

35/5

SECRET

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The Commonwealth Heads of
Government meeting in Australia -
Autumn 1981 (Policy)

COMMONWEALTH

PART 1 : March 7

PART 3 : Jan 80

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
3.2.80		27.8.81					
4.2.80		4.9.81					
6.2.80		8.9.81					
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PREM 19/4/10

PART 3 ends:-

14.9.81

PART 4 begins:-

15.9.81



Foreign and Commonwealth Office

London SW1A 2AH

14 September 1981

Disputed with P.N.

by [Signature]

Dear Michael

In your letter of 2 September to Francis Richards, you asked for advice on Mr Fraser's letter of 26 August to the Prime Minister about Pakistan's possible readmission to the Commonwealth.

It would appear from what the Indian Foreign Secretary has said recently to our High Commissioner in New Delhi and also from what the Indian High Commissioner said to Lord Carrington last week that Mr Fraser's interpretation of Mrs Gandhi's position is over-optimistic. The Commonwealth Secretary-General's comments to the Prime Minister earlier this week also point to this. We think it likely that the Indian Government (whose real position is tougher than they are willing to admit) are concerned at the expectations that seem to have been aroused, in Islamabad and elsewhere (with evident Australian encouragement), that a favourable decision may be taken at Melbourne on Pakistan's readmission - and that they are therefore now doing what they can to reverse this trend.

We agree that it is unnecessary for the Prime Minister to write personally to Mr Fraser. But we shall ask our High Commissioner in Canberra to pass on to the Australian Government, with reference to Mr Fraser's letter, our present impression of the Indian position.

Yours ever
[Signature]

(B J P Fall)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

GRS 180

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FM WELLINGTON 110414Z SEP 81

TO PRIORITY FCO

TELEGRAM NUMBER 230 OF 11 SEP

FOR CCD.

1. ASSISTANT HEAD OF UN AND COMMONWEALTH DIVISION, MFA (PLEASE PROTECT) IN DISCUSSION WITH FIRST SECRETARY CHANCERY YESTERDAY VENTURED VIEW

(A) THAT RAMPHAL APPEARED TO BE ADOPTING A MORE CONCILIATORY LINE ON GLENEAGLES ISSUE APPARENTLY SATISFIED THAT REMOVAL OF CFMC FROM AUCKLAND SHOULD SUFFICE TO EXPRESS C'WEALTH DISAPPROVAL OF SPRINGBOKS' TOUR. IF THIS IS SO AND HE CAN REIN IN THOSE ANXIOUS FOR A SHOWDOWN, MULDOON COULD WELL RECIPROCATE ESPECIALLY IF SO PERSUADED BY THOSE WHOSE VIEWS HE RESPECTS, ESPECIALLY PM OF SINGAPORE AND SECRETARY OF STATE:

(B) THIS COULD MEAN IN PRACTICE STRONG NEW ZEALAND SUPPORT FOR AFRICAN VIEWS ON NAMIBIA AND NO DANGER OF NEW ZEALAND PRESSURE FOR ADOPTION OF COMMITTEE ON HUMAN RIGHTS REPORT'S RECOMMENDATIONS IN FULL (MFA WOULD BE GRATEFUL FOR OUR VIEWS ON REPORT).

(C) IF, ON THE OTHER HAND, A ROW DOES ERUPT NZ'S ANTAGONISTS MAY RECEIVE LESS THAN SYMPATHETIC RESPONSE FROM SINGAPORE AND PACIFIC STATES CONCERNED AT TIME BEING THUS WASTED, IN LINE WITH THEIR GENERAL VIEW THAT COMMONWEALTH IS OVER-OBSSESSED WITH AFRICAN PROBLEMS.

STRATTON

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OFFICE OF THE COMMONWEALTH SECRETARY-GENERAL
MARLBOROUGH HOUSE · PALL MALL · LONDON SW1Y 5HX

Lg. [Signature]

Circular Letter No. 42/81

11 September 1981

I should be grateful if you would kindly transmit the following message about Belize's membership of the Commonwealth to your Head of Government:

BEGINS

"I am pleased to inform you that following consultations with Commonwealth Heads of Government on the question of Belize's application for membership of the Commonwealth which began with my message of 13 August 1981, I will be announcing on 15 September that Belize will become the forty-fifth member of the Commonwealth on achieving independence on 21 September 1981.

With deep respect,

Shridath S Ramphal
Commonwealth Secretary-General"

ENDS

...

A copy of the text of the announcement is attached for your information.

Yours sincerely,

Shridath S. Ramphal

Shridath S Ramphal

Copies to :-
No 10 ✓
MCD

News Dept

HCC021/10

ccD
15/9

Text of announcement:

BELIZE JOINS THE COMMONWEALTH

Belize will join the Commonwealth as its forty-fifth member state when it becomes independent on 21 September. This was announced today by the Commonwealth Secretary-General, Mr Shridath Ramphal, after consultations with member Governments.

Belize, situated on the Caribbean coast of Central America has a population of 150,000. Approximately forty-two per cent of the workforce is engaged in agriculture, with maize, rice and beans being the main produce.

After independence Belize will be a consitutional monarchy with Queen Elizabeth II as Head of State. The Prime Minister, Mr George Price, has been Premier since 1964. Born in 1919 he entered public life in 1944 serving as Mayor of Belize City on several occasions. He was a founder member of the People's United Party in 1950 and became its leader in 1956 shortly after he was elected to the National Assembly. He spearheaded the internationalisation of Belize's problems, and mobilised Commonwealth and international support for its independence. He is expected to attend for the first time the Meeting of Commonwealth Heads of Government in Melbourne at the end of this month.

10 Downing Street

LONDON SW1



Handwritten signature

With the compliments of

A B P SMART

15 September 1981

Original awaiting you in Melbourne

**BRITISH HIGH COMMISSION
CANBERRA**

cc: Sent to 10 Downing Street 15/9

JUDGES' CHAMBERS,
FEDERAL COURT OF AUSTRALIA.



AMP Building,
1 Hobart Place,
CANBERRA CITY. A.C.T. 2601.

10 September, 1981.

Dear Mr. Thatcher,

We met briefly several years ago at the High Commission here in Canberra.

I write this letter in my capacity as President of the Australian Capital Territory branch of the Australia-Britain Society to tell you how delighted we are to learn that you will be able to have lunch with us on Saturday, 3 October. The function will be an informal one starting at 12.30 pm and taking place at the National Press Club, National Circuit, Canberra. We will naturally be in touch with you before that through the High Commission.

It is very good of you to make yourself available on this occasion. We thought that we would give you an opportunity of meeting personally as many of those present as possible and with this in mind don't propose to have a formal seating plan. We will naturally offer you a few words of welcome, but otherwise do not expect any speeches.

With kind regards,

Yours sincerely,

A handwritten signature in cursive script that reads 'Russell W. Fox'.

Russell W. Fox

Mr. D. Thatcher,
C/- British High Commission,
CANBERRA. A.C.T. 2600.

SUBJECT
PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T1256/81



*Master
Cps*

2
G1

PRIME MINISTER
CANBERRA

Prime Minister

T1256/81

H/A

Thurs

R14

ms

- 9 SEP 1981

177 Dear Margaret

The comments you sent me about the draft Declaration are indeed very helpful. They encourage me to think that with some further discussion in Melbourne we can come up with a useful statement, which will characterise for the Melbourne Meeting both our understanding of the problem and our determination to see something done about it.

The draft Declaration, as you know, was shown to a few other Heads of Government, and Sonny Ramphal is waiting on responses from them. If I may, I shall let Sonny know of your own reaction.

Our Budget seems to have attracted the usual range of critics, but also some acknowledgement that the policies are right and need to be firmly pursued.

The Melbourne Meeting is now less than a month away, and I am looking forward to welcoming you there.

With all good

wishes
Margaret Thatcher

The Rt Hon. Margaret Thatcher, MP,
Prime Minister of Great Britain,
LONDON SW1

United Kingdom

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10 DOWNING STREET

From the Private Secretary

9 September 1981

CHOGM : Melbourne Declaration

The Prime Minister has seen your letter to me of 7 September and the draft enclosed with it. She is, as you know, unenthusiastic about the declaration. She believes that the structure of the document is wrong and that it contains too many assertions e.g. about human rights - on which the participants are not in a position to deliver. However the Prime Minister has agreed that we should let the Australians have sight of a text along the lines of that enclosed with your letter. She would wish it to be made clear that the changes suggested are the least that we could go along with.

I enclose the text as approved by the Prime Minister.

I am sending a copy of this letter and its enclosure to John Kerr (HM Treasury).

M. O'D. B. ALEXANDER

CS

Roderic Lyne, Esq.,
Foreign and Commonwealth Office.

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MELBOURNE DECLARATION

We, the Heads of Government here assembled, drawn from five continents representing a quarter of the world's entire population:

- 1) Affirm our strong and unanimous conviction that all men and women have the right to live in ways that sustain the nourish human dignity.
- 2) Believe that this right imposes obligations on all governments, great and small, not only in respect to their own people but in their dealings with all other nations.
- 3) Believe that the gross inequality of wealth and opportunity currently existing in the world, and the unbroken circle of poverty in which the lives of millions are confined, generate tension and instability which gravely endanger social cohesion both nationally and internationally.
- 4) As a consequence, assert our unanimous conviction that there must be determined and dedicated action, at a national and international level, to reduce that inequality and to break that circle.
- 5) Believe that for all these reasons it is imperative to maintain the dialogue between developed and developing countries so as to enable the international community to make a more effective contribution to the efforts of developing countries to overcome poverty.
- 6) Declare that this will require political commitment, clear vision and intellectual realism to which the Commonwealth can greatly contribute.
- 7) Believe that the dialogue must be conducted with a genuine willingness to accept real and significant changes commensurate with the urgency of the problems we now face.
- 7a) Affirm in particular the need to concentrate the flow of concessional resources on the poorest developing countries.

8) Firmly believe that the choice is not between change and no change but that timely adequate change is required on the part of all countries if disruptive and damaging conflict is to be avoided.

9) Maintain that success will only be achieved as states recognise and give due weight to the essential interdependence of peoples and of states.

10) Declare that, while the most urgent humanitarian considerations demand action, self-interest alone warrants a constructive and positive approach to these great human problems by all governments.

11) Recognise that in the process of negotiations, nations must cast aside dogmas and habits which have thwarted progress in the past and find new ways of talking to each other and reaching agreement.

12) Note that, as well as technical economic considerations, it is imperative that states keep in the forefront of their attention the larger moral, political and strategic dimensions of what is at stake.

13) Maintain that while the problems are formidable, they are not of such a weight that they will defeat our purpose, given political will and an understanding of the needs of different countries and groups.

14) Assert that what is at stake - in terms of how hundreds of millions will live and die; of the prospects for co-operation or conflict; and of the prospects for economic advance or stagnation - is of vital importance in human terms.

15) Firmly believe that the issues are so important that they require the personal commitment and involvement of political leaders who alone have the power to advance the common cause of mankind.

16) Attaching the highest importance to the principles and objectives of this document, recognising the mutual interests and inter-dependence of all nations, declare our common resolve: to improve the channels of communication so as to maintain the dialogue between developed and developing countries and so to infuse an increased sense of urgency and direction into the resolution of these common problems of mankind; and solemnly call on all leaders of all countries to join us in a commitment to taking prompt practical and effective action to that end.



DEPARTMENT OF TRADE
1 Victoria Street
London SW1H 0ET

Tele: Direct Line 01-215 5
Switchboard 01-215 7

For Information

With the Compliments of

Dr. B.N. Parsons
CRE 2/2
9/9/81

TUESDAY, SEPTEMBER 1, 1981

South Africa puts CHOGM in focus

With the Commonwealth Heads of Government Meeting (CHOGM) in Melbourne now less than a month away it seems certain that South Africa will be a major item on the agenda.

In one sense this is a development which can only please most of the nations taking part, including Australia.

Two months ago the focus was on the Springbok tour of New Zealand. It seemed as though this would be a shrill and disruptive item in the meeting but one that tended to be about a peripheral issue.

By now, however, South Africa's brutal adventurism in Angola and the clear change of direction in US policy toward the Pretoria regime have combined to put the issue into perspective.

CHOGM may well find that South Africa is an insoluble, divisive and desperately bitter subject for debate. But at least it will be concerned with the real issue and not about a pimple on its backside.

The real issue has a number of significant facets. The principal ones are probably these:

- Apartheid and the attitude the rest of the world should adopt towards it.

- The difficult, intertwined question of security in the continent of Africa and its implications for the continuing strategic confrontation between the Western camp and the Soviet Union.

- The future course to be taken by the United States.

The first of these issues has for decades been among the most virulent international running sores. There are no signs that it

is improving and many indications that it is getting worse.

On the other side there is very strong evidence that the central and most oppressive features of apartheid are being applied with more and more severity as South African fears grow of subversion and sabotage. The recent hasty "deportation" of more than 1,000 black families to the Transkei from Capetown is a good indication of how jittery the South African authorities have become.

Like the Soviet system, with which it has much in common, apartheid is a horrifying caricature of a Catch 22 situation. It cannot be relaxed without the danger of a pent-up explosion from both blacks and whites, yet the more strictly it is enforced the greater the coming explosion will be. The moderates among South African blacks have finally given up in despair — Bishop Tutu, Dr Motlana, even Zulu Chief Gatsha Buthelezi, once regarded as something of an Uncle Tom, now seem resigned to the coming holocaust.

In these circumstances it hardly makes sense for those nations which have taken a firm stand against apartheid to make a sudden about turn. This would simply mean either that apartheid was not as bad as they thought it was or that they thought more could be achieved by a new approach. Neither of these cases can be persuasively supported.

Is there, then, a case for moderating the stand of anti-apartheid Western nations on the ground of a threat to world security?

It is true that the Soviet Union and its allies have been very active in many parts of Africa. Libya, the Cubans, the East Germans and the Russians themselves are present in Chad, Ethiopia, Angola, Mozambique, Zambia and other parts of Africa in quite substantial form. They are supporting the SWAPO rebels in Namibia and may well be preparing to disrupt the precarious progress being made by Mr Mugabe in Zimbabwe.

The one country in all of Africa which seems safe against their internal subversion and which is also the biggest and most competent military power on the continent is South Africa.

It is not only within the United States that military thinkers, political strategists and firm anti-Communists wonder why the West, seeing itself under such pressure on the African continent, treats South Africa like a pariah.

It does not take long in a gathering of Australian military men, particularly Navy officers, before discussion begins on the illogic of denying the West, in its efforts to improve the balance of power in the Indian Ocean, the benefits of a major naval base at Simonstown.

Where it is honestly intended (and some of the mutterers would simply be happy to see a full-scale war against Soviet power instigated and fought by the West in Africa), such attitudes make the basic error of assuming that South Africa is a safe base or a just cause for the West to embrace.

There is no sensible way that Western nations can openly and totally commit themselves to helping (and being helped by) the 4 million South African whites without also telling the country's 20 million non-whites that they are of no significance to the West.

It is hard to visualise the Reagan charm and the Haig doubletalk convincing black South Africans that the top priority is to protect them against the expansionist aims of Soviet Communism.

It is true that South Africa is the prime source of many strategic minerals; it is true that a revolution which installed a pro-Soviet regime there would be a political disaster. But it is also true that the only discernible way of preventing this is to secure justice and hope for the country's massive deprived majority.

That is why anti-apartheid demonstrations and gestures such as bans on South African sportsmen are important. They are an attempt, probably in vain, to persuade the South Africans to save themselves — and they are also a warning that the West cannot be relied upon to take on the task of saving them.

In blurring that message, President Reagan is doing the cause of the West a profound disservice.

Mr Fraser, for all his innate sympathies with many Reagan positions, sees this issue much more clearly. His commitments in this connection could make CHOGM an infinitely more important meeting than seemed likely a few months ago.

*Press job
copies*

CHIEF PRESS SECRETARY.
NO. 10. DOWNING STREET.

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GRS 350
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FM CANBERRA 080030Z SEP 81
TO PRIORITY FCO
TELEGRAM NUMBER 379 OF 8 SEPTEMBER

CHOGM AGENDA

1. DEPARTMENT OF FOREIGN AFFAIRS TODAY INFORMED US OF A PROPOSAL THEY HAD PUT TO RAMPHAL TO CHANGE THE ORDER OF THE CHOGM AGENDA WHICH HE HAD PROPOSED IN THE MIDDLE OF AUGUST.
2. THE REASON FOR THE AUSTRALIAN PROPOSAL IS THAT SHAGARI IS NOT EXPECTED TO ARRIVE IN AUSTRALIA FROM NIGERIA UNTIL SATURDAY MORNING WHEN HE IS LIKELY TO GO DIRECT TO THE RETREAT IN CANBERRA. YET THE AUSTRALIANS THINK THAT, IF THE TRADITIONAL PATTERN IS FOLLOWED OF BEGINNING THE MEETING WITH THE ITEM ON THE WORLD POLITICAL SCENE, IT WOULD BE UNREALISTIC TO EXPECT OTHER AFRICAN HEADS OF GOVERNMENT AND INTERESTED NON-AFRICANS TO EXCLUDE AFRICAN ISSUES FROM THEIR DELIBERATIONS UNTIL AFTER THE WEEKEND. MOREOVER, THEY ARE ANXIOUS TO ENSURE THAT SHAGARI IS ABLE TO MAKE HIS FULL CONTRIBUTION TO THE POLITICAL DISCUSSION.
3. AGAIN, THE AUSTRALIANS THINK THAT AS THE AGENDA NOW STANDS, THERE IS LITTLE TO INTEREST SOUTH PACIFIC HEADS OF GOVERNMENT DURING THE FIRST WEEK. IT WAS IN ANY CASE DIFFICULT TO ENCOURAGE SOUTH PACIFIC PARTICIPANTS TO PARTICIPATE ACTIVELY.
4. THE AUSTRALIAN PROPOSAL IS THEREFORE TO ADVANCE DISCUSSION OF THE WORLD ECONOMIC SITUATION AND COMMONWEALTH CO-OPERATION AND TO DELAY THE ITEM ON THE WORLD POLITICAL SCENE. THE TIMETABLE WOULD THEN LOOK BROADLY AS FOLLOWS:

THURSDAY AM	WORLD ECONOMIC SITUATION
THURSDAY PM	TRADE AND FINANCIAL FLOWS
FRIDAY AM	ISLAND DEVELOPING AND SPECIALLY DISADVANTAGED MEMBER COUNTRIES AND COMMONWEALTH CO-OPERATION
FRIDAY PM	WORLD POLITICAL SCENE
MONDAY	WORLD POLITICAL SCENE CONTINUED
TUESDAY AM	ENERGY AND FOOD
TUESDAY PM	THE REMAINDER
WEDNESDAY	COMMUNIQUE

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5. THE COMMONWEALTH SECRETARIAT HAVE SAID THEY HAVE RESERVATIONS ABOUT THIS PROPOSED RESHAPING OF THE AGENDA. IN PARTICULAR THEY SAY THAT DISCUSSION OF THE WORLD POLITICAL SCENE HAS PROVED IN THE PAST TO BE A GOOD WARMING UP ITEM.

6. THE DFA STRESS THAT THEY ARE IN NO WAY LOBBYING US OVER THEIR PROPOSAL. THEY SIMPLY WISH US TO BE AWARE OF IT. THEY WOULD

WELCOME ANY VIEWS WELL IN ADVANCE, IF POSSIBLE, OF THE MEETING OF SENIOR OFFICIALS IN MELBOURNE ON TUESDAY 29 SEPTEMBER.

MASON

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3 PP. 5.
(4)
Prime Minister

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

8 September 1981

M O'D B Alexander Esq.
Private Secretary
10 Downing Street
LONDON
SW1

Dear Michael

In view of the Prime Minister's forthcoming visit to Melbourne, the Chancellor thinks that she may like to see the attached brief extracts from the Budget Speech delivered on 18 August 1981 by Mr Howard, the Commonwealth Treasurer.

As the Prime Minister knows (and the extracts show), the approach to the budget and to inflation of the Australian Government is very close to our own. However their situation is different from ours. The Australian economy has been benefitting from activity created by the first stage of natural resource developments, which are bigger in scale relative to the Australian economy than North Sea oil here and perhaps also more apt to create employment, directly and indirectly, than North Sea oil. These developments are being financed by large inflows of capital. The main impact on activity of a firm exchange rate and recent high interest rates is yet to come. Moreover their wage experience over the 3 years 1978-80 was better than ours. However, they now face accelerating wage increases and other inflationary effects of the inflow of capital. Hence the strict budget.

The 2½ per cent increase in Sales Tax rates and the application of a 2½ per cent rate to goods hitherto exempt like clothing, footwear, books and newspapers in arousing controversy, and indexation of income tax allowances and thresholds for 1981-82 has been confined to 50 per cent. But as our High Commissioner recently noted, this budget will take the Commonwealth out of the market for new borrowing and ease pressure on interest rates, including those for housing. The Government is also trying to pave the way for income tax concessions in future budgets, which may be seen as preparing the way for the election of 1983.

The budget provides for an increase on \$100m (£60m) in foreign aid expenditure. This is estimated to raise the ratio of official development assistance to GDP from 0.43 per cent from 1980-81 to 0.45 per cent in 1981-82 but, as a correspondent to "The Times" pointed out, the ratio when Mr Fraser took office in 1975 was 0.59 per cent.

/I am



I am copying this letter and enclosure to the Private Secretary to the Foreign and Commonwealth Secretary.

Yours sincerely,

Jill Rutter

JILL RUTTER
Private Secretary

BY THE HONOURABLE JOHN HOWARD MP

TREASURER OF THE COMMONWEALTH OF AUSTRALIA

1980-81 in retrospect

A year in which the fight against inflation was seen not as an end in itself, but as a means of achieving greater investment, more jobs and higher living standards for all Australians.

During 1980-81, private business fixed investment grew by more than 20% in real terms - the largest such growth for 30 years.

There was also a strong lift in personal consumption expenditure of about 3 $\frac{1}{4}$ % in real terms.

Over the year to June 1981, Australia's inflation rate as measured by the consumer price index was 8.8% - almost 2% below the rate a year earlier.

Overall, gross domestic product increased by almost 3% in 1980-81.

Regrettably, the past year - and particularly the past few months - has seen the pressure for higher wages intensify.

If unchecked, this will not only lead to higher inflation but reverse the falling trend in unemployment and put at risk both investment and employment growth.

The Budget Strategy

In putting together this year's Budget the Government had to ensure that it would meet a possible resurgence of inflation head on.

The uncertainty and loss of international competitiveness that would result from a new inflationary spiral would deter the production and investment essential to the creation of additional jobs and higher real incomes.

We have therefore opted for a Budget which gives priority to containing and reducing inflation and sustaining private sector growth.

The overall Budget deficit on present estimates expressed as a proportion of GDP will be a mere 0.1% in 1981-82, compared with a peak of 4.9% in 1975-76.

Economic outlook

The Budget will significantly reduce the total public sector requirements for loanable funds in 1981-82 at a time when the corporate sector is likely to be seeking substantially larger borrowings to help finance its investment programme.

This will help to ease the pressures which, otherwise, that increase in private borrowings would produce.

For a variety of reasons monetary conditions last year were more accommodating than had been intended: one illustration of this is that M3 increased by 12.7% during the course of 1980-81 compared with the Budget projection of about 9-11%.

While there are many unpredictable influences on the money supply - including external developments in particular - it is fundamental to winding back inflation that growth in the monetary aggregates also be wound back.

In particular, we are determined not to allow the money supply to expand so as to accommodate a new round of excessive wage increases.

The Government will therefore be seeking to restrain growth in the monetary aggregates to a degree consistent with growth in M3 of 10-11% over the course of 1981-82. The sharply reduced Commonwealth Budget deficit will facilitate this task but an appropriate balance of other domestic and external policies will also be required.

The forecast rise in the consumer price index in 1981-82 as a whole is about 10 $\frac{3}{4}$ %.

Leaving aside the effects of the revenue measures mentioned in the Budget and the previously announced changes in health care arrangements the rise would be a little under 9½% - an underlying rate of inflation much the same as that recorded in 1980-81.

Gross domestic product could rise by more than 3½% this year, compared with about 3% last year.

This outlook is considered to be consistent with employment growth of about 2% in 1981-82.

The current account deficit may widen further in 1981-82 to around 4½% of GDP.

Conclusion

It is vital to the nation's interests that there be no acceleration in the rate of inflation in 1981-82.

This is especially so given that most of the major industrialised countries, led by the United States, are now bent on firm anti-inflation policies.

Australia has been doing better than many of these countries in containing inflationary pressures in recent years. Our aim is to keep it that way.

This Budget is an essential part of the Government's strategy for containing wage and price inflation. It will also help in a major way to ease pressures on interest rates.

Such action is necessary if we are not only to preserve the hard won gains of the past but also if we are to exploit the potential for even greater gains in the years ahead.



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

8 September 1981

R.M.J. Lyne, Esq.,
Private Secretary
Foreign and Commonwealth Office

Taken into account,

Ruth

Dear Rodric,

CHOGM : MELBOURNE DECLARATION *below*

I refer to your letter of 7 September addressed to Michael Alexander. We should like to propose two further amendments to those incorporated in the UK redraft attached to your letter so as to remove the words "North-South" in the two places where they appear, i.e. in paragraphs 5 and 16.

Canberra teletype of 24 August sought "desirable but not essential changes" in the draft text and the elimination of the words North-South would certainly be desirable. This phrase focuses attention on the policies and responsibilities of the industrialised countries to the exclusion of OPEC, of the Eastern bloc and indeed of the newly industrialised countries of the Third World itself. UK Ministers have on a number of occasions agreed that we should set our face against such oversimplifying language wherever possible. Here is an opportunity to do so.

We accordingly propose the following amendments to your draft:

- (5) Amend to read: "Believe that for all these reasons it is imperative to maintain the dialogue between developed and developing countries so as to enable
- (16) Amend to read: "..... declare our common resolve to improve the channels of communication so as to maintain the dialogue between developed and developing countries and so to infuse"

I am sending a copy of this letter to Michael Alexander.

Yours sincerely,

Jill Rutter

JILL RUTTER

FCO informed that N.10 have the original letter - they are content for us to retain it. 06/8/81.



Original filed on: -

10 DOWNING STREET

Commonwealth: Hqs into Ramphal:

From the Private Secretary

7 September 1981

May 79.

Dear Rodenie,

Commonwealth Secretary General

The Secretary General of the Commonwealth, Mr. Ramphal, called on the Prime Minister earlier this afternoon.

The Prime Minister asked after Mr. Fraser's health. Mr. Ramphal said that he had talked to Mr. Fraser on the telephone recently. Mr. Fraser was on his farm and, albeit reluctantly, taking things easy. The doctors seemed to think that CHGM would not give rise to difficulties provided Mr. Fraser continued to rest in the interim. The Prime Minister said that she hoped that Mr. Fraser could be persuaded to forgo most of the socialising during the meeting.

The Prime Minister asked about the other participants. Mr. Ramphal commented that it seemed the Malaysian Prime Minister would not be coming. Although Dr. Mahathir had made disobliging remarks about his country's relationship with the Commonwealth, it was not clear that this was the real reason for his absence. It was being said that he was unwell and suffering from a similar complaint to his two predecessors. The criticism of the Commonwealth was intended to distract attention from the real reason for Dr. Mahathir's non-appearance. Dr. Mahathir had passed through London on his way to Spain at the end of last week and would probably be coming back by the same route in a few days time. Perhaps someone in the Foreign and Commonwealth Office would be able to discover something. For his part, Mr. Ramphal said that he had invited Musa Hitam, who was visiting Paris at present, to come to London next weekend.

Mr. Ramphal was uncertain as to whether or not Miss Charles intended to make the journey. It would be a pity if she were not present since she would be particularly well placed to keep Mr. Bishop in line. The Prime Minister said that she too would regret Miss Charles' absence. If, as she had heard, the reason was financial surely something could be done. Mr. Ramphal said that he had hoped to arrange for Mr. Trudeau to give her a lift but this seemed to have fallen through.

CONFIDENTIAL

/As regards

As regards other participants Mr. Ramphal said that President Obote still hoped to attend. It would be a miracle if he did so. President Kaunda was also in a somewhat unhappy position. There was a good deal of disaffection in Zambia. However he too still planned to come. President Nyerere was a certain attender. He had asked Mr. Ramphal to see him in Paris next Monday evening. Mrs. Gandhi intended to be present for the whole conference.

Pakistan

Mr. Ramphal said that Mr. Fraser was pushing very hard for agreement on the readmission of Pakistan to the Commonwealth. Mr. Ramphal said that he had been warning Mr. Fraser that thinking in Delhi was not necessarily as positive as he (Mr. Fraser) seemed to think. The Indians did not consider that Mrs Gandhi had been as forthcoming as Mr. Fraser was now inclined to assert. It was important that the question of Pakistan's readmission should be seen in a Commonwealth context rather than in relation to the situation in Afghanistan. The Prime Minister said that it would be "disastrous" if the question of Pakistan's membership was raised and agreement was not secured. There should be no formal discussion until it had been established in the course of informal contacts among the Heads of Government that unanimous agreement would be forthcoming. Mr. Ramphal said that he entirely agreed. This was why he had rejected the proposal that the matter should be discussed by officials. He added that it seemed to him important that the Indian Government should not merely go along with the proposal but that they should be genuinely content. The Prime Minister agreed. We would not wish to find ourselves at a later stage in a position where we had swapped Pakistani membership for Indian membership. It was also necessary to bear in mind that the next CHGM might be held in Delhi. Mrs. Gandhi might prefer that Pakistan should not be there. Mr. Ramphal thought this point could be argued either way.

