

RESTRICTED

RESTRICTED

FM PARIS 201708Z JUL 84

TO PRIORITY FCO

TELEGRAM NUMBER 915 OF 20TH JULY

INFO ATHENS, BONN, BRUSSELS, COPENHAGEN, DUBLIN, THE HAGUE,
LUXEMBOURG, ROME, UKREP BRUSSELS, WASHINGTON, MOSCOW, UKDEL NATO,
INFO SAVING CONSULS-GENERAL LILLE, MARSEILLES, LYONS, BORDEAUX.

CHANGE OF FRENCH GOVERNMENT: REACTIONS AND PROSPECTS.

SUMMARY.

1. COMMENTATORS GENERALLY AGREE THAT THE CHANGE OF GOVERNMENT MARKS A NEW STAGE IN MITTERRAND'S PRESIDENCY BUT DIFFERING VIEWS ON WHAT PRECIPITATED IT AND ON ITS EVENTUAL CONSEQUENCES. LITTLE CHANGE IN DOMESTIC OR FOREIGN POLICIES EXPECTED. NEW GOVERNMENT'S FIRST CHALLENGE WILL BE PROPOSED REFERENDUM. DOUBT WHETHER MITTERRAND HAS FOUND A WINNING COMBINATION TO PULL OFF A SUCCESS IN THE 1986 LEGISLATIVE ELECTIONS.

DETAIL.

2. THERE IS GENERAL AGREEMENT AMONG COMMENTATORS THAT THE INSTALLATION OF THE FABUS GOVERNMENT MARKS A NEW STAGE IN MITTERRAND'S PRESIDENCY. MOST TAKE THE VIEW THAT, WITH MAUROY'S DEPARTURE, THE REFORMIST, LEFT WING PERIOD BEGUN IN 1981 IS OVER, AND THAT A NEW, MORE PRAGMATIC PHASE HAS BEGUN, WITH THE ACCENT ON EFFICIENCY AND MODERNISATION. MITTERRAND IS THOUGHT TO HAVE CHOSEN THE YOUNG AND DYNAMIC FABUS AS THE MAN MOST LIKELY TO RESTORE THE Waning FORTUNES OF THE SOCIALIST PARTY (PS) BY WINNING BACK VOTES FROM THE CENTRE BUT ENOUGH LEFT-WINGERS ARE INCLUDED IN THE NEW MINISTERIAL TEAM TO KEEP THE PS TOGETHER.

3. THERE IS LESS AGREEMENT ON WHETHER THE TIMING OF THE CHANGE OF GOVERNMENT WAS CHOSEN BY MITTERRAND OR DICTATED BY EVENTS. SOME COMMENTATORS SUGGEST THAT IT WAS THE LOGICAL EXTENSION OF MITTERRAND'S DECISION TO WITHDRAW THE EDUCATIONAL REFORM BILL AND TO CALL FOR A REFERENDUM, AND AS SUCH WAS NO DOUBT FORESEEN BY HIM AS PART OF A CAREFULLY CALCULATED SERIES OF STEPS DESIGNED TO TURN THE TABLES ON THE OPPOSITION WHICH HAD GAINED THE INITIATIVE AFTER THE EUROPEAN ELECTIONS. OTHERS, INCLUDING THE WELL-INFORMED SERGE JULY OF THE LEFT WING DAILY, LIBERATION, BELIEVE THE CHAIN OF EVENTS WAS PRECIPITATED BY THE RESIGNATION OF SAVARY, MAUROY'S EDUCATION MINISTER, OVER MITTERRAND'S DECISION TO WITHDRAW THE EDUCATION REFORM BILL WITHOUT CONSULTING HIM, THUS MAKING IT INEVITABLE THAT MAUROY'S GOVERNMENT WOULD HAVE TO GO TOO. INDEED, MAUROY'S GOVERNMENT WAS WIDELY THOUGHT TO HAVE BEEN LIVING ON BORROWED TIME, AND IT MAY BE THAT MAUROY WAS HIMSELF KEEN TO BRING MATTERS TO A HEAD. A MORE LIKELY INTERPRETATION IS THAT ALTHOUGH MITTERRAND HAD DECIDED TO CHANGE THE GOVERNMENT IN THE NEXT 3 MONTHS ANYWAY, SAVARY'S DECISION TO RESIGN OVER THE WEEK-END OF 14/15 JULY SPEEDED UP HIS PLANS AND MAY HAVE MODIFIED THEM IN SOME RESPECTS.

