OF EUROPEAN CAPITALS BEFORE THE EUROPEAN PARLIAMENT ELECTIONS IN JUNE. HE HAS SO FAR TAKEN IN BRUSSELS (31 JANUARY - CALLS ON MARTENS AND TINDEMANS), MADRID (17 FEBRUARY - CALLS ON GONZALEZ AND DEFENCE MINISTRY), AND THE HAGUE (28 FEBRUARY - CALLS ON LUBBERS, VAN VOORST AND VAN ROOY). LONDON WILL BE NEXT, PROBABLY FOLLOWED BY ROME. OTHER DATES ARE NOT YET FIXED.

5. ACCORDING TO HIS CABINET, JUPPE EXPECTS EUROPE AND 1992 TO BE THE MAJOR POLITICAL THEME OF 1989 IN FRANCE. HE WANTS TO DETERMINE WHERE THE FLEXIBILITY AND THE STICKING POINTS OF OTHER MEMBER STATES LIE

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BEFORE FINALISING THE RPR'S LINE. HE IS ALSO USING HIS VISITS TO
PUBLICISE THE IDEAS IN THE RPR'S EUROPEAN ELECTION MANIFESTO (COPY
BY BAG TO WED). IN LONDON HE WILL CONCENTRATE ON ECONOMIC, MONETARY
AND DEFENCE ISSUES. *not yet received*

6. I HOPE THIS GIVES YOU ENOUGH OF A STEER FOR BRIEFING PURPOSES.
THE ISSUES LIKELY TO BE COVERED SOUND FULLY FAMILIAR. WE HAVE
NOTHING TO ADD TO THE RECENTLY REVISED VERSION OF JUPPE'S CV, AND DO
NOT KNOW WHAT PASSED BETWEEN HIM AND THE PRIME MINISTER WHEN THEY
MET AT THE AMBASSADOR'S DINNER ON 26 FEBRUARY 1989.

SIGNED V CATON

FERGUSSON

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