



10 DOWNING STREET

THE PRIME MINISTER

9 May, 1986.

Dear Secretary-General,

Thank you for your letter of 28 April about the Tokyo Economic Summit. I entirely share your concerns about the increase in international terrorism, and I hope that we can continue to cooperate in the United Nations in combatting the threat it poses.

As you will have seen from the Tokyo Economic Declaration, we all agreed to continue to work together to support the developing countries in their efforts to promote economic growth and prosperity. In this respect we recognise that the problem of debt continues to pose difficulties for a number of developing countries. Such concerns of course lay behind the US programme for sustained growth announced at the IMF meeting in Seoul last October. While much of the work involved in this strategy has to be pursued on a case by case basis, and negotiations inevitably take time, IBRD work on programmes for many of the debtor countries is well advanced and we are pleased with the progress made to date under this initiative. We also recognise that in certain cases additional financial resources will be required, which is one of the reasons why we reaffirmed our willingness to maintain, and where appropriate increase, official development assistance. You will also have seen from the declaration the importance all of us attach to an early and substantial

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eighth replenishment of the IDA. We in the United Kingdom hope that all countries will maintain their contributions so that this can be agreed at \$12 billion.

We recognise that protectionism continues to be a problem for the developing countries and agreed on the importance of continuing with efforts to halt and reverse this. This will require the strengthening of the open trade system and improvements in the functioning of the GATT. We hope that major progress can be made towards an early launching of a new trade round at the GATT meeting in September.

I share your concerns about the problems caused for developing countries by the high level of agricultural subsidies in developed countries. The problem was raised by Britain at the OECD Ministerial meeting in April, as a result of which we discussed it in some detail in Tokyo. We all agreed to support further work by the OECD on this problem in the hope that the level of subsidies and protection of agriculture in industrialised countries can be substantially reduced.

I look forward to meeting you in London next week.

Yours sincerely

Raymond D. White

His Excellency Javier Perez de Cuellar