Gleneagles

The Prime Minister said that so far as she was concerned the less said in Melbourne about Gleneagles the better. Mr. Ramphal said he entirely agreed and had been working to that end. He did not think any great issue of principle was involved. All the members other than New Zealand would probably be prepared to allow the issue to go virtually undiscussed and to settle for a simply reaffirmation of the Gleneagles agreement in the communiqué. However Mr. Muldoon still seemed inclined to take the offensive. He had complained that the issue of human rights did not figure sufficiently prominently on the agenda. He was a "bruiser" and might be strengthened in his determination by the possibility of deriving electoral advantage from it in New Zealand. The Prime Minister said that she thought Mr. Muldoon had himself been "bruised" by recent events. She had a good deal of sympathy for his predicament. He was right not to have withheld visas: HMG would not have done so in a similar situation. Mr. Ramphal said that there was a feeling in the Commonwealth that Mr. Muldoon had not, in fact, leaned as hard on the Rugby Football Association

/in New Zealand

in New Zealand as HMG had done on the RFU here in the past. It seemed doubtful whether he had ever made his views unequivocally clear to the rugby administrators. If he were to insist on raising the temperature in Melbourne, the Commonwealth Games in Brisbane might well suffer.

International Economic Issues

Mr. Ramphal said that Mr. Fraser was, of course, keen that economic issues should figure prominently at Melbourne. He saw this as his way of making a contribution to the meeting in Mexico. Mr. Ramphal hoped that it would be possible to do something tangible. He had in mind a food initiative. He believed that a limited, if concerted, effort by the Commonwealth could have very important results. He had mentioned the idea earlier to President Shagari who was enthusiastic. A "resource input" from HMG would be required. The Prime Minister undertook to look into Mr. Ramphal's proposal. She herself had for long thought that the continued production of food surpluses in Europe undesirable and had a damaging effect on the will and capability of the developing countries to increase their own food production. Mr. Ramphal said that he very much hoped the Prime Minister would make this point in Melbourne. It was increasingly accepted that food aid had inhibited food production in many countries.

Arrangements

In response to a question from Mr. Ramphal about the opening ceremony, the Prime Minister said that she did not mind when she spoke.

I am sending a copy of this letter to David Wright (Cabinet Office).

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

SP



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structure is wrong. It
states the rights that we
Foreign and Commonwealth Office

London SW1A 2AH

cannot grant
C.S. India
① Further. I don't
like the 'current'

Yes

Would you be content for
us to feed these changes to the
Australians? There is, of course, no

7 September 1981

guarantee that they will accept them but they seem
inclined to be helpful. If ^{changes} these were accepted you minimal and
would, by implication at least, be committed to the Declaration. But the

Dear Michael, is no real chance of killing it. Agree draft?

Phd - 8/9

CHOGM: Melbourne Declaration

When Mr Malcolm Fraser was in London for the Royal
Wedding he showed the Prime Minister a draft of the
'Melbourne Declaration' on North/South relations which he
means to have adopted at the forthcoming meeting of
Commonwealth Heads of Government. At that time the Prime
Minister decided not to offer Mr Fraser a redraft: but she
subsequently set out her views in a letter which you passed
to us, for onward transmission, under cover of Pattison's
letter to Richards of 20 August.

It appears that this warning shot has been given due
attention in Canberra. The senior official most closely
involved with Mr Fraser in drafting the Declaration has
intimated to our High Commission that he would welcome an
'unofficial' sight of the amendments that we would like to
see introduced to the draft. We have accordingly drawn up
a list of the desired amendments. Subject to the views of
the Prime Minister, we should like to telegraph these to
Canberra so that they can be fed into Mr Fraser by the
route indicated.

We have sought to make the minimal textual changes,
whilst respecting the Prime Minister's central concerns as
set out in her letter.

I am sending a copy of this letter to John Kerr at the
Treasury.

yours ever,
Rodene Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

MELBOURNE DECLARATION

(Proposed UK amendments underlined)

We, the Heads of Government here assembled, drawn from five continents representing a quarter of the world's entire population:

- (1) Affirm our strong and unanimous conviction that all men and women have the right to live in ways that sustain the nourish human dignity.
- (2) ^{Believe} ~~Assert~~ that this right imposes obligations on all governments, great and small, not only in respect to their own people but in their dealings with all other nations.
- (3) ^{Believe} ~~Assert~~ that the gross inequality of wealth and opportunity currently existing in the world, and the unbroken circle of poverty in which the lives of millions are confined, generate tension and instability which gravely endanger social cohesion both nationally and internationally.
- (4) As a consequence, assert our unanimous conviction that there must be determined and dedicated action, at a national and international level, to reduce that inequality and to break that circle.
- (5) ^{to maintain} Believe that for all these reasons it is imperative ^{between developed + developing countries} ~~that~~ the North-South dialogue ~~be revitalised~~ so as to enable the international community to make a more effective contribution to the efforts of developing countries to overcome poverty.

- (6) Declare that this will require political commitment, clear vision and intellectual realism to which the Commonwealth can greatly contribute.
- (7) ~~Assert~~ ^{believe} that the dialogue must be conducted with a genuine willingness to accept real and significant changes commensurate with the urgency of the problems we now face.
- (7a) Affirm in particular the need to concentrate the flow of concessional resources on the poorest developing countries.
- (8) Firmly believe that the choice is not between change and no change but that timely adequate change is required on the part of all countries if disruptive and damaging conflict is to be avoided.
- (9) Maintain that success will only be achieved as states recognise and give due weight to the essential inter-dependence of peoples and of states.
- (10) Declare that, while the most urgent humanitarian considerations demand action, self-interest alone warrants a constructive and positive approach to these great human problems by all governments.
- (11) Recognise that in the process of negotiations, nations must cast aside dogmas and habits which have thwarted progress in the past and find new ways of talking to each other and reaching agreement.

- (12) Note that, as well as technical economic considerations, it is imperative that states keep in the forefront of their attention the larger moral, political and strategic dimensions of what is at stake.
- (13) Maintain that while the problems are formidable, they are not of such a weight that they will defeat our purpose, given political will and an understanding of the needs of different countries and groups.
- (14) Assert that what is at stake - in terms of how hundreds of millions will live and die; of the prospects for co-operation or conflict; and of the prospects for economic advance or stagnation - is of vital importance in human terms. [Delete remainder]
- (15) Firmly believe that the issues are so important that they require the personal commitment and involvement of political leaders who alone have the power to advance the common cause of mankind.
- (16) Attaching the highest importance to the principles and objectives of this document, recognising the mutual interests and interdependence of all nations, declare our common resolve: to improve the channels of communication so as to ^{maintain} ~~revitalise~~ the North/South _(between developed & developing countries) dialogue and so to infuse an increased sense of urgency and direction into the resolution of these common problems of mankind; and solemnly call on all leaders of all countries to join us in a commitment to taking prompt practical and effective action to that end.

MELBOURNE DECLARATION

(Mr Fraser's Draft)

WE, THE HEADS OF GOVERNMENT HERE ASSEMBLED
DRAWN FROM FIVE CONTINENTS REPRESENTING A QUARTER OF THE
WORLD'S ENTIRE POPULATION:

- (1) AFFIRM OUR STRONG AND UNANIMOUS CONVICTION THAT ALL MEN AND WOMEN HAVE THE RIGHT TO LIVE IN WAYS THAT SUSTAIN AND NOURISH HUMAN DIGNITY.
- (2) ASSERT THAT THIS RIGHT IMPOSES OBLIGATIONS ON ALL GOVERNMENTS, GREAT AND SMALL, NOT ONLY IN RESPECT TO THEIR OWN PEOPLE BUT IN THEIR DEALINGS WITH ALL OTHER NATIONS.
- (3) ASSERT THAT THE GROSS INEQUALITY OF WEALTH AND OPPORTUNITY CURRENTLY EXISTING AMONG STATES, AND THE UNBROKEN CIRCLE OF POVERTY IN WHICH THE LIVES OF MILLIONS ARE CONFINED GENERATE TENSION AND INSTABILITY WHICH ENDANGER THE PEACE OF THE WORLD.
- (4) AS A CONSEQUENCE, ASSERT OUR UNANIMOUS CONVICTION THAT THERE MUST BE DETERMINED AND DEDICATED ACTION TO REDUCE THAT INEQUALITY AND TO BREAK THAT CIRCLE.
- (5) BELIEVE THAT FOR ALL THESE REASONS IT IS IMPERATIVE THAT THE NORTH-SOUTH DIALOGUE BE REVITALISED.
- (6) DECLARE THAT THIS WILL REQUIRE A POLITICAL COMMITMENT, VISION AND INTELLECTUAL REALISM THAT HAVE THUS FAR ESCAPED MANKIND.

- (7) ASSERT THAT THE DIALOGUE MUST BE CONDUCTED WITH A GENUINE WILLINGNESS TO ACCEPT REAL AND SIGNIFICANT CHANGES COMMENSURATE WITH THE URGENCY OF THE PROBLEMS WE NOW FACE.
- (8) FIRMLY BELIEVE THAT THE CHOICE IS NOT BETWEEN CHANGE AND NO CHANGE BUT BETWEEN TIMELY, ADEQUATE, NEGOTIATED CHANGE AND DISRUPTIVE, INVOLUNTARY CHANGE IMPOSED BY BREAKDOWN AND CONFLICT.
- (9) MAINTAIN THAT SUCCESS WILL ONLY BE ACHIEVED AS STATES RECOGNISE AND GIVE DUE WEIGHT TO THE ESSENTIAL INTERDEPENDENCE OF PEOPLES AND OF STATES.
- (10) DECLARE THAT, WHILE THE MOST URGENT HUMANITARIAN CONSIDERATIONS DEMAND ACTION, SELF-INTEREST ALONE WARRANTS A CONSTRUCTIVE AND POSITIVE APPROACH TO THESE GREAT HUMAN PROBLEMS BY ALL GOVERNMENTS.
- (11) RECOGNISE THAT IN THE PROCESS OF NEGOTIATIONS, NATIONS MUST CAST ASIDE DOGMAS AND HABITS WHICH HAVE THWARTED PROGRESS IN THE PAST AND FIND NEW WAYS OF TALKING TO EACH OTHER AND REACHING AGREEMENT.
- (12) NOTE THAT, AS WELL AS TECHNICAL ECONOMIC CONSIDERATIONS, IT IS IMPERATIVE THAT STATES KEEP IN THE FOREFRONT OF THEIR ATTENTION THE LARGER MORAL, POLITICAL AND STRATEGIC DIMENSIONS OF WHAT IS AT STAKE.

- (13) MAINTAIN THAT WHILE THE PROBLEMS ARE FORMIDABLE, THEY ARE NOT OF SUCH A WEIGHT THAT THEY WILL DEFEAT OUR PURPOSE, GIVEN POLITICAL WILL AND AN UNDERSTANDING OF THE NEEDS OF DIFFERENT COUNTRIES AND GROUPS.
- (14) ASSERT THAT WHAT IS AT STAKE - IN TERMS OF HOW HUNDREDS OF MILLIONS WILL LIVE OR DIE; OF THE PROSPECTS FOR COOPERATION OR CONFLICT; AND OF THE PROSPECTS FOR ECONOMIC ADVANCE OR STAGNATION - IS OF SUCH VITAL IMPORTANCE IN HUMAN TERMS THAT IT WOULD BE A TERRIBLE INDICTMENT OF THIS GENERATION IF THAT POLITICAL WILL AND THE READINESS TO FIND A CREATIVE COMPROMISE WERE NOT FOUND.
- (15) FIRMLY BELIEVE THAT PROGRESS DEPENDS CRITICALLY ON THE PERSONAL COMMITMENT AND INVOLVEMENT OF POLITICAL LEADERS, WHO ALONE HAVE THE POWER TO ADVANCE THE COMMON CAUSE OF MANKIND.
- (16) ATTACHING THE HIGHEST IMPORTANCE TO THE PRINCIPLES AND OBJECTIVES OF THIS DOCUMENT, DECLARE OUR COMMON RESOLVE: TO END THE PRESENT IMPASSE; TO ADVANCE THE NORTH-SOUTH DIALOGUE; TO INFUSE A NEW SENSE OF URGENCY AND DIRECTION INTO THE RESOLUTION OF THESE COMMON PROBLEMS OF MANKIND; AND SOLEMNLY CALL ON ALL LEADERS OF ALL COUNTRIES TO JOIN US IN A COMMITMENT TO TAKING PROMPT, PRACTICAL AND EFFECTIVE ACTION TO THAT END.

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GRPS 665
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FM VILA 040317Z SEP 81
TO ROUTINE FCO
TELEGRAM NO 145 OF 4 SEPTEMBER
INFO CANBERRA SUVA

CHGM: ABORIGINES

1. ABORIGINAL RIGHTS LEADER FOLEY VISITED VILA LAST WEEK DURING A LOBBYING TOUR OF PACIFIC ISLANDS BASED ON A WORLD COUNCIL OF CHURCHES' REPORT SHARPLY CRITICAL OF FEDERAL GOVERNMENT POLICIES. AS A CONSEQUENCE, LINI TOOK THE OPPORTUNITY OF A VISIT FOR OTHER PURPOSES TO FIJI THIS WEEK TO SEEK COMMON GROUND WITH RATU MARA ON HOW THE ABORIGINAL PROBLEM MIGHT BE DEALT WITH IN MELBOURNE. IT WAS EVIDENTLY AGREED THAT THEY EQUIP THEMSELVES TO EXPRESS A VIEW IF THE ISSUE WERE RAISED (PERHAPS BY NEW ZEALAND IN THE CONTEXT OF THE NORTH/SOUTH DIALOGUE OR HUMAN RIGHTS WHILE DEFENDING ITS POSITION OVER THE GLENEAGLES AGREEMENT) AND THAT LINI AT LEAST SHOULD SEEK A PRIVATE INTERVIEW ON THE MATTER WITH MR FRASER.

2. A MEASURE OF HIS NAIVETE, LINI ON HIS RETURN COMMUNICATED TO ME HIS SURPRISE AT THE PROMINENCE ACCORDED TO THE PRESS AND RADIO INTERVIEWS BEFORE HE LEFT SUVA IN WHICH HE ELABORATED ON HIS REASONS FOR RAISING THE MATTER WITH RATU MARA. THESE INCLUDED THE CONVICTION THAT THE ISSUE COULD NOT BE DODGED AND THAT HE WISHED TO BE AS HELPFUL AS POSSIBLE OVER THE PROBLEM; ALSO THAT PACIFIC ISSUES (EVEN THOUGH POTENTIALLY DIVISIVE) SHOULD BE GIVEN A PROPER AIRING. LINI TOLD MY AUSTRALIAN COLLEAGUE THAT, THOUGH ITS EMERGENCE COULD OPEN A PANDORA'S BOX (NORTHERN IRELAND, THE FIJI INDIAN MINORITY, QUEBECOIS AND INDIAN PROBLEM IN CANADA ETC) HE STILL FELT THAT IT WAS A QUESTION THAT CHGM SHOULD BE PREPARED TO DISCUSS. OVINGTON TOLD HIM THAT MR FRASER WOULD OF COURSE BE PREPARED TO SPEAK TO HIM PRIVATELY SINCE HIS GOVERNMENT'S POLICIES WERE CLEAR AND FULLY IN THE PUBLIC DOMAIN. SINCE LINI HAS REJECTED THE OFFER OF BACKGROUND BRIEFING, OVINGTON FEARS THAT HE WILL GO VIRTUALLY UNPREPARED FOR HIS MEETING WITH MR FRASER WHEREUPON THE LATTER WILL MAKE QUOTE MINCEMEAT UNQUOTE OF HIM.

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/ 3. LINI DOES

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3. LINI DOES NOT SEE HIS MANOEUVRING, LARGELY I SUSPECT AT THE INSTANCE OF BARAK SOPE, AS IN ANY WALH DISOBLIGING OR PROVOCATIVE TO THE COUNTRY HOSTING CHGM NOR DOES HE APPARENTLY FEAR REPERCUSSIONS OVER AUSTRALIAN AID. HIS NOW DECLARED INTENTION (MY TELEGRAM NO 143 - NOT TO ALL) TO ADVOCATE A BAN ON NEW ZEALAND'S PARTICIPATION IN THE COMMONWEALTH GAMES ALSO PROBABLY REFLECTS A VICTORY FOR BARAK SOPE AND THE HARDLINERS.

4. RATU MARA IS PAYING AN UNHERALDED VISIT TO VILA TOMORROW. WHETHER THIS WILL PROVE AN ATTEMPT TO GET LINI TO SOFTEN HIS ATTITUDE REMAINS TO BE SEEN. RATU MARA MUST CERTAINLY BE DISTURBED THAT, NO MATTER WHAT THE AGREEMENT BETWEEN THEM, LINI WAS INDISCREET ENOUGH TO SPEAK ABOUT IT WHILST STILL IN SUVA. EVEN HE MAY FIND IT DIFFICULT TO DEVISE A STRATAGEM WHEREBY LINI CAN EXTRICATE HIMSELF.

FCO PLEASE PASS

ASHFORD

[PASSED AS REQUESTED]
[THIS TELEGRAM WAS NOT ADVANCED]

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Commonwealth

10 DOWNING STREET

From the Private Secretary

4 September 1981

I enclose a copy of a further message to the Prime Minister from the Prime Minister of Austrālia about CHOGM. I have acknowledged receipt of Mr. Fraser's message, no further action would seem to be required. You are already considering the question of whether or not we can feed in some amendments to Mr. Fraser's draft declaration.

MUA

Francis Richards, Esq.,
Foreign and Commonwealth Office.

AC

4 September 1981

Thank you for your letter of 4 September.
I shall of course bring Mr. Fraser's message
to the Prime Minister's ~~an~~ immediate attention.

MICHAEL ALEXANDER

R.H. Robertson, Esq.

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SUBJ

AUSTRALIAN HIGH COMMISSION · LONDON

AUSTRALIA HOUSE STRAND WC2B 4LA TEL. 01-438 8211

FROM THE DEPUTY HIGH COMMISSIONER

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 125/87

4 September 1981

*Master set
ops*

I have been asked by Canberra to arrange for the transmission to the Prime Minister of the following letter from the Prime Minister of Australia, the original of which is following by bag and will, of course, be delivered in due course.

Begins

"My dear Margaret,

20/8/81
The comments you sent me about the draft declaration are indeed very helpful. They encourage me to think that with some further discussion in Melbourne we can come up with a useful statement, which will characterise for the Melbourne meeting both our understanding of the problem and our determination to see something done about it.

The draft declaration, as you know, was shown to a few other Heads of Government, and Sonny Ramphal is waiting on responses from them. If I may, I shall let Sonny know of your own reaction.

Our budget seems to have attracted the usual range of critics, but also some acknowledgement that the policies are right and need be firmly pursued.

The Melbourne meeting is now less than a month away, and I am looking forward to welcoming you there.

With all good wishes,

Malcolm Fraser"

.....2/

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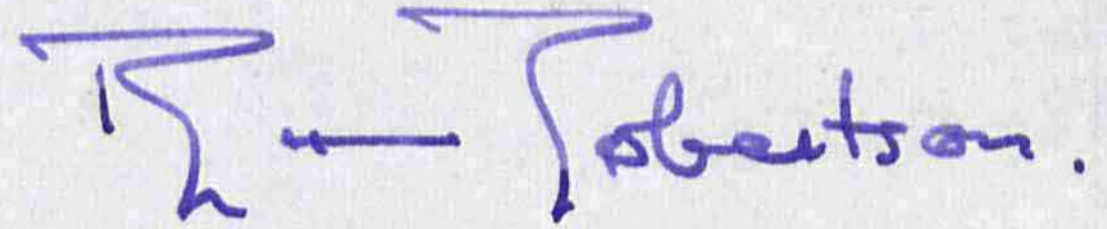
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-2-

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister of Great Britain,
LONDON. SW1

Ends

Yours sincerely,



R.H. Robertson

Mr Michael Alexander
Private Secretary (Overseas Affairs) to
the Prime Minister
Prime Minister's Office
10 Downing Street
LONDON SW1

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2 September 1981

I enclose a copy of a letter which the Prime Minister has received from Mr. Fraser about the question of Pakistan's rejoining the Commonwealth. I would not have thought that the Prime Minister would need to carry the correspondence any further before her arrival in Melbourne but would be grateful for your advice.

B/P
MICHAEL ALEXANDER

Francis Richards, Esq.,
Foreign and Commonwealth Office.

2 September 1981

Thank you for yo'r letter of 2 September enclosing a letter from the Prime Minister of Australia. I have of course brought Mr. Fraser's letter to the Prime Minister's immediate attention.

MICHAEL ALEXANDER

R.H. Robertson, Esq.



T 122A/81 att

AUSTRALIAN HIGH COMMISSION · LONDON

AUSTRALIA HOUSE STRAND WC2B 4LA TEL. 01-438 8211

FROM THE DEPUTY HIGH COMMISSIONER

2 September 1981

Dear Mr Alexander,

I have been asked by the Australian Prime Minister, the Rt. Hon. Malcolm Fraser, to convey the enclosed letter from him to your Prime Minister, the Rt. Hon. Margaret Thatcher.

Yours sincerely,

R.H. Robertson

Mr Michael Alexander
Private Secretary (Overseas Affairs)
to the Prime Minister
Prime Minister's Office
10 Downing Street
LONDON SW1



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 122A/81.
PRIME MINISTER

CANBERRA

SUBJECT.

Prime Minister
Helpful.

Ans 49

26 AUG 1981

cc. Market set
off.

My dear Margaret

It was very good to see you in London, and I found our discussions on CHOGM and other matters very useful.

I wanted to let you know that I had a helpful discussion with Indira Gandhi in Delhi on CHOGM matters generally and on the question of Pakistan's rejoining the Commonwealth.

On the latter issue, it is her view that the question is one to be left for discussion between Heads of Government during the CHOG Meeting; but she is quite relaxed about it being discussed there. On the assumption that there would be no objection to Pakistan's rejoining, Indian officials were talking in terms of a reference being included in the communique.

I have spoken with Sonny Ramphal and informed him of this outcome. I indicated to him that I expected this issue to attract increasing attention as CHOGM approaches, and I thought it would be helpful for Commonwealth leaders to have some idea of India's thinking. I know it is his view that this would be an appropriate topic for discussion at the Retreat.

I look forward to seeing you in Melbourne.

Yours sincerely

The Rt Hon. Margaret Thatcher, MP,
Prime Minister of Great Britain,
LONDON. SW1.
United Kingdom.



The National Archives

LETTERCODE/SERIES <i>PREM 19</i>	Date and sign
PIECE/ITEM <i>410</i> (one piece/item number)	
Extract/Item details: <i>Letter from Fall to Alexander dated 27 August 1981</i>	
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1. ✓
2. ✓

Cabinet Office,
70, Whitehall,
London SW1

27th August, 1981

PS(81) 20

Dear Private Secretary,

Commonwealth Heads of Government Meeting, Melbourne
30th September-7th October, 1981

This letter sets out the briefing arrangements for the Commonwealth Heads of Government Meeting in Melbourne.

The list of briefs to be prepared, with an indication of Departmental responsibility, is at Annex A. Instructions on format are at Annexes B and C. Departments should apply the guidance in sub-paragraph (b) of Annex B as appropriate i. e. for those briefs which may be drawn upon in a meeting, where a succinct summary of Points to Make can be made use of.

Category A briefs, i. e. the prepared statements by the United Kingdom, should be drafted in speech form for statements that will take c. 10 minutes to deliver.

85 copies of each brief should be sent to the Cabinet Office as soon as they are ready, and in any event to arrive no later than close of play on Wednesday, 16th September. They should be addressed to Mr. W. Ewing in Committee Section, who should be consulted (tel. no. 233 7628) about any technical points arising.

I am sending copies of this letter to the Private Secretaries to Sir Michael Palliser, Sir Douglas Wass, Sir Frank Cooper, Sir Brian Cubbon, Mr. G. W. Moseley, Mr. P. J. Woodfield, Sir Kenneth Stowe, Sir Kenneth Clucas, Sir Donald Maitland, Sir James Hamilton, Sir Peter Preston, Sir Kenneth Couzens, Mr. J. D. Groves and Mr. Robin Ibbs, and to Willy Rickett, No. 10.

Yours sincerely,

(Signed) C.G. CLOKE
Assistant Private Secretary

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LIST OF MINISTERIAL BRIEFS FOR
COMMONWEALTH HEADS OF GOVERNMENT MEETING
MELBOURNE 30 SEPTEMBER - 7 OCTOBER 1981

Category A. Prepared Statements by the United Kingdom

<u>No.</u>	<u>Agenda Item</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Prime Minister's Response to Address of Welcome	FCO	as appropriate
2.	World Political Scene: Global Trends and Prospects (Introductory Statement by Prime Minister)	FCO	as appropriate
3.	Southern Africa (including Gleneagles Agreement) (For use as necessary)	FCO	DOE
4.	World Economic Situation: Overview of Crisis and Approach to Solutions (For use as necessary)	FCO	Treasury ODA

Category B. List of Briefs for Use at the Meeting

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
<u>Organisational</u>			
1.	Steering Brief	FCO	as appropriate
2.	Agenda, Communique and Timing and Venue of the Next Meeting	FCO	
WORLD POLITICAL SCENE			
<u>Global Trends and Prospects (agenda item 3(a))</u>			
3.	Arms Control, Disarmament and Indian Ocean Matters	FCO	
4.	Belize	FCO	
5.	Cyprus	FCO	
6.	East-West Relations (including Soviet Interest in the Pacific)	FCO	
7.	French Position in the Pacific	FCO	
8.	Libya/Chad	FCO	
9.	Poland	FCO	
10.	United Nations Law of the Sea Conference	FCO	Energy
<u>Developments in Asia (agenda item 3(b))</u>			
11.	Afghanistan	FCO	
12.	Iran (including Iran/Iraq War)	FCO	/Brief for Bahrain/ Kuwait visit to be used/
13.	Middle East	FCO	
14.	Pakistan and the Commonwealth	FCO	
15.	South East Asia (including Cambodia and Vietnamese Refugees)	FCO	ODA

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<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
<u>Southern Africa (agenda item 3(c))</u>			
16.	South Africa and Namibia	FCO	Energy
17.	Sporting Contacts with South Africa	FCO	DOE

WORLD ECONOMIC SITUATION

The Overview of Crisis (agenda item 4(a))

18.	World Economic Situation and Prospects	Treasury	ODA FCO
19.	Relations with Developing Countries (including Mexico Summit and Global Negotiations)	FCO	Treasury Energy

Approaches to Solutions (taking Account of the Brandt and Arndt Reports)
(agenda item 4(b))

20.	Trade	Trade	FCO
21.	Financial Flows	Treasury	FCO
22.	Energy (including Alternative Forms)	Energy	FCO Treasury ODA
23.	Food Production and Food Security (with Possible Commonwealth Role)	ODA	FCO
24.	United Kingdom Aid Policy	ODA	FCO Treasury DOE
25.	The EC and the Commonwealth (including Lomé II)	FCO	

ISLAND DEVELOPING AND OTHER SPECIALLY DISADVANTAGED MEMBER COUNTRIES (agenda item 5)

26.	Problems of Island Developing and Other Specially Disadvantaged States	ODA	FCO
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<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
COMMONWEALTH CO-OPERATION			
27.	Headship of the Commonwealth	FCO	
<u>Regionalism</u> (agenda item 6(a))			
28.	Regional Co-operation (including Possible Pacific Regional Advisory Service)	FCO	ODA
29.	Southern African Development Co-ordination Conference	ODA	FCO
30.	<u>Commonwealth Fund for Technical Co-operation</u> (agenda item 6(b))	ODA	FCO Treasury
31.	<u>Commonwealth Foundation</u> (agenda item 6(c))	FCO	ODA Treasury
32.	<u>Commonwealth Youth Programme</u> (agenda item 6(d))	ODA	FCO Treasury
<u>Culture</u> (agenda item 6(e))			
33.	Commonwealth Arts Organisation	FCO	
34.	Commonwealth Institute	FCO	
<u>Studies mandated by the Commonwealth Heads of Government Meeting 1979</u> (agenda item 6(f))			
35.	Human Rights	FCO	Home Office
36.	Education Matters (including Overseas Students Fees, Student Mobility and Needs of Small States)	FCO	ODA DES
37.	Communications and the Media	FCO	
38.	Commonwealth Film and Television Institute	FCO	COI

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
OTHER BUSINESS			
39.	Nationality Legislation	Home Office	FCO
40.	Immigration and Race Relations	Home Office	
41.	Aid to Uganda	FCO	ODA
42.	International Year of the Disabled Person	DHSS	FCO

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Category C. List of Briefs on Subjects Which May Arise
in Bilateral Discussions

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Non-Aligned Movement	FCO	
2.	Falkland Islands	FCO	Energy
3.	Constitutional Development of Associated States and Remaining Dependencies	FCO	
4.	Security in the Caribbean and Mediterranean	FCO	
5.	ANZCAN and the CTFA	FCO	
6.	Australia	FCO	Energy
7.	Bahamas/Barbados/Dominica/ St Vincent and the Grenadines/ St Lucia/Grenada/Guyana/ Jamaica/Trinidad and Tobago	FCO	ODA
8.	Bangladesh	FCO	ODA
9.	Belize	FCO	
10.	Botswana/Lesotho/Swaziland	FCO	ODA
11.	Canada	FCO	Energy
12.	Pacific Islands	FCO	ODA
13.	The Gambia	FCO	ODA
14.	Ghana	FCO	ODA
15.	India	FCO	ODA Energy
16.	Kenya/Uganda/Tanzania	FCO	ODA
17.	Malawi	FCO	ODA
18.	Malaysia	FCO	ODA
19.	Malta	FCO	ODA

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
20.	Mauritius/Seychelles	FCO	ODA
21.	New Zealand	FCO	ODA
22.	Nigeria	FCO	Energy ODA
23.	Sierra Leone	FCO	ODA
24.	Singapore	FCO	ODA
25.	Sri Lanka	FCO	ODA
26.	Zambia	FCO	ODA
27.	Zimbabwe	FCO	ODA

Category D. Supplementary Background Briefs
for Issue in First Instance to Officials Only

<u>No.</u>	<u>Subject</u>	<u>Lead</u> <u>Department</u>	<u>In consultation</u> <u>with</u>
1.	The United Kingdom	Treasury	
2.	Current Situation in Northern Ireland	NIO	FCO
3.	United Nations Conference on Science and Technology for Development (UNCSTD)	ODA	FCO
4.	Commonwealth Secretariat (Review and Budget)	FCO	ODA
5.	Commonwealth Secretary-General	FCO	
6.	Refugees	FCO	ODA
7.	Co-ordination of Emergency Relief	FCO	
8.	Elections to International Court of Justice and International Law Commission	FCO	
9.	Possible new Commonwealth Members (other than Pakistan)	FCO	

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ANNEX B

INSTRUCTIONS ABOUT FORMAT

All briefs should be laid out in the same way with a top page in accordance with the specimen layout at Annex C. Those preparing briefs should pay particular attention to ensuring that the following instructions are fully observed:

Content

- (a) Briefs should be concise. Each brief should if possible be no more than four sides long.
- (b) The main body of each brief should comprise two sections, a concise list of Points to Make, followed by a factual Background section which distinguishes clearly between information which can be freely used and information which should not be disclosed.
- (c) Briefs should be complete and self-contained with all the information required on that particular subject. Briefs should not be divided into separate self-contained sub-sections.

