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PREM 19/969

Part 5

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CONFIDENTIAL FILING

THE COMMONWEALTH HEADS OF GOVERNMENT
MEETING IN DELHI, INDIA: 23-30
NOVEMBER 1983. POLICY.

COMMONWEALTH

PART 1: March 79

PART 5: July 83

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
	7.83.						
	8.83						
	19.9.83						
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	29.9.83						
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	18.11.83						
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PART 5 ends:-

Harare tel #991 of 18.11.83

PART 6 begins:-

Delegation Sec to AJC 19/11/83

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MR FREELAND, LEGAL ADV. WH21
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CONFIDENTIAL

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FM HARARE 181900Z NOV 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 931 OF 18 NOVEMBER

*Telegram n A seen
by fcs on 17/11 but
proposal has full
support of SJ John
Leahy.*

CHOGM: MEETING BETWEEN THE PRIME MINISTER AND MR MUGABE

1. MNUNGAGWA (MINISTER OF STATE FOR NATIONAL SECURITY) TOOK ME ASIDE THIS EVENING TO SAY THAT, ARISING FROM PRESIDENT MACHEL'S INITIATIVE, MUGABE WOULD VERY MUCH LIKE TO HAVE A MEETING WITH THE PRIME MINISTER OF, SAY, AN HOURS DURATION, EARLY ON DURING THE CHOGM. MUGABE WOULD LIKE THIS TO BE A WHOLLY PRIVATE MEETING, ON THE BASIS THAT NEITHER SIDE WERE TAKING THE INITIATIVE, BUT THAT BOTH WERE RESPONDING TO THAT OF MACHEL. MNUNGAGWA WAS EXPLICIT THAT A BRIEF MEETING ON THE OCCASION OF THE PRIME MINISTER'S LUNCH WOULD NOT ENABLE MUGABE TO HAVE THE SORT OF TALK HE WANTED.

2. MNUNGAGWA TOLD ME THAT HE WOULD ONLY BE ACCOMPANYING MUGABE TO DELHI IF THIS MEETING WERE TO TAKE PLACE, SO AS TO BE ON HAND TO BRIEF HIM ON THE SUPPOSITION THAT THERE WOULD BE DISCUSSION OF SOUTHERN AFRICAN ISSUES (ALTHOUGH THE WHOLE IMPLICATION OF OUR DISCUSSION WAS THAT THE PRIMARY PURPOSE WOULD BE TO DISCUSS BI-LATERAL RELATIONS.

3. MNUNGAGWA ASKED ME IF I COULD DO MY BEST TO OBTAIN A RESPONSE IN THE COURSE OF TOMORROW SO THAT IT COULD BE DECIDED HERE WHETHER HE WOULD GO TO DELHI OR NOT. HE STRESSED AGAIN THAT MUGABE WISHED TO KEEP THE MEETING AS PRIVATE AS POSSIBLE HENCE MNUNGAGWA'S APPROACH TO ME RATHER THAN ONE THROUGH THE FOREIGN MINISTRY.

3. MNUNGAOWA ASKED ME IF I COULD DO MY BEST TO OBTAIN A RESPONSE IN THE COURSE OF TOMORROW SO THAT IT COULD BE DECIDED HERE WHETHER HE WOULD GO TO DELHI OR NOT. HE STRESSED AGAIN THAT MUGABE WISHED TO KEEP THE MEETING AS PRIVATE AS POSSIBLE HENCE MNUNGAOWA'S APPROACH TO ME RATHER THAN ONE THROUGH THE FOREIGN MINISTRY.

4. IT MAY BE RELEVANT THAT THE REVIEW TRIBUNAL FOR THE REMAINING 3 AFZ OFFICERS' IS NOW TENTATIVELY SET FOR 8 AND 9 DECEMBER. GIVEN THIS AND THE OTHER ENCOURAGING INDICATIONS WE HAVE HAD THAT THE ZIMBABWEANS WISH TO CLOSE THIS CHAPTER AS SOON AS POSSIBLE, I HOPE THE PRIME MINISTER WILL FEEL THAT SHE NEED SAY NO MORE TO MUGABE ON THIS TOPIC, BUT RATHER TALK TO HIM ON MORE GENERAL TERMS.

5. I HOPE THE PRIME MINISTER WILL FEEL ABLE TO RESPOND TO THIS APPROACH WHICH COMPLETELY CHANGES THE BASIS ON WHICH I OFFERED MY EARLIER ADVICE ABOUT THE LENGTH AND NATURE OF A MEETING.

EWANS

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CCM PARA 3 WA WOULD GO TO - DELHI

CONFIDENTIAL



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J G Littler CB
Second Permanent Secretary

18 November 1983

A J Coles Esq
10 Downing Street
LONDON
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mt

Prime Minister.

A.S.C. 19/11

Dear John,

CHOGM

At the Prime Minister's meeting this morning, I offered to let you have a tidier version of a note which I had had prepared for myself on the list of more important Commonwealth countries which we see as being in varying degrees of debt difficulty just at the moment.

----- I attach a copy of this note. My letter goes also to Ricketts in the FCO and to John Kerr here.

John,

Raffer

cc P R Ricketts Esq,
Private Secretary
FCO

A. Problem casesNIGERIA

Nigeria has had serious balance of payments problems since early 1982 when reserves fell to barely one month's imports cover. This had been caused by weak demand for oil coupled with many years of poor economic management. External debt has mounted to \$18½bn: not quite in the same league as Brazil, but a serious problem.

2. In April 1982 Nigeria mobilised SDR 0.7bn of relatively unconditional IMF finance. Despite government controls, imports did not fall sufficiently to cope with the shortage of foreign exchange. As a result trade arrears of over \$5bn have built up.

3. Negotiations with the IMF about a 3 year EFF programme (worth up to SDR 2.4 bn) seem near completion. It seems reasonably tough, requiring substantial reductions in the budget deficit, abolition of domestic petrol subsidies and disposals of public sector assets as well as improvements in federal control over the states' financial management. Two outstanding difficulties remain. These are the exchange rate, still heavily overvalued, and the backlog of accumulated payments arrears.

4. There could be difficulty about the size of the IMF package. The IMF Board may be reluctant to agree a maximum programme so soon after adopting new limits and resolving not to treat them as targets. And it cannot be taken for granted that a CFF (worth SDR 0.5-0.8 bn) to compensate for export shortfalls would be justified given Nigeria's deliberate reduction in oil production in line with the OPEC quotas.

JAMAICA

5. Jamaica's 3 year EFF programme with the IMF, worth SDR ½ bn broke down seriously in March. The terms of a waiver were agreed by the IMF

Board, together with performance criteria for the third year of the programme, in June. The programme has again (just) broken down,

6. This is disappointing but not altogether surprising. The programme design was poor, concentrating adjustment toward the end of the three year period. This meant that Jamaica began the third year. With mounting commercial payments arrears, low reserves and dwindling commercial confidence. As Jamaica's use of IMF credit is close to the cumulative ceiling, it is important that the present programme (due to expire in December 1984) gets back on track.

7. Jamaica's principal difficulty is its inability to meet its external financing needs. Despite a SAL from the World Bank, commercial bank lending has fallen short of Jamaica's appetite, no doubt partly because of worries about Jamaica's substantial external debt: \$2.9 bn, leading to a debt service requirement of nearly 30% of export earnings. Another troublesome area is exchange rate policy: under IMF supervision, there is a three tier exchange rate arrangement in force at present. The IMF wants to unify the rate as quickly as possible, though Jamaica's CARICOM trading partners continue to demand preferential terms.

TANZANIA

8. Negotiations with the IMF for a standby arrangement seem to have broken down, perhaps irretrievably. This is a pity, since Tanzania is desperately short of foreign exchange and badly needs to reschedule its commercial debts and attract new bank loans. Existing debt is high, approaching \$2 bn, leading to an unmanageable debt service commitment of nearly 60% of export earnings.

9. The main policy difficulties are the exchange rate for the shilling and the artificially low level of producer prices. Some inadequate steps in the right direction were taken in June, but the IMF is insisting on more. These problems are exacerbated by administrative inefficiency in supplying the necessary data.

GUYANA

10. Following the breakdown of the EFF programme in 1981, IMF staff have been negotiating fruitlessly about a successor programme. A recent routine discussion in the IMF Board offered no hope of early progress.

11. The root difficulty is lack of political will to take the necessary measures. A significant devaluation of the Guyana dollar (60% or so) together with reorganisation of the bauxite, rice and sugar sectors should be features of any recovery programme. Although external debt, at \$660m, is not high by international standards, it is a heavy burden, amounting to about 150% of GDP and absorbing about 20% of export earnings.

ZAMBIA

12. Zambia has obtained some SDR 300m IMF finance this year, enabling Paris Club rescheduling. The programme negotiations were difficult and progress under the programme has not been good. There has already been one suspension. As a result drawings have been backloaded in a fairly punitive fashion.

13. Zambia's difficulties are severe. They will not be over at the end of the present programme, even if it is successful. Foreign debt amounts to some \$4½ bn with a 1983 debt service ratio of over 50%.

B. Less pressing problemsKENYA

14. The IMF agreed an 18 month programme for SDR 0.2 bn in March after two breakdowns. So far progress appears satisfactory, though there were some doubts whether the books had not been artificially managed for the first review. The debt burden at \$2.9 bn (40% of GDP), is tolerable, leading to debt service at just less than 30% of export earnings.

15. Kenya has already started lobbying for support for a 3 year EFF (worth up to another SDR 0.2 bn) to follow its present programme. This would only be justifiable if Kenya can demonstrate resolve and capabability in carrying out the present programme. That remains to be seen.

GHANA

16. Ghana agreed terms for an IMF package worth SDR 0.35 bn in August after difficult and protracted negotiations. The principal problem was the exchange rate: Ghana is now temporarily operating a multiple rate system with the intention of unification by next summer.

17. Economic prospects against a background of internal power struggles remain bleak. Inflation continues high and coca receipts cocoa have fallen further. Payment arrears are substantial - $\$ \frac{1}{2}$ bn. or so; with external debt of $\$ 1 \frac{3}{4}$ bn leading to debt service at about 20% of export earnings.

GRENADA

18. A poorly considered EFF 3 year programme (worth SDR $13 \frac{1}{2}$ m) was approved by the IMF Board in August. At $\$ 42$ m (40% of GDP), external debt is not a problem; but the prime purpose of the programme seemed to be finance for the new international airport. We supported US moves, with backing from Japan and Germany, to reduce the IMF's commitment to the first year, but without success.

19. Following the US invasion, it remains to be seen whether Grenada will be able to meet the quantitative and December performance criteria on public sector borrowing and foreign assets of state banks. Any breakdown would doubtless provoke US pressure to reinstate the programme.

UGANDA

20. Uganda is currently working under its fourth one year standby arrangement with the Fund. Although it is a very poor country, the austere approach adopted by the authorities has been successful

in reversing economic decline, reducing inflation and rehabilitating the agricultural base. External debt of \$0.6 bn gives rise to a barely manageable servicing requirement of 35% of exports. The current account deficit continues high but should improve as the structural measures work their way through. Reunification of the multiple exchange rate is projected by June 1984. A 3 year EFF programme with the IMF might follow if reasonable progress during the current standby arrangement has been achieved.

ZIMBABWE

21. After difficult negotiations Zimbabwe agreed an IMF programme worth SDR 300m in March. Having run substantial external current deficits during the last three years, Zimbabwe needs concessionary finance to help reduce its dependence on short term bank borrowing. External debt is not a problem: at \$0.2 bn (30% of GDP) it creates a manageable service requirement of 13% of exports.

22. The IMF programme has already faltered once, in June. Another waiver will be required for the end September performance criteria. It is to be considered by the IMF Board in mid December.

1983 - 1984

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PS/ Secretary of State for Trade and Industry

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18 November 1983

J Coles Esq
Private Secretary to the
Prime Minister
10 Downing Street
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Prime Minister:

JK $\frac{15}{u}$

Dear John,

COMMONWEALTH HEADS OF GOVERNMENT MEETING

I understand that at yesterday evening's briefing meeting the Prime Minister asked for a note about Commonwealth countries' protectionism. A note is attached. But the Prime Minister should be aware that, as said in the note, many of the protectionist measures operated by the developing countries within the Commonwealth are perfectly legitimate under GATT rules.

2 I am copying this to Peter Ricketts (FCO) and to Lindsay Wilkinson and David Goodall in the Cabinet Office.

Yours sincerely,
Ruth Thompson

RUTH THOMPSON
Private Secretary

Encl



PROTECTIONISM IN COMMONWEALTH COUNTRIES

Line to Take

The majority of developing Commonwealth countries have high tariffs and tight quantitative control of imports, especially of consumer goods. The developed Commonwealth countries are also usually more protectionist than the EC.

2 The European Community has a low external tariff, few import controls, and offers privileged access to most Commonwealth developing countries' exports. Those controls that remain are concentrated in sensitive industries such as textiles, which face severe problems (1m job loss since 1980).

Background

Developing countries of the Commonwealth, like their counterparts elsewhere, press for easier access for their exports to developed country markets. At the same time these countries have been able to use certain provisions of the GATT to defend and sanction their own protectionist measures. In particular Part IV of the GATT (a chapter on trade and development added to the GATT in 1965) permits developing countries to maintain protective measures in order to assist their economic and financial development. Therefore import restrictions maintained by developing countries to conserve foreign exchange or encourage the development of domestic industries are sanctioned.

2 Most of the poorer developing countries, including the African and Caribbean Commonwealth countries and those in the Indian sub-continent, are highly dependent on commodity exports and have been badly affected by the fall in export earnings during the recession. They have also been hard hit by the rise in oil prices. The economies of most such countries are fragile, and they usually suffer from a chronic shortage of foreign exchange. They exercise tight control of imports; and import controls are often a feature of conditions imposed by the IMF in offering temporary assistance. A few developing Commonwealth countries - notably Hong Kong and Singapore - are exceptions in having open economies. Some of the developed countries, eg Australia, are highly protectionist.



3 The European Community has a more open market than most and has relatively few remaining quantitative restrictions (although controls on textiles, agricultural products, including sugar, and in some cases steel, hit developing countries). In 1980 80% of total UK imports were admitted duty-free, and only 7% were subject to some form of quantitative restriction. The Commonwealth developing countries benefit particularly from the trade privileges available to them under Lomé. For African, Caribbean and Pacific countries, 98% of their exports to the Community are tariff-free.

4 Details of the position in the major Commonwealth countries are attached.

Department of Trade and Industry
18 November 1983



AUSTRALIA

Australia has taken a forward position in criticising European protectionism, but her own record is dismal. High tariffs and a wide range of quotas and local content rules, eg for vehicles, justified by reference to Australia's geographical isolation and patchy industrial base, remain largely intact, despite many recommendations of independent bodies to speed up liberalisation. Tariffs on motor vehicles are nearly 60%, and at least 50% on some textiles.

CANADA

Canada has a more open market, but has shown no sign of responding to the Williamsburg declaration and is unlikely to be tempted to attack the UK for lack of movement. Tariffs on certain textiles of nearly 30%, and over 20% on footwear, ships and clocks.

NEW ZEALAND

There are legitimate complaints about European protectionism in agriculture, but the UK's rôle in defending NZ interests is appreciated.

JAMAICA/GUYANA

Most Caribbean Commonwealth countries face critical shortage of foreign exchange and tightly control imports by licensing and tariffs, eg Jamaican tariffs on clothing and textiles of 45%.

NIGERIA

Bans a wide range of consumer good imports and subjects the rest to a tight licensing regime. Tariffs on cars over 2000cc 500%; and on man-made fibres and carpets 55 to 110%. In addition, it has a compulsory import deposit scheme which requires importers to pay cash deposits in advance of goods arriving in Nigeria.



INDIA

Despite some liberalisation in recent years India maintains a restrictive import licensing regime. The gradual easing of import controls has enabled the import of certain capital goods and raw materials needed for the expansion of industry and development of export capability.

BANGLADESH

The current Bangladesh import policy is designed to increase the availability of raw materials and spare parts while restricting items manufactured outside Bangladesh. Import licences are required for virtually all imports.

KENYA/TANZANIA/ZAMBIA/GHANA

All these countries, and the other smaller Commonwealth countries in Africa, suffer from chronic foreign exchange shortages and maintain very strict quantitative control of imports, particularly of consumer goods. Tariffs are high. In addition most of these countries, and Nigeria, have a scheme of pre-shipment inspection which causes delays and increases costs to exporters.

DTI
18 November 1983

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**INTERACTION
COUNCIL
OF
FORMER HEADS
OF
GOVERNMENT**

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Lebanon
Manea Mănescu
Romania
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Jamaica
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Tunisia
Olusegun Obasanjo
Nigeria
Ahmed Osman
Morocco
Miguel Pastrana Borrero
Colombia
Carlos Andrés Pérez
Venezuela
Maria de Lourdes Pintasilgo
Portugal
Mitja Ribičič
Yugoslavia
Helmut Schmidt
Federal Republic of Germany
Léopold Sédar Senghor
Senegal
Ola Ullsten
Sweden
Bradford Morse
Secretary General

FINAL STATEMENT

First Session

VIENNA

18 November 1983

Founding Members

FINAL STATEMENT

1. From 16 to 18 November 1983, the InterAction Council of Former Heads of Government held its first session in the Hofburg Palace in Vienna. Chaired by Dr. Kurt Waldheim, former Secretary-General of the United Nations, the InterAction Council comprises 26 respected and highly experienced members who have agreed to combine their vast experience, in their individual capacities, to promote practical political action on priority issues affecting world peace and development. The participants at the Vienna meeting were as follows:

Kurt Waldheim, Secretary-General of the United Nations, 1971-1981
Chairman

Ahmadou Ahidjo, President of the United Republic of Cameroon,
1960-1982

Kirti Nidhi Bista, Prime Minister of the Kingdom of Nepal,
1969-1970, 1971-1973 and 1977-1979

Jacques Chaban-Delmas, Prime Minister of France, 1969-1972

Kriangsak Chomanan, Prime Minister of Thailand, 1977-1980

Mathias Mainza Chona, Prime Minister of the Republic of Zambia,
1973-1975 and 1977-1978

Jenő Fock, Chairman of the Council of Ministers of the Hungarian
People's Republic, 1967-1975

Malcolm Fraser, Prime Minister of Australia, 1975-1983

Takeo Fukuda, Prime Minister of Japan, 1976-1978

Kurt Furgler, President of Switzerland, 1977 and 1981

Selim Hoss, Prime Minister of Lebanon, 1976-1980

Manea Mănescu, Prime Minister of the Government, Socialist Republic
of Romania, 1974-1979

Michael Manley, Prime Minister of Jamaica, 1972-1980

Hédi Nouira, Prime Minister of Tunisia, 1970-1980

Olusegun Obasanjo, Head of the Federal Military Government of
Nigeria, 1976-1979

Missel Pastrana Borrero, President of Colombia, 1970-1974

Carlos Andrés Pérez, President of Venezuela, 1974-1979

Maria de Lourdes Pintasilgo, Prime Minister of Portugal, 1979

Mitja Ribicic, President, Federal Executive Council of the Socialist Republic of Yugoslavia, 1969-1971

Ola Ullsten, Prime Minister of Sweden, 1978-1979

2. Some members of the Council, who for various other obligations could not be present at the session, addressed messages to the participants in Vienna. Such statements were received from Mr. James Callaghan, former Prime Minister of the United Kingdom, Mr. Arturo Frondizi, former President of Argentina, Mr. Ahmed Osman, former Prime Minister of the Kingdom of Morocco, and Mr. Helmut Schmidt, former Chancellor of the Federal Republic of Germany. The Secretary-General of the United Nations, Mr. Javier Pérez de Cuellar also addressed a message to the Council. The Council further heard a statement by Mr. Sradar Swaran Singh, special representative of Mrs. Indira Gandhi, Prime Minister of India and Chairman of the Movement of Non-Aligned Countries.

3. Dr. Rudolf Kirchschläger, Federal President of the Republic of Austria honoured the InterAction Council by his presence at the opening meeting at which he conveyed the best wishes of the people of Austria for the success of this new endeavour which, for the first time in history, brings together at such a senior level political leaders from North and South and East and West in a common quest for action on critical issues affecting all countries. At a time of considerable international tension, the members of the Council, through their very presence, gave direct expression to the need for continuous, constructive communication and dialogue among the countries of the world.

4. During its session in Vienna the participants were also received by Mr. Erwin Lanc, Foreign Minister of the Republic of Austria, who on behalf of the Austrian Government, underlined the importance Austria attaches to the activities of the InterAction Council and expressed the Government's full support for the objectives and efforts of the Council.

5. In order to accomplish its objectives the InterAction Council will adopt an innovative approach setting in motion a political process to achieve concrete results. Once the Council has elaborated, with the support

.../

of a Policy Board and a Communications Committee, pertinent action proposals it will dispatch small missions composed of a few Council members to selected countries, at which time they will present the Council's proposals and suggestions for action to the political decision makers and other influential leaders. The Council will also make use of a variety of methods to identify its action proposals and to disseminate them.

6. The Council will reconvene periodically to review the results of its activities, in particular the missions, to decide about any supplementary action which might be required to advance further its earlier proposals and to select new areas for action.

7. Recognizing that world peace is being threatened from two fronts, one from the politico-military sphere and the other from the economic sphere, the InterAction Council agreed to attach high priority to three issues :

- a) the promotion of peace and disarmament ;
- b) the revitalization fo the world economy, particularly by way of lowering interest rates and dealing with the problems of external debt ;
- c) the strengthening of co-operation for development.

8. At the conclusion of the session, the InterAction Council adopted the following final statement :

I.

9. The InterAction Council of Former Heads of Government has had an intensive and frank exchange of views on a number of critical issues concerning peace and development. The questions of disarmament, of rising tensions in the world, and of the revitalization of the world's economy were considered at some length.

10. Members of the Council expressed their conviction that the world is now threatened by the most dangerous situation it has faced since the end of the Second World War.

11. The Council appeals to the world community to respect sovereignty and pluralism and to refrain from all forms of intervention in the affairs of other nations.

12. The members of the InterAction Council, particularly preoccupied with the potential dangers inherent in all kinds of armaments in Europe and other regions which endanger peace and security in the entire world, decided to appeal to the parties involved in arms control and reduction talks, particularly those currently being conducted in Geneva, to make every effort to reach effective agreement and, in the interest of humanity, to avoid a breakdown in these talks.

13. The appeal of the Council extends to all the nations of the world to halt the expansion of, and to initiate effective measures to reduce, the enormous stockpile of conventional and nuclear weapons, which now exist in virtually every region of the world.

14. The Council concluded that peace would be enormously strengthened if a situation could be achieved in which there were no medium - range missiles in Europe and in other parts of the world.

15. Members of the InterAction Council reviewed various centres of tension in the world and expressed their profound concern at the developments in the Middle East, in Asia, in Central America and the Caribbean, where small countries are involved in conflicts which reflect, and are exacerbated by, the interests of distant powers.

16. Peace in these and other parts of the world can be restored only if justice, freedom and human rights prevail. In that context, members of the InterAction Council deplored also the despicable system of apartheid as a continuous source of tension and injustice.

17. The Council considers it particularly important that the export of weapons and armaments be controlled, particularly those destined to developing countries. While benefiting the economies of the exporting countries, these exports ^{may} threaten the security of the receiving countries and directly or indirectly inhibit their economic development and social progress.

18. To avoid global tragedy, which could be triggered by minor and accidental incidents, the Council agreed upon the necessity for effective measures and strengthened communication at the highest political levels to diminish the risks.

19. The InterAction Council requests its Executive Committee to take those measures it deems necessary and appropriate which might help ease tensions, and to involve all members of the Council in such activities.

II.

20. The participants in the meeting unanimously recognized that world peace is also threatened by another front, namely from economic problems. Many of the countries of the world are facing recession with diminished productive activities, reduced investments and unemployment. Developing countries are in a position of unprecedented difficulty.

21. The Council considers that the revitalization of the world economy is seriously restrained by the effects of the current high levels of real interest rates which are, in turn, the result to a considerable extent of continuing and substantial public sector deficits in some major developed countries. The Council therefore calls on those developed countries which play a predominant role in world economic affairs to concert their economic and monetary policies and to reduce their deficits so as to reduce the current high levels of interest rates and to improve the stability and alignment of exchange rates.

22. The InterAction Council expressed serious concern at the position of developing countries whose international debt has grown significantly in recent years. The burden of debt is causing very serious problems for many developing countries and under present circumstances, the possibility of default is imminent. If the major debtor countries from the developing world did default, it would have major implications for the international financial and banking systems. Such a

development could lead to a breakdown as serious as that which occurred in the 1930s. The InterAction Council draws attention to the fact that the Charter of the International Monetary Fund, inadequate access to markets, adverse movements in the terms of trade and continuation of the developed countries' deficits have contributed to this situation. The structural imbalances which underlie this situation need most urgent attention.

23. The InterAction Council therefore intends to propose short, medium and long-term measures to resolve the problem of developing country debt.

- a) The Council calls for urgent measures to meet the immediate debt problems of developing debtor nations through such measures as, inter alia, a short term moratorium, ^{where necessary} the reduction of effective interest rates, rearranged payments schedules and cancellation of debt in whole or in part;
- (b) In addition, the Council calls for an urgent increase in the resources of the International Monetary Fund and more appropriate IMF conditionality. IMF conditionality must be more sensitive to the social and political situation and development strategies of the developing countries.
- (c) The period of grace which would be achieved through the adoption of the above measures should be used to promote the convening of a major international monetary conference, not later than 1984, to examine and propose constructive means in relation to :
 - 1) a shift of attention from crisis management, which treats the symptoms of economic crisis to a more integrated approach which must be part of the long restructuring of the pattern of international economic relations ; And
 - ii) the interrelated issues of trade and access to markets, the debt of developing countries, the internal deficits of the industrial nations and the stabilisation of exchange rates between major economic groupings.

24. The Council noted that proposals to free trade often failed because of opposition by one or several countries. Therefore the Council intends to give priority attention to a new code against protectionism covering industrial goods, agricultural goods and services, the combination of which is not adequately covered by existing arrangements. The code would be open to interested nations and would be designed to encourage co-operation among those nations that are prepared to freer trade and to remove the right of veto of major powers as has existed in the past MTN negotiations.

25. The council intends to act specifically to promote the accelerated development of the developing countries. It intends to propose and promote, through missions, consultations, public relations activities, etc., specific measures to increase and sustain the flows of financial resources to developing countries through both public and private channels. This will require sustained efforts by the Council to increase public awareness in some key developed countries of the seriousness and urgency of development problems and of the essential common interests of developing and developed countries, as well as increased transfer of technology. The Council will also pay particular attention to the very serious world population problem.

26. The Council decided, in view of the vital importance of official development assistance to the least developed countries which most severely suffer from poverty, hunger and natural disasters, to undertake consultations with donor governments aimed at encouraging a rapid increase in concessional assistance to these countries, together with other measures to increase their earnings and widen their sources of finance.

27. The Council decided to undertake after further preparation a series of broadly based consultations in developing and developed countries to gradually define, and gain support for a major long-term programme of increased development co-operation. This programme, reflecting the realities of the eighties, would require the full participation of developing and developed countries, in a coherent and sustained effort over at least ten years, to promote self-sustaining economic growth in the developing countries, respecting their particular needs and objectives, and thus enabling them to participate positively in the revitalisation of the world economy as a whole.

III. -

28. The Council reaffirmed its conviction that the United Nations Organization has a critically important role to play in the examination and solution of the major issues confronting humanity—disarmament, peace and world development.



Foreign and Commonwealth Office

London SW1A 2AH

18 November 1983

Prime Minister.

A.S.C. 15/11.

ms

Jew Sahn,

CHOGM: President Banda (Malawi)

As you know President Banda accepted in September 1982 an informal invitation to pay a State Visit. We have held up a decision on a firm invitation because of the danger of public controversy should a sentence of death on two political opponents, Mr and Mrs Orton Chirwa, be carried out. The appeal is under way but is proceeding slowly.

In your letter of 12 July about President Banda's proposed State Visit you said that the Prime Minister had noted that it would not be necessary to extend the formal invitation to him until the end of this year at the earliest, and that she would like to consider the matter again in the light of events in Malawi. If the visit does take place, the most likely dates are during the week beginning 5 or 12 June 1984.

The immediate problem is how to play this at CHOGM. If President Banda raises the question, it would seem right for the Prime Minister's response to contain a hint that we are stalling. We would hope that this might encourage President Banda in the right direction. However, we believe that it would be badly counter-productive to make an explicit reference to the Chirwas. We suggest the following line:

"We are looking forward to President Banda's visit. But it will be important to ensure that it is a happy and successful occasion and that nothing should stand in the way of this or mar the visit in any way. We shall therefore be thinking carefully about the best dates for the visit and will get in touch again later."

/It is



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There seems no compelling reason for the Prime Minister to refer to the matter if President Banda does not.

Yes

R B Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL



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

18 November 1983

A J Coles Esq
No 10 Downing Street
LONDON SW1

Prime Minister.

A. & C. 10/11

Dear John,

I gather that it was suggested, at this morning's CHOGM briefing meeting, that the Prime Minister might like to see texts of the Chancellor's remarks about the Helleiner report on 28 September at the IMF/IBRD meetings in Washington, and on 21 September at the Commonwealth Finance Ministers meeting in Trinidad.

... I accordingly enclose both texts. The Helleiner section of the IMF speech comes on pages 17 and 18. The Trinidad text deals only with Helleiner, and does so more extensively, though it was ostensibly "off the cuff", for we had not been invited in advance to speak on that agenda item.

Copies of this letter and the texts go to Brian Fall and Richard Hatfield.

Yours ever,

John Kerr.

J O KERR

Transcribed 21/1x

1. My first meeting. Know how much Sir Geoffrey Howe valued and enjoyed these meetings, and playing host at Lancaster House in 1982. See why: friendliness, informality of Commonwealth ties, and sessions and worthwhile discussions. Can't hope to emulate Mr de Mal's longevity but look forward to further such meetings.
2. But thought it right to intervene informally on this item, given importance of issues discussed in Helleiner report. Valuable study, and pay tribute to New Zealand Prime Minister for his original initiative. Like him, found much in report with which to agree; but also, like him, cannot support all its recommendations, or go along with all the underlying analysis.
3. Agree with call for increased coordination of macro-economic policies, and stress on danger that high real interest rates could abort recovery. Note Williamsburg call for greater coordination. Secretary-General referred this morning to problem presented by US Administration's unwillingness to cut Fed deficit by fiscal action: This is single most difficult current problem, with great ramifications. Not one which any international conference will solve.
4. Agree too with stress on need to avoid protectionism. And encouragement of direct investment. Excessive growth of bank indebtedness partly due to too much development having been financed by bank debt and too little by long-term direct investment. Responsibility on industrialised world to encourage much investment. Responsibility too on developing countries to promote favourable climate for it.

5. UK has financial problems. Much greater problems in developing countries. But let's not invent extra problems. Do not believe that there is a major world liquidity shortage. As recovery takes off, and if the US rein in their urgent account deficit, such a shortage could develop - but it doesn't exist at present. US current account deficit this year forecast at \$34 billion: actual figure in latest quarter \$9 billion.

6. Doubts have been expressed about whether we are seeing a recovery at all. There undoubtedly is a significant recovery, with US economy expanding rapidly, and growth in most European countries including UK. Of course effects take time to work through to developing countries, but commodity prices are rising again. Situation now less gloomy than at Lancaster House only a year ago.

7. Agree that problems aren't cyclical. Don't agree that problems which are not cyclical are by definition systemic; and can therefore only be cured by institutional changes. There is a third category of problems which are structural and which include the problems of demography, the problems of technological innovation, which in short term puts people out of work, the problems of excessive expectations, which have in the past generated inflation. Governments, in developed and developing countries alike, cannot offload responsibility for tackling these problems; and no Conference will solve them. Need to put our own house in order. ^{And} We all know ^{the} ~~this~~ double Oil Shock in 1973-74 and 1979-80 would have been a problem for any system.

8. That's not however to suggest that institutional reform, and joint international study and refinement of the workings of the system, is not important. Of course it is. But like Mr Muldoon, I do think it is important to be practical and business -like in our prescriptions.

9. The idea of a new Bretton Woods catches the imagination. But it risks some dangerous misunderstandings. It carries a suggestion that the entire original Bretton Woods system has failed, that that failure is a major cause of present world problems, and that we need a new system to combat those problems: all of which I believe to be wrong.

10. The Bretton Woods system served us well for many years. It showed a continuous and vigorous ability to grow and change through its first 25 years - the vast expansion of the World Bank from post-war reconstruction to the new concept of development assistance; the invention of the IDA; the concept of the SDR; the evolution of the IMF. But the institutions need to be supported, not replaced.

11. In the last 15 years, however, we have seen the system under strain, and elements of it, in particular the fixed exchange rate system have broken down. Why? Fixed exchange rate system based on premise of a dollar numeraire with a constant value. This was invalidated by inflationary financing of Vietnam war, which led to a decade of inflation.

12. That doesn't mean that we need a new system - but rather the continued improvement of the existing system, and let us by all means as the Commonwealth, give a further impetus to that.

13. Bretton Woods was possible because US was in historically unusual dominant position and able to impose a solution. Thank goodness Keynes there to advise. Political circumstances now very different. Only in circumstances which existed after the war could one start from scratch. Mr Muldoon referred to problems of managing interdependence. I would put it that problems are those of managing sovereignty. This is not just a Commonwealth problem: it is a world problem. We cannot solve it within the Commonwealth. We need to cooperate with others - and I most warmly agree with Mr Muldoon's comment that we cannot hope for success by a confrontational demand on others. We must persuade - the United States and others - and it will not be easy.

14. We need a practical strategy; a plan for carrying forward further work. And progress may be easier to achieve piecemeal, than if we attempt to promulgate a great design. Should like to build upon the particular advantages of the Commonwealth in two ways. What I am proposing are practical lines of action:

i) First, taking advantage of the more intimate and frank discussion among us than is usually possible in UNCTAD and similar fora, let us ask a group of our own people, with the Secretariat, to undertake discussion with representatives of

the IMF, World Bnk and GATT, to identify the kinds of changes which might find international acceptance and could help gradually to restore the sense of multilateral cooperation which has been weakened, and strengthen the authority and scope for action of the international institutions, which we must cherish. The best place to do this is Washington, where it can be done within the IMF/IBRD framework; using our representatives and our Embassies there. Some of us might review progress in the margins of next Spring's Development Committee meeting. And we might envisage a progress report at this meeting next year.

ii) Secondly let us all use our influence in the different fora in which many of us meet other countries, to develop a climate of opinion favourable to the changes we want to see. That means avoiding confrontational rhetoric, not least because of its counter-productive effect in the United States, so well illustrated by the sad history of IDA 6 and IDA 7.

15. I would be willing to join with others, in consultation with the Secretary General, in approaching the Institutions to set up arrangements in Washington as I have suggested. For I think it important that we should not only draw the Helleiner report to their attention, but work out with them a realistic, practical and selective plan of action.

16. It may be that this process, and that action, will need in the end to be capped by a conference; though I am somewhat sceptical. But that is a long way down the track. as Professor Helleiner, and Mr Muldoon today, stressed. And to force that issue now would be a great mistake.

17. Phrase "Towards a new Bretton Woods" both helpful and unhelpful. Helpful in drawing attention to serious problems. Unhelpful in suggesting what is needed is new grand design. Hope my practical procedural proposal will be of some help.

IMF SPEECH

It is 22 years since I first had the privilege of attending the Annual Meetings of the Bank and Fund-- although on that occasion, in Vienna, I held the very different responsibility of a financial Journalist.

Last year's Annual Meetings in Toronto, when the UK was represented by my distinguished predecessor, Sir Geoffrey Howe, coincided with the low point of the recession for the world economy as a whole. Deep concern was then expressed about the prospects of recovery, and there was some hesitation over the right strategies for national economies. And the first major outbreak of the debt problem had just occurred.

