

CONFIDENTIAL

FM PARIS

TO IMMEDIATE FCO

TELNO 1174

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INFO IMMEDIATE EC POSTS, UKDEL STRASBOURG, WASHINGTON, MOSCOW

INFO IMMEDIATE HMCBS IN FRANCE

MY TELNO 1172.

FRANCE: MINISTERIAL RESHUFFLE: COMMENT

SUMMARY

1. LIMITED CHANGES DESIGNED PRIMARILY TO IMPROVE THE GOVERNMENT'S EFFECTIVENESS. BALANCE OF POWER BETWEEN MITTERRAND AND ROCARD UNCHANGED. SOME DOUBTS ABOUT MERMAZ AS AGRICULTURE MINISTER. DURIEUX'S POST ANNOYS THE CENTRIST PARTY BUT MAY TEMPT OTHER AMBITIOUS OPPOSITION POLITICIANS.

DETAIL

2. THIS LONG-AWAITED RESHUFFLE WAS MUCH AS MITTERRAND PREDICTED IT WOULD BE LAST JULY (PARIS SAVING TELNO 25) - A LIMITED NUMBER OF CHANGES DESIGNED TO REPLACE WEAK LINKS AND PROMOTE TALENT. THE OFFICIALLY UNSPOKEN, BUT WIDELY COMMENTED UPON, REQUIREMENT WAS NOT TO UPSET THE DELICATE BALANCE EITHER BETWEEN PRESIDENT AND PRIME MINISTER OR BETWEEN COMPETING FACTIONS OF THE SOCIALIST PARTY.

3. THREE OF THE FOUR NEW FACES IN GOVERNMENT ARE CLOSE TO MITTERRAND (GUIGOU, MERMAZ, KIEJMAN): ONE MITTERRAND ALLY LEAVES (CRESSON). THE ROCARD CAMP IS REINFORCED BY LALONDE'S PROMOTION AND BY THE ARRIVAL OF DURIEUX, WHOSE DEFECTION TO THE GOVERNMENT FROM THE CENTRIST CAMP HAS LONG BEEN RUMOURED. DURIEUX, A CLEVER YOUNG ECONOMIST, WILL HELP BOLSTER EVIN'S RATHER FEEBLE MINISTRY. MOST IMPORTANTLY, HE WILL TAKE ON ROCARD'S CONTROVERSIAL NEW PROPOSAL FOR A SOCIAL TAX, THE CONTRIBUTION SOCIALE GENERALISEE (CSG), WHICH GOES THROUGH PARLIAMENT THIS AUTUMN. ROCARD WILL ALSO HAVE BEEN PLEASED BY THE (NOISY) DEPARTURE OF CRESSON, WHOSE OBVIOUS DISGRUNTLEMENT AT BEING MARGINALISED OVER EUROPEAN AFFAIRS, OUTSPOKEN WORRIES ABOUT THE ECONOMIC WEIGHT OF THE UNIFIED GERMANY, AND CRITICISMS OF THE GOVERNMENT'S HANDLING OF THE INDUSTRIAL DOSSIERS - ESPECIALLY JAPANESE AUTOMOBILES - MADE HER A DIFFICULT COLLEAGUE. IN LEAVING HER POST, SHE HAS SAID THAT THE GOVERNMENT

LACKS AN INDUSTRIAL STRATEGY.

4. ON BALANCE THE NEW APPOINTMENTS ARE LIKELY TO STRENGTHEN THE GOVERNMENT: THAT OF ELISABETH GUIGOU, A HIGHLY RESPECTED TECHNOCRAT, WILL CERTAINLY INCREASE ITS COHERENCE. BUT SHE WILL HAVE TO WORK OUT HOW IN HER NEW ROLE TO CONTINUE TO EXERCISE THE SAME REAL INFLUENCE THAT SHE HAS HAD UNTIL NOW AS A RESULT OF PROXIMITY TO MITTERRAND AND ROCARD. AS CRESSON FOUND, THERE IS A RISK OF ISOLATION IN THE NEW MINISTRY OF EUROPEAN AFFAIRS IN THE SIXTEENTH ARRONDISSEMENT - ASSUMING GUIGOU IS CONTENT TO LEAVE IT THERE. NALLET IS WIDELY RECOGNISED TO HAVE PERFORMED WELL AS AGRICULTURE MINISTER (IN SPITE OF HIS RECENT PROBLEMS WITH THE SMALL SHEEP AND BEEF STOCK FARMERS) AND HAS LONG BEEN TIPPED FOR PROMOTION. HE HAS THE POLITICAL NOSE WHICH ARPAILLANGE LACKED TO TACKLE SENSITIVE ISSUES SUCH AS PRISON CONDITIONS AND PENAL REFORM.

5. THE APPOINTMENT WHICH HAS RAISED SOME EYEBROWS IS THAT OF MERMAZ. HE HAS BEEN KEEN FOR SOME TIME TO TAKE UP ANOTHER MINISTERIAL APPOINTMENT BUT IS NOT AN OBVIOUS CHOICE FOR AGRICULTURE: MAYOR OF A LARGE TOWN (VIENNE) AND A RATHER DRY, ACADEMIC TYPE, HE DOES NOT HAVE OBVIOUS QUALIFICATIONS FOR DEALING WITH THE STORMY FARMERS' LOBBY. HE OWES THE APPOINTMENT TO HIS LOYALTY TO THE PRESIDENT.

6. TWO POSSIBLE LONGER-TERM EFFECTS OF THESE CHANGES: FIRST, LALONDE'S PROMOTION SHOULD ENHANCE THE STATUS OF HIS RECENTLY LAUNCHED POLITICAL MOVEMENT 'GENERATION ECOLOGIE'. ROCARD IS COUNTING ON LALONDE TO HELP HIM WOO THE ECOLOGIST VOTE. SECONDLY, DURIEUX'S APPOINTMENT CAN HARDLY BE CALLED A NEW SIGN OF POLITICAL 'OUVERTURE' - IT HAS IRRITATED THE CENTRISTS WHO HAVE DUBBED IT A 'PERSONAL ADVENTURE'. BUT IT MIGHT EVENTUALLY TEMPT OTHER AMBITIOUS OPPOSITION POLITICIANS TO RALLY TO THE SOCIALISTS IF THEY SEE THEIR CHANCES OF BECOMING A MINISTER IN A RIGHT-WING GOVERNMENT FADING AWAY.

7. A GOVERNMENT MINISTER CLOSE TO ROCARD TOLD US TODAY THAT HE SAW THE RESHUFFLE AS CONFIRMING THE DURABILITY OF ROCARD'S GOVERNMENT, WHICH NOW LOOKED SET FAIR FOR THE NEXT NINE MONTHS OR SO: HE HAD NO DOUBT THAT CHEVENEMENT WOULD STAY AS MINISTER OF DEFENCE, AND ACT WITH PROPER LOYALTY TO MITTERRAND IF THERE WERE WAR IN THE GULF. HE SAW THE RESHUFFLE ALSO AS PRESERVING PERFECTLY THE EXISTING POLITICAL BALANCE IN THE GOVERNMENT.

FERGUSON