Layout

- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) As shown in the specimen at Annex C, the top page only of each brief should contain the following details: the symbol and number of the brief in the top left-hand corner (e.g. PMVN(81) A10) with the date of production below; a copy number in red at the top right-hand corner; the visit heading; the title of the brief (in capitals) and the name of the Department responsible.
- (f) At the foot of the last page and on the left-hand side, briefs should bear the name of the originating Government Department and the date of origin.

Reproduction

- (g) Briefs should be reproduced throughout on white paper, with each page bearing a security classification at top and bottom (as in Annex C). Care should be taken that the reproduction method employed results in clear readable copies.

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- (h) It is important that on arrival at the Cabinet Office, briefs should be complete in all detail - collated, stapled and copy numbered and ready for immediate circulation.

Updating

- (i) If late developments require a brief to be amended or updated, an addendum should be prepared. It should be set out in the form described at (e) above, with the brief number (e.g. PMVN(81) A10 Addendum) and title to which it relates at the top of the front page. The Private Secretary to the Secretary of the Cabinet should be informed when an addendum is in preparation. Revised briefs and corrigenda should be similarly treated.
- (j) Additions to the list of briefs in Annex A require the authorisation of the Private Secretary to the Secretary of the Cabinet.

CLASSIFICATION

ANNEX C

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

PMVN(81) A / Serial Number as specified in Annex A / COPY NO. in red

Date

COMMONWEALTH HEADS OF GOVERNMENT MEETING, MELBOURNE
30 SEPTEMBER-7 OCTOBER 1981

Leave 1½"
margin

SUBJECT / Insert subject in capitals

Brief by name of originating Department, eg Foreign and Commonwealth Office

At the foot of the last page; -
left-hand side

Originating Government Department, eg Foreign and Commonwealth Office or Department of Industry, not a subordinate section or division

Date of origin

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Ref. A05459

MR. RICKETT

original filed on:-

*Middle East: visit to Bahrain,
Kuwait + Pakistan - Policy
April 87*

Briefing Arrangements for Bahrain/Kuwait and
Melbourne

I have taken note that the Prime Minister has agreed to use in Melbourne the brief on the Middle East and Iran (including Iran/Iraq War) which will be prepared for her visits to Bahrain and Kuwait.

2. A copy of this minute goes to Andrew Burns (FCO).

C.G.C.

C. G. CLOKE

27th August, 1981

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sup

SIR ANTONY DUFF

Thank you for your minute of 25 August, reference A05453, about the briefing for this year's CHOGM. The Prime Minister is content with the list of briefs attached to your minute, but she has agreed with your suggestion that the briefs on the Middle East and Iran in section (b) should be omitted: she will use the briefs on these subjects prepared for the Gulf.

W. F. S. RICKETT

27 August 1981

R

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Prime Minister

Content with this very comprehensive list of briefs? I don't imagine you will have to read them all: a large number are being prepared as a contingency.

Wm 25/8

Yes - omit Middle East Ken-Rep.

Ref: A05453

MR RICKETT

Commonwealth Heads of Government Meeting (CHOGM) 30 September - 7 October 1981: List of Briefs

I am enclosing, at Annex A, a list of briefs for this year's CHOGM. It has been prepared on the basis of the annotated agenda for the meeting, which has issued under cover of the Commonwealth Secretary General's circular letter of 10 August (copy enclosed) and has been cleared as necessary within Whitehall.

2. The traditional format for the list has been retained with four categories of briefs: A - prepared statements; B - briefs for Ministerial use at the Meeting; C - briefs for bilateral and group discussions; and D - background briefs intended for the use of officials. The list is inevitably a formidable one but efforts have been made to avoid duplication and over-briefing. The total number of briefs (82) is virtually the same as for the 1979 CHOGM in Lusaka. The number reflects -

(at least half are being prepared more on a contingency basis than in the expectation that you will need definitely to read them.)

Wm 25/8


- a. the fact that the meeting will extend over 8 days and can be expected to cover a lot of ground;
- b. the fact that the Committee of the Whole will be sitting simultaneously and taking some subjects remitted directly to them;
- c. the expected presence of representatives of up to 41 other Commonwealth countries, with many of whom the Prime Minister and the Foreign and Commonwealth Secretary may have some bilateral discussion; and
- d. the proliferation of subjects of Commonwealth interest or concern in recent years.

3. I understand that the Prime Minister has agreed to Mr Ramphal's invitation to respond to Mr Fraser's address of welcome and to lead, with Mrs Gandhi, the discussion on agenda item 3(a) "World Political Scene; Global Trends and Prospects". The first two briefs in Category A reflect this. The remaining statements are suggested against the likelihood that the Prime Minister may wish to make some general remarks when she first speaks on those items.

4. I do not think the briefs proposed in categories B, C and D need explanation except to comment that it would be possible to omit, under Section B, briefs on the Middle East and Iran (including the Iran-Iraq war) on the understanding that these topics are covered very fully in the briefing being prepared for the Prime Minister's visit to the Gulf.

On the other hand the Prime Minister may prefer to have the CHOGM set complete and self-contained. In general the headings proposed by the Commonwealth Secretariat have been followed. Some of the briefs will be wide in scope (eg that on Arms Control, Disarmament and Indian Ocean Matters).

5. The preparation of briefs will be co-ordinated as usual by the Cabinet Office and it has been agreed that the deadline for briefs to reach the Cabinet Office should be close of play on Wednesday 16 September.


Antony Duff

25 August 1981

Amend
This seems sensible
Can take the brief with on

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ANNEX A

LIST OF MINISTERIAL BRIEFS FOR COMMONWEALTH HEADS OF GOVERNMENT MEETING MELBOURNE 30 SEPTEMBER - 7 OCTOBER 1981

Category A. Prepared Statements by the United Kingdom

<u>No.</u>	<u>Agenda Item</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Prime Minister's Response to Address of Welcome	FCO	as appropriate
2.	World Political Scene: Global Trends and Prospects (Introductory Statement by Prime Minister)	FCO	as appropriate
3.	Southern Africa (including Gleneagles Agreement) (For use as necessary)	FCO	DOE
4.	World Economic Situation: Overview of Crisis and Approach to Solutions (For use as necessary)	FCO	Treasury ODA

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Category B. List of Briefs for Use at the Meeting

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
<u>Organisational</u>			
1.	Steering Brief	FCO	as appropriate
2.	Agenda, Communique and Timing and Venue of the Next Meeting	FCO	
WORLD POLITICAL SCENE			
<u>Global Trends and Prospects (agenda item 3(a))</u>			
3.	Arms Control, Disarmament and Indian Ocean Matters	FCO	
4.	Belize	FCO	
5.	Cyprus	FCO	
6.	East-West Relations (including Soviet Interest in the Pacific)	FCO	
7.	French Position in the Pacific	FCO	
8.	Libya/Chad	FCO	
9.	Poland	FCO	
10.	United Nations Law of the Sea Conference	FCO	Energy
<u>Developments in Asia (agenda item 3(b))</u>			
11.	Afghanistan	FCO	
12.	Iran (including Iran/Iraq War)	FCO	
13.	Middle East	FCO	
14.	Pakistan and the Commonwealth	FCO	
15.	South East Asia (including Cambodia and Vietnamese Refugees)	FCO	ODA

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<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
<u>Southern Africa (agenda item 3(c))</u>			
16.	South Africa and Namibia	FCO	Energy
17.	Sporting Contacts with South Africa	FCO	DOE
WORLD ECONOMIC SITUATION			
<u>The Overview of Crisis (agenda item 4(a))</u>			
18.	World Economic Situation and Prospects	Treasury	ODA FCO
19.	Relations with Developing Countries (including Mexico Summit and Global Negotiations)	FCO	Treasury Energy
<u>Approaches to Solutions (taking Account of the Brandt and Arndt Reports) (agenda item 4(b))</u>			
20.	Trade	Trade	FCO
21.	Financial Flows	Treasury	FCO
22.	Energy (including Alternative Forms)	Energy	FCO Treasury ODA
23.	Food Production and Food Security (with Possible Commonwealth Role)	ODA	FCO
24.	United Kingdom Aid Policy	ODA	FCO Treasury DOE
25.	The EC and the Commonwealth (including Lome II)	FCO	
ISLAND DEVELOPING AND OTHER SPECIALLY DISADVANTAGED MEMBER COUNTRIES (agenda item 5)			
26.	Problems of Island Developing and Other Specially Disadvantaged States	ODA	FCO

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<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
COMMONWEALTH CO-OPERATION			
27.	Headship of the Commonwealth	FCO	
<u>Regionalism (agenda item 6(a))</u>			
28.	Regional Co-operation (including Possible Pacific Regional Advisory Service)	FCO	ODA
29.	Southern African Development Co-ordination Conference	ODA	FCO
30.	<u>Commonwealth Fund for Technical Co-operation (agenda item 6(b))</u>	ODA	FCO Treasury
31.	<u>Commonwealth Foundation (agenda item 6(c))</u>	FCO	ODA Treasury
32.	<u>Commonwealth Youth Programme (agenda item 6(d))</u>	ODA	FCO Treasury
<u>Culture (agenda item 6(e))</u>			
33.	Commonwealth Arts Organisation	FCO	
34.	Commonwealth Institute	FCO	
<u>Studies mandated by the Commonwealth Heads of Government Meeting 1979 (agenda item 6(f))</u>			
35.	Human Rights	FCO	Home Office
36.	Education Matters (including Overseas Students Fees, Student Mobility and Needs of Small States)	FCO	ODA DES
37.	Communications and the Media	FCO	
38.	Commonwealth Film and Television Institute	FCO	COI

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<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
OTHER BUSINESS			
39.	Nationality Legislation	Home Office	FCO
40.	Immigration and Race Relations	Home Office	
41.	Aid to Uganda	FCO	ODA
42.	International Year of the Disabled Person	DHSS	FCO

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Category C. List of Briefs on Subjects Which May Arise in Bilateral Discussions

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Non-Aligned Movement	FCO	
2.	Falkland Islands	FCO	Energy
3.	Constitutional Development of Associated States and Remaining Dependencies	FCO	
4.	Security in the Caribbean and Mediterranean	FCO	
5.	ANZCAN and the CTFA	FCO	
6.	Australia	FCO	Energy
7.	Bahamas/Barbados/Dominica/ St Vincent and the Grenadines/ St Lucia/Grenada/Guyana/ Jamaica/Trinidad and Tobago	FCO	ODA
8.	Bangladesh	FCO	ODA
9.	Belize	FCO	
10.	Botswana/Lesotho/Swaziland	FCO	ODA
11.	Canada	FCO	Energy
12.	Pacific Islands	FCO	ODA
13.	The Gambia	FCO	ODA
14.	Ghana	FCO	ODA
15.	India	FCO	ODA Energy
16.	Kenya/Uganda/Tanzania	FCO	ODA
17.	Malawi	FCO	ODA
18.	Malaysia	FCO	ODA
19.	Malta	FCO	ODA

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<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
20.	Mauritius/Seychelles	FCO	ODA
21.	New Zealand	FCO	ODA
22.	Nigeria	FCO	Energy ODA
23.	Sierra Leone	FCO	ODA
24.	Singapore	FCO	ODA
25.	Sri Lanka	FCO	ODA
26.	Zambia	FCO	ODA
27.	Zimbabwe	FCO	ODA

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Category D. Supplementary Background Briefs for Issue in First Instance to Officials Only

<u>No.</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	The United Kingdom	Treasury	
2.	Current Situation in Northern Ireland	NIO	FCO
3.	United Nations Conference on Science and Technology for Development (UNCSTD)	ODA	FCO
4.	Commonwealth Secretariat (Review and Budget)	FCO	ODA
5.	Commonwealth Secretary-General	FCO	
6.	Refugees	FCO	ODA
7.	Co-ordination of Emergency Relief	FCO	
8.	Elections to International Court of Justice and International Law Commission	FCO	
9.	Possible new Commonwealth Members (other than Pakistan)	FCO	

(c) Ian Kydd

[ANNEX II]

C.152/11/4

~~SECRET~~

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10 August 1981

In my letter of 27 May I invited views on the Agenda for the forthcoming Meeting of Heads of Government. Based on the replies I have received and the further personal consultations I have had, I have pleasure in enclosing a draft Agenda for your consideration supplemented by a list of background papers which the Secretariat will distribute. In accordance with the guidelines on style and format agreed at Lusaka, documentation will be kept to the minimum so as to promote informality and spontaneous discussion.

I offer the following comments by way of annotation of the draft Agenda which I hope you will find helpful in your preparations.

The Agenda has been constructed, as before, under broad and flexible headings, but taking account of specific concerns conveyed to me by Heads of Government.

1. OPENING SESSION

In a slight variation of past practice, the Opening Session will not be in the morning but at 1430 hours at the Melbourne Town Hall in the presence of a large number of guests. Prime Minister Fraser's address of welcome and my own remarks will be followed by five speeches in reply taking in all about an hour and a quarter. Thereafter at 1630 hours at the Wentworth Hotel, there will be my traditional reception to provide you with an opportunity to meet representatives of the Australian and world press who will have gathered in Melbourne to cover the Meeting.

Before the Opening Session starts, Prime Minister Fraser will offer an informal lunch for Heads of Delegation and their spouses in the Town Hall itself at 1230 hours.

SECRET

2. ORDER OF AGENDA

As is customary, Senior Officials will meet the day before the Opening, on 29 September at 1430 hours, to discuss the Order of Agenda and related administrative and procedural matters. Their report will be available for consideration by the Meeting at the commencement of its first executive session.

For ease of reference, I enclose a copy of the Lusaka guidelines on the conduct of Heads of Government Meetings.

3. WORLD POLITICAL SCENE

There is agreement that the Meeting should begin with a review of major international developments, and the item has been structured to combine the general with the particular, so that broad analysis flows into, and reinforces, the discussion of more specific topics.

(a) Global Trends and Prospects

Over the last two years the global political environment has deteriorated markedly: it is now more troubled, more insecure, and more uncertain than at the time of the Lusaka Meeting. US-Soviet relations have worsened, mistrust and suspicion have increased over a wide front, East-West confrontation has intensified, the arms race has accelerated, and there is a general sense of fragility about the world political situation. The cause of internationalism, the claims of development, the processes of negotiation have all suffered from these developments. The setback to the UN Conference on the Law of the Sea is a notable, but by no means solitary, example.

Where are we headed if these trends continue? How can faith in peaceful means and negotiation be regenerated? There are different perceptions about these broad issues, their causes and possible solutions. The hope has been expressed, however, that at Melbourne Heads of Government will not only exchange views about them from a variety of national perspectives but also forge a convergence of opinion that will enable them to give a collective call for a saner and more co-operative world. In the Introduction to my 1980-81 Report, which will be with you shortly, I refer to the Statement on Disarmament which Commonwealth leaders formulated and offered to the world 20 years ago. Our needs today are wider than disarmament; but I attach a copy of that 1961 Statement as an example of an earlier effort by Commonwealth leaders to recall the world from dangers ahead.

There will be opportunity, too, under this heading to touch on some specific issues of Commonwealth concern like Cyprus and Belize which are not embraced by the other sub-items.

(b) Developments in Asia

The altered world political environment is brought into specially sharp focus across the sweep of Asia, from the Middle East with its insistent danger signals at the one end, through to the continuing tensions in South East Asia at the other. In between lie the unresolved conflict between Iran and Iraq, persisting stalemate on Afghanistan, and enhanced military activity in the Indian Ocean. The presence of outside powers and the facilitation of an arms build-up are matters of grave concern to many Commonwealth countries of the region. They vitally affect international peace and security and merit urgent consideration.

(c) Southern Africa

The success of Commonwealth efforts in Zimbabwe has been welcomed throughout the world; for the first time in almost 20 years the Rhodesian problem will not be on the Agenda of Heads of Government. But that success brings into relief the major issues which remain.

Although the problems of Southern Africa are interrelated, the Meeting may wish to give separate and particular consideration to Namibia. A negotiated and internationally acceptable solution which would lead Namibia to independence, through free and fair elections supervised by the United Nations, has so far proved elusive. Fresh efforts by the five power Western Contact Group are now under way and Commonwealth Governments hope that real progress will have been made by the time of the Melbourne Meeting. The Meeting will afford an important opportunity to consider how best, in the light of further developments, international objectives on Namibia can be advanced as a matter of urgency.

The Commonwealth has long accepted a special responsibility to contribute effectively to the struggle against racism in Southern Africa. The Lusaka Meeting saw the adoption of a Commonwealth Declaration on Racism and Racial Prejudice, and the acceptance of the principle that "positive measures may be required to advance the elimination of racism, including assistance to those struggling to rid themselves and their environment of the practice". In the face of South Africa's sustained adherence to the 'unmitigated evil' of the apartheid system, Heads of Government will wish to review the situation in all its aspects, to consider how the vicious circle of domestic repression, external aggression and continued defiance of world opinion can be broken and to re-affirm their past commitments to action in support of the elimination of apartheid. The Meeting may also wish to examine the scope of enlarging Commonwealth humanitarian assistance to the victims of the situation in the region.

4. WORLD ECONOMIC SITUATION

All the replies I have received confirm the overwhelming importance of the economic discussion at Melbourne. There is agreement that Melbourne must make a contribution to progress on North-South issues, must strive materially to advance the prospects for Cancun - one third of whose participants will have been at Melbourne; and that this requires a discussion that transcends the general and links up with specific consideration of the most urgent issues. The agenda item has been structured to meet these concerns and to facilitate the objectives which Heads of Government have so forcefully conveyed to me.

(a) The Overview of Crisis

It may be useful to begin with an overview of the world economic situation, and what it portends for developed and developing countries if it does not quickly improve. The unprecedented combination of high inflation, high unemployment, high interest rates, massive payments deficits, low economic growth, chronic energy problems, and deepening food insecurity, is a global phenomenon demanding global approaches. No country is immune from its effects, but they are felt with particular severity in the developing world. The discussion at Melbourne could yield valuable insights into the nature of interdependence, including the extent to which progress in the 'South' can contribute to recovery in the 'North'; and it could promote greater understanding of specific areas of mutual interest between North and South. The Ottawa Summit has opened the door in this direction; Melbourne must assist progress through it.

Heads of Government may also see value in appraising the effectiveness of current negotiating procedures and mechanisms. It is clearly not enough for interdependence to be acknowledged; the world community needs instruments through which shared perceptions can be translated into collective acts of political will, mutual interests into joint programmes of action. This, too, has a bearing on the prospects for the future; and Melbourne provides an ideal opportunity for a frank discussion of current inadequacies.

(b) Approaches to Solutions

As the basis for their discussion Heads of Government will have the Report of the Commonwealth Group of Experts, commissioned at their last Meeting together with a Secretariat Memorandum dealing with its recommendations in the light of more recent developments. In considering ways in which the Commonwealth can lend impetus to international efforts, Heads of Government have confirmed that they would wish the Meeting to focus on several key issues.

i) Trade

The Experts' Group emphasises that an important key to recovery in the world economy is a concerted programme for expansion of world trade. The current trend towards protectionism poses a major threat. Despite general agreement that trade liberalisation is essential, short-term and structural problems are thwarting movement in this direction. Heads of Government may wish to express a strong political commitment to a progressive relaxation of protectionism and its corollary of a more co-ordinated approach to structural change in both developed and developing countries. The Experts' Group also calls for a more determined effort to liberalise agricultural trade which is of interest to both developed and developing countries.

ii) Financial flows

The Experts' Group recognises that global economic recovery cannot be accomplished without attention to the world financial system. Recent events have further exposed its weaknesses. The debt problem of developing countries has grown enormously and poses serious dangers for development prospects and for the whole international credit system. The debt problem, steeply rising balance of payments deficits of oil importing developing countries and the urgent financing problems of the poorest countries call for enlarged roles for the international financial institutions. Against this background, Heads of Government will wish to consider ways in which financial flows, and in particular development finance, can be placed on a firmer footing enabling Governments, international financial institutions and the banking community to co-operate more effectively and productively.

iii) Energy

Energy is another key area in the Experts' Group Report. Despite agreement on its importance, progress towards the establishment of a coherent long-term global energy strategy has been very limited. Heads of Government will wish to consider ways in which the overall supply of energy can be increased, particularly among the oil importing developing countries, by the injection of greater financial support in the energy sector and the promotion of more energy research and development - including development of renewable sources. The hope has been expressed that Melbourne might see the emergence of a more concerted programme of practical co-operation between Commonwealth countries in such an endeavour. Ways in which the policies of major energy producers and consumers can be brought into greater harmony must be explored with urgency as a basis for a more stable international economic environment.

(c) Food : A Commonwealth role

The international food situation is precarious and has worsened since the Report of the Experts' Group. Poor harvests in many countries, both developed and developing, threaten to outstrip the capacity of the world food security system. Some of the worst hit countries are in the Commonwealth, and Heads of Government have confirmed that they would wish the Meeting to examine, as a matter of priority, ways in which technical and scientific resources within the Commonwealth can be mobilised more effectively to assist those countries whose need to increase domestic food production is greatest. There are many gaps in the patterns of national and international effort in this field which the Commonwealth can fill by providing Governments with the expert support they require to implement national programmes and attract outside funding.

5. ISLAND DEVELOPING AND OTHER SPECIALLY DISADVANTAGED MEMBER COUNTRIES

At Lusaka, the Commonwealth acknowledged a special obligation to its small island and other specially disadvantaged members. Meeting as they will be in the South Pacific, a region which contains so many of these countries, Heads of Government will wish to take full account of their unique developmental problems. It is appropriate, therefore, that Melbourne should accord a special place in its deliberations to this issue with a view to reviewing progress in the programme endorsed at Lusaka and considering further how the Commonwealth might harness its resources, collectively and bilaterally, for their benefit.

6. COMMONWEALTH CO-OPERATION

There is much to discuss in terms of Commonwealth co-operation which all member countries regard as one of the most valuable features of the Commonwealth relationship.

(a) Regionalism

Issues of regional co-operation are of concern to most member countries, many of whom belong to regional and sub-regional groupings that often include non-Commonwealth countries. But the patterns of regionalism are evolving all the time and the Commonwealth has helped to strengthen some of them. There is particular interest in the Southern African Development Co-ordination Conference (SADCC), and in the progress of regional co-operation between member countries of the Asia/Pacific region, whose Heads of Government held their second meeting in New Delhi last year.

(b) Commonwealth Fund for Technical Co-operation in the '80s

CFTC provides the muscle for the Secretariat's role as a development agency: its resources underpin our entire developmental effort. The approach of Governments to the finances of the Fund will thus have a significant bearing on the effectiveness with which the Commonwealth is able to meet the challenges of the '80s. Since the Fund is crucial to our capacity to pursue collective objectives through practical intra-Commonwealth action, the issue of resources must be viewed in the broader perspective of the Fund's role as a tangible expression of Commonwealth co-operation for development. I believe member Governments wish greater use to be made of Commonwealth complementarities, affinities and resources in the pursuit of national development efforts. The Fund is a vital mechanism through which this abundant potential can be realised in such diverse but priority fields as industrial co-operation, food production, export market development, assistance to smaller countries, development of energy resources and generally helping to upgrade the human and professional skills that are essential for development. The efficiency and cost effectiveness of the Fund and its pioneering role in TCDC are widely acknowledged and greatly valued. I very much hope that Heads of Government will view with sympathy the modest recommendations of the CFTC Working Party on Resources designed to restore lost momentum; and, beyond that, to ensure that the Fund is set on a path of enlarged service to member countries. A special proposal for a periodic Commonwealth stamp issue to assist in building up the Fund's operational reserve with hardly any cost to Governments will be before Heads of Government.

(c) Commonwealth Foundation

Lusaka saw the expansion of the Foundation's mandate to areas such as culture, information, social welfare and rural development in addition to its established work in fostering professional development. On account of the legal and other difficulties which have arisen, the Meeting will have before it a memorandum from the Chairman and Trustees of the Foundation seeking to alter the Foundation's current status as a charitable organisation and to attract financial support commensurate with its enlarged mandate.

(d) Commonwealth Youth Programme

Despite continuing affirmation by Governments of the importance of providing opportunities for youth and the relevance of the Commonwealth Youth Programme in this context, financial pledges have fallen short of the target that was approved at Lusaka. The Programme is unique in its decentralised functioning through three regional centres in which the host Governments have made substantial investments. Significantly, some non-Commonwealth

countries have also shown interest in utilising the training facilities offered by these centres. Heads of Government will wish to consider how the Programme can be protected from the ravages of inflation and its financial future placed on a more stable footing.

(e) Culture

It has been suggested that the Meeting should consider possible initiatives to foster co-operation in the cultural sphere. Some replies which I have received, however, indicate reluctance to see funds diverted in this direction at the expense of more pressing concerns. This will be relevant to the question of establishing an inter-governmental Commonwealth Arts Organisation as has been proposed.

Separately, and without financial implications, the Meeting will wish to note the facilities already available in the Commonwealth Institute and to consider how greater use might be made of them.

(f) Studies mandated by the Commonwealth Heads of Government Meeting, 1979

i) Report of the Commonwealth Working Party on Human Rights

The Meeting will have before it the Report of the Working Party on the promotion and protection of human rights in Commonwealth countries. An Interim Report had been submitted to governments in April, 1980, and the time is ripe to consider whether and, if so, how the matter can be taken further.

ii) Report of the Consultative Group on Student Mobility within the Commonwealth

Student mobility and educational interchange have been a valued and important feature of the Commonwealth connection: their contraction consequent on increased fees levied on overseas students in some Commonwealth countries has occasioned widespread concern. The Meeting will wish to consider the Report of the Consultative Group on this problem and the recommendations which it makes to sustain student mobility over the longer term.

iii) Report of the Commonwealth Committee on Communications and the Media

The Meeting will have before it the report, "Communication, Society and Development", produced by a committee of experts on media and communications issues. The report investigates problems

and priorities in the areas of communication policy, the mass media, public information services and news agencies, with special reference to developing countries.

iv) Feasibility Study on Commonwealth Film and Television Institute

The Meeting will wish to consider the feasibility report on the proposal of the Cyprus Government, welcomed in principle at Lusaka, for the establishment of a Commonwealth Film and Television Institute as a non-governmental organisation. The report outlines three broad options, each allocating progressively enlarged functions to the Institute, and requiring progressively larger funding.

7. REPORT OF THE COMMITTEE OF THE WHOLE

This agenda item is intended to allow for consideration of the Report of the Committee of the Whole on any matters, other than the draft communique, that may have been sent to it for preliminary consideration.

8. OTHER BUSINESS

Under this item the opportunity is provided to discuss topics that cannot appropriately be dealt with under other headings.

The Agenda is a long one; but it is envisaged that Heads of Government will wish to concentrate on the main policy issues making full use of restricted sessions as appropriate, and referring a number of specific sub-items to Senior Officials in the first instance. For the rest, it offers ample opportunity for the Commonwealth to point the way out of the present high-risk situation in which the world finds itself. It is a contribution the Commonwealth is uniquely qualified to make, and I am sure Heads of Government will wish to keep this possibility high on their list of priorities for the Meeting.

With deep respect,

Shridath S Ramphal

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SECRET

19 June 1979

The Style and Format of
COMMONWEALTH HEADS OF GOVERNMENT MEETINGS

At London, in June 1977, Heads of Government, after discussing in restricted session the question of the style and format of their meeting, asked me to put forward for consideration at Lusaka suggestions responsive to their general wish to strengthen the special qualities of their consultations.

High among these qualities, as emphasised by Commonwealth leaders at London, was the character of the occasion as 'their meeting' - as a meeting of Heads of Government. It is this character which, in many respects, gives the meeting its unique flavour - even among other summit meetings. Heads of Government are not there to place their imprimatur on resolutions hammered out by ministers over preceding days or even in committees sitting contemporaneously. They do not come to deliver addresses to each other and to wider audiences beyond the conference room. They come to meet; to be with each other; to talk to one another; to strengthen their practical ways of co-operating within the Commonwealth association; to try to enlarge understanding of each other's point of view, and, therefore, the prospects for their convergence. They come knowing that they will not always agree, but mindful that their jointly shared objectives (as agreed, for example, at Singapore in the Declaration of Commonwealth Principles) imply that where they must agree to differ it should be on means, not ends.