/Since then we have

Since then we have experienced an eventful and troublesome year, for governments and peoples alike, and for the institutions in which we meet today. Debt problems have multiplied, and we are still far from seeing a clear way through all of them. The course of exchange rates and interest rates has been unsettled, and present levels, particularly interest rate levels, cannot be regarded as satisfactory. The economic and political strains of adjustment have inevitably proved painful. Impatient voices are heard demanding new approaches, new systems, new institutions.

But despite all that there has been undoubted progress; particularly on the all-important struggle against inflation; and recovery is now clearly under way. We are not yet out of the wood, but we are moving forward again. It is a good time to take stock, of how best to make further progress, and tackle the problems which remain.

That is our common purpose at these meetings. An occasion such as this is one on which the Finance Ministers who bear many of the political burdens of painful adjustments can share their experiences and

/perhaps even

perhaps even fortify each other thereby. So it may be helpful if I spend a few minutes describing our recent experience in the United Kingdom, where a clear adjustment strategy was adopted four years ago, has since been steadily pursued, and is showing good results.

UK Economy

In the United Kingdom we have, during these past four years, followed a three-part strategy. We have exercised steady downward pressure on monetary conditions. Despite the recession, we have reduced our budget deficit significantly as a percentage of GDP. And we have introduced reforms to remove structural rigidities in the economy, abolishing a whole raft of controls, on pay, prices and dividends, on industrial development and consumer credit, and perhaps most important of all, on foreign exchange transactions.

What results has the strategy brought? First, inflation has been reduced dramatically. It has fallen from a rate of around 15 per cent for much of the 1970s to around 5 per cent now. The long upward trend of rising inflation rates from one cycle to another has been decisively broken. Secondly, we have secured

/renewed economic growth

renewed economic growth. Despite unfavourable world trade conditions which impact particularly sharply on the UK, our economy has been growing at an average annual rate of around $2\frac{1}{2}$ - 3 per cent since the trough of the recession in the first half of 1981. This compares favourably with our long-run pre-recession trend. And unemployment, although still tragically high, is starting to level off.

Some observers in the UK used to argue that such a recovery was impossible without government stimulus. So far from that being the case, economic recovery in the UK can now be seen to have started in the immediate wake of my predecessor's courageously tough budget of 1981.

Now the critics argue that the recovery is not sustainable; that it is unbalanced; and that inflation is bound to rise again. I shall briefly explain why I believe they are wrong on all counts.

It is true that the recovery so far has been primarily based on increased personal spending and the end of destocking. But that is not a cause for concern, for all recoveries have that characteristic in the early stages. That is a well-established cyclical pattern.

/What is significant

What is significant is that on this occasion the familiar first stages of an end to destocking, a rise in spending on consumer durables, and an acceleration of house-building, came about without any Government stimulus to demand: they resulted instead from lower interest rates, increased confidence and above all low inflation, which in turn have been the result of responsible monetary and fiscal policy.

It would now be normal for the emphasis of the recovery to switch from the personal sector to the company sector, in the form of increased capital investment and positive stockbuilding. The pattern - in no way unusual or surprising - that investment follows consumption increases should be encouraged by the very substantial increase in company sector profitability which we have seen over the past year. Certainly, there are no signs, in the forward indicators, that the UK recovery is coming to an end. Quite the contrary.

Provided that monetary control is maintained - and it will be - and that inflationary expectations continue to improve, and providing we can continue to hold down our budget deficit and avoid unnecessary pressure on interest rates, which are still too high, we will see the recovery spread more widely throughout the economy.

/As for

As for the critics' concern that UK inflation would rise with economic recovery, the fact is that there is no sign so far of re-emerging inflationary pressure even though, as I have explained, the recovery has already been under way for two years. Of course, there will be temporary variations caused by special factors, but there is no sign in the inflation figures, when we strip out the volatile impact of changes in housing costs (themselves the result of changing interest rates) and seasonal food prices, of any change in the underlying trend. The growth of labour costs per unit of output continues to be low, helped by substantial increases in productivity.

THE WIDER STRATEGY

I think it worthwhile to set out these facts from this rostrum, for there is an important conclusion to be drawn from all this, and it applies, I believe, not only to the United Kingdom.

It was one of the characteristics of the cycles of the 1960s and 1970s that many observers underestimated the continuing strength of recovery. Indeed, one of

/ the reasons for

the reasons for accelerating world inflation during the 60s and 70s was that, at the stage of the cycle which the UK has now reached, governments worried about the strength of recovery and were persuaded to stimulate the level of demand. Because that stimulus was in addition to the already powerful forces of recovery the result was excessive inflationary pressure.

The lesson of that experience is one which we should all heed. It is important that we all recognise that powerful forces arising from lower inflation, lower interest rates and lower labour costs can both start and sustain recovery; and that the factors which are most likely to damage recovery would be an excessive expansion of demand by mistaken monetary and fiscal policies, bringing about their own inevitable reverse, and in particular an unsustainable structural budget deficit that puts damaging pressure on interest rates.

Let us also remember that high interest rates bear particularly heavily on developing and debtor countries; and that protectionist forces are inevitably strengthened when exchange rates are determined more by capital flows than by trade flows.

/So let me

So let me now draw some specific conclusions from our UK experience -

First, the strategy works: our experience demonstrates that it is possible for governments to reduce and control inflation through appropriate monetary and fiscal policies; and that financial discipline does not stifle growth - on the contrary, it helps to create the conditions for healthy and sustainable growth.

Secondly, perseverance is necessary, and it is important for the government to convey its determination to persevere; this is not easy, because it takes time before benefits are seen, and it may take additional time to see the benefits convincingly, even after they have begun to take effect. But it is crucial to demonstrate to the markets that there is, and will remain in place, a firm medium-term financial strategy.

Thirdly, although conditions in different countries may vary, I am convinced of the need to have monetary and fiscal policy operating in harmony. Otherwise, there will be risk of severe strain,

/especially if public

especially if public sector borrowing so pre-empt flows of savings that monetary restraint can be achieved only at the cost of very high real interest rates.

Fourthly, while no country can insulate itself against the rest of the world economy, the more firmly engaged any country is on a sound financial strategy, the better it will be able to withstand external shocks or weaknesses.

Fifthly, liberalising industry, cultivating competition, and giving free rein to market forces helps recovery. This applies across as well as within national frontiers: liberalisation of trade and payments contribute importantly to the development of world trade and economic activity.

Sixth, our general election result earlier this year has demonstrated that, despite all the inescapable pains of adjustment, a Government which steadfastly pursues this strategy, and which clearly explains to the people the need for the policies it is carrying out, has no cause to fear that it is exceeding the bounds of the politically possible.

/I make no apology

I make no apology for having dwelt at some length on the U.K. experience. At repeated international meetings Finance Ministers have agreed that the successful pursuit of a firm anti-inflationary strategy is the only sound basis for recovery. The Managing Director of the Fund has consistently and helpfully urged this on us all, not just those who are immediate clients in drawing on IMF resources. He did so again, most eloquently, from this rostrum yesterday. What is happening in my country is, I believe, both relevant and encouraging.

DEBT

The Fund's main concern over the past year - and that of the World Bank too - has been with countries facing debt problems. The growth of such problems in the last 18 months has been dramatic because a number of factors came together at the same time. A combination of world recession and sharply reduced commodity prices has limited export earnings by debtors. Very high dollar interest rates, applying to borrowing of which an increasing amount had become short-term, have magnified their problems.

Both elements in this squeeze have already eased a little, and should ease still further as world economic recovery continues, and particularly if the relative

/ burden of dollar

burden of dollar interest rates can be reduced. Because of this, it is important not to overstate the problem, while remaining mindful of the risks.

On the other hand, it is abundantly plain with hindsight that the scale of reliance on borrowing by some countries had by 1981 become greatly excessive, reflecting the over-ambitious quest to maintain unsustainable growth rates in a deteriorating world environment.

Balancing these various factors, the IMF have produced, in their latest survey of the World Economic Outlook, a careful assessment of the risks and possibilities in both directions. I do not dissent from it. My own view is that our joint efforts to sustain world recovery and maintain the attack on inflation will help, but that there is an unavoidable, urgent and continuing need for adjustment by the major debtors.

There can be no escaping the need for adjustment, and the IMF has served us all well in holding firmly to this basic requirement. I should also like to add a word of appreciation, indeed congratulation, to those of our colleagues who have displayed the determination and political will to move quickly and decisively in the right direction.

/If adjustment is crucial

If adjustment is crucial, so also is the provision of some time for its effects to be achieved. I believe we have developed a sensible emergency strategy, with the IMF playing a central role in working out necessary programmes of adjustment, which unlock IMF assistance, and in turn some mobilisation of new commercial lending. But I suggest we should now begin thinking further into the future.

Three issues might be worth pursuing.

First, many of the arrangements which are being made create the prospect of a very considerable hump of debt maturities a few years ahead. If - and I emphasise this basic requirement yet again - if the course of adjustment is satisfactory, it seems to me that it would be right for the borrowers and lenders concerned to think in terms of trying to reshape maturities for a further period ahead, on a longer time-scale. Much will depend on the degree of confidence in the borrower, and on world prospects generally; much may also depend on the evolution of interest rates and international flows of funds generally. In the main, however, we are dealing with countries which have considerable potential resources, if they can be effectively mobilised.

/Second, it is very

Second, it is very likely that the pattern of international flows of funds in the next decade will differ sharply from what we have seen in the last decade. We are already well past the peak period of accumulation of surplus wealth by the major oil-producing countries. We may well be moving into a period in which the current deficits which are the natural condition of most of those countries in the developing stage will have as their counterpart the more traditional surpluses of industrial countries, whose capital formation and distribution are very different. There is food for reflection here for commercial banks, but particularly also for the borrowing countries themselves. I suggest in particular that many of them ought to look again at their attitudes towards private investment, and to reflect on the advantages they could draw from encouraging long-term flows in that form, rather than the short-term borrowing of which they have had such uncomfortable recent experience, and which may in any case be less freely available.

Finally, as the world economy recovers strength, we need to give increasing attention to ways of strengthening the role of the World Bank, and to means of association between it and private investment. No country should delude itself that massive increases of official assistance are likely--or indeed would be helpful in securing sustainable growth. But there is some scope for a stronger role here.

IMF FINANCE

I have already spoken of the key role of the IMF in helping to encourage and support adjustment policies. Recognising that the Fund must be equipped with sufficient resources to discharge this task, the Interim Committee, under the Chairmanship of my predecessor, reached important decisions in February on the 8th Quota Review. The effect of this, together with that of the decisions reached in advance on the enlargement of the GAB, should be to double the useable resources available to the Fund.

It is clearly essential that these decisions are implemented as soon as possible by all Fund members. I am glad to say that the United Kingdom has already passed the necessary legislation. It would be difficult to overstate the importance of the US Congress doing so too, and on time.

Provided that they do, the decisions reached, at the end of the day, at the latest meeting of the Interim Committee, in which the United Kingdom was glad to have been able again to offer some assistance, will provide a firm but flexible basis for carrying forward the Fund's work.

/Given uncertainties

Given uncertainties about future developments it would not have been sensible to seek to reach a view on the level of members' access to the Fund more than a year ahead: nor was that necessary. The Committee, rightly in my view, envisage a gradual phasing out of the enlarged access arrangements. But it is evident that their extension into 1984 was necessary and fully justified.

I believe the Committee was also right not to conclude that a case has yet been established for a further SDR allocation. There clearly is imbalance in the distribution of world liquidity: but I am not convinced that there is an overall world liquidity shortage. At the same time I welcome the fact that further studies in this field are being put in train, and that the issue remains on the table.

IBRD/IDA FINANCING

The World Bank, too, cannot perform its role without adequate funds, and a selective capital increase is now required in order to help raise the level of lending which the Bank can sustain. I have accordingly suggested that an increase of around \$8 billion might be appropriate, provided that the details were settled in a satisfactory way, taking account of adjustments in the relative positions

/ of shareholders

of shareholders.

But we must recognise that an increase in World Bank lending will not help the poorer countries whose credit-worthiness precludes substantial borrowing from commercial banks. For them, IDA is crucial. The UK has always been a strong supporter of IDA, which we regard as a highly efficient means of channelling resources to the poorest countries. We are prepared to play our part, with due regard to our relative economic capacity, in securing a Seventh Replenishment of adequate size. I hope that all countries will be willing similarly to play their part, and I would particularly like to appeal to our United States colleagues, as IDA's originators and generous supporters, to consider whether there is more they can do to contribute to a satisfactory agreement. Their role in the final settlement will be crucial.

INTERNATIONAL MONETARY SYSTEM

I would like, in conclusion, Mr Chairman, to add a word on the perennial question of the overall working of the international monetary system. The International Financial Institutions represented here have served us well over the years, developing to match changing circumstances and meet new needs. Provided that we continue to equip them with adequate resources, I am convinced that this will remain the case.

They have shown resilience and adaptability in confronting the difficult issues arising in a period of transition from one of high inflation. The past few years have in a very practical sense been a period of evolution in which all our countries have shared, in particular through participation in the operational decisions of the Fund.

In the wake of the second oil price increases, the international community has reached a general agreement on the stance of policy which can best provide the basis for sustainable non-inflationary growth. This strategic consensus provides a framework in which we can consider what further improvements to the operation of the monetary system might be sensible.

/It is right that there

It is right that there should be continuing exploration and debate about specific aspects of the system. The recent Commonwealth Study Group report represents a thoughtful contribution to that debate. And I welcome the decision of the Group of Ten to carry out further work to identify areas where progressive improvements might be sought.

But I would just add this. Let us remember that it was inflationary domestic policies that precipitated the breakdown of the original Bretton Woods arrangements, not the other way about. When things go wrong, there is a temptation to blame the system. This is a temptation to assume that all problems that are not cyclical must be systemic, and can be solved only by changes to the international system. But none of us can in fact duck responsibility for the way we conduct our domestic economic and financial policies. That in the end is still what this discussion is really all about.

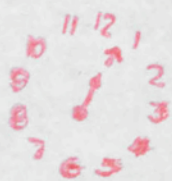
/Conclusion

CONCLUSION

It was for that reason, Mr. Chairman, that I began my remarks today with an account of our recent experience in the United Kingdom, and suggested some conclusions about the roots of our current recovery which might have wider relevance and applicability. It was for that reason too that, in discussing current debt problems, and putting forward some suggestions for their handling in the medium and longer term, I have stressed the cardinal importance of appropriate adjustment programmes. And it is precisely because both the Fund and the Bank play a key role in encouraging the adoption of such policies, and helping countries see them through, that I have today emphasised the importance of ensuring that both institutions continue to have the resources they need to do their job, supporting and sustaining a soundly-based recovery in national economies, and hence in the world economy. If we do not fail them, I am confident that they will not fail us.

Thank you, Mr. Chairman.

18 NOV 1983





10 DOWNING STREET

Prime Minister.

The Foreign Secretary thought
that you might like to see the
speech before CHOGA.

A.S.C. 18/11

Mark.

pl. take with us to
CHOGA.

AS 21/11

John Coles, Esq



With the compliments of

THE PRIVATE SECRETARY

The Foreign Secretary thought
that the PM might look at
this in advance of, or en
route to, CHOGM.

FOREIGN AND COMMONWEALTH OFFICE
SW1A 2AH

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SPEECH BY THE RT HON SIR GEOFFREY HOWE, MP TO THE ROYAL COMMONWEALTH
SOCIETY: 14 NOVEMBER

BRITAIN AND THE COMMONWEALTH TODAY

I am grateful to the Royal Commonwealth Society for the invitation to speak today. I suspect that the timing of the invitation was not entirely random. You will be expecting me to say something about the Commonwealth in advance of the Commonwealth Heads of Government Meeting in New Delhi, hereinafter referred to as CHOGM. I shan't disappoint you. The meeting later this month does of course make this an appropriate occasion for looking anew at the value of the Commonwealth to Britain. But I also want to look at the value of the Commonwealth model for the wider world, and in particular for Southern Africa.

[The Delhi meeting will be the first Heads of Government Meeting I have attended - "a seminar for statesmen" as the Prime Minister of Singapore has called it. But it is a reflection of the importance of the Commonwealth to British interests that this will be by no means my first taste of Commonwealth Ministerial meetings. As Chancellor, for example, I was privileged to serve as chairman for two meetings of Commonwealth Finance Ministers. I am looking forward to the Delhi meeting as a chance to renew old friendships and to make new ones.]

I know that I am preaching to the converted here about the value of the Commonwealth. But we do have to acknowledge that not all in Britain are now automatically convinced of this: I confidently predict that between now and the Delhi meeting some British newspapers will carry sceptical pieces about the Commonwealth. They will decry the supposed ingratitude of the Third World members, suggest that the Commonwealth should be wound up, that it no longer has relevance for Britain and so on. Very similar articles appear before every CHOGM.

One of the things I want to do today is to answer those points in advance.

[It would be very easy for me just to come and offer pleasantries and platitudes about the Commonwealth. To talk about shared values, the family atmosphere, unique bonds of blood and friendship. These things are all true. They are often self-evident. But apparently they do not convince the sceptics.]

The key foreign policy objectives of this and preceding British governments are to provide security, to enhance prosperity and to promote stability. But Britain's role has changed and is changing from that of a global power. Inevitably this has meant that to achieve our objectives our diplomatic activity has concentrated more on regional issues. Our commitments to the European Community and to the Atlantic Alliance have become the twin pillars of our foreign policy. Both have a vital role in achieving security, prosperity and stability. But let me reiterate what I said in my speech on the Community at Chatham House on 4 November. Our membership of the Community has not meant a renunciation of old ties. Rather it has provided a new context for them.

The Commonwealth remains central to our foreign policy - in particular outside the Atlantic area. The intense official and public interest in Grenada has once again shown that clearly. Let me just depart from my text for one moment to pay tribute to both Sir Paul Scoon in Grenada and to Mr Ramphal, both of whom have been working in the finest traditions of the Commonwealth to restore constitutional rule on the island. As I said in the House on 3 November, we stand ready to respond positively to requests from the interim authorities in Grenada for help.

If Britain is now more of a regional power, then it is one with worldwide interests and responsibilities. We have our commitments in the Falklands, Hong Kong, Gibraltar and the other overseas territories under the protection of the Crown. We derive a considerable proportion of our national income from overseas activities: much higher than most other industrialised nations. We import many of the raw materials for our industries. We export across the globe. We have extensive foreign investments which need protecting.

And we have a vital role as a responsible Western ally in helping to deny opportunities outside Europe to the Russians and their satraps. If then we are looking at the Commonwealth in these hard-nosed nationalistic terms, in terms of what we get out of it, its value to us is inextricably linked to our worldwide interests. Much of the benefit to British interests from the Commonwealth is invisible or intangible. This makes the task of the sceptic easier.

But there are concrete and visible benefits too. The existence of the Commonwealth gives us an immediate and privileged entrée to the governments of 30% of the membership of the United Nations. And to markets with a quarter of the world's population: markets which are growing in purchasing power. In 1982, Commonwealth countries took nearly 13% of our exports. Nigeria alone bought well over £1 billion of exports and is one of our three largest markets outside the industrialised world. In 1981 Commonwealth countries accounted for some 35% of our income from non-oil investment overseas.

But the advantages are not only economic. Commonwealth membership has been of direct political benefit to Britain. I regard the Lancaster House settlement which ended a civil war and brought independence to Zimbabwe as one of the very important achievements of Mrs Thatcher's first government. I very much doubt whether Britain would have achieved that settlement if it had not been for the agreement reached at the CHOGM in Lusaka in 1979. And the role of the Commonwealth of course did not stop there. The Commonwealth monitoring force and the Commonwealth observer group played an important role in the run-up to independence in Zimbabwe. They helped to ensure that power was transferred peacefully and smoothly. Britain's reputation was enhanced as a consequence. And so was that of the Commonwealth. And wider Western interests were served because opportunities for meddling outsiders were reduced.

The Commonwealth saw it as their duty in Zimbabwe to help us to discharge a British commitment. It was the same with the Falklands. [Many of you will remember Mr Ramphal's speech at the height of the Falklands' conflict. Its title was "Not Britain's Cause Alone". Another clear example of a situation in which the Commonwealth came to the aid of Britain in dealing with what was technically a national responsibility. The great majority of Commonwealth states gave us strong support after the Argentinian invasion. New Zealand lent us a frigate, others took economic sanctions; some gave us quiet support for military logistics or open political support in the UN. I am convinced that Commonwealth support for Britain among non-aligned countries was a significant factor in deterring the Soviet Union from vetoing SC Resolution 502.]

And I can cite other examples where the Commonwealth has helped to promote stability, thereby serving our political and security interests directly or indirectly. The achievement of independence for Belize was due in no small way to the support which the Commonwealth drummed up in the UN. And the Commonwealth Declaration on Belize gave reassurance to the people in their dispute with Guatemala. The Commonwealth also helped to promote stability in Africa when it sent observers to monitor the Ugandan elections in 1980 and later a military training team. And in general the existence of the Commonwealth provides a highly effective means for Britain to play a responsible part alongside other Western nations in aiding the development and stability of the Third World. Certainly many of the smaller states feel that their membership of the Commonwealth and its regional bodies makes them much less exposed in a hostile international climate. As I said in the Foreign Affairs Debate on 3 November, we shall be examining with our Commonwealth partners what we can do to help these and other small states even further, in particular so that they are not exposed to take-over by tiny groups of evil men.

So much for the direct and visible benefits to Britain from the Commonwealth. But many are more intangible. To speak of shared values in the context of the Commonwealth is to use a truism. But the fundamental characteristic of truisms is that they are true. The Declaration of Commonwealth Principles adopted in 1971 is perhaps the clearest expression of the values which we hold in common. One has to acknowledge that not all members are successful in practising these principles. But they do provide an ideal, a benchmark, towards which all the member states can strive. And the Commonwealth countries generally compare favourably with their counterparts elsewhere in preserving and practising the independence of the judiciary, a key foundation stone for a fair society. In the political sphere Nigeria has just demonstrated anew that parliamentary democracy can work in Africa. In a subtle way, all these shared values work in our national interests because they help to spread a way of life which has worked for us and which can enhance stability.

I also see the Commonwealth as a unique channel for developing contacts and understanding between the industrialised and developing world. This too serves our interests. In particular our Commonwealth experience puts us in a good position, along with Canada, Australia and New Zealand, to act as a fulcrum in international financial negotiations. And the Commonwealth in general provides a valuable, possibly a unique forum, free of polemic and bitterness, in which the developing and the industrialised countries can gain a better understanding of the constraints and needs of the other. We shall be able to discuss these issues further at CHOGM where economic and financial questions will be among the key items on the agenda.

And finally, in this "accountant's approach" to the Commonwealth, we must not forget the edge in trade which the English language gives us. Nor the advantage we gain from the direct experience which many Commonwealth leaders have of British institutions - schools, universities, the Bar and, for some - happily very much a thing of the past - our prisons!

no lunch

But there is no free lunch in foreign policy. This post-prandial speech bears witness to that. If we get benefits of this order out of the Commonwealth then we have to put something in. We have to bear costs, make commitments. And we have to recognise that the other members of the Commonwealth may see it as a legitimate way of furthering their own interests. For the long-term value and health of the Commonwealth I hope they do.

I hope too that no one here has doubts about the commitment of this British Government to the Commonwealth. Its central role in our foreign policy outside Europe is reflected for example in the disbursement of our bilateral aid. In recent years about 75% has gone to support development programmes in Commonwealth countries. And that is how it should be. Not only does our money then serve British national interests, but our knowledge and experience in those countries helps to make them effective recipients. And this is not the whole story.

Much of our aid reaches Commonwealth countries through multilateral channels, including the EC. This may have reduced bilateral programmes in some cases. But let me emphasise one point for you clearly. The benefit to the recipients is generally the same - or even greater. And some Commonwealth countries have definitely benefitted in aid terms from our membership of the Community. India for example is the largest recipient of Community aid. More than half the countries in the Lomé Convention are members of the Commonwealth and benefit from its important aid and trade provisions. Let me put it another way: three-quarters of the Commonwealth are members of Lomé, a mark of the importance that we attach to Commonwealth links when we were negotiating our accession to the Community. One of the first acts of St Kitts Nevis on attaining independence was to apply for membership of the Lomé Convention. And finally, as you know, we play a major role in supporting the Commonwealth's own institutions and aid programmes.

Foreign policy is not of course susceptible to accurate cost/benefit analysis. But in terms of the Commonwealth the visible and invisible balances of costs and advantages do appear to leave us in substantial political surplus.

The Commonwealth however means much more than that to us. We cannot ignore the more human and emotional factors. That is what distinguishes our society from that of the Communists. There is deep sentiment in this country in favour of the Commonwealth. The ties of kinship and blood to the old Commonwealth are now strengthened and enriched by the links between the ethnic minorities here and their families in the Caribbean, the sub-Continent and West Africa. And then there is the unofficial Commonwealth, that benign mafia of everybody from Commonwealth architects to athletes. [Most recently, we have had the very successful meeting of the Commonwealth Parliamentary Association in Nairobi at which Ray Whitney represented us: another example of the way in which personal ties serve to bind the Commonwealth together.]

But it is not always going to be 'sweetness and light' inside the Commonwealth. In such a diverse body there will be occasional differences of perception and interest. The Grenadan intervention showed that even within a small region of apparently similar states, Commonwealth members can differ sharply on what needs to be done. But any differences are temporary and soluble. They will not detract from the underlying value of the Commonwealth for multinational cooperation and mutual help. Nor should the welcome trend towards regional cooperation with fellow Commonwealth members as well as other states. [Just as we have developed special ties with the European Community so too other Commonwealth members are participating in organisations within their own regions: Singapore and Malaysia in ASEAN; the Caribbean states in CARICOM; the Pacific states in the South Pacific Commission. This regional activity need not and should not weaken Commonwealth ties. Indeed it should be positively encouraged as a contribution to the stability and prosperity of Commonwealth members.]

The Commonwealth is in short a body of which Britain is proud to have been the midwife. And it is clear that the attractions of the Commonwealth endure for others. Since the last CHOGM Antigua, Barbuda, the Maldives and St Kitts Nevis have all joined. Brunei is planning to do so when it gains full independence next year.

The continued growth in membership is welcome in itself. But it also means that the Commonwealth has a better chance of sharing its experience with the wider world. And in particular for demonstrating that cooperation between peoples of different races and backgrounds can help to solve world problems. [I have already referred to the Commonwealth's role in bringing a peaceful settlement in Zimbabwe and in helping Uganda.] The Commonwealth experience could also be of particular relevance to the problems of southern Africa where nations of very different cultures and histories seem to be sliding towards increased violence.

[We have]

We in Britain are committed to preventing this; and to helping to ensure stability throughout Africa. This Government's commitment to Africa was clearly shown by the hard work put in to the Lusaka CHOGM and to the subsequent and successful Lancaster House conference. [That conference marked the formal end of the colonial era in Africa. On the whole the process of decolonisation was as successful as it was both inevitable and desirable. Despite the anxieties of some in this country, even today, the British record in this resounds to our credit. And it has enabled us to] establish^{ed} strong relationships throughout the continent: in the past we have concentrated - and rightly so - on the thirteen African Commonwealth members. We shall continue to build on these ties. But we have also started to supplement them by improving our links with some of the French and Portuguese speaking countries. The recent successful visit to Britain by the President of the Ivory Coast was just one outward and visible sign of our developing relations with Francophone West Africa. And we have just opened up a small post in the Congo. President Machel's visit to Britain and Malcolm Rifkind's to Angola shows that we are equally serious about cooperating with the Lusophone states.

Our commitment to Africa reflects our extensive interests there. The continent has a major place in British foreign policy [as it does in the Community's relations with the developing world. Mozambique and Angola are expected to join the successor to the present Lomé Convention. I hope they do so for then all of black Africa - apart from Namibia - will be able to benefit from the important aid and trade arrangements in Lomé. Africa and its people have much to offer us. And we in turn have much to offer Africa.] Taken together the countries of sub-Saharan Africa are the largest recipients of British bilateral aid outside India and the sub-continent. And much more help from Britain reaches Africa through multilateral agencies, non-governmental flows and private investment. The government's abolition of exchange controls has helped significantly. Contrast that to the abysmal Soviet record in providing economic aid to Africa. In 1981 only 6% of Soviet civilian aid went to sub-Saharan Africa. Even worse, that was worth only 2% of Western aid to those countries.

But to be effective aid from wherever it comes cannot be a one-way process. It requires partnership between donors and recipients. This is why the Community attaches such importance to developing a genuine dialogue within the Lomé partnership with the ACP States: we need to identify the most effective use of the substantive resources and trade opportunities we provide. As I said at Chatham House on 4 November, in the present situation, where money is bound to be tight, it is more than ever important that aid should be seen to be well used. Effective aid requires requires too a sense of economic reality among the recipients, a recognition that long-term development could require painful short term adjustments. I am pleased by the courageous steps in this direction. And I am encouraged that a number of African countries are now beginning to adopt the right approach in cooperating with the IMF. [I know that the Fund's conditions will often be tough but they are sympathetically applied against the background of the political and social realities of the countries concerned.] We in Britain stand ready to provide more high-level expertise to help with the process of adjustment and to help towards the goal we all share, sustainable non-inflationary growth.

I see other encouraging trends in Africa. (Many of the countries have dreadful problems to cope with: population explosions, poverty, drought, ethnic problems. But the good news is not always so evident: democracy in, for example, Nigeria and the Gambia; economic success in Gabon, Cameroon; multiracial cooperation in, for example, Zambia and Kenya. And so on. Solid achievements which can serve as models for all the countries of the continent. They ^{]- which} show what can be done when sensible policies are pursued, when foreign interference in internal affairs is rejected. And above all when the peaceful route to change is followed.

Edmund Burke, reflecting on the French Revolution, said that "A state without the means of some change is without the means of its conservation". That message needs to ring most loudly in southern Africa; and in particular in South Africa itself. Change there is inevitable. And desirable. I find it unthinkable that a minority will be able indefinitely to deprive the majority of its rightful say in running the country. And apartheid is not only morally abhorrent; it is in practical terms untenable and incompatible with economic dynamics.

[Developments in the southern tip of Africa are of fundamental importance to Britain. Not only are a number of Commonwealth countries directly involved but our political, economic and strategic interests throughout the continent are affected by the way things go there. I therefore intend to devote the rest of my speech today to southern Africa.]

The question that we must face and that above all the people of the region must face is how change is to come about. [Whether it is to occur peacefully and in a way which preserves economic and social development. Or whether the evolutionary process falls prey to the forces of revolution, and to the counsels of despair, exacting a dreadful price from all southern Africans.]

The trend I fear at the moment is a trend towards greater violence, terrorist attacks and destabilisation. The British government deplures that trend. In particular all parties should strictly respect the sanctity of national borders. Cross border violence is in any case counter productive. The black guerillas should understand that attacks on South Africa merely strengthen intransigence. They will make the whites even more fearful of making concessions. And the South Africans for their part have to see that destabilisation of their neighbours risks precipitating the situation they fear most: making the Russians and their surrogates a more powerful factor in the equation. Punitive raids may buy a little time, provide a breathing space. But the long term costs are those of fear, bitterness and hatred. [These costs will be paid by all concerned, in the region and outside. And will make peaceful change much more difficult.]

The key to peace is mainly in the hands of the South African government and people. Nobody can force them to use it. But use it they must if they are to secure their long-term stability and prosperity. I have been encouraged by the internal economic forces which have already brought about a degree of change in South Africa. The demand for black workers, the increase in their purchasing power, the development of black trade unions - all give impetus to a powerful dynamo for change inside South African society. These are trends which I welcome. [And they should be welcomed by all South Africans. To allow the dogma of apartheid to block the benign forces of the market place would be to the benefit of no one. In the end, the result might by some standards in South Africa be ideologically sound but in an economic waste land.]

In my view therefore economic forces offer some hope that the evils of apartheid can be moderated. But political reform is also necessary. I am not going to suggest formulae for reform or try to prescribe precise remedies. We have never deviated from our view that it is for those in South Africa to judge what is best for them, but we have made clear on a number of occasions that we are looking for progress towards constitutional arrangements acceptable to the people of South Africa as a whole. There was strong white support for the new constitutional proposals in the referendum on 2 November. But only part of the population has been consulted about these proposals, and they have been seriously criticised by the majority of South Africans because they make no provisions for them. I see that the South African Prime Minister said that the vote was a mandate for 'evolutionary reform' It would I think be inappropriate for me to comment on the outcome of the referendum or on that statement. But we do hope that the referendum will facilitate the process of change which we would like to see. We shall of course continue to take a keen interest in developments.

For apartheid and the absence of a form of government which has the consent of all the people cast a long shadow over Britain's relations with South Africa. Our rejection of apartheid and of the oppression linked with it reflects the firm view of a wide spectrum of British public opinion. It also represents the clear consensus within the Commonwealth. The Prime Minister and I will in New Delhi be reaffirming the government's commitment to the Gleneagles Agreement on Apartheid in Sport. I hope our sports bodies will take account of this and reflect too on the wider implications of their decisions about South Africa, not least for other Commonwealth sportsmen. In particular, we shall continue to advise the Rugby Football Union against an England tour of South Africa next year. As for other issues this government will uphold the United Nations arms embargo. We shall eschew any military collaboration with South Africa. And we shall not help with South Africa's nuclear programme.

But we are not going to cut off contact with South Africa. One of the messages I want to leave with you today is that you can only influence someone if you are ready to talk to him. [That applies to the Western governments in their approach to relations with the Soviet Bloc.] And it applies with equal force to the Western governments and to the other states of southern Africa in their relations with South Africa.

You cannot get your point across by refusing even to discuss your differences. Equally we do not think that the case has been made for economic sanctions against South Africa. I have a general objection to interference in commercial relations for political purposes; not least because such interference has normally proved ineffective. I must be frank and admit that sanctions would of course damage important British commercial and economic interests. But they would also inevitably damage Commonwealth countries bordering on South Africa like Zimbabwe and Botswana - and others too.

In any case I believe we should not interfere with the economic forces that are at work for change in South Africa. Nor is it in our interests, or that of South Africans to provoke through drastic action a violent economic collapse there. Rather positive change in South Africa is likely to come about through a growth in contact with the rest of the world, not by treating it as a pariah. And through development of its economy, not by the imposition of a commercial siege. [That is why we support the European Code of Conduct for companies with interests in South Africa. Not as a punitive measure but as a positive way for improving the situation of Black workers.]

There are no quick or easy solutions to the problems of southern Africa. Those who say there are have been badly briefed or are naive. But our policy for the region is consistent and aimed at the long-term. It is a policy of contact and involvement, of working with all the parties in and around South Africa to produce faster change by peaceful means. This is nothing new. We have been working with other Western nations in the Contact Group of Five - including Canada, another leading Commonwealth member - to bring about a fair and lasting settlement in Namibia. The UN Secretary-General's recent successful visit to the region resulted in the resolution of virtually all the outstanding problems on Namibia. I understand the impatience felt by some African states. But the work of the Contact Group has contributed in no small way to the progress already achieved.

It is of course easier to state the objective than to achieve it. The main obstacle is the demand for an agreement on the withdrawal of Cuban troops from Angola as a precondition for a Namibia settlement. We have made clear that for us the only conditions for Namibian independence are those in Security Council Resolution 435. But as a matter of practical politics we have to recognise that the main parties each have their own security problems. These have to be satisfactorily resolved if there is to be an enduring agreement. I believe that military disengagement and the establishment of greater trust in the area hold the key to this. That is why we want to see the withdrawal of all foreign forces from Angola. But of course the continued presence of South African troops in Angola and continuing armed conflict there make the withdrawal of Cuban troops more difficult. I therefore urge the South Africans to pull back their forces from Southern Angola as a vital step. [I do not believe this would prejudice their position. Indeed] it would be a valuable step in the process leading to a Namibian settlement and greater regional stability. Conversely, I find it hard to see how their continued presence in Angola can serve South Africa's long term interests.

