



E E

Foreign and Commonwealth Office

London SW1A 2AH

17 June 1988

N L Wicks Esq CBE
10 Downing Street
London SW1

Dear Nigel,

TORONTO ECONOMIC SUMMIT: ADDITIONAL BRIEFING

1. You asked for extracts from international communiques about recent commitments made by Summit countries on the key issues of trade and agricultural reform.
2. I enclose a selection, ordered by subject, with particularly striking or telling phrases highlighted.

Yours ever,

Rodric

Rodric Braithwaite



EXTRACTS FROM THE FOLLOWING TEXTS

Tokyo Economic Declaration, 6 May 1986: Economic Summit

Punta del Este, 20 September 1986: Ministerial declaration launching
the Uruguay Round

OECD Communique, 13 May 1987: OECD Ministerial Council

Venice Economic Declaration, 10 June 1987: Economic Summit

OECD Communique, 19 May 1988: OECD Ministerial Council



(i) URUGUAY ROUND/MID TERM MEETING

1986 (Tokyo) - "... we are fully committed to the preparatory process in the GATT with a view to the early launching of the New Round of multilateral trade negotiations".

1986 (Punta Uruguay) - "The Trade Negotiation Committee ... shall meet as appropriate at Ministerial level. The Multilateral Trade Negotiations will be concluded within four years."

- "Each participant agrees that the implementation of these commitments on standstill and rollback shall be subject to multilateral surveillance."

(OECD 1987) - "The Uruguay Round presents a unique opportunity ... Ministers affirmed the determination of their countries to ... work for rapid, sustained and substantive progress in the negotiations ... OECD countries will prove this determination by tabling in the coming months comprehensive proposals covering the various fields of the negotiations, by carrying out the standstill and rollback commitments they have entered into and by opposing domestic protectionist pressures."

1987 (Venice) - "We endorse fully the commitment to adopt appropriate measures in compliance with the principles of standstill and rollback which have been reaffirmed in the Ministerial Declaration on the Uruguay Round."

- Basing ourselves on the Ministerial Declaration ... and on the principles of the GATT, we call on all Contracting Parties to negotiate comprehensively, in good faith and with all due despatch ..."

- "We consider that it would be useful to have, as appropriate, in the course of the negotiations, a meeting of the Trade Negotiating Committee at the Ministerial level."



(OECD 1988) - "The Uruguay Round has been proceeding satisfactorily in line with the timetable set in January 1987. A number of important proposals on the issues to be negotiated have been lodged. The greatest possible advance must be made in the months to come, in all areas of the negotiations, so as to reach before the end of the year the stage where tangible progress can be registered. To this end, Member countries should seek to agree on a framework approach on all issues. Thus it will be possible to hold a mid-term review, at the meeting scheduled for December in Montreal, that establishes a solid base for the full and complete success of the negotiations in accordance with the Punta del Este Declaration."

- "The behaviour of Member countries in trade matters will inevitably influence the climate of the Uruguay negotiations. It is essential, therefore, that, in line with commitments made, particularly at Punta del Este, standstill undertakings be strictly adhered to and that efforts be intensified to rollback protectionist measures that have been in force for a number of years."



(ii) GLOBALITY/EARLY AGREEMENTS

(Punta) - "The launching, the conduct and the implementation of the outcome of the negotiations shall be treated as parts of a single undertaking. However, agreements reached at an early stage may be implemented on a provisional or a definitive basis by agreement prior to the formal conclusion of the negotiations. Early agreements shall be taken into account in assessing the overall balance of the negotiations."

(OECD 1987) - "In keeping with the Punta del Este Declaration, Ministers reaffirmed that the conduct and the implementation etc [Punta text quoted verbatim]."

- "In the Uruguay Round appropriate account should be taken of actions made unilaterally."

(Venice) - [direct quote from Punta, above, but with shall replaced by should and may by might.]

(OECD 1988) - [See reference to "... advance ... in all areas of the negotiations" under (i) above.]



(iii) INTEGRATION OF THE NICs/NIES

(Punta) - "Less developed contracting parties expect that their capacity to make contributions ... would improve with the progressive development of their economies ... and they would accordingly expect to participate more fully in the framework of rights and obligations under the General Agreement."

(OECD 1987) - "Those developing countries whose economic strength is already significant should progressively play their full part in the rights and obligations of the multilateral trading system."

(Venice) - "We ... call on newly industrialised economies with rapid growth and large external surpluses to assume greater responsibility for preserving an open world trading system by reducing trade barriers and pursuing policies that allow their currencies more fully to reflect underlying fundamentals."