Many elements of the style and format of Commonwealth Heads of Government Meetings have contributed to giving them these qualities - and those elements have developed in pragmatic ways responsive to need, not fashion. As the Commonwealth has grown in number and variety there has come a greater consciousness of the importance of preserving these elements. The Ottawa meeting in 1973 represented a particularly important moment of awareness, and the work of Commonwealth Senior Officials that preceded that meeting contributed to the significant strengthening of the element of informality. The call in London was essentially for the avoidance of its erosion as the Commonwealth continues to grow from 32 member countries at Ottawa to 39 in Lusaka.

SECRET

In responding to the request for suggestions then made I have, of course, taken full account of the discussion of this matter by Heads of Government at the London meeting. I also sought the help of Senior Officials at their last meeting in Kuala Lumpur and have been greatly assisted by their ideas in formulating the suggestions now set out in the attached note. I hope these suggestions might be considered by Heads of Government immediately after the adoption of their Agenda at Lusaka so that the consultation there may benefit from the decisions reached upon them.

With deep respect,

(Shridath S. Ramphal)

The Style and Format of
COMMONWEALTH HEADS OF GOVERNMENT MEETINGS
Suggestions by the Secretary-General*

A. Speeches

- i) It should be the general understanding among Heads of Government that set speeches in the form of prepared texts read at the meeting would be avoided. This does not exclude interventions on the basis of prepared notes, nor does it debar a prepared statement where a Head of Government considers that special circumstances warrant it.
- ii) As an exception to (i), Heads of Government requested to be lead speakers on particular Agenda items may, if they wish, make prepared presentations or, alternatively, speak to such a presentation which might then be circulated.
- iii) As a corollary to (ii), it will be the aim to restrict lead speakers to one for each principal Agenda item or sub-item, although in special cases individual Heads of Government may be asked to initiate discussion on a particular issue within an item or sub-item.
- iv) Apart from lead speakers, and then only where appropriate, interventions would not be in the nature of tours d'horizon but aim to be succinct and pithy, more in the nature of dialogue than debate.
- v) Heads of Government could, where they consider it essential, ask the Secretariat to circulate to their colleagues prepared texts on particular issues on the Agenda of the meeting - either in advance of its commencement or during its course.

B. Restricted Sessions

- i) It should be the aim to have more restricted sessions - i.e. sessions limited to Heads of Government and the Secretary-General. No official record will be kept of these sessions, but, where they result in a consensus position, the Chairman will normally report this to the executive session and so have it incorporated in the records of the meeting.

* Approved by Heads of Government at their Meeting in Lusaka, August 1979.

- ii) There should be no press briefing on the substance of discussions in restricted sessions, either privately or on behalf of the meeting. Unless otherwise agreed, the press will simply be informed of the subject being discussed in particular restricted sessions.
- iii) It will be for Heads of Government themselves to determine during each meeting how many of their sessions or parts of sessions should be restricted; but provision would be made in the draft time-table of each meeting for at least two restricted sessions - one before and one after the week-end 'retreat'.
- iv) In putting forward the annotated Agenda the Secretary-General may suggest particular matters for discussion in restricted sessions; but, since these sessions are essentially an aid to Heads of Government in attaining the objectives of the meeting, there must be maximum flexibility at the meeting itself as to the subjects or aspects of agenda items to be discussed in restricted sessions as well as to the question of timing, frequency and duration of such sessions.

C. Informal Discussions

Opportunities for informal discussion between Heads of Government on a one to one basis or in groups are a greatly valued element of Commonwealth meetings. They should not be limited to the week-end 'retreat' but consciously provided during the course of the meeting. The following are three suggestions for enlarging these opportunities:

- a) slightly longer coffee-breaks, say, to thirty minutes;
- b) a forty-five minute 'relaxer' at the end of each day's proceedings for conversations over refreshments in the executive lounge;
- c) the formal social programme to be kept to the minimum so as to allow maximum opportunity for informal 'get-togethers' over lunch and dinner.

D. Representation

- i) In general terms, given its character as 'their meeting', everything possible should be done to encourage attendance by Heads of Government themselves.
- ii) Correspondingly, it would be understood that heads of delegation who are not themselves Heads of Government would not normally catch the Chairman's eye in preference to those who are.

E. The Chairman

It would be the understanding of all Heads of Government that at each meeting the Chairman is the principal custodian of the meeting's informal character and of its traditional style and format. As such, he would be on guard to preserve them, to prevent discussions becoming stylised, to encourage a free exchange of ideas and opinions, and to promote a meeting of minds. In doing so, he would be entitled to expect the support and co-operation of his colleagues.

F. Communique

The Communique is an important element of every Heads of Government Meeting. It is an essential vehicle for conveying to the people of the Commonwealth and the wider international community the wide-ranging interests and concerns of Commonwealth leaders. It should be the aim to maintain it within manageable proportions; to convey the true character of the conversations between Heads of Government, and to highlight areas of consensus and decisions for co-operation.

COMMONWEALTH PRIME MINISTERS MEETING

LONDON, 8-17 MARCH 1961

STATEMENT ON DISARMAMENT

The following is the text on disarmament annexed to the Final Communique issued by:

The Rt. Hon. Harold Macmillan, MP (Great Britain)
The Rt. Hon. John George Diefenbaker, Q.C. (Canada)
The Rt. Hon. R.G. Menzies, C.H.Q.C. (Australia)
The Rt. Hon. K.J. Holyoake, MP (New Zealand)
Dr. Hon. H.F. Verwoerd, MP (South Africa)
Mr Nehru (India)
General Mohammed Ayub Khan (Pakistan)
Hon. Mrs Bandaranaike (Ceylon)
Dr. Kwame Nkrumah (Ghana)
Tunku Abdul Rahman (Malaysia)
Hon. A. Tafawa Balewa, K.B.E. (Nigeria)
Sir Roy Welensky, K.C.M.G. (Southern Rhodesia)
Archbishop Makarios (Cyprus)

AIM

1. The aim must be to achieve total world-wide disarmament, subject to effective inspection and control.

2. In view of the slaughter and destruction experienced in so-called "conventional" wars and of the difficulty of preventing a conventional war, once started, from developing into a nuclear war, our aim must be nothing less than the complete abolition of the means of waging war of any kind.

PRINCIPLES

3. An agreement for this purpose should be negotiated as soon as possible, on the basis of the following principles:

- (a) All national armed forces and armaments must be reduced to the levels agreed to be necessary for internal security.
- (b) Once started, the process of disarmament should be continued without interruption until it is completed, subject to verification at each stage that all parties are duly carrying out their undertakings.
- (c) The elimination of nuclear and conventional armaments must be so phased that at no stage will any country or group of countries obtain a significant military advantage.
- (d) In respect of each phase there should be established, by agreement, effective machinery of inspection, which should come into operation simultaneously with the phase of disarmament to which it relates.

- (e) Disarmament should be carried out as rapidly as possible in progressive stages, within specified periods of time.
- (f) At the appropriate stage, a substantial and adequately armed military force should be established, to prevent aggression and enforce observance of the disarmament agreement; and an international authority should be created, in association with the United Nations, to control this force and to ensure that it is not used for any purpose inconsistent with the Charter.

4. On the basis of the above principles, it should be possible, given goodwill on both sides, to reconcile the present differences of approach between the different plans put forward.

NEGOTIATIONS

5. The principal military Powers should resume direct negotiations without delay in close contact with the United Nations, which is responsible for disarmament under the Charter. Since peace is the concern of the whole world, other nations should also be associated with the disarmament negotiations, either directly or through some special machinery to be set up by the United Nations, or by both means.

6. Side by side with the political negotiations, experts should start working out the details of the inspection systems required for the measures of disarmament applicable to each stage, in accordance with the practice adopted at the Geneva Nuclear Tests Conference.

7. Every effort should be made to secure rapid agreement to the permanent banning of nuclear weapons tests by all nations and to arrangements for verifying the observance of the agreement. Such an agreement is urgent, since otherwise further countries may soon become nuclear Powers, which would increase the danger of war and further complicate the problem of disarmament. Moreover, an agreement on nuclear tests, apart from its direct advantages, would provide a powerful psychological impetus to agreement over the wider field of disarmament.

8. Disarmament without inspection would be as unacceptable as inspection without disarmament. Disarmament and inspection are integral parts of the same question and must be negotiated together; and both must be made as complete and effective as is humanly possible. It must, however, be recognised that no safeguards can provide 100 per cent protection against error or treachery. Nevertheless, the risks involved in the process of disarmament must be balanced against the risks involved in the continuance of the arms race.

9. It is arguable whether the arms race is the cause or the result of distrust between nations. But it is clear that the problems of disarmament and international confidence are closely linked. Therefore, while striving for the abolition of armaments, all nations must actively endeavour to reduce tension by helping to remove other causes of friction and suspicion.

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

MELBOURNE - 1981

DRAFT AGENDA

1. OPENING SESSION
2. ORDER OF AGENDA
3. WORLD POLITICAL SCENE
 - (a) Global Trends and Prospects
 - (b) Developments in Asia
 - (c) Southern Africa
4. WORLD ECONOMIC SITUATION
 - (a) The overview of crisis
 - (b) Approaches to solutions:
 - i) Trade
 - ii) Financial flows
 - iii) Energy
 - (c) Food: A Commonwealth role
5. ISLAND DEVELOPING AND OTHER SPECIALLY DISADVANTAGED MEMBER COUNTRIES
6. COMMONWEALTH CO-OPERATION
 - (a) Regionalism
 - (b) CFTC in the '80s
 - (c) Commonwealth Foundation
 - (d) Commonwealth Youth Programme
 - (e) Culture

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- (f) Studies mandated by the Heads of Government Meeting, 1979
 - i) Report of the Commonwealth Working Party on Human Rights
 - ii) Report of the Consultative Group on Student Mobility within the Commonwealth
 - iii) Report of the Commonwealth Committee on Communications and the Media
 - iv) Feasibility Study on Commonwealth Film and Television Institute

7. REPORT OF THE COMMITTEE OF THE WHOLE

8. OTHER BUSINESS

9. COMMUNIQUE

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

MELBOURNE - 1981

DRAFT AGENDA : DOCUMENTATION

1. OPENING SESSION

2. ORDER OF AGENDA

3. WORLD POLITICAL SCENE

(a) Global Trends and Prospects

Commonwealth Ministerial Committee on Belize:
Memorandum by the Commonwealth Secretary-General
(HGM(81)4)

(b) Developments in Asia

(c) Southern Africa

Report of the Commonwealth Committee on Southern
Africa (HGM(81)5)

4. WORLD ECONOMIC SITUATION

World Economic Crisis: A Commonwealth Perspective -
Report by a Group of Experts

Memorandum by the Commonwealth Secretary-General on the
Experts' Group Report and Subsequent Developments
(HGM(81)6)

(a) The overview of crisis

(b) Approaches to solutions:

i) Trade

ii) Financial flows

iii) Energy

(c) Food: A Commonwealth role

The Food Crisis in developing countries: The Need
for an enlarged Commonwealth Response
Memorandum by the Commonwealth Secretary-General
(HGM(81)7)

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5. ISLAND DEVELOPING AND OTHER SPECIALLY DISADVANTAGED MEMBER COUNTRIES

A Commonwealth Programme of Action: Memorandum by the Commonwealth Secretary-General (HGM(81)8)

6. COMMONWEALTH CO-OPERATION

Eighth Report of the Commonwealth Secretary-General

(a) Regionalism

(b) CFTC in the '80s

Note by the 1981 Review Group on Secretariat Priorities and Objectives (HGM(81)9)

A Basis for Future Growth: Memorandum by the Commonwealth Secretary-General (HGM(81)10)

Special Commonwealth Stamp Issue: Note by the Commonwealth Secretariat (HGM(81)11)

(c) Commonwealth Foundation

Progress and Future: Memorandum by the Chairman and Trustees of the Commonwealth Foundation (HGM(81)12)

(d) Commonwealth Youth Programme

Funding: Note by the Commonwealth Secretariat (HGM(81)13)

(e) Culture

Note by the Chairman and Governing Body of the Commonwealth Institute (HGM(81)14)

(f) Studies mandated by the Heads of Government Meeting, 1979

i) Report of the Commonwealth Working Party on Human Rights

ii) Report of the Consultative Group on Student Mobility within the Commonwealth

Note by the Commonwealth Secretariat on the Consultative Group's Report (HGM(81)15)

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iii) Report of the Commonwealth Committee on Communications and the Media

Note by the Commonwealth Secretariat on the Committee's Report
(HGM(81)16)

iv) Feasibility Study on a Commonwealth Film and Television Institute

Note by the Commonwealth Secretariat on the Feasibility Study
(HGM(81)17)

7. REPORT OF THE COMMITTEE OF THE WHOLE
8. OTHER BUSINESS
9. COMMUNIQUE

Note: A few Governments have indicated that they wish to submit papers. These will be circulated when received.



Commonwealth

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10 DOWNING STREET

From the Private Secretary

20 August 1981

The Prime Minister has now considered the draft letter to Malcolm Fraser which Peter Jenkins sent me yesterday.

She is content with the draft, and she would wish the additional square bracketed paragraph to be included.

I should be grateful if you could now arrange for the text of the letter to be transmitted to Mr. Fraser. I will let you have a signed copy as soon as possible.

I am sending copies of this letter to Peter Jenkins (HM Treasury), John Rhodes (Department of Trade) and David Wright (Cabinet Office).

M. A. PATTISON

F.J. Richards, Esq.,
Foreign and Commonwealth Office.

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20 August 1981

CHGM

Thank you for your letter to Michael Alexander of 17 August.

The Prime Minister has agreed to accept Mr. Ramphal's invitations

- a) to respond to Mr. Fraser's address of welcome at the formal opening session of the CHGM, and
- b) to lead the discussion, with Mrs. Gandhi, on item 3(a) of the CHGM agenda "World Political Scene: Global Trends and Prospects".

She has therefore written to Mr. Ramphal in the terms of your draft, and I enclose a copy of her letter. Could you please set appropriate briefing in hand.

I should add, however, that the Prime Minister has decided that if there is a major rail strike in September, she will have to reconsider whether or not to attend the CHGM. In the event of her deciding not to go, she will want Lord Carrington to represent her.

W F S RICKETT

Francis Richards, Esq.,
Foreign and Commonwealth Office.

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10 DOWNING STREET

From the Private Secretary

20 August 1981

I wrote to you earlier today, asking you to arrange transmission of the text of the Prime Minister's letter to Mr. Fraser about his draft Melbourne Declaration.

I now enclose the signed original.

M. A. PATTISON

Francis Richards, Esq.,
Foreign and Commonwealth Office.



MFJ

cc F20

10 DOWNING STREET

THE PRIME MINISTER

20 August 1981

Dear President,

When you were here on 30 July, you kindly let me see the draft of a declaration which you hoped might be agreed by us all in Melbourne.

I have now had a chance to look at your text more carefully. I have also read with much interest both the speech read for you at the Royal Commonwealth Society on 27 July and your thoughtful article in the Times of 11 August. Having read that article I am sure you would agree that in anything we say at Melbourne it is important to strike the right balance between realism and aspirations.

My comments on your text follow the initial reactions I gave you when we met.

I think that it is most important to avoid arousing unreal expectations or exaggerating what Governments can do by international action. You will recall our discussion about the need for determination and organisation in developing countries, and what I said about the practical limits on the redistribution of wealth. There is much that can usefully be done by Governments acting together.

/It would

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It would however be wrong to suggest that the chronic problems of poverty, over-population and underdevelopment can be resolved by a series of international negotiations. It would be a disservice to leave any country with the impression that the main responsibility for its development lies not with itself but with the international community.

I think there is a clear need to concentrate aid on the poorest countries, and to be ready to say so. This seems to me both right and practical. It recognises the very different situation of low income and middle income countries as well as the need for priorities in using limited resources.

I would also like to avoid the implication that inequality of wealth among states endanger the peace of the world. I doubt whether this is true. It seems to me that political rather than economic conditions are responsible for the most serious threats to peace in the world.

Finally, I believe we ought to avoid implying that major institutional changes are necessary to prevent breakdown and conflict. My own view is that the relevant institutions have functioned well and are adapting successfully to difficult and rapidly changing circumstances.

I hope that all this is helpful, and explains why some of your phraseology gives me considerable difficulty. Of course we can talk further about this in Melbourne.

I was very interested to see the account of Mr. Howard's Budget, which received detailed coverage in the British press. Though the circumstances are different your objectives and

/methods are

methods are closely in line with ours. You have, as you know, all our good wishes for success in your economic management.

Yours sincerely
Margaret Thatcher

The Right Honourable J.M. Fraser, C.H., M.P.

MELBOURNE DECLARATION

WE, THE HEADS OF GOVERNMENT HERE ASSEMBLED,
DRAWN FROM FIVE CONTINENTS REPRESENTING A QUARTER OF THE
WORLD'S ENTIRE POPULATION:

- (1) AFFIRM OUR STRONG AND UNANIMOUS CONVICTION THAT ALL MEN AND WOMEN HAVE THE RIGHT TO LIVE IN WAYS THAT SUSTAIN AND NOURISH HUMAN DIGNITY.
- (2) ASSERT THAT THIS RIGHT IMPOSES OBLIGATIONS ON ALL GOVERNMENTS, GREAT AND SMALL, NOT ONLY IN RESPECT TO THEIR OWN PEOPLE BUT IN THEIR DEALINGS WITH ALL OTHER NATIONS.
- (3) ASSERT THAT THE GROSS INEQUALITY OF WEALTH AND OPPORTUNITY CURRENTLY EXISTING AMONG STATES, AND THE UNBROKEN CIRCLE OF POVERTY IN WHICH THE LIVES OF MILLIONS ARE CONFINED GENERATE TENSION AND INSTABILITY WHICH ENDANGER THE PEACE OF THE WORLD.
- (4) AS A CONSEQUENCE, ASSERT OUR UNANIMOUS CONVICTION THAT THERE MUST BE DETERMINED AND DEDICATED ACTION TO REDUCE THAT INEQUALITY AND TO BREAK THAT CIRCLE.
- (5) BELIEVE THAT FOR ALL THESE REASONS IT IS IMPERATIVE THAT THE NORTH-SOUTH DIALOGUE BE REVITALISED.
- (6) DECLARE THAT THIS WILL REQUIRE A POLITICAL COMMITMENT, VISION AND INTELLECTUAL REALISM THAT HAVE THUS FAR ESCAPED MANKIND.

- (7) ASSERT THAT THE DIALOGUE MUST BE CONDUCTED WITH A GENUINE WILLINGNESS TO ACCEPT REAL AND SIGNIFICANT CHANGES COMMENSURATE WITH THE URGENCY OF THE PROBLEMS WE NOW FACE.
- (8) FIRMLY BELIEVE THAT THE CHOICE IS NOT BETWEEN CHANGE AND NO CHANGE BUT BETWEEN TIMELY, ADEQUATE, NEGOTIATED CHANGE AND DISRUPTIVE, INVOLUNTARY CHANGE IMPOSED BY BREAKDOWN AND CONFLICT.
- (9) MAINTAIN THAT SUCCESS WILL ONLY BE ACHIEVED AS STATES RECOGNISE AND GIVE DUE WEIGHT TO THE ESSENTIAL INTERDEPENDENCE OF PEOPLES AND OF STATES.
- (10) DECLARE THAT, WHILE THE MOST URGENT HUMANITARIAN CONSIDERATIONS DEMAND ACTION, SELF-INTEREST ALONE WARRANTS A CONSTRUCTIVE AND POSITIVE APPROACH TO THESE GREAT HUMAN PROBLEMS BY ALL GOVERNMENTS.
- (11) RECOGNISE THAT IN THE PROCESS OF NEGOTIATIONS, NATIONS MUST CAST ASIDE DOGMAS AND HABITS WHICH HAVE THWARTED PROGRESS IN THE PAST AND FIND NEW WAYS OF TALKING TO EACH OTHER AND REACHING AGREEMENT.
- (12) NOTE THAT, AS WELL AS TECHNICAL ECONOMIC CONSIDERATIONS, IT IS IMPERATIVE THAT STATES KEEP IN THE FOREFRONT OF THEIR ATTENTION THE LARGER MORAL, POLITICAL AND STRATEGIC DIMENSIONS OF WHAT IS AT STAKE.

- (13) MAINTAIN THAT WHILE THE PROBLEMS ARE FORMIDABLE, THEY ARE NOT OF SUCH A WEIGHT THAT THEY WILL DEFEAT OUR PURPOSE, GIVEN POLITICAL WILL AND AN UNDERSTANDING OF THE NEEDS OF DIFFERENT COUNTRIES AND GROUPS.
- (14) ASSERT THAT WHAT IS AT STAKE - IN TERMS OF HOW HUNDREDS OF MILLIONS WILL LIVE OR DIE; OF THE PROSPECTS FOR COOPERATION OR CONFLICT; AND OF THE PROSPECTS FOR ECONOMIC ADVANCE OR STAGNATION - IS OF SUCH VITAL IMPORTANCE IN HUMAN TERMS THAT IT WOULD BE A TERRIBLE INDICTMENT OF THIS GENERATION IF THAT POLITICAL WILL AND THE READINESS TO FIND A CREATIVE COMPROMISE WERE NOT FOUND.
- (15) FIRMLY BELIEVE THAT PROGRESS DEPENDS CRITICALLY ON THE PERSONAL COMMITMENT AND INVOLVEMENT OF POLITICAL LEADERS, WHO ALONE HAVE THE POWER TO ADVANCE THE COMMON CAUSE OF MANKIND.
- (16) ATTACHING THE HIGHEST IMPORTANCE TO THE PRINCIPLES AND OBJECTIVES OF THIS DOCUMENT, DECLARE OUR COMMON RESOLVE: TO END THE PRESENT IMPASSE; TO ADVANCE THE NORTH-SOUTH DIALOGUE; TO INFUSE A NEW SENSE OF URGENCY AND DIRECTION INTO THE RESOLUTION OF THESE COMMON PROBLEMS OF MANKIND; AND SOLEMNLY CALL ON ALL LEADERS OF ALL COUNTRIES TO JOIN US IN A COMMITMENT TO TAKING PROMPT, PRACTICAL AND EFFECTIVE ACTION TO THAT END.



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 120/81

SUBJECT.

10 DOWNING STREET

THE PRIME MINISTER

20 August 1981

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qps

Dear Malcolm,

When you were here on 30 July, you kindly let me see the draft of a declaration which you hoped might be agreed by us all in Melbourne.

I have now had a chance to look at your text more carefully. I have also read with much interest both the speech read for you at the Royal Commonwealth Society on 27 July and your thoughtful article in the Times of 11 August. Having read that article I am sure you would agree that in anything we say at Melbourne it is important to strike the right balance between realism and aspirations.

My comments on your text follow the initial reactions I gave you when we met.

I think that it is most important to avoid arousing unreal expectations or exaggerating what Governments can do by international action. You will recall our discussion about the need for determination and organisation in developing countries, and what I said about the practical limits on the redistribution of wealth. There is much that can usefully be done by Governments acting together.

/It would

It would however be wrong to suggest that the chronic problems of poverty, over-population and underdevelopment can be resolved by a series of international negotiations. It would be a disservice to leave any country with the impression that the main responsibility for its development lies not with itself but with the international community.

I think there is a clear need to concentrate aid on the poorest countries, and to be ready to say so. This seems to me both right and practical. It recognises the very different situation of low income and middle income countries as well as the need for priorities in using limited resources.

I would also like to avoid the implication that inequality of wealth among states endanger the peace of the world. I doubt whether this is true. It seems to me that political rather than economic conditions are responsible for the most serious threats to peace in the world.

Finally, I believe we ought to avoid implying that major institutional changes are necessary to prevent breakdown and conflict. My own view is that the relevant institutions have functioned well and are adapting successfully to difficult and rapidly changing circumstances.

I hope that all this is helpful, and explains why some of your phraseology gives me considerable difficulty. Of course we can talk further about this in Melbourne.

I was very interested to see the account of Mr. Howard's Budget, which received detailed coverage in the British press. Though the circumstances are different your objectives and

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methods are closely in line with ours. You have, as you know, all our good wishes for success in your economic management.

Yours sincerely
Margaret Thatcher

The Right Honourable J.M. Fraser, C.H., M.P.



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cc fo

10 DOWNING STREET

THE PRIME MINISTER

20 August 1981

Dear Mr Ramphal,

I am most grateful to you for the two invitations, in your letter of 11 August, to be one of those responding to Mr. Fraser's address of welcome at this year's meeting of Commonwealth Heads of Government, and to lead the discussion, with Mrs. Gandhi, on item 3(a) of the CHGM agenda "World Political Scene: Global Trends and Prospects". I am very happy to accept, and shall look forward to these particular opportunities to contribute to our discussions.

I have read with much interest your letter of 10 August enclosing the proposed agenda for the meeting, and can see that we shall have plenty to discuss. I very much look forward to it.

Yours sincerely
Margaret Thatcher

His Excellency Mr. Shridath S. Ramphal, Kt., C.M.G., Q.C.

ds



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

19 August 1981

M. Pattison, Esq.,
Private Secretary,
10, Downing Street

Dear Mike,

... In reply to your letter of 17 August I attach the draft of a message from the Prime Minister to Mr. Fraser about the Melbourne Declaration he proposed. It has, as you suggested, been agreed between the Treasury and the FCO.

I am copying this letter and enclosure to Michael Arthur (Lord Privy Seal's Office), John Rhodes (Department of Trade) and David Wright (Cabinet Office).

*Yours ever,
Peter*

P.S. JENKINS

CONFIDENTIAL

DRAFT LETTER FROM THE PRIME MINISTER

TO: MR MALCOLM FRASER

When you were here on 30 July, you kindly let me see the draft of a declaration which you hoped might be agreed by us all in Melbourne.

I have now had a chance to look at your text more carefully. I have also read with much interest both the speech read for you at the Royal Commonwealth Society on 27 July and your thoughtful article in the Times of 11 August. Having read that article I am sure you would agree that in anything we say at Melbourne it is important to strike the right balance between realism and aspirations.

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population and underdevelopment can be resolved by a series of international negotiations. It would be a disservice to leave any country with the impression that the main responsibility for its development lies not with itself but with the international community.

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I would also like to avoid the implication that inequality of wealth among states endanger the peace of the world. I doubt whether this is true. It seems to me that political rather than economic conditions are responsible for the most serious threats to peace in the world.

Finally, I believe we ought to avoid implying that major institutional changes are necessary to prevent breakdown and conflict. My own view is that the relevant institutions have functioned well and are adapting successfully to difficult and rapidly changing circumstances.

I hope that all this is helpful, and explains why some of your phraseology gives me considerable difficulty. Of course we can talk further about this in Melbourne.

✓ [I was very interested to see the account of Mr Howard's Budget, which received detailed coverage in the British press. Though the circumstances are different your objectives and methods are closely in line with ours. You have, as you know, all our good wishes for success in your economic management 7.



10 DOWNING STREET

PRIME MINISTER

Here is a Treasury/FCO draft of the kind of message you could send to Mr. Fraser commenting on the draft "Melbourne Declaration". You may think that this would be a useful way of confirming the outline of your approach, as you put it to him in your meeting last month.

The relevant Treasury and Foreign Office Ministers are not in London at the moment. If you wanted to have a word with anyone about this in the course of tomorrow, the best candidates would probably be Ken Couzens in the Treasury and Rodric Braithwaite in the FCO.

*Flag A provides information on
Australians aid / trade record
and intentions*

19 August 1981

A handwritten signature in dark ink, appearing to be 'MAD'.



Foreign and Commonwealth Office

London SW1A 2AH

19 August 1981

Dear Mike,

In your letter of 17 August to Michael Arthur you asked for details of Australia's record on aid and related issues to reach you by this evening.

I enclose the following statistical material:

Annex A : A note on IMF quotas and World Bank capital subscriptions;

Annex B : Australian aid 1978-1980;

Annex C : Concessional flows to LDCs compared to LDC deficits and oil import costs;

Annex D : An explanatory note on Australian protectionism.

You enquired whether we had any information about possible Australian initiatives in the context of the Commonwealth Heads of Government meeting. We understand, in confidence, that the Australian Government are considering the following possibilities:

- (i) The establishment of an agricultural research centre ultimately costing some A\$15-20 million a year;
- (ii) A 27% increase in food aid;
- (iii) The creation of a wheat stock earmarked for developing countries, worth A\$75 million;
- (iv) Expansion of energy research and development funded from the aid programme;
- (v) A scheme, costing A\$5.4 million to pay the contributions of selected Pacific Islands towards the Common Fund;
- (vi) A possible announcement at CHOGM of Australian acceptance of reaching the 0.7% ODA/GNP target by 1990.

/The Australian

Mike Pattison Esq
10 Downing Street



The Australian Government has not taken firm decisions on these proposals but they have approved a separate submission calling for a substantial increase in ODA. The budget for the financial year 1981/82, just published, provides for a cash increase of 12.6% in ODA, equivalent to about 7% in real terms.

You mentioned that the Prime Minister was interested in details of Australian tariff changes, particularly since Mr Fraser came to office. Australia remains a heavily protected market by means of tariffs and quotas as the enclosed paper (Annex D) indicates. There have however been random and piecemeal tariff reductions since 1978 on a number of items. Examples are:

Aug 78	Defrosters and demisters. Carbon brushes and electrodes. Capacitors, electrical measuring instruments. Magnets, hairclippers.
Dec 79	Timber and timber products.
Mar 79	Copper and Brass sheets and strips.
Aug 79	Confectionery.
May 81	Glycol. Certain chemicals, silicone forms.
Apr 81	Crushing and grinding machinery.

