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25/10/90

THE PRIME MINISTER

Dear Prime Minister,

Thank you for your letter of 24 October with the agenda for the special European Council in Rome this weekend. I agree that we shall need to discuss all the items you propose.

As I mentioned to you at Chequers last weekend, I think it important that we discuss some of the major foreign policy issues which we all face at the moment, including the Gulf and the Soviet Union. We ought not to allow our discussions to be dominated by the preparations for the Inter-Governmental Conferences due to start in December.

In this connection, I think we may need to have a good discussion of the GATT Uruguay Round. I very much hope that the meeting of Community Trade and Agriculture Ministers on 26 October will reach agreement on a Community offer on agriculture. Any further delay in reaching agreement on an offer would present a real risk to the Uruguay Round as a whole, and therefore to the survival of the international trading system. This would have grave consequences for all of us. But if agreement is not reached at the meeting on 26 October, I am clear that we must discuss it ourselves this weekend. We must show our GATT partners that the Community remains determined to work hard towards a successful outcome of the Uruguay Round by the early December deadline, and we must be prepared to take the necessary difficult political decisions. Otherwise it will be very hard to convince our partners that we do indeed remain committed to a successful outcome.

RW

If, as we must all hope, agreement is reached at the meeting on 26 October, we shall still need to reaffirm our commitment to the GATT Round as a whole.

I am copying this letter to other Heads of State and Government.

I much look forward to our discussions at the weekend.

Kind regards.

Yours sincerely

Jayant Malhotra

Onorevole Giulio Andreotti