



Foreign and Commonwealth Office

London SW1A 2AH

25 May 1988

C W Roberts Esq CB
Department of Trade & Industry
1 Victoria Street
London SW1

Dear Christopher,

TORONTO SUMMIT: GATT ROUND DISPUTE SETTLEMENT

1. We had your very useful letter of 17 May to Nigel Wicks in our papers during the Third Sherpas meeting in Paris at the end of last week. There was, however, comparatively little discussion of trade issues: the main, and unsatisfactory, exchanges were on agriculture. On this you have heard my oral account and will by now also have seen telegram No 881 to Washington. *attached*

2. However, we did make clear to the other Sherpas that the Prime Minister was taking a particular interest in the effectiveness of GATT as an institution, and would almost certainly want to pursue the issue at Toronto. Sylvia Ostrey in particular welcomed this.

3. We have been thinking here about the best way of carrying this matter forward, both at the next Sherpas meeting (in Toronto from 3 to 5 June) and at the Toronto Summit itself. It seems to Nigel Wicks and to me that it would be wise to have in our pockets for the Sherpas meeting the sort of thing that we should aim to have included in the Toronto declaration itself, both on agriculture and on the working of the GATT system. The language in both cases should no doubt go somewhat beyond what will in the end of the day emerge from the drafting process amongst Heads of State and Government themselves. But there seems no harm in overbidding somewhat, in the expectation that we would have to accept somewhat less satisfactory language in the end.

4. This letter does not deal further with agriculture, which will involve a far more complicated negotiation and which we are pursuing separately. However, I would be grateful if you could set in hand the drafting of a passage of communique type language on the non-agriculture trade issues, especially the issue of dispute settlement and enforcement in which the Prime Minister is particularly interested. I do not think we should commit ourselves at this stage on the tactics: we might

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introduce some or all of the language into the Sherpas discussion itself, or we might hand it to the Canadians at the end of the Sherpas meeting in the hope that they could introduce it into a version of the economic declaration, revised in the light of the Sherpas' discussion.

5. We shall need Ministerial approval of any text. Unfortunately there is not much time, not least because the Canadians will not be able to let us have their own version of the economic declaration until 1 June. You and Tony Hutton will no doubt wish to set the drafting in hand before that.

A handwritten signature in dark ink, appearing to be 'R Q Braithwaite'.

PP R Q Braithwaite

Copies: Mr Wicks
Sir G Littler