



10 DOWNING STREET

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From the Principal Private Secretary

30 September 1988

*Dear Nicholas,*CALL BY THE JAPANESE SHERPA

Thank you for your letter of 29 September and for the briefing note to use with Mr. Kunihiro. I duly saw him today.

The main points which arose during our 45 minute discussion were as follows:

- (1) He agreed that there needed to be only three preparatory Sherpa meetings next year and that the United States' objection to the meeting in January had weight. Kunihiro had less sympathy with Alan Wallis' objection to a discussion of the follow-up to the Toronto Summit and of the world economy and political situation. He thought that these were reasonable topics for a general talk among Sherpas, though he does not expect much to flow from it.
- (2) On the organisation of the Summit, Kunihiro said that he had recently spoken to Attali. Attali had indicated that there would be a sharp distinction between the Bicentennial celebrations and the Summit. The morning of the 14th would be devoted to Bicentennial Festivities and the Summit would begin at 4pm. Kunihiro knew nothing of French intentions for associating developing countries with the Summit. He was not aware of Monsieur Dumas' views reported in Le Monde of 9 September.
- (3) Attali had told him that debt issues and international monetary issues would feature prominently at the Summit. Kunihiro went out of his way to say that reports that there were some sort of "alliance" between the French and the Japanese on debt issues were untrue and indeed they caused the Japanese some embarrassment. I said that structural issues should feature prominently at the Summit as the Leaders rolled forward the approach hammered out during the second seven year cycle; agriculture and trade would be to the fore here. Kunihiro replied that Japan attached importance to the

Summit's discussions on structural issues as a means of persuading their vested interests to drop restrictions. Structural reform would become increasingly important in extending Japanese demand for foreign goods as the impetus of the Yen's revaluation declined.

- (4) The most that could be expected to come out of the Montreal discussions was some sort of general agreement about future work. The exception was tropical products on which early agreement was necessary.
- (5) On the details of the Japanese position on debt, Kunihiro said, on Sub-Saharan African debt, that they would go mainly for option (1), possibly with minor recourse to option (3). He did not answer my question about their exact position on non-aid official debt. Regarding middle income commercial debt, Kunihiro asked not to be pressed. The Japanese position was not settled and there was a certain vagueness about details. There was no alliance with the French.
- (6) Finally, he expressed concern about the security aspects of the Paris Summit and said that the Japanese might wish to concert views with us.

You asked in paragraph 10 in your letter whether Thursday 6 October was early enough for me to receive the usual briefing letter before the first Sherpas-only meeting. Yes, that suits me fine.

I am copying this letter to Geoffrey Littler.

his only
Nigel Wicks

N. L. WICKS

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