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4, 5 et 6 juin 1982

PRESS CONFERENCE OF PRESIDENT FRANCOIS MITTERRAND

Versailles, Saturday 5 June 1982

Ladies and Gentlemen, I am happy to meet you on the occasion of the Summit of the Industrialized Countries.

We shall have another opportunity tomorrow of seeing one another at a Press Conference bringing together all the participants, Heads of State and Heads of Government.

I think that you have been kept in regular contact with us during the proceedings of last evening and today with a view to keeping you informed of the talks we have been having.

I imagine, therefore, that you are already well acquainted with what has taken place. Let me, however, recapitulate :

- Last evening following the welcoming of our guests, a working dinner took place after which there was a long discussion until 11.30 pm between the Heads of State and Government, nine persons in all including the representatives of the Community.

It was agreed that we would talk above all about the state of the world, the international situation.

We had talks about several major topics of the day, in particular, the events relating to the Malouines Islands.

The first plenary session began this morning. Various bilateral meetings took place here and there ; for my part ...

I had breakfast with Chancellor Helmut Schmidt and the morning meeting was devoted to an introductory report I presented in my capacity as President of the Group of Industrialized Countries this year.

This report dealt mainly with what are known as the links between technology, employment and growth. This document has been distributed in several languages - it is available to any of you who may not have received it.

The Report envisages concrete international cooperation in research, industry, training, employment and, widening these horizons, proposes reflexion on cultural problems, cultural relations and social life, around, with or thanks to new technologies.

I have asked for the inclusion in our common activities, not only of an overall view of the links between the Third Industrial Revolution and the solutions of our societies, but also the creation of a Working Group, so that our work is not confined to expressing ideas, which are always interesting in such a field. My objective was not only, and in fact not at all, to spend the Conference's time on an exhaustive study of a fascinating problem, it was to put across the message, and this was perfectly understood, that this was one aspect of our work if we wish to prepare for the years to come and overcome the crisis and, beyond the coming years, really face up to what awaits us in the next century. So this report, I am glad to say, has met with very broad agreement ; each delegation spoke on it, added suggestions, and a working group is being set up immediately with the task of reporting, of putting its proposals in black and white, before the end of the year. And the subject will be placed on the agenda in the interval, but also during the next meeting of the summit, which will be held in the United States of America.

This working group will be presided over, since France assumes the presidency for the current year, by a Frenchman.

The lunch which followed was a working lunch as well ; at it we mainly discussed the problem of East-West relations, under both its political and its economic aspects ;

We then resumed the plenary meeting, which in the main was devoted to a study of economic questions revolving around two main points : monetary problems and commercial problems.

In a few words, I think I can say that the finishing touches to an agreement should normally be put tomorrow, in accordance with the following procedure : a document had been prepared by those we call the sherpas, those who prepare the climb to the summits and who are the personal representatives of each of the participants.

This report has been studied by the Ministers of Economy and Finance and these Ministers have adopted, with a few variations, the proposals of the personal representatives. This text was discussed at the plenary meeting. Whatever differences persisted were ironed out. The only thing that remained was to put the text in shape. It will be given a final reading as of now and before and during dinner and, if necessary, will be examined by the Ministers of the Economy and Finance who, incidentally, will be meeting this evening with the Ministers of Foreign Affairs, and the whole thing will then be transmitted to the personal representatives who are responsible for putting together all the texts, harmonizing their tones and submitting them to the plenary conference which, in the early afternoon, will put the final resolution in order.

I hope that I have been clear, the monetary discussion is over. What I choose still to call it an outline agreement until it is formally proclaimed ; I must take account of the interval between now and tomorrow in the early afternoon, but I can already say that the agreement will surely concern the implementation of a medium-term reform of the international monetary system and the acceptance of the idea of intervening in exchange markets to counter erratic fluctuations if such is necessary.

The Ministers of the Economy and Finance, whom I have just mentioned, have begun clarifying - and will continue to do so - a definition of a suitable working programme and will prepare the declaration in the terms that I have described.

