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FM PARIS
TO IMMEDIATE FCO
TELNO 744
OF 271627Z JUN 90

FOLLOWING FOR BONE HD/ERD

YOUR TELNO 1116 TO WASHINGTON: PROSPECTS FOR HOUSTON SUMMIT

SUMMARY

1. WE SHALL HAVE A BETTER IDEA OF FRENCH PRIORITIES ONCE KEY SENIOR CONTACTS HAVE DRAWN BREATH AFTER THE DUBLIN EUROPEAN COUNCIL. BUT WE THINK IT LIKELY THAT THEY WILL REGARD THE URUGUAY ROUND AGRICULTURE DISCUSSIONS AS A DAMAGE LIMITATION EXERCISE, AND WILL REMAIN SYMPATHETIC TO MR KOHL'S LINE ON AND TO THE USSR. ON THE ENVIRONMENT THEY WILL WANT TO PUSH THEIR PROPOSAL FOR BETTER USE OF SATELLITE DATA.

DETAIL

2. THE KEY TOP LEVEL CONTACTS WHOM WE SHOULD HAVE WISHED TO CONSULT HAVE BEEN UNAVAILABLE SINCE RECEIPT OF TUR ON 23 JUNE BECAUSE OF THE EUROPEAN COUNCIL IN DUBLIN. WE SHALL AIM TO SPEAK TO THEM AFTER THE LAST SHERPA'S MEETING, AND TO REPORT FURTHER AT THAT STAGE. SUBJECT TO THAT OUR ASSESSMENT OF FRENCH PRIORITIES IS AS FOLLOWS:

URUGUAY ROUND AGRICULTURE

3. THEY WILL WANT TO CONTINUE STRESSING THE IMPORTANCE OF A GLOBAL APPROACH ENCOMPASSING EQUALLY ACCESS FOR IMPORTS, INTERNAL SUPPORT AND EXPORT MEASURES, AND TO RESIST ANY SPECIAL EMPHASIS ON EXPORT SUBSIDIES. WHILE RECOGNISING THAT A SUCCESSFUL OUTCOME TO THE ROUND REQUIRES FURTHER MOVEMENT FROM THE EC IN A LIBERAL DIRECTION, THEY ARE LIKELY TO BELIEVE THAT IT WOULD BE TACTICALLY UNWISE TO OFFER SIGNIFICANT CONCESSIONS AT THIS STAGE. THEIR GAME PLAN REQUIRES THE EC TO KEEP MOST OF ITS CARDS IN THE HAND UNTIL THE CLOSING STAGES OF THE ROUND. THEY WILL NOT BE LOOKING FOR A ROW WITH THE

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AMERICANS/

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AMERICANS, BUT WILL REACT FORCEFULLY IF CONFRONTED WITH AMERICAN DEMANDS WHICH SEEM TO THEM UNREASONABLE.

ECONOMIC AID TO THE USSR

4. THEIR POSITION IS LIKELY TO BE INFLUENCED BY THE CONCLUSIONS OF THE EUROPEAN COUNCIL, AND WILL REFLECT MITTERRAND'S BELIEF THAT IT IS IN THE WESTERN INTEREST TO SUPPORT GORBACHEV, AND IN THE FRENCH INTEREST TO BACK UP KOHL BY REACTING POSITIVELY TO HIS CALL FOR A SIGNIFICANT WESTERN FINANCIAL PACKAGE. THESE POLITICAL IMPERATIVES WILL WEIGHT MORE HEAVILY WITH MITTERRAND HIMSELF THAN THE ECONOMIC ARGUMENTS ABOUT AID BEING WASTED UNLESS IT IS PRECEDED BY MAJOR STRUCTURAL REFORM.

ENVIRONMENT

5. THERE IS INCREASING AWARENESS HERE OF THE ECONOMIC COST OF ENVIRONMENTAL SAFEGUARDS, AND THIS IS BEGINNING TO UNDERMINE ENTHUSIASM FOR EXPENSIVE INTERNATIONAL INITIATIVES. THE FRENCH ARE THEREFORE UNLIKELY TO SPRING ANY SURPRISES. AT ATTALI'S INITIATIVE, THEY WILL NONETHELESS WANT TO PUSH THEIR PROPOSAL THAT INFORMATION ON THE ENVIRONMENT COLLECTED BY SATELLITES SHOULD BE MADE MORE EASILY ACCESSIBLE TO THE INTERNATIONAL COMMUNITY AS A WHOLE. THEY WILL BE CIRCULATING TO SHERPAS LATER THIS WEEK A TEXT ON SPACE AND THE GLOBAL ENVIRONMENT. IT IS EXPECTED TO PROPOSE A DATABASE DIRECTORY OR INFORMATION CENTRE INDEXING SOURCES OF SATELLITE DATA, AND THAT A WORKING GROUP BE SET UP TO DEVELOP THE IDEA FOR A DECISION AT THE 1991 SUMMIT.

POLITICAL

6. DUFOURCO TOLD THE MINISTER THIS MORNING THAT HE HAD SIMPLY NOT HAD TIME TO LOOK AT THE DRAFT POLITICAL DECLARATION IN DETAIL. DEPARTMENT IN THE QUAI WERE STILL PRODUCING THEIR COMMENTS ON THE REGIONAL ISSUES AND HE WOULD LOOK AT THEM ON THE WAY TO THE NEW YORK MEETING. AT A QUICK GLANCE, HE HAD FOUND THE DECLARATION UNEXCITING, AND 'VERY AMERICAN' IN ITS WILLINGNESS TO TEACH

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LESSONS/

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LESSONS TO ALL AND SUNDRY. BUT HE DID NOT EXPECT TO HAVE MAJOR DIFFICULTY WITH IT. AS TO DEMOCRACY AND FREEDOMS AS THE MAIN MESSAGE OF THE SUMMIT, FRANCE WAS OF COURSE IN FAVOUR.

FERGUSSON

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