The British government and its partners in the Contact Group are committed to continuing their efforts to achieving a Namibian settlement acceptable to all. [There are some in this country who would argue that it is better for the West that South Africa retain control of Namibia, that an independent Namibia would fall under Soviet domination. I reject these notions. Indeed I believe the reverse to be true. A settlement which enables the people of Namibia freely and without any kind of external interference to determine their own future would be clearly in Western interests.] It would reduce, not increase, the opportunities for external meddling and for further violence. And it could help to promote the removal of the Cubans from Angola. But perhaps even more important, a Namibia brought peacefully to independence and in a way which safeguarded the human rights and political freedoms of the minority communities would make an important psychological, political and economic contribution to the region's future. Indeed in that sense, Namibia could be the key to the future of southern Africa. If that key can be turned, then the prospects for the region achieving peaceful change, for avoiding Kalashnikov diplomacy will be much better.

In particular the door would open to far greater cross-border cooperation. The black states in the area already understand the importance of working together. The Southern African Development Co-ordination Conference is just one of the ways in which they are helping one another with their mutual problems. We welcome this. More to the point, we are offering concrete support eg for the Limpopo railway project. This sort of cooperation makes sense for the futures of these countries. The inescapable facts of geography and economics have also willy-nilly resulted in a measure of practical cooperation between South Africa and its black neighbours.

That cooperation must be developed and expanded. The future for the region as a whole and in all senses - political as well as economic - is likely to depend on it. [If the black states and South Africa want to influence one another, they must talk to each other, express their concerns and explain the constraints under which they work. Nothing can or will be solved in an atmosphere of isolation and mutual suspicion.]

A peaceful future for southern Africa will also require the recognition of the responsibilities of statehood and of the meaning of sovereignty. Those concepts are incompatible with support for or toleration of the work of organisations using violence in the name of politics. They are incompatible with punitive military raids, retaliatory or not. And they are incompatible with policies designed to keep your neighbours off balance, to choke their economic development or to destabilise their governments. These concepts must be recognised and acted upon on both sides of South Africa's borders. If they are not, the slide to military confrontation, to violence and instability, from which there can be no real winners will continue. [In short, South Africans must use the telescope, not the microscope. They need a wide-angle lens, not a narrow focus, if they are to acquire the breadth of vision necessary to allow long-term change through mutual confidence and understanding rather than through confrontation and subversion.]

The British government stands ready to encourage and support cross-border contact and cooperation in southern Africa. The US Administration have demonstrated the same attitude. We are willing to do what we can with our other allies, inside and outside the Namibia Contact Group, to help remove the mutual suspicion and distrust which impede progress. For the Western countries, share with all the Africans of the region - including those of every community in South Africa - an overriding interest in peaceful change and the avoidance of bloodshed. Many Commonwealth states hold strong and uncompromising views about South Africa. I understand those views. I sympathise with their total rejection of apartheid. I believe that the Commonwealth model for successful international cooperation across cultures and races in solving political problems has relevance for southern Africa. But that model is unlikely to be taken up and used for the benefit of all the people there unless the Commonwealth demonstrates recognition of the political realities of the region.

We in Britain are using our best efforts to promote and encourage the changes necessary in South Africa itself for the future peace and stability of the region. And we are encouraging the black African states to play their part, realistically but without any sacrifice of principle. But this cannot be the sole responsibility of the West. In the end the problems are African ones. The first steps have to be taken by Africans - white Africans and black Africans.

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PM



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MO 6/11

18th November 1983

Dear David

AM 27/11

v.a.

We spoke this morning about the need to provide briefing on the subject of credit for defence sales to India. As agreed, I now attach a briefing note in case the subject is raised while the Prime Minister is in India. This has been cleared with ECGD.

Copies go to Peter Ricketts (FCO) and Ruth Thompson (DTI).

Yours

Simon Lowe

(S H LOWE)

David Barclay Esq

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DEFENCE SALES TO INDIA: CREDIT ARRANGEMENTSDefensive BriefingLINE TO TAKE

Mr Venkataraman raised this with me in London earlier in the month, and I assured him then that we would look at this request as helpfully as possible in the light of our overall credit arrangements. I have asked my officials to commence work on this straightaway and to get in contact with your people at the earliest convenient moment. Naturally I have asked officials to advise me on what can be done as quickly as possible.

I can assure you that sufficient ECGD cover should be available to support contracts on credit terms for major capital defence items. We would also be happy to discuss with you the possibility of a general credit framework should this suit your needs better.

BACKGROUND NOTE

During his meeting with the Prime Minister in London on 7th November, the Indian Minister of Defence asked the Prime Minister to consider a Government-to-Government credit line to cover, in particular, capital equipment in the defence field as well as shorter term credit for items such as ammunition. He pointed out that without credit it was difficult for India to plan her procurement programme sufficiently far ahead.

Discussions are now in hand between the MOD, ECGD, the FCO and others on how best to meet this Indian requirement. The normal

HMG vehicle for such credits would be ECGD, operating under its Section 2 ("National Interest") account. In fact, during the last two years ECGD has supported defence sales to India of substantial proportions. Over £900m has been earmarked for supplies of Jaguar Aircraft, Sea King helicopters and Sea Eagle missiles alone. All this business has been placed on a cash basis.

Any line of credit would have to count against the Section 2 credit cover for India (currently £2500m). In order not to freeze a block of cover for a lengthy period, ECGD would prefer not to offer a line of credit - but rather to provide cover on a case by case basis. The Indians, however, are likely to press for a line of credit against which they can set future purchases. This issue will need to be resolved in discussions in London and Delhi. In the meantime, to preserve as favourable a climate as possible for further UK Defence Sales, it is important that the range of options for providing credit is left as open as possible.

118 NOV 1983



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Foreign and Commonwealth Office

London SW1A 2AH

18 November, 1983

Dear John,

11/22

CHOGM: Meeting with Mrs Gandhi

Sir Robert Wade-Gery called on Dr Alexander, the Head of Mrs Gandhi's office, on 16 November to pass on the Prime Minister's wishes as conveyed in your letter of 14 November. On hearing that the Prime Minister wished to concentrate primarily on CHOGM issues when she called on Mrs Gandhi, Dr Alexander replied that the Prime Minister should have no inhibitions about raising bilateral issues if they were on her mind. Mrs Gandhi would be entirely happy to discuss non-CHOGM issues as well, of course, as CHOGM ones.

Taking his cue from Dr Alexander's remarks, Sir Robert said the Prime Minister might well raise the question of reviving the series of non-official conferences involving senior Indian and British academics, journalists and politicians, which had lapsed a couple of years ago. The High Commissioner said the Prime Minister might also touch on the danger of underspending this year's aid programme adding that this might depend on the number of projects given approval in time for spending in this financial year. In the subsequent discussion, Dr Alexander made it clear that the Indians would consider it entirely appropriate for the Prime Minister to raise important industrial projects, in particular those affecting aid utilisation.

Sir Robert Wade-Gery has now strongly recommended on the basis of this conversation with Dr Alexander, that the Prime Minister should mention to Mrs Gandhi two major projects in which British companies are interested. The first of these, the provision of power generation plant for the Bharat Aluminium Company might be referred to in the context of the possible underspend in 1983/84 of British aid. Discussion of the second project, the modernisation of the Durgapur Steel Plant would then follow naturally. Both these projects are covered in the brief prepared for CHOGM, but for ease of reference, I enclose a short note, including a 'Line to Take', on the projects and the possible aid underspend.

Yours ever,

Peter Ricketts

(P F Ricketts)

Private Secretary

A J Coles Esq
10 Downing Street

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MEETING WITH MRS GANDHI

LINE TO TAKE

UK Aid

1. In 1982 we agreed target aid levels for regular UK bilateral aid for 1982/83 and 1983/84. We achieved the target for 1982/83. But possibility of underspend in 1983/84. Helpful if your officials could identify suitable projects. (Aid in 1984/85 - if raised - final decisions not taken, but will use best endeavours to maintain aid at £110 million level.)

Bharat Aluminium Company (BALCO)

2. One possibility of achieving aid expenditure this year would be early agreement on provision of captive power plant for BALCO. Hope for speedy conclusion of negotiation on bid from GEC. Confirm aid would be available, subject to appraisal.

Durgapur

3. Also looking forward to substantial UK involvement, led by British Steel Corporation, in modernisation of Durgapur Steel Plant, for which we have put forward outline financial proposals including aid.

BACKGROUND

UK Aid

4. In past few years we have reached or exceeded our aid targets for India, including the £105 million agreed by Mrs Gandhi and Prime Minister for 1982/83. The agreed figure for 1983/84 is £110 million. We have strongly pressed the Indians, at senior official level, to put forward good projects which would begin spending in 1983/84, but they have been slow to do so. At present we look likely to underspend, perhaps by as much as £20 million. We cannot simply write a cheque for the balance.

/Aid

Aid in 1984/85

5. We have, as usual, given Indians planning figure of £110 million for 1984/85 in line with 1982 undertaking to use best endeavours to maintain aid at 1983/84 level in cash terms. Final decision still to be taken. There are several projects in pipeline which would enable expenditure of £110 million in 1984/85. In addition, we have already agreed to earmark £33 million over 4 years from 1984/85 from the Aid/Trade Provision. This aid, which is additional to the bilateral programme, has still to be allocated to projects.

BALCO Captive Power Plant

6. GEC are well-placed for a £140 million contract to build a captive power plant for the Bharat Aluminium Company (BALCO). A finance proposal including bilateral aid was submitted in September. GEC will submit tender in mid-November. If the project is approved, an early aid donor payment would help cover a likely underspend on this year's programme. Indian Minister of Steel has advised project should be raised with Mrs Gandhi.

Durgapur Steelworks

7. Indian Government have asked for BSC to play leading role in £300 million modernisation of Durgapur. Outline financial proposals, including bilateral aid, were submitted to Indians in August.

CHERRY Pt 5



NOV 1983

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10 DOWNING STREET

From the Private Secretary

18 November 1983

CHOGM

The Foreign and Commonwealth Secretary's minute of 17 November was discussed at a meeting here this morning which was attended by, in addition to Sir Geoffrey Howe, the Chancellor of the Exchequer, Mr. Raison and officials.

The Prime Minister agrees:

- (a) to use the Restricted Session following the opening ceremony to press for a shorter and more readable communique;
- (b) on Grenada, to follow the line in paragraph 2 of the paper attached to the minute;
- (c) on the security of small states, to avoid initiating in plenary sessions any discussion of this problem;
- (d) on Southern Africa and Namibia, to follow the approach in paragraph 5 of the paper. (The Prime Minister has no intention of pressing the United States to drop their insistence on the departure of Cubans from Angola.);
- (e) on world economic issues, to follow the line in paragraph 6 of the paper;
- (f) on functional co-operation, the Commonwealth Foundation apart, to resist any increase in the Secretariat's expenditure in real terms.

New material was commissioned at the meeting for the Prime Minister's opening address. I spoke after the meeting to Sir Antony Acland and Sir John Leahy who have this in hand. I should be grateful if a fresh draft could reach me by 6.00 pm this evening.

It was agreed that the Cabinet Office would ensure that a further brief would be provided describing the measures of trade

/ protection

protection taken by the various Commonwealth countries.

37/ The Treasury undertook to supply a note on those Commonwealth countries which face severe debt problems.

As I told Brian Fall early this morning, the Prime Minister has now decided to invite the OECS leaders to lunch in Delhi on Tuesday, 22 November. I should be grateful if you could make the necessary arrangements.

I am copying this letter to John Kerr (HM Treasury), Michael Power (Overseas Development Administration) and Richard Hatfield (Cabinet Office).

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

Prime Minister's
Inty Clerk
18/11

CHOGM

Foreign and Commonwealth Office

London SW1A 2AH

18 November 1983

Jan Tabor

The Prime Minister did not
have a bilateral with President Moi.CHOGM: Bilateral with President Moi of Kenya

A.S.C. 36/11

The Prime Minister has agreed to have a bilateral meeting with President Moi of Kenya. The basic political and economic background is set out in the background brief (PMVE(83)(C39). The main purposes of the meeting will be to provide further reassurance to Moi of our support for him; dispel any lingering suspicions he may retain that we could have contemplated supporting Njonjo against him; and to get him to reverse the incipient difficulties his senior army officers are putting in the way of our military assistance and our own training programmes. I enclose a short speaking note. This has not been seen by the Foreign Secretary: I shall be submitting a copy to him in parallel this evening.

You may find it helpful to have the following additional background on the points covered in the enclosure. Taking them in order:

(i) Last March President Moi, in thanking the Prime Minister for the British response (notably an additional £10m aid commitment) to his appeal for balance of payments support, invited her to visit Kenya. She replied that she could not take up the invitation this year, but looked forward to a visit at a later date.

(ii) and (iii) In his handling of the domestic political situation since the attempted coup in August 1982, Moi has shown considerable deftness. He now has a cabinet of Ministers clearly owing their positions to him. But the Njonjo affair is not over. We do not know what precipitated Moi's decision to get rid of him. But, whatever it was, Njonjo's close association with Britain led Moi to act as if he suspected British connivance with Njonjo against him. We believe that his own return of confidence and the steps we have taken to reassure him have been successful. At the same time there remains the risk that the judicial enquiry into Njonjo's actions (due to recommence on 22 November) will bring into the open Moi's own involvement in activities, e.g. acceptance of money and the dealings with South Africa, of which Njonjo is accused. While becoming more alive to the dangers, Moi appears unable to find a defensible way out. Unless Moi himself confides in the Prime Minister about his difficulties, it would be unwise to mention the affair, lest we seem to be acting as Njonjo's advocate. On the other hand, if the tone of the conversation is warm, it could be useful for the Prime Minister to signal that we regard Njonjo as a spent political force.

/(iv)



(iv) Last May, at the height of the Njonjo affair, Moi instructed his Defence Staff to distance themselves from foreigners. As a consequence the Department of Defence, the Army and the Air Force have been making the everyday conduct of business unduly complicated for the Defence Adviser, our military training teams and the British units out for exercises. A few days ago we were presented with the draft of a revised memorandum of understanding covering our training arrangements. This has not yet been analysed in detail, but appears a good deal more restrictive than the present one. It is not clear whether Moi has been consulted about the new document, in which our High Commissioner detects an underlying attitude of suspicion and distrust. Given the importance to us of the Kenyan training facilities this development is disquieting.

(v) On 14 November Presidents Moi, Obote and Nyerere met in Arusha where they agreed on a basis for apportioning the residual liabilities and assets of the defunct East African Community. This opened the way for Tanzania to reopen its border with Kenya. These decisions are important and could do much to revive the economy of the region as a whole. As such they can be warmly welcomed. British companies with manufacturing investments in Kenya geared to the regional market should benefit. But there may be some temptation for Kenya, in return for Tanzanian signs of economic realism, to be tilted towards a more 'African' stance on international issues. As regards the OAU, Moi had hoped that his Chairmanship (1981-82) would mark his emergence as an African statesman. In fact, the behaviour of Qadhafi, Moi's designated successor, over Western Sahara and Chad almost led to the Organisation's collapse. Moi was greatly relieved when his prolonged tenure of office ended and feels that he deserves credit for securing a handover to Mengistu of Ethiopia with the OAU intact.

(vi) With the unrelenting pressure of population growth and few natural resources, the Kenyans are bound to look for more assistance, particularly in the form of rapidly dispersible programme aid, to help them conform to IMF conditions. It will be difficult to meet such requests, given the extreme competition for our limited resources, but we hope to announce some contribution at the next Consultative Group meeting in January 1984. Our aid programme is based on an annual allocation of about £25 million. This makes the Kenyan programme our second largest in Africa (after Sudan). Actual expenditure fluctuates from year to year, but is close to what Kenya's administration can absorb as well as to the maximum we can afford.

/I am

CONFIDENTIAL



I am copying this letter and enclosure to Richard Hatfield (Cabinet Office).

Handwritten signature of R B Bone

(R B Bone)
Private Office

A J Coles Esq
10 Downing Street

CONFIDENTIAL



POINTS TO MAKE

(i) Congratulations on his re-election; wish new Kenya government success. Lord Whitelaw looking forward to attending 20th anniversary celebrations. Queen delighted by Her visit - warmth of welcome reflected strength of relations. Hope to take up invitation to visit Kenya before too long.

(ii) Our commitment to helping Kenya's economic development is clear and firm.

(iii) Admire Moi's skill in giving all regions of Kenya an interest in the political process and economic improvement. Vital, with a long economic haul ahead.

(iv) Have greatly appreciated longstanding cooperation in military matters. Recognise delicacy: all countries face problem that security requires outside help yet this remains the internal affair. Understand why it was necessary to introduce stricter rules on access to defence facilities in pre-electoral period; but hope that Moi will tell his defence forces that they can now revert to the more relaxed basis with us which is reflected in the existing memorandum of understanding. We make every effort not to abuse Kenya's hospitality and non-aligned status, but, if there are problems, would be ready to discuss them frankly in a spirit of mutual trust.

/(v)



(v) We all admired Moi's handling of OAU affairs during the exceptionally difficult period of your chairmanship. Have the impression that Kenyan diplomacy is largely responsible for successful resolution of East African Community (EAC) issue, paving way for Nyerere to reopen his frontier. Congratulations. Should be a major encouragement to British investors in Kenya as well as contribution to regional stability.

(vi) [Defensive] Are providing all the aid we can. Public expenditure control a pre-condition for our long term prosperity on which aid giving capacity hangs. Taking one year with another we remain Kenya's largest donor, with most aid in grant form. Glad we were able to make a new commitment of £10 million in response to Moi's appeal last year. Hope these points will be remembered when it comes to award of externally funded contracts. We shall of course play a constructive role at the Consultative Group meeting in January. Kenya's continued adherence to the programme agreed with the IMF is a great encouragement.

(vii) Grateful for Falklands abstention.

CONFIDENTIAL

Prime Minister
Inty Clerk
18/11



Foreign and Commonwealth Office

London SW1A 2AH

18 November 1983

MS

Rev.

Pl. take it with us to

CHOGM.

John [unclear]

AR 2/11

CHOGM: Letter from President Banda

9.11.83 (T179A183)

The enclosed letter from President Banda to the Prime Minister has just been received. As you will see, it concerns the international financial institutions. This is relevant to the discussions at CHOGM on the World Economic Situation and Prospects and the Commonwealth Economic Studies, in particular 'Towards a New Bretton Woods'. The matter may also come up in private discussions with the Prime Minister. (I have written separately about the proposed State Visit of President Banda).

You will wish to be aware of President Banda's letter as part of the briefing for New Delhi. President Moi of Kenya and Lt General Ershad of Bangladesh (and other Commonwealth leaders) have written in similar terms to the Prime Minister about IDA. The briefing for CHOGM covers the appeal made by President Banda. It refers to the Prime Minister's replies which said that the target of \$16 bn was in her view unattainable. But the UK would be ready to support a level of funding for IDA within the limits of what donors could afford. On the IMF, the UK has already taken the legislative action necessary to increase the UK's quota share under the 8th General review.

The Foreign Secretary has not seen the enclosed letter: I am submitting a copy to him in parallel this evening.

[Handwritten signature]

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

Sir Arnold Hall F.R.S., F.Eng.

Chairman

C. J. I
②

Hawker Siddeley Group PLC
18 St. James's Square,
London, SW1Y 4LJ
Tel: 01-930 6177

17th November 1983

The Rt. Hon. Margaret Thatcher, F.R.S.,
Prime Minister,
10 Downing Street,
LONDON. SW1

Prime Minister.

Nov.
Take to CHAIR.

A.J.C. 5/11.

MR 2/11.

Dear Prime Minister,

The coming meeting in New Delhi of the Commonwealth Heads of Government may perhaps provide opportunities for individual discussions with some of the Prime Ministers present. In the event that your programme does include a private meeting with Mr. Lee Kuan Yew of Singapore, I hope you may feel it useful to mention the export prospects for British companies which could arise out of the Mass Rapid Transit project on the island.

This transport system is one of the few major export projects in the railway area which is likely to go ahead in the immediate future; some contracts for civil works have already been awarded. One of the next contracts to be let will probably be for the section on signalling, for which Westinghouse Signals, which is one of our subsidiary companies, have put in what we believe to be the lowest competitive bid. The capability of Westinghouse Signals, has, I think already been demonstrated convincingly in a number of major installations. If we can obtain the Singapore contract, the United Kingdom will be in a very strong position in terms of experience and reputation to take a major portion of Mass Transit systems which are being planned in other countries.

Technically, the Westinghouse bid for the signalling in Singapore is similar to our Hong Kong contract recently executed, but incorporates further advances in microprocessor technology, in the development of which we received considerable help from the Department of Industry.

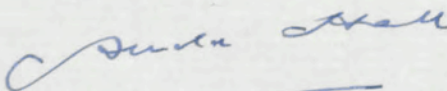
The bid, the value of which is about £19 million, covers signalling and automatic train controls, with the content approximately equally divided between work in the

United Kingdom and in Singapore.

Currently, Westinghouse have a team in Singapore engaged in technical discussions. We expect commercial discussions to be completed before Christmas. There is, I think, no doubt that an award of this contract to Westinghouse could help the bid from Metro Cammell for the rolling stock, which is valued between £80 million and £100 million.

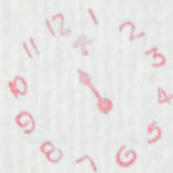
We understand and respect the Singapore Government's reputation for the award of the business contracts strictly on commercial and technical merit and therefore appreciate the delicacy of what we are asking of you. Nevertheless, if you feel able to mention to Mr. Lee Kuan Yew your hopes for a successful conclusion of the signalling contract to a British company, namely Westinghouse Signals, we are sure it would help us.

Yours sincerely,



A. A. HALL.

17 NOV 1983





Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

You may like to see this
first draft tonight.

I have asked for further
material. This is pretty thin.

A.S.C. 17/11

Dear John,

CHOGM: Prime Minister's Response to address
of welcome

As requested in your letter of 3 November, I enclose a
draft of what the Prime Minister might say in response to
Mrs Gandhi's address of welcome at the CHOGM opening ceremony
on 23 November.

We have not yet been able to establish how substantive
Mrs Gandhi's address of welcome will be. The Foreign Secretary
is not, therefore, in a position to judge how full a reply
should be prepared for the Prime Minister. The enclosed draft
provides a basis for further work. We would be happy to let
you have additional material if you need it.

Yours ever,

Peter Ricketts

(P R Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

17/11

John - This isn't
a speech - there

17 November 1983

is nothing to it -

We shall have to
start from scratch.
Mr.

/

①

23-29 NOVEMBER 1983

PRIME MINISTER'S RESPONSE TO ADDRESS OF WELCOME

Draft by Foreign and Commonwealth Office

Madam Chairman, fellow Heads of Government and Mr Secretary-General, it is a great honour and a pleasure to be asked to speak at the opening session of this momentous Commonwealth gathering.

First I congratulate you, Madam Chairman, on the tremendous efforts you and your compatriots, together with the members of the Commonwealth Secretariat, have made in preparation for this meeting. And we all of us thank the citizens of India for the warm welcome we have received. It has been greatly appreciated.

This meeting of the Heads of Government of the Commonwealth is the first in the country of Jawaharlal Nehru, your father and predecessor, Madam Chairman, and one of the great Commonwealth statesmen. Pandit Nehru first realised that there was nothing incompatible about a sovereign independent republic continuing to be a member of the Commonwealth. That realisation paved

the way for the development of the Commonwealth as it is today.

Like you, Madam Chairman, I welcome the countries of the Commonwealth who are represented here for the first time; Antigua and Barbuda, St Christopher and Nevis, both former Associated States of the Eastern Caribbean who has now taken their rightful place amongst their fellow independent Commonwealth countries. May we also send our good wishes to our other new member, the Maldives. Although as a special member of the Maldives are not represented at this meeting, we welcome them to the Commonwealth family. [Brunei also to be welcomed if its future membership (from 1.1.84) is confirmed in time.]

I very much welcome the continued growth in membership for its own sake. But it also means that the Commonwealth has an even better chance of sharing its experience with the wider world. And in particular for demonstrating that cooperation between peoples of different cultures and backgrounds can help to solve world problems. The Commonwealth already has a fine record in that respect. Let me give just three examples. I doubt whether Britain could have achieved the Lancaster House settlement for Zimbabwe without the agreement reached at the CHOGM in Lusaka in 1979. The Commonwealth played a valuable role too in helping to

bring Belize to independence. And we in Britain have reason to be grateful to so many Commonwealth members who helped in different ways when Argentina invaded the Falklands.

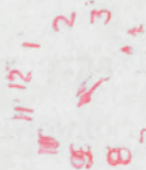
I see the Commonwealth as a unique channel for developing contacts and understanding between the industrialised and developing world. It enables each to gain a better appreciation of the needs and constraints of the other. In particular in the next few days we shall be able to discuss many of the economic and financial questions which concern us all.

We may not reach total agreement. In a body as healthily diverse as the Commonwealth there will occasionally be differences of perception and interest. But the special character of the Commonwealth means that we can conduct free-ranging and free-speaking discussions, without polemic and without bitterness. And even if we cannot reach agreement, we can often point the way. By the end of the week I am confident that we shall all have gained a better understanding of the problems facing each other and the rest of the world.

COMMONWEALTH: CHOCMA: PHS



117 NOV 1983





PM/83/91

PRIME MINISTERPrime Minister

For the briefing meeting on Friday
you can ignore the brief and
concentrate on this paper.

A. J. C. 17.

1. In preparation for your CHOGM Briefing Meeting on
/ 18 November, I attach a short paper covering the major
/ issues likely to arise at CHOGM, including Grenada and
Cyprus. I also attach a copy of the draft agenda (to be
finalised by Senior Officials in New Delhi on the eve of
the Conference). The paper follows the order and heading
of the draft agenda.

2. It would be helpful if on Friday we could consider in
particular the following points which arise from the paper:

Style and Format: Will you wish to use the Restricted

✓ Session following the opening ceremony to press for a
shorter and more readable communiqué?

✓ Grenada: Are you content with the line in paragraph 2 of
the paper?

Security of Small States: Paragraph 3 of the paper
suggests that we should not initiate in plenary sessions
any discussion of the security problems of small states.
This might prove counter-productive and open up divisions
(eg within CARICOM). Do you agree? ✓

Southern Africa/Namibia: Are you content with the approach
in paragraph 5 of the paper? Will not - press U.S. to

drop her violence - that the Cubans have.

World Economic Issues: Are you content with the line in
paragraph 6 of the paper?

Yes not

✓ Functional Cooperation: Do you agree that, with the
exception of the Commonwealth Foundation, we should resist
anything that would increase the Secretariat's expenditure
in real terms? (An agreement to participate in any



Commonwealth help for Grenada would of course also have financial implications).

3. Additionally, there is likely at CHOGM to be a fairly full discussion on the general question of disarmament and arms control. Such a discussion would give you an opportunity to emphasise your commitment to arms control and to an improvement in East-West relations, and to stress that the Americans individually and NATO collectively continue to make genuine efforts for progress. We would wish to discourage any specifically Commonwealth initiative on global security or disarmament. (We thought at one time that the Indians and Mr Ramphal might intend some Commonwealth statement on the subject, but have had no recent indication of this).

4. I am copying this minute to Sir Robert Armstrong.

GEOFFREY HOWE

Foreign and Commonwealth Office

17 November, 1983

COMMONWEALTH HEADS OF GOVERNMENT MEETING (CHOGM),
NEW DELHI: PRIME MINISTER'S BRIEFING MEETING,
18 NOVEMBER

Style and Format.

1. Mr Ramphal has already adopted some of the Prime Minister's proposals for securing improvements in the conduct of CHOGMs. A major further improvement would be to revert to the shorter and more readable communiqués of the early '70s, where related subjects were grouped together by paragraph, without itemising the various views expressed. Sir Geoffrey Howe has spoken about this to Mr Ramphal, who suggested that the Prime Minister might raise the matter at the Restricted Session following the opening ceremony. We have already canvassed our thoughts fairly widely at official level, and can expect support from a range of countries, including Canada, New Zealand, Singapore and Fiji.

World Political Scene: Global Trends and Prospects

2. Grenada is bound to be discussed. There is likely to be a widespread wish that it should not become a major matter of controversy. Our aim should be to look to the future rather than to the past and respond to requests from Grenada once the interim administration has had time to assess needs in the light of the timetable for US withdrawal and the security situation in Grenada. The Advisory Council has been appointed, and its rôle and powers defined. Mr McIntyre will arrive on 27 November and take charge. The Governor-General will then step back from Government and will only act and legislate on the advice of the Council. It seems unlikely that Grenada will have been able to formulate detailed requests for Commonwealth help in time for consideration at CHOGM. We therefore hope Commonwealth Heads of Government will keep options open and indicate willingness to respond individually or collectively to requests when received. The Prime Minister might rehearse what we are prepared to do on a bilateral basis particularly with helping with police advisers and training. If we were asked at New Delhi whether we would contribute to a Commonwealth security presence in Grenada, we could repeat that we would

consider sympathetically requests for help in restoring conditions of peace and security but would want to look closely at the details. A main objective at CHOGM will be to encourage healing of breaches in CARICOM. One way of achieving this would be participation from Caribbean non-intervening countries in supplementing the OECS police contingent if this were acceptable to Grenada. A more likely rôle for the Commonwealth could be assistance with the organisation and supervision of elections which under the Governor-General's timetable would be held in six to twelve months. Monitoring of elections is something that the Commonwealth has done frequently and successfully, most recently in Zimbabwe and Uganda. It will be much too early to take firm decisions about this in New Delhi. If the subject comes up, the Prime Minister might say that we would naturally be glad to contribute to a team if asked and provided the finances were worked out satisfactorily in advance. (Costs incurred by the Secretariat for the Uganda exercise totalled £229,000 and not all the countries which indicated that they would pay in the event did so.)

3. Security of small states. When he called on the Prime Minister on 10 November, Ramphal mentioned the question of the security of small states which he thought should be looked into "when the dust has settled". It would probably not be sensible for us to raise it in CHOGM, at least in plenary. If others did so, the Prime Minister would want to signal British interest, and might propose that the Commonwealth Secretariat consider what should be done. It might also be useful to take the opportunity to discuss the question in the corridors with eg, the Canadians, Australians and New Zealanders.

4. The Turkish Cypriot declaration of independence on 15 November makes it certain that the Greek Cypriots will press for more extensive discussion of Cyprus than they would otherwise have wanted. We must obviously try to limit the damage caused by UDI.

Intensive diplomatic activity is already under way, much of it initiated by the Government. We have called for a meeting of the Security Council which, as a result, met informally on 15 November to consider a British draft Resolution. We have also proposed a meeting of the Guarantor Powers (Greece and Turkey) in accordance with the 1960 Treaty of Guarantee and are in close consultation with our main Allies. Current action is therefore focussed on New York.



We see no immediate rôle for the Commonwealth at this stage. Members of the Commonwealth can be united however in the communiqué in calling for non-recognition of the Turkish Cypriot state.

5. World Political Scene: Southern Africa/Namibia. Our objective should be to encourage the Africans to be realistic. We have done what we can to prepare the ground. Ramphal has told Sir Geoffrey Howe that he has encouraged Nyerere to work for a practical, well-focussed discussion; and Sir Geoffrey hopes to have private meetings in New Delhi with the Foreign Ministers of Tanzania, Botswana and Lesotho. The Canadians should be encouraged to share with us some of the burden of defending the Contact Group's position. But we are likely to come under strong pressure to use our influence with the Americans to drop their insistence on Cuban withdrawal. We should urge the Meeting to accept that there is a practical problem about this which has to be overcome. In any case, we must expect a difficult discussion.

World Economic Issues.

6. Our line is now clear; we support many of the detailed points in "Towards a New Bretton Woods", but cannot accept the proposal that work should now be set in hand for an international monetary conference. Instead, as the Chancellor proposed at Port of Spain, we should work for a Commonwealth Group to discuss the issues with international financial institutions. The Prime Minister might additionally offer to bring Commonwealth views to the attention of next year's Economic Summit in London.

Functional Cooperation.

7. The Commonwealth Foundation's present budget of £1.1 million was agreed in 1979. It will ask at CHOGM for an increase to £1.6 million. Many countries will consider that an increase is due, but will balk at one of this size. We plan to urge a compromise of £1.3 million next year, with further increases in future years. Apart from the Foundation, our main concern must be to resist anything that would increase the Secretariat's expenditure (of which we contribute 30%) in real terms. Any other real increases would place an intolerable strain on the planned FCO Vote. We need not be apologetic about this, and can take legitimate credit for the substantial financial contribution we make to the Commonwealth.



8. Mr Ramphal may also ask the Prime Minister to say something about the future of Marlborough House, whose maintenance has been the responsibility of successive British Governments since 1959. The work which the PSA consider necessary will take about 3½ years, will cost at least £4 million, and will entail rehousing the Secretariat while work is in progress (at a probable cost of a further £3 million). PSA Ministers have (reluctantly) accepted these costs as a charge on their Vote, and the PSA are discussing alternative accommodation with the Secretariat with a view to starting work during the second half of next year. The Prime Minister could tell CHOGM that the Government will bear the full costs of repairing Marlborough House, and will do their utmost to minimise inconvenience to the Secretariat while repairs are taking place. (She should be aware that the Secretariat still hope to persuade the PSA to let them use some rooms in Marlborough House while work is in progress: or, failing that, to let them use part of Lancaster House. But the PSA consider that neither of these ideas is practicable.)

Foreign and Commonwealth Office
15 November 1983



De K

10 DOWNING STREET

From the Private Secretary

17 November 1983

CHOGM: Bilateral Meeting with Mr Hawke

Thank you for your letter of 15 November.

The Prime Minister agrees that her breakfast meeting with Mr. Hawke should begin at 7.30 am on Wednesday, 23 November; that the meeting should take place at the High Commissioner's Residence (provided this is convenient for Sir Robert Wade-Gery); and that she should be accompanied by those listed in your letter.

I am copying this letter to Richard Hatfield (Cabinet Office).

A. J. COLES

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

sl

CONFIDENTIAL

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10 DOWNING STREET

From the Private Secretary

17 November 1983

CHOGM: Mr. Mugabe

The Prime Minister had a word about your letter of 16 November during her discussion with the Foreign and Commonwealth Secretary earlier today.

Mrs. Thatcher confirmed that she would be willing to have a talk with Mr. Mugabe at CHOGM. We can decide on the precise line to take on the spot.

K

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

CT

PRIME MINISTER

CHOGM: BILATERAL MEETING WITH MR. HAWKE

You asked whether we could find another time. The difficulty is that Mr. Hawke wants to meet you early in the session and he himself proposed a working breakfast - you agreed to this earlier and we so informed the Australians.

In the light of this, can you accept the arrangements in the attached letter?

Yes

A.S.C.

16 November 1983

SUBJECT

FILE

SH



cc/ro

10 DOWNING STREET

THE PRIME MINISTER

16 November 1983

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T188/83

Dear Rob.

Thank you for your letter about the discussion on the world economy which we shall have during the Commonwealth Heads of Government meeting in New Delhi later this month, which your High Commission has delivered to me with a copy of your letter of 20 October to Mrs. Gandhi.

I am grateful to you for setting out your thoughts so fully and look forward very much to discussing the issues with you and our other colleagues.

Yours
Rogers

The Rt. Hon. R. D. Muldoon, C.H., M.P.

da
CHOGM PT 5



Foreign and Commonwealth Office

London SW1A 2AH

16 November 1983

Dear John

CHOGM: Mr Mugabe

We have been considering whether to advise the Prime Minister to have a private talk with Mr Mugabe during CHOGM and, if so, what line to recommend.

During his recent visit to Harare Mr Rifkind gained the impression that Mr Mugabe regrets recent strains that have occurred in Anglo/Zimbabwean relations and would like to undo the damage caused by his re-detention of the air force officers; but he is a weak man, temperamentally disinclined to take the first step, and must be hoping we shall not increase his difficulties. We know from other reports that much of Mr Mugabe's bitter reaction to our criticism over this case stems from his concern about Zimbabwean security problems and about his own political position in the lead-up to the Party Congress expected in May. It is likely that he was told during his visit to the US and Canada that we had orchestrated international criticism. He thinks there is personal hostility towards himself.

