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INFO ROUTINE WASHINGTON, MOSCOW, EUROPEAN COMMUNITY POSTS

PRIME MINISTER ROCARD'S VISIT TO LONDON: 26 MARCH *ms*

SUMMARY

1. ROCARD GOES TO LONDON FOR TALKS WITH THE PRIME MINISTER, YOURSELF, THE CHANCELLOR AND THE SECRETARY OF STATE FOR DEFENCE ON 26 MARCH. ON THE BASIS OF FRENCH PERFORMANCE IN 1989 HE SHOULD BE CONFIDENT AND BOUYANT. IN FACT THERE IS A PRESENTIMENT AT ALL LEVELS IN FRANCE THAT HARDER TIMES ARE COMING AND AN UNDERLYING ANXIETY THAT GERMAN DEVELOPMENTS WILL REDUCE FRENCH POWER AND INFLUENCE IN EUROPE.
2. THE FRENCH SOCIALIST PARTY HAS JUST EMERGED BATTERED FROM A DIFFICULT CONGRESS. BUT ROCARD COMES OUT OF IT BETTER THAN HIS RIVALS.

DETAIL

3. ECONOMICALLY FRANCE IS DOING WELL. GROWTH WAS 3.7 PERCENT IN 1989 AND THE 1990 FORECAST IS 3 PERCENT PLUS. INFLATION LAST YEAR WAS ONLY 3.6 PERCENT AND THEY ARE HOPING TO LOWER IT TO 2.5 PERCENT THIS YEAR. UNEMPLOYMENT REMAINS HIGH AT JUST UNDER 2.5 MILLION BUT IS POLITICALLY MANAGEABLE.
4. THE POLITICAL SITUATION ON THE SURFACE IS STABLE WITH NO PRESIDENTIAL ELECTION UNTIL 1995 AND NO NATIONAL ASSEMBLY ELECTIONS UNTIL 1993. PRAGMATIC SOCIALISM (IN PRACTICE MORE LIKE SOCIAL MARKETISM) SEEMS REASONABLY POPULAR DOMESTICALLY. HOWEVER, THE SOCIALIST PARTY CONGRESS WAS A NEAR DISASTER (MY TELNO 334). PERSONAL RIVALRIES AND THE BEGINNINGS OF JOCKEYING FOR THE PRESIDENTIAL SUCCESSION RISK BREAKING THE CENTRE LEFT UNITY WHICH MITTERRAND HAS SO FAR MANAGED TO ACHIEVE. THE ONLY SOLACE FOR MITTERRAND AND ROCARD IS THAT THE RIGHT, IS IN A PERMANENT STATE OF FRAGMENTATION AND THE COMMUNIST PARTY IS NO LONGER A THREAT.
5. ROCARD HOWEVER HAS COME REASONABLY WELL OUT OF THE CONGRESS,

AND FIRST IMPRESSIONS SUGGEST THAT HIS PRESTIGE HAS INCREASED WITHIN THE PARTY. HIS IMAGE AS A UNIFYING ELEMENT AND PRAGMATIC ADMINISTRATOR HAS BEEN ENHANCED. HIS LOYALTY TO MITTERRAND AND THE SOUND PERFORMANCE OF HIS GOVERNMENT - IN CONTRAST TO THE ANTICS OF THE PARTY - MAKE IT DIFFICULT FOR MITTERRAND TO DITCH HIM. INDEED MITTERRAND HIMSELF HAS ACKNOWLEDGED THIS WEEK THAT, AS THINGS NOW STAND, ROCARD LOOKS HIS MOST LIKELY SUCCESSOR AS PRESIDENTIAL CANDIDATE OF THE LEFT (MY TELNO 345).

6. ON FOREIGN AFFAIRS OUTSIDE EUROPE THE FRENCH MAINTAIN A HIGH PROFILE. INITIATIVES ON CAMBODIA AND THE LEBANON HAVE NOT BORNE FRUIT BUT EQUALLY HAVE NOT DISCREDITED FRANCE. THE MAIN WORRY IS FRANCOPHONE AFRICA WHERE ECONOMIC PROBLEMS RISK OVERWHELMING REGIMES WITH SOME OF WHICH THE FRENCH HAVE BEEN WORKING SINCE THE EARLY 1960'S, AND FRANCE NO LONGER SEES THE PROBLEMS AS SOLUBLE BY BILATERAL ECONOMIC AID ALONE. THEY ARE ALSO INCREASINGLY WORRIED ABOUT DRUGS, AND MAY BE READY TO PLAY A MORE CONSTRUCTIVE INTERNATIONAL ROLE.

7. THE MAIN FRENCH PREOCCUPATION HOWEVER IS GERMANY, THE IMPLICATIONS OF UNIFICATION BOTH FOR EUROPEAN SECURITY AND FOR WHAT THE FRENCH TRADITIONALLY REGARD AS THE EQUAL RELATIONSHIP BETWEEN GERMANY AND FRANCE AT THE HEART OF THE COMMUNITY. RELATIONS BETWEEN MITTERRAND AND KOHL HAVE SUFFERED AS MITTERRAND HAS SPOKEN OUT MORE CLEARLY ABOUT THE ODER-NEISSE BORDER, AND ABOUT THE NEED FOR GERMANY TO RESPECT OTHER COUNTRIES' PREOCCUPATIONS. THE FRG EMBASSY HERE REPORTS RELATIONS AS HAVING HIT A LOW AT THE TIME OF THE JARUZELSKI VISIT TO PARIS. THERE IS ALSO GERMAN IRRITATION HERE AT WHAT KOHL HAS APPARENTLY SEEN AS MITTERRAND'S IRRESPONSIBLE FLIRTATION WITH LAFONTAINE AND BRANDT (BOTH WERE IN PARIS THIS MONTH). IN FACT, THE FRENCH CLAIM PRIVATELY THAT MITTERRAND WAS TRYING TO PUT LAFONTAINE BACK ON THE RAILS, NOT TO UNDERMINE KOHL (WHICH IS COMPATIBLE WITH THE GENERALLY RESPONSIBLE LINE THE FRENCH HAVE TAKEN ON GERMAN MEMBERSHIP OF NATO AND THE NEED FOR A CONTINUING US PRESENCE).