The discussion on trade negotiations has begun. It was focused mainly on the GATT Conference and specifically on the trade relations of Europe, especially of the Community, in the field of agriculture, and of its American partners, without forgetting Japan. Particular attention was paid, and will continue to be paid tomorrow, to the relations between Japan, the United States of America or the American bloc on the one hand and the Community on the other hand, it being understood that the measures proposed by Japan before the opening of the Summit are significant and may be completed but are more likely to solve problems in North America than in the Community.

This will be considered.

After that, since it will be the end of the discussion and there will be plenty of time for it tomorrow morning, we shall take up the question of North-South relations, and if any problem of international policy is raised, in my capacity as Chairman of the meeting, I shall deal with it.

The last working lunch will be at 1 pm followed by a plenary meeting to consider the final statement and a press conference at 5 pm at which all the Heads of State and Government will be present. In the evening the President and the Government of the French Republic will be inviting their guests to a dinner which will be followed by various festivities in honour of our guests.

That is the outline. It is for you to tell me which points arouse your curiosity, bearing in mind that we are in the middle of our work and that I cannot prejudice the results of our work. I shall be speaking with the usual reservations that you all understand.

Who wishes to ask the first question ?

Question : Philippe Sassier, Antenne II...

The President : I cannot hear you Mr. Sassier. This is a hemicycle in which there are difficulties. Every time I have come here was in noisy circumstances, particularly at the election of the President of the Republic in 1954.

The journalist : Can you hear me ?

The President - I will try to hear you. A room like this is made to have good accustics, so there should be no problem.

The journalist - Concerning monetary problems, Mr President, I wanted to ask you if France was prepared to accept a certain control over international monetary life by the Monetary Fund, the IMF ?

The President - France is not decided on anything, but France is one of the countries which are proposing. So it is not a question of saying that it accepts, it is a country which proposes that some order should be brought to the monetary field. We are one of the countries asking for it, since we consider that the economic war now being waged among friendly countries is intolerable and at the same time makes it extremely difficult to harmonize our position in the other fields. Moreover, it complicates all our lives.

France therefore is one of the asking countries, and for the moment I am not talking in the main of the International Monetary Fund, I am speaking of the beginning of a regularization, a cleaning up, a stabilization of exchange rates. Naturally, this will be done in relation with the IMF, but that is another subject

Question : (Populo Nuovo, an Italian newspaper) - Mr. President, I already had the privilege of asking you a question in Rome.

This time I should like to ask you how you believe it possible to reconcile the declarations of assistance and good will made by the industrialized countries vis-à-vis the developing

countries when we are confronted by a war between two countries belonging to the two different groups? Do you not believe that the Malouines Islands conflict has widened the tremendous gap that already exists between the industrialized and developing countries ?

The President - What I can tell you is that for the moment I am not expressing myself in my capacity as President of the French Republic - though I shall do so shortly - but in my capacity as President of the Summit Conference of the Industrialized Countries. I shall not, accordingly, prolong this evening's meeting which is, moreover, only a warm-up for tomorrow's, with a whole series of considerations which might be of a personal nature or might simply be directed at my country's policy regarding all of the problems confronting the world.

Therefore, I should not like there to be any misunderstandings between us : that is not the object of this meeting. I am here to inform you about the state of our work.

I have already mentioned that last night we had a long discussion, a lengthy exchange of views on the war in the Malouines with the nine main participants.

If you ask me questions on it - and in any case I am not authorized to reveal those conversations to you, which so far have not been the subject of a public document - it is not difficult to imagine the solidarity there is towards our ally, Great Britain, in face of something which cannot be called anything but aggression. Without raising, in the first place, the problem of right or sovereignty, or the legal entitlements of some other countries ; we cannot accept that a problem of this type should be settled by violence. Otherwise where would we end ? We protested in other circumstances, we had to in this one. From the moment Great Britain availed itself of its right to defend what it considered a possession, and above all to refuse the fact of violence, all the countries allied with Great Britain, when situated in Western Europe, naturally affirmed their solidarity.

But nor could they forget the very deep affinities between Latin America and our civilizations of Western Europe, to

which must be added the daily reality of relations which are generally profound and good between our peoples.

That is political life. In the face of events we move among dangers, perils and, in a minor scale, inconveniences. One must choose. But not beyond what is necessary.

