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TORONTO ECONOMIC SUMMIT: FRENCH VIEWS.

SUMMARY

1. NO SURPRISES IN QUAI D'ORSAY VIEW. DEBT AND AGRICULTURE AT TOP OF FRENCH PRIORITIES.

DETAIL

2. OUVRIEU (ECONOMIC DIRECTOR, QUAI D'ORSAY) GAVE THE MINISTER A BRIEF ACCOUNT OF FRENCH APPROACH TO TORONTO. HE MADE CLEAR THAT FRENCH THINKING WAS FAR FROM FULLY DEVELOPED: IT WOULD BE USEFUL TO SPEAK FURTHER BETWEEN THE NEXT SHERPAS' MEETING AND THE SUMMIT.
3. AGRICULTURE AND DEBT WERE FRANCE'S MAIN PREOCCUPATIONS. OUVRIEU EXPECTED A US OFFENSIVE TO QUOTE SINGULARISE UNQUOTE AGRICULTURE. HE WAS UNRESPONSIVE TO ARGUMENTS THAT TORONTO SHOULD GIVE AN IMPETUS TO PROGRESS AT THE GATT MID-TERM MEETING. THE AGREEMENT REACHED AT THE OECD MINISTERIAL MEETING WAS DELICATE AND HAD BEEN REACHED WITH DIFFICULTY. THE SUMMIT SEVEN SHOULD BASE THEMSELVES ON THAT AT TORONTO, AND NOT TRY TO PREJUDGE THE RESULTS OF THE GATT MTM.
4. OUVRIEU CONFIRMED THAT FRENCH IDEAS ON DEBT (PARIS TELNO 534) WERE STILL AT THE STAGE OF REFLECTION. HE TOOK NOTE OF OUR POINT THAT THEY SHOULD BE COMPATIBLE WITH THE CHANCELLOR'S IDEAS.
5. OUVRIEU EXPECTED A PRETTY EASY DISCUSSION ON MACRO-ECONOMIC POLICY AND INTERNATIONAL COOPERATION. THE JAPANESE HAD DONE WELL. THE ONLY POINT LIKELY TO CAUSE TENSION, MAINLY WITH THE AMERICANS, WAS THE GERMAN'S RECORD ON GROWTH AND THEIR PERSISTENT SURPLUS ON CURRENT ACCOUNT.
6. OUVRIEU FAVOURED A MORE ACTIVE DIALOGUE WITH THE ASIAN NIES. HE SAW THE OECD AS THE RIGHT FRAMEWORK FOR THIS, UNDER THE TUTELAGE OF THE SECRETARY-GENERAL RATHER THAN AT, SAY, A MEETING HOSTED BY JAPAN WHICH WOULD TEND TO EMPHASISE JAPAN'S LEADERSHIP ROLE. THERE SHOULD BE VARIABLE GEOMETRY IN THE PACE/MEANS OF INTEGRATION. OUVRIEU SAW

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NO REASON WHY THIS SHOULD BE A DIFFICULT SUBJECT AT TORONTO.

7. WE CAST A FLY AS TO ANY OTHER FRENCH INITIATIVES (BESIDES DEBT). OUVRIEU DID NOT EXPECT ANY. RESEARCH/EDUCATION (ON WHICH THE CANADIANS HAD TOLD US THE FRENCH MIGHT BE COOKING SOMETHING UP) PROVIDED GOOD THEMES FOR INFORMAL DISCUSSION BETWEEN HEADS OF STATE AND GOVERNMENTS (ADAPTATION OF WORK FORCE TO NEW TECHNOLOGIES: ADAPTATION OF EDUCATION TO MODERN NEEDS). BUT IT WAS UNLIKELY THAT MITTERRAND WOULD LAUNCH DISCUSSION ON THIS OCCASION. FRANCE HAD NO PARTICULAR INTEREST IN DISCUSSION OF THE ENVIRONMENT, BUT WOULD NOT OBJECT TO IT.

8. FCO PLEASE ADVANCE BRAITHWAITE, AND LITTLER (TREASURY).

LLEWELLYN SMITH

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