(OECD 1988) - "Important actors in the world economy are emerging from among the newly industrialising economies. This is a welcome development. It provides these economies with the opportunity to play an increased role in the cooperative effort to manage the open world economy and confers upon them a greater responsibility in the international adjustment process commensurate with their capacity. Discussions involving these actors - recognising mutual interests and taking into account the diversity of the economies concerned - could contribute to better understanding and the convergence of views on policy cooperation for the continued growth and development of the world economy."

- "The Uruguay Round ... negotiations must take duly into account the growing and differentiated role of developing countries in the world economy, hence their interests and the responsibilities which they must bear, according to their level of development. In accepting higher levels of obligation within the GATT framework the more advanced developing countries would contribute to, and benefit from, the strengthening of the multilateral system."



(iv) STRENGTHENING THE GATT/DISPUTE SETTLEMENT

(Punta) - "In order to ensure prompt and effective resolution of disputes to the benefit of all contracting parties, negotiations shall aim to improve and strengthen the rules and procedures of the dispute settlement process, while recognising the contribution that would be made by more effective and enforceable GATT rules and disciplines."

- [See also second quotation from Punta under (v) below.]

(Tokyo) - "We support the strengthening of the system and functioning of the GATT ...".

(Venice) - "... it is essential to improve the multilateral system based on the principles and rules of the General Agreement on Tariffs and Trade (GATT) and bring about a wider coverage of world trade under agreed, effective and enforceable multilateral discipline."

(OECD 1988) - "Ministers recognise the need to strengthen the multilateral trading framework and the importance of better functioning of the GATT."



- "We reaffirm our commitment to the important agreement on agriculture set out in the OECD Ministerial communique of May 13, 1987."

- "We underscore our commitment to work in concert to achieve the necessary adjustments of agricultural policies, both at home and through comprehensive negotiations in the Uruguay Round. ... we will table comprehensive proposals for negotiations in the coming months to be conducted in accordance with the mandate in the Ministerial Declaration, and we intend to review at our next meeting the progress achieved and the tasks that remain."

(OECD 1988) - "Ministers took note of the joint Report of the Agriculture and Trade committees Some encouraging efforts have been undertaken, but it is clear that there has been only limited progress overall since the Ministerial Council in May 1987. It is therefore imperative that policy reform efforts be strengthened by all Member countries as a matter of urgency. In this context it is essential that measures already introduced are underpinned by further positive actions."

- "Further measures will be taken, based upon the principles agreed upon at the last Ministerial Council, to allow market signals increasingly to influence the orientation of agricultural production, by way of a progressive and concerted reduction of agricultural support as well as by all other appropriate means. Ministers reaffirm that the Uruguay Round is of decisive importance in this context."

- "It is important that the mid-term review add impetus to the negotiating process in this as in other fields. To this end Member countries should seek to agree on a framework approach, including short term as well as long term elements which will promote the reform process as launched last year and relieve current strains in agricultural markets."



(v) AGRICULTURE

(Tokyo) - "We note with concern that a situation of global structural surplus now exists for some important agricultural products ... This is a problem which we all share and can be dealt with only in cooperation with each other."

- "We ... give full support to the work of the OECD in this field."

(Punta) - "The Contracting Parties agree that there is an urgent need to bring more discipline and predictability to world agricultural trade."

- "Negotiations shall aim to bring all measures affecting import access and export competition under strengthened and more operationally effective GATT rules and disciplines."

(OECD 1987) - "... given the scope of the problems and their urgency, a concerted reform of agricultural policies will be implemented in a balanced manner. Reform will be based on the following principles [Annex A]."

- "OECD governments will ... avoid initiating actions which would result in stimulating production in surplus agricultural commodities and in isolating the domestic market further from international markets; additionally, they will act responsibly in disposing of surplus stocks and refrain from confrontational and destabilising trade practices."

- "The Secretary General is asked to submit a progress report to the Council at Ministerial level in 1988."

(Venice) - "At Tokyo we recognised the serious nature of the agricultural problem ... In the past year, we have actively pursued the approach outlined at Tokyo, and we take satisfaction from the agreement in the Ministerial Declaration adopted in Punta del Este on the objectives for the negotiations on agriculture in the Uruguay Round."



- "Member countries are urged to take measures in conformity with the Ministerial Communique of 1987, including its long term objective, in order to avoid confrontational and destabilising trade policies."

- "The Organisation will pursue its work on the monitoring of agricultural reform and the process of structural adjustment in agriculture. The improvement and updating of the analytical tools, such as the PSE/CSE and the OECD agricultural model, will be pursued."