Which means that we discussed what might now happen following a decision by arms. The general desire was that it should be possible to arrive, as Resolution 502 of the United Nations indicated, at a cease-fire which would make it possible this time to explore in peace the possibility of finding a solution satisfactory to both parties involved.

Question (T.F.1) - In your presentation this morning, you prefaced your remarks, it seemed to me, by inviting your counterparts to come to an agreement on the nature and origin of the economic crisis we have been going through for several years now.

Have you the feeling, after your discussion, that agreement exists on the origins and causes of that crisis ?

The President - The main consideration was not the causes, although naturally - and I understand the meaning of your question - we could not arbitrarily separate the examination of remedies without having analysed the origin of the world crisis.

One of the main causes of the crisis, as everyone acknowledges, is linked to the fact that a new industrial revolution resulted from the advances in science and technology and that, as always - and that is the central problem - that technological change was not prepared for or heeded by political leaders. As a result, especially in the last ten years a gap developed - just as happened at the time of the first two industrial revolutions - between the time when the progress of technology exploded and the point at which society adapts to it, the point at which the former society founders, with a terrible loss of jobs, while the new society is slow to merge, with the development of new jobs.

The problem is to ensure that the technological revolution which - as its name implies - really is a revolution and therefore carries tremendous changes with it, is accompanied, for example, by vocational training so that skilled workers are immediately capable of mastering the new technologies, so that the latter may rapidly where possible, lead to the creation of new jobs. If you have robotization, you must also manufacture robots, and robots do not come out of their air. They come from the knowledge of a science and a technology, usually electronic, which should provide employment for hundreds of thousands of people, to take just this example.

But I shall go further. If some fields - let us say health - technologies and biotechnologies can make it possible, in nutrition, medicaments, if well managed, to modify considerably the way in which health costs are borne for this, as you know, is one of the major factors affecting the imbalance of compulsory contributions in most of our countries, not to mention the healing effects, which would have a greater if not a lesser effect on general welfare. However, technology allows us to imagine that this will be done in infinitely more economic conditions. But not immediately, just the contrary. We must therefore speed up the transition.

For that we must master it and, in the first place, think about it. How many people have never thought about it !

Take the case of agriculture. It has already been found - and this is not to go into utopian realms - that self-sufficiency in food is possible merely by increasing the Third World countries' means of agriculture production - which is something that a country like India is demonstrating in practice every day - once some form or other of bio-energy, bio-technology, is capable of increasing that production. That is what is happening in several other Third World countries. Countries which have a certain wealth, and hence the means to invest, can change the nature of the agro-food industries and world nourishment substantially, i.e. they can achieve a better economy in the sense of economizing the forces of humanity - while producing more.

All that has already been studied and I would like to point out Mr Gouze, that the seven delegations other than France, became involved after I had made my introductory report, and they have each put forward their suggestions, I made observations - all in the same spirit - bearing in mind that this was an essential step, a new dimension, for the understanding of the modern world by the countries in question.

Question : To get back to monetary problems. Has President REAGAN accepted the principle of an american intervention on the money markets ?

The President : As I said earlier, the principle of interventions - in the plural - on monetary markets has been retained, that we discussed methods, that this would all be included in the report now being prepared by the Ministers of Economy and Finance, and which will be re-examined by the personal Representatives before to-morrow morning.

Question : It is a question of limiting export credits to the Soviet Union. To what extent is France prepared to go this direction - in return for a first step made by Mr REAGAN, towards the stabilizing of exchange rates ?

The President : This was talked about during lunch to-day in the context of East-West relations where I said, to start with, that they were of a specifically political and military nature and that they also had this economic aspect to which you referred. I do not want to anticipate the moment when the Conference's position will be announced, in its final form. However, it is possible to differentiate as of now between the economic aspect, concerning high technology which could have military applications, and on the other hand two aspects of credit, that is to say credit volume and rates of credit.