8. WHATEVER THE PRESENT FRANCO/GERMAN PROBLEMS, THE BILATERAL RELATIONSHIP REMAINS OF SUCH OVERRIDING IMPORTANCE TO THE FRENCH FOR THEM TO PUT A MAJOR EFFORT INTO ENSURING THAT THE PENDULUM SWINGS BACK. THE INDICATIONS ARE THAT MITTERRAND WANTS TO CHANGE TO A WARMER TONE ABOUT GERMANY'S ASPIRATIONS. WHATEVER HEART MAY PROVOKE, HEAD REQUIRES THAT THE RELATIONSHIP BE SEEN TO SUCCEED.

9. THE FRENCH ARE CONVINCED THAT ACCELERATED COMMUNITY

CONSTRUCTION IS THE BEST REACTION TO DEVELOPMENTS IN GERMANY AND THE EAST. THEY SEE THE POINT AS CENTRAL TO FRENCH INTERESTS AND THEY SEE THE COMMUNITY AS A MORE EFFECTIVE AND CENTRAL INSTRUMENT FOR LOCKING GERMANY INTO ITS WESTERN ORIENTATION THAN THE ALLIANCE. THEY THEREFORE VIEW THE DIVERGENCES WITH THE UK OVER CERTAIN COMMUNITY ISSUES WITH CONCERN, WHILE MUCH WELCOMING THE IMPROVED COOPERATION OF RECENT MONTHS IN STRATEGIC AND DEFENCE MATTERS, AND OUR CLOSENESS IN 2 PLUS 4 QUESTIONS. IT IS AGAINST THIS BACKGROUND THAT THEY ARE NOW ARGUING AGAIN FOR THE START OF THE IGC TO BE BROUGHT FORWARD. THEY ARE HOPEFUL, ESPECIALLY WITH KOHL BUOYED UP BY HIS SUCCESS IN THE GDR, THAT THE GERMANS WILL BE WILLING TO GIVE GROUND ON SYMBOLIC POINTS TO SHOW PUBLICLY THAT THE FRANCO/GERMAN RELATIONSHIP IS BACK IN ORDER.

10. FOR THE LONGER TERM THERE WILL CONTINUE TO BE FRENCH WORRIES ABOUT THE HEAVY WEIGHT OF A UNITED GERMANY IN THE COMMUNITY. IN ALL MY CONTACTS, IN ALL PARTS OF FRANCE, I AM STRUCK BY THE WIDESPREAD CONCERN, AMONG BUSINESS PEOPLE, POLITICIANS, ADMINISTRATORS, NOT ALL AMONG THE OLDER GENERATION, ABOUT THE RISK OF IMBALANCE. BUT I BELIEVE THAT MITTERRAND AND ROCARD SEE NO ALTERNATIVE TO A HEALTHY AND CLOSE RELATIONSHIP WITH GERMANY, WITHIN THE EUROPEAN COMMUNITY, AS THE LYNCHPIN OF FRENCH POLICY. THEY WANT CLOSER RELATIONS WITH THE UK BOTH TO HELP STEER GERMANY IN THE DESIRED DIRECTION, AND TO HELP ENSURE FRENCH AND EUROPEAN SECURITY, AND TO HELP BALANCE GERMAN ECONOMIC POWER AND OPEN UP GERMAN INDUSTRY AND FINANCE.

11. AGAINST THIS BACKGROUND MAJOR POINTS IN ROCARD'S BRIEF ARE LIKELY TO BE:

(A) TO EXPLORE WHERE THE UK STANDS ON EUROPEAN COMMUNITY DEVELOPMENT, INCLUDING OUR INTENTIONS ON STERLING ENTRY INTO THE ERM:

(B) TO NAIL DOWN PRIME MINISTER'S SUPPORT FOR STRASBOURG AS THE SEAT OF THE EUROPEAN PARLIAMENT:

(C) TO PUSH FOR AGREEMENT ON ATTALI'S CANDIDATURE FOR THE POST OF DIRECTOR OF THE EBRD:

(D) TO EXPLORE OUR VIEWS OF THE DEFENCE IMPLICATIONS OF GERMAN DEVELOPMENTS AND GENERALLY TO DISCUSS THE LATTER, IN PARTICULAR TO COMPARE TIMING OF PROGRESS IN 2 PLUS 4 TALKS AND OF LIKELY STEPS TOWARDS UNIFICATION:

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(E) IT IS POSSIBLE THAT ROCARD WILL RAISE THE FRENCH WORRIES ABOUT HOW TO TIE THE GERMANS INTO A BINDING COMMITMENT TO RENOUNCE CHEMICAL AND NUCLEAR WEAPONS PRODUCTION.

FERGUSSON

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