RESTRICTED

THE COMMUNISTS (PCF)

RESTRICTED

4. THE DEPARTURE OF THE COMMUNISTS FROM THE GOVERNMENT TO A POSITION OF "CONDITIONAL SUPPORT" WITHIN THE LEFT-WING MAJORITY, IS SEEN AS THE MOST SIGNIFICANT CONSEQUENCE OF THE CHANGE. AGAIN, MEDIA OPINION IS DIVIDED AS TO WHETHER MITTERRAND FORESAW THIS DEVELOPMENT AND CALCULATED THAT THE DEPARTURE OF THE PCF WAS AN ACCEPTABLE, INDEED NECESSARY, PRICE TO PAY IF THE NEW GOVERNMENT WAS TO ATTRACT SUPPORT FROM THE CENTRE, OR WHETHER HE WAS TAKEN BY SURPRISE. MARCHAIS HAS SAID TO HAVE ARGUED FOR THE BREAK NOW FOR TWO REASONS:

- (A) THE PCF HAS A BETTER CHANCE OF REGAINING LOST VOTERS BY CRITICISING THE GOVERNMENT FROM WITHOUT THAN BY RELUCTANT COLLABORATION FROM WITHIN.
- (B) HE CAN NOW LEAD A NEW AND VIGOROUS ASSAULT ON THE GOVERNMENT'S ECONOMIC AND SOCIAL POLICIES WITH A VIEW TO HANGING ONTO HIS LEADERSHIP OF THE PARTY, IN DOUBT SINCE THE PCF'S POOR SHOWING IN THE EUROPEAN ELECTIONS.

THE SOCIALIST PARTY.

5. THE CONSEQUENCE OF THE PCF'S DECISION HAS TO LEAVE FABIUS' GOVERNMENT "BETWEEN TWO FIRES", AS LE MONDE PUTS IT. ON THE LEFT, THE PCF'S CONDITIONAL SUPPORT IS WIDELY EXPECTED TO TURN RAPIDLY INTO ALMOST UNCONDITIONAL WARFARE; WHILE ON THE RIGHT, THE OPPOSITION, SCENTING VICTORY IN 1986, IS EXPECTED TO BE UNREMITTINGLY HOSTILE. A NUMBER OF COMMENTATORS SUGGEST THAT THE PS'S EXPOSED POSITION EXPLAINS THE CHOICE OF GOVERNMENT (MY TELNOS 906 AND 907); THE UNION OF THE SOCIALIST PARTY HAS REPLACED THE UNION OF THE LEFT. THERE IS A GOOD DEAL OF SARCASM IN THE OPPOSITION PRESS ABOUT THE PROSPECTS FOR PEACEFUL COEXISTENCE IN A CABINET WHICH WILL HAVE TO ACCOMMODATE THE PERSONAL RIVALRIES WHICH EXIST BETWEEN CHARACTERS SUCH AS FABIUS, ROCARD, JOXE AND CHEVENEMENT; FEW COMMENTATORS DOUBT THAT, WHATEVER STRAINS MAY EMERGE WITHIN THE COUNCIL OF MINISTERS, THIS IS ESSENTIALLY A GOVERNMENT OF MITTERRAND LOYALISTS WHO WILL FAITHFULLY BEND TO THE PRESIDENT'S WILL.

THE OPPOSITION.

6. THE OPPOSITION ARE PRESENTING THE CHANGE OF GOVERNMENT AS NO MORE THAN A DIVERSIONARY MEASURE BY A DISCREDITED PRESIDENT. THEY MAKE MUCH OF THE FACT THAT THE PS ONLY ENJOYED THE SUPPORT OF 1 IN 5 VOTERS AT THE EUROPEAN ELECTIONS AND HAVE ALREADY DUBBED FABIUS' ADMINISTRATION THE 20 PERCENT GOVERNMENT. THEY ARE LOUD IN THEIR COMPLAINT THAT A NEW GOVERNMENT WITHOUT THE PCF ENJOYS EVEN LESS LEGITIMACY THAN ITS PREDECESSOR AND THAT THE ONLY ACCEPTABLE COURSE IS FOR THE PRESIDENT TO CALL NEW LEGISLATIVE ELECTIONS.

RESTRICTED

7

RESTRICTED

COMMENT.

7. THERE IS WIDESPREAD EXPECTATION THAT THE NEW LOOK FABIUS IS LIKELY TO PROMOTE FAIRLY OLD LOOK POLICIES. FOR THE ECONOMIC PROSPECTS, SEE MY TELNO 912 AS TO FOREIGN AND DEFENCE POLICY, THE FACT THAT CHEYSSON, HERNU AND DUMAS HAVE KEPT THEIR POSITIONS SUGGESTS NO GREAT CHANGE. CHEYSSON'S REPRIEVE MAY NEUTRALISE POSSIBLE ARAB DISQUIET ABOUT THE PROMOTION OF FABIUS, WHO IS OF JEWISH ORIGIN, AND WHOSE APPOINTMENT IS SAID TO HAVE BEEN WELL RECEIVED IN ISRAEL. HERNU, WHO HAS EARNED SOME RESPECT FROM THE ARMED SERVICES, MAY NEED TO DRAW ON IT TO PUSH THROUGH THE CUTS IN THE DEFENCE BUDGET ABOUT WHICH MITTERRAND HAS RECENTLY WARNED.

8. THE NEW GOVERNMENT IS IN FOR A BUMPY RIDE. THE COMMUNISTS WILL ATTACK ITS ECONOMIC AND SOCIAL POLICIES AND MAY WELL ENCOURAGE UNION MILITANCY IN THE AUTUMN, PARTICULARLY BY THE COMMUNIST CGT. THEY WILL ALMOST CERTAINLY VOTE AGAINST NEXT YEAR'S BUDGET, THE CONTENT OF WHICH THEY HAVE CITED AS ONE REASON FOR REFUSING TO JOIN THE GOVERNMENT. HOWEVER, THE PS MAINTAIN AN OVERALL MAJORITY IN THE NATIONAL ASSEMBLY WITHOUT THEM. THE UDF/RPR OPPOSITION WILL CONTINUE TO QUESTION THE GOVERNMENT'S POPULAR MANDATE, AND MAY USE THEIR MAJORITY IN THE SENATE TO BLOCK MITTERRAND'S PROPOSED REFERENDUM E.G. BY PROPOSING IMPROVEMENTS TO IT. IF THEY SUCCEED, OR IF THE REFERENDUM GOES AHEAD BUT THERE IS MASSIVE ABSTENTIONISM ENCOURAGED BY THE OPPOSITION, IT WILL BE A BLOW TO MITTERRAND'S AUTHORITY AND AN EARLY SETBACK FOR FABIUS' GOVERNMENT.

9. MITTERRAND HAS CREATED THE IMPRESSION OF CHANGING THE POLITICAL LANDSCAPE SINCE THE LEFT'S SETBACK IN THE EUROPEAN ELECTIONS. HE HAS WITHDRAWN THE CONTROVERSIAL EDUCATIONAL REFORM BILL, PROPOSED A 'LIBERTARIAN' AMENDMENT TO THE CONSTITUTION, AND CHOSEN A NEW GOVERNMENT DESIGNED TO PROJECT A DYNAMIC, PRAGMATIC IMAGE AND WIN BACK VOTES BEFORE 1986. BUT THE SOCIALIST PARTY IS LOOKING SOMEWHAT ISOLATED AND THE GOVERNMENT HAS RATHER A CLIQUISH FLAVOUR. IT DOES NOT FOR THE MOMENT APPEAR LIKELY THAT MITTERRAND HAS FOUND THE WINNING COMBINATION OF MEASURES AND MEN TO ENSURE THE RESULTS HE WILL WANT IN THE 1986 LEGISLATIVE ELECTIONS.

FRETWELL

FCO/WH (PLACE)
WED

RESTRICTED