Different points of view were put forward - were expressed in turn - and the problem for the moment is to know how to blend them together :

There are those who think that some form of commercial embargo would be useful in limiting military force indirectly, or quite simply the power of the USSR, in the existing or potential conflict which for the moment opposes them with the West ; and there are those who think that this additional tension would add to the seriousness of the situation without in any way reducing the risks involved or perhaps even increasing them ; there are those who think that there should be a normal exchange flow between the USSR and Western Europe. As it stands, I believe exchange between the Soviet Union and the Western World, in any case with Europe, does not even reach 1% of it's GNP, in other words extremely low ; but how then can this weigh on the political options of the Soviet Union ?

And, naturally, the countries on the continent that are neighbours, historically and geographically of the Soviet Union, believe that, while the West, to which Japan should be added, needs to be strengthened to make it more competitive in every way with the Soviet Union, such reinforcement of means must be elaborated in such a way as to make negotiation successful, and not the opposite. It is not an instrument of tension, it is a means of arranging things, of returning to a dialogue, to influence this dialogue and not to hinder it or prevent it from being carried on. This is the french position in any event. I shall go no further in speaking for others, who are quite capable of speaking for themselves, but these ideas have not given rise to controversy. That is the purpose of our conversation. I imagine in any case that this conversation will be continued in other forums.

Question : I should like to ask a question about american interest rates and the difficult budgetary problems of the United States in 1982. What concrete conclusions have emerged after the debate on this question, and what problems remain outstanding on these two points ?

The President : This question should normally be put to the President of the United States of America.

Interest rates constitute an international problem, I quite agree. Naturally we have talked about this. This is not a mystery, and it is one of the important subjects of our conversations.

As for the budgetary problems, they can be seen from all sorts of angles. One may be concerned about the American budgetary deficit. One may consider that in spite of the very real progress made in fighting inflation by the President of the United States of America and his Government, the budgetary deficit remains a threat or a factor which in any case arouses the anxiety of the markets. It would really be illogical if this reduction of inflation were not followed by the reduction of interest rates.

This problem is specific to America ; we have been studying it, but it is not for us to put ourselves in Mr REAGAN's place or to tell how he should run his country. He has his people's confidence and he is responsible for his own policy - it is none of our business. We only do something about it when the consequences of this policy of high interest rates compromise our own economic expansion. In any case, I see from what has happened since yesterday that the prognosis I gave to about 15 of you the day before yesterday - and this was before the opening of the Conference - when I said : "I am more optimistic today than I was three months ago" is justified.

Question : You attribute today's economic difficulties to technological mutation. How do you place the oil crisis in this context ? Do you think it is on the way to being resolved ?

The President : You have not followed what I said carefully enough. I did not say that the technological mutation was the cause of the crisis ; I said that one of the main causes of the crisis was the technological mutation which has triggered off - almost concomitantly - a large scale transfer of production sites away from the old capitalist countries where the first industrial revolution was born. These countries have been abandoned by large enterprises that have gone to seek their profits elsewhere. That is one of the causes, but there are others. If one looks back on the last 10 years, there were the oil shocks. There were several of them, but they were secondary causes, not primary causes.

There are other explanations. I have one myself, though I do not ask the others to agree with me. I am one of those persons who are convinced that the strategy, as it is called, of multinational firms was not alien to the growth of the crisis. But really, we are not going to get involved in discussions of that nature ; this is neither the time nor the place, the more so because if you ask for my personal explanation of the origin of the crisis, do not put the words in my mouth that I ascribed it solely to technological change. That was one of the main explanations.

Question : After the new explosion of violence in Lebanon and one month and a half before the presidential elections in Lebanon, did you by any chance propose to your partners a common plan of action to save Lebanon and ensure that the elections would take place in a climate of freedom - such as sending a multinational force on the spot to replace the syrian army - ?

The President : The French position on Lebanon is simple : it is aimed at contributing to maintaining the independence and unity of Lebanon, in so far as the legitimate Government of Lebanon is interested in our doing so.

Moreover, France is not involved in any specifically French action ; it is contributing to international action and, as such, to the international force which has been reinforced in recent weeks.

As for the political objective, this depends on the authority of the Lebanese Government and not on the authority of France ; I am speaking of policy towards Syria, towards the Palestinian forces, towards the internal divisions in the country and towards Israël.

That is the problem of the Lebanese Government.