Tariff preferences in favour of British goods have of course been abolished, the last of these in July this year. These were anomalies dating from our entry into the EC when our preferences in favour of Australian goods were abolished but the Australians retained theirs.

I hope this information meets your needs.

Yours,

A K C Wood

A K C Wood
Assistant Private Secretary
to the Lord Privy Seal

IMF QUOTAS AND WORLD BANK CAPITAL SUBSCRIPTIONS

IMF quotas and World Bank capital subscriptions are assessed by the Fund and Bank respectively according to a member country's weight in the world economy. They cannot therefore be used as a measure of voluntary contributions to the Third World. For the record, however, the quotas/subscriptions of Australia and the UK are as follows (figures for both institutions are quoted in Special Drawing Rights).

	<u>World Bank Subscriptions</u>	<u>IMF Quotas</u>
Australia	SDR 645 million (2.14% of total)	SDR 1.185 billion (1.95% of total)
UK	SDR 2.6 billion (8.62% of total)	SDR 4.387 billion (7.23% of total)

Australia has however recently lent the IMF SDR 50 million (equivalent to US \$55 million) to help finance the Fund's lending programme. By comparison the UK lent SDR 150 million (equivalent to US \$165 million). Similarly the Australian contribution to the 6th Replenishment of IDA was US \$229.2 million (1.81% of the total) compared with the UK's contribution of US \$1.21 billion (10.2% of the total). A table giving details of Australian bilateral aid over the last three years is at Annex B.

AUSTRALIAN AID, 1978-1980 (UK Figures are given for comparative purposes)

(a) Total Aid Flows (US \$)

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Australia	588m	620m	657m
UK	1460m	2067m	1785m

(b) Bilateral Aid (US \$)

Australia	420m	458m	Not available
UK	854m	1164m	Not available

(c) Aid to Papua New Guinea (included in bilateral aid)

Australia	267m	260m	Not available
-----------	------	------	---------------

(d) Bilateral Aid as % of Total Aid

Australia	71%	74%	-
UK	58%	56%	-

CONCESSIONAL FLOWS TO LDCs, 1980

(a) Total Flows by donor groups

	US\$
DAC -	26.7 billion
OPEC -	7 billion
CMEA -	<u>1.8 billion</u>
Total	<u>35.5 billion</u>

(b) Total flows as percentage of total Least Developed Country deficits:

115%

(c) Total flows as percentage of non-oil LDC deficits:

42%

(d) Total flows as percentage of rise in oil import bill between 1978-1980:-

	<u>Total Rise (US\$)</u>	<u>Total aid received, 1980</u>	<u>%</u>
Non-Oil LDCs	35.8 billion	30 billion (estimate)	84



AUSTRALIA
PROTECTIONISM

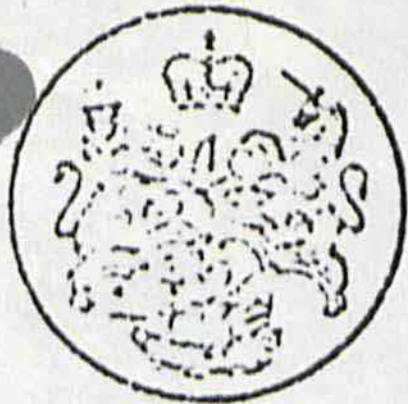
The Structure of Australia's GDP poses severe problems for economic management. Agriculture and mining continue to provide the bulk of foreign exchange earnings (73%) but account for only 8% of domestic employment and generate only 10% of GDP. It is largely against this background that the Australian Government's protectionist stance has been maintained towards the domestic manufacturing sector which accounts for approximately 23% of employment and 21% of GDP. Unemployment which is considered high in Australian terms, has been running at about 6% for some years now.

In July 1973, Australia unilaterally cut the tariff by 25% across the board. The resultant import boom, combined with the effects of the world recession, led to a re-tightening of import controls protecting some of the weaker sectors of Australian manufacturing. These controls were notably in the form of tariff quotas on eg textiles (currently with assistance as high as 57%) and clothing (with assistance up to 149%), but quantitative quotas were also imposed on eg footwear (with assistance up to 59%) and motor vehicles (up to 61%). Quotas are applied globally.

Generally speaking, Australian tariffs on manufactured goods, outside of the quota system, are also much higher than the equivalent EEC Common Customs Tariff. It has been observed that the average effective rate of assistance in Australia stand at 26%, with peaks of 60% and over. Some 80% of Australian tariffs are not bound by GATT. The level of Australian protection is under regular scrutiny by their Industries Assistance Commission (IAC)¹ which assesses the need for continuing support. In practice, the Government has shown itself susceptible to a powerful Protectionist Lobby and tends to maintain and even increase existing tariff barriers.

Now that the Australian economy seems poised for a period of rapid and sustained expansion led by the energy and mineral sectors (real GDP growth is expected to

1 The IAC was set up by statute in 1973 under the aegis of the Department of Business and Consumer Affairs, its function is to advise the Australian Government on the degree of protection required by Australian manufacturing sectors. It replaced the Tariff Board.



accelerate from 2% in 1980 to nearly 4% in 1981) protectionist policy is again beginning to be challenged in Australia. See attached article "The Burdens of Protection". Opponents are urging the Government to introduce a policy of selective reduction in protection for the least competitive industries (textiles footwear, vehicles, etc), the main advantage being the reduction of domestic input costs and the assisting of more efficient export industries to remain competitive. This would also encourage the quickest and most efficient development of resources. The ensuing short-term increase in unemployment, however, makes this a politically difficult course to follow.

CRE3/2

January 1981



Foreign and Commonwealth Office

London SW1A 2AH

17 August 1981

*Agreed - Paul Sturtin
 Permitted. I cannot go
 if we are in the middle of
 such a state. Prime Minister*

*If you are content to accept Mr Ramphal's
 invitations, there is a letter at A for you
 to send to him.*

*WFBN
 18/8*

Dear Michael,

Commonwealth Heads of Government Meeting,
Melbourne

In your letter of 12 August you asked for advice on the Commonwealth Secretary-General's letter of 11 August inviting the Prime Minister to respond to the Australian Prime Minister's address of welcome at the formal opening session of the CHGM, and also to lead the discussion, with Mrs Gandhi, on item 3(a) of the CHGM agenda "World Political Scene: Global Trends and Prospects".

We recommend that the Prime Minister accept both invitations. She will recall that she was similarly invited to be one of the heads of government responding to President Kaunda's address of welcome at the opening session of the 1979 CHGM in Lusaka - something which the Prime Minister was able to turn to advantage. It is noteworthy that Mr Ramphal should have asked the Prime Minister to speak again this year in the opening session, when it is arguably someone else's turn, and also to introduce the main political discussion. It may be that the two invitations owe something to Mr Fraser's influence, reflecting his respect for the Prime Minister. It is also possible that Mr Ramphal hopes that the Prime Minister may be able to take some of the heat out of the present differences, over the Gleneagles Agreement, between Mr Muldoon and other Commonwealth members. Be that as it may, the two speeches should together provide an excellent opportunity for the Prime Minister to put across British views not only to fellow heads of government but also - since the opening ceremony will be covered by press and television - to the Australian and wider international public.

In considering Mr Ramphal's request the Prime Minister might wish to know that Mr Ramphal has told us that he plans to invite Mr Lee Kuan Yew to lead on item 3(b) 'Developments in Asia'; President Shagari to lead on item 3(c) 'Southern Africa'; and Mr Trudeau on item 4, the 'World Economic Situation'. We

/do not



do not know which other heads of government are being invited to contribute to the opening session, but there are likely to be three others, covering a cross-section of the Commonwealth.

at B

You also ask for advice on Mr Ramphal's circular letter of 10 August on the CHGM agenda. The Prime Minister has already commented in some detail (in her letter of 31 July) on Mr Ramphal's original circular of 27 May and we do not think there is any need for her now to do more than acknowledge this second letter.

Yours ever,

A handwritten signature in cursive script, appearing to read 'Francis Richards'.

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street



File 1/B

10 DOWNING STREET

From the Private Secretary

17 August 1981

Dear Michael

I wrote to Peter Jenkins this morning about the draft Melbourne Declaration put forward by the Australian Prime Minister.

I understand that the Treasury, in consultation with you, are now preparing a draft letter for the Prime Minister to consider sending to Mr. Fraser. The Prime Minister has also asked for some detailed information about Australia's own contribution to the third world. I think that she wants to be armed with this primarily for the Melbourne discussions themselves, but it would be helpful if such material as is readily available could be with us by Wednesday evening, when she will be considering the draft letter to Mr. Fraser.

She has asked in particular for Australia's record in terms of subscriptions to the World Bank Group and to IMF facilities expressed in actual terms and as a proportion of GDP compared with our own contributions. She would also like details of the Australian record on bilateral aid. (On both the above points, she is primarily interested in Mr. Fraser's period of office.) She has also asked what tariffs have been lowered and what tariffs increased since Mr. Fraser came to office. She asks whether we have any information on additional aid measures or additional trade measures which Mr. Fraser might have in mind for Australia to implement to back up the assertions in the draft Declaration.

As wider background, the Prime Minister would like to see some figures on total world flows of concessional finance at present. She has asked what proportion these flows bear to the present deficits of the developing countries as a whole, and the group of countries generally defined as least developed. She would also like to see set out the proportion these flows bear to the increased oil costs which the non-oil exporting developing countries had to meet in the past two years.

I am copying this letter to Peter Jenkins (H.M. Treasury), John Rhodes (Department of Trade) and David Wright (Cabinet Office).

Yours ever

Mike Pattison
CONFIDENTIAL

Michael Arthur, Esq.,
Lord Privy Seal's Office.

LB

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

17 August 1981

The Prime Minister has seen the Chancellor's minute of 5 August about the Melbourne Declaration, and the Lord Privy Seal's comments in his minute of 13 August.

The Prime Minister is inclined to think that these matters will have to be taken up in Melbourne. In view of Mr. Fraser's personal involvement in preparing the existing draft, she is not persuaded that we can usefully offer a complete alternative at this stage. She has not, however, ruled out the possibility of sending a brief personal message in the near future, setting out the main problems she has with the existing draft, and relating these comments to points which she made to Mr. Fraser in their recent meeting here.

It would therefore be helpful if the Treasury and the FCO could together produce the draft of such a message. The Prime Minister will be in London overnight on Wednesday 19 August, and would have an opportunity to consider the draft then if it could reach us by 6 pm that day.

I am sending copies of this letter to Michael Arthur (Lord Privy Seal's Office), John Rhodes (Department of Trade) and David Wright (Cabinet Office).

M. A. PATTISON

Peter Jenkins, Esq.,
HM Treasury.

CONFIDENTIAL

PRIME MINISTER

I attach (Flag A) a minute from the Chancellor of the Exchequer and at Flag B a response from the Lord Privy Seal about Malcolm Fraser's draft Melbourne Declaration.

The key issue is probably the Lord Privy Seal's comment that Mr Fraser takes considerable pride of authorship for the present draft. It may therefore be right that to take a line offering a complete redraft would be tactically unwise.

If you agree with this, would you like us to ask the FCO and the Treasury to produce jointly a short personal message for you to send to Mr. Fraser commenting on those parts of the draft which we find most unacceptable, and relating your comments so far as possible to your conversation with Mr. Fraser in the Royal Wedding week? We would ask them to have this message available for your approval when you get back to London next week.

14 8 81

^{MATP}
I think we shall have to deal with this in Melbourne. It is all asking and maintaining. All action short of medical help.

They know Australia's record in subscriptions to World Bank IMF etc prop: 1 G.P. (compared with our own).

the record on bilateral aid
All such from 10% off.

May I also know what tariffs
have been lowered and what violated
since Finance came to office.

Also what action on

- 1) additional aid
- 2) additional trade

He proposes to take as a result
of his communication

Also could I know the total of
world aid at present and what
prop: it bears to the deficits of the
less-developed countries - in particular
the prop: it bears to the increases of cost
of the last 2 years.

ref)



Prime Minister

MELBOURNE DECLARATION

The Chancellor of the Exchequer minuted to you on 5 August about the Declaration on North/South relations which Malcolm Fraser would like to see issue from the Melbourne meeting of Commonwealth Heads of Government. He suggested that you might like to send Mr Fraser a counter-draft, saying that you saw considerable difficulty about his original version.

2. I agree with the Chancellor that Mr Fraser's document is not to our taste. His own counter-draft is skilfully worded and naturally much more in the spirit of our own thinking.

3. But I would hesitate to send a counter-draft. This would, I think, be very doubtful tactics for the reason that Mr Fraser has drafted much of the document himself. (We have been told this by Professor Harries, who advises Mr Fraser on all this.) He is very keen on the subject, as his public statements and his article in The Times of 11 August (copy enclosed) have shown. We must therefore reckon both on considerable pride of authorship and on genuine strength of feeling about the content of the draft.

4. Mr Fraser will also realise that a great majority of the Commonwealth will readily respond to his approach. It would appeal, for example, to most Africans. There are some, like Mr Ramphal, who might want to go further. In the old Commonwealth, Mr Trudeau would not want to hold things back and Mr Muldoon has other priorities. Mr Fraser will therefore know that any reservations we expressed would be unlikely to find much support elsewhere.

/5. I therefore



5. I therefore believe that we should not offer a counter-draft and should limit our comments to a few key points. To my mind, these are:

- (a) The draft Declaration implies that the problems facing the developing countries can only be solved by international action. There is nothing about the efforts which these countries can, and must, make to help themselves. This should be remedied.
- (b) The draft says nothing about the plight of the poorest countries, whose growth rates have been far lower than those of the middle-income countries during recent years. This, too, should be remedied (perhaps with the addition of language about the need for the developed countries to concentrate on the poorest countries in their aid-giving).
- (c) The draft implies that institutional change is necessary to prevent what it calls 'disruptive involuntary change imposed by breakdown and conflict'. We do not think that much institutional change is needed. Indeed, we believe that the existing institutions have functioned well in difficult and changing circumstances.
- (d) The draft implies that inequalities of wealth among states endanger the peace of the world. We believe that political rather than economic conditions are responsible for the most serious threats to the peace of the world.

6. When you saw Mr Fraser you said that any language which implied that the rich countries were responsible for the poverty of the developing world should be rejected. He appeared to share this view and his Times article reflects this. I do not in fact think that the language of his draft carries this implication. It seems quite

/close



close to the spirit of your own remarks in Bordeaux last September:

'The disparity in wealth between the richer nations of the world - many of them outside Europe, some of them in the Group of 77 - and the poorer must be diminished. It is contrary to the principles of human dignity which underlie our own European civilisation. It provides opportunities for the enemies of freedom to extend their influence.'

7. If you decide to comment, I am sure that this should be through your own direct intervention with Mr Fraser; and preferably fairly soon. Action at a lower level could be regarded as evidence that the text had indeed been 'mauled by the bureaucracy'.

8. I am copying this minute to the Chancellor of the Exchequer, the Secretary of State for Trade, and to Sir R Armstrong.

I.H.7.

13 August 1981

The rich rewards of helping the poor

by Malcolm Fraser

Prime Minister of Australia

In a few weeks' time I shall be chairing the Commonwealth heads of government meeting in Melbourne. A central concern of that meeting will be how to improve relations between developed and developing countries, how to revitalize the North-South dialogue.

I believe very strongly that this is one of the critical issues of our time and that the response it receives will largely determine the kind of world our children will live in.

More than 1,000 million people in the Third World live on less than £100 a year, the sort of money that most of us dispose of every few days. They are caught in a grinding cycle of poverty, lacking the basic amenities necessary to sustain not only physical health but dignity and hope. A world in which such conditions continue to exist alongside great prosperity is not only morally unacceptable, it is doomed to experience increasing instability and conflict.

Relations between the North and the South generate very strong emotions, ranging from intense humanitarian concern to deep suspicion, from guilt to cynicism. Strong emotions

in turn produce misunderstandings. Because of this I want to make absolutely clear what I believe on this subject and why I believe it. To clear the ground let me begin by listing some of the things I do not believe.

First, though there is a compelling humanitarian case for rich nations assisting very poor ones, I do not base my approach principally on that case. I recognize that, by and large, governments do not and cannot frame their policies simply in terms of humanitarian considerations.

Second, my views are not predicated on an assumption of Western guilt. The historical record is much too complex to justify such an assumption and, in any case, guilt is an emotion which distorts judgment.

Third, I do not deride or minimize the importance of the contribution that market forces and private enterprise can make to the resolution of the problems of developing countries. On the contrary, I regard that contribution as indispensable. I maintain only that, in itself, it is insufficient.

Fourth, I do not criticize bilateral efforts and initia-

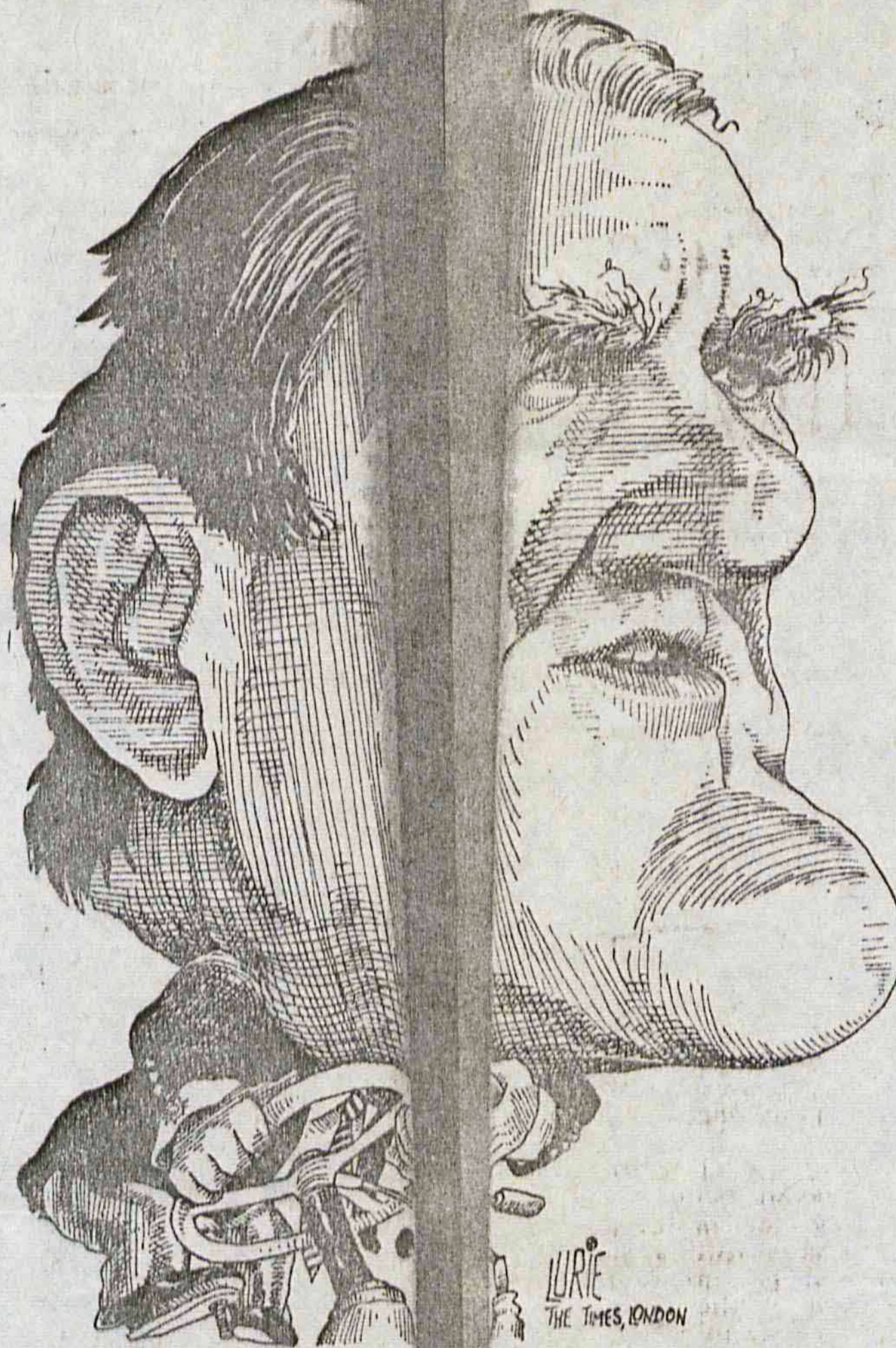
tives to deal with the problems. Many things are best done bilaterally. But again, I believe that it is not a matter of either/or; both bilateral dealings and multilateral negotiations are essential.

Fifth, I do not deny the heterogeneity of the South or the Third World, nor the obvious fact that it is internally divided in many ways. What I do maintain is that despite and as well as differences and divisions there is also a genuine and politically significant sense of common identity and solidarity among the countries involved.

Sixth, I do not urge that the West should accede to all Third World demands or be uncritical of their proposals. But I do believe that we should consider their needs and problems in a positive and constructive spirit, and should be prepared to share the initiative rather than merely react to what they propose.

Seventh and last, although North-South issues will be very prominent at the Melbourne Commonwealth heads of government meeting, my interest in these issues does not derive from that fact.

The importance of the issues transcends the meeting, and it is a matter of record that my active interest in them, and that of the Australian Government, is long standing. Having made these preliminary points which I hope will remove the danger of misrepresentation, let me state my position in positive terms. It is based four-square on self-interest, the enlightened self-interest of Australia



'We would do well to remember ... that independence and status are of vital importance to peoples who have only very recently acquired them'

jobs in Western countries depend on this trade. Furthermore, the most rapidly growing economies, the ones which offer the best opportunities for the further growth of trade and general economic recovery, are in the Third World. Resources vital to Western societies are located there. More generally, the West's commitment to a global market system requires and depends on the participation of the 120 or so countries of the Third World.

Of course, it is true that the Third World is even more dependent on trade with the North. It would be, however, a serious and potentially fatal error to assume that because of this the Third World has no option but to cooperate with the West on the West's terms — to assume, that is, that economic rationality must triumph over politics. One has only to remember Nkrumah's "Seek ye first the political kingdom", or Sukarno's "Go to hell with your aid", to realize that such an assumption runs counter to the fundamental experience and character of the Third World.

We would do well to remember what the passing of time has obscured for many

Western nations: that independence and status are of vital importance to peoples who have only very recently acquired them.

The capacity of poor countries to inflict damage on the West if they are driven to do so by frustration should not be underestimated. For that capacity is a function not only of power measured in conventional terms, but of desperation and a willingness to resort to extreme measures even at great cost to themselves. Edmund Burke once warned that "there are critical moments in the fortunes of all states, when they who are unable to contribute to your prosperity may be strong enough to complete your ruin". It is a warning worth pondering.

Certainly the West cannot afford to see large sections of the Third World suffer collapse and chaos. If they were to do so the main beneficiary in geo-political terms would be the Soviet Union. That the Soviets have a dismal and shameful record in providing development aid to the Third World, and a mixed record in seeking to exploit Third World discord and instability, is not something which justifies complacency. A recent report sponsored by the Council on Foreign Relations in New York and drawn up by a commission whose "realist" credentials are impeccable, concludes that:

"There should be a new basis for North-South economic cooperation, without which the degenerative economic forces now at work in the developing regions are likely to provide the Soviet Union a good many more oppor-

tunities for dangerous trouble-making."

I agree very strongly with that conclusion and believe that it should be well in the forefront of our minds in thinking about North-South relations.

For all these reasons—as well as humanitarian ones—it is imperative that the North-South dialogue be revitalized. One way or another the existence and legitimate aspirations of more than 100 new countries must be accommodated within the international community. The only question is whether change will occur peacefully and by negotiation or in an uncontrolled fashion as a result of disruption and conflict.

After a long period of stalemate and frustration in the North-South dialogue, the recent Ottawa summit struck a reassuringly positive note, particularly as far as the prospect for global negotiations are concerned. At the Commonwealth meeting in Melbourne and the summit meeting in Mexico which immediately follows, it is of the utmost importance that matters should be carried further and a sense of momentum generated.

The problems are enormously formidable and not amenable to quick or easy solutions. Progress will require determination, staying power and statecraft of a high order. Precisely because of that and because time is a wasting asset, it is essential that a start be made now. If it is not we will be cursed by future generations for our blindness and neglect.

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Commonwealth

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- ~~Restricted~~
- Unclassified

TO:
HE Mr Shridath S Ramphal Kt CMG QC
Commonwealth Secretariat
Marlborough House
Pall Mall
LONDON

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

I am most grateful to you for the two invitations, in your letter of 11 August, to be one of those responding to Mr Fraser's address of welcome at this year's meeting of Commonwealth heads of government, and to lead the discussion, with Mrs Gandhi, on item 3(a) of the CHGM agenda " World Political Scene: Global Trends and Prospects" . I am very happy to accept, and shall look forward to these particular opportunities to contribute to our discussions.

I have read with much interest your letter of 10 August enclosing the proposed agenda for the meeting, and can see that we shall have plenty to discuss. I very much look forward to it.

Enclosures—flag(s).....

Covering SECRET

Commonwealth

12 August 1981

I enclose two letters to the Prime Minister from the Commonwealth Secretary-General about CHOGM.

I should be grateful for your advice on the questions posed in Sir Shridath Ramphal's letter of 11 August, and for a draft reply the Prime Minister might send to both his letters, by Tuesday 18 August. ~~BF~~

Michael Arthur Esq
Lord Privy Seal's Office

MFJ

12 August 1981

I am writing on behalf of the Prime Minister to thank you for your letter of 10 August.

I will place your letter before the Prime Minister and a reply will be sent to you as soon as possible.

WR

His Excellency Mr. Shridath S. Ramphal, Kt.,
C.M.G., Q.C.

12 August 1981

I am writing on behalf of the Prime Minister to thank you for your letter of 11 August.

I will place your letter before the Prime Minister and a reply will be sent to you as soon as possible.

WR

His Excellency Mr. Shridath S. Ramphal, Kt.,
C.M.G., Q.C.

11 August 1981

Dear P. H. H. H.

Thank you for your letter of 31 July and for your comments and suggestions on the scope of the Melbourne discussions. I have now issued the agenda papers and, as you will see, they reflect your concerns as well as those of other Heads of Government. I particularly welcome your suggestion that the economic discussion should eschew more confrontation between the developed and developing countries. In the annotation I have tried to encourage the Meeting to look at issues in the context of mutuality of interest and of a contribution by the Commonwealth to consensus building at the international level.

The Meeting will begin as usual with a formal opening session during which a few Heads of Government, each speaking for about ten minutes, will respond to Mr. Fraser's address of welcome. This will be the only session to be televised and covered directly by the media and I should like to invite you to be one of the Heads of Government to respond to Mr. Fraser. I very much hope that you will be able to agree to do this.

While we will generally have only one introductory speaker for each topic, the two 'overview' political and economic items would clearly benefit from two statements presenting the issues from somewhat different perspectives. In this context, I wonder whether you would be prepared, together with Mrs. Gandhi, to lead the discussion on the major political item: Agenda Item 3(a) - 'World Political Scene : Global Trends and Prospects'. I know your colleagues would greatly welcome your giving them such a start.

Could I ask, further, for as early a reply as possible?

With deep respect and regards,



Shridath S. Ramphal

The Rt. Hon. Margaret Thatcher, MP.,
Prime Minister of Great Britain
and Northern Ireland.

2 PPS B
2

C.152/11/4

SECRET

10 August 1981

Dear Paul Quinlan,

In my letter of 27 May I invited views on the Agenda for the forthcoming Meeting of Heads of Government. Based on the replies I have received and the further personal consultations I have had, I have pleasure in enclosing a draft Agenda for your consideration supplemented by a list of background papers which the Secretariat will distribute. In accordance with the guidelines on style and format agreed at Lusaka, documentation will be kept to the minimum so as to promote informality and spontaneous discussion.

I offer the following comments by way of annotation of the draft Agenda which I hope you will find helpful in your preparations.

The Agenda has been constructed, as before, under broad and flexible headings, but taking account of specific concerns conveyed to me by Heads of Government.

1. OPENING SESSION

In a slight variation of past practice, the Opening Session will not be in the morning but at 1430 hours at the Melbourne Town Hall in the presence of a large number of guests. Prime Minister Fraser's address of welcome and my own remarks will be followed by five speeches in reply taking in all about an hour and a quarter. Thereafter at 1630 hours at the Wentworth Hotel, there will be my traditional reception to provide you with an opportunity to meet representatives of the Australian and world press who will have gathered in Melbourne to cover the Meeting.

Before the Opening Session starts, Prime Minister Fraser will offer an informal lunch for Heads of Delegation and their spouses in the Town Hall itself at 1230 hours.

The Rt Hon Margaret Thatcher MP
Prime Minister of Great Britain
& Northern Ireland

2. ORDER OF AGENDA

As is customary, Senior Officials will meet the day before the Opening, on 29 September at 1430 hours, to discuss the Order of Agenda and related administrative and procedural matters. Their report will be available for consideration by the Meeting at the commencement of its first executive session.

For ease of reference, I enclose a copy of the Lusaka guidelines on the conduct of Heads of Government Meetings.

3. WORLD POLITICAL SCENE

There is agreement that the Meeting should begin with a review of major international developments, and the item has been structured to combine the general with the particular, so that broad analysis flows into, and reinforces, the discussion of more specific topics.

