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FRANCE: INTERNAL POLITICAL SITUATION: LATE FEBRUARY/MARCH 1991

SUMMARY

1. Mitterrand riding high in French opinion after the Gulf war. He resists the temptation to dissolve Parliament. Rocard's legislative programme for the Spring session - will it be his swansong? Chevènement's supporters in disarray. Opposition negotiations on a European policy manifesto.

DETAIL

The President's Status

2. In France President Mitterrand has emerged as the undisputed political winner from the Gulf war. Although Opposition leaders still criticise his early ambiguities towards his allies, and the ill-fated last-minute French UN initiative, everyone has given him full credit for strategic understanding of the need for direct French involvement; his early decision to commit French troops; his carefully-timed decision to drop Chevènement; and his TV interviews which played such a key role in rallying French opinion behind him. The well-publicised French role in the "textbook" February land offensive and virtual absence of combat casualties meant that the solidity of public support for the President was never really put to the test.

3. The problem since then has rather been one of managing public euphoria. In early March the approval rate for the President's policies had reached an all-time high of 85%. Some of Mitterrand's advisers were pressing him at the time to capitalise on his success by calling early Parliamentary elections or by replacing Rocard immediately with a Prime Minister closer to his own heart (my telno 241). The President has clearly decided against dissolving Parliament. Most commentators now agree that it is a moot point whether the President's popularity over the Gulf could have been turned into an electoral majority for the Socialists. Opinion polls on voting intentions for the legislative elections still showed, throughout the Gulf, war a slight overall advantage for the Right and much of Mitterrand's personal support in the party came from the Centre and Right. Nor would replacing Rocard immediately after the war have been a sensible move politically. Rocard's poll ratings rose with Mitterrand's during the Gulf crisis, despite his almost total eclipse by the President, proving once again that the public still regard the two as a team.

Rocard's Political Prospects

4. Attention is now focussed on whether the President will change Prime Minister during the summer parliamentary recess. Rocard is making the most of the time left between now and the summer to press through his legislation and to create the overall impression of an energetic politician with much still left to accomplish. Asked by one interviewer whether he was worried that his time was running out, he briskly replied "we work so hard at Matignon that we never notice the time pass". On 22 March he scored a well-publicised success by

winning support in Parliament from the UDF and Centrists for government legislation introducing a new mechanism for transferring funds from richer to poorer towns. The legislation was especially aimed at the Paris region and was intended to make the wealthy communes with office blocks (eg Central Paris and Neuilly - RPR land) pay something towards poorer suburban "dormitory" communes (mainly Socialist run).

5. Rocard's prospects of running for the Presidency of the Ile-de-France region in the 1992 Regional elections took a setback in March, when the Council of Ministers decided to propose shifting from a fully proportional to a mixed electoral system (similar to that used for Municipal elections), but to maintain the lists at the level of the département, rather than go for regional lists. Rocard wanted a regional list system because it would have created a "Presidential" effect, enabling a candidate to by-pass existing party structures and to win new support based on his media image. Mitterrand, however, as former President of the Conseil Général of the Nièvre, has a strong attachment to the département and opposed the creating of regional lists, much to the delight of Rocard's political rivals in the Socialist party. The Government's new draft law setting out the electoral changes will go before Parliament after Easter.

Chevènement

6. Chevènement has proved to be the most serious French casualty of the Gulf war. His cataclysmic predictions of thousands of allied dead and the Muslim world rallying to Saddam Hussein's cause were proved dramatically wrong. After the war the Socialist party's political bureau drew up public statement on the Gulf crisis pointing out these home truths and concluding that "the facts have spoken". The two political bureau members from Chevènement's courant "Socialisme et République" (formerly CERES) signed the statement (both had in fact distanced themselves from the Chevènement's position during the war). They were at once disavowed in a communiqué which Chevènement eventually admitted had his backing. This led to an open row within the courant between hardliners who, like Chevènement himself, were prepared to become a left-wing minority within the PS and moderates, led by the former Minister Jean-Marie Bockel, who were determined to stay within the party mainstream. After a crisis meeting "Socialisme et République" decided formally to suspend its activities until the Autumn. In Bockel's opinion, it is now dead and unless there is some extraordinary lurch to the left, Chevènement's political career is effectively over.