France is the friend of Lebanon, it is not supplanting it.

Question : Mr President, would you please inform us if the optimism you mentioned earlier extends to interest rates. In other words, do you have any greater expectations of a drop in rates now than several weeks ago ?

The President : My optimism does not go that far. I note that in terms of technology and in the discussion of the introductory report, we have come a long way and in a remarkable promising and constructive manner.

On the monetary front, real progress has been made. This is also true in terms of trade. But the discussion is not over yet. Within this context, interest rates are relevant. At this point I cannot give you a positive answer. You will have to wait for the end of the debate.

Will the Summit discussions lead to an improvement in this situation ? Can we hope it for the medium term or not at all ? I am not expressing any particular optimism there which proves that your question raises a serious concern.

I am not given a general, vague and all-encompassing optimism.

All the same, whereas three or four months ago, the general disorder could have led us to fear that nothing would have been settled, we must admit that some progress has been achieved.

Question : Mr President, do you feel that since Ottawa the gap has narrowed between your position and that of Mr Reagan ? Has the failure of american liberal policy to control unemployment and the failure of french socialist policy to stimulate economic recovery and control inflation led each of you to harbour doubts about your own religion and to conclude that seeking a compromise, a middle of the road solution, was perhaps the best path to follow ?

The President : Yours is a somewhat polemical view... It does not surprise me... but you are expressing your view, not mine.

Madam, our concerns are the same : both inflation and unemployment must be reduced. We all have the same dual objectives.

There is no room for a debate where one says he would like to reduce inflation but not unemployment and the other says he would like to reduce unemployment but not inflation. Both of us want to reduce both inflation and unemployment.

It is a brain-racking task, for I think it has already racked some brains, in France, before ours.

The problem confronts us. Discussion of it begins by selecting priorities among the means of resolving it, and not by choosing the objective. There was not a policy in which inflation was accepted and a policy in which unemployment was accepted.

As for myself, I side with those who think that necessary efforts to control inflation should be carried out at a rhythm that does not exceed an acceptable threshold of unemployment. To give you a more concrete example, gaining four points on inflation would be a great success and a remarkable instrument for us. However, if such a reduction abruptly increased unemployment by 400,000 or 500,000 in addition to those who are already isolated from the labor market, then we say no. We say : we must keep the consequences under control.

Other countries have taken greater risks in terms of employment, and things went as planned. We have not reduced inflation by as much as others, and they have had their unemployment increase considerably more than ours.

This is why it is necessary to look more for a global solution in this matter. There are no particular difficulties for us in agreeing to try to reduce both inflation and unemployment by common agreement.

This does not go so far as to overcome all national interests, all self interest, but, as I said before, I see progress being made in this meeting.

Might it be said that Mr Reagan and I have drawn closer together, even though after all this may be only in explanations ? I am not so naive as to believe that Mr Reagan did not care about unemployment, and I do not suppose he thinks me so naive as to believe that I did not care about inflation. But I adopt a more careful conduct because I do not wish an anti-inflationary jolt brutally to cause unemployment. This human problem that concerns the very equilibrium of our societies worries me a great deal, and it is natural for me to worry as much about that as about inflation. That's all.

As for our political and personal relation, Mr Reagan is the leader of a political trend in the United States. And I am the leader of one in France. The United States and France have a great deal to do together. It is this, I assure you, that we are making every effort to achieve with considerable mutual understanding.

Question : *Mr President, some of the decisions and recommendations made at the Summit Conferences of the Western countries concern problems which might almost be called typical of the industrialized countries, such as the problems of unemployment and interest rates. But decisions are also made on problems of international scope, such as monetary problems, and the problems of international trade.*

How are you going to keep the developing countries informed of the decisions that are being made and that concern them to some extent ? Will you do so through the channels of the international organizations in which it is customary to discuss these questions, or is a special body perhaps to be set up to keep the developing countries informed of your decisions.

The President : *we do not anticipate the creation of new institutions ; or, at the very most, temporary work, study and advisory agencies for the purpose of revitalizing existing institutions.*

Thus, it can be said that the creation of new institutions has not been planned.

