

BY BAG

SAVING TELGRAM  
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REPEATED FOR INFORMATION SAVING TO FRAME (ECONOMIC AND SOCIAL),  
MODUK, EC POSTS, WASHINGTON, MOSCOW, UKDEL NATO, UKREP BRUSSELS,  
CONSULS GENERAL IN FRANCE

(COLLAR) - i.e. Chirac/Giscard.

RPR/UDF ELECTION PLATFORM : CONTENTS

SUMMARY

1. A key document, on which the right-wing government likely to emerge from the elections next March will initially base its policies. Three main sections:

- (a) Economic: A wide range of liberalising measures is promised, including abolition of price and exchange controls, a far-reaching privatisation programme, tax cuts and a more flexible labour market.
- (b) Social: Deals with personal security, education, culture and information, immigration.
- (c) Foreign affairs and defence: Increased defence spending; consultation with the UK and FRG on SDI and use of tactical nuclear weapons; solidarity with the US and vigilance towards the USSR.

DETAIL

2. The RPR/UDF alliance formally published on 16 January their joint electoral platform, signed by Chirac (RPR) and Lecanuet (UDF). It contained no surprises, having been extensively leaked beforehand. However, this 33-page manifesto is a key document in that it defines the policies which the traditional right-wing parties, who are likely to form the next government as a coalition of some sort, intend to follow when they come to power. The main points are summarised below. (The full text has been sent by bag to WED, lest it is thought useful to have it translated and circulated more widely in Whitehall.) Comment follows in MIFT.

A. ECONOMY

3. The overall aims are to cut back the grip of the state, encourage the initiative of individuals and companies, return to a rate of growth equal to or above that of France's European partners, reduce overseas debt and restore order to public finances. Specific promises include:

- (i) Deregulation: Immediate abolition of price controls and their legal basis; progressive abolition of exchange controls; removal of current credit restrictions and

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promotion of a free and unified financial market; greater competition is also promised in areas such as energy, transport and telecommunications.

- (ii) Denationalisation: A framework law to be passed quickly, the aim being the denationalisation within the five-year legislature of banks and finance houses, insurance companies, television and radio and the five major industrial groups nationalised in 1981. All other state shareholdings capable of being sold, to be sold. In the long term, the entire competitive sector of the economy (i.e. including Renault) to be privatised. Foreign participation in the purchase of state assets foreseen. Individual shareholding to be encouraged, by granting the same generous income tax allowance for share dividends as now for interest on bonds.
- (iii) Public Expenditure: Its weight in the economy will be progressively reduced, including notably a review of services provided by the state. Cuts amounting to 1% of GDP (i.e. £ 3.5 billion) promised for 1986 and again for 1987. Taxes and the budget deficit to be reduced in parallel.
- (iv) Taxation: The system must reward risk-takers and weigh less heavily on both individuals and companies, by progressive reduction of top rate of income tax to 50%, abolition of wealth tax in 1987, and immediate reduction of taxe professionnelle (a form of pay-roll tax).
- (v) Monetary Matters: The Bank of France to be given autonomy under new statutes and to make use of market mechanisms in pursuit of its credit policy; EMS to take a new step forward, with increased use of the ECU leading to an international monetary system based on the dollar, the yen and the ECU.
- (vi) Industrial and Trade Policy: Aids to sectors in difficulty to be degressive and non-protectionist; service sector to be encouraged; efforts to create genuine Community internal market to be stepped up.
- (vii) Housing: Selective and progressive decontrol of rents.
- (viii) Agriculture: The sector's previous priority should be restored and attempts to undermine the basic principles of the CAP resisted; new outlets for production, e.g. ethanol, to be sought; protection for French farmers from the consequences of enlargement will need to be re-examined.

#### Employment and Labour Legislation

4. The objective is to create jobs by increasing growth and competitiveness, introducing greater flexibility into the labour market and encouraging small businesses. But most changes introduced by the socialists in 1981 (e.g. the 39 hour week) are to be left in place. Specific promises include:

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- (i) Youth Employment: Companies to offer productive jobs with training in flexible forms; wages should depend on specific conditions, with social charges reduced.
- (ii) Flexibility: Prior government authorisation of redundancies to be abolished; companies no longer to be subject to greater social obligations as the number of their employees reaches certain thresholds; regulations governing part-time and temporary work and short-term contracts to be relaxed.
- (iii) Minimum Wage: To be retained in principle, but modified in application to reflect circumstances of the company, sector and whole economy.