Opposition Platform on Europe

7. On 20 March the UDF, Giscard d'Estaing's political movement, reached agreement on a political manifesto on European issues. The document, called "A new impetus for Europe" was drawn up under Giscard's supervision by a working group including Alain Lamassoure, Alain Madelin, François Bayrou, Bernard Bosson and Edmond Alphandéry. The document calls inter alia for: "decentralised federalism" based on the principle of subsidiarity; new policies on foreign affairs and defence, including a professional European intervention force and a European armaments agency; a rapid move to a single European currency managed by an independent Central Bank. Agreement within the UDF on European policy represents a major success for Giscard and greatly reinforces his hold over the movement.

8. The UDF and RPR have agreed in principle to hold "States-General" of the Opposition in the summer to discuss European policy in an attempt to reach a common position. This will not be easy, given the much more nationalist positions adopted by the RPR in its European policy platform last autumn. Many of the more pro-European members of the RPR, including its Secretary-General Alain Juppé, are known to be closer to the UDF line than to the RPR's document (which was agreed under considerable pressure from the party's right-wing).

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MIPT : FRANCE INTERNAL : ECONOMIC PROSPECTS

SUMMARY

1. HOPES THAT CEASEFIRE IN THE GULF MAY SIGNAL THE END OF A PRONOUNCED ECONOMIC DOWN-TURN (THOUGH IT SEEMS UNLIKELY THAT GROWTH WILL PICK UP BEFORE THE THIRD QUARTER): BUT ALREADY CLEAR THAT FRENCH WILL BE LUCKY TO HAVE 2 PERCENT GROWTH THIS YEAR, LET ALONE THE 2.7 PERCENT ON WHICH THEIR BUDGET IS BASED. ASSUMING THEY STICK TO THEIR RESOLVE NOT TO INCREASE TAXES OR THE PUBLIC BORROWING REQUIREMENT, FALLING RECEIPTS WILL MAKE IT HARDER FOR THEM TO SPEND THEIR WAY OUT OF SOCIAL UNREST AS THEY DID LAST AUTUMN.

DETAIL

2. FRENCH MINISTERS ARE HOPING THAT THE GULF CEASEFIRE SIGNALS THE END OF THE FRENCH ECONOMIC DOWN-TURN WHICH BEGAN LAST SUMMER AND HAS BEEN MORE PRONOUNCED SINCE DECEMBER. THEY ARE BANKING ON A CHANGE OF ATTITUDE AMONG CONSUMERS AND CORPORATE INVESTORS, BOTH OF WHOM CLEARLY HAVE BEEN AFFECTED BY GULF-RELATED FACTORS. THE FIRST SIGNS ARE THAT RETAIL SALES, TRAVEL AND LEISURE ACTIVITIES ARE PICKING UP, BUT THAT THE CAR AND AEROSPACE MARKETS REMAIN MOROSE. IF CORPORATE INVESTMENT PICKS UP IT WILL OF COURSE BE A FEW MONTHS BEFORE DECISIONS FEED THROUGH INTO HIGHER PRODUCTION. EXPORT LED GROWTH IS NOT A REALISTIC PROSPECTS WHEN ALL FRANCE'S MAJOR TRADING PARTNERS ARE EITHER IN RECESSION OR HEADING DOWN.

3. EVEN IF MINISTERS PROVE RIGHT - AND IT SEEMS MORE LIKELY THAT GROWTH WILL ONLY PICK UP IN THE THIRD QUARTER - THERE IS NOW NO CHANCE OF THE ECONOMY GROWING THIS YEAR BY THE 2.7 PERCENT ON WHICH THE 1991 BUDGET IS PREDICATED. MINISTERS ARE TALKING OF 2 PERCENT, THE NATIONAL STATISTICS INSTITUTE OF 1.5 PERCENT.

4. THIS IS GOING TO MAKE LIFE DIFFICULT FOR THE GOVERNMENT. NOT ONLY ARE THEY GOING TO HAVE TO CUT SPENDING TO COMPENSATE FOR FALLING RECEIPTS, THEY WILL ALSO HAVE LITTLE ROOM FOR MANOEUVRE IF

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PRESSED AS THEY WERE LAST AUTUMN BY POWERFUL INTEREST GROUPS. FOR THE MOMENT THEY SEEM DETERMINED TO AVOID EITHER TAX INCREASES OR A LARGER PUBLIC BORROWING REQUIREMENT. THE REAL TEST WILL PROBABLY COME IN A FEW MONTHS' TIME.

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FRENCH INTERNAL POLITICS: PROSPECTS FOR THE ROCARD GOVERNMENT

SUMMARY

1. AS FRENCH POLITICAL LIFE RETURNS TO NORMAL AFTER THE GULF WAR, ROCARD MORE IN THE PUBLIC EYE. ASSESSMENT OF HIS POLITICAL PROSPECTS AND MITTERRAND'S OPTIONS. DISSOLUTION UNLIKELY. CHANGE OF PRIME MINISTER POSSIBLE, BUT ROCARD POPULAR AND DIFFICULT TO SIDESTEP. SUGGESTED MEETING WITH THE PRIME MINISTER.

DETAIL

2. AFTER SPENDING THE GULF WAR IN THE PRESIDENT'S SHADOW ROCARD RETURNED TO THE POLITICAL FOREFRONT THIS WEEK WITH THE ANNOUNCEMENT OF HIS VISIT TO WASHINGTON ON 9-11 MARCH (MY TELNO 229), AND THE PUBLICATION OF A LONG INTERVIEW IN 'LE MONDE' SETTING OUT THE GOVERNMENT'S LEGISLATIVE PROGRAMME FOR THE NEXT FIVE MONTHS (DETAILS BY LETTER TO WED).

3. RUMOURS ABOUND THAT THE PRESIDENT MIGHT CAPITALISE UPON HIS GULF SUCCESS BY REMOVING ROCARD AND APPOINTING A NEW GOVERNMENT, OR BY CALLING EARLY PARLIAMENTARY ELECTIONS. IN A RHETORICAL FLOURISH AT THE END OF HIS TELEVISION INTERVIEW LAST SUNDAY (MY TELNO 225) THE PRESIDENT CALLED UPON FRANCE TO SHOW THE SAME COURAGE AND ELAN IN PEACETIME AS IN WAR, PUTTING PRESSURE ON ROCARD TO RALLY THE GOVERNMENT AND LEFT.

4. IN FACT, HIS 'LE MONDE' INTERVIEW OF 7 MARCH WAS CLASSIC ROCARD: WORKMANLIKE, UNRHETORICAL, FULL OF TECHNICAL DETAILS. SHRUGGING OFF THE INTERVIEWER'S SUGGESTION THAT PEOPLE FOUND HIM GREY, DULL 'CONSENSUS' POLITICIAN, ROCARD INSISTED THAT HIS GOVERNMENT WERE PUTTING THROUGH A SERIES OF IMPORTANT AND LONG-OVERDUE REFORMS OF THE STATE AND THE SOCIAL WELFARE SYSTEM: 'ONE COULD CALL THAT GREY - GENUINE CHANGE IS NOT ALWAYS COLOURFUL'. THE DIFFERENCE OF TONE WAS DELIBERATE: ROCARD HAS ALWAYS SOUGHT TO MARK HIMSELF OUT FROM

MITTERRAND ON METHOD AND STYLE, WHILST STICKING CLOSE TO THE PRESIDENT'S PRONOUNCEMENTS ON SUBSTANCE.

5. MITTERRAND'S BUILT A CROSS-PARTY CONSENSUS FOR MANAGING THE GULF CRISIS. IT WILL BE INTERRUPTED ONCE PARLIAMENT RECONVENES IN A SPECIAL SESSION ON 19 MARCH. AFTER A SELF-CONGRATULATORY DEBATE ON THE GULF THEY TURN TO TWO CONTENTIOUS BILLS (ON CORSICA AND LOCAL GOVERNMENT). BOTH ARE OPPOSED BY THE GAULLISTS. WE CAN EXPECT SHARPENING POLITICAL CONTROVERSY OVER THE ECONOMY, GOVERNMENT PLANS TO TACKLE SUBURBAN DECAY AND VIOLENCE, AND PROPOSED CHANGES TO THE ELECTORAL SYSTEM FOR THE 1992 REGIONAL ELECTIONS. IN OTHER WORDS, NORMAL SERVICE WILL BE RESUMED.

6. WHAT ARE MITTERRAND'S OPTIONS? DISSOLUTION OF PARLIAMENT IS THEORETICALLY POSSIBLE. IT IS CLEAR FROM WHAT DUMAS TOLD ME (MY TELNO 225) THAT THE PRESIDENT IS AT LEAST CONSIDERING IT. BUT IT WOULD BE DIFFICULT TO TRANSFORM TODAY'S RECORD LEVEL OF PERSONAL SUPPORT FOR THE PRESIDENT INTO VOTES FOR THE LEFT IN PARLIAMENTARY ELECTIONS. A RECENT POLL SHOWED THAT IF ELECTIONS WERE HELD NOW THE RESULT WOULD BE INDECISIVE, WITH A 9 PERCENT OVERALL ADVANTAGE TO THE RIGHT, IF ONE COUNTS THE EXTREME RIGHT (10 PERCENT). CALLING EARLY ELECTIONS IS RARE IN FRANCE: IT RISKS ACCUSATIONS OF MANIPULATION. MY JUDGEMENT - REINFORCED BY WHAT JOXE TOLD ME LAST NIGHT - IS THAT THE PRESIDENT WILL NOT OPT FOR ELECTIONS.

7. A CHANGE OF PRIME MINISTER IS A MORE STRAIGHTFORWARD OPTION. IF MITTERRAND IS TO CHANGE THE LEADERSHIP BEFORE THE 1993 LEGISLATIVES, THE NEXT FEW MONTHS ARE THE MOST OBVIOUS TIME TO DO IT. CANDIDATES MOST OFTEN CITED ARE JOXE, DELEBARRE AND BEREGOVY. BUT ROCARD WILL NOT BE EASY TO SIDESTEP. HE REMAINS REMARKABLY POPULAR AFTER NEARLY THREE YEARS IN OFFICE: A POLL TODAY SHOWS THAT 74 PERCENT OF FRENCH PEOPLE WANT HIM TO REMAIN PRIME MINISTER.

8. IN SHORT, WHILST THE GULF WAR TEMPORARILY BOOSTED MITTERRAND'S PRESTIGE, AND MADE ROCARD LESS VISIBLE, IT HAS NOT FUNDAMENTALLY CHANGED THE DOMESTIC POLITICAL SCENE. THE PROBLEMS REMAIN ABOVE ALL THE ECONOMY (SEE MIFT), UNEMPLOYMENT, SOCIAL TENSION. CHEVENEMENT'S WEAKENED LEFTIST/NATIONALIST GROUP WILL BE WATCHING OUT FOR MISTAKES TO EXPLOIT THAT THE WAR FAILED TO OPEN UP. THE RIGHT TOO IS DUSTING OFF ITS OLD SQUABBLES - LAST WEEK GISCARD AND CHIRAC AGAIN FAILED TO AGREE ON A SYSTEM OF PRESIDENTIAL PRIMARIES. EDOUARD BALLADUR LOOKS THE MOST EFFECTIVE SPOKESMAN OF THE OPPOSITION AND A POTENTIAL FUTURE PRIME MINISTER.

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9. WHETHER ROCARD STAYS ON A PRIME MINISTER OR NOT, HE REMAINS A STRONG - MANY WOULD SAY THE STRONGEST - CANDIDATE FOR THE NEXT PRESIDENTIAL ELECTIONS. HE IS ALSO AN EXCELLENT AND LIVELY INTERLOCUTOR. I HOPE THAT THE PRIME MINISTER WILL FIND TIME TO SEE HIM AGAIN BEFORE LONG. WHEN I SAW ROCARD BRIEFLY EARLIER THIS WEEK, I ASKED HIM WHETHER HE HAD ANY THOUGHT OF PROPOSING A VISIT TO LONDON. OBVIOUSLY, THE TWO PRIME MINISTERS WOULD MEET, IF ONLY BRIEFLY, DURING THE ANGLO-FRENCH SUMMIT, WHENEVER THE DATES WERE FIXED. NOTING THAT THEIR LAST MEETING, AT ADMIRALTY HOUSE, WAS WHEN MR MAJOR WAS CHANCELLOR OF THE EXCHEQUER. ROCARD EXPRESSED GREAT KEENNESS TO HAVE A PROPER TALK WITH THE PRIME MINISTER BEFORE TOO LONG. HE WOULD MUCH WELCOME A CHANCE TO GET TO KNOW HIM BETTER.

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