

From New Delhi by Susan Maitra

New initiative for monetary reform?

French President Mitterrand's visit has put the North-South dialogue back on the political agenda.

French President François Mitterrand's Feb. 1 visit to India seems to have done more than snatch Indo-French relations out of the doldrums that set in when France lost out to Sweden in the celebrated multibillion-dollar howitzer deal in 1985. Perhaps even more interesting than the substantial French offers of cooperation in industry, science, and defense R&D, is the meeting of minds between Mitterrand and Gandhi on the urgency of restarting the North-South dialogue on economic development.

According to press reports, in his hour-long private session with Rajiv Gandhi Feb. 1, Mitterrand spoke of the need for disarmament at new levels to reduce the economic gap between the developing and developed countries—stressing that the latter was more important than the former.

The fact that a tiny proportion of the world's population consumes the bulk of its resources is an "economic absurdity," Mitterrand said, and added that this imbalance contains the seeds of the worst type of disorder and conflict. It was in the interest of the advanced sector nations to correct this imbalance.

The French President wants Gandhi to visit France on July 1, the bicentennial of the French Revolution, which happens to coincide with a scheduled meeting of the Group of Seven industrial nations' heads of state. As France sees it, Gandhi should present the Third World's case at that meeting. For his part, Mr. Mitterrand is reportedly pushing for a conference—"like Cancún, but different, less of a big show," according to French sources.

Although there is no official word on the matter, a new initiative can be reasonably expected to materialize in due time. Indo-French ties are not merely a bilateral affair.

France has had a crucial input into India's sovereign development from the beginning, when the visionary Homi Bhabha took inspiration and support from France in building up India's nuclear program. More recently, it was France that came to India's rescue with the fuel to keep the American-built Tarapur nuclear power plant operating when U.S. "non-proliferation" laws barred further American assistance.

French support for Indian R&D and advanced technology capabilities extends to space, where collaboration is longstanding and significant, and other areas. The Indo-French Center for Advanced Research in Delhi is one fruit of Mitterrand's first official visit in 1982.

One of the major proposals that Mitterrand and his high-powered delegation, including eight ministers and a weighty science and technology contingent, brought along, is an offer to supply India with two nuclear power plants of some 1,300 MW capacity each. Though no details have been released, the proposal is said to have come with a very attractive credit package—the critical factor for India at the moment.

Indian press reports on France's own nuclear power program were a thoughtful run-up to Mitterrand's arrival, and a refreshing departure from the anti-nuclear swirl that has increasingly put the Indian government on the defensive over its aim to expand nu-

clear to 10% of total power by the turn of the century.

France had expressed interest in assisting water management efforts on the subcontinent to the tune of \$62 billion, but India apparently indicated that the time was not ripe. The countries of the area have wrangled over water access. In the event, a French proposal to establish an Institute for Water in Delhi will be redrafted for a politically more opportune moment.

Three agreements signed during the visit will expand scientific and technical cooperation in biotechnology, biomedical sciences, and vaccinology. A joint venture pharmaceuticals plant will use new technology to produce a new combined polio-DPT vaccine and several other basic vaccines. It will be the largest vaccine manufacturing and R&D unit in the world.

Following the October 1988 visit of Mitterrand's special envoy, Jacques Attali, Defense Minister Jean-Pierre Chevenement visited in December. An agreement for design consultancy on India's first indigenous aircraft carrier was reached. A \$2 billion package for aerospace collaboration is reportedly also on the table, including both civil and defense projects.

One day before Mitterrand's arrival, Indian Commerce Minister Dinesh Singh and French Foreign Trade Minister Jean-Marie Rausch signed an agreement on trade and industrial cooperation in which France will help boost Indian exports of processed foods, gems and jewelry, and chemicals. France will also study the prospects for joint engineering-construction ventures in third countries.

France has requested the same "fast track" facility for private investment granted to Japan and West Germany, to boost its investment from the 1988 level of 4.5% of total foreign investment in India.