If the report on technology, which is a new field opening to us, were to result in proposals for new institutions, it would become apparent by the end of the year, but I repeat : "it is a new field of action".

As for the problem you brought up and which has been a concern to leaders for so many years now : that of existing institutions, political institutions, such as United Nations, should retain full authority. France's hope is, as you know, for the launching of global negotiations.

On the other hand, there exists other major institutions which are not originated from the United Nations, which are off-shoots of the Bretton-woods agreements, such as the International Monetary Fund and the World Bank.

We strongly urge that these institutions prevail, and that their procedure be strengthened. This is what I spoke of earlier, with regard to the GATT. We simply would like to see new powers vested in these same institutions.

This explains our emphasis on the creation of a specialized agency within the World Bank that would be devoted to the development of renewable energy sources in non-oil producing countries. This is only an example.

Thus, we are not creating new institutions.

Question : Events in the near East made at least a part of the Foreign Ministers' dinner yesterday rather sinister.

What effect did these events have on the dinner of the Heads of State ?

The President : I see what you are alluding to. Although I had enough time to glance at the afternoon papers, I saw that Mr Cheysson stated that a part of the dinner had been sinister. Unless my attention was wandering, I have the impression that he was speaking mainly of the Falkland problems, and of the dramatic situation of countries loyal and faithful friends of Great Britain who are solidly with her and who see the objective consequences of the event, namely the need to preserve the chances of good relations with the South American peoples.

I do not know if it was a question of events in the Middle-East, but if he said it in the context of the problems of the Middle-East, Iraq and Iran, I would understand it, because the developments in that war are substantial. That in itself is not a reason to be sinister, although sinister is not as detestable a word as that, for after all it comes from the latin word meaning left. But what I mean is that perhaps through a strict regard of etymology that might in the circumstances seem a little out of date, the Minister of External Relations, may have wanted to say that he had the preoccupations of a Minister in a Government of the Left.

If it is a matter of "sinistrose", it must be said that on the one hand, with Great Britain and Argentina, and on the other, Iraq and Iran, we have something to be concerned about. But a political leader does not live in "sinistrose". His aim is to try to heal wounds and find solutions.

Yesterday evening we spoke of the problems of the Falkland Islands. We also spoke a little about the problem of the repercussions of the Iraq-Iran war. In several meetings and bilaterial discussions, notably the day before with President Reagan in our Paris talks, I spoke of these problems. It is natural that we should discuss these subjects, although they are not really on an agenda. That is all I can tell you in answer to your question.

Question (Parisien Libéré) : Mr President, was the choice of Chateau de Versailles as the setting for the Summit Conference a symbolic act ?

In other words, did you want to express a certain renewal of France's power and influence ?

The President : It is a symbolic act, as you rightly say, and at the same time a very real one since you are here and so am I. It is therefore a concrete act which has a symbolic value.

We are not living in a symbol, we are not walking on clouds : we are at the Chateau de Versailles.

Why, Madam ? For the reasons you mentioned, but which I would place in a different order : first, because our mission is to welcome six friendly countries and the European Communities, and we want to welcome them well on behalf on the French people. We know that the French people likes to welcome their guests well, and that today they are happy to welcome to France the illustrious guests who have come to visit them, who have come to work here and, I hope, work here for progress and peace.

So we want to receive them well. We have in no way done too much, we have done what was necessary. Also, I must confess - and you guessed as much - if it can help to spread France's prestige I am naturally glad and consciously so. We are seeing to it that everything goes off as well as possible so that French prestige in these very lovely surroundings will perhaps inspire those who are going to leave us to say that France, this France of other times and this France of today, is not as bad as all that.

I read in a newspaper that one of our Dutch friends said : "it is not very republican all that". But the people of Paris also came to Versailles, not just the Monarchs... and they have even met together here during difficult times.

I would add that the Republic is very much at home, and has been for quite some time. I see no reason why the Republic should, by nature, settle in places which bring together neither art, nor history, nor comfort.

Those are the reasons I can give you. It certainly seems that everyone is glad to meet in this setting ; but the setting is not enough, something else must be put into it, that is to say that the conference must be made a success.

Question : Donald REAGAN, the American Secretary of the Treasury, said early this afternoon that the USA were still opposed to a concerted policy of intervention in the foreign exchange markets.

Jacques Delors and you yourself have a different interpretation of the American position. How do you explain this difference ?

The President : You will see tomorrow.

I am telling you what I have heard, since I am only the interpreter of statements made by the others and of the documents given to me. That there has been a start on, above all, a will for interventions (in the plural), on the exchange markets is quite obvious ; that is certainly what I heard and what I am reporting.

Should there be any divergences before the text is adopted, I will make them known to you tomorrow.

For the moment we are at work. But it is this expressed will on which the ministers of economy and finance are working at this moment - apart from our own, who is still there, but I think he will be joining the others soon. He does not seem to be very worried about the result of this discussion.

Are there any other questions ?

Question : Mr President, the problem of the North-South dialogue were still not taken up in depth today, but does the approach to the other matters which still have a certain incidence on this one seem to you to give grounds for a certain optimism for that North-South dialogue ?

The President : I shall say nothing about that. It is one of the points on which I consider that we have lost ground since Ottawa. Will that lost ground be recovered at Versailles ? I cannot say so.

Question : Mr President, your inaugural address was directed towards the future and for that reason you emphasized the technological aspect, or the technological cause of the crisis. But that was done at the expense of other causes which perhaps represent the present, today. Just now you mentioned, for example, the multinational corporations.

Reducing the causes in Summit speeches and discussions may be practical and pragmatic, but is there not a risk that such pragmatism may detract from the results and consequences of this Summit ?

The President : I must confess that I do not quite grasp the meaning of your question. What I can tell you is that my report dealt essentially with the present, and I explained this at some length just now when I said that the entire problem of the crisis was that of reducing the time of transition between the moment when the development of science and technology provokes a grave depression, particularly in employment - which is what has been happening for the last ten years, I said - and the moment when society adapts to it ; and of shortening the time-lag so that we can very rapidly return to a cruising speed which makes it possible to redeploy work as a result of the new techniques.

All that is the present. It is a problem which faces us today and which in fact has been facing us for months and years. It is a pity we did not think of discussing it earlier.

It is in no way futurology ; I even gave examples. We spoke of other things, but this debate was understood by all the participants as representing a now indispensable dimension. From now on, this will form part of the work of the Summit Conference.

As for the causes of the crisis, I shall not repeat what I said a while ago. I did not claim to resolve the question. That is one of the causes, we examined it and tried to pin it down, without attempting thereby to answer all the other causes.

I see hands still being raised. All the subjects will be exhausted, there will be nothing more to say tomorrow ...

Question : *Mr President, has the Japanese trade questions been brought up ?*

The President : *I said a moment ago.*

The Journalist : *We could hardly hear you.*

The President : *We began the discussion on currency and trade this afternoon. We completed the debate on currency and we began, but did not conclude, our debate on trade. But in the discussion on trade we have already heard statements from several participants, including Mr REAGAN, Mr SUZUKI and others, and I have already said that the debate was focused, on the one hand, on problems related to GATT and, on the other hand, on the problems of trade relations between Japan and North America and Western Europe.*

Is there a final question ?

Question (brazilian newspaper) : *Up to the present we have had the impression, especially in the Third World countries, that technological mutations have had the effect of widening the gap between the industrialized countries and the poor countries still further and, in addition, that these technological mutations have helped to increase the industrialized countries' domination over the poor countries. Moreover the introduction of*

of some technologies into the poor countries, where the workers are not sufficiently organized, carries the risk, it seems to me, of having serious consequences on the world of labour - especially as regards employment and salaries - in these countries.

We know your position on this more or less, but I should like to know if you have discussed these problems with the other six countries ?

The President : That's a good question ! All you have to do is to open my report and you will find the answer, for that is precisely one of the subjects on which I have spent a great deal of time, with the authors of the text. To reply to this question, which is one of the most serious question raised, technological development must not indeed rebound against the peoples of the Third World who would not be in a position to stand up to competition and who might have ways of life and thought which are not of their choice imposed on them.

So all you have to do is to open the report and you will find the reply to your question.

Thank you very much.