### Social Security

5. No radical dismantling or reform proposed. Growing deficits to be tackled realistically; more management responsibility to be transferred from the state to those involved; greater freedom of choice and competition in health care; encouragement of private pension provisions based on investment of premium income.

### B. A FREE SOCIETY

#### 6.(i) Reconstruction of the Republican State:

National unity emphasised (with insistence that the DOM/TOMs are an integral part of the Republic). Administrative decentralisation should be continued, but more coherently. Personal security must be improved (e.g. by better deployment of the police). Pressure should be taken off the prisons (e.g. by substituting community work for imprisonment in the case of petty crimes). The right of asylum should be revised; and the laws covering extradition should be modernised, together with greater European cooperation in this area.

#### (ii) An Active Family Policy:

France is facing a serious demographic situation in which the under 20s constitute less than 20% of the population and the index of reproduction is only 1.8. Measures must be taken to change this (e.g. by promoting the third child, through increased family benefits, flexible or half-time working hours for mothers, etc).

#### (iii) Education:

The main principle must be that while the State must guarantee equality of opportunity, parents should be free to choose the schools to which their children go. Schools should have greater autonomy in adapting their curricula to the needs of the students and their environment. Greater attention should be given in primary schools

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and the first two years of the secondary cycle, to the acquisition of basic general knowledge. General studies should include a serious introduction to modern technology.

(iv) Freedom of Culture and Communications:

Culture should not be imposed by the State: it concerns everyone, and priority should be given to individual initiative. The State should help the development of patronage by the private sector; and local government should be freely responsible for the choice of cultural initiatives. Freedom of communication should apply as much to the audio-visual sector and telecommunications as to the written press: this implies the abolition of monopolies over television, with a new authority to be set up to guarantee the freedom of audio-visual communication. The State should generally disengage from functions other than assuring the educational and cultural side of radio and television, and strengthening the image and voice of France abroad.

(v) National Identity:

Reasonable solutions must be found to the problems of cohabitation with the 4.5 million foreigners living in France. Immigration must be more firmly controlled (and in conjunction with EC partners, there needs to be harmonisation of frontier controls, visa policy, etc). Clandestine immigrants should be expelled and those who organise «black» labour prosecuted. Foreigners who live in France legitimately should either accept the rights and duties of French citizens (i.e. integrate themselves into French society), or leave (agreements to be negotiated bilaterally with countries concerned, greater financial incentives to go, etc).

C. FRANCE'S PLACE IN THE WORLD

7.(i) Defence:

France's policy of dissuasion basically depends on the credibility of its nuclear forces and their diversification should be set in hand; but the importance of conventional forces is also recognised. The next government should enter into negotiations with its European partners, especially the FRG and the UK, to reach a common position on participation in the SDI. Conventional forces must also be modernised. The defence of France is part of European defence: France should take the initiative in 1986 to promote a real defence dialogue among fellow Europeans, especially on the use of tactical nuclear weapons. To start with, this should be with the FRG and the UK, in close consultation with the US. National service to be retained and re-thought. The aim is for defence to take 4% of GNP when this is possible.

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(ii) Foreign Policy:

The Atlantic Alliance has contributed decisively to maintenance of peace in Europe for over 30 years. It presupposes close solidarity with the US, with which France shares same basic ideals (liberty, progress, human rights). Policy towards USSR, on the other hand, should be firm and vigilant. The respect of human rights is fundamental. The construction of Europe is essential: Franco-German solidarity has allowed it to get this far, so must remain at the heart of future efforts. A strong European identity, appealing to the young, is needed. Links with Africa are important and should be reinforced: but primarily with traditional partners. France has an active role to play in the Near East and particular moral obligations to Lebanon. It should defend its rights and strategic interests in the Pacific firmly, if unprovocatively.

CONCLUSIONS

8. There follow, by way of conclusions, the 20 fundamental commitments which the RPR/UDF alliance undertake to pursue as their priority objectives. (Translation of this relatively short section follows by bag.)

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