(a) Global Trends and Prospects

Over the last two years the global political environment has deteriorated markedly: it is now more troubled, more insecure, and more uncertain than at the time of the Lusaka Meeting. US-Soviet relations have worsened, mistrust and suspicion have increased over a wide front, East-West confrontation has intensified, the arms race has accelerated, and there is a general sense of fragility about the world political situation. The cause of internationalism, the claims of development, the processes of negotiation have all suffered from these developments. The setback to the UN Conference on the Law of the Sea is a notable, but by no means solitary, example.

Where are we headed if these trends continue? How can faith in peaceful means and negotiation be regenerated? There are different perceptions about these broad issues, their causes and possible solutions. The hope has been expressed, however, that at Melbourne Heads of Government will not only exchange views about them from a variety of national perspectives but also forge a convergence of opinion that will enable them to give a collective call for a saner and more co-operative world. In the Introduction to my 1980-81 Report, which will be with you shortly, I refer to the Statement on Disarmament which Commonwealth leaders formulated and offered to the world 20 years ago. Our needs today are wider than disarmament; but I attach a copy of that 1961 Statement as an example of an earlier effort by Commonwealth leaders to recall the world from dangers ahead.

There will be opportunity, too, under this heading to touch on some specific issues of Commonwealth concern like Cyprus and Belize which are not embraced by the other sub-items.

(b) Developments in Asia

The altered world political environment is brought into specially sharp focus across the sweep of Asia, from the Middle East with its insistent danger signals at the one end, through to the continuing tensions in South East Asia at the other. In between lie the unresolved conflict between Iran and Iraq, persisting stalemate on Afghanistan, and enhanced military activity in the Indian Ocean. The presence of outside powers and the facilitation of an arms build-up are matters of grave concern to many Commonwealth countries of the region. They vitally affect international peace and security and merit urgent consideration.

(c) Southern Africa

The success of Commonwealth efforts in Zimbabwe has been welcomed throughout the world; for the first time in almost 20 years the Rhodesian problem will not be on the Agenda of Heads of Government. But that success brings into relief the major issues which remain.

Although the problems of Southern Africa are interrelated, the Meeting may wish to give separate and particular consideration to Namibia. A negotiated and internationally acceptable solution which would lead Namibia to independence, through free and fair elections supervised by the United Nations, has so far proved elusive. Fresh efforts by the five power Western Contact Group are now under way and Commonwealth Governments hope that real progress will have been made by the time of the Melbourne Meeting. The Meeting will afford an important opportunity to consider how best, in the light of further developments, international objectives on Namibia can be advanced as a matter of urgency.

The Commonwealth has long accepted a special responsibility to contribute effectively to the struggle against racism in Southern Africa. The Lusaka Meeting saw the adoption of a Commonwealth Declaration on Racism and Racial Prejudice, and the acceptance of the principle that "positive measures may be required to advance the elimination of racism, including assistance to those struggling to rid themselves and their environment of the practice". In the face of South Africa's sustained adherence to the 'unmitigated evil' of the apartheid system, Heads of Government will wish to review the situation in all its aspects, to consider how the vicious circle of domestic repression, external aggression and continued defiance of world opinion can be broken and to re-affirm their past commitments to action in support of the elimination of apartheid. The Meeting may also wish to examine the scope of enlarging Commonwealth humanitarian assistance to the victims of the situation in the region.

4. WORLD ECONOMIC SITUATION

All the replies I have received confirm the overwhelming importance of the economic discussion at Melbourne. There is agreement that Melbourne must make a contribution to progress on North-South issues, must strive materially to advance the prospects for Cancun - one third of whose participants will have been at Melbourne; and that this requires a discussion that transcends the general and links up with specific consideration of the most urgent issues. The agenda item has been structured to meet these concerns and to facilitate the objectives which Heads of Government have so forcefully conveyed to me.

(a) The Overview of Crisis

It may be useful to begin with an overview of the world economic situation, and what it portends for developed and developing countries if it does not quickly improve. The unprecedented combination of high inflation, high unemployment, high interest rates, massive payments deficits, low economic growth, chronic energy problems, and deepening food insecurity, is a global phenomenon demanding global approaches. No country is immune from its effects, but they are felt with particular severity in the developing world. The discussion at Melbourne could yield valuable insights into the nature of interdependence, including the extent to which progress in the 'South' can contribute to recovery in the 'North'; and it could promote greater understanding of specific areas of mutual interest between North and South. The Ottawa Summit has opened the door in this direction; Melbourne must assist progress through it.

Heads of Government may also see value in appraising the effectiveness of current negotiating procedures and mechanisms. It is clearly not enough for interdependence to be acknowledged; the world community needs instruments through which shared perceptions can be translated into collective acts of political will, mutual interests into joint programmes of action. This, too, has a bearing on the prospects for the future; and Melbourne provides an ideal opportunity for a frank discussion of current inadequacies.

(b) Approaches to Solutions

As the basis for their discussion Heads of Government will have the Report of the Commonwealth Group of Experts commissioned at their last Meeting together with a Secretariat Memorandum dealing with its recommendations in the light of more recent developments. In considering ways in which the Commonwealth can lend impetus to international efforts, Heads of Government have confirmed that they would wish the Meeting to focus on several key issues.

i) Trade

The Experts' Group emphasises that an important key to recovery in the world economy is a concerted programme for expansion of world trade. The current trend towards protectionism poses a major threat. Despite general agreement that trade liberalisation is essential, short-term and structural problems are thwarting movement in this direction. Heads of Government may wish to express a strong political commitment to a progressive relaxation of protectionism and its corollary of a more co-ordinated approach to structural change in both developed and developing countries. The Experts' Group also calls for a more determined effort to liberalise agricultural trade which is of interest to both developed and developing countries.

ii) Financial flows

The Experts' Group recognises that global economic recovery cannot be accomplished without attention to the world financial system. Recent events have further exposed its weaknesses. The debt problem of developing countries has grown enormously and poses serious dangers for development prospects and for the whole international credit system. The debt problem, steeply rising balance of payments deficits of oil importing developing countries and the urgent financing problems of the poorest countries call for enlarged roles for the international financial institutions. Against this background, Heads of Government will wish to consider ways in which financial flows, and in particular development finance, can be placed on a firmer footing enabling Governments, international financial institutions and the banking community to co-operate more effectively and productively.

iii) Energy

Energy is another key area in the Experts' Group Report. Despite agreement on its importance, progress towards the establishment of a coherent long-term global energy strategy has been very limited. Heads of Government will wish to consider ways in which the overall supply of energy can be increased, particularly among the oil importing developing countries, by the injection of greater financial support in the energy sector and the promotion of more energy research and development - including development of renewable sources. The hope has been expressed that Melbourne might see the emergence of a more concerted programme of practical co-operation between Commonwealth countries in such an endeavour. Ways in which the policies of major energy producers and consumers can be brought into greater harmony must be explored with urgency as a basis for a more stable international economic environment.

(c) Food : A Commonwealth role

The international food situation is precarious and has worsened since the Report of the Experts' Group. Poor harvests in many countries, both developed and developing, threaten to outstrip the capacity of the world food security system. Some of the worst hit countries are in the Commonwealth, and Heads of Government have confirmed that they would wish the Meeting to examine, as a matter of priority, ways in which technical and scientific resources within the Commonwealth can be mobilised more effectively to assist those countries whose need to increase domestic food production is greatest. There are many gaps in the patterns of national and international effort in this field which the Commonwealth can fill by providing Governments with the expert support they require to implement national programmes and attract outside funding.

5. ISLAND DEVELOPING AND OTHER SPECIALLY DISADVANTAGED MEMBER COUNTRIES

At Lusaka, the Commonwealth acknowledged a special obligation to its small island and other specially disadvantaged members. Meeting as they will be in the South Pacific, a region which contains so many of these countries, Heads of Government will wish to take full account of their unique developmental problems. It is appropriate, therefore, that Melbourne should accord a special place in its deliberations to this issue with a view to reviewing progress in the programme endorsed at Lusaka and considering further how the Commonwealth might harness its resources, collectively and bilaterally, for their benefit.

6. COMMONWEALTH CO-OPERATION

There is much to discuss in terms of Commonwealth co-operation which all member countries regard as one of the most valuable features of the Commonwealth relationship.

(a) Regionalism

Issues of regional co-operation are of concern to most member countries, many of whom belong to regional and sub-regional groupings that often include non-Commonwealth countries. But the patterns of regionalism are evolving all the time and the Commonwealth has helped to strengthen some of them. There is particular interest in the Southern African Development Co-ordination Conference (SADCC), and in the progress of regional co-operation between member countries of the Asia/Pacific region, whose Heads of Government held their second meeting in New Delhi last year.

(b) Commonwealth Fund for Technical Co-operation in the '80s

CFTC provides the muscle for the Secretariat's role as a development agency: its resources underpin our entire developmental effort. The approach of Governments to the finances of the Fund will thus have a significant bearing on the effectiveness with which the Commonwealth is able to meet the challenges of the '80s. Since the Fund is crucial to our capacity to pursue collective objectives through practical intra-Commonwealth action, the issue of resources must be viewed in the broader perspective of the Fund's role as a tangible expression of Commonwealth co-operation for development. I believe member Governments wish greater use to be made of Commonwealth complementarities, affinities and resources in the pursuit of national development efforts. The Fund is a vital mechanism through which this abundant potential can be realised in such diverse but priority fields as industrial co-operation, food production, export market development, assistance to smaller countries, development of energy resources and generally helping to upgrade the human and professional skills that are essential for development. The efficiency and cost effectiveness of the Fund and its pioneering role in TCDC are widely acknowledged and greatly valued. I very much hope that Heads of Government will view with sympathy the modest recommendations of the CFTC Working Party on Resources designed to restore lost momentum; and, beyond that, to ensure that the Fund is set on a path of enlarged service to member countries. A special proposal for a periodic Commonwealth stamp issue to assist in building up the Fund's operational reserve with hardly any cost to Governments will be before Heads of Government.

(c) Commonwealth Foundation

Lusaka saw the expansion of the Foundation's mandate to areas such as culture, information, social welfare and rural development in addition to its established work in fostering professional development. On account of the legal and other difficulties which have arisen, the Meeting will have before it a memorandum from the Chairman and Trustees of the Foundation seeking to alter the Foundation's current status as a charitable organisation and to attract financial support commensurate with its enlarged mandate.

(d) Commonwealth Youth Programme

Despite continuing affirmation by Governments of the importance of providing opportunities for youth and the relevance of the Commonwealth Youth Programme in this context, financial pledges have fallen short of the target that was approved at Lusaka. The Programme is unique in its decentralised functioning through three regional centres in which the host Governments have made substantial investments. Significantly, some non-Commonwealth

countries have also shown interest in utilising the training facilities offered by these centres. Heads of Government will wish to consider how the Programme can be protected from the ravages of inflation and its financial future placed on a more stable footing.

(e) Culture

It has been suggested that the Meeting should consider possible initiatives to foster co-operation in the cultural sphere. Some replies which I have received, however, indicate reluctance to see funds diverted in this direction at the expense of more pressing concerns. This will be relevant to the question of establishing an inter-governmental Commonwealth Arts Organisation as has been proposed.

Separately, and without financial implications, the Meeting will wish to note the facilities already available in the Commonwealth Institute and to consider how greater use might be made of them.

(f) Studies mandated by the Commonwealth Heads of Government Meeting, 1979

i) Report of the Commonwealth Working Party on Human Rights

The Meeting will have before it the Report of the Working Party on the promotion and protection of human rights in Commonwealth countries. An Interim Report had been submitted to governments in April, 1980, and the time is ripe to consider whether and, if so, how the matter can be taken further.

ii) Report of the Consultative Group on Student Mobility within the Commonwealth

Student mobility and educational interchange have been a valued and important feature of the Commonwealth connection: their contraction consequent on increased fees levied on overseas students in some Commonwealth countries has occasioned widespread concern. The Meeting will wish to consider the Report of the Consultative Group on this problem and the recommendations which it makes to sustain student mobility over the longer term.

iii) Report of the Commonwealth Committee on Communications and the Media

The Meeting will have before it the report, "Communication, Society and Development", produced by a committee of experts on media and communications issues. The report investigates problems

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and priorities in the areas of communication policy, the mass media, public information services and news agencies, with special reference to developing countries.

iv) Feasibility Study on Commonwealth Film and Television Institute

The Meeting will wish to consider the feasibility report on the proposal of the Cyprus Government, welcomed in principle at Lusaka, for the establishment of a Commonwealth Film and Television Institute as a non-governmental organisation. The report outlines three broad options, each allocating progressively enlarged functions to the Institute, and requiring progressively larger funding.

7. REPORT OF THE COMMITTEE OF THE WHOLE

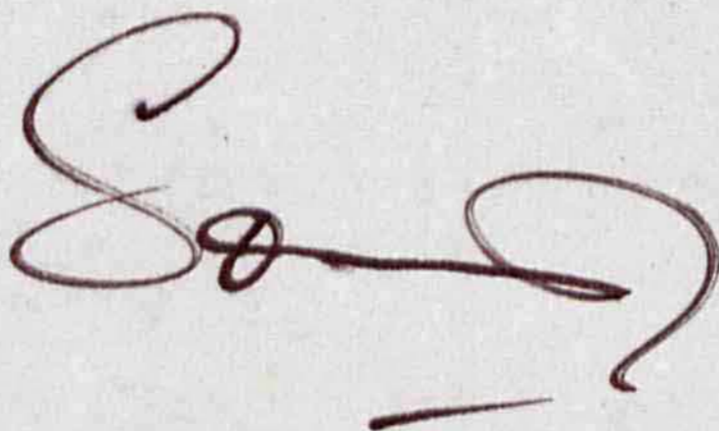
This agenda item is intended to allow for consideration of the Report of the Committee of the Whole on any matters, other than the draft communique, that may have been sent to it for preliminary consideration.

8. OTHER BUSINESS

Under this item the opportunity is provided to discuss topics that cannot appropriately be dealt with under other headings.

The Agenda is a long one; but it is envisaged that Heads of Government will wish to concentrate on the main policy issues making full use of restricted sessions as appropriate, and referring a number of specific sub-items to Senior Officials in the first instance. For the rest, it offers ample opportunity for the Commonwealth to point the way out of the present high-risk situation in which the world finds itself. It is a contribution the Commonwealth is uniquely qualified to make, and I am sure Heads of Government will wish to keep this possibility high on their list of priorities for the Meeting.

With deep respect,



Shridath S Ramphal

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C.152/1

19 June 1979

The Style and Format of
COMMONWEALTH HEADS OF GOVERNMENT MEETINGS

At London, in June 1977, Heads of Government, after discussing in restricted session the question of the style and format of their meeting, asked me to put forward for consideration at Lusaka suggestions responsive to their general wish to strengthen the special qualities of their consultations.

High among these qualities, as emphasised by Commonwealth leaders at London, was the character of the occasion as 'their meeting' - as a meeting of Heads of Government. It is this character which, in many respects, gives the meeting its unique flavour - even among other summit meetings. Heads of Government are not there to place their imprimatur on resolutions hammered out by ministers over preceding days or even in committees sitting contemporaneously. They do not come to deliver addresses to each other and to wider audiences beyond the conference room. They come to meet; to be with each other; to talk to one another; to strengthen their practical ways of co-operating within the Commonwealth association; to try to enlarge understanding of each other's point of view, and, therefore, the prospects for their convergence. They come knowing that they will not always agree, but mindful that their jointly shared objectives (as agreed, for example, at Singapore in the Declaration of Commonwealth Principles) imply that where they must agree to differ it should be on means, not ends.

Many elements of the style and format of Commonwealth Heads of Government Meetings have contributed to giving them these qualities - and those elements have developed in pragmatic ways responsive to need, not fashion. As the Commonwealth has grown in number and variety there has come a greater consciousness of the importance of preserving these elements. The Ottawa meeting in 1973 represented a particularly important moment of awareness, and the work of Commonwealth Senior Officials that preceded that meeting contributed to the significant strengthening of the element of informality. The call in London was essentially for the avoidance of its erosion as the Commonwealth continues to grow from 32 member countries at Ottawa to 39 in Lusaka.

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In responding to the request for suggestions then made I have, of course, taken full account of the discussion of this matter by Heads of Government at the London meeting. I also sought the help of Senior Officials at their last meeting in Kuala Lumpur and have been greatly assisted by their ideas in formulating the suggestions now set out in the attached note. I hope these suggestions might be considered by Heads of Government immediately after the adoption of their Agenda at Lusaka so that the consultation there may benefit from the decisions reached upon them.

With deep respect,

(Shridath S. Ramphal)

The Style and Format of
COMMONWEALTH HEADS OF GOVERNMENT MEETINGS
Suggestions by the Secretary-General*

A. Speeches

- i) It should be the general understanding among Heads of Government that set speeches in the form of prepared texts read at the meeting would be avoided. This does not exclude interventions on the basis of prepared notes, nor does it debar a prepared statement where a Head of Government considers that special circumstances warrant it.
- ii) As an exception to (i), Heads of Government requested to be lead speakers on particular Agenda items may, if they wish, make prepared presentations or, alternatively, speak to such a presentation which might then be circulated.
- iii) As a corollary to (ii), it will be the aim to restrict lead speakers to one for each principal Agenda item or sub-item, although in special cases individual Heads of Government may be asked to initiate discussion on a particular issue within an item or sub-item.
- iv) Apart from lead speakers, and then only where appropriate, interventions would not be in the nature of tours d'horizon but aim to be succinct and pithy, more in the nature of dialogue than debate.
- v) Heads of Government could, where they consider it essential, ask the Secretariat to circulate to their colleagues prepared texts on particular issues on the Agenda of the meeting - either in advance of its commencement or during its course.

B. Restricted Sessions

- i) It should be the aim to have more restricted sessions - i.e. sessions limited to Heads of Government and the Secretary-General. No official record will be kept of these sessions, but, where they result in a consensus position, the Chairman will normally report this to the executive session and so have it incorporated in the records of the meeting.

* Approved by Heads of Government at their Meeting in Lusaka, August 1979.

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- ii) There should be no press briefing on the substance of discussions in restricted sessions, either privately or on behalf of the meeting. Unless otherwise agreed, the press will simply be informed of the subject being discussed in particular restricted sessions.
- iii) It will be for Heads of Government themselves to determine during each meeting how many of their sessions or parts of sessions should be restricted; but provision would be made in the draft time-table of each meeting for at least two restricted sessions - one before and one after the week-end 'retreat'.
- iv) In putting forward the annotated Agenda the Secretary-General may suggest particular matters for discussion in restricted sessions; but, since these sessions are essentially an aid to Heads of Government in attaining the objectives of the meeting, there must be maximum flexibility at the meeting itself as to the subjects or aspects of agenda items to be discussed in restricted sessions as well as to the question of timing, frequency and duration of such sessions.

C. Informal Discussions

Opportunities for informal discussion between Heads of Government on a one to one basis or in groups are a greatly valued element of Commonwealth meetings. They should not be limited to the week-end 'retreat' but consciously provided during the course of the meeting. The following are three suggestions for enlarging these opportunities:

- a) slightly longer coffee-breaks, say, to thirty minutes;
- b) a forty-five minute 'relaxer' at the end of each day's proceedings for conversations over refreshments in the executive lounge;
- c) the formal social programme to be kept to the minimum so as to allow maximum opportunity for informal 'get-togethers' over lunch and dinner.

D. Representation

- i) In general terms, given its character as 'their meeting', everything possible should be done to encourage attendance by Heads of Government themselves.
- ii) Correspondingly, it would be understood that heads of delegation who are not themselves Heads of Government would not normally catch the Chairman's eye in preference to those who are.

E. The Chairman

It would be the understanding of all Heads of Government that at each meeting the Chairman is the principal custodian of the meeting's informal character and of its traditional style and format. As such, he would be on guard to preserve them, to prevent discussions becoming stylised, to encourage a free exchange of ideas and opinions, and to promote a meeting of minds. In doing so, he would be entitled to expect the support and co-operation of his colleagues.

F. Communique

The Communique is an important element of every Heads of Government Meeting. It is an essential vehicle for conveying to the people of the Commonwealth and the wider international community the wide-ranging interests and concerns of Commonwealth leaders. It should be the aim to maintain it within manageable proportions; to convey the true character of the conversations between Heads of Government, and to highlight areas of consensus and decisions for co-operation.

COMMONWEALTH PRIME MINISTERS MEETING

LONDON, 8-17 MARCH 1961

STATEMENT ON DISARMAMENT

The following is the text on disarmament annexed to the Final Communique issued by:

The Rt. Hon. Harold Macmillan, MP (Great Britain)
The Rt. Hon. John George Diefenbaker, Q.C. (Canada)
The Rt. Hon. R.G. Menzies, C.H.Q.C. (Australia)
The Rt. Hon. K.J. Holyoake, MP (New Zealand)
Dr. Hon. H.F. Verwoerd, MP (South Africa)
Mr Nehru (India)
General Mohammed Ayub Khan (Pakistan)
Hon. Mrs Bandaranaike (Ceylon)
Dr. Kwame Nkrumah (Ghana)
Tunku Abdul Rahman (Malaysia)
Hon. A. Tafawa Balewa, K.B.E. (Nigeria)
Sir Roy Welensky, K.C.M.G. (Southern Rhodesia)
Archbishop Makarios (Cyprus)

AIM

1. The aim must be to achieve total world-wide disarmament, subject to effective inspection and control.
2. In view of the slaughter and destruction experienced in so-called "conventional" wars and of the difficulty of preventing a conventional war, once started, from developing into a nuclear war, our aim must be nothing less than the complete abolition of the means of waging war of any kind.

PRINCIPLES

3. An agreement for this purpose should be negotiated as soon as possible, on the basis of the following principles:
 - (a) All national armed forces and armaments must be reduced to the levels agreed to be necessary for internal security.
 - (b) Once started, the process of disarmament should be continued without interruption until it is completed, subject to verification at each stage that all parties are duly carrying out their undertakings.
 - (c) The elimination of nuclear and conventional armaments must be so phased that at no stage will any country or group of countries obtain a significant military advantage.
 - (d) In respect of each phase there should be established, by agreement, effective machinery of inspection, which should come into operation simultaneously with the phase of disarmament to which it relates.

- (e) Disarmament should be carried out as rapidly as possible in progressive stages, within specified periods of time.
- (f) At the appropriate stage, a substantial and adequately armed military force should be established, to prevent aggression and enforce observance of the disarmament agreement; and an international authority should be created, in association with the United Nations, to control this force and to ensure that it is not used for any purpose inconsistent with the Charter.

4. On the basis of the above principles, it should be possible, given goodwill on both sides, to reconcile the present differences of approach between the different plans put forward.

NEGOTIATIONS

5. The principal military Powers should resume direct negotiations without delay in close contact with the United Nations, which is responsible for disarmament under the Charter. Since peace is the concern of the whole world, other nations should also be associated with the disarmament negotiations, either directly or through some special machinery to be set up by the United Nations, or by both means.

6. Side by side with the political negotiations, experts should start working out the details of the inspection systems required for the measures of disarmament applicable to each stage, in accordance with the practice adopted at the Geneva Nuclear Tests Conference.

7. Every effort should be made to secure rapid agreement to the permanent banning of nuclear weapons tests by all nations and to arrangements for verifying the observance of the agreement. Such an agreement is urgent, since otherwise further countries may soon become nuclear Powers, which would increase the danger of war and further complicate the problem of disarmament. Moreover, an agreement on nuclear tests, apart from its direct advantages, would provide a powerful psychological impetus to agreement over the wider field of disarmament.

8. Disarmament without inspection would be as unacceptable as inspection without disarmament. Disarmament and inspection are integral parts of the same question and must be negotiated together; and both must be made as complete and effective as is humanly possible. It must, however, be recognised that no safeguards can provide 100 per cent protection against error or treachery. Nevertheless, the risks involved in the process of disarmament must be balanced against the risks involved in the continuance of the arms race.

9. It is arguable whether the arms race is the cause or the result of distrust between nations. But it is clear that the problems of disarmament and international confidence are closely linked. Therefore, while striving for the abolition of armaments, all nations must actively endeavour to reduce tension by helping to remove other causes of friction and suspicion.

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

MELBOURNE - 1981

DRAFT AGENDA

1. OPENING SESSION
2. ORDER OF AGENDA
3. WORLD POLITICAL SCENE
 - (a) Global Trends and Prospects
 - (b) Developments in Asia
 - (c) Southern Africa
4. WORLD ECONOMIC SITUATION
 - (a) The overview of crisis
 - (b) Approaches to solutions:
 - i) Trade
 - ii) Financial flows
 - iii) Energy
 - (c) Food: A Commonwealth role
5. ISLAND DEVELOPING AND OTHER SPECIALLY DISADVANTAGED MEMBER COUNTRIES
6. COMMONWEALTH CO-OPERATION
 - (a) Regionalism
 - (b) CFTC in the '80s
 - (c) Commonwealth Foundation
 - (d) Commonwealth Youth Programme
 - (e) Culture

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- (f) Studies mandated by the Heads of Government Meeting, 1979
- i) Report of the Commonwealth Working Party on Human Rights
 - ii) Report of the Consultative Group on Student Mobility within the Commonwealth
 - iii) Report of the Commonwealth Committee on Communications and the Media
 - iv) Feasibility Study on Commonwealth Film and Television Institute

7. REPORT OF THE COMMITTEE OF THE WHOLE

8. OTHER BUSINESS

9. COMMUNIQUE

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

MELBOURNE - 1981

DRAFT AGENDA : DOCUMENTATION

1. OPENING SESSION

2. ORDER OF AGENDA

3. WORLD POLITICAL SCENE

(a) Global Trends and Prospects

Commonwealth Ministerial Committee on Belize:
Memorandum by the Commonwealth Secretary-General
(HGM(81)4)

(b) Developments in Asia

(c) Southern Africa

Report of the Commonwealth Committee on Southern
Africa (HGM(81)5)

4. WORLD ECONOMIC SITUATION

World Economic Crisis: A Commonwealth Perspective -
Report by a Group of Experts

Memorandum by the Commonwealth Secretary-General on the
Experts' Group Report and Subsequent Developments
(HGM(81)6)

(a) The overview of crisis

(b) Approaches to solutions:

i) Trade

ii) Financial flows

iii) Energy

(c) Food: A Commonwealth role

The Food Crisis in developing countries: The Need
for an enlarged Commonwealth Response
Memorandum by the Commonwealth Secretary-General
(HGM(81)7)

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5. ISLAND DEVELOPING AND OTHER SPECIALLY DISADVANTAGED MEMBER COUNTRIES

A Commonwealth Programme of Action: Memorandum by the Commonwealth Secretary-General (HGM(81)8)

6. COMMONWEALTH CO-OPERATION

Eighth Report of the Commonwealth Secretary-General

(a) Regionalism

(b) CFTC in the '80s

Note by the 1981 Review Group on Secretariat Priorities and Objectives (HGM(81)9)

A Basis for Future Growth: Memorandum by the Commonwealth Secretary-General (HGM(81)10)

Special Commonwealth Stamp Issue: Note by the Commonwealth Secretariat (HGM(81)11)

(c) Commonwealth Foundation

Progress and Future: Memorandum by the Chairman and Trustees of the Commonwealth Foundation (HGM(81)12)

(d) Commonwealth Youth Programme

Funding: Note by the Commonwealth Secretariat (HGM(81)13)

(e) Culture

Note by the Chairman and Governing Body of the Commonwealth Institute (HGM(81)14)

(f) Studies mandated by the Heads of Government Meeting, 1979

i) Report of the Commonwealth Working Party on Human Rights

ii) Report of the Consultative Group on Student Mobility within the Commonwealth

Note by the Commonwealth Secretariat on the Consultative Group's Report (HGM(81)15)

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iii) Report of the Commonwealth Committee on Communications and the Media

Note by the Commonwealth Secretariat on the Committee's Report
(HGM(81)16)

iv) Feasibility Study on a Commonwealth Film and Television Institute

Note by the Commonwealth Secretariat on the Feasibility Study
(HGM(81)17)

7. REPORT OF THE COMMITTEE OF THE WHOLE
8. OTHER BUSINESS
9. COMMUNIQUE

Note: A few Governments have indicated that they wish to submit papers. These will be circulated when received.

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CF

**MR. WRIGHT
CABINET OFFICE**

**Anglo-French Summit and Prime Minister's Visit
to the Gulf, Pakistan and Melbourne: Briefing
Meetings**

I confirm that the dates you have submitted for the briefing meetings for the Anglo-French Summit, the Gulf, Pakistan and CHOGM are acceptable.

W F S RICKETT

10 August 1981

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How for FCO comments

WR

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Ashwinia

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

MELBOURNE DECLARATION

I read with interest and some alarm the draft Melbourne Declaration which Malcolm Fraser left with you on 30 July, and which he foreshadowed in the speech about the Commonwealth Meeting in Melbourne read for him in London 27 July.

This was precisely the sort of move I had in mind when I sent you my earlier warning minute of 30 July 1981 on the global negotiations. I noted also what you said to him about aid, the redistribution of wealth, responsibility for poverty in developing countries and the prospects of results from global negotiations.

2. The draft Declaration, if it saw the light of day, could be dismissed as mere rhetoric but some of it is distasteful, damaging and not very honest rhetoric, as your comments to Malcolm Fraser implied. On the other hand you and the Foreign Secretary may find little support in Melbourne for changing (or suppressing) the Fraser draft, which has already been shown to Ramphal.

3. In the circumstances I wonder whether you would think it useful to send Malcolm Fraser a counter-draft, reflecting the points you made to him; and saying that you would see considerable difficulty about the draft as it stood. It may even be that his reference to "bureaucratic mauling" meant
... he was resigned to something of the sort. I attach a revised draft intended to reproduce with greater safety the style of generalisation in the original. If you thought it useful to send such a counter-draft, you might care to copy it to Sonny Ramphal. If the final result were no draft at all,

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there would be no harm in that but I think Malcolm Fraser is too committed to the idea for that to happen.

4. I am copying this minute to the Foreign Secretary, the Secretary of State for Trade and Sir Robert Armstrong.

(G.H.)

5 August 1981

MELBOURNE DECLARATION - TREASURY REDRAFT

(Changes from Australian version underlined)

We, the Heads of Government here assembled, drawn from five continents representing a quarter of the world's entire population:

(1) Affirm our strong and unanimous conviction that all men and women have the right to live in ways that sustain and nourish human dignity.

(2) Assert that this right imposes obligations on all governments, great and small, not only in respect to their own people but in their dealings with all other nations.

(3) Believe that this requires mutual tolerance among governments who must respect one another's freedom of action in the political and economic fields.

(4) Believe that this freedom should be used by each government to develop its own economic potential to the maximum for the good of its own people, taking full advantage of the mutual benefits which international trade and investment and the free flow of international finance can bring to developed and less developed nations alike;

(5) Assert that such freedom is the surest way of ensuring economic development and reducing poverty for the world at large.

(6) Recognise that this will not be sufficient by itself to promote the prosperity of the poorest countries, on whom the

available resources of official development aid should largely be concentrated;

(7) Believe that to secure these mutual benefits it is imperative to maintain the dialogue between developed and developing countries in many different institutions and groupings, of which the Commonwealth itself is one.

(8) Declare that this will require the high degree of commitment vision and intellectual realism which has always distinguished the Commonwealth in the past and must inspire the rest of the world in future.

(9) Recognise that the continuing dialogue will require real and significant change on the part of all countries if disruptive and damaging conflict is to be avoided.

(10) Maintain that success will only be achieved as governments recognise and give due weight to the essential interdependence of peoples and of states.

(11) Declare that while the most urgent humanitarian considerations demand action, self-interest alone warrants a constructive and positive approach to these great human problems by all governments.

(12) Recognise that in the process of negotiations nations must cast aside dogmas and habits which have thwarted progress in the past and find new ways of talking to each other and reaching agreement.

(13) Note that the dialogue requires a concerted and consistent approach to moral, political, strategic and economic problems alike

(14) Maintain that while the problems are formidable, they are not of such weight that they will defeat our purpose, given political will and an understanding of the needs of different countries and groups.

(15) Assert that the issues at stake are so large that they require the personal commitment of political leaders, who alone have the power to advance the common cause of mankind.

(16) Attaching the highest importance to the principles and objectives of this document, declare our common resolve: to maintain and develop the present dialogue; to give it an increased sense of urgency; to recognise the mutual interests and interdependence of all nations whatever their present state of development; and solemnly call on all leaders of all countries to join us in a commitment to taking prompt, practical and effective action to that end.

CS/ can you arrange?
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 W

Ref: A05425

MR RICKETT

Anglo-French Summit and Prime Minister's Visit to the Gulf,
 Pakistan and Melbourne: Briefing Meetings

Anglo-French Summit

1. I understand that a slot has been included in the Prime Minister's diary for a briefing meeting at 4.30 pm on 9 September. The Cabinet Office recommend that all those Ministers who seem likely, on present form, to be directly involved in the Summit should be invited - ie the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretaries of State for Trade, Industry and Defence, and the Minister of Agriculture, Fisheries and Food. Sir Robert Armstrong, Sir Michael Palliser, Sir Kenneth Couzens and Mr Franklin should also be invited to attend.

The Gulf, Pakistan and CHOGM

2. On present plans, the Prime Minister is to hold a single briefing meeting covering all three visits, at 2.30 pm on 24 September. I suggest that it might be most convenient for the visits to the Gulf and Pakistan to be taken first and that if a briefing meeting is required for CHOGM (and I understand that Mr Alexander has suggested to the Foreign and Commonwealth Office that this might not be the case) this should be the third item at that meeting despite Lord Carrington's absence in New York. On this basis, the Cabinet Office recommend that the following should attend for both the Gulf and Pakistan items -

Mr Hurd, Minister of State, Foreign and Commonwealth Office

Sir Robert Armstrong and Sir Michael Palliser (who will be accompanying the Prime Minister on her visit to the Gulf - but not Pakistan in the case of Sir Michael Palliser).

Sir Kenneth Clucas and

Sir David Cardwell, Chief of Defence Procurement,

(Sir Frank Cooper will be away and the new Head of Defence Sales, Mr Blythe, will not yet be fully in the saddle).

CHOGM

3. Mr Hurd, Sir Robert Armstrong and Sir Michael Palliser would stay on; and I suggest that the following should also be invited -

The Chancellor of the Exchequer and

Sir Kenneth Couzens, Treasury,

Mr Neil Marten (Minister for Overseas Development)

and the following Foreign and Commonwealth officials -

Mr Barltrop (the Head of Commonwealth Coordination Department, Foreign and Commonwealth Office)

The Under-Secretaries for political and economic affairs who will be attending the conference (Sir Michael Palliser has not yet decided whether these should be Lord Bridges and Mr Day or Sir L Allinson and Mr Evans).

The Foreign and Commonwealth participation, though large, would be the same as that agreed for the briefing prior to the last CHOGM.

D J WRIGHT

7th August 1981

file

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6 August 1981

In Michael Alexander's absence, I am writing to thank you for your letter of 3 August, and for sending us the letter that you have sent to Lord Carrington, Shridath Ramphal and others about overseas students. I will certainly draw your letter to the Prime Minister's attention before the Commonwealth Heads of Government meeting in Melbourne.

WR

The Lord Gladwyn, GCMG, GCVO, CB.

WR

From: The Lord Gladwyn, GCMG, GCVO, CB,



House of Lords,
London, S.W. 1.

August 3, 1981.

Dear Alexander

OVERSEAS STUDENTS

I send you herewith a copy of a letter which I have sent to Peter Carrington, Shridath Ramphal and others concerned.

Perhaps you could arrange for the Prime Minister's attention to be drawn to it at a suitable moment before the forthcoming meeting of Commonwealth Prime Ministers in Melbourne?

*Yours ever
Gladwyn*

Michael Alexander, Esq.,
10 Downing Street,
London, S.W. 1.

Council for Education in the Commonwealth

House of Commons, London

All correspondence to: D W Daniel, North East London Polytechnic, Asta House, 156/164 High Road,
Chadwell Heath, Romford, Essex RM6 6LX Telephone: 01-590 7722

The Council for Education in the Commonwealth endorses the recommendations made at the Eighth Commonwealth Education Conference, Colombo, August 1980 and respectfully recommends for specific consideration the following:

- 1A. The extension of fee remission and fee support schemes to deserving categories of students to be defined by mutual agreement by member countries.
- 1B. Additional categories in and the extension of the Commonwealth Scholarship and Fellowship Plan; for example, to include short-stay students and split courses at all levels.
- 1C. That Commonwealth governments should set up a coordinated programme for developments in higher and further education across the Commonwealth as a whole with the task of strengthening existing national institutions. These should include the establishment of regional centres of excellence as suggested by the Association of Commonwealth Universities at Hong Kong. Reciprocal arrangements and exchanges both of students and teachers, cooperation in research and the sharing of facilities and the mutual recognition of qualifications would be among the first objectives.
- 1D. That a small Commonwealth Standing Committee to advise the Commonwealth Secretary-General should be established to keep all matters concerning student mobility permanently under review for the mutual benefit of the student and both the sending and the receiving country. Its members should be selected after consultation with the appropriate representatives of member countries for their personal expertise.

The Committee would liaise with relevant bodies on all problems pertaining to mobility such as the availability of practical training, visa permit regulations, award schemes, access to health and welfare services, study materials such as books, correspondence courses, video and transcription services.

The Committee would review from time to time the success or otherwise of existing arrangements and maintain indirectly some follow-up as far as possible of students' subsequent careers, also of national manpower needs and programmes. Finance for setting up such a Committee could be kept to the minimum.

Appropriate liaison machinery should be established in member countries where necessary to link national facilities for the development of a coordinated Commonwealth Programme.

2. Substantial funds would have to be negotiated for the extension of the Commonwealth Fellowship and Scholarship Scheme and other schemes that might become desirable. It is recommended therefore that some form of Commonwealth central fund be established, initially by endowment from member countries according to means, and subsequently by subscription, both annual and particular if required.

3. The Council for Education in the Commonwealth strongly commends for consideration the Report of the Consultative Group on Student Mobility appointed by the Commonwealth Secretary-General. The urgent need for a Pan-Commonwealth measure to counteract increasing barriers to student mobility cannot be too strongly represented.

CEC EXECUTIVE 23.7.81

DWD/AB 28.7.81



cc Fco

DSG

Commonwealth

10 DOWNING STREET

THE PRIME MINISTER

31 July 1981

Dear Mr. Ramphal.

I am writing in reply to your circular letter of 27 May about the agenda for this year's Commonwealth Heads of Government Meeting.

I share your view of the gravity of the problems facing the world community today and, like you, I believe that the Commonwealth's capacity for helping in their solution has been demonstrably enhanced since our meeting in Lusaka two years ago. I am confident that Melbourne will see that capacity both increased and utilised.

I feel sure that it will be right, as you suggest, to retain the well-proven shape of the agenda, with broad (and flexible) headings; and the general outline suggested in your letter looks very suitable. The traditional review of the world political scene should, as always, be particularly valuable.

The problem of Rhodesia now, happily, lies behind us; but, as you rightly indicate, others in Southern Africa remain. I share your view that lasting peace in the whole of Southern Africa depends on faster progress towards the ending of apartheid; and the Heads of Government will clearly wish to review the situation in that area. On the Gleneagles Agreement, I hope we shall not try to change it. It is a subject that arouses strong feelings and the different traditions of individual members of

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the Commonwealth make differences of approach inevitable. I do not think that the Commonwealth would profit from a lengthy discussion.

I agree with you that there are plenty of sources of concern for Commonwealth countries in the world economic situation. I agree too that, coming as it does between Ottawa and Mexico, the meeting at Melbourne takes on an added significance. There will be plenty to talk about. What I look forward to at Melbourne is a discussion which seeks to identify the economic problems which matter for all (or the majority of) Commonwealth countries, and which focuses on possible solutions to those problems. I believe that it would be wrong in principle, as well as in conflict with the Commonwealth tradition, to consider these problems in the context of a conflict of interest - or, even worse, confrontation - between the developed countries and the developing countries. Our quest must be for solutions which could bring benefit to all countries concerned. The report prepared by Professor Arndt and his colleagues could provide a useful point of departure. It was gratifyingly down to earth and practical in its approach.

There will clearly be much to discuss under the heading of Commonwealth functional cooperation, something which I too regard as one of the most valuable features of the Commonwealth relationship. On the particular topic of food production, we agree with you on the importance of this, and will look forward to hearing about your ideas.

I shall too look forward to hearing about progress in regional cooperation: and I agree that it will be useful to have a further discussion on the problems of our smaller member countries particularly the island developing countries and certain other specially disadvantaged member countries.

You can be assured that the British Government recognises the value of the work done by the Commonwealth Fund for Technical Cooperation and share your hope that ways and means can be found

/ of providing

of providing it with adequate resources. I hope that there may be a readiness to respond on all sides.

While welcoming in principle the suggestion of increased cooperation in the cultural sphere, I must confess that I have very real doubts about the idea of creating at the present stage an intergovernmental body for such a purpose. Given present financial constraints, we would not ourselves be in a position to provide funds; and I suspect that this could also be true of many of our Commonwealth partners. Perhaps the Commonwealth Arts Organisation can be encouraged to look elsewhere for support.

Finally, one suggestion. Lusaka was successful in preserving a welcome degree of the frankness and informality which have, traditionally, been such valuable characteristics of Commonwealth meetings. I wonder whether at Melbourne we might not try to achieve a rather shorter communique than in recent years, and one more directly reflecting actual discussions. I hope that this thought may commend itself to you and to Malcolm Fraser.

Yours sincerely

Raymond White

His Excellency Mr. Shridath S. Ramphal, Kt., C.M.G., Q.C.



Australia SS

10 DOWNING STREET

From the Private Secretary

31 July 1981

As I have already told you on the telephone, the Prime Minister has seen and approved the draft press release about Mr. Fraser's decision not to attend the Conservative Party Conference in Blackpool this October which you sent me earlier today.

Central Office have been informed of the position.

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

070
DRAFT PRESS RELEASE

RL
Given to SIS by Mr. [unclear]
The press to No 10 has comments, then
phone call to Fraser's party.

8/21/77

EARLIER THIS YEAR I WAS INVITED TO VISIT THE UNITED KINGDOM IN OCTOBER FOR OFFICIAL DISCUSSIONS, AND TO ADDRESS THE CONFERENCE OF THE CONSERVATIVE PARTY IN BLACKPOOL. THIS INVITATION WAS MADE BEFORE THE ANNOUNCEMENT OF THE ROYAL WEDDING, AND THE OPPORTUNITIES FOR DISCUSSIONS WHICH THE VISIT TO THE UNITED KINGDOM AT THIS TIME HAS PROVIDED.

I HAVE DISCUSSED THE MATTER WITH MRS THATCHER, AND IN THE CIRCUMSTANCES HAVE DECIDED NOT TO VISIT THE UNITED KINGDOM IN OCTOBER. I GREATLY REGRET THAT THIS MEANS I WILL NOT HAVE THE OPPORTUNITY TO ADDRESS THIS YEAR'S CONSERVATIVE PARTY CONFERENCE AT BLACKPOOL, AND I AM GRATEFUL TO MRS THATCHER FOR HER UNDERSTANDING OF THIS CHANGE OF PLANS. I HOPE THAT IT DOES NOT POSE DIFFICULTIES FOR THE ORGANISATION OF THE BLACKPOOL CONFERENCE, AND THAT IT MAY BE POSSIBLE TO ARRANGE A SIMILAR OPPORTUNITY AT A LATER TIME. I GREATLY VALUE THE OPPORTUNITY TO HAVE DISCUSSIONS WITH MRS THATCHER THIS WEEK AND I LOOK FORWARD TO WELCOMING HER TO MELBOURNE FOR THE COMMONWEALTH HEADS OF GOVERNMENT MEETING LATER THIS YEAR.

Malcolm Fraser.

SUBJECT

CONFIDENTIAL

original filed on: -
Australia: visits of PM, Malcolm
Fraser, to London: Jan 80.

Master Set

Excerpt

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF AUSTRALIA, THE RT. HON. MALCOLM FRASER, AT 10 DOWNING STREET ON 30 JULY AT 1700

Present:

Prime Minister

The Rt. Hon. Malcolm Fraser
CH, MP

Mr. M.O'D. Alexander

H.E. The Hon. R. V. Garland

Sir Geoffrey Yeend

* * * * *

The Australian Economy

In response to a question from the Prime Minister, Mr. Fraser said that it was inevitable that, with the Australian economy growing at 5% a year, there should be pressure from the unions. The previous arrangements for fixing wages had been unsatisfactory and had had to be reviewed. This was now being done. The Prime Minister expressed admiration for Australia's economic performance. Mr. Fraser said that it was based on cutting expenditure, getting inflation down and making it possible for industries to make profits. The Prime Minister commented on the difficulties she was experiencing with the nationalised industries in the United Kingdom. Mr. Fraser said that his advice would be to sell them. He added that he understood the difficulties in doing so, but hoped that the Prime Minister would continue on the course she had set herself. The difficulties she had inherited were much greater than those which had faced him. Australia had only had "three years of madness" whereas Britain had suffered from many years of neglect. Against this background it was clear that the Prime Minister was making real progress.

CHGM

The Prime Minister said that she had no wish to devote large parts of the Melbourne discussions to Gleneagles and the problems of relations with South Africa. Mr. Fraser said he entirely agreed. He had discussed the situation at lunch earlier in the day with a

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- 2 -

number of other Commonwealth Heads of Government. He thought it should be possible to secure a simple reaffirmation of Gleneagles without too much trouble. Of those with whom he had discussed the issue, Mr. Adams (Barbados) had taken the hardest line. He wanted the Gleneagles agreement to be extended to third parties, i.e. the Governments' party to the agreement should refuse entry to nationals of other countries who had played in South Africa. The only obstacle in the way of a reaffirmation of Gleneagles would be Mr. Muldoon. If he carried out his present intention of analysing the human rights performance of other Commonwealth countries and of denouncing the Gleneagles agreement, he would certainly provoke an African counter-attack. This would not worry Mr. Muldoon: indeed he would probably welcome it since it would enable him to go home and win his election on the basis that he was defending "poor little New Zealand" against the unjustified attacks of hostile third world countries.

The Prime Minister commented that if anyone attacked her at CHGM, e.g. on aid, she herself would be inclined to react as Mr. Muldoon had done. Hard things would be said if events followed the course outlined by Mr. Fraser. It would be much better if there were no discussion at all. Mr. Fraser said that Mr. Muldoon considered he had already been attacked and intended to raise the Gleneagles issue whether or not anyone else did. The argument of the Africans was that Mr. Muldoon was trying to have it both ways. He was asserting that he had carried out the Gleneagles Agreement as he had understood it and had taken all the action open to him to discourage the tour but in fact, according to the Africans, had never asked the New Zealand Rugby Football Union to cancel the tour. After the discussions at Gleneagles, Mr. Muldoon, according to Mr. Ramphal, had given a press conference at which he had said sporting contacts with South Africa would cease. This obviously had not happened.

The Prime Minister asked Mr. Fraser if he was saying that a request by Mr. Muldoon to the New Zealand Rugby Football Union to cancel the tour would satisfy the other Commonwealth countries.

/ Mr. Fraser

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Mr. Fraser said that he thought so. The Prime Minister commented that this seemed to be an important point. Mr. Fraser agreed but implied that Mr. Muldoon was now set on his present course. The only person who could persuade him to change it was the Prime Minister herself. If Mr. Muldoon were to insist on making a speech about the imperfections of other members of the Commonwealth, he (Mr. Fraser) as Chairman would refuse "to give him room for a brawl". He would try to arrange things so that only one speech was made in response, perhaps by an African participant. Mr. Muldoon would find it difficult to have a fight if there was no opposition. The Prime Minister repeated her own preference for having no discussion whatever. However brief the discussion, regrettable things would be said. As regards Gleneagles itself, the Prime Minister agreed that it could be reaffirmed. But she was not prepared to see its scope increased in any way at all. The Prime Minister added that she would be very reluctant to see the weekend Retreat devoted to Gleneagles.

Sinai Peace Keeping Force

Mr. Fraser said that the Americans had been trying for some time to twist his arm on the question of Australia's participation in the Sinai peace keeping force. He had told them during his recent visit to Washington that he was tired of the publicity being given to this problem and intended to take some time before making a decision. The Australian Government were in two minds. On the one hand, they supported the strong position the U.S. were taking. They thought that President Sadat needed support. They wanted the Camp David process to go ahead. All this argued for Australian involvement. On the other hand, thanks to the activities of the Labour Party, it had become a major political issue at home. The Middle East was a long way away: arguably Australia ought to focus its efforts on problems closer at hand. Moreover, involvement might damage Australia's commercial interests. The list of participants being canvassed by the Americans was very odd. In sum, the proposition probably could not be sold to the Australian public in its present form. However, the situation might be different if some "more respectable partners" e.g. the

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TO ROUTINE FCO
TELEGRAM NUMBER 167 OF 27 JULY

MALAWI: COMMONWEALTH HEADS OF GOVERNMENT MEETING
LONG'S LETTER OF 20 MAY TO TURNER

1. WE HAVE BEEN INFORMED BY MEA THAT PRESIDENT BANDA WILL
NOT REPEAT NOT ATTEND CHGM, MELBOURNE, MALAWI DELEGATION TO
MEETING WILL BE LED BY THE HON M M LUNGU (MINISTER FOR OAU
AND UN AFFAIRS). HE WILL BE ACCOMPANIED BY THE HON D T MATENJE
(MINISTER FOR EDUCATION AND CULTURE,) THE HON LC CHAZIYA
(MINISTER OF FINANCE) AND FOUR OFFICIALS - INCLUDING MKONA
(MALAWI HIGH COMMISSIONER, LONDON).
LETTER BY BAG.

SULLIVAN

STANDARD
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ADDITIONAL DISTRIBUTION
CHGM

THIS TELEGRAM
WAS NOT
ADVANCED

RESTRICTED



Prime Minister

Are draft?

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 Yes
 Rnd
 - 23/7

Foreign and Commonwealth Office

London SW1A 2AH

23 July 1981

Type for PM's
 signature

Dear Michael,

Commonwealth Heads of Government Meeting (CHGM)

1981: Agenda

Further to my letter of 4 June, I now enclose a draft substantive reply for the Prime Minister to send in response to the Commonwealth Secretary-General's circular letter of 27 May to Heads of Government. This, as you will recall, contained suggestions for the agenda of the Commonwealth Heads of Government Meeting and invited comments (to reach him if possible by mid-July). Mrs Thatcher sent an interim reply on 8 June.

You will note that Mr Ramphal envisages maintaining the traditional shape of the agenda with the usual broad headings of the world political scene, the world economic situation and prospects, and Commonwealth functional cooperation. This is as we would wish. He issued his letter after consultations in Canberra with Mr Fraser, and we know that the emphasis on the economic side reflects the latter's views as well as Mr Ramphal's own. We seek, in the draft reply, to provide a steer towards productive dialogue. As for the political discussions, it is inevitable that these will once again focus in part on Southern Africa, including Namibia and now, especially, the Gleneagles Agreement in the wake of the Springbok tour of New Zealand and the repercussions of this on the Commonwealth Finance Ministers' Meeting. But some counterbalance is likely to be secured in the discussions on functional cooperation within the Commonwealth; it is potentially helpful that the Asian and Pacific island members generally feel that African questions have, over the years, taken up too much time at CHGM.

As you will see, the draft suggests that, as in 1977, the difficult - and now particularly contentious - subject of sporting contacts might best be dealt with in the Heads of Government informal discussions during the weekend retreat (although it will probably prove impossible to avoid some discussion in plenary). There is likely to be pressure for the Gleneagles Agreement to be 'strengthened'; and quiet discussion at the retreat may offer the best hope of defusing this.

/The

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- 2 -



The draft has been prepared in consultation with interested Whitehall departments.

I am copying this letter and enclosure to the Private Secretaries to the Chancellor of the Exchequer, the Home Secretary, the Secretary of State for Education and Science, the Secretary of State for the Environment, and the Cabinet Secretary.

*Yours ever
Roderic Lyne*

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing St

CONFIDENTIAL

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

HE Mr Shridath S Ramphal Kt CMG QC
 Commonwealth Secretary-General
 Commonwealth Secretariat
 Marlborough House
 Pall Mall
 London SW1Y 5HX

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

I am writing in reply to your circular letter of 27 May about the agenda for this year's Commonwealth Heads of Government Meeting.

CAVEAT.....

I share your view of the gravity of the problems facing the world community today and, like you, I believe that the Commonwealth's capacity for helping in their solution has been demonstrably enhanced since our meeting in Lusaka two years ago. I am confident that Melbourne will see that capacity both increased and utilised.

I feel sure that it will be right, as you suggest, to retain the well-proven shape of the agenda, with broad (and flexible) headings; and the general outline suggested in your letter looks very suitable. The traditional review of the world political scene should, as always, be particularly valuable.

The problem of Rhodesia now, happily, lies behind us; but, as you rightly indicate, others in Southern Africa remain, and I look forward to a positive discussion of these. I share your view that lasting peace in the whole of Southern Africa depends on rapid progress towards the ending of apartheid; and the Heads of Government will clearly wish to review the situation

Enclosures—flag(s).....

/in

in that area. On the Gleneagles Agreement, I believe the 1977 precedent for dealing with this subject informally over the weekend might usefully be followed again. As illustrated by the controversy over the Springbok tour of New Zealand, it is a subject that arouses strong feelings and the different traditions of individual members of the Commonwealth make differences of approach inevitable.

I agree with you that there are plenty of sources of concern for Commonwealth countries in the world economic situation. I agree too that, coming as it does between Ottawa and Mexico, the meeting at Melbourne takes on an added significance. There will be plenty to talk about. What I look forward to at Melbourne is a discussion which seeks to identify the economic problems which matter for all (or the majority of) Commonwealth countries, and which focuses on possible solutions to those problems. I believe that it would be wrong in principle, as well as in conflict with the Commonwealth tradition, to consider these problems in the context of a conflict of interest - or, even worse, confrontation - between the developed countries and the developing countries. Our quest must be for solutions which could bring benefit to all countries concerned. The report prepared by Professor Arndt and his colleagues could provide a useful point of departure. It was gratifyingly down to earth and practical in its approach.

There will clearly be much to discuss under the heading of Commonwealth functional cooperation, something which I too regard as one of the most valuable features of the Commonwealth relationship. On the particular topic of food production, we agree with you on the importance of this, and will look forward to hearing about your ideas.

I shall, too, look forward to hearing about progress in regional cooperation: and I agree that it will be useful to have a further discussion on the problems of our

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smaller member countries particularly the island developing countries and certain other specially disadvantaged member countries.

You can be assured that the British Government recognises the value of the work done by the Commonwealth Fund for Technical Cooperation and share your hope that ways and means can be found of providing it with adequate resources. I hope that there may be a readiness to respond on all sides.

While welcoming in principle the suggestion of increased cooperation in the cultural sphere, I must confess that I have very real doubts about the idea of creating at the present stage an intergovernmental body for such a purpose. Given present financial constraints, we would not ourselves be in a position to provide funds; and I suspect that this could also be true of many of our Commonwealth partners. Perhaps the Commonwealth Arts Organisation can be encouraged to look elsewhere for support.

Finally, one suggestion. Lusaka was successful in preserving a welcome degree of the frankness and informality which have, traditionally, been such valuable characteristics of Commonwealth meetings. I wonder whether at Melbourne we might not try to achieve a rather shorter communique than in recent years, and one more directly reflecting actual discussions. I hope that this thought may commend itself to you and to Malcolm Fraser.

A. Reed

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TO PRIORITY FCO
TELEGRAM NUMBER 308 OF 20 JULY

La Punt
Well worth reading in full.

NORTH/SOUTH AND CHOGM

1. BUSINESS REVIEW OF 18 JULY PUBLISHED FOLLOWING LEAKED TEXT OF A CONFIDENTIAL LETTER DATED 8 JUNE FROM JOHN STONE, SECRETARY TO THE TREASURY, TO PROFESSOR OWEN HARRIES, CONSULTANT ON FOREIGN AFFAIRS TO MR FRASER.

DEAR OWEN,
PRIME MINISTER'S SPEECH: THE THIRD WORLD AND THE WEST

I REFER TO YOUR REQUEST FOR COMMENTS ON THE DRAFT SPEECH TO BE DELIVERED BY THE PRIME MINISTER AT THE UNIVERSITY OF SOUTH CAROLINA IN JULY. YOU DID REQUEST THOSE COMMENTS BY CLOSE OF BUSINESS LAST FRIDAY BUT I FEAR THAT EVEN MORE PRESSING MATTERS THAN DRAFT PRIME MINISTERIAL SPEECHES PREVENTED ME FROM CONFORMING TO THAT TIMETABLE. I HOPE, HOWEVER, THAT THESE FEW COMMENTS - ONE PRODUCT OF THE ALLEGEDLY HOLIDAY WEEKEND - MAY STILL BE WORTHY OF YOUR PERUSAL.

DAVID ROBERTSON IS IN COURSE OF SENDING YOU SOME COMMENTS, WHICH I FULLY ENDORSE, ON YOUR DRAFT PAPER TITLED 'OBSTACLES IN THE NORTH-SOUTH NEGOTIATING PROCESS.' THOSE COMMENTS ARE EQUALLY RELEVANT IN THIS CONTEXT AND THERE SEEMS LITTLE POINT IN GOING OVER THAT GROUND YET AGAIN. I THEREFORE MERELY OFFER THE FOLLOWING BY WAY OF ADDITIONAL GENERAL COMMENT.

FIRST, I THINK YOU ARE MISTAKEN IN BELIEVING THAT IT IS "A BASIC ERROR" TO "ASSUME THE PRIMACY OF ECONOMIC RATIONALITY OVER POLITICS" (PAGE 8 OF THE DRAFT SPEECH) OR THAT ECONOMISTS TAKE A NARROW VIEW OF THE NORTH-SOUTH DIALOGUE (PAGE 2 OF YOUR "OBSTACLES" PAPER). I MAY SAY THAT YOU ARE NOT ALONE IN THOSE ERRORS: THEY ARE COMMON AMONG THOSE WHO DO NOT UNDERSTAND THE ECONOMIC ARGUMENTS AND WHO APPEAR TO BELIEVE THAT THERE IS SUCH A THING AS "GOOD POLITICS" WHICH CAN IF NECESSARY BE DIVORCED FROM "GOOD (OR RATIONAL) ECONOMICS." I CAN ONLY SAY THAT THE POLITICAL HISTORY OF THE WORLD, WHETHER IN THE NORTH OR SOUTH, IS LITTERED WITH THE CADAVERS OF GOVERNMENTS WHOSE LEADERS HAVE PRESUMED TO ACT ON THOSE ASSUMPTIONS.