Mr Rifkind was able to go some way towards reassuring Mr Mugabe. However he will attach great importance to the Prime Minister's attitude at CHOGM. Mr Rifkind was given a hint, presumably at Mr Mugabe's request, that the officers would soon be released. A friendly talk at CHOGM might tip the balance.

The Prime Minister would in that event no doubt wish to refer explicitly to the air force officers' case. Not to do so could be misleading. But the Foreign Secretary recommends that not much time should be devoted to it. Mugabe is very well aware of our position, and is liable to react emotionally if it is raised at length. A possible approach would be to focus the meeting mainly on a discussion of one or two major international issues. Mr Mugabe would probably respond well if his opinion were sought on problems which go wider than our bilateral relations. The Prime Minister could then perhaps simply add that Mr Rifkind had reported his talk with Mr Mugabe about the air force officers' case; and say that we would like to get this problem out of the way so that we can all concentrate on the more constructive side of our relationship.

/The Secretary

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The Foreign Secretary would be happy to discuss these ideas with the Prime Minister on the flight to Delhi.

Your ever,

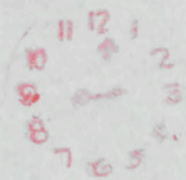
Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

16 NOV 1983



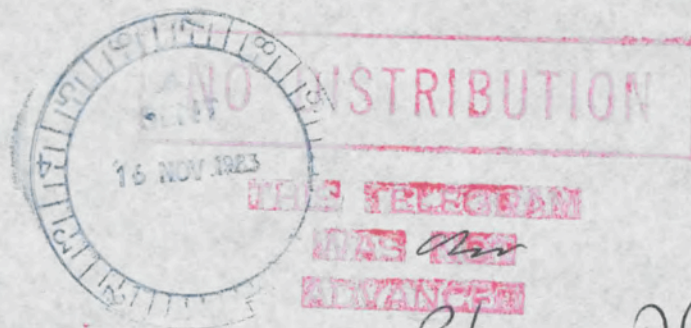
20

16/11/37/JWT

Prime Minister.

(2)

A.C. 1/11.



297711 PRDRME G
27678 COMSEC G
83-11-16 14:40

PS/No 10 RST
[PS]

THE RT HON MARGARET THATCHER MP
PRIME MINISTER OF GREAT BRITAIN AND NORTHER IRELAND

FURTHER TO THE VERY THOUGHTFUL COMMUNICATION TO MRS GANDHI FROM MR MULDOON ON INTERNATIONAL ECONOMIC ISSUES, THE TEXT OF WHICH I FORWARDED TO YOU UNDER COVER OF MY CIRCULAR LETTER OF NOVEMBER 10 TO HIGH COMMISSIONERS, I EARNESTLY HOPE THAT THE OPPORTUNITY WILL BE TAKEN IN NEW DELHI TO FIND A GENUINE WAY FORWARD THROUGH PRACTICAL PROPOSALS OF THE KIND SET OUT IN THE THREE COMMONWEALTH REPORTS WHICH WILL BE BEFORE YOU, ESPECIALLY "TOWARDS A NEW BRETTON WOODS".

EXCLUSIVE EMPHASIS ON KNOW[?] POSITIONS OF NORTH AND SOUTH, FAR FROM GENERATING CONSENSUS, WILL ENTRENCH STALEMATE AND CAN ONLY HELP THOSE IN THE INTERNATIONAL COMMUNITY, WHETHER OF THE NORTH OR THE SOUTH, WHO CAN ACCOMMODATE THEMSELVES TO NO REAL PROGRESS ON INTERNATIONAL ECONOMIC ISSUES, LEAVING THE POOREST COUNTRIES OF THE WORLD ECONOMY IN DESPERATE STRAITS.

WITH DEEP RESPECT.

SONNY RAMPHAL

83-11-16 14:43

297711 PRDRME G
27678 COMSEC G

see Grenada
SIT
A2

16 November 1983

Grenada: Implications for Small Countries

The Prime Minister has asked that the Foreign and Commonwealth Secretary should see the enclosed copy of a letter which she has received from Lord Home. I imagine that the problem of small territories is being covered in the briefing for CHOGM.

A J COLES

Brian Fall, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

16 November 1983

CHOGM: BILATERAL CONTACTS

Thank you for your letter of 15 November.

With regard to the proposal that the Prime Minister should give a lunch on 22 November for the Heads of OECS delegations, the Prime Minister has asked whether this lunch would clash with others. Is The Queen giving a lunch on that day?

Mrs. Thatcher has agreed that we should try to arrange bilateral meetings with the Presidents of Nigeria, Sri Lanka and Kenya, but she is not inclined to have such a meeting with the President of Uganda.

The Prime Minister would also make a point of speaking privately to all those listed on page 2 of your letter, with the exception of the Prime Minister of the Bahamas and the President of the Gambia.

With regard to Annex 1 of your letter, the Prime Minister has commented that she does not believe it would be appropriate to raise commercial questions with Mrs. Gandhi (as I intimated in an earlier letter).

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister.

Agree these arrangements?

15 November 1983

A.S.C. 15/11

Dear John. Can we not find another line? Few people are at their desks when a final meeting is involved. ml

CHOGM: Bilateral Meeting with Mr Hawke

The Australian High Commission have now confirmed that Mr Hawke will not be arriving in Delhi until late afternoon on 22 November following a three-day visit to Thailand, and he will not therefore be able to have a meeting with the Prime Minister on that day. On the basis of your letter of 1 November we are proceeding with plans for a working breakfast on Wednesday 23 November. However, now that the CHOGM opening ceremony has been moved forward by 45 minutes, we suggest that breakfast should begin at 7.30 am. (The new timings for the opening ceremony mean that the Foreign Secretary and senior officials will have to be in the Conference Centre by 8.45 am; the Prime Minister will have to be there by 9.20 am.)

We have not previously consulted you on the venue for the working breakfast, but it seems to us that it would be convenient if the Prime Minister were to offer breakfast to Mr Hawke in the High Commissioner's residence. We propose that the Prime Minister be accompanied by the Foreign Secretary, Mr Alison, Sir R Armstrong, Sir A Acland and a Private Secretary. I should be grateful to know whether the Prime Minister agrees on these two points.

As soon as you can confirm the Prime Minister's agreement, Lady Young will write to Sir Victor Garland in formal confirmation of these arrangements.

I am copying this letter to Richard Hatfield (Cabinet Office).

Yours ever,

Pete Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

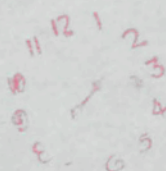
Commonwealth: CHOGM: P65

Foreign and Commonwealth Office

London SW1A 2AA



15 NOV 1983



CLOSED UNDER THE

FREEDOM OF INFORMATION

ACT 2000



Prime Minister.

Foreign and Commonwealth Office

Sent to you via...

London SW1A 2AH

A.C. 15/11

15 November 1983

Don't clash with other luncheons?

Prime in fixing

one on the Thursday

Dear John,

CHOGM: Bilateral Contacts

In your letter of 28 October, you asked for advice on meetings which the Prime Minister might seek to arrange on 22 November, and particularly whether she should offer lunch to any of the participants on that day.

I am sorry for the delay in replying. We have been waiting for confirmation that the meeting with Mr Hawke would be the following day. I have written to you separately today on that subject.

The Foreign Secretary considers that the Prime Minister might usefully give a lunch on 22 November for leaders of delegations from the Organisation of Eastern Caribbean States (OECS). Sir Geoffrey would not suggest adding Jamaica and Barbados to this group, as he does not think the Prime Minister would wish to be seen to be meeting the intervention group as such.

Additionally, Sir Geoffrey considers that it would be useful to arrange in advance a small number of formal bilateral meetings for the Prime Minister. As you will know, CHOGMs provide a particularly good opportunity for contacts of this kind; and, because the official programme is so crowded, it would be as well to have a clear idea in advance of what priority should be attached to particular contacts.

In addition to the meeting with Mr Hawke, we are also as you know trying to arrange an early meeting between the Prime Minister and Mrs Gandhi. Sir Geoffrey suggests that we should also try to arrange bilateral meetings with (in order of priority) President Shagari (Nigeria), President Jayewardene (Sri Lanka), President Obote (Uganda) and President Moi (Kenya). I attach a short background note (Annex 1) about the importance of each of these to current British interests, with an indication of topics which it might be particularly useful for the Prime Minister to raise.

Agree?

fixed for 4:30 on 22 Nov.

Agree?

/If a lunch



If a lunch with the OECS leaders on 22 November does not prove practicable, the Prime Minister might try to meet them jointly during CHOGM at some other time.

Additionally, Sir Geoffrey considers that the Prime Minister might usefully make a point during CHOGM of speaking privately to the following:

- ✓ Mr Lee Kuan Yew (Singapore)
- ✓ Mr Price (Belize)
- ✓ Mr Seaga (Jamaica)
- ✓ Mr Adams (Barbados)
- ✓ Mr Chambers (Trinidad and Tobago)
- ✓ Sir L Pindling (The Bahamas)
- ✓ President Jawara (The Gambia)
- ✓ Mr Mugabe (Zimbabwe)

Sir Geoffrey does not believe that formal bilateral meetings are necessary with any of these; private conversations during the Goa weekend would be sufficient. I attach a separate note (Annex II) on what the Prime Minister might hope to achieve from these conversations.

If the Prime Minister agrees to these suggestions, we shall try to arrange meetings with the OECS leaders (either over lunch or at some other time); and with the Presidents of Nigeria, Sri Lanka, Uganda and Kenya.

In practice of course the Prime Minister will be able to meet all the Heads of Government informally at the various functions, and some, like Mr Forbes Burnham, will make a point of getting in touch with her. The purpose of this letter is to identify those who are in present circumstances of particular importance and relevance to us, and who should not be missed for a reasonably substantial talk.

Yours ever,

Peter Ricketts

(P F Ricketts)
Assistant Private Secretary

A J Coles Esq
10 Downing Street

ANNEX I

HEADS OF DELEGATION WITH WHOM THE PRIME MINISTER
MIGHT AIM TO HAVE FORMAL BILATERALS AT CHOGM

Mr Hawke)
Mrs Gandhi)

Already in hand. A meeting with Mrs Gandhi would enable the Prime Minister to talk about commercial projects and defence sales, in particular the sale of BAE 146 aircraft.

Not appropriate to discuss commercial matters at this time.

President Shagari
(Nigeria)

Nigeria is one of our three largest export markets outside Western Europe and North America. She is a leading member of the Commonwealth, the Non-Aligned Movement, OPEC and the OAU, and is one of the world's largest free democracies. Nigerians feel that their viewpoint on a range of matters is insufficiently appreciated in London and regret the lack of recent high level personal contact.

/President



President Jayewardene
(Sri Lanka)

Sri Lanka is a friendly pro-Western country; it is in our interest to reinforce her future as a stable democracy. We have encouraged a policy of reconciliation and a dialogue between Sinhalese and Tamils; our bilateral relations have lost something of their even tenor since the anti-Tamil violence in July. A meeting would reaffirm our traditional friendship and enable the Prime Minister to emphasise the need for communal reconciliation.

President Obote
(Uganda) X

Our policy has been to help Uganda return to normality by provision of aid and training assistance and to speak frankly about shortcomings and urge change for the better. Although Uganda's best interests remain in a firm

/association



association with the West, Obote continues to flirt with the Russians and North Koreans. The Prime Minister could seek a clear statement from him of his future policy intentions and raise the question of displaced persons at Luwero.

President Moi
(Kenya)

✓ Kenya remains of great importance to British interests in East Africa and more generally; a meeting with Moi would reassure him about British attitudes to Kenya and to him in particular; it would allow a number of bilateral points to be dealt with.



ANNEX II

LEADERS TO WHOM THE PRIME MINISTER MIGHT SPEAK
PRIVATELY DURING WEEKEND RETREAT

Mr Lee Kuan Yew
(Singapore)

This would provide an opportunity for a stimulating discussion of CHOGM and wider issues. The Prime Minister might also raise the possibility of British commercial involvement in the Singapore Mass Rapid Transit Project and also talk about the transfer of high technology.



Mr Price
(Belize)

A meeting might be useful, depending on developments on the Belize/Guatemala issue.



Mr Seaga (Jamaica)

) A fence-mending

Mr Chambers (Trinidad and Tobago)

) exercise, following

Mr Adams (Barbados)

) the Grenada episode.

Sir L Pindling (The Bahamas)

)

/President



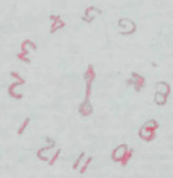
President Jawara
(The Gambia)

The Prime Minister was unable to see him in September, and we then told the Gambians that CHOGM would provide an opportunity for a meeting. A short meeting in Goa would fulfil this commitment.

Mr Mugabe
(Zimbabwe)

An opportunity to set the seal on the repair of our relations (such a meeting has been privately recommended by President Machel and Senator Norman, the white Minister for Agriculture). This should enhance the prospects for subsequent concessions by Mugabe on points of contention.

CHUAM: P+S



11 5 NOV 1983

COMMUNICATIONS SECTION

CONFIDENTIAL

File 54

1630 22 NOV



10 DOWNING STREET

From the Private Secretary

14 November, 1983

CHOGM: Meeting with Mrs. Gandhi

Thank you for your letter of 11 November, in which you suggest a number of subjects which the Prime Minister might raise with Mrs. Gandhi when she sees her in New Delhi.

The Prime Minister is not inclined to raise commercial contracts with Mrs. Gandhi on the eve of CHOGM. She does not believe that the Indian Prime Minister would be receptive to approaches on these matters at that time.

I should therefore be grateful if you would instruct Sir Robert Wade-Gery to tell the Indians that the Prime Minister, during her meeting with Mrs. Gandhi, will wish to discuss primarily the major issues which will arise at CHOGM and that she may also wish to raise one or two bilateral matters. (Here I have in mind the paragraphs in your letter which relate to the aid programme and unofficial contacts.)

With regard to defence sales, the Prime Minister has minuted that we should recall that the Indians are seeking a line of credit for defence purchases. (This matter arose in her recent meeting with the Indian Defence Minister.)

I am copying this letter to Richard Mottram (Ministry of Defence).

A. J. COLES

P. F. Ricketts, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

cc Grenada
Int Sit Pt 2

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10 DOWNING STREET

Prime Minister.

Would you please let
Geoffrey Howe have a copy of
this letter?

A.J.C.

14.11.83

Yes



Prime Minister.

Foreign and Commonwealth Office

Are you prepared to raise
these subjects with Mrs.
Gandhi?

London SW1A 2AH

11 November, 1983

A.S.C. 4/11.

Dear John,

I really don't think
it wise to raise commercial
contracts on the eve of CHOGM.
Mrs. G. will not
be receptive
at this
time.

CHOGM: Meeting with Mrs Gandhi

On receipt of your letter of 1 November, we asked Sir Robert Wade-Gery in New Delhi to propose to the Indians a bilateral meeting between the Prime Minister and Mrs Gandhi. The Indians have now told us that they are working on arrangements for a meeting, probably on 22 November, and will revert shortly. They have asked what subjects the Prime Minister would intend to raise.

As I indicated in my letter of 28 October, there are several major commercial projects and defence sales opportunities on which it would be worth seeking Mrs Gandhi's intervention.

Commercial

Prospects of particular importance include a GEC bid for a captive power plant for the Bharat Aluminium Company, for which a finance proposal has been given to the Indians including bilateral aid. The early signature of a contract for the plant would have the additional advantage that it would enable us to make an initial aid payment in this financial year, thereby helping to cover a likely underspend in this year's bilateral aid programme. We are also pursuing British involvement in the £300 million modernisation of the steel works at Durgapur in Eastern India, which were originally built by British companies in the 1950s. The Indian Government have asked British Steel to play a leading role in the project. Outline financial proposals including bilateral aid, were submitted to the Indian Government in August. We hope to take matters further before the Prime Minister's Meeting with Mrs Gandhi so that that meeting could be used to secure the Indian Government's agreement in principle. There are also good prospects in the field of telecommunications and electronics. An inter-government liaison group is being set up and we have proposed a study by British Telecom of India's digital transmission network requirements. Major British companies, eg GEC and Plessey, are pursuing specific projects. Finally in the commercial sector, it would be desirable to make clear to Mrs Gandhi our continuing commitment to the major Rihand Super-Thermal Power Station project, awarded to NEI following discussions between the Prime Minister and Mrs Gandhi in 1982, and our interest in the associated transmission scheme.



Defence Sales

Remember they want a list of needs for defence purchases.

We recently secured three major contracts for the sale of Sea King helicopters, Sea Eagle missiles and Rolls Royce Gnome engines, valued in total at £250 million. The Indian Government have also decided in principle to place a follow-up order for 12 Sea Harriers worth about £115 million, and commercial negotiations will begin shortly. The projects which would be worth mentioning on this occasion are Indian interest in 50 Combat Engineer Tractors, worth some £50 million (with a possibility of considerable follow-on business), and the FH70 155mm Howitzer, for which there is a potential sale of some 200, worth about £400 million. It would also be worthwhile mentioning to Mrs Gandhi our interest in collaborating with India on the production of a light Combat Aircraft, for which British Aerospace have agreed to undertake a project study. Overall, during the next 3-4 years, we have hopes of winning a significant share of the potential £2 billion defence sales market in India.

Aid Programme

As I have mentioned above, there is a risk that we will underspend the bilateral aid programme by about £20 million this year. The 1983/84 aid programme of £110 million was agreed by the Prime Minister with Mrs Gandhi in 1982. We have pressed the Indians urgently at senior level, to help resolve this temporary problem by putting forward good projects on which spending could begin this financial year, but they have been slow to do so. We think it would speed Indian decision making if the Prime Minister were to raise the matter with Mrs Gandhi.

Unofficial Contacts

Apart from these commercial, defence sales and aid matters, we think it would be beneficial to our relations with India if the Prime Minister were to ask Mrs Gandhi to support proposals we have made for the revival of a series of non-official conferences of senior British and Indian academics, journalists, and politicians which until 1980 met to discuss major themes of mutual interest. The conferences lapsed in 1980 because Mrs Gandhi objected to some of the Indians selected by the non-official organisers. We believe Mrs Gandhi will agree to a revival, provided suitable organisers can be identified.

CHOGM

Above all, a meeting with Mrs Gandhi on 22 November could be used for an eve-of-meeting discussion of the major issues before Heads of Government. A firm statement to Mrs Gandhi shortly before the meeting of our particular concerns on key issues might well influence helpfully the way Mrs Gandhi plays her hand during the subsequent sessions.

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If the approach outlined above is acceptable to the Prime Minister, we shall instruct Sir Robert Wade-Gery to tell the Indians that the Prime Minister will wish to touch on both major international issues which will arise at the Commonwealth Meeting and the specific projects and bilateral matters mentioned above. Advance warning that the Prime Minister will raise individual projects, for example, Durgapur, will help to speed decision making within the Indian bureaucracy.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

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COMMONWEALTH: CHOCUM. PHS.



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Foreign and Commonwealth Office

London SW1A 2AH

11 November, 1983

Dear John,

Typ letter pl.

AD 1/2.

CHOGM and the International Economy: Letter from Mr Muldoon

Thank you for your letter of 4 November enclosing the New Zealand High Commissioner's text of a letter from Mr Muldoon to Mrs Thatcher. You asked whether the Prime Minister should be advised to reply before CHOGM.

Mr Muldoon has been asked by Mr Ramphal to lead the discussion on economic issues in Delhi. His letter is intended to set the scene; and encloses a copy of a letter he has sent to Mrs Gandhi with suggestions on how Commonwealth leaders might approach the subject.

Mr Muldoon has written to the Prime Minister before on world economic issues. His particular interest has been to promote his ideas for an international monetary conference. We have strong reservations about these, and Mr Muldoon already knows this. His latest letter says nothing new.

Against this background, and given that the Prime Minister will be able to talk with Mr Muldoon in New Delhi, we and the Treasury consider that the Prime Minister need only reply as a matter of courtesy. I enclose a draft. The Foreign Secretary has not seen this letter; I shall be sending him a copy in parallel.

I am copying this to John Kerr (HM Treasury).

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

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POSTAGE AND TELEGRAPH OFFICE

Chogm India Pt 5



DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:
The Right Honourable R D Muldoon, CH MP

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

Thank you for your letter about the discussion on the world economy which we shall have during the Commonwealth Heads of Government meeting in New Delhi later this month, which your High Commission has delivered to me with a copy of your letter of 20 October to Mrs Gandhi.

CAVEAT.....

I am grateful to you for setting out your thoughts so fully and look forward very much to discussing the issues with you and our other colleagues.

Enclosures—flag(s).....



ke ve
bc AB

10 DOWNING STREET

From the Private Secretary

MISS WILKINSON
CABINET OFFICE

Prime Minister's Briefing for CHOGM: Friday
18 November

Thank you for your minute of 9 November.

The Prime Minister wishes to concentrate at the briefing session on the major issues which are likely to arise at CHOGM (and not to cover all the less important matters which she can discuss with advisers during the flight to India and on arrival there).

She would therefore like a short paper to be prepared for discussion at the briefing meeting which covers the main political and economic issues. In addition to the items which arise naturally from the CHOGM agenda, she will wish to discuss the implications for CHOGM of the US intervention in Grenada and the present situation there. It may be that the Foreign and Commonwealth Secretary will wish to cover this ground in a minute.

Against the above background, I suggest that you invite the following to the briefing meeting:

The Foreign and Commonwealth Secretary
The Chancellor of the Exchequer
Minister of State for Overseas Development
Sir Antony Acland
Sir John Leahy
Mr. Ure
Mr. Thomas
Mr. Littler
Mr. Ainscow

/ The Prime

WR

RESTRICTED

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The Prime Minister will of course welcome Sir Robert Armstrong's attendance and that of Mr. Goodall as well, if Sir Robert wishes to bring him.

AGC

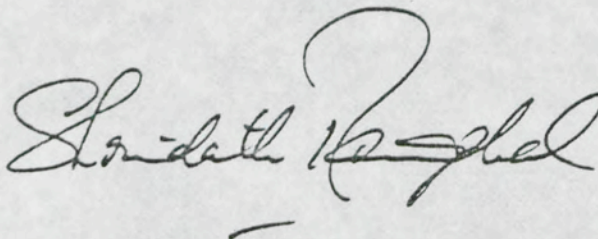
11 November 1983

Covering CONFIDENTIAL

10 November 1983

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11 NOV 1983		
SECRETARY	SECRETARY	SECRETARY

... I should be grateful if you would kindly transmit the attached message to your Head of Government by the speediest means possible. In view of its confidential character, I would particularly appreciate your assistance in transmitting it through a secure channel if possible.



Shridath S. Ramphal

CONFIDENTIAL

The following is the text of a letter dated 20 October 1983 from the Rt Hon Robert D. Muldoon to the Hon Mrs Indira Gandhi which is being circulated to Commonwealth Heads of Government at the request of Mrs Gandhi.

BEGINS

Dear Mrs Gandhi

You suggested in New York that I might set out some thoughts on how Heads of Government at the New Delhi meeting might approach the agenda item dealing with the international economy.

As I understand it, you were not looking to a structured debate - that is not the Commonwealth way - but felt that our colleagues might find it useful to have before them for discussion an "agenda for action" on this subject. I convey the thoughts below to you, as our prospective Chairman, in that spirit.

The State of Debate

There is widespread recognition that the timing is right for a Commonwealth initiative to try and channel the widespread concern over aspects of the trade and payments system. The last Non-Aligned meeting, also under your chairmanship, is commonly regarded as having heralded a new mood amongst developing countries - a mood that is increasingly concerned with practicalities and identifying the common ground with the major industrial countries. At Williamsburg these countries for their part also appeared to move towards a view that there are a number of long-term international monetary issues that require a measured analysis and consideration of the role that might be played by an international monetary conference.

In the last 12 months or so political leaders have come to share a common analysis of the issues - for example, the realisation that the interdependent world economy has changed the nature of international economic relations in a fundamental

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way, the awareness of the importance of such linkages as debt and trade, the need to consider some mechanism to rekindle the international community's commitment to trade liberalisation. After so many years of sterile debate, these are encouraging signs. The opportunity now exists to develop an acceptable framework for considering these issues and to get some movement.

A Role for the Commonwealth : Political Leadership

As the Secretary-General has pointed out in his letter of 29 September to Heads of Government, there will be three major economic reports before the meeting: "Protectionism : Threat to International Order", "North-South Dialogue : Making it Work" and "Towards a New Bretton Woods : Challenges for the World Financial and Trading System". On the last of these, I understand my colleague, the Prime Minister of Trinidad and Tobago, has kindly offered to brief the meeting on the thrust of the Finance Ministers' discussion.

There is a wealth of technical detail in these reports. However, the task of Heads of Government is presumably not to analyse that detail but to provide political leadership on the underlying issues.

I believe there is a unifying theme to all these reports: that the world economy faces a number of long-term structural problems which have both a political and economic dimension. Whatever our views may be on the immediate prospects for sustained world recovery, these and many similar studies from non-Commonwealth sources underline the fact that the reality of economic interdependence will eventually compel the international community to establish some form of acceptable framework for analysis, discussion and finally negotiation of the issues contained in these reports and elsewhere.

I believe the need for political leadership in this area has never been greater. The Administration in the United States is committed to advancing two current matters of the greatest immediate importance not only to their own country but to the international economy as a whole - namely, consolidating their recovery and securing the necessary legislative approvals to increase the resources of the IMF and the World Bank affiliate, IDA. I have come to the conclusion that, while the United States is preoccupied with these vital concerns, the initial political leadership on the long-term economic issues will have to come from elsewhere, leaving the way open at an early stage for the full participation and support of the United States.

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As has been demonstrated from time to time in the past, the Commonwealth, because of its broad representative nature, can play a valuable catalytic role in mobilising international opinion. We have commissioned experts to study the issues from a technical perspective. I believe we now need to maintain the momentum at a political level. A strong endorsement by Heads of Government of a constructive agenda for action - one which observes well known but seldom stated political and economic realities - would provide a much needed political impetus to this crucial subject.

An Agenda for Action

I believe that the issues which Heads of Government might usefully address fall under two headings: defining the scope of any comprehensive examination of the trade and payments system and defining, in general terms, the process to get such an examination underway.

As far as the scope of any examination is concerned, I would suggest the following illustrative checklist which is derived partly from the three studies that will be before us:

- international liquidity and management of outstanding sovereign debt;
- the role of reserve currencies, including the future evolution of the SDRs, substitution account;
- protectionism: reviewing the mandate of the GATT;
- macro-economic policy co-ordination, including institutional implications arising from economic interdependence;
- the role of domestic economic policies in improving the international adjustment process;
- alternative exchange rate regimes;
- the future role and financial requirements of the IMF and its programmes, including the appropriateness of its current approach to conditionality;
- official development assistance, including the need to put ODA on a more predictable footing through methods such as the SDR-aid link;
- improving the climate for long-term finance for development, including direct foreign investment;
- achieving a better co-ordination among the major international economic institutions.

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CONFIDENTIAL

4.

It will not be easy to reach a consensus. Earlier experiences have shown that attempting a really comprehensive agenda and setting up a negotiating process which operates on a one country/one vote system simply will not work - indeed it will not get off the ground. We are going to have to ask ourselves, if we want movement forward, what will be acceptable to those who are least convinced of the need for an examination at all? Many of the reservations held in key industrial countries would be lessened if they had the confidence that any such process would be structured to take account of realities of economic and political power and designed to produce practical proposals for consideration by governments. Some sort of weighted voting system, in a manner similar to the Interim Committee and Executive Boards of the Bank and Fund, would seem to be inevitable. There will need to be a long and careful preparatory process, as our Report notes, before the results can be ratified by a broad-based conference.

Communique and Follow-Up Action

If Heads of Government can reach a consensus on these matters it might well be useful in presentational terms to consider reflecting this in appropriate language in the sort of Declaration we have produced before.

Beyond that expression of political will, it might also be useful to consider the scope for follow-up action. One possibility would be to establish a core group of Heads of Government, with the assistance of the Secretary-General, to take whatever steps it deemed necessary to liaise with other political leaders and a variety of other forums and institutions.

Once again, I must thank you for inviting me to set down my views on a subject which has been of deep concern and interest to me and which may well become a focal point for the forthcoming meeting. I am greatly looking forward to meeting you and all our Commonwealth colleagues next month.

Yours sincerely

.Signed: R.D. Muldoon

ENDS

CONFIDENTIAL

SUBJECT



STATE HOUSE
ZOMBA
MALAWI

9th November, 1983

Rt. Honourable Margaret Thatcher,
Prime Minister,
United Kingdom of Great Britain
and Northern Ireland,
LONDON.

PRIME MINISTER'S
PERSONAL MESSAGE

SERIAL No. T1799/83

Dear Prime Minister,

I have been informed by my Minister of Finance and my Governor of the Reserve Bank of Malawi on the outcome of the Annual Meetings of the World Bank Group and the International Monetary Fund which were held in Washington, D.C., in September this year.

2. Among the issues which were discussed and close to the heart of Malawi and the whole of Sub-Saharan Africa, are the contributions of your Government and that of the United States to both the IMF and the International Development Association of the World Bank.

3. I understand that while the prospects for contribution of the United States' Government of US \$8.4 billion to the International Monetary Fund are brighter, there are still a lot of difficulties with regard to the agreement on the total contribution to be made to IDA 7, and the consequent contribution of your Government and the United States', among others.

4. It has been proposed that total contribution to IDA 7 should be at least US\$16 billion. At the Fourth Meeting of Deputies held in Japan in July this year to negotiate the Seventh IDA Replenishment, some of the Deputies indicated that they wanted the figure of US\$16 billion scaled down to US\$9 billion.

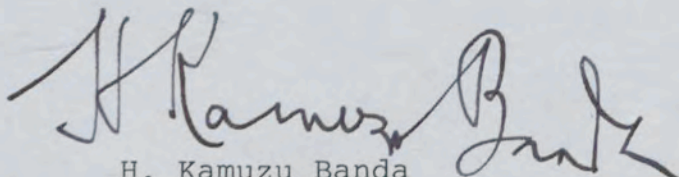
5. This matter is of great concern to my country and many others in Sub-Saharan Africa. And, with your permission, I will tell you why.

6. The International Development Association has played a very important role in spearheading development in our sub-continent. It has also complemented and co-financed important bilateral aided projects in my country. Finally and simply, the International Development Association has played a noble role in development. It has served a noble purpose. In view of the serious economic situation facing the World, and much more so the least developed countries, I am of the opinion that there is a very persuasive case to maintain the proposed level of replenishment of US\$16 billion for IDA 7.

7. It is with this in mind that I want to make a special appeal to you, Prime Minister, for the total contribution to IDA 7 to be maintained at the minimum level of US\$16 billion. If this level cannot be sustained, the main area of reduction in IDA lending in the next four years is likely to be Sub-Saharan Africa. This reduction in lending is likely to affect more the least developed countries like my own.

8. I would therefore like to appeal to Her Majesty's Government to do what is legitimately needed to help ensure that the IMF continues to be the cornerstone of the international financial system. Similarly, I would also appeal that careful consideration be given to maintain the lending ability of the International Development Association. This can be done by ensuring that the contributions of your Government and others like the United States, France, the Federal Republic of Germany and Canada, do not fall below the required level.

9. Please accept, Prime Minister, my personal wishes for your good health and the continuing prosperity of the British people.



H. Kamuzu Banda
LIFE PRESIDENT



Ref. A083/3181

MR COLES

Prime Minister's Briefing Meeting for the Commonwealth Heads
of Government Meeting in New Delhi: 22-29 November 1983

I should be grateful for your agreement to the following Ministers being invited to attend the Prime Minister's briefing meeting at 9.00 am on Friday 18 November:

Foreign and Commonwealth Secretary
Minister of State, FCO, The Rt Hon The Baroness Young
Minister of State for Overseas Development,
The Rt Hon Timothy Raison MP

2. You may also wish the following officials to be invited:

Sir Antony Acland	FCO
Sir John Leahy	FCO
Mr J C Thomas	FCO
Mr R M Ainscow	ODA (FCO)
Mr A K Goldsmith	FCO (Head of the Commonwealth Co-ordination Department)
Sir Robert Armstrong	Cabinet Office

3. Although they will not be attending the Commonwealth Heads of Government Meeting, you may wish to invite Mr J G Littler, Treasury, and Mr A D S Goodall, Cabinet Office.

Lindsay Wilkinson

LINDSAY WILKINSON

9 November 1983



New Zealand High Commission

New Zealand House
Haymarket
London SW1Y 4TQ
Telephone 01-930 8422
Telex 24368

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T175A/83

Reference:

*Subject cc Master
of*

9 November 1983

My Dear Prime Minister,

I refer to the High Commissioner's letter of 4 November in which he sent you the cabled text of a letter from the Rt. Hon. R.D. Muldoon, MP Prime Minister of New Zealand, concerning the Heads of Government Meeting in New Delhi.

In the High Commissioner's absence I enclose the original copy of the Prime Minister's letter, together with the attached copy of his letter to the Prime Minister of India, Mrs Gandhi.

Kind regards,

Yours sincerely,

Bruce Brown

Acting High Commissioner

The Rt. Hon. Margaret Thatcher, FRS, MP
Prime Minister,
10 Downing Street,
Whitehall,
LONDON SW1.

5 NOV 1983



A circular postmark containing the numbers 1 through 9 arranged in a circle. A small arrow points from the center towards the number 8.



10 DOWNING STREET

THE PRIME MINISTER

8 November 1983

file RB

afco

Dear Mr Ramphal,

In your letter of 20 October you were kind enough to say that Mrs. Gandhi and you would like me to be one of those who respond to her address of welcome during the opening ceremony of the forthcoming Commonwealth Heads of Government Meeting. I gladly accept this invitation.

Yours sincerely
Margaret Thatcher

His Excellency Mr. Shridath Surendranath Ramphal, AC.,
Kt., CMG., QC.

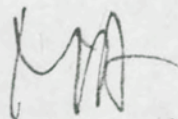
RB

Top copy
Grenada Int Sit Pt 2

Prime Minister

With typical modesty, Alec Home wrote to me, enclosing the attached letter for you, on the grounds that he did not want to trouble you.

I am sure you will want to ponder Alec's constructive ideas for CHOGM.



MICHAEL ALISON

8.11.83



Top Copy Grenada
Int Sit Pt 2

November 7th. 1983.

John Major

You will doubtless have thought of this, but I see a chance of turning Grenada to real advantage at the Commonwealth Conference.

It is clear that we can no longer protect our ex-colonial territories. It is equally obvious that the U.N. cannot do so either.

Could you not launch the positive proposal that each Commonwealth region should organise its own collective Security Force? Canada and the Caribbean; Australia and New Zealand and the South Pacific Islands; Singapore and Malasia and Brunei; India and general supervision of the Indian Ocean; and the U.K. ready to help if required.

The timing seems right. It would lead the Commonwealth away from post-mortems to the future, and would I feel be hailed with enthusiasm here.

Geoffrey seemed to hint at something like this, but a positive proposal could to advantage be put on the table for all to see.

John Major



JH 48

PRIME MINISTER

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Before you visit India to attend the Commonwealth Heads of Government Meeting at the end of this month, I thought you might like to have the attached assessment of prospects for winning significant business in India, prepared by Kenneth Baker following his visit there in early September. If you are willing, it could well be opportune for you to raise some of these projects with Mrs Gandhi: we shall update nearer the time.

2 As you will note, the good prospects in several areas are related to our capacity to provide attractive finance involving contributions from our large bilateral aid programme to India (subject to ODA appraisal requirements). I am therefore sending a copy of this to Geoffrey Howe and Timothy Raison.

NT

N T

7 November 1983

Department of Trade and Industry



SECRETARY OF STATE

MAJOR EXPORT OPPORTUNITIES IN INDIA

There are a number of major project opportunities and other initiatives which have a good chance of being brought to fruition in the coming months bringing substantial business to the British companies.