IN MY VIEW HALF-BAKED PROPOSALS, BASED LARGELY ON POLITICAL CRITERIA AND WHICH DO NOT PAY DUE REGARD TO "ECONOMIC RATIONALITY," ARE MORE LIKELY TO ACCENTUATE THE PROBLEMS TO WHICH THE PRIME MINISTER PURPORTS TO BE ADDRESSING HIMSELF - EXCEPT, PERHAPS, IN THE VERY SHORT-TERM CONTEXT OF APPEARING TO BE "SYMPATHETIC". FOR ONE THING, THE ADOPTION OF PROPOSALS THAT ARE NOT "ECONOMICALLY RATIONAL" MEANS BY DEFINITION THAT SCARCE RESOURCES ARE SQUANDERED. WHILE THE DIRECT IMPACT MIGHT FALL ONLY, OR PRIMARILY, ON THE NORTH, ULTIMATELY THE ADVERSE IMPACT - AND THERE

/ WILL

WILL CERTAINLY BE ONE - WILL ALSO FLOW THROUGH TO THE SOUTH. THE NET RESULT, RATHER THAN MEANINGFUL PROGRESS IN THE NORTH-SOUTH DIALOGUE IN ANY LASTING SENSE, IS MORE LIKELY TO BE INCREASED ECONOMIC INSTABILITY IN THE NORTH (WHICH IN TURN IS LIKELY TO LEAD TO EVEN MORE INWARD-LOOKING STRATEGIES), LITTLE IF ANY LASTING IMPROVEMENT IN THE POSITION OF THE SOUTH AND, MORE LIKELY THAN NOT, A PROLIFERATION IN THE MORE "HAIRY" DEMANDS EMANATING FROM THAT QUARTER.

WHERE WOULD THAT GET US? CERTAINLY THE POLITICAL TENSIONS ON WHICH THE SPEECH FOCUSSES WOULD NOT BE EASED. THE REVERSE IS MORE LIKELY.

SECONDLY, LIKE MOST OF THE MATERIAL THAT IS WRITTEN ON THE NORTH-SOUTH DIALOGUE, THE SPEECH SUFFERS FROM A LACK OF SUBSTANCE. THE APPEAL FOR "POLITICAL WILL" MEANS NOTHING UNTIL IT IS CONVERTED INTO REAL CHANGE IN THE DEVELOPMENT PROSPECTS OF THE DEVELOPING COUNTRIES. THAT IN TURN DEPENDS ULTIMATELY ON THEIR OWN DOMESTIC POLICY. THE SPEECH OFFERS NOTHING ABOUT HOW THAT IS TO BE ACHIEVED. AT SOME STAGE, MOREOVER, SOME DEVELOPING COUNTRIES ARE GOING TO BE SO IMPOLITE AS TO ASK AUSTRALIA TO PUT ITS POLICIES WHERE ITS MOUTH IS. AT THAT TIME, UNLESS WE CAN SHOW CONSIDERABLY MORE "POLITICAL WILL" THAN HAS BEEN EVIDENT UNTIL NOW (FOR EXAMPLE, IN REGARD TO THE DISMANTLING OF OUR HIGH PROTECTION REGIME) THE AUSTRALIAN EMPEROR IS GOING TO APPEAR REMARKABLY UNCLOTHED. IN THIS CONTEXT I ALSO NOTE THAT, WHILE THE NORTH-SOUTH TASK FORCE WAS CONCERNED WITH IMPROVING AUSTRALIA'S OWN STANDING WITH DEVELOPING COUNTRIES, IT DID NOT COME UP WITH ANY SUBSTANTIVE PROPOSALS TO MEET NORTH-SOUTH DEMANDS GENERALLY. AS THE TASK FORCE RECOGNISED, SUCH INITIATIVES REST WITH THE MAJOR POWERS. WHILE, THEREFORE, SUCH POSTURING ON OUR PART MAY BE EMOTIONALLY SATISFYING, IT IS NOT CLEAR TO ME THAT IT IS LIKELY TO BE MORE THAN THAT. MOREOVER, SUCH POSTURING IS NOT WITHOUT ITS COSTS IN A CONTEXT IN WHICH, IN OTHER FIELDS, WE WISH TO BE TAKEN SERIOUSLY.

ON A PRESENTATION POINT, I NOTE THAT THE DISAGGREGATED APPROACH TO NORTH-SOUTH ISSUES WHICH IS SO EXPLICITLY CRITICISED IN THE FIRST PARAGRAPH OF PAGE 4 OF THE SPEECH, ACCORDING TO RECENT STATEMENTS BY US SPOKESMEN (RASHISH, NAU, HORMATS), IS THE APPROACH EMERGING FROM THE REAGAN ADMINISTRATION. IT IS, OF COURSE, AN "ECONOMICALLY (AND, I BELIEVE, POLITICALLY) RATIONAL" APPROACH WITH WHICH I HAPPEN TO BE IN STRONG AGREEMENT.

BUT HOWEVER THAT MAY BE, DO YOU REALLY WANT TO HAVE THE AUSTRALIAN PRIME MINISTER PUBLICLY CRITICISING THE REAGAN ADMINISTRATION'S POLICIES, PARTICULARLY IN THE UNITED STATES - AND PARTICULARLY, IF I MAY SAY SO, ON SUCH WEAK GROUND IN DOING SO?

THAT WILL HAVE TO SERVE FOR NOW. AS YOU WILL SEE, I HAVE NOT PROVIDED DETAILED COMMENTS, IF ONLY BECAUSE I GATHER THAT THE DETAILED COMMENTS WHICH WERE PROVIDED ON THE LAST OCCASION

HAVE BEEN ENTIRELY IGNORED. I DO, HOWEVER, DRAW YOUR ATTENTION
TO YOUR REFERENCE (P5) TO THE HOLY ROMAN EMPIRE. MY
RECOLLECTION (THOUGH OF COURSE I MAY BE MISTAKEN) IS THAT BY THE
TIME THAT NEAT APHORISM WAS COINED THE HOLY ROMAN EMPIRE HAD IN
FACT LONG SINCE CEASED TO BE "A POTENT ACTOR IN EUROPEAN
POLITICS" (OR ANYTHING ELSE).

I AM SENDING COPIES OF THIS LETTER TO THE OTHER PERMANENT
HEADS FROM WHOM YOU REQUESTED COMMENTS, AS WELL AS TO GEOFF YEEND,
FOR INFORMATION.

YOURS SINCERELY,
J.O. STONE,
SECRETARY TO THE TREASURY.

2. ACCORDING TO TODAY'S PRESS STONE HAS DECLINED TO COMMENT ON
THE LETTER AND THE TREASURER MR HOWARD HAS CONFINED HIMSELF TO
OBSERVING THAT THE LETTER WAS IN RESPONSE TO A REQUEST FOR
COMMENT BY PROFESSOR HARRIES. IT WAS NORMAL FOR SUCH REQUESTS
TO BE MADE.

3. CUTTINGS, INCLUDING ADDITIONAL COMMENT, IN CLASSIFIED BAG
LEAVING HERE 21 JULY.

MASON

LIMITED
ERD
SPD
NAD
CCD
INFORMATION D
NEWS D
LORD BRIDGES
MR EVANS
SIR E YOUDE
MR DONALD

ADDITIONAL DISTRIBUTION
NORTH/SOUTH

PRIME MINISTER

CHGM, AUSTRALIA

As you know, you have agreed to make two speeches in Australia, the Menzies Lecture and addressing the Institute of Directors. The Menzies Lecture is already confirmed for 1900 hours on Tuesday 6 October. The Foreign Office have written asking whether you would be prepared to address the Institute of Directors at lunchtime on Friday 2 October. It is just before the weekend retreat in Canberra. The only possible drawback is that a lunchtime engagement will on that day prevent you from hosting or attending any lunch with your fellow delegates. Despite this, the Foreign Office on balance recommend acceptance. It could well be difficult to find an alternative time. You are due to arrive in Australia on Tuesday 29 September, and leave on Wednesday 7 October.

Agree to address the Institute on Friday 2 October?

Yes
ms
es.

1 July 1981



File 177J
a fo

SUBJECT.

10 DOWNING STREET

Communt

THE PRIME MINISTER

29 June 1981

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No.T 98/81.**

Dear Nakolai,

Thank you very much for your letter of 4 June which Tony Street delivered when he called on me.

Needless to say, I am greatly looking forward to visiting Melbourne and Canberra later this year for the Commonwealth Heads of Government Meeting. I have enormously enjoyed my previous visits to Australia and I only regret that I cannot take up your kind invitation to stay on for a few days after the meeting. Much as I would like to take this opportunity to see something more of Australia, I have to come home fairly rapidly for the Conservative Party Conference the following week, at which you have so kindly agreed to speak.

I strongly agree with what you say about the Commonwealth and the opportunity presented by the Melbourne meeting. And I of course look forward to seeing you here next month for the wedding of Prince Charles.

Yours sincerely
Raymond

The Right Honourable J.M. Fraser, CH, MP.

16

Commonwealth



Foreign and Commonwealth Office

London SW1A 2AH

Type for PM's
signature.

25 June 1981

RL

Dear Michael,

Thank you for your letter of 12 June and record of Mr Street's meeting with the Prime Minister last week.

I enclose a draft reply from the Prime Minister to Mr Fraser in response to his formal letter of invitation of 4 June to attend the Commonwealth Heads of Government Meeting in Melbourne.

yours ever
Roderic Lyne

(R M J Lyne)

Private Secretary

M O'D B Alexander Esq
10 Downing St

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

PRIME MINISTER

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

Rt Hon Malcolm Fraser

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

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CAVEAT.....

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Enclosures—flag(s).....



Commonwealth

fluk

10 DOWNING STREET

From the Private Secretary

12 June 1981

subject copy filed on: - Australia: visit of Mr Street, Australian Foreign Minister: Feb 87.
Also copied to: - Master set.

AUSTRALIAN FOREIGN MINISTER

The Minister for Foreign Affairs for Australia, Mr. A. A. Street, called on the Prime Minister this morning. He was accompanied by the Australian High Commissioner. At the outset of the meeting he handed to the Prime Minister Mr. Fraser's formal invitation to her to attend the Commonwealth Heads of Government Meeting in Melbourne. I enclose a copy. As you will see, the letter requires a reply. I should be grateful if you could let me have a draft in due course. It will not, of course, be possible for the Prime Minister to stay on in Australia after the Heads of Government Meeting has finished.

In response to a comment from the Prime Minister that she did not want CHGM to devote itself to develop an anti South African exercise, Mr. Street said that Mr. Fraser was anxious to ensure that the Conference was not dominated by African questions. He was keen to keep world economic issues in the forefront of the discussions. The Prime Minister agreed that the problems of the world economy would have to feature prominently. She attached importance to securing a wider understanding of the way in which world patterns of trade had changed in recent years. She had in mind particularly the redistribution of income in favour of the OPEC countries. We now lived in a capital-hungry world which had seen the end of a long period of growth. Only OPEC was now in a position to provide the capital that others were seeking. It was for this reason that she objected to the description of the present situation in terms of a North/South relationship. We had to get away from this phrase which gave the impression that the industrialised nations were responsible for present difficulties and for finding a solution to them. Mr. Street commented that it might not be easy to persuade some of those attending CHGM to accept the Prime Minister's analysis. He feared there might be a tendency, e.g. on the part of those developing countries who did not have oil, to "narrow the discussion in an undesirable way". The Prime Minister responded that the record of the UK in the aid field was very good. She had told Mr. Ramphal that it was up to other countries whether they recognised this or not, but if they continued to criticise the UK, they could not expect the UK to continue to pay out.

/A number of specific

CONFIDENTIAL

A number of specific points came up in the ensuing discussion:-

- (a) The Prime Minister said that whereas the last CHGM had been devoted to Africa, she hoped that the Melbourne meeting could devote a good deal of attention to the Pacific. Mr. Street agreed. The Australian Government was worried about the situation in the Pacific. The Soviet Union had been "probing" in Vanuatu and in the Solomon Islands;
- (b) the Prime Minister said she thought there would be no point in raising the question of Pakistan's membership of the Commonwealth. The Indian Government would not be prepared to agree to Pakistan membership. Mr. Street said that both Mr. Ramphal and Mr. Fraser were determined to avoid a discussion of the issue of Pakistan's membership in plenary session. It should be mentioned, if at all, in informal discussions;
- (c) Mr. Street hoped that Uganda's difficulties would not be raised. But there was an obvious risk that the situation in Uganda would make discussion unavoidable. Mr. Obote was still planning to attend.
- (d) Mr. Street said that Mr. Fraser was hoping that the Springbok tour of New Zealand would not loom too large. However, it seemed inevitable that it would take up a good deal of time. There was a consequent risk that the question of the Gleneagles Agreement would be opened up. Both Mr. Ramphal and Mr. Fraser would try to stop this. According to Mr. Street, Mr. Ramphal is hopeful that the argument over the venue of the Commonwealth Finance Ministers may allow the Africans to let off steam (I understand that Nigeria has asked for the meeting to be moved away from New Zealand). The Prime Minister observed that it was wishful thinking to suppose that anything would divert the attention of the African Ministers from this issue.
- (e) Mr. Street said that Mr. Fraser was hoping that the meeting could point the way ahead in some limited areas, e.g. the search for alternative forms of energy and the means of improving food production and distribution. The Prime Minister did not comment on this point but suggested that, more generally, she hoped considerable progress could be made with the drafting of the Communiqué before the meeting assembled.

Mr. Street invited the Prime Minister to arrange for any British proposals for the agenda of the meeting to be submitted by mid-July. Mr. Fraser hoped that the agenda for the meeting would be available for circulation at the end of July or early in August.

R. M. J. Lyne, Esq.,
Foreign and Commonwealth Office.

M. O'D. B. ALEXANDER



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 85 A/81

PRIME MINISTER

CANBERRA

- 4 JUN 1981

Mr. Peter Ruggell

I am looking forward very much to welcoming you to the Commonwealth Heads of Government Meeting which Australia will have the honour of hosting between 30 September and 7 October this year. In this new decade the Commonwealth enjoys high international esteem, and the forthcoming meeting provides us with a significant opportunity to discuss a range of issues affecting the peace, security and well-being of all people.

The co-operation and consultation between us which has been a feature of Commonwealth meetings will, I am sure, continue at Melbourne. I am looking forward to seeing you in London at the time of Prince Charles' wedding when I hope we shall have a useful opportunity to discuss matters which may arise at the Melbourne meeting.

There are, of course, many parts of Australia which you will not have the opportunity to see during the conference. It occurs to me, therefore, that while you are here you may wish to see something more of this country. Perhaps you could let me know whether you are able to stay on for a few days after the meeting has concluded, as a guest of the Australian Government. It would certainly give me great pleasure to enable you to see something more of Australia, and I hope that you will be able to do this.

*You being
Ruggell*

The Rt Hon. Margaret Thatcher, M.P.,
Prime Minister of
Great Britain,
LONDON
GREAT BRITAIN



CF to file

10 DOWNING STREET

RA
c. FCO
Commonwealth

THE PRIME MINISTER

8 June 1981

Dear Mr. Ramphal,

Thank you for your letter of 27 May on the Commonwealth Heads of Government Meeting to be held later this year in Australia. I was most interested to read your preliminary ideas on the agenda; we shall be looking closely at these in the next few weeks and will let you have our views on them in due course.

Yours sincerely,

MT

HE Mr Shridath S Ramphal Kt CMG QC

Jul

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 85A/81.**



PRIME MINISTER
CANBERRA

- 4 JUN 1981

SUBJECT.

cc. Master set

ops

PM Tours Abroad: GCM in Australia: Jan 80.

Australia: Visit of Foreign Minister, Mr. Street: Feb 81

Margaret Thatcher

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You Sir
Margaret Thatcher

The Rt Hon. Margaret Thatcher, M.P.,
Prime Minister of
Great Britain,
LONDON
GREAT BRITAIN



Foreign and Commonwealth Office

London SW1A 2AH

Type for PM's signature

RL

4 June 1981

Dear Michael,

Thank you for your letter of 27 May enclosing the Commonwealth Secretary-General's circular letter of the same date as the Prime Minister. We are considering this within the Department and will be letting you have a substantive reply in due course. Meanwhile the Prime Minister might wish to send the enclosed draft interim answer.

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O D'B Alexander Esq
10 Downing Street
LONDON
SW1

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

HE Mr Shridath S Ramphal Kt CMG QC
 Commonwealth Secretary-General
 Commonwealth Secretariat
 Marlborough House
 Pall Mall
 SW1Y 5HX

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of 27 May on the Commonwealth Heads of Government Meeting to be held later this year in Australia. I was most interested to read your preliminary ideas on the agenda; we shall be looking closely at these in the next few weeks and will let you have our views on them in due course.

Enclosures—flag(s).....

CONFIDENTIAL

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file

10 DOWNING STREET

From the Private Secretary

27 May 1981

Sean Roden,

I enclose a copy of a letter which the Prime Minister has received from the Commonwealth Secretary General. No doubt you will let me have in due course a reply which the Prime Minister might send to Mr. Ramphal.

Yours ever

Nicholas Alexander

Roderic Lyne, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

81C

SECRET

C.152/11/4

27 May 1981

Dear Prime Minister,

As preparations enter their final phase for the Commonwealth Heads of Government Meeting in Melbourne from 30 September to 7 October 1981, I write to seek your views on the subjects which you would like to see discussed and to offer some preliminary ideas for your consideration.

I do so against a background in which the Commonwealth's established capacity for consensus building is perhaps more widely recognised and valued than ever before - and not just by member Governments but by the international community as a whole. Significantly, Melbourne will be the first major consultation at the highest level of 'North' and 'South' anywhere in the world since Lusaka. The challenge to the Commonwealth to improve the prospects for global harmony through its unique facility for direct and informal discussion between Heads of Government could hardly be more pointed than at this moment of acute difficulty for many countries and with the larger crises of the '80s looming ahead. In responding to that challenge, Heads of Government will, I am sure, be reinforced by recollections of the achievements of Lusaka and of Commonwealth roles since then.

On the political front it clearly is a time of unusual danger. The decline of detente, the acceleration of the arms race, the hardening of the policies of the superpowers across the board, the persistence of such areas of tension as Afghanistan and Kampuchea and the emergence of new flashpoints cannot but be matters of grave concern.

The Rt. Hon. Margaret Thatcher, MP
Prime Minister of Great Britain and
Northern Ireland
10 Downing Street
London SW1

...2/.

SECRET

And, as the set-back to the SALT process and the UN Conference on the Law of the Sea illustrate, there is the danger of an unravelling process which could further aggravate political tensions and difficulties. Some Commonwealth countries feel directly affected by particular situations, but a worsening of the political climate and threats to peace affect all nations. Heads of Government will no doubt wish to consider these developments in their review of the world political situation while recognising that, in a world in which issues become ever more closely inter-linked, they are not without relevance for development and international economic co-operation generally.

Zimbabwe's independence after long years of travail was a source of particular pride and satisfaction to the Commonwealth. Its presence at Melbourne will be a reminder of the unfinished business of Southern Africa. After years of patient negotiation, Namibia's progress to independence and Commonwealth membership has now suffered a major set-back; while much will obviously depend on events over the next few months, the situation inevitably occasions grave concern. Within South Africa, apartheid continues to constitute an affront to the world community, undermining the prospects for peace and stability of the entire region. Recalling the Lusaka Declaration on Racism and Racial Prejudice, and the earlier and more particular Gleneagles Agreement, Heads of Government will, I am sure, wish to consider urgent ways and means of shaping events towards internationally agreed objectives. And a similar wish will certainly obtain in relation to the situation in Cyprus which has continued to defy resolution.

On the economic side, I am keenly aware of the opportunity which the Melbourne Meeting presents to focus upon the crisis which affects the world economy in general and the developing countries in particular and to consider what measures Commonwealth countries, individually and collectively, might take in the context of broader international action to help improve the situation. The timing of the Melbourne discussions - after the Ottawa Summit of the major industrialised nations (in July) and prior to the summit of world leaders of both industrialised and developing countries in Mexico (later in October) - invests Melbourne with added significance.

Since Heads of Government last met in Lusaka two years ago, the international economic situation has unquestionably deteriorated, manifesting itself in massive economic problems and enlarging poverty and instability in the developing 'South' and rising unemployment and falling output in the industrialised 'North'. At such a time when the need for sustained action at the global level has never been greater, individual Governments are tending to turn

SECRET

inwards, and negotiations on the form and substance of that action remain painfully deadlocked.

At Lusaka, Heads of Government agreed on a study by an independent group of experts with a view to identifying specific measures to reduce or eliminate as a matter of urgency constraints on structural change and economic growth in both developed and developing countries. The Report of the Expert Group led by Professor Arndt of Australia ('The World Economic Crisis'), was circulated to the 11th Special Session of the United Nations last year and has received much attention. With appropriate updating, which the Secretariat will provide, the Report provides an eminently suitable starting point for the discussions at Melbourne. In the context of prevailing conditions in the world economy, food, energy, trade and financial flows would seem to emerge as critical issues for attention.

As in the past, the Commonwealth, by virtue of its special capacity to view the world situation from both North and South can lend a much needed impetus to the processes of global negotiation. By helping to point the way forward, Commonwealth leaders can contribute to progress at the Mexico Summit and in the 'Global Round'. I would welcome your thoughts on how Melbourne might best serve these purposes.

Finally, there is the important area of functional co-operation. The Commonwealth's capacity to contribute to wider global issues is of course rooted in and sustained by practical co-operation between Commonwealth countries themselves. Past Heads of Government meetings have successively enlarged the scope of such endeavours particularly in the field of development. It was in this spirit that Lusaka initiated a programme of industrial co-operation and already gratifying progress has been made in initiating new industrial projects in a number of countries. In this vein and responsive to current needs, I venture to suggest a few areas of special emphasis at Melbourne. These involve, in the main, not the initiation of new programmes but the strengthening of existing ones:

- I have mentioned 'food' as one of the global issues to which Heads of Government might pay particular attention. I know it is high among the concerns of many leaders. There may well be important practical ways in which the Commonwealth can respond to these concerns and the needs they reflect. Enhanced co-operation in food production in particular can be of immense value to many Commonwealth countries facing serious food deficits and the prospect of major global food shortages. At their recent meeting in Dacca, Commonwealth Agricultural Ministers urged an enlarged Commonwealth role in

SECRET

this area including measures to harness Commonwealth experience and skills in a manner that could yield practical results. I propose, therefore, to submit for consideration some specific proposals in this respect.

- Heads of Government of the Asia-Pacific region held their second meeting in September 1980 in New Delhi and the evolution of this important regional initiative will be of interest to the Commonwealth as a whole, as will other efforts at regional co-operation involving Commonwealth countries - one of which, the Southern Africa Development Co-ordination Conference (SADCC) emerged since Lusaka.
- Lusaka gave emphasis to special programmes of assistance to our island developing and specially disadvantaged member countries, a theme which was pursued further at the regional meeting in New Delhi. Commonwealth work in this area has been essentially pioneering and it requires reinforcement. It would be particularly helpful to consider how bilateral and multilateral programmes may be strengthened and given greater momentum, responsive to the wishes of the countries concerned.

There will be need, too, to review or carry forward a number of specific decisions that were taken at Lusaka or at subsequent Ministerial Meetings:

- Heads of Government will have before them the Report of the Working Party on Human Rights which seeks to respond to its mandate in this important but sensitive area.
- Heads of Government will also have before them a Report of the Commonwealth Committee on Communication and the Media as well as a Report on the proposal for a Commonwealth Film and Television Institute.
- The ongoing work and resource problems of the Commonwealth Youth Programme and the Commonwealth Foundation will require close attention if they are to continue to fulfil the purposes for which they were established.

SECRET

- At their meeting in Sri Lanka in August 1980, Commonwealth Education Ministers requested me to convene a Consultative Group to examine ways in which student mobility between Commonwealth countries could be maintained and fostered. The Group's recommendations are now before Education Ministers but in view of the urgency and importance of the matter, Heads of Government may wish to give some attention to it at Melbourne.

Underpinning all these activities, and indeed the Secretariat's entire operational capability in the field of development, is the Commonwealth Fund for Technical Co-operation. Despite impressive achievements, it is a matter of major concern that the last two years have seen a decline in real terms in the Fund's resources and a corresponding diminution in its capacity to meet the needs of member countries. That this should have happened during a period of sustained Commonwealth achievement on the world stage is all the more disquieting. I very much hope that at Melbourne Heads of Government will attach importance to reversing this trend and will consider favourably the Report of the Working Party on CFTC Resources set up by Finance Ministers last September. I cannot emphasise too strongly the intimate link between the fortunes of the Fund and the elan of the Commonwealth connection, which will be weakened if the Fund declines. The amounts involved are relatively small but the returns are of disproportionate value and significance. For the major contributors to the Fund it is much less a question of additional resources than of priorities within existing development assistance programmes. Melbourne will offer an opportunity to respond in priority terms to what the Commonwealth relationship both needs and deserves.

Separately, a more general question has been raised about the possibility of greater co-operation in the cultural sphere. The Commonwealth Institute hopes Heads of Government will take note of its work and consider ways in which it could be of greater service to Governments; and the recently formed Commonwealth Arts Organisation seeks official support. I would welcome your guidance.

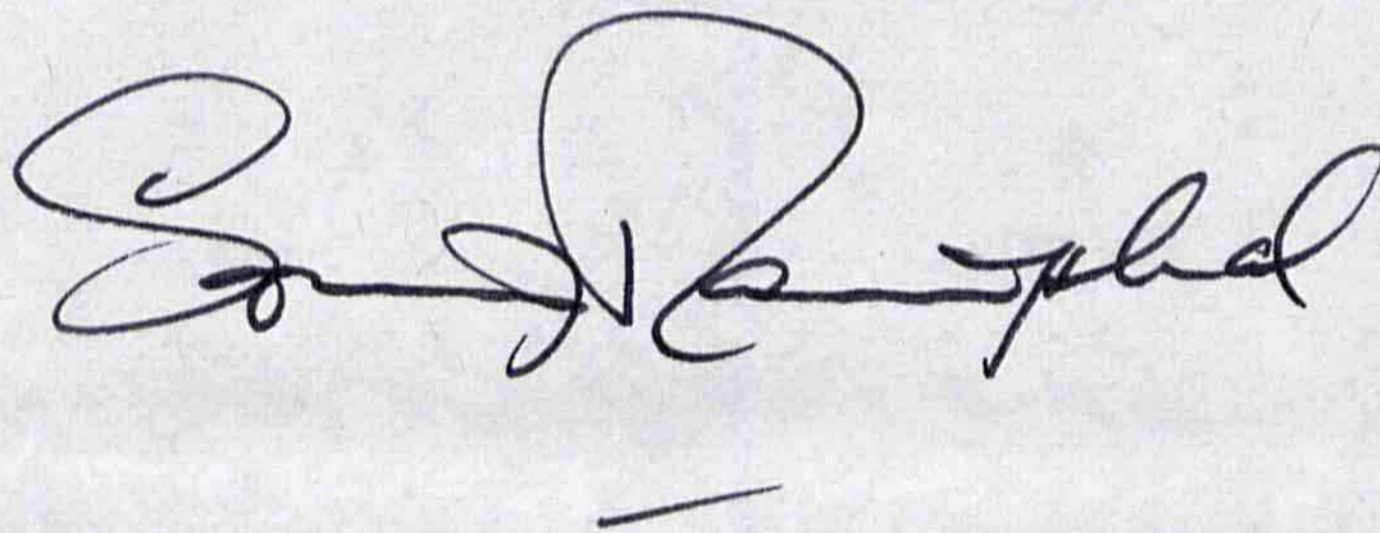
As I indicated earlier, these are preliminary thoughts on the broad contents of the agenda, based on my assessment of the current concerns of Commonwealth Governments. I assume Heads of Government will wish the agenda's actual format to follow the successful pattern of recent Meetings, with broad and flexible headings under which specific topics can be inscribed.

SECRET

I shall be grateful to have your views, if possible by mid-July, along with an indication whether it will be your intention to present any papers to the Meeting. In the light of the responses I receive, I hope to be able to circulate an annotated draft agenda in the first week of August.

Meanwhile, having just returned from Canberra, I am glad to be able to report to you on the excellence of the arrangements for the Meeting, and how much effort and care the Australian Government has devoted to them. You are assured of a warm welcome and of facilities designed to make your consultations as productive as possible.

With deep respect,

A handwritten signature in black ink, appearing to read 'Shridath S Ramphal'. The signature is written in a cursive, flowing style with a large initial 'S' and a long horizontal stroke.

Shridath S Ramphal



file

10 DOWNING STREET

From the Private Secretary

19 May 1981

As you know the Australian High Commissioner, the Honourable Mr. Victor Garland called on the Prime Minister at 0915 hours this morning to deliver his letter of credence (attached). - *Appointments filing.*

The meeting was brief, and largely confined to courtesies. There was however some discussion of the Commonwealth Heads of Government meeting. The High Commissioner said that Mr. Fraser would be coming to the Royal Wedding in July, and would take this opportunity to meet as many Heads of Government as possible. The Government of Australia hoped that the CHGM would concentrate on having a constructive discussion of North/South issues. But there was always the danger that there would be a controversial discussion of the Gleneagles Agreement on sporting links with South Africa. The High Commissioner said he could not judge the probability of such a debate occurring. But the Government of Australia would do all they could to avoid it.

The Prime Minister said that she too was concerned at the possibility of the CHGM turning into a debate on the Gleneagles Agreement. The world economic situation ought to be the main agenda item. The Prime Minister of Singapore could play a useful part in introducing this item. In answer to a question from Mr. Garland, the Prime Minister said that Mrs. Gandhi had told her that she hoped to come to the CHGM, but had not yet made any definite plans.

The meeting ended with the Prime Minister expressing her hope that the traditional close relationship between the UK and Australia would continue.

W.F.S. RICKETT

Roderic Lyne, Esq.,
Foreign and Commonwealth Office

Copy in Appointments.

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PART

2

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MODBA

to

Ranphal

6.2.80

PART

3

begins:-

Rickett to Lyne, 19.5.81

~~Commonwealth~~ ~~Co-ord~~ ~~Dept~~ Min 30.1.80