Steel Projects

The Daitari steel project which the Prime Minister discussed with Mrs Gandhi in September 1982 has been postponed because of lack of resources. Instead we have been pursuing involvement in Indian Government's plans to modernise the steelworks at Durgapur at a cost of around £300m. I visited the plant and there is no doubt that it is in urgent need of modernisation. A wide range of British companies that could benefit are Davey, GEC, Cleveland Bridge, Babcocks and BSC. The Indian Minister concerned was enthusiastic about this project has asked for BSC to play a leading role in this. Outline financial proposals for British involvement, including bilateral aid, were submitted in August. We are still awaiting a response which may be forthcoming during the Prime Minister's visit for CHOGM, but I had the feeling that, at Ministerial level at least, there was interest on the Indian side in bringing the project forward to coincide with the meeting of the two Prime Ministers.

Telecommunications and Electronics

Despite the loss of an order for System X, the Indian market provides enormous scope for British telecommunications technology and products. Continuing efforts are being made to secure a significant long-term footing in the Indian market: we have agreed to set up an inter-Government liaison group on the lines of the group that exists for coal development to discuss telecommunications and electronics co-operation: we have proposed a study, to be carried out by British Telecom, of India's digital transmission network requirements with emphasis also on microwave links between the main business centres.

I gave the Indian Minister of Communications a specific proposal this week for a microwave link between Bombay and Madras; this is worth about £11m and would be done by GEC. Individual major UK companies are pursuing specific business

M17/M17ABU



notably Plessey for a contract for rural exchanges, worth up to £25m, supplying the same UXD5 exchanges which have been given to India for the communications links to the Goa weekend retreat for the Prime Minister.

The Indians have shown great interest in the microcomputers in schools schemes we have set up in Britain. They have already placed an initial order for the BBC Acorn microcomputer and are very interested in collaboration with Acorn in establishing an Indian manufacturing and development base. Acorn are pursuing this and have also co-operated in providing 5 sets of networked educational computer systems which the Queen will give to the President of India for the main teaching training centres of India.

Non-ferrous sector

There appear to be excellent prospects of GEC winning a £140m contract to build a captive power plant for the Bharat Aluminium Company. I was able to put forward an attractive finance package including bilateral aid to the Minister when I was in Delhi.

Another project proposed for aid programme support is construction of a smelter and captive power plant for Hindustan Zinc. Davy would be the lead UK contractor and UK content would be approximately £100m.

Coal sector

Orders, totalling up to £80m, should shortly begin to be signed for the Amlori open cast mine (which is associated with the Rihand power station). Prospects for other coal equipment sales, assisted by regular meetings of an inter-governmental steering group, continue to be good.

Offshore Sector

Westland are bidding, against US and French competition, for a contract worth £60m to provide 21 helicopters for offshore oil support and 6 helicopters for the use of Indian "VVIP's" such as the President and Prime Minister. They have recently satisfactorily demonstrated the WG30 in India.

Other Business

Looking further ahead it is quite clear that other major opportunities, particularly in the power sector where increased capacity is urgently needed, are in prospect.

KB

KENNETH BAKER

3 November 1983

Commonwealth : CHEAM 175.

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10 DOWNING STREET

From the Private Secretary

4 November 1983

CHOGM: The International Economy

I enclose a copy of a letter which the Prime Minister has received from the New Zealand High Commissioner. You will see that this contains the text of a letter which Mr. Muldoon has sent to Mrs. Thatcher. The text of his letter to Mrs. Gandhi, to which he refers, is also enclosed.

I should be grateful if you could consider, together with the Treasury, whether the Prime Minister should be advised to reply before CHOGM. If so, perhaps you could let me have a draft.

I am copying this letter and enclosure to John Kerr (HM Treasury) and Richard Hatfield (Cabinet Office).

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

4 November 1983

The Prime Minister has asked me to thank you for your letter of 4 November enclosing the text of a letter to her from the Prime Minister of New Zealand and the text of a letter which Mr. Muldoon has sent to the Prime Minister of India.

A J COLES

His Excellency The Hon. W.L. Young



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 175/83

NEW ZEALAND HIGH COMMISSION

NEW ZEALAND HOUSE · HAYMARKET · LONDON SW1Y 4TQ

Telephone: 01-930 8422 Telex: 24368

From the High Commissioner
H.E. The Hon W. L. Young

4 November 1983

My Dear Prime Minister

I have received by cable the text of the following letter for you from my Prime Minister, the Rt. Hon. R.D. Muldoon, together with the text of a letter which he has sent to the Prime Minister of India, Mrs Gandhi.

"Dear Margaret,

In preparing for the Meeting of Commonwealth Heads of Government in New Delhi next month, I have been giving particular attention to the item on the agenda dealing with the international economy. Although the future of the Commonwealth's role in Grenada is likely to attract considerable attention, I believe the international economy will be the most important underlying issue that we will be discussing in New Delhi. At Mrs Gandhi's invitation, I have sent her some suggestions on how we might approach this issue. I enclose a copy for your information.

The basis of these suggestions is my belief that the Commonwealth can make an important contribution to the debate on the international economy. The issues have been addressed many times in other major international forums since Commonwealth Heads of Government last met. The complexities and linkages between the range of issues that would need to be included in a comprehensive examination of the international economy are well understood. What is lacking is any agreement on a framework for negotiating a realistic strategy for action, based on a common analysis. In this respect, I was encouraged by the decision taken at the

/Williamsburg

The Rt. Hon. Margaret Thatcher, MP
Prime Minister,
10 Downing Street,
Whitehall,
LONDON SW1.

Williamsburg Summit to invite the Ministers of Finance of the summit nations, together with the Managing Director of the IMF, to define the conditions for improving the international monetary system and to consider the part that might be played by an international monetary conference.

I have no doubt that such a study would conclude that any process designed to improve the international economy will have to acknowledge the fundamental changes that have taken place in the nature of international economic relations since the present system was set in place. If a politically viable strategy for action is to emerge, it will need to take account of the full range of opinions that now exist within the international economy. The Commonwealth, with its broadly representative nature and its capacity for innovative thinking, can provide a crucial political impetus to this process.

I am looking forward to seeing you in New Delhi and discussing these issues with you further.

Yours sincerely,

(signed) R.D. Muldoon"

A copy of the text of the Prime Minister's letter to Mrs Gandhi is attached.

The original copy of the Prime Minister's letter to you will be sent to you as soon as it is received.

*kindest personal regards
yours sincerely
Bill Young*

CONFIDENTIAL

20 October 1983

Dear Mrs Gandhi,

You suggested in New York that I might set out some thoughts on how Heads of Government at the New Delhi Meeting might approach the agenda item dealing with the international economy.

As I understand it, you were not looking to a structured debate - that is not the Commonwealth way - but felt that our colleagues might find it useful to have before them for discussion an "Agenda for Action" on this subject. I convey the thoughts below to you, as our prospective Chairman, in that spirit.

The State of Debate

There is widespread recognition that the timing is right for a Commonwealth initiative to try and channel the widespread concern over aspects of the trade and payments system. The last Non-Aligned Meeting, also under your Chairmanship, is commonly regarded as having heralded a new mood amongst developing countries - a mood that is increasingly concerned with practicalities and identifying the common ground with the major industrial countries. At Williamsburg these countries for their part also appeared to move towards a view that there are a number of long-term international monetary issues that require measured analysis and consideration of the role that might be played by an international monetary conference.

In the last 12 months or so political leaders have come to share a common analysis of the issues - for example, the realisation that the interdependent world economy has changed the nature of international economic relations in a fundamental way, the awareness of the importance of such linkages as debt and trade, the need to consider some mechanism to rekindle the international community's commitment to trade liberalisation. After so many years of sterile debate, these are encouraging signs. The opportunity now exists to develop an acceptable framework for considering these issues and to get some movement.

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A Role for the Commonwealth : Political Leadership

As the Secretary-General has pointed out in his letter of 29 September to Heads of Government, there will be three major economic reports before the Meeting: "Protectionism : Threat to International Order", "North-South Dialogue : Making It Work" and "Towards A New Bretton Woods : Challenges For The World Finance And Trading System". On the last of these, I understand my colleague, the Prime Minister of Trinidad and Tobago, has kindly offered to brief the Meeting on the thrust of the Finance Ministers' discussion.

There is a wealth of technical detail in these reports. However, the task of Heads of Government is presumably not to analyse that detail but to provide political leadership on the underlying issues.

I believe there is a unifying theme to all these reports : that the world economy faces a number of long-term structural problems which have both a political and economic dimension. Whatever our views may be on the immediate prospects for sustained world recovery, these and many similar studies from non-Commonwealth sources underline the fact that the reality of economic interdependence will eventually compel the international community to establish some form of acceptable framework for analysis, discussion and finally negotiation of the issues contained in these reports and elsewhere.

I believe the need for political leadership in this area has never been greater. The Administration in the United States is committed to advancing two current matters of the greatest immediate importance not only to their own country but to the international economy as a whole - namely, consolidating their recovery and securing the necessary legislative approvals to increase the resources of the IMF and the World Bank affiliate, IDA. I have come to the conclusion that, while the United States is preoccupied with these vital concerns, the initial political leadership on the long-term economic issues will have to come from elsewhere, leaving the way open at an early stage for the full participation and support of the United States.

As has been demonstrated from time to time in the past, the Commonwealth, because of its broad representative nature, can play a valuable catalytic role in mobilising international opinion. We have commissioned experts to study the issues from a technical perspective. I believe we now need to maintain the momentum at a political level. A strong endorsement by Heads of Government of a constructive Agenda for Action - one

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which observes well known but seldom stated political and economic realities - would provide a much needed political impetus to this crucial subject.

An Agenda for Action

I believe that the issues which Heads of Government might usefully address fall under two headings: defining the scope of any comprehensive examination of the trade and payments system and defining, in general terms, the process to get such an examination underway.

As far as the scope of any examination is concerned, I would suggest the following illustrative checklist which is derived partly from the three studies that will be before us:

- international liquidity and management of outstanding sovereign debt;
- the role of reserve currencies, including the future evolution of the SDRS, Substitution Account;
- protectionism : reviewing the mandate of the GATT;
- macro-economic policy coordination, including institutional implications arising from economic interdependence;
- the role of domestic economic policies in improving the international adjustment process;
- alternative exchange rate regimes;
- the future role and financial requirements of the IMF and its programmes, including the appropriateness of its current approach to conditionality;
- official development assistance, including the need to put ODA on a more predictable footing through methods such as the SDR-Aid Link;

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- improving the climate for long-term finance for development, including direct foreign investment;
- achieving a better coordination among the major international economic institutions.

It will not be easy to reach a consensus. Earlier experiences have shown that attempting a really comprehensive agenda and setting up a negotiating process which operates on a one country/one vote system simply will not work - indeed it will not get off the ground. We are going to have to ask ourselves, if we want movement forward, what will be acceptable to those who are least convinced of the need for an examination at all? Many of the reservations held in key industrial countries would be lessened if they had the confidence that any such process would be structured to take account of realities of economic and political power and designed to produce practical proposals for consideration by Governments. Some sort of weighted voting system, in a manner similar to the Interim Committee and Executive Boards of the Bank and Fund, would seem to be inevitable. There will need to be a long and careful preparatory process, as our report notes, before the results can be ratified by a broad-based conference.

Communique and Follow-Up Action

If Heads of Government can reach a consensus on these matters it might well be useful in presentational terms to consider reflecting this in appropriate language in the sort of declaration we have produced before.

Beyond that expression of political will, it might also be useful to consider the scope for follow-up action. One possibility would be to establish a core group of Heads of Government, with the assistance of the Secretary-General, to take whatever steps it deemed necessary to liaise with other political leaders and a variety of other forums and institutions.

Once again, I must thank you for inviting me to set down my views on a subject which has been of deep concern and interest to me and which may well become a focal point for the forthcoming Meeting. I am greatly looking forward to meeting you and all our Commonwealth colleagues next month.

Yours sincerely,

R. D. Muldoon



10 DOWNING STREET

From the Private Secretary

3 November 1983

CHOGM: Response to Mrs. Gandhi's Address of Welcome

Thank you for your letter of 28 October. This subject was discussed when the Foreign and Commonwealth Secretary called on the Prime Minister this morning.

The Prime Minister agreed to respond positively to the Commonwealth Secretary General's invitation to her to be one of those to respond to Mrs. Gandhi's address of welcome at the opening of CHOGM.

I should be grateful if you could arrange for me to receive a draft of what the Prime Minister might say by 15 November.

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

SUBJECT



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T1728183

Prime Minister
Wellington
New Zealand

2 November 1983

Dear Margaret,

....

In preparing for the meeting of Commonwealth Heads of Government in New Delhi next month, I have been giving particular attention to the item on the agenda dealing with the international economy. Although the future of the Commonwealth's role in Grenada is likely to attract considerable attention, I believe the international economy will be the most important underlying issue that we will be discussing in New Delhi. At Mrs Gandhi's invitation, I have sent her some suggestions on how we might approach this issue. I enclose a copy for your information.

The basis of these suggestions is my belief that the Commonwealth can make an important contribution to the debate on the international economy. The issues have been addressed many times in other major international forums since Commonwealth Heads of Government last met. The complexities and linkages between the range of issues that would need to be included in a comprehensive examination of the international economy are well understood. What is lacking is any agreement on a framework for negotiating a realistic strategy for action, based on a common analysis. In this respect, I was encouraged by the decision taken at the Williamsburg Summit to invite the Ministers of Finance of the Summit nations, together with the Managing Director of the IMF, to define the conditions for improving the international monetary system and to consider the

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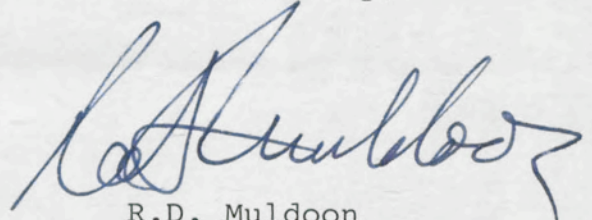
The Right Honourable Margaret Thatcher
Prime Minister
10 Downing Street
LONDON SW1

part that might be played by an international monetary conference.

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I am looking forward to seeing you in New Delhi and discussing these issues with you further.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'R.D. Muldoon', with a stylized, cursive script.

R.D. Muldoon



Prime Minister
Wellington
New Zealand

20 October 1983

Her Excellency Mrs Indira Gandhi
Prime Minister
New Delhi
INDIA

Dear Mrs Gandhi

You suggested in New York that I might set out some thoughts on how Heads of Government at the New Delhi meeting might approach the agenda item dealing with the international economy.

As I understand it, you were not looking to a structured debate - that is not the Commonwealth way - but felt that our colleagues might find it useful to have before them for discussion an "agenda for action" on this subject. I convey the thoughts below to you, as our prospective Chairman, in that spirit.

The State of Debate

There is widespread recognition that the timing is right for a Commonwealth initiative to try and channel the widespread concern over aspects of the trade and payments system. The last Non-Aligned meeting, also under your chairmanship, is commonly regarded as having heralded a new mood amongst developing countries - a mood that is increasingly concerned with practicalities and identifying the common ground with the major industrial countries. At Williamsburg these countries for their part also appeared to move towards a view that there are a number of long-term international monetary issues that require measured analysis and consideration of the role that might be played by an international monetary conference.

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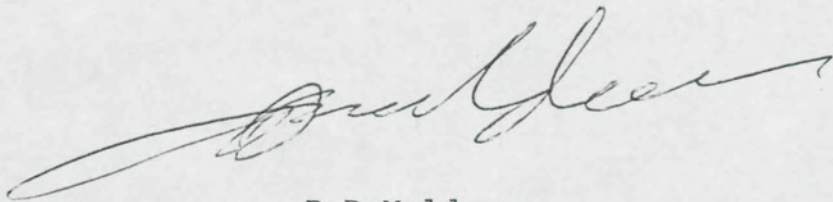
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Yours sincerely

A handwritten signature in cursive script, appearing to read 'R D Muldoon', written in dark ink on a light-colored paper.

R D Muldoon

FERB

Cabinet Office
70 Whitehall,
London SW1 2AS

1 November 1983

PS(83) 30

Dear Private Secretary,

Commonwealth Heads of Government Meeting, New Delhi:
23-29 November 1983

With my letter of 21 October (PS(83) 27) I attached at Annex A a list of briefs to be prepared for the Commonwealth Heads of Government Meeting later this month. This list has been revised. I attach the revised list and should be grateful if briefs are prepared accordingly.

Briefs dealing with fast-moving issues must reach the Cabinet Office by 5.00 pm on Wednesday 16 November, not 18 November as I had requested in PS(83) 27.

I am sending copies of this letter to the Private Secretaries to Sir Antony Acland, Sir Michael Franklin, Sir George Moseley, Mr M E Quinlan, Mr D J S Hancock, Sir Brian Cubbon, Sir Philip Woodfield, Sir Anthony Rawlinson, Sir Brian Hayes, Mr P E Middleton, Sir William Ryrie, Sir Clive Whitmore and to John Coles at No 10.

Yours sincerely,

(Signed) LINDSAY WILKINSON (Miss)
Assistant Private Secretary

REVISED ANNEX A

LIST OF BRIEFS FOR
COMMONWEALTH HEADS OF GOVERNMENT MEETING, NEW DELHI
23-29 NOVEMBER 1983

Category A. Prepared Ministerial Statements by the United Kingdom

<u>PMVE(83) A</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
A1	Prime Minister's Response to Address of Welcome (For use if invited to respond)	FCO	-
A2	World Political Scene: Global Trends and Prospects (For use as necessary)	FCO	-
A3	Southern Africa (including Gleneagles). (For use as necessary)	FCO	DOE ODA
A4	World Economic Issues (For use as necessary)	Treasury	FCO
A5	Falkland Islands (For use as necessary)	FCO	MOD
A6	Afghanistan (For use as necessary)	FCO	
A7	UNLOSC (For use as necessary)	FCO	Treasury MOD

Category B. List of Briefs for Use in Formal Sessions

<u>PMVE(83) B</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
B1	Steering Brief	FCO	-
B2	Agenda and Style and Format	FCO	-
B3	Communique, Timing and Venue of Next Meeting	FCO	-
WORLD POLITICAL SCENE			
<u>Global Trends and Prospects</u>			
B4	East-West Relations and the Threat to International Security	FCO	-
B5	Defence and Disarmament	FCO	MOD
B6	Restoration of Confidence in the United Nations	FCO	-
B7	Problems in West and East Asia:	FCO	-
	(a) Afghanistan		
	(b) Iran/Iraq		MOD
	(c) Middle East		
	(d) South-East Asia especially Cambodia		
B8	South Pacific:	FCO	-
	(a) Self-determination		
	(b) Denuclearisation		DOE MAFF
B9	Falkland Islands	FCO	MOD
B10	Cyprus	FCO	MOD
B11	Belize	FCO	MOD

<u>PMVE(83) B</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
<u>Southern Africa</u>			
B12	Namibia	FCO	ODA
B13	South Africa including Destabilisation and Sanctions	FCO	ODA DTI
B14	Sporting Contacts	FCO	DOE
WORLD ECONOMIC ISSUES			
B15	World Economic Situation and Prospects	Treasury	FCO
B16	Relations with Developing Countries (including Debts and United Kingdom Aid Policy)	FCO	ODA Treasury
B17	Commonwealth Studies:	FCO	-
	(a) "Protectionism: Threat to International Order"	DTI	Treasury DTI
	(b) "North-South Dialogue: Making It Work"	FCO	Treasury DTI
	(c) "Towards a New Bretton Woods"	Treasury	FCO DTI
B18	The EC: Lome Renegotiation	FCO	MAFF ODA DTI Treasury
B19	The EC and Non-Associates	FCO	MAFF ODA Treasury
COMMONWEALTH FUNCTIONAL CO-OPERATION			
B20	Commonwealth Fund for Technical Co-operation	ODA	FCO
B21	Student Mobility (including Student Fees)	FCO	ODA DES

<u>PMVE(83) B</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
B22	Commonwealth Youth Programme	ODA	FCO
B23	Commonwealth Science Council	ODA	DES DTI FCO
B24	Women and Development	ODA	FCO
B25	Commonwealth Foundation	FCO	ODA
B26	Culture:	FCO	-
	(a) Commonwealth Arts Organisation		
	(b) Commonwealth Institute		
OTHER BUSINESS			
B27	Population Issues	ODA	-
B28	Working Group on Management of Technological Change	Employment	FCO, DTI

Category C. List of Background Briefs to be Available in
Delegation Secretariat

<u>PMVE(83) C</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
C1	Non-Aligned Movement	FCO	-
C2	UNLOSC	FCO	Treasury, MOD
C3	7th Replenishment of IDA	ODA	Treasury
C4	Constitutional Development of Remaining Dependencies	FCO	-
C5	Hong Kong	FCO	MOD
C6	OAU (including Libya/ Chad)	FCO	-
C7	Indian Ocean Zone of Peace	FCO	-
C8	BIOT (including Diego Garcia)	FCO	MOD
C9	Foreign and Commonwealth Secretary's Visit to Africa	FCO	ODA
C10	Drought in Africa	ODA	-
C11	United Kingdom Economy	Treasury	-
C12	Current Situation in Northern Ireland	NIO	FCO MOD
C13	Extradition and Transfer of Prisoners	Home Office	FCO
C14	Communications and the Media	FCO	-
C15	Antartica	FCO	-
C16	Human Rights	FCO	-
C17	Commonwealth Secretary General	FCO	-
C18	Commonwealth Secretariat (Review, Marlborough House and Budget)	FCO	ODA

<u>PMVE(83) C</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
C19	Possible New Commonwealth Members (Other than Pakistan)	FCO	-
C20	Pakistan and the Commonwealth	FCO	-
C21	Special Members	FCO	ODA
C22	Consular Services in the Commonwealth	FCO	-
C23	Discussion of Intra-Commonwealth Disputes	FCO	-
C24	Headship of the Commonwealth	FCO	-
C25	Commonwealth Regionalism:	FCO	-
	(a) Future of CHOGRMs and Other Regional Meetings	FCO	-
	(b) Southern African Development Co-ordination Conference	ODA	FCO
C26	Nationality, Immigration, Race Relations and Other United Kingdom Domestic Legislation Affecting Commonwealth Citizens	Home Office	FCO
C27	Australia	FCO	-
C28	Antigua and Barbuda/The Bahamas/Barbados/Dominica/St Kitts and Nevis/St Lucia/Guyana/Jamaica/Trinidad and Tobago	FCO	ODA
C29	Bangladesh	FCO	ODA
C30	Belize (Bilateral Issues only)	FCO	ODA
C31	Botswana/Swaziland	FCO	ODA
C32	Lesotho	FCO	ODA

<u>PMVE(83) C</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
C33	Canada	FCO	-
C34	Cyprus (Bilateral Issues only)	FCO	ODA
C35	Pacific Islands (ie Vanuata, Kiribati, Papua New Guinea, Solomon Islands, Tonga, Western Samoa, Fiji)	FCO	ODA
C36	The Gambia	FCO	ODA, MOD
C37	Ghana	FCO	ODA
C38	India	FCO	ODA
C39	Kenya	FCO	ODA, MOD
C40	Uganda	FCO	ODA, MOD
C41	Tanzania	FCO	ODA
C42	Malawi	FCO	ODA
C43	Malaysia	FCO	ODA
C44	Malta	FCO	ODA
C45	Mauritius/Seychelles	FCO	ODA
C46	New Zealand	FCO	-
C47	Nigeria	FCO	ODA, MOD
C48	Sierra Leone	FCO	ODA
C49	Singapore	FCO	ODA
C50	Sri Lanka	FCO	ODA, MOD
C51	Zambia	FCO	ODA
C52	Zimbabwe	FCO	ODA, MOD
C53	Grenada	FCO	
C54	Crown Agents	FCO	ODA

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Just



10 DOWNING STREET

From the Private Secretary

1 November 1983

CHOGM

I can now give you replies to a number of outstanding questions.

With regard to your letter of 26 October, the Prime Minister has decided that she does not wish to address a meeting of the Indian National Science Academy. Nor does she wish to attend a round table discussion of Indian business and the Indian economy. She would be prepared, if this was thought desirable, to attend a Reception for members of the British Community and their wives.

The Prime Minister has also indicated that if Mrs. Gandhi very much wished her to, she would attend the opening of the Textile Exhibition at 0930 on 22 November. Bearing in mind that this event occurs shortly after our arrival in New Delhi, I very much hope that the Prime Minister will only be asked to attend this event if Mrs. Gandhi herself genuinely wishes her to (I have no doubt that any Indian if asked will claim that Mrs. Gandhi does so wish).

28F /
15F /
Your letter of 28 October reverted to the question of a bilateral meeting between the Prime Minister and Mrs. Gandhi on 22 November. In the light of the arguments advanced in your letter, the Prime Minister has now agreed that we should seek to arrange such a meeting. I should be grateful if you would do so. With regard to a possible bilateral meeting with Mr. Hawke (your letter of 21 October), the Prime Minister can accept the Australian suggestion of a working breakfast at 0800 on Wednesday, 23 November (on the assumption that Mr. Hawke does not bring his arrival forward to 22 November).

A. J. COLES

g

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

CHOGM

When you saw the attached letter from the FCO over the weekend, you did not indicate whether you wanted to take up the engagements which Sir Robert Wade-Gery suggests on the last page (they are highlighted). My own view is that, since the Commonwealth Conference will now be very busy, it might be wise to avoid any extra commitments. But are you interested in a, b, c or d?

No - except (d).
not
A.S.C.

31 October 1983

Will also do (d) if Mrs. Gandhi would like it, not



10 DOWNING STREET

From the Private Secretary

31 October 1983

Thank you for your letter of 26 October about the Bhartiya Jnanpith Award Ceremony.

The Prime Minister agrees:

- (a) to stay on for the cultural programme.
- (b) to the ceremony of the Tilak.
- (c) to bring a British shawl for the presentation ceremony. She envisages bringing a cashmere shawl for this purpose. We shall make arrangements for its acquisition.
- (d) that the press message enclosed with your letter may be issued in her name (subject to the replacement of the first sentence of the third paragraph with: "I am sure that my present visit to India will be most valuable". The Prime Minister thought that the original wording might seem a little presumptuous in view of the State visit).

The Prime Minister has not yet taken a decision on the other engagements recommended by Sir Robert Wade-Gery. I shall be in touch with you about these in due course.

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.



Prime Minister.

Foreign and Commonwealth Office

London SW1A 2AH

Agree to Mr. Hawke's
suggestion of a breakfast
meeting at 0800 on 23
November (the second full
day of CHOGM)?

31 October 1983

Dear John, A.S.C. $\frac{21}{10}$

Yes *ms*

CHOGM: Possible Bilateral Meetings with Mr Hawke

Thank you for your letter of 26 October.

Lady Young saw the Australian High Commissioner yesterday afternoon and passed on the Prime Minister's suggestion that time be set aside for a full discussion with Mr Hawke at the weekend retreat at Goa.

Sir Victor Garland replied that Mr Hawke was keen to talk to the Prime Minister before the start of the CHOGM sessions on disarmament and economic issues, and had suggested a breakfast meeting at 0800 hours on Wednesday 23 November. Sir Victor added that the Commonwealth Secretary-General had asked Mr Hawke to make a "robust intervention" in the disarmament debate.

I would be grateful to know whether the Prime Minister would be willing to accept Mr Hawke's suggestion for a breakfast meeting on 23 November. The case for an early meeting is in our view slightly strengthened by the information that Mr Hawke has been asked to speak on disarmament.

You should also know that Sir Victor Garland said that he would find out whether Mr Hawke's arrival in Delhi on Tuesday 22 November could be brought forward to enable him to accept the Prime Minister's lunch invitation on that day. In view of Mr Hawke's commitments en route, we have serious doubts as to whether this will be possible. We shall press the High Commissioner to let us have a firm reply one way or the other as rapidly as possible. Meanwhile we shall consider whether the Prime Minister should seek to arrange any other meetings that day, particularly over lunch, as requested in your letter of 28 October. — *in PM Taus file*

Sir Victor Garland confirmed that Mr Hawke would also want to have a wide-ranging discussion at his meeting with the Prime Minister. Apart from disarmament, economic issues and the New Bretton Woods proposal, he had it in mind in particular to raise sporting links with South Africa, Hong Kong and the Middle East.

Yours ever,

Peter Ricketts

A J Coles Esq
10 Downing Street

(P F Ricketts)
Private Secretary

51 OCT 1983

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Prime Minister.



Are you prepared to be one of those responding to Mrs. Gandhi's address of welcome, as Mr. Ramphal suggests?

Foreign and Commonwealth Office
London SW1A 2AH

28 October 1983

Dear John,

A.F.C. 28/10

I have done it
time. I doubt the wisdom of
a third time - especially
under

CHOGM: Response to Mrs Gandhi's Address of Welcome

In your letter of 24 October you asked for advice on the Commonwealth Secretary-General's invitation to the Prime Minister to be one of those who responds to Mrs Gandhi's address of welcome at the opening of CHOGM. *current circumstances*

The Foreign Secretary's view is that it would be worth the Prime Minister accepting this invitation. On the parallel occasions at the 1979 and 1981 CHOGMs, the Prime Minister was able to touch briefly on the subjects of particular concern to us (I enclose a copy of what she was recorded as saying on these occasions).

The Cabinet Office has already commissioned a speaking note in the briefing for CHOGM against the possibility that this invitation would be made.

In 1981 Mr Ramphal coupled his invitation to the Prime Minister to respond to the address of welcome with a request that she should also lead one of the plenary discussions. On this occasion he simply expresses the hope that the Prime Minister "will help to set the tone for the discussions on the principal agenda items by early interventions". We understand that it is the normal practice to rotate lead speakers from one CHOGM to another, and Mr Ramphal is evidently not intending to ask the Prime Minister to lead on any of the set agenda items on this occasion.

Yours ever,

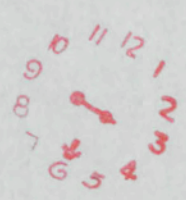
Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

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28 OCT 1983



1979

Mrs. Margaret Thatcher, Britain: Mr. Chairman, fellow Heads of Government, Mr. Secretary-General, I too am particularly honoured to speak at this opening session. And it is a particular pleasure, Mr. President, to meet here in Zambia under your chairmanship. You yourself have for many years played a notable role in Commonwealth affairs. Your country is deeply involved in some of the most difficult problems the Commonwealth faces today. I look forward to interesting and useful days in Lusaka, and, Mr. Chairman, to enjoying your very generous hospitality. We are all very conscious too of the unsparing efforts which you have made for our comfort and of the meticulous preparations to which the Secretary-General and his staff have devoted so much time.

Can I begin Mr. Chairman by joining in your welcome for the four Commonwealth countries represented here for the first time, Solomon Islands, Dominica, St. Lucia and Kiribati. And may I say how very glad I am to see Uganda resume her place with us.

Mr. Chairman, you and many of our colleagues have attended Commonwealth Heads of Government meetings in the past. Although I have attended other Commonwealth gatherings, this is the first Heads of Government Meeting in which I have taken part and I look forward to adding, in Lusaka, to my experience of how the Commonwealth works. Together, our countries make up a quarter of the world's population and of its nations. Our peoples come from different religions, races and cultures. They live under very dissimilar political and economic systems. What is it, Mr. President, that brings us together? The first and obvious answer is: history. History brought our nations together in the past. It was a random process and each of us may interpret it in different, and sometimes even in incompatible, ways. Our shared history has given us some common ideas about politics and a common language in which to communicate. No other international gathering of comparable size has these advantages. But shared history and shared language are of little use on their own. And I doubt if any of us come here simply out of sentimental regard for the past. Moreover, it is not enough for us just to exchange views on the issues of the day. It is not enough for the Commonwealth to operate simply as a world-wide communications network. Nor is it enough that the Commonwealth should be merely one of the many international bodies for the provision of economic aid between developed and developing countries—although 90 per cent of our Commonwealth members belong to the latter category. Important though all these functions are, the Commonwealth must *stand* for something if it is to endure.

Our predecessors publicly committed the Commonwealth to the ideals of democracy, individual liberty and equality for all under the rule of law. It is not the exclusive prerogative of any one constitutional system to promote these ideals. They can—as I hope they do—exist within the wide variety of political arrangements under which we have variously chosen to live. But in a world in which these beliefs are under constant attack. I believe that the Commonwealth has a duty to proclaim them, to protect them and to practise them.

Mr. Chairman, you and our fellow speakers have referred to some of the topics which concern us all and which will be central to our discussions this week. First, the world economy. Here the prospects are not encouraging. We face slower growth, rising inflation, persistent unemployment and balance of payments problems. Our difficulties have been made worse by the latest round of oil price increases, and by recent sudden arbitrary action which will affect the oil market and prices. The developing countries will be doubly hard hit. In the first place,

directly; but then, too, because many developed countries will be less able to give help or to provide the expanding markets which the developing countries need for their prosperity. In the short term, we each need to adopt sensible domestic policies, and to make the best use of existing international institutions for economic co-operation. In the longer term, we must find ways of using the world's limited supplies of fossil fuel more effectively and to develop alternative, and preferably renewable, sources of energy. The Tokyo summit was an important step, and our discussions here could take the process further.

Second, I refer to the tragic plight of those caught up in the latest example of man's inhumanity to man: the refugees from Vietnam. Refugees are nothing new to some members of the Commonwealth who have for years grappled with the problems they pose. Now others, too, notably Malaysia, are faced with very heavy social burdens not of their own making. Both the Commonwealth and the world community must constantly focus on the real source of the crisis, which is the policy pursued by the Vietnamese Government. Only if there is a genuine change of policy there can we hope to stop the appalling suffering. In the meantime, we have a practical as well as a humanitarian and political problem to solve. And that is why Britain proposed to the UN that a conference should be convened which would cover all these aspects. The Geneva Conference, at which a number of Commonwealth countries were represented, marked an important first step. But there is much more to do, and it is vital that the international community should maintain the solidarity it displayed at Geneva in following up the decisions reached there.

Now, Mr. President, there is the problem of Southern Africa to which you and our other colleagues have referred. We are all conscious of the ever more urgent need for a settlement of the Rhodesia problem. My colleagues and I have greatly benefited from the consultations we have been pursuing within the Commonwealth and with other African Governments. I am grateful to all those who have given us their advice and have expressed their views so clearly. I shall listen with the greatest attention to what is said at this meeting in Lusaka. The UK has pledged to exercise its constitutional responsibility for Rhodesia. The aim is to bring Rhodesia to legal independence on a basis which the Commonwealth and the international community as a whole will find acceptable and which offers the prospect of peace for the people of Rhodesia and her neighbours. As I said in the House of Commons last week, the British Government are wholly committed to genuine black majority rule in Rhodesia.

The value of these days in Lusaka will lie not only in the outcome of our discussions round the table. It will lie equally, or perhaps even mainly, in the friendships which we are able to renew and in the fresh contacts which we are able to make during our time together. The informality of the Commonwealth style is perhaps its greatest strength. By this time next week there may, I dare say, still remain some differences of view between us, and on more than one issue. But I know, too, that we shall—each one of us—be confirmed in our recognition of the sincerity of purpose of our Commonwealth partners and of their fundamental goodwill and commitment to the Commonwealth's ideals.

Dr. Kaunda then announced that the next session would start at 2.45 p.m.

The meeting adjourned at 11.50 a.m.

1981

MRS THATCHER, Britain: Mr Chairman, fellow heads of Government and Mr Secretary-General: I regard it as a great honour to be asked to speak at this opening session of this great Commonwealth conference.

May I first congratulate you, Mr Chairman, on the immense efforts you and your fellow countrymen, together with the members of the Commonwealth Secretariat, have made in preparation for this Meeting.

Now that we are all together, in this splendid Hall, in the lovely city of Melbourne, which bears the name of one of my predecessors, we are able to appreciate how fruitful those preparations have been. Can we all of us thank the citizens of Melbourne for the wonderful, warm welcome we received as we entered this building. It was greatly appreciated. You have provided us with an ideal setting for our discussions. Now we must ensure that those discussions are worthy of all the hard work that has preceded them.

May I echo, Mr Chairman, your welcome to the countries of the Commonwealth who are represented here for the first time: Zimbabwe, whose affairs I seem to remember occupied rather a lot of our last Commonwealth conference in Lusaka; Vanuatu, which had difficulties but we were able to overcome them; and Belize, which became independent just in time for Mr Price to be with us today. May we send our good wishes to our other new member, St Vincent and the Grenadines, which is not with us but which we welcome to the Commonwealth family.

We meet today as Heads of Government of the Commonwealth for the first time in the Pacific region - in which there are now 11 Commonwealth countries. We meet, auspiciously, in the 50th anniversary year of the passing of the Statute of Westminster, which has come to be regarded as the starting point in the development of a Commonwealth of independent nations. We meet in a country that is one of the founder members, and whose policies and attitudes have played, and continue to play, a most significant part in that development. Indeed, we are all very aware of the ways in which Australia has given a lead in Commonwealth thinking, particularly in the development of Commonwealth regional conferences.

Mr Chairman, when I spoke on a similar occasion at our Meeting in Lusaka two years ago, I said that the Commonwealth must be more than

a meeting place, more than an agency for technical co-operation. What is the use of being a Commonwealth unless together we stand for certain principles? We must proclaim and practise the ideals of democracy, personal liberty and equality before the law.

I think that at Lusaka, at Lancaster House and then in Zimbabwe itself, we showed the world that the Commonwealth can apply these principles, can overcome difficult problems and can give a fresh impetus to democracy. I too am proud that the democratically elected Head of the Government of Zimbabwe, Robert Mugabe, sits with us today. We wish him, and all the people of his country, well.

But, Mr Chairman, the tradition of democracy and liberty has another face, and one we should remember. Whatever our difficulties, it is important for the Commonwealth that in our discussions during these coming days we show the same broad spirit of co-operation and understanding of others' problems that led to our success in 1979.

Mr Chairman, you and others have referred this afternoon to some of the subjects that we shall be talking about during our Meeting. Perhaps I may touch very briefly on one of them.

The prospects for the world economy continue to cause deep concern. And the problems facing some developing countries are a special source for anxiety. You, Mr Chairman, and the Secretary-General, have a particularly close interest in these matters. I hope that our Meeting will provide an opportunity for a thorough discussion of these problems and that it will pave the way for fruitful exchanges at forthcoming meetings such as that in Mexico. But the solution to our problems lies not in the redistribution of existing wealth - there just is not enough to go around - but in the creation of new wealth. And that means taking a practical and constructive approach to these matters.

Of course, our gathering will also provide a chance for us to discuss a number of critical political issues including Afghanistan, the Middle East, Southern Africa and Cambodia. But I do not wish to embark on the discussions we shall be having over the days ahead. Let me just say this: we pride ourselves that our purpose is not peace at the expense of freedom, but peace with freedom. This conference is about the use we make of that freedom; for we know that the victories of peace are as challenging as the victories of war and that they endure longer.

I hope that at the end of our week's Meeting we will look back at our endeavours with the satisfaction of having achieved something useful, and will emerge from it strengthened and confident in the future of our Commonwealth association.



Prime Minister.

Foreign and Commonwealth Office

London SW1A 2AH

Sir R. Wade-Gery agrees strongly that we should seek a bilateral meeting with Mrs. Gandhi.

28 October, 1983

Dear John,

Agree?

Yes *ms*

A.T.C. 28/10

CHOGM

We recommended in John Holmes's letter of 13 October that, in advance of the opening of the Commonwealth Meeting, we should arrange a bilateral meeting on 22 November between the Prime Minister and Mrs Gandhi. You replied on 17 October that the Prime Minister thought that, given the burdens on Mrs Gandhi's time, it would be better not to request a bilateral meeting; presumably there would in any case be ample opportunity for discussion between herself and Mrs Gandhi. We conveyed this decision to New Delhi.

Sir Robert Wade-Gery has however urged strongly in the enclosed telegram that the question should be reconsidered and that a bilateral meeting should be arranged now to take place, if possible, on 22 November.

Sir Robert refers to the opportunity such a meeting would provide to promote our commercial and defence sales interests. There are several major commercial projects, such as the modernisation of the Durgapur Steel Plant and the provision of a captive power plant for the Bharat Aluminium Company, which might include British aid and which it may be desirable to raise with Mrs Gandhi depending on developments in the next few weeks. On the defence sales side, much will depend on the outcome of the visit of the Indian defence Minister, Mr Venkataraman, on 6-10 November, but there may be sales prospects, for example sales of the FH70 Howitzer, on which it would be worth seeking Mrs Gandhi's intervention. We are inclined to agree that a prearranged bilateral meeting would be more likely to produce the desired results than other less structured opportunities for discussion.

A telling point in New Delhi's telegram is that the Indians might think it odd if we did not ask for a bilateral. We could make the point in asking that we would not take offence if it proved too difficult to arrange conveniently.

The Foreign and Commonwealth Secretary therefore hopes that the Prime Minister would agree to have another look at the matter.

Yours ever,

P F Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

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10 DOWNING STREET

From the Private Secretary

Q/F Kile

*with AJC
Compendium: CNOGM*

28 October 1983

Dear Sir,

The Prime Minister has asked me to thank you for your letter of 27 September and to say how much she is looking forward to the award ceremony on 28 November.

I understand that our High Commission in New Delhi is in touch with you about the arrangements for the occasion.

Yours sincerely

A. J. Welles.

Shri A. V. Jain.

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
PS/The Prime Minister

Reference

DEPARTMENT: **TEL. NO:**

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Shri A V Jain
Managing Trustee
Bhartiya Jnanpith
B/45-47 Connaught Place
New Delhi - 110001

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SUBJECT:

.....In Confidence

CAVEAT.....

The Prime Minister has asked me to thank you for your letter of 27 September and to say how much she is looking forward to the award ceremony on 28 November.

I understand that our High Commission in New Delhi is in touch with you about the arrangements for the occasion.

A. S. C. ²⁸/₁₀

Enclosures—flag(s).....

PRIME MINISTER

CHOGM

The attached letter deals with three subjects:

(a) The Literary Award Ceremony at which you have agreed to make a speech. Could you indicate your decisions on the various points I have noted in the margin?

(b) Some suggestions from Robert Wade-Gery as to other engagements which you might undertake in Delhi. I think you will need to bear in mind that, following Grenada, CHOGM is going to be a livelier and more demanding Meeting than it would otherwise have been. If you want to take up any of Robert's four suggestions, perhaps you would again indicate in the margin.

(c) A message from you to the Indian press to be published on the eve of the Meeting. A text is attached. Are you content with it?

A. J. COLES

28 October 1983

I am delighted to be returning to India once more, this time for the meeting of the Commonwealth Heads of Government. It is my fourth visit to a country which has always deeply interested me.

We in Britain cherish greatly our membership of the Commonwealth, that unique family of nations bound together by shared values and links of friendship. Our regular meetings whether of Heads of Government, or of the many other Commonwealth bodies now flourishing, symbolise the warmth of the association. Such meetings advance cooperation in many fields, between nations, between organisations, and between individuals. This is one of the main strengths of the Commonwealth relationship. I am confident that under the Chairmanship of your Prime Minister, Mrs Indira Gandhi, the Commonwealth Meeting in New Delhi will make a ~~real~~ *strong* contribution to the Commonwealth ideal.

I also hope that my visit will help strengthen the close ties between the United Kingdom and India. In particular I look forward to discussions with Mrs Gandhi, who brings to her consideration of affairs such experience and vision. ~~It is my strong conviction that the frequent contacts between us and between our two governments and people will further intensify in the months and years ahead.~~

Today India is one of the world's leading industrial nations. Her resources, both material and human, ~~give~~ *represent* India an enormous potential for the future. India has also pioneered work at the frontiers of science and technology. In these and other areas there is great scope for collaboration between our two countries. Such collaboration benefits us both, and promotes our shared objectives of economic growth. Today Britain is one of India's largest trading partners and for many years we have made the largest net bilateral aid contribution to India's development. It is in the interest of both countries to strengthen further this economic cooperation within the Commonwealth framework.

I send through your pages my warm wishes to the Government and people of India.

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to

10 DOWNING STREET

From the Private Secretary

26 October, 1983.

Commonwealth Heads of Government Meeting

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute of 24 October and agrees with his approach to certain of the subjects to be discussed at New Delhi. I gather that Sir Geoffrey Howe's appointment with Mr. Ramphal, which was to have taken place today, has been postponed.

I am sending copies of this letter to John Kerr (HM Treasury), Callum McCarthy (Department of Trade and Industry), and Michael Power (Overseas Development Administration).

E. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

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to

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10 DOWNING STREET

From the Private Secretary

26 October, 1983.

CHOGM: Possible Bilateral Meeting with Mr. Hawke

Thank you for your letter of 25 October.

The Prime Minister would be grateful if you would suggest to the Australians that time be set aside for a full discussion with Mr. Hawke at the weekend retreat at Goa. If Lady Young is able to make this point to the Australian High Commissioner tomorrow, she could, as you suggest, confirm to him that the Prime Minister would like the discussion to range widely over any subjects which she or Mr. Hawke may wish to raise.

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

26 October 1983

Dear John,

CHOGM

Your letter of 11 October asked for details of the ceremony in New Delhi at which the Prime Minister will present the Bhartiya Jnanpith Awards. This letter covers also a number of other points on which we would welcome your advice.

Bhartiya Jnanpith Award Ceremony

/ As you will see from the enclosed letter to the Prime
/ Minister from the Managing Trustee of the Bhartiya Jnanpith -
to which I enclose a draft reply - previous presenters of the
Award have included several Presidents and Prime Ministers of
India. The Prime Minister's participation on this occasion has
already attracted favourable comment in the Indian press.
Details of the ceremony on 28 November are as follows.

The ceremony will be held at the ASIAD auditorium which seats about 2,200. The organisers expect it to be full. Guests will include the diplomatic corps, academics, businessmen, celebrities from the Indian literary world, press and government representatives. Indian radio and television will cover the event. But Mrs Gandhi has still to confirm that she will be present. The programme will be:

1. 1730 Prime Minister received by President, Trustees of the Bhartiya Jnanpith (BJ), and others. Garlanding on dais.
2. 1733 Invocation to Goddess of Wisdom (Hindi).
3. 1737 Welcome speech by President, BJ (Hindi).
4. 1740 Speech by Indian Foreign Minister as Chairman Award Selection Committee (Hindi).
5. 1745 Dr Narayana Monon, Member Section Board introduces Mrs Varma, the Award winner (English).
6. 1750 Reading of Citation (Hindi).

/7.



7. 1753 Garlanding of Mrs Varma, Presentation of citation and cheque, with coconut and shawl, by the Prime Minister.
8. 1756 Speech by Mrs Varma (Hindi).
9. 1806 Speech by the Prime Minister (English).
10. 1816 Thanks by BJ Trustee (English)
11. 1820- Interval: Select group of BJ Trustees
1830 and others (20-30) have tea with Prime Minister.
12. 1830- Cultural programme.
1900
13. 1900- Thanks, presentation of bouquet and
1905 photograph.
14. 1905 End of function.

Agree?

Yes no

The BJ Trustees have asked if the Prime Minister would stay on for the cultural programme (serials 12-14 above) which will be an integral part of the occasion with the setting to music of some of Mrs Varma's poems performed by distinguished musicians. Previous presenters of the Award have always stayed on. There might be adverse comment if the Prime Minister declined. We therefore recommend she agrees to stay.

Agree?

Yes no

The organisers have asked if the Prime Minister would agree to the ceremony of the Tilak (the marking of the forehead with a dab of red powder) in addition to the garlanding (serial 1). The ceremony is the traditional greeting for guests, as the Prime Minister will know from her visit to India in 1981. It would be well received if she agreed.

Agree?

Yes - a
comment
should - we will
have a word.
no

Our High Commission has suggested that the Prime Minister bring a British shawl for the presentation ceremony (serial 7). The Prime Minister will be expected to put it around Mrs Varma's shoulders herself. Use of a British shawl would be a fitting gesture, which would be noted by the audience and media. I should be grateful for advice.

A draft speech for the Prime Minister will be forwarded to you by 1 November.

Other Engagements

Sir Robert Wade-Gery has also asked whether the Prime Minister would be prepared to undertake other engagements while in New Delhi. There are, in order of priority, the following possibilities:



- Me*
- (a) address a meeting of the Indian National Science Academy on a topic in the general field of government promotion of the sciences. The Academy is the nearest equivalent to the Royal Society, with which it has close and effective links. A number of its senior members are themselves FRS. They would be particularly pleased if the Prime Minister, following her election as an FRS, would agree to address them.
- No.*
- (b) Attend a round table discussion of Indian business and economy, and Britain's role in the Indian market, with a small number - around half a dozen - of leading Delhi businessmen.
- Will do*
- (c) Attend a reception for two dozen or so members of the British business community and their wives.
- (d) Attend the opening by Mrs Gandhi of a textile exhibition at 0930 on 22 November, though this would follow close upon the Prime Minister's arrival in New Delhi. This suggestion came from the Indian Foreign Ministry.

We consider that the first two of these suggestion are much the better. The first, in particular, would provide an opportunity to project Britain's achievements in technology and science. The second would enable the Prime Minister to present the Government's economic policies and underline the importance we place on the Indian market. I should be grateful to know whether the Prime Minister would be prepared to consider either of these suggestions, if time can be found within what is already a very full programme.

Press Message

Finally, Sir Robert Wade-Gery has recommended that the Prime Minister send a message to the Indian press (which the High Commission would distribute midday) for publication on the eve of the Commonwealth Meeting. Such press messages are usual in India. She sent one at the time of her visit in 1981, and one on this occasion would help publicise British attachment to the Commonwealth and our wish to strengthen ties with India. I enclose a draft.

Agree / message?

Yours ever,

(P F Ricketts)
Private Secretary

Peter Ricketts

A J Coles Esq
10 Downing Street

010

①

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Prime Minister.

Foreign and Commonwealth Office

London SW1A 2AH

shall we try to arrange
a working lunch with Mr.
Hawke on 23 November?

25 October 1983

A.F.C. $\frac{25}{6}$

do not think
we should now check
after the agreement.

Dear John,

CHOGM: Possible Bilateral Meeting with Mr Hawke

The Australian High Commissioner is calling on Lady Young on 27 October to discuss the proposed bilateral meeting between the Prime Minister and Mr Hawke.

Mr Hawke will probably not now be arriving in New Delhi in time to have a meeting, as originally proposed, on 22 November. The High Commissioner may want to talk about alternative dates. The programme for CHOGM is as always crowded and it may be difficult to find a mutually convenient time. I attach an outline programme as we know it. If there is to be a meeting in the early part of CHOGM, it could be fitted in between the Secretary-General's reception for delegates at 12 noon on Wednesday 23 November, and the first executive session of CHOGM at 3 pm. (A working lunch might be possible then.) Alternatively, a meeting might be fitted in between the reception for Heads of Delegation to be given by the Indian President at 5.30 pm on 23 November and The Queen's banquet at 8 pm. If, however, the Prime Minister felt that both of these occasions would be too hurried, we could suggest to the Australians that time be set aside for a leisurely discussion at the weekend retreat at Goa (at which advisers will not be present).

Much better

The Australian High Commissioner is also likely to go over with Lady Young the subjects which Mr Hawke wishes to discuss. I should be grateful for your agreement that she should confirm to the High Commissioner that the Prime Minister would wish to have a wide-ranging discussion at her meeting with Mr Hawke.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

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CHOGM 1983: OUTLINE PROGRAMME AT 25 OCTOBER

Tuesday 22 November

- 0800 Prime Minister arrives in New Delhi.
1500 Meeting of senior officials to discuss agenda.

Wednesday 23 November

- 1030 Formal opening of CHOGM.
1200 Commonwealth Secretary-General's reception.
1500 Executive session.
1730 Indian President's reception for Heads of Delegation.
2000 HM The Queen's banquet.

Thursday 24 November

- 0930 Executive session.
1200 Visit to International Trade Fair, followed by
Indian Vice-President's lunch for Heads of Delegation.
1500 Executive session.
evening Indian Prime Minister's dinner for Heads of Delegation
(separate dinner for Foreign Ministers).

Friday 25 November

- 0930 Executive session.
1200 Heads of Government depart for Goa.
1300 The Secretary of State's lunch for Foreign Ministers.
evening HM The Queen's reception for Foreign Ministers and
other delegates.

- 1 -

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/Saturday

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Saturday 26 November

Retreat in Goa.

Sunday 27 November

Retreat in Goa.

evening Heads of Government return to New Delhi.

The Secretary of State departs for Brussels.

Monday 28 November

0930 Executive session.

c.1300 Prime Minister's first lunch for Heads of Delegation.

1500 Executive session.

1700 Prime Minister to present Bhartiya Jnanpith award for literature.

evening Dinner given by Mr Yunus, Chairman, Trade Fair Authority of India.

Tuesday 29 November

0930 Executive session.

c.1300 Prime Minister's second lunch for Heads of Delegation.

1500 Executive session.

1700 Press conference: Mrs Gandhi and the Secretary-General.

evening Prime Minister departs.

- 2 -

CONFIDENTIAL



25 OCT 1982



ADVANCE COPY

CHOGM

[LH]

Ps/no ~~Young~~ St (3)
Hd SPD, CCY, SAD,
Protocol Dept, Ps, Ps/Lady
Young

DWF G 78/25

LDX 029/25

CANDAR 561/25

OO FCO



Ps/Mr. Whitney
Mr. Giffard, Mr. Donald
Mr. Squire

X12

IMMEDIATE

M²/10.

GRS 210

CONFIDENTIAL

FM CANBERRA 250040Z OCT 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 551 OF 25 OCTOBER

MY TELEGRAM NUMBER 543 AND WHITE'S TELELETTER TO CULLIMORE OF 21 OCTOBER: CHOGM: THATCHER/HAWKE MEETING

1. SIR V GARLAND'S REQUEST TO SEE LADY YOUNG ARISES FROM INSTRUCTIONS SENT TO HIM BEFORE THE PRIME MINISTER'S LETTER REACHED HERE AND IS IN PURSUIT OF MR HAWKE'S WISH, REPORTED IN TUR, TO MEET THE PRIME MINISTER SPECIALLY.
2. MR HAWKE WILL NOT GET TO NEW DELHI IN TIME TO SEE THE PRIME MINISTER ON 22 NOVEMBER, AND I HAVE AGREED WITH MR HAWKE'S PRIVATE SECRETARY THAT IT WILL MAKE SENSE IF LADY YOUNG HAS SOME ALTERNATIVE DATES TO SUGGEST TO SIR V GARLAND. IT IS NOT CLEAR WHETHER BY THEN MR HAWKE WILL BE SUFFICIENTLY ORGANISED TO BE ABLE TO SUGGEST SOME ALTERNATIVE DATES HIMSELF. I HOPE YOU AGREE THAT MATTERS CAN BEST BE PURSUED AT YOUR END RATHER THAN MINE PARTICULARLY SINCE MR HAWKE IS LEAVING CANBERRA FOR A FEW DAYS ON 26 OCTOBER.
3. THE AUSTRALIANS HAVE NOT THOUGHT OF ANY AGENDA TOPICS FOR A MEETING. THEY SEE IT RATHER AS A QUOTE GETTING TO KNOW EACH OTHER UNQUOTE OCCASION THAN ONE FOR MORE FORMAL DISCUSSION, ALTHOUGH THEY ASSUME THAT GENERAL CHOGM MATTERS WILL NATURALLY FIGURE LARGE. I DOUBT IF WE SHALL PIN THEM DOWN MUCH MORE THAN THIS.
4. I LOOK FORWARD TO LEAVING THE OUTCOME OF THE MEETING WITH LADY YOUNG.

MASON

NNNN

GRS 450

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FM DELHI 240529Z OCT 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 750 OF 24 OCTOBER

INFO ROUTINE MODUK (DEFENCE SALES)

YOUR TELNO 608: BILATERAL BETWEEN THE PRIME MINISTER AND MRS GANDHI

1. THERE SHOULD CERTAINLY BE OPPORTUNITIES FOR UNSCHEDULED DISCUSSIONS BETWEEN THE PRIME MINISTER AND MRS GANDHI IN THE CHOGM MARGIN, NOT LEAST AT GOA. BUT THEIR LENGTH AND PRIVACY MAY BE DIFFICULT TO CONTROL: AND THEIR VALUE FOR SOME PURPOSES COULD BE DIMINISHED IF MRS GANDHI DOES NOT HAVE THE RIGHT ASSISTANTS WITH HER (THOUGH FOR MORE GENERAL PURPOSES TALKS WITHOUT SUPPORTERS PRESENT WILL OF COURSE BE ALL TO THE GOOD). I WOULD THEREFORE SEE CONSIDERABLE ADVANTAGE IN ARRANGING A SPECIFIC BILATERAL, PREFERABLY ON 22 NOVEMBER BEFORE THE CHOGM BEGINS. MRS GANDHI WILL NATURALLY BE BUSY. BUT SHE IS EXTREMELY GOOD AT FINDING TIME IN HER DIARY FOR THOSE SHE WANTS TO SEE. THE QUEEN'S PRESENCE IN INDIA IS UNLIKELY TO TAKE UP MUCH OF HER TIME FROM 22 NOVEMBER ONWARDS, SINCE EXCEPT IN THE EVENINGS THE QUEEN WILL IN THAT PERIOD BE DEVOTING HERSELF ALMOST EXCLUSIVELY TO AUDIENCES AND AUDIENCE LUNCHEONS WHICH WILL NOT INVOLVE MRS GANDHI (WHOSE OWN AUDIENCE WILL ALREADY HAVE TAKEN PLACE THE PREVIOUS WEEK, IN ACCORDANCE WITH THE NORMAL CONVENTION).

2. THERE IS A GENERAL PERCEPTION IN INDIA THAT A SPECIAL RELATIONSHIP EXISTS BETWEEN THE PRIME MINISTER AND MRS GANDHI. THIS WORKS VERY MUCH IN OUR INTERESTS. THE BELIEF THAT THERE IS A BASIC UNDERSTANDING AT THE TOP IMPOSES A PRESSURE THROUGHOUT GOVERNMENT TO WORK FOR AGREEMENTS BETWEEN US. THIS DOES NOT OF COURSE ENABLE US TO GET OUR OWN WAY ON EVERY ISSUE. BUT IT DOES HAVE AN IMPORTANT TONIC EFFECT ON THE SLUGGISH MACHINERY OF INDIAN GOVERNMENT. THE PERCEPTION OF A CLOSE RELATIONSHIP WOULD BE DAMAGED IF, ON THE OCCASION OF HER WEEK LONG VISIT TO INDIA FOR THE CHOGM, THE PRIME MINISTER DID NOT HAVE A SPECIFIC TIME FOR A MEETING WITH MRS GANDHI WHICH COULD BE REPORTED AS SUCH AND MADE KNOWN IN THE PRESS AND IN GOVERNMENT.

3. APPEARANCES APART, THERE ARE IN ANY CASE A NUMBER OF POINTS, ON OUR COMMERCIAL AND DEFENCE SALES INTERESTS IN PARTICULAR, WHICH AS SEEN FROM HERE IT WOULD BE VERY USEFUL IF THE PRIME MINISTER COULD RAISE WITH MRS GANDHI. DESPITE OTHER OPPORTUNITIES FOR DISCUSSION, A SPECIFIC BILATERAL SHOULD MAKE IT EASIER TO ENSURE THAT THEIR TALKS ACTUALLY PRODUCE THE RESULTS WE WANT.

CONFIDENTIAL 14.

CONFIDENTIAL

4. I THEREFORE RECOMMEND THAT FURTHER CONSIDERATION BE GIVEN TO ASKING FOR A BILATERAL MEETING. I AM SURE THAT THE INDIAN GOVERNMENT WOULD NOT BE PUT OUT BY SUCH A REQUEST: INDEED THEY WOULD BE SURPRISED AND PERHAPS HURT BY ITS ABSENCE. IF IN FACT A BILATERAL PROVED IMPOSSIBLE TO ARRANGE BECAUSE OF DIARY PRESSURES, WE WOULD HAVE LOST NOTHING BY PROPOSING IT.

WADE-GERY

BT

LIMITED

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PROTOCOL D

NEWS D

PS/LADY YOUNG

PS/MR WHITNEY

PS/PUS

MR GAFFARD

CABINET OFFICE -

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PM/83/83

PRIME MINISTER

Prime Minute

Do you agree that the Foreign Secretary should take this line with Mr. Ramphal tomorrow - and with other Commonwealth governments prior to Delhi?

A.J.C. 24/10

Commonwealth Heads of Government Meeting

1. I shall be seeing Mr Ramphal, the Secretary-General of the Commonwealth on 26 October. I would like to use this opportunity to outline our approach to some of the subjects to be discussed at New Delhi and in particular to warn him off initiatives which are unacceptable to us. His influence can, as you know, be important. There will be a number of difficult political issues which will come up at the meeting, notably Southern Africa, arms control and, perhaps, Grenada, which will need to be considered separately. This minute deals with the major economic themes under discussion. I would welcome your comments on the approach described below.

2. On the economic side, there will be a general debate under the single agenda item 'World economic issues'. As you know from past experience, Heads of Government are likely to have a wide-ranging debate covering the major problems affecting the world economy and the difficulties faced by developing countries. The Heads of Government meeting will have before it three Commonwealth reports: 'Towards a New Bretton Woods'; 'North/South Dialogue'; and 'Protectionism'. In addition, the Prime Minister of Trinidad will deliver a report on the outcome of the Commonwealth Finance Ministers Meeting which took place in Port of Spain on 21-22 September 1983.

3. A great deal of attention will inevitably be focussed on the Commonwealth Study Group Report 'Towards New Bretton Woods'. When the report is looked at in detail, it is clear that one

/of the



of the things wrong with it is the title. Much of the report is taken up with reasonably sensible analysis of the problems facing the world economy and recommendations for action within existing institutions. The report recognises the importance of maintaining present policies to secure sustained non-inflationary growth. It advocates encouraging direct private investment, working for an international economic consensus on the need for convergence of economic performance, improvements in exchange rate stability through IMF surveillance, and the need to give priority to the needs of the poorest countries in allocating aid flows. We can support these general themes, and some of the detailed points, which largely cover familiar ground.

4. At the same time, the central recommendation of the report, that preparatory work should be set in hand leading to an international monetary conference, is not acceptable to us. At the Commonwealth Finance Ministers Meeting, the Chancellor of the Exchequer found that he and his Canadian colleague were virtually alone in standing firm against this recommendation. The other Commonwealth Finance Ministers were prepared to endorse in full the recommendations of the report with varying degrees of enthusiasm. Muldoon was particularly active in this direction. Against this background, it was helpful that the Chancellor of the Exchequer was able to put forward a proposal that a Commonwealth Group should have discussion with representatives of the international financial institutions to identify changes within existing institutions which would be generally acceptable. The report itself is careful to emphasise that it does not recommend a dismantling of existing financial institutions. If the Chancellor's proposal were to be accepted by the other Heads of Government this would be a satisfactory outcome. The proposed discussions in practice might well not lead to concrete results. But the proposal would enable work

/to continue



to continue beyond the Heads of Government meeting, but would not imply any prior commitment to participate in an international monetary conference. In other words, it would be fully compatible with the line which you took at Williamsburg.

5. We are taking action through the Commonwealth Secretariat to persuade the Trinidadian Prime Minister to refer specifically to the United Kingdom proposal in his report on the Commonwealth Finance Ministers Meeting. This would enable you to give the proposal your support in the subsequent discussion. Nevertheless, there is bound to be a lot of pressure from other Commonwealth governments, especially among the developing countries, to go for the more formal process recommended in the Commonwealth Study Report. In that case I expect you will wish to leave your colleagues in no doubt that we have profound reservations about the usefulness of an international monetary conference, that you are not prepared to commit yourself to the concept at this stage, and that you stick firmly by the line agreed at Williamsburg. If this does not stem the tide, I suggest that in the end you may have to go for a divided reference to the proposal in the communique which would reflect the difference of view.

6. There will also be some discussion on the main themes of the other two reports, i.e. resistance to protectionism and ways of improving the negotiating process between developed and developing countries. On both of these subjects we have a good case to make. We have always been strong advocates of free and fair trading. We have made repeated efforts to promote practical improvements in the negotiating procedures with developing countries. Opposition to such improvements has come not from us, but from the more extreme developing countries, who find the present unwieldy bloc system very much in their interests. I do not think we should let them get away with it.



7. I would propose to put these points to Mr Ramphal when I see him. He can be influential if he knows our position clearly at an early stage. I think it would be wrong to leave him under any illusion that we are prepared to accept a commitment to an international monetary conference. He should not be surprised to hear me taking this line. It was my original reaction when Muldoon first started the hare running at the Commonwealth Finance Ministers meeting in 1982; and I have maintained the same position at meetings with each of them in the course of the last six months.

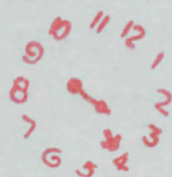
8. I shall also instruct our High Commissions in Commonwealth posts to lobby their host governments at the most effective level to put over in advance our views on the main political and economic issues. This should make it somewhat easier to handle the different pressures when we get to Delhi. It is important to make clear in advance that on some issues we are prepared to go so far, but no further. In these circumstances Commonwealth governments are usually reluctant in the end to try to push us into a corner.

9. I am copying this minute to the Chancellor of the Exchequer, Secretary of State for Trade and Industry and the Minister for Overseas Development.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
24 October 1983

24 OCT 1983





HL

10 DOWNING STREET

From the Private Secretary

24 October 1983

The Prime Minister has asked me to thank you for your letter of 20 October enclosing your report on the work of the Commonwealth Secretariat in the past two years. The Prime Minister will read this with interest.

A. J. COLES

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



HU

10 DOWNING STREET

From the Private Secretary

24 October 1983

CHOGM

You should know that the Commonwealth Secretary-General has sent to the Prime Minister his report entitled "A healing touch" covering the work of the Commonwealth Secretariat in the past two years. You will doubtless be covering this in the briefing for New Delhi.

CBT / Incidentally, we have heard by a roundabout route that Mr. Ramphal is hoping to see the Prime Minister once more before CHOGM. I should be grateful to know whether the Foreign and Commonwealth Secretary considers it desirable that Mrs. Thatcher should receive Mr. Ramphal again.

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.



JKR

10 DOWNING STREET

From the Private Secretary

24 October 1983

CHOGM

I enclose a copy of a letter which the Prime Minister has received from the Commonwealth Secretary General which inter alia proposes that the Prime Minister should be one of the Heads of Government who should make a response to Mrs Gandhi's address of welcome at the formal opening session of CHOGM on 23 November. I should be grateful for any advice you wish to offer and for a draft reply to Mr. Ramphal's letter.

BF

A. J. COLES

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.



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10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

Commonwealth Heads of Government Meeting:
List of Briefs

Thank you for your minute of 20 October.
I have not consulted the Prime Minister but I
am sure that she will be content for preparations
for CHOGM to go ahead on the basis of your
proposals.

A. J. COLES

24 October 1983

File with AJC

AJC

Cabinet Office,
70 Whitehall,
London SW1 2AS

21 October 1983

PS(83) 27M 24
/w.

h-a.

Dear Private Secretary,

Commonwealth Heads of Government Meeting, New Delhi:
23-29 November 1983

This letter sets out the briefing arrangements for the Commonwealth Heads of Government Meeting in New Delhi on 23-29 November 1983.

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, ie 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, ie the prepared statements by the United Kingdom, should be drafted in speech form for statements that will take around 10 minutes to deliver.

90 copies of each brief should be sent as soon as they are ready to Mr R D Roscoe (tel no 233 7343) in Committee Section, Cabinet Office, who should be consulted about any technical points arising. The bulk of the briefs should arrive no later than close of play on Monday 7 November. Briefs dealing with fast-moving issues must however reach the Cabinet Office by noon on Friday 18 November.

I am sending copies of this letter to the Private Secretaries to Sir Antony Acland, Sir Michael Franklin, Sir George Moseley, Mr M E Quinlan, Mr D J S Hancock, Sir Brian Cubbon, Sir Philip Woodfield, Sir Anthony Rawlinson, Sir Brian Hayes, Mr P E Middleton, Sir William Ryrie, Sir Clive Whitmore and to John Coles at No 10.

Yours sincerely,

(Signed) LINDSAY WILKINSON (Miss)
Assistant Private Secretary

LIST OF BRIEFS FOR
COMMONWEALTH HEADS OF GOVERNMENT MEETING, NEW DELHI
23-29 NOVEMBER 1983

Category A. Prepared Ministerial Statements by the United Kingdom

<u>PMVE(83) A</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
A1	Prime Minister's Response to Address of Welcome (For use if invited to respond)	FCO	-
A2	World Political Scene: Global Trends and Prospects (For use as necessary)	FCO	-
A3	Southern Africa (including Gleneagles). (For use as necessary)	FCO	DOE ODA
A4	World Economic Issues (For use as necessary)	Treasury	FCO
A5	Falkland Islands (For use as necessary)	FCO	-
A6	Afghanistan (For use as necessary)	FCO	
A7	UNLOSC (For use as necessary)	FCO	Treasury

Category B. List of Briefs for Use in Formal Sessions

<u>PMVE(83) B</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
B1	Steering Brief	FCO	-
B2	Agenda and Style and Format	FCO	-
B3	Communique, Timing and Venue of Next Meeting	FCO	-

WORLD POLITICAL SCENE

Global Trends and Prospects

B4	East-West Relations and the Threat to International Security	FCO	-
B5	Defence and Disarmament	FCO	-
B6	Restoration of Confidence in the United Nations	FCO	-
B7	Problems in West and East Asia:	FCO	-
	(a) Afghanistan		
	(b) Iran/Iraq		
	(c) Middle East		
	(d) South-East Asia especially Cambodia		
B8	South Pacific:	FCO	-
	(a) Self-determination		
	(b) Denuclearisation		DOE MAFF
B9	Falkland Islands	FCO	-
B10	Cyprus	FCO	-
B11	Belize	FCO	-

<u>PMVE(83) B</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
<u>Southern Africa</u>			
B12	Namibia	FCO	ODA
B13	South Africa including Destabilisation and Sanctions	FCO	ODA DTI
B14	Sporting Contacts	FCO	DOE
WORLD ECONOMIC ISSUES			
B15	World Economic Situation and Prospects	Treasury	FCO
B16	Relations with Developing Countries (including Debts and United Kingdom Aid Policy)	FCO	ODA Treasury
B17	Commonwealth Studies:	FCO	-
	(a) "Protectionism: Threat to International Order"	DTI	Treasury DTI
	(b) "North-South Dialogue: Making It Work"	FCO	Treasury DTI
	(c) "Towards a New Bretton Woods"	Treasury	FCO DTI
B18	The EC: Lome Renegotiation	FCO	MAFF ODA DTI Treasury
B19	The EC and Non-Associates	FCO	MAFF ODA Treasury
COMMONWEALTH FUNCTIONAL CO-OPERATION			
B20	Commonwealth Fund for Technical Co-operation	ODA	FCO
B21	Student Mobility (including Student Fees)	FCO	ODA DES

<u>PMVE(83) B</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
B22	Commonwealth Youth Programme	ODA	FCO
B23	Commonwealth Science Council	ODA	DES DTI FCO
B24	Women and Development	ODA	FCO
B25	Commonwealth Foundation	FCO	ODA
B26	Culture:	FCO	-
	(a) Commonwealth Arts Organisation		
	(b) Commonwealth Institute		

OTHER BUSINESS

B27	Population Issues	ODA	-
B28	Working Group on Management of Technological Change	Employment	FCO DTI

Category C. List of Background Briefs to be Available in
Delegation Secretariat

<u>PMVE(83) C</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
C1	Non-Aligned Movement	FCO	-
C2	UNLOSC	FCO	Treasury
C3	7th Replenishment of IDA	ODA	Treasury
C4	Constitutional Development of Remaining Dependencies	FCO	-
C5	Hong Kong	FCO	-
C6	OAU (including Libya/ Chad)	FCO	-
C7	Indian Ocean Zone of Peace	FCO	-
C8	BIOT (including Diego Garcia)	FCO	-
C9	Foreign and Commonwealth Secretary's Visit to Africa	FCO	ODA
C10	Drought in Africa	ODA	-
C11	United Kingdom Economy	Treasury	-
C12	Current Situation in Northern Ireland	NIO	FCO
C13	Extradition and Transfer of Prisoners	Home Office	FCO
C14	Communications and the Media	FCO	-
C15	Antartica	FCO	-
C16	Human Rights	FCO	-
C17	Commonwealth Secretary General	FCO	-
C18	Commonwealth Secretariat (Review, Marlborough House and Budget)	FCO	ODA

<u>PMVE(83) C</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
C19	Possible New Commonwealth Members (Other than Pakistan)	FCO	-
C20	Pakistan and the Commonwealth	FCO	-
C21	Special Members	FCO	ODA
C22	Consular Services in the Commonwealth	FCO	-
C23	Discussion of Intra-Commonwealth Disputes	FCO	-
C24	Headship of the Commonwealth	FCO	-
C25	Commonwealth Regionalism:	FCO	-
	(a) Future of CHOGRMs and Other Regional Meetings	FCO	-
	(b) Southern African Development Co-ordination Conference	ODA	FCO
C26	Nationality, Immigration, Race Relations and Other United Kingdom Domestic Legislation Affecting Commonwealth Citizens	Home Office	FCO
C27	Australia	FCO	-
C28	Antigua and Barbuda/The Bahamas/Barbados/Dominica/St Kitts and Nevis/St Lucia/Grenada/Guyana/Jamaica/Trinidad and Tobago	FCO	ODA
C29	Bangladesh	FCO	ODA
C30	Belize (Bilateral Issues only)	FCO	ODA
C31	Botswana/Swaziland	FCO	ODA
C32	Lesotho	FCO	ODA

<u>PMVE(83) C</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
C33	Canada	FCO	-
C34	Cyprus (Bilateral Issues only)	FCO	ODA
C35	Pacific Islands (ie Vanuata, Kiribati, Papua New Guinea, Solomon Islands, Tonga, Western Samoa, Fiji)	FCO	ODA
C36	The Gambia	FCO	ODA
C37	Ghana	FCO	ODA
C38	India	FCO	ODA
C39	Kenya	FCO	ODA
C40	Uganda	FCO	ODA
C41	Tanzania	FCO	ODA
C42	Malawi	FCO	ODA
C43	Malaysia	FCO	ODA
C44	Malta	FCO	ODA
C45	Mauritius/Seychelles	FCO	ODA
C46	New Zealand	FCO	-
C47	Nigeria	FCO	ODA
C48	Sierra Leone	FCO	ODA
C49	Singapore	FCO	ODA
C50	Sri Lanka	FCO	ODA
C51	Zambia	FCO	ODA
C52	Zimbabwe	FCO	ODA

THE FOLLOWING INSTRUCTIONS ABOUT FORMAT SHOULD BE FOLLOWED CAREFULLY

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 whenever possible be no more than two sides long.
- (b) The main body of each brief should comprise three sections: a very brief statement of the United Kingdom Objective (normally no more than a couple of lines); a concise list of Points to Make; and 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 subsections.

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 (eg PMVE(83) A10) with the date of circulation 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 plain 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.
- (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, a revise should be prepared. It should be set out in the form described at (e) above, with the brief number amended to show that it is a revise (eg PMVE(83) A10 (Revise)). Subsequent revises should be numbered (eg PMVE(83) A10 (Revise 2); etc). If it is a question of adding material to the brief rather than revising its existing contents, an addendum may be prepared, in the form described at (e) above with the brief number (eg PMVE(83) 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 a revise or an addendum is in preparation and also about corrigenda to briefs.

- (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

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PMVE(83) [A, B or C, then serial no as
specified in Annex A]

COPY NO [in red]

[Date]

COMMONWEALTH HEADS OF GOVERNMENT MEETING, NEW DELHI
23-29 NOVEMBER 1983

[SUBJECT] [Insert subject in capitals]

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

[At foot of last page on left-hand side:-]

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

[Date of origin]

[CLASSIFICATION]

Ref.A083/2965

MR COLES

Commonwealth Heads of Government Meeting (CHOGM):
23-29 November: List of Briefs

I enclose a draft list of briefs for this year's Commonwealth Heads of Government Meeting (CHOGM). It has been prepared on the basis of the annotated agenda for the meeting which was issued under cover of the Secretary-General's circular letter of 3 October (a copy is enclosed) and has been cleared as necessary within Whitehall.

2. The total number of briefs proposed is 87, as against 84 for the 1981 CHOGM in Melbourne. I do not believe we could safely leave out any of the subjects suggested, though some can be covered very briefly.

3. To avoid burdening the Prime Minister and senior members of the delegation too much with paper, the briefs have been divided into three categories:

- (a) prepared statements;
- (b) Ministerial briefs for use in formal (heads of Government) sessions of CHOGM;
- (c) background briefs: to be available in the Delegation Secretariat for use as necessary.

4. Category (a) is tentative, and based on assumptions of the subjects on which the Prime Minister might want to make a substantial intervention. It is not yet known whether Mr Ramphal plans to ask the Prime Minister to respond to the Address of Welcome or to lead off discussion on particular agenda items. If so, additional statements may be necessary.

5. I do not think the briefs proposed in the other categories need explanation. We have been guided by the headings for discussion proposed by Mr Ramphal, but some of these are wide in scope and the list of briefs reflects our view of the subjects which may actually arise. The bilateral briefs will, where necessary, include briefing on commercial opportunities.



6. The preparation of briefs will be co-ordinated 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 Monday 7 November. Briefs dealing with fast-moving issues will be with you on 18 November. The Foreign and Commonwealth Office hope to send as many as possible of the category (c) briefs (which will not for the most part cover fast-moving issues) to New Delhi by diplomatic bag on 15 November.

7. I should be grateful if you would seek the Prime Minister's approval for preparations to go ahead for CHOGM on the basis of the proposals outlined above.

RA

ROBERT ARMSTRONG

20 October 1983



20 OCT 1988



DRAFT LIST OF BRIEFS FOR COMMONWEALTH HEADS OF GOVERNMENT BRIEFING
 SERIES A
 (Prepared Ministerial Statements)

	Lead Dept	Other Depts Concerned
A1 Prime Minister's response to address of welcome (for use if invited to respond)	FCO	
A2 World Political Scene: global trends and prospects (for use as necessary).	FCO	
A3 Southern Africa (including Gleneagles). (For use as necessary)	FCO	DOE FCO(ODA)
A4 World Economic Issues: (for use as necessary).	HM Treasury	FCO
A5 Falklands (for use as necessary)	FCO	
A6 Afghanistan (for use as necessary).	FCO	
A7 UNLOSC (for use as necessary).	FCO	HM Treasury

DRAFT LIST OF BRIEFS FOR CHOGM - SERIES B
 Ministerial briefs for use in formal sessions of CHOGM

	Lead Dept	Other Depts Concerned
B1 Steering Brief	FCO	
B2 Agenda and Style and Format	FCO	
B3 Communique, Timing and Venue of next meeting	FCO	
WORLD POLITICAL SCENE		
(a) <u>Global Trends and Prospects</u>		
B4 East-West relations and the threat to international security	FCO	
B5 Defence and Disarmament	FCO	
B6 Restoration of Confidence in the UN.	FCO	
B7 Problems in West and East Asia:	FCO	
(a) Afghanistan		
(b) Iran/Iraq		
(c) Middle East		
(d) South-East Asia especially Cambodia		
B8 South Pacific:	FCO	
(a) Self-determination		
(b) Denuclearisation		DOE MAFF
B9 The Falklands	FCO	
B10 Cyprus	FCO	
B11 Belize	FCO	

	Lead Dept	Other Depts Concerned
(b) <u>Southern Africa</u>		
B12 Namibia	FCO	FCO (ODA)
B13 South Africa including destabilisation and sanctions	FCO	FCO (ODA) DTI
B14 Sporting Contacts	FCO	DOE
WORLD ECONOMIC ISSUES		
B15 world Economic Situation and Prospects	HM Treasury	FCO
B16 Relations with Developing Countries (including debts and UK aid policy)	FCO	FCO (ODA) HM Treasury
B17 Commonwealth Studies:	FCO	
(a) "Protectionism: threat to international order"	DTI	HM Treasury FCO
(b) "North-South Dialogue: making it work"	FCO	HM Treasury DTI
(c) "Towards a New Bretton Woods".	HM Treasury	FCO DTI
B18 The EC: Lome renegotiation	FCO	MAFF FCO (ODA) DTI HM Treasury
B19 The EC and Non-Associates	FCO	MAFF FCO (ODA) HM Treasury
COMMONWEALTH FUNCTIONAL COOPERATION		
B20 Commonwealth Fund for Technical Cooperation	FCO (ODA)	FCO
B21 Student Mobility (including student fees)	FCO	FCO (ODA) DES
B22 Commonwealth Youth Programme	FCO (ODA)	FCO
B23 Commonwealth Science Council	FCO (ODA)	DES DTI FCO

	Lead Dept	Other Depts Concerned
B24 Women and Development	FCO (ODA)	FCO
B25 Commonwealth Foundation	FCO	FCO (ODA)
B26 Culture:	FCO	
(a) Commonwealth Arts Organisation		
(b) Commonwealth Institute		
OTHER BUSINESS		
B27 Population Issues	FCO (ODA)	
B28 Working group on management of technological change	DOEm	FCO DTI

DRAFT LIST OF BRIEFS FOR CHOGM - SERIES C
BACKGROUND BRIEFS FOR USE AS NECESSARY: TO BE AVAILABLE
IN THE DELEGATION SECRETARIAT

	Lead Dept	Other Depts Concerned
C1 Non-Aligned Movement	FCO	
C2 UNLOSC	FCO	HM Treasury
C3 7th Replenishment of IDA	FCO (ODA)	HM Treasury
C4 Constitutional Development of Remaining dependencies	FCO	
C5 Hong Kong	FCO	
C6 OAU (including Libya/Chad)	FCO	
C7 Indian Ocean Zone of Peace	FCO	
C8 BIOT (including Diego Garcia)	FCO	
C9 Foreign and Commonwealth Secretary's visit to Africa	FCO	FCO (ODA)
C10 Drought in Africa	FCO (ODA)	
C11 The UK Economy	H M Treasury	
C12 Current Situation in Northern Ireland	NIO	FCO
C13 Extradition and Transfer of prisoners	Home Office	FCO
C14 Communications and the Media	FCO	
C15 Antarctica	FCO	
C16 Human Rights	FCO	
C17 Commonwealth Secretary General	FCO	
C18 Commonwealth Secretariat (Review, Marlborough House and Budget)	FCO	FCO (ODA)
C19 Possible new Commonwealth members (other than Pakistan)	FCO	
C20 Pakistan and the Commonwealth	FCO	

	Lead Dept	Other Depts Concerned
C21 Special Members	FCO	FCO (ODA)
C22 Consular Services in the Commonwealth	FCO	
C23 Discussion of Intra-Commonwealth Disputes	FCO	
C24 Headship of the Commonwealth	FCO	
C25 Commonwealth Regionalism:	FCO	
(a) Future of CHOGRMs and other regional meetings	FCO	
(b) Southern African Development Coordination Conference	FCO (ODA)	FCO
C26 Nationality, Immigration, Race Relations and other UK domestic legislation affecting Commonwealth citizens	Home Office	FCO
C27 Australia	FCO	
C28 Antigua and Barbuda/ The Bahamas/Barbados/Dominica/ St Kitts and Nevis/St Lucia/ Grenada/Guyana/Jamaica/ Trinidad and Tobago	FCO	FCO (ODA)
C29 Bangladesh	FCO	FCO (ODA)
C30 Belize (Bilateral issues only)	FCO	FCO (ODA)
C31 Botswana/Swaziland	FCO	FCO (ODA)
C32 Lesotho	FCO	FCO (ODA)
C33 Canada	FCO	
C34 Cyprus (Bilateral issues only)	FCO	FCO (ODA)
C35 Pacific islands (i.e. Vanuatu, Kiribati, Papua New Guinea, Solomon Islands, Tonga, Western Samoa, Fiji)	FCO	FCO (ODA)
C36 The Gambia	FCO	FCO (ODA)
C37 Ghana	FCO	FCO (ODA)

	Lead Dept	Other Depts Concerned
C38 India	FCO	FCO(ODA)
C39 Kenya	FCO	FCO(ODA)
C40 Uganda	FCO	FCO(ODA)
C41 Tanzania	FCO	FCO(ODA)
C42 Malawi	FCO	FCO(ODA)
C43 Malaysia	FCO	FCO(ODA)
C44 Malta	FCO	FCO(ODA)
C45 Mauritius/Seychelles	FCO	FCO(ODA)
C46 New Zealand	FCO	
C47 Nigeria	FCO	FCO(ODA)
C48 Sierra Leone	FCO	FCO(ODA)
C49 Singapore	FCO	FCO(ODA)
C50 Sri Lanka	FCO	FCO(ODA)
C51 Zambia	FCO	FCO(ODA)
C52 Zimbabwe	FCO	FCO(ODA)

C.152/12/3

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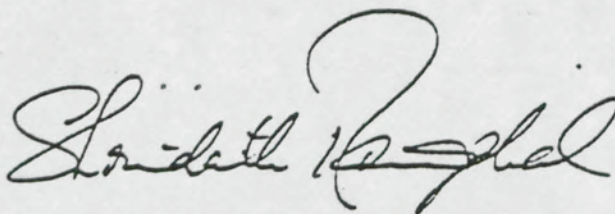
Covering SECRET

DOE

3 October 1983

COMMONWEALTH HEADS OF GOVERNMENT MEETING
NEW DELHI 1983

... I attach a message to your Head of Government on the
... subject of the Agenda for the forthcoming Heads of Government
... Meeting at New Delhi from 23 to 29 November, with five extra
copies. I should be grateful if you would ensure that the
original is transmitted to your Head of Government as quickly
as possible.



Shridath S. Ramphal

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29 September 1983

On 2 August 1982 I wrote canvassing the views of Commonwealth leaders on the Agenda for the Heads of Government Meeting in New Delhi at the end of November. In the light of replies and further consultations I have been able to have, I now enclose a draft Agenda for your consideration, supplemented by a list of background papers which the Secretariat will distribute shortly. In accordance with our established guidelines on Style and Format, about which I have written to you separately, documents have been kept to a minimum so as to promote informality and spontaneous discussion.

As on previous occasions, the Agenda has been structured around broad and flexible headings to enable a review of developments in larger terms as well as discussion focussing upon more detailed aspects or specific topics. In the Introduction to my Report for the period 1981-83 I have offered some reflections on developments since Melbourne. I hope that the following comments offered by way of annotation of the draft Agenda will be helpful in your preparations.

1. OPENING SESSION

The Opening Session will be on the morning of Wednesday, 23 November at 1000 hours at the Vigyan Bhavan in the presence of a large number of invited guests and the media. In addition to Prime Minister Indira Gandhi's address of welcome and my own remarks, there will be the customary speeches in reply taking in all about an hour.

The formal photograph of Heads of Delegation will follow immediately.

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My traditional reception to provide you with an opportunity to meet representatives of the Indian and world press, who will have gathered in New Delhi to cover the Meeting, will be at 1230 pm.

2. ORDER OF AGENDA AND STYLE AND FORMAT

Immediately after the Opening Session and before the midday reception I hope there might be a short first Session held on a 'restricted' basis (Heads of Delegation only) to consider the Agenda and the suggested guidelines on Style and Format which might be taken as the first order of business.

Senior Officials will have met as is customary on the previous day 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 Session.

In addition, Heads of Government may wish to consider at the very outset the modified guidelines on Style and Format which I sent under cover of my letter of 19 September. The refinements of the Lusaka Guidelines are all designed to enhance and reinforce the special qualities of Commonwealth Heads of Government Meetings - starting in New Delhi.

3. WORLD POLITICAL SCENE

(a) Global Trends and Prospects

Under this general heading it is envisaged that discussion will traverse issues of broad political interest and special concern to Commonwealth leaders. The absence of sub-items, other than that on Southern Africa, is not intended to exclude discussion on specific subjects but rather to emphasise the broad and reflective nature of the item responsive to current circumstances,

Heads of Government will no doubt wish to consider from their several vantage points the many political developments that have occurred since they met two years ago. On that occasion the annotation of the Draft Agenda under this item was, inter alia, to the following effect:

"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".

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These disturbing trends have continued, and in some respects they have worsened, since Melbourne. But, partly because they have, there is now, perhaps, a greater awareness of the dangers they constitute and a heightened sense of urgency to reverse them - concerns which have been prominent in the opening days of the current Session of the UN General Assembly.

In my consultations leaders have underlined a variety of particular issues: the continuing problems in West and East Asia; self-determination and denuclearisation in the South Pacific; the Falklands; and such special concerns as Cyprus and Belize. All these and more will be in the minds of Commonwealth leaders and will inform the political discussion. But a wider anxiety has been the overall deterioration in the environment of international security and the particular intensification of East-West tensions. Each of the Commonwealth's different regions has suffered to some degree in the prevailing climate of confrontation, suspicion and insecurity.

Commonwealth leaders at New Delhi will not wish to enter the maze of specific technical disarmament issues, but may see value in sharing their thoughts on paths leading away from militarism and towards internationalism and common security. At Melbourne, Commonwealth leaders emphasised that - "As an association of aligned and non-aligned states, the Commonwealth was uniquely well placed to make a substantial contribution to defusing international tensions in a divided world". New Delhi will be a timely occasion for Commonwealth leaders to explore how best they might make that contribution.

Nowhere has the decline in internationalism been more in evidence than in the erosion of confidence in the conciliatory role of the United Nations. In his 1982 Report and again in his 1983 Report the United Nations Secretary-General has called on nations to return to the spirit of the Charter and to take urgent steps to restore confidence in the world organisation as a means of maintaining international security. The Commonwealth's many small states have a particular interest in fulfilment of the Charter's promise of collective security; but all states would gain. Heads of Government may wish to consider how the Commonwealth can help this process of renewal.

(b) Southern Africa

The Commonwealth has a special concern with the problems of Southern Africa, including Namibia's independence. Commonwealth leaders will wish to review the continued frustration by South Africa of the United Nations' efforts to resolve the Namibian question. They may also wish to explore the prospects of a Commonwealth contribution to international efforts to bring Namibia to independence, bearing in mind the special roles of Commonwealth Frontline African States and Commonwealth members of the Western Contact Group.

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Commonwealth leaders will also wish to consider the wider but related problems of apartheid in South Africa and of the new pressures being faced by Commonwealth countries in the region. While exploring further areas for Commonwealth action against apartheid, including humanitarian assistance to its victims, Heads of Government will wish to note the very real value of the Commonwealth's contributions under the Gleneagles Agreement and, more recently, the Brisbane Code of Conduct.

4. WORLD ECONOMIC ISSUES

All my consultations confirm that, as was the case at Melbourne, Heads of Government attach overwhelming importance to the discussion of economic issues at New Delhi. For some Commonwealth countries the general economic situation is even more serious now than two years ago. A process of recovery is underway in the United States, and to a more limited degree in some OECD countries; but there is uncertainty about its strength and durability. Taken as a whole, there is general agreement that the world economy remains in need of 'intensive care' and that the assessment which Commonwealth leaders made in their Melbourne Declaration remains valid, namely:

"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 an indictment of this generation if that political will and the readiness to find a creative compromise were not found".

At New Delhi, Commonwealth leaders will have before them two studies which they commissioned at Melbourne. The first, PROTECTIONISM: THREAT TO INTERNATIONAL ORDER, is the work of the Group which was set up to study the impact of protectionism on developing countries in particular and its implications worldwide as well. As envisaged, the report was made available to the GATT Ministerial Meeting in 1982. The second study relates to the obstacles to progress in the North-South dialogue arising from the negotiating process itself. That report, NORTH-SOUTH DIALOGUE: MAKING IT WORK, was also published in 1982. Both reports have attracted wide international notice and been welcomed for their dispassionate professionalism, candour and practical thrust.

More specifically, however, Heads of Government at New Delhi will have before them a new major study, TOWARDS A NEW BRETTON WOODS: CHALLENGES FOR THE WORLD FINANCIAL AND TRADING SYSTEM. Commissioned by Commonwealth Finance Ministers in 1982, this Report by a most distinguished Expert Group has been welcomed just recently by Commonwealth Finance Ministers (at their September meeting in Port of Spain) "as a major contribution to the ongoing search for answers to

the wide range of issues with which it dealt". The Report covers the substantive issues and makes recommendations for both the short and long term. It also deals with matters of procedure and makes recommendations on the next steps that the international community might take.

Finance Ministers specifically commended the Report to Commonwealth Heads of Government in New Delhi and requested the Prime Minister and Minister of Finance and Planning of Trinidad and Tobago "to convey to his colleagues at New Delhi the essence of the discussions in Port of Spain". The relevant paragraphs of their Communique are set out in Annex I to this letter.

Heads of Government will note that in Port of Spain Commonwealth Finance Ministers gave particular attention to the question of follow-up to the Report, including the recommendations on process, and that in doing so:

"They welcomed the view that the call for a 'New Bretton Woods' should be seen as a need for renewed work towards shared international objectives requiring the most careful preparation. An international conference could be the culmination of the process. They agreed on the need for a more integrated approach to inter-related issues of money, finance and trade. They also agreed that these were matters of great political importance requiring careful consideration by the international community at the highest level".

The Report's recommendations on 'process' is attached hereto as Annex II.

Taken together with the 1982 reports, TOWARDS A NEW BRETTON WOODS will provide Heads of Government at New Delhi with a comprehensive, authoritative and up-to-date survey of contemporary international economic issues offering pointers for solutions both on substance and on process. It is now for Commonwealth leaders together to grasp the situation in its full political dimensions. The New Delhi meeting will be almost uniquely well-placed to contribute to global consensus-building in this area of critical importance to all countries.

5. COMMONWEALTH FUNCTIONAL COOPERATION

Commonwealth Heads of Government do not expect to dwell extensively on the details of functional cooperation. These are for the greater part in the domain of appropriate Ministerial consultations. Together, however, they represent a vital practical element of Commonwealth relations and to many Commonwealth leaders, particularly among developing member countries, they are a tangible expression of the Commonwealth connection. Heads of Government will want their New Delhi meeting to reinforce the importance of this day-to-day cooperation between member countries. The specific topics are:

(a) Commonwealth Fund for Technical Cooperation

Commonwealth leaders will welcome the improved strength of the Fund due essentially to new forward planning techniques, the continued support of the major contributor countries and the whole-hearted response to my call for increased contributions from the very many small developing countries who are the Fund's principal beneficiaries. There is general agreement that in present difficult financial times the Fund should look to the period immediately ahead as one of consolidation. These very times, however, enlarge the need for the Fund's assistance. While growth will be modest, therefore, it is essential that the Fund be alert to the most pressing needs and constantly responsive to them.

(b) Student Mobility

At their Melbourne Meeting, Heads of Government reaffirmed the importance of student mobility and educational interchange within the Commonwealth, both in the context of the development efforts of member countries and the maintenance of Commonwealth links. Pursuant to the Melbourne discussion the Commonwealth Standing Committee on Student Mobility was established in 1982 and its Report will be before leaders at New Delhi. The Committee sees educational interchange as a Commonwealth imperative, and makes wide-ranging recommendations to put such interchange on a more assured basis and to give it greater coherence. The Committee proposes initiatives designed to improve consultation, to facilitate and diversify student interchange, and to promote new and imaginative approaches to Commonwealth cooperation in higher education with a view to widening the range of opportunities for Commonwealth citizens. Heads of Government will wish to consider the Committee's recommendations in this most important area of intra-Commonwealth activities.

(c) Commonwealth Youth Programme

At Melbourne, Heads of Government agreed that the Commonwealth Youth Programme should be provided with adequate resources to sustain its existing level of activities and, to this end, that Governments should seek to maintain the value of their contributions in real terms. It is encouraging that this objective has broadly been achieved and that the Programme has been set on a stable course. Heads of Government may wish to reaffirm their support for the Programme as well as their commitment to maintaining the value of their pledges.

(d) Commonwealth Science Council

The Commonwealth Science Council has set up an Expert Group to examine ways and means of promoting an expanded programme of Commonwealth scientific cooperation, especially in new and emerging areas of developmental significance. Heads of Government may wish to welcome the establishment of this Group, whose recommendations could take Commonwealth scientific cooperation to a higher threshold.

(e) Women and Development

Since its establishment by Heads of Government three years ago, the Secretariat's very modest Women and Development Unit has sought to give the Commonwealth's contribution in this area an emphasis on practicality. The UN World Conference to Review and Appraise the Achievements of the UN Decade for Women is expected to be held in a member country, Kenya, in 1985. Heads of Government may think it appropriate that Commonwealth Ministers responsible for women's affairs might take that opportunity to evaluate the Secretariat's programme and to identify directions for the future.

(f) Commonwealth Foundation

Following approval by Heads of Government at Melbourne, formalities for the reconstitution of the Foundation as an international organisation were completed in February 1983. A comprehensive review of the Foundation's programmes has also been completed. Though headquarters costs have been reduced, inflation (since 1979) has substantially affected the Foundation and inroads into reserves are inevitable in the current year if the present level of activity is to be maintained. The Foundation now seeks modest increased resources to consolidate and put into effect programmes and policies drawn up as a result of the review.

(g) Culture

The Secretariat was requested by Senior Officials at their meeting in Arusha to prepare a background paper outlining the possibilities for Commonwealth cooperation in the cultural field. Heads of Government might wish to explore the several options that are open to them in this field, along with their financial implications.

6. OTHER BUSINESS

It has been suggested that Commonwealth leaders may wish to have a discussion on population issues, particularly in the light of the International Conference on Population due to be held in Mexico in 1984. Given the importance of the subject for world development, Heads of Government may think it appropriate to take account of the subject in their contributions on World Economic Issues.

Additionally, Heads of Government will have before them a proposal by Commonwealth Employment and Labour Ministers for a working group on the management of technological change. This may appropriately be considered as a sub-item under Functional Cooperation.

General

The Agenda proposed aims at a judicious blend between substantial policy issues and matters of a more specific nature. Bearing in mind the practice of the Committee of the Whole (Senior Officials) giving initial

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consideration to most of the 'Functional Cooperation' items, I hope you will agree that the Agenda offers a reasonable basis for constructive dialogue across a broad spectrum of issues of interest and concern to Commonwealth leaders.

I know that Heads of Government value their meetings as opportunities both for enlarging consensus on specific issues and having a truly reflective discussion aimed at broadening understanding of each others point of view. To this end, as the guidelines on Style and Format suggest, effective use might be made at New Delhi of 'Restricted Sessions'; and there remains, of course, the whole range of informal contacts between leaders from which Commonwealth relations are so greatly strengthened.

At a time of great strain in international relations and of much danger for the world's people, the draft Agenda for New Delhi aims to afford Commonwealth leaders a chance of applying that "healing touch" which Jawaharlal Nehru attributed to the Commonwealth some 35 years ago.

With deep respect,

Shridath S Ramphal

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI - 1983

DRAFT AGENDA

1. OPENING SESSION
2. ORDER OF AGENDA AND STYLE AND FORMAT
3. WORLD POLITICAL SCENE
 - (a) Global Trends and Prospects
 - (b) Southern Africa
4. WORLD ECONOMIC ISSUES
5. COMMONWEALTH FUNCTIONAL COOPERATION
 - (a) CFTC
 - (b) Commonwealth Student Mobility
 - (c) Commonwealth Youth Programme
 - (d) Commonwealth Science Council
 - (e) Women and Development
 - (f) Commonwealth Foundation
 - (g) Culture
6. REPORT OF THE COMMITTEE OF THE WHOLE
7. OTHER BUSINESS
8. COMMUNIQUE

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COMMONWEALTH HEADS OF GOVERNMENT MEETING
NEW DELHI - 1983

DRAFT AGENDA : DOCUMENTATION

1. OPENING SESSION
2. ORDER OF AGENDA AND STYLE AND FORMAT
 - Letter from Secretary-General to Heads of Government dated 19 September 1983
3. WORLD POLITICAL SCENE
 - (a) Note for information:
 - Extracts from UN Secretary-General's Reports for 1982 and 1983
 - Report of the President of the Security Council on enhancing the effectiveness of the Security Council (Document S/15971 of 12 September 1983)
 - (b) Report of the Commonwealth Committee on Southern Africa (HGM(83)4)
4. WORLD ECONOMIC ISSUES
 - (a) Studies mandated by Heads of Government Meeting 1981
 - (i) "Protectionism: Threat to International Order"
Report by Group of Experts
 - (ii) "North-South Dialogue: Making it Work"
Report by Group of Experts
 - (b) "Towards a New Bretton Woods: Challenges for the World Financial and Trading System"
Report by a Group of Experts
 - (c) Memorandum by the Commonwealth Secretary-General on the Reports of the three Experts' Groups (HGM(83)5)

5. COMMONWEALTH FUNCTIONAL COOPERATION

Ninth Report of the Commonwealth Secretary-General

(a) CFTC

Special Commonwealth Stamp Issue: Note by the
Commonwealth Secretariat
(HGM(83)6)

(b) Commonwealth Student Mobility

Second Report of the Commonwealth Standing Committee
on Student Mobility

Resolution by Executive Heads of Commonwealth
Universities

Memorandum by the Commonwealth Secretary-General
on the Standing Committee's Report
(HGM(83)7)

(c) Commonwealth Youth Programme

Memorandum by the Commonwealth Secretary-General
(HGM(83)8)

(d) Commonwealth Science Council

Note by the Commonwealth Secretariat
(HGM(83)9)

(e) Commonwealth Foundation

Memorandum by the Chairman and Trustees of the
Commonwealth Foundation
(HGM(83)10)

(f) Culture

Note by the Commonwealth Secretariat on
Cooperation in the Cultural Field
(HGM(83)11)

6. REPORT OF THE COMMITTEE OF THE WHOLE

7. OTHER BUSINESS

8. COMMUNIQUE

Note: Some Governments have indicated a wish to submit papers.
These will be circulated when received.

Extract from the Communique of the Commonwealth Finance Ministers' Meeting, Trinidad and Tobago, 21-22 September 1983

"TOWARDS A NEW BRETTON WOODS"

6. Ministers welcomed the Report "Towards a New Bretton Woods: Challenges for the World Financial and Trading System" for which they called at their previous meeting. The background, as explained in the communique of that meeting, was the urgent need, in view of the vast politico-economic changes which had taken place since the establishment of the Bretton Woods institutions, for a new overall examination of the international trade and payments system as a whole and in particular the role of the international economic institutions. They regarded the Report as a major contribution to the ongoing search for answers to the wide range of issues with which it dealt. They congratulated the Study Group on the high quality of their unanimous Report.
7. Ministers noted that the Report contained far-reaching recommendations of a short and longer-term character. They felt that the short-term issues should be taken up by them at the forthcoming Annual Meetings of the World Bank and IMF. Ministers commended the general thrust of the Report for serious consideration by the Commonwealth countries in particular and the international community in general.
8. Accordingly they requested the Secretary-General to seek the widest possible circulation and discussion of the Report. In that context they discussed ways to add further impetus to efforts to promote multi-lateral economic cooperation.
9. Ministers gave particular attention to the question of follow-up to the Report, including the recommendations on process which it contains. They welcomed the view that the call for a "new Bretton Woods" should be seen as a need for renewed work towards shared international objectives requiring the most careful preparation. An international conference could be the culmination of the process. They agreed on the need for a more integrated approach to inter-related issues of money, finance and trade. They also agreed that these were matters of great political importance requiring careful consideration by the international community at the highest level.
10. On this basis they commended the Report to Commonwealth Heads of Government at their meeting in November in New Delhi and requested the Prime Minister and Minister of Finance and Planning of Trinidad and Tobago to convey to his colleagues at New Delhi the essence of the discussions in Port-of-Spain.

TOWARDS A NEW BRETTON WOODS:
Challenges for the World Financial
and Trading System

Chapter 9

Next Steps

9.1 This chapter suggests procedures for implementing the measures that we recommend for improvement of the international financial and trading system. Many of these recommendations require immediate attention and can be acted upon quickly within existing institutional arrangements. Others will take a little longer to accomplish, and may be thought of as relating to the near-future — say, the next two years or so. Still others relate to longer-term objectives and require considerably greater preparation. The long-term recommendations, and to some degree those for the near-future as well, require the mounting of a major process of reform.

9.2 What is required is appropriate machinery for developing a convergence of views as to what needs to be done and securing the necessary action. The situation is not helped by the compartmentalised nature of the negotiating process in the IMF and the World Bank, in the GATT and at UNCTAD, and within the wider UN framework. Recent efforts at securing a comprehensive negotiating framework have not succeeded so far. Yet there remains the need for an integrated approach to negotiations.

9.3 Any approach to such negotiations must be rooted in realism. Negotiations exclusively under a UN General Assembly umbrella are not likely either to be acceptable to the industrialised countries or, if acquiesced in under pressure, to win their enthusiastic and constructive participation. This may be regrettable, but it is a reality. Likewise, negotiations strictly under the umbrella of the Fund and the Bank are not likely to be acceptable to the developing countries as a group. In any case, the suggested negotiations necessarily link trading and financial issues and require a broader framework than the Fund and the

Bank provide. What is needed is a process which does not pre-determine issues, either expressly or by reasonable implication; which is integrated without being all-encompassing; which is credible in representation without being unwieldy; and which is action-oriented while not geared to any single institution.

9.4 Proposals for an international monetary conference — or a 'new Bretton Woods' — must be viewed against this backdrop. Earlier in this Report it was explained that the expression a 'new Bretton Woods' should be seen as no more than shorthand for a negotiating process which re-examines the world's financial and trading arrangements, as settled at Bretton Woods and Havana, in the light of their present working and of contemporary needs. We have not interpreted a 'new Bretton Woods' to imply a dismantling of the existing international economic institutions.

9.5 On that basis, the international community should now think in terms of a conference; but it is important to stress that it is a conference that will need the most careful preparation both as to substance and modalities. It should be seen as the culmination of a process rather than its initiation. Indeed, the process of preparation itself should be capable of identifying particular matters and measures on which the international community might take immediate action even in advance of the conference itself.

9.6 It is not necessary at this stage to define precisely the specific issues that the conference will address or to outline the order in which it might take them up. Although, as has been emphasised, money, finance and trade are inter-related, and an integrated approach towards them will ultimately be necessary, it may be appropriate for the conference to discuss these issues separately, beginning with money and finance, for example. These modalities will be among the matters for the preparatory phase to resolve.

9.7 The process of preparation should be undertaken on a small-group basis and must be supported by a high level of professional competence. It should, of course, draw on the work and discussions of the various international economic institutions.

9.8 There are obviously many approaches to such an international conference. We put forward a possible approach fully mindful that it is not the only one. Nor are all the individual components critical. What is critical is that there should be a systematic approach along these general lines. We believe that it provides a promising means of attaining goals, discussed in the introductory chapter to our Report, which the whole international community shares.

9.9 Our suggestion would be that informal consultations should be started to reach agreement on the following points:

1. The international community should work towards an international conference on the world's financial and trading system.
2. The preparatory process could be established through initiatives taken on an informal basis or alternatively by the Secretary-General of the United Nations on a multilaterally agreed basis.
3. The task of preparation could be entrusted in the first instance to a group of not more than, say, twenty governmental Ministers (or persons of Ministerial rank), broadly representative of the financial and trading interests of the international community, plus: the UN Director-General for International Economic Co-operation; the Managing Director of the IMF; the President of the World Bank; the Director-General of GATT; and the Secretary-General of UNCTAD.
4. The Committee might establish a Group of Deputies to carry out detailed work on their behalf and at their direction.
5. The Preparatory Group could be serviced by a small secretariat, perhaps headed by an independent professional chairman, assisted as required. Staff support could be mainly drawn from the UN, the IMF, the World Bank, the GATT and the UNCTAD, on the basis of agreement among themselves.
6. The Preparatory Group would have no executive authority. It could work strictly on the basis of consensus.
7. During the preparatory phase there should be no let-up in the continuing process of change within the individual international institutions. As consultations proceed, agreements may emerge in forms which permit early action through existing mechanisms; and such agreements should be actively encouraged.
8. The Preparatory Group should be required to make a report on the modalities and substantive issues for the conference to the UN Secretary-General not later than 12 months after it has been constituted.

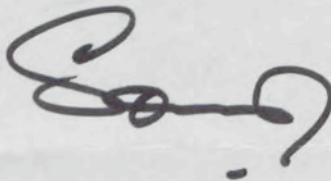
20 October 1983

Mr. Shri Ramphal

Thank you for your letter of 23 September about the Agenda for the forthcoming Commonwealth Heads of Government Meeting in New Delhi. I have now issued the Agenda papers and you will see from them that I have sought to reflect your comments and concerns in full measure. Your views on the major items on the Agenda will be, of course, of the highest interest to your colleagues, and I particularly hope that you will help to set the tone for the discussions on the principal agenda items by early interventions. I am, of course, taking very seriously the need for occasional restricted sessions and the opportunities for intimate discussions which the retreat in Goa will provide. Additionally, however, I hope I may make one specific request of you which arose out of my discussions with Mrs Gandhi in Delhi last week.

As is customary, the Meeting will begin with a formal opening session, in this case on Wednesday, 23 November, during which a few Heads of Government, each speaking for about seven minutes, will respond to Mrs Gandhi's address of welcome. A large number of invited guests will be at the Opening Ceremony, the only session which will be televised and covered directly by the media. It is with particular pleasure that I invite you to be one of the Heads of Government to respond to Mrs Gandhi. I very much hope that you will agree to do this.

With deep respect and regards,



Shridath S Ramphal

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

Commonwealth
CHGM
R5.

21 OCT 1983

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020
OFFICE OF THE COMMONWEALTH SECRETARY-GENERAL
MARLBOROUGH HOUSE · PALL MALL · LONDON SW1Y 5HX

20 October 1983

Dear Prime Minister

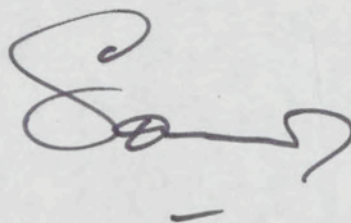
I have pleasure in sending you my Report covering the work of the Secretariat in the past two years.

In the Introduction to the Report, issued as a separate document, I have attempted to reflect on the global setting as we approach the November meeting of Heads of Government in New Delhi, and on the part the Commonwealth may play as a part of the international community in meeting the challenges that confront the world at this troubled time.

I hope you will find the Report useful in preparation for the meeting in New Delhi.

The Report will be publicly released on 10 November.

With deep respect.



Shridath S. Ramphal

The Rt Hon Margaret Thatcher MP
Prime Minister of Britain
10 Downing Street
LONDON SW1

see attached letter

020
CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

18 October 1982

*Discussed with
F./C.O. in phone.*

A.J.C. 18/10/82

Dear John,

CHOGM: Attendance by the Fijian Prime Minister

Our High Commissioner in Suva has reported that the Prime Minister of Fiji told him yesterday that he was as yet undecided about attending CHOGM, which unfortunately coincided with a budget debate in the Fijian Parliament.

It so happens that the Prime Minister will be attending a dinner at our High Commissioner's Residence tomorrow. Our High Commissioner has commented that, given the constructive and moderating influence which Ratu Mara can exercise in CHOGM discussions, it would be disappointing from Britain's point of view if he were not present. Mr Barltrop wonders whether he could be authorised to say that Mrs Thatcher personally had been looking forward to seeing him at CHOGM and very much hopes he may find it possible to attend.

We share Mr Barltrop's belief that Ratu Mara would generally be a helpful influence at CHOGM; you may recall that he played a helpful part in ensuring that our position on the Falkland Islands was brought to the attention of participants at the meeting of Commonwealth Regional Heads of Government in Suva last October. He is strongly opposed to our policy on UNLOSC; but generally he plays a responsible role.

We would, therefore, like to authorise Mr Barltrop to speak to Ratu Mara tomorrow along the lines he suggests, but if we are to do so, we shall have to send a telegram this evening. Perhaps we could have a word about this?

Yours ever

(J E Holmes)
Private Secretary

John Holmes

A J Coles Esq
10 Downing Street

CONFIDENTIAL

18 OCT 1954



POST OFFICE
NEW YORK, N.Y.

SUBJECT

MESSAGE FROM THE PRIME MINISTER TO THE PRIME MINISTER OF AUSTRALIA

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No.

T 151/83

I am very much looking forward to meeting you in Delhi next month.

I know from previous meetings of Commonwealth Heads of Government how quickly one gets immersed in long, formal sessions with all too little opportunity for private, informal discussion.

I therefore wondered whether there would be any chance of our meeting before the Conference starts. I do not know when you plan to arrive, but I would be very glad to offer you lunch at the British High Commission in Delhi on Tuesday, 22 November. Another possibility would be a talk before dinner that day (I am already committed to a dinner engagement).

In either case I suggest that we keep the numbers down (perhaps three per side) so that we can take maximum advantage of the time for talking.

I look forward to hearing whether a meeting will be possible. Meanwhile, I send you my very best wishes.



10 DOWNING STREET

From the Private Secretary

17 October 1983

CHOGM

Thank you for your letter of 13 October.

The Prime Minister would like to go ahead with the idea of a small lunch for Mr. Hawke at the Residence in New Delhi on 22 November. I enclose a message from the Prime Minister to Mr. Hawke which deals with this point and should be grateful if you would arrange for its early delivery.

In another letter of 13 October you raised the question of a bilateral meeting between the Prime Minister and Mrs. Gandhi. Mrs. Thatcher is inclined to think that, given the burdens on Mrs. Gandhi's time, and in particular the attention which she will have to devote to The Queen's State Visit, it would be better not to request a bilateral meeting. She presumes that there will in any case be ample opportunity for discussion between herself and Mrs. Gandhi, not least during the weekend retreat.

I am copying this letter to Richard Hatfield (Cabinet Office).

A. J. COLES

J.E. Holmes, Esq.,
Foreign and Commonwealth Office.

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

PRIME MINISTER

CHOGM

Robert Wade-Gery has now said that he would be glad to arrange a small lunch for you and Mr. Hawke at the Residence on 22 November.

Lady Wade-Gery could attend but, if we are to have a working lunch, it would be kinder to her to excuse her.

I attach a message which, if you agree, could be sent to Mr. Hawke putting this idea to him. Agree that this message should be sent?

Yes not

Robert Wade-Gery has also suggested that we might try to arrange a bilateral meeting between yourself and Mrs. Gandhi on the afternoon of 22 November. This would be a good opportunity to find out how she intends to run the Meeting. Would you like us to arrange this?

A.F.C.

*She will have had
a very long time
with the Queen.
She's nice and I do
not think that such
a request would be
welcome
not*

14 October 1983

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

13 October, 1983

Dear John,

As requested in your letter of 10 October, we consulted Sir Robert Wade-Gery about whether it would be practicable for the Prime Minister to give a small lunch for Mr Hawke on 22 November.

Sir Robert has said that he would be happy to arrange the Prime Minister's lunch for Mr Hawke at the Residence on 22 November, despite the dinner for The Queen that evening.

He suggests that numbers be kept to about twelve in all, and at the most sixteen. He himself is due to attend and would propose to stick to this unless the Prime Minister would prefer him to attend her lunch. Lady Wade-Gery, who knows Australia well, could attend the lunch if the Prime Minister wished, but could equally well arrange to be out.

The High Commissioner in Canberra has incidentally reminded us that Mr Hawke is now a strict teetotaler.

I am copying this to Richard Hatfield (Cabinet Office)

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

Yours ever
J E Holmes
(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

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Foreign and Commonwealth Office

London SW1A 2AH

13 October 1983

Dear John,

Commonwealth Heads of Government Meeting: Bilateral
with Mrs Gandhi

Meetings between the Prime Minister and other Heads of Government during Commonwealth meetings are usually arranged after the Prime Minister has arrived at the venue on the basis of a previously agreed list of priorities. This practice will be followed for the majority of bilateral meetings during the forthcoming Commonwealth Heads of Government Meeting at New Delhi. However, we consider there would be advantage in proposing to the Indians now a time for a bilateral meeting between the Prime Minister and Mrs Gandhi, given the close relationship between the two Prime Ministers and the pressure on Mrs Gandhi's time as host. The High Commissioner agrees.

An early meeting on 22 November would be useful in that it would enable the Prime Minister to obtain an indication of how Mrs Gandhi intended to chair the meeting, as well as being an opportunity to discuss any appropriate bilateral matters. The Prime Minister may be giving a lunch on 22 November to the Australian Prime Minister and she has accepted Sir Robert Wade-Gery's invitation to attend the dinner he is giving that evening for Her Majesty The Queen. If the Prime Minister has no other commitments that afternoon, we might suggest to the Indians that a meeting with Mrs Gandhi be arranged to take place then.

I should be grateful for your confirmation that this proposal is acceptable to the Prime Minister.

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL



file Kb

10 DOWNING STREET

From the Private Secretary

11 October 1983

CHOGM

As you know, the Prime Minister has agreed to present an Indian literary award in Delhi on Monday, 28 November.

BW

I should be grateful if you could let me have, by 1 November, details of the ceremony, an indication of how long the Prime Minister will be expected to speak for and a suitable draft.

A. J. COLES

John Holmes Esq
Foreign and Commonwealth Office.

RW

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

10 October, 1983.

CHOGM: Australian Prime Minister

Thank you for your letter of 10 October.

BK | I should be grateful if you would seek Sir Robert Wade-Gery's advice on whether it would be practicable for the Prime Minister to give a small lunch for Mr. Hawke on 22 November. The Prime Minister is not very keen to give the lunch in a hotel, but she is conscious that on the evening of 22 November the Wade-Gerys are giving a dinner for The Queen and the Duke of Edinburgh - she would not wish to press them to organise a lunch as well, if, as she suspects, that would impede the arrangements for the dinner. An alternative to a lunch might be a longish talk with Mr. Hawke over a drink in the early evening of 22 November. Before the Prime Minister takes a final decision on this, it would be helpful to have advice from New Delhi.

On the assumption that it does prove possible to arrange a meeting early in the conference between the Prime Minister and Mr. Hawke, Mrs. Thatcher does not think it necessary to take up Sir Robert Armstrong's kind offer that he should visit Australia in advance of the meeting (his minute of 7 October).

I am sending a copy of this letter to Richard Hatfield (Cabinet Office).

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

10 October 1983

The Prime Minister was grateful for your letter of 29 September containing your proposals for the agenda of the forthcoming Heads of Government Meeting.

This seems to cover the ground comprehensively. The Prime Minister agrees that it would be useful for Heads of Government to consider the agenda in the light of a report from senior officials in a 'restricted' session immediately after the formal opening.

A. J. COLES

His Excellency Mr. Shridath Ramphal, Kt, GMC, QC,

20.4

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CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

10 October 1983

Dear John,

CHOGM: Australian Prime Minister

The Foreign Secretary sees merit in Sir Roderick Carnegie's suggestion, outlined in your letter of 5 October, that the Prime Minister should single out Mr Hawke for special treatment at the Commonwealth Conference. A small lunch, between the two principals and two or three members of the respective delegations, would seem the most appropriate method. We understand that Mr Hawke will be accompanied by his wife and that lunch on 22 November is the only lunch or dinner slot in the Prime Minister's programme for Delhi which is not already booked.

Sir Roderick Carnegie's suggestion was echoed by Mr Anthony, Leader of the National Party (in coalition with the Liberal Party in Mr Fraser's Government) when Mr Whitney called on him on 6 October. Our High Commissioner in Canberra, Sir John Mason, also supports the suggestion and agrees that Mr Hawke is likely to respond well to special attention. However, he thinks, and the Foreign Secretary agrees, that the despatch of a special representative to Canberra might be viewed by the Australians with some surprise, if not suspicion, given that Mr Whitney is there now and will be followed by Mrs Chalker and Mr Pattie later this month. Sir R Armstrong is also proposing to visit Canberra immediately after CHOGM.

The Foreign Secretary therefore thinks that our objective would be best served by limiting the "special attention" to the lunch and a personal message from the Prime Minister. This could be on the following lines:

"I am much looking forward to seeing you in New Delhi in November. I am sure that you will share my keen wish to keep discussion as brisk and business-like as possible. I know from experience, however, how quickly at CHOGMs one gets immersed in long frequent meetings, with all too little opportunity for quiet and private discussion. To ensure that we at least have some private and uninterrupted talks, I wonder if you and one or two of your senior advisers would care to lunch with me before CHOGM gets fully underway, so that we can go over the ground. I have in mind Tuesday 22 November.

/Perhaps

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Perhaps you could let me know how this idea strikes you."

I am copying this to Richard Hatfield (Cabinet Office)

Yours ever

(J E Holmes)
Private Secretary

John Holmes

A J Coles Esq
10 Downing Street

CONFIDENTIAL



Ref. A083/2802

MR COLES

CHOGM: Australian Prime Minister

I have seen a copy of your letter of 5 October to the Private Secretary to the Foreign and Commonwealth Secretary (Mr Holmes).

2. It is perhaps worth mentioning that I have a standing invitation from my Australian counterpart to visit Australia. As the Prime Minister may remember, I had planned to go in February this year; but the Prime Minister asked me to postpone the visit in view of some of the domestic problems which at that time it seemed we might be facing. More recently, I have been thinking in terms of going on from New Delhi to Australia after CHOGM; indeed, I have agreed a plan on these lines in principle with my Australian counterpart.

3. On seeing your letter, it occurred to me that one way of dealing with the second point in paragraph three of your letter might be for me to bring my visit forward, and visit Australia before CHOGM: I could then include in my discussions in Canberra an exchange of views on the issues for CHOGM as well as the other matters which I have been intending to discuss.

4. On this basis, I might perhaps go to Australia on about 14 or 15 November, and aim to travel to New Delhi with (or about the same time as) Mr Hawke's delegation.

5. I am sending a copy of this minute to Mr Holmes.

ReA

ROBERT ARMSTRONG

7 October 1983

Commonwealth
CAGM
P+5



COMMONWEALTH

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

7 October 1983

Type letter pl.

Dear Idun,

AS 19/10

CHOGM: Annotated Agenda

/ The Commonwealth Secretary-General has asked us to forward to the Prime Minister the enclosed envelope containing a circular letter to Heads of Government with Mr Ramphal's annotated proposals for the agenda for CHOGM. In accordance with normal practice, we are reclassifying the letter Confidential.

The proposals contain no surprises. Mr Ramphal does not specially emphasise the possibility of initiatives on subjects the Prime Minister has told him she would find unwelcome: disarmament and Cyprus. We shall have the opportunity to comment on the agenda in the Senior Officials' meeting immediately before CHOGM in New Delhi, on 22 November. The Prime Minister would then, if necessary, also have the opportunity to comment when the agenda is discussed by Heads of Government immediately after the Opening Session.

We are consulting other departments about Mr Ramphal's proposals with a view to submitting very shortly to the Cabinet Secretary a suggested list of briefs.

/ Meanwhile, there seems no need for the Prime Minister to respond personally to Mr Ramphal's latest letter. I enclose a draft letter of acknowledgement which you may care to send on her behalf.

Your ever

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

DRAFT: ~~minute~~/letter/~~teletype~~/~~despatch~~/~~note~~

TYPE: Draft/~~Final~~

FROM: Private Secretary, No 10

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

TO: HE Mr Shridath S Ramphal, AC Kt
 CMG QC
 Commonwealth Secretariat
 Marlborough House
 Pall Mall
 LONDON SW1Y 5HX

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

The Prime Minister was [redacted] grateful for your letter of 29 September containing your proposals for the agenda of the forthcoming Heads of Government Meeting.

This seems to cover the ground [redacted] comprehensively. The Prime Minister agrees that it would be useful for Heads of Government to consider the Agenda in the light of a report from senior officials in a 'restricted' session immediately after the formal opening.

WOL 10/9

Enclosures—flag(s).....

PRIME MINISTER

CHOGM

We are beginning to make the arrangements.

I shall let you have advice soon about giving some special attention to Mr. Hawke.

As regards accommodation, you said that your preference was to stay with the High Commissioner. But before we finally decide, I think you should have some advice on whether the Indians or perhaps other Heads of Government will look askance at you staying separately from all the others who will be accommodated in one hotel. I shall let you have this shortly.

We are at present planning for you to leave here at 1400 hours on Monday 21 November which will get you to Delhi after a 12½ hour flight at 0800 hours local time on 22 November. This would give the morning for settling in. One possibility would then be for you to give Mr. Hawke a small lunch that day.

Not if there is a dinner in the evening

In the evening of 22 November, the High Commissioner is giving a dinner for The Queen and the Duke of Edinburgh. There would be no more than about 30 guests, at least half of whom would be distinguished Indians. The Palace have said that The Queen would be delighted if you and Mr. Thatcher would like to attend but she would also understand if you were not free to do so on the evening before CHOGM opens.

ms *Yes* Would you like to attend this dinner? If so, agree that the Foreign and Commonwealth Secretary and Robin should also be invited?

5 October 1983

A. J. C.

Chogy

Mr. Coles (No 10)

File 6/10.22794 - 1

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PRIVATE OFFICE

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PP NEW DELHI

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CONFIDENTIAL

FM FCO 051810Z OCT 83

TO PRIORITY NEW DELHI

TELEGRAM NUMBER 558 OF 5 OCTOBER.

PERSONAL FOR HIGH COMMISSIONER FROM COLES, NO 10

1. I HOPE TO REPLY SHORTLY TO THE QUESTIONS IN YOUR LETTER OF 14 SEPTEMBER (WHICH WE WERE UNABLE TO CONSIDER BEFORE THE PRIME MINISTER'S RECENT VISIT TO NORTH AMERICA).

2. MEANWHILE, MR THATCHER HAS TOLD ME THAT HE HOPES YOU WILL BE ABLE TO ARRANGE FOR HIM TO HAVE SEPARATE PROGRAMMES, WHERE APPROPRIATE, WHICH WILL ENABLE HIM TO VISIT PLACES OF INTEREST TO BRITISH INDUSTRY AND BUSINESS. IT WOULD BE HELPFUL IF YOU COULD LET ME HAVE SOME IDEAS AS SOON AS POSSIBLE.

HOWE

de re



10 DOWNING STREET

From the Private Secretary

5 October 1983

CHOGM: AUSTRALIAN PRIME MINISTER

Both Mr. Malcolm Fraser and Sir Roderick Carnegie, the Chairman of Consolidated Rio Tinto of Australia (the latter called on the Prime Minister this morning), have advised Mrs Thatcher that Mr. Hawke would be likely to respond well to some special attention at the outset of the Commonwealth Conference. They argue that he is pragmatic by nature and will be disposed to be helpful on a number of issues, particularly if the Prime Minister singles him out for special treatment.

The Prime Minister thinks that this is a valuable suggestion and would be grateful for advice on how to follow it up.

One possibility would be for Mrs Thatcher to offer Mr. Hawke a small lunch on 22 November (on present plans the Prime Minister would have reached Delhi at about 0800 hours local time that day). This could take the form of the two principals, plus two or three members of the respective delegations. We might also consider another suggestion made by Sir Roderick Carnegie, namely that the Prime Minister should depute someone to visit Australia on her behalf in advance of the Conference to exchange views with a representative of Mr. Hawke on the main issues to be discussed.

BH
The Prime Minister would like to send a personal message soon to Mr. Hawke proposing contacts on the above lines if the Foreign and Commonwealth Secretary judges that they are advisable. Could you please let me have Sir Geoffrey Howe's advice as soon as possible.

I am sending a copy of this letter to Richard Hatfield (Cabinet Office).

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

AR

C.152/12/3

confidential
~~SECRET~~

29 September 1983

Dear Eric Quinton,

On 2 August 1982 I wrote canvassing the views of Commonwealth leaders on the Agenda for the Heads of Government Meeting in New Delhi at the end of November. In the light of replies and further consultations I have been able to have, I now enclose a draft Agenda for your consideration, supplemented by a list of background papers which the Secretariat will distribute shortly. In accordance with our established guidelines on Style and Format, about which I have written to you separately, documents have been kept to a minimum so as to promote informality and spontaneous discussion.

As on previous occasions, the Agenda has been structured around broad and flexible headings to enable a review of developments in larger terms as well as discussion focussing upon more detailed aspects or specific topics. In the Introduction to my Report for the period 1981-83 I have offered some reflections on developments since Melbourne. I hope that the following comments offered by way of annotation of the draft Agenda will be helpful in your preparations.

1. OPENING SESSION

The Opening Session will be on the morning of Wednesday, 23 November at 1000 hours at the Vigyan Bhavan in the presence of a large number of invited guests and the media. In addition to Prime Minister Indira Gandhi's address of welcome and my own remarks, there will be the customary speeches in reply taking in all about an hour.

The formal photograph of Heads of Delegation will follow immediately.

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

My traditional reception to provide you with an opportunity to meet representatives of the Indian and world press, who will have gathered in New Delhi to cover the Meeting, will be at 1230 pm.

2. ORDER OF AGENDA AND STYLE AND FORMAT

Immediately after the Opening Session and before the midday reception I hope there might be a short first Session held on a 'restricted' basis (Heads of Delegation only) to consider the Agenda and the suggested guidelines on Style and Format which might be taken as the first order of business.

Senior Officials will have met as is customary on the previous day 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 Session.

In addition, Heads of Government may wish to consider at the very outset the modified guidelines on Style and Format which I sent under cover of my letter of 19 September. The refinements of the Lusaka Guidelines are all designed to enhance and reinforce the special qualities of Commonwealth Heads of Government Meetings - starting in New Delhi.

3. WORLD POLITICAL SCENE

(a) Global Trends and Prospects

Under this general heading it is envisaged that discussion will traverse issues of broad political interest and special concern to Commonwealth leaders. The absence of sub-items, other than that on Southern Africa, is not intended to exclude discussion on specific subjects but rather to emphasise the broad and reflective nature of the item responsive to current circumstances.

Heads of Government will no doubt wish to consider from their several vantage points the many political developments that have occurred since they met two years ago. On that occasion the annotation of the Draft Agenda under this item was, inter alia, to the following effect:

"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".

These disturbing trends have continued, and in some respects they have worsened, since Melbourne. But, partly because they have, there is now, perhaps, a greater awareness of the dangers they constitute and a heightened sense of urgency to reverse them - concerns which have been prominent in the opening days of the current Session of the UN General Assembly.

In my consultations leaders have underlined a variety of particular issues: the continuing problems in West and East Asia; self-determination and denuclearisation in the South Pacific; the Falklands; and such special concerns as Cyprus and Belize. All these and more will be in the minds of Commonwealth leaders and will inform the political discussion. But a wider anxiety has been the overall deterioration in the environment of international security and the particular intensification of East-West tensions. Each of the Commonwealth's different regions has suffered to some degree in the prevailing climate of confrontation, suspicion and insecurity.

Commonwealth leaders at New Delhi will not wish to enter the maze of specific technical disarmament issues, but may see value in sharing their thoughts on paths leading away from militarism and towards internationalism and common security. At Melbourne, Commonwealth leaders emphasised that - "As an association of aligned and non-aligned states, the Commonwealth was uniquely well placed to make a substantial contribution to defusing international tensions in a divided world". New Delhi will be a timely occasion for Commonwealth leaders to explore how best they might make that contribution.

Nowhere has the decline in internationalism been more in evidence than in the erosion of confidence in the conciliatory role of the United Nations. In his 1982 Report and again in his 1983 Report the United Nations Secretary-General has called on nations to return to the spirit of the Charter and to take urgent steps to restore confidence in the world organisation as a means of maintaining international security. The Commonwealth's many small states have a particular interest in fulfilment of the Charter's promise of collective security; but all states would gain. Heads of Government may wish to consider how the Commonwealth can help this process of renewal.

(b) Southern Africa

The Commonwealth has a special concern with the problems of Southern Africa, including Namibia's independence. Commonwealth leaders will wish to review the continued frustration by South Africa of the United Nations' efforts to resolve the Namibian question. They may also wish to explore the prospects of a Commonwealth contribution to international efforts to bring Namibia to independence, bearing in mind the special roles of Commonwealth Frontline African States and Commonwealth members of the Western Contact Group.

Commonwealth leaders will also wish to consider the wider but related problems of apartheid in South Africa and of the new pressures being faced by Commonwealth countries in the region. While exploring further areas for Commonwealth action against apartheid, including humanitarian assistance to its victims, Heads of Government will wish to note the very real value of the Commonwealth's contributions under the Gleneagles Agreement and, more recently, the Brisbane Code of Conduct.

4. WORLD ECONOMIC ISSUES

All my consultations confirm that, as was the case at Melbourne, Heads of Government attach overwhelming importance to the discussion of economic issues at New Delhi. For some Commonwealth countries the general economic situation is even more serious now than two years ago. A process of recovery is underway in the United States, and to a more limited degree in some OECD countries; but there is uncertainty about its strength and durability. Taken as a whole, there is general agreement that the world economy remains in need of 'intensive care' and that the assessment which Commonwealth leaders made in their Melbourne Declaration remains valid, namely:

"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 an indictment of this generation if that political will and the readiness to find a creative compromise were not found".

At New Delhi, Commonwealth leaders will have before them two studies which they commissioned at Melbourne. The first, PROTECTIONISM: THREAT TO INTERNATIONAL ORDER, is the work of the Group which was set up to study the impact of protectionism on developing countries in particular and its implications worldwide as well. As envisaged, the report was made available to the GATT Ministerial Meeting in 1982. The second study relates to the obstacles to progress in the North-South dialogue arising from the negotiating process itself. That report, NORTH-SOUTH DIALOGUE: MAKING IT WORK, was also published in 1982. Both reports have attracted wide international notice and been welcomed for their dispassionate professionalism, candour and practical thrust.

More specifically, however, Heads of Government at New Delhi will have before them a new major study, TOWARDS A NEW BRETTON WOODS: CHALLENGES FOR THE WORLD FINANCIAL AND TRADING SYSTEM. Commissioned by Commonwealth Finance Ministers in 1982, this Report by a most distinguished Expert Group has been welcomed just recently by Commonwealth Finance Ministers (at their September meeting in Port of Spain) "as a major contribution to the ongoing search for answers to

the wide range of issues with which it dealt". The Report covers the substantive issues and makes recommendations for both the short and long term. It also deals with matters of procedure and makes recommendations on the next steps that the international community might take.

Finance Ministers specifically commended the Report to Commonwealth Heads of Government in New Delhi and requested the Prime Minister and Minister of Finance and Planning of Trinidad and Tobago "to convey to his colleagues at New Delhi the essence of the discussions in Port of Spain". The relevant paragraphs of their Communique are set out in Annex I to this letter.

Heads of Government will note that in Port of Spain Commonwealth Finance Ministers gave particular attention to the question of follow-up to the Report, including the recommendations on process, and that in doing so:

"They welcomed the view that the call for a 'New Bretton Woods' should be seen as a need for renewed work towards shared international objectives requiring the most careful preparation. An international conference could be the culmination of the process. They agreed on the need for a more integrated approach to inter-related issues of money, finance and trade. They also agreed that these were matters of great political importance requiring careful consideration by the international community at the highest level".

The Report's recommendations on 'process' is attached hereto as Annex II.

Taken together with the 1982 reports, TOWARDS A NEW BRETTON WOODS will provide Heads of Government at New Delhi with a comprehensive, authoritative and up-to-date survey of contemporary international economic issues offering pointers for solutions both on substance and on process. It is now for Commonwealth leaders together to grasp the situation in its full political dimensions. The New Delhi meeting will be almost uniquely well-placed to contribute to global consensus-building in this area of critical importance to all countries.

5. COMMONWEALTH FUNCTIONAL COOPERATION

Commonwealth Heads of Government do not expect to dwell extensively on the details of functional cooperation. These are for the greater part in the domain of appropriate Ministerial consultations. Together, however, they represent a vital practical element of Commonwealth relations and to many Commonwealth leaders, particularly among developing member countries, they are a tangible expression of the Commonwealth connection. Heads of Government will want their New Delhi meeting to reinforce the importance of this day-to-day cooperation between member countries. The specific topics are:

(a) Commonwealth Fund for Technical Cooperation

Commonwealth leaders will welcome the improved strength of the Fund due essentially to new forward planning techniques, the continued support of the major contributor countries and the whole-hearted response to my call for increased contributions from the very many small developing countries who are the Fund's principal beneficiaries. There is general agreement that in present difficult financial times the Fund should look to the period immediately ahead as one of consolidation. These very times, however, enlarge the need for the Fund's assistance. While growth will be modest, therefore, it is essential that the Fund be alert to the most pressing needs and constantly responsive to them.

(b) Student Mobility

At their Melbourne Meeting, Heads of Government reaffirmed the importance of student mobility and educational interchange within the Commonwealth, both in the context of the development efforts of member countries and the maintenance of Commonwealth links. Pursuant to the Melbourne discussion the Commonwealth Standing Committee on Student Mobility was established in 1982 and its Report will be before leaders at New Delhi. The Committee sees educational interchange as a Commonwealth imperative, and makes wide-ranging recommendations to put such interchange on a more assured basis and to give it greater coherence. The Committee proposes initiatives designed to improve consultation, to facilitate and diversify student interchange, and to promote new and imaginative approaches to Commonwealth cooperation in higher education with a view to widening the range of opportunities for Commonwealth citizens. Heads of Government will wish to consider the Committee's recommendations in this most important area of intra-Commonwealth activities.

(c) Commonwealth Youth Programme

At Melbourne, Heads of Government agreed that the Commonwealth Youth Programme should be provided with adequate resources to sustain its existing level of activities and, to this end, that Governments should seek to maintain the value of their contributions in real terms. It is encouraging that this objective has broadly been achieved and that the Programme has been set on a stable course. Heads of Government may wish to reaffirm their support for the Programme as well as their commitment to maintaining the value of their pledges.

(d) Commonwealth Science Council

The Commonwealth Science Council has set up an Expert Group to examine ways and means of promoting an expanded programme of Commonwealth scientific cooperation, especially in new and emerging areas of developmental significance. Heads of Government may wish to welcome the establishment of this Group, whose recommendations could take Commonwealth scientific cooperation to a higher threshold.

(e) Women and Development

Since its establishment by Heads of Government three years ago, the Secretariat's very modest Women and Development Unit has sought to give the Commonwealth's contribution in this area an emphasis on practicality. The UN World Conference to Review and Appraise the Achievements of the UN Decade for Women is expected to be held in a member country, Kenya, in 1985. Heads of Government may think it appropriate that Commonwealth Ministers responsible for women's affairs might take that opportunity to evaluate the Secretariat's programme and to identify directions for the future.

(f) Commonwealth Foundation

Following approval by Heads of Government at Melbourne, formalities for the reconstitution of the Foundation as an international organisation were completed in February 1983. A comprehensive review of the Foundation's programmes has also been completed. Though headquarters costs have been reduced, inflation (since 1979) has substantially affected the Foundation and inroads into reserves are inevitable in the current year if the present level of activity is to be maintained. The Foundation now seeks modest increased resources to consolidate and put into effect programmes and policies drawn up as a result of the review.

(g) Culture

The Secretariat was requested by Senior Officials at their meeting in Arusha to prepare a background paper outlining the possibilities for Commonwealth cooperation in the cultural field. Heads of Government might wish to explore the several options that are open to them in this field, along with their financial implications.

6. OTHER BUSINESS

It has been suggested that Commonwealth leaders may wish to have a discussion on population issues, particularly in the light of the International Conference on Population due to be held in Mexico in 1984. Given the importance of the subject for world development, Heads of Government may think it appropriate to take account of the subject in their contributions on World Economic Issues.

Additionally, Heads of Government will have before them a proposal by Commonwealth Employment and Labour Ministers for a working group on the management of technological change. This may appropriately be considered as a sub-item under Functional Cooperation.

General

The Agenda proposed aims at a judicious blend between substantial policy issues and matters of a more specific nature. Bearing in mind the practice of the Committee of the Whole (Senior Officials) giving initial

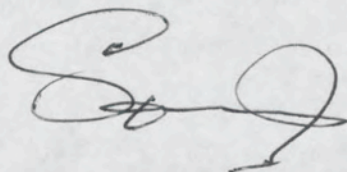
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consideration to most of the 'Functional Cooperation' items, I hope you will agree that the Agenda offers a reasonable basis for constructive dialogue across a broad spectrum of issues of interest and concern to Commonwealth leaders.

I know that Heads of Government value their meetings as opportunities both for enlarging consensus on specific issues and having a truly reflective discussion aimed at broadening understanding of each others point of view. To this end, as the guidelines on Style and Format suggest, effective use might be made at New Delhi of 'Restricted Sessions'; and there remains, of course, the whole range of informal contacts between leaders from which Commonwealth relations are so greatly strengthened.

At a time of great strain in international relations and of much danger for the world's people, the draft Agenda for New Delhi aims to afford Commonwealth leaders a chance of applying that "healing touch" which Jawaharlal Nehru attributed to the Commonwealth some 35 years ago.

With deep respect,



Shridath S Ramphal

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI - 1983

DRAFT AGENDA

1. OPENING SESSION
2. ORDER OF AGENDA AND STYLE AND FORMAT
3. WORLD POLITICAL SCENE
 - (a) Global Trends and Prospects
 - (b) Southern Africa
4. WORLD ECONOMIC ISSUES
5. COMMONWEALTH FUNCTIONAL COOPERATION
 - (a) CFTC
 - (b) Commonwealth Student Mobility
 - (c) Commonwealth Youth Programme
 - (d) Commonwealth Science Council
 - (e) Women and Development
 - (f) Commonwealth Foundation
 - (g) Culture
6. REPORT OF THE COMMITTEE OF THE WHOLE
7. OTHER BUSINESS
8. COMMUNIQUE

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI - 1983

DRAFT AGENDA : DOCUMENTATION

1. OPENING SESSION
2. ORDER OF AGENDA AND STYLE AND FORMAT
 - Letter from Secretary-General to Heads of Government dated 19 September 1983
3. WORLD POLITICAL SCENE
 - (a) Note for information:
 - Extracts from UN Secretary-General's Reports for 1982 and 1983
 - Report of the President of the Security Council on enhancing the effectiveness of the Security Council (Document S/15971 of 12 September 1983)
 - (b) Report of the Commonwealth Committee on Southern Africa (HGM(83)4)
4. WORLD ECONOMIC ISSUES
 - (a) Studies mandated by Heads of Government Meeting 1981
 - (i) "Protectionism: Threat to International Order"
Report by Group of Experts
 - (ii) "North-South Dialogue: Making it Work"
Report by Group of Experts
 - (b) "Towards a New Bretton Woods: Challenges for the World Financial and Trading System"
Report by a Group of Experts
 - (c) Memorandum by the Commonwealth Secretary-General on the Reports of the three Experts' Groups (HGM(83)5)

SECRET

5. COMMONWEALTH FUNCTIONAL COOPERATION

Ninth Report of the Commonwealth Secretary-General

(a) CFTC

Special Commonwealth Stamp Issue: Note by the Commonwealth Secretariat (HGM(83)6)

(b) Commonwealth Student Mobility

Second Report of the Commonwealth Standing Committee on Student Mobility

Resolution by Executive Heads of Commonwealth Universities

Memorandum by the Commonwealth Secretary-General on the Standing Committee's Report (HGM(83)7)

(c) Commonwealth Youth Programme

Memorandum by the Commonwealth Secretary-General (HGM(83)8)

(d) Commonwealth Science Council

Note by the Commonwealth Secretariat (HGM(83)9)

(e) Commonwealth Foundation

Memorandum by the Chairman and Trustees of the Commonwealth Foundation (HGM(83)10)

(f) Culture

Note by the Commonwealth Secretariat on Cooperation in the Cultural Field (HGM(83)11)

6. REPORT OF THE COMMITTEE OF THE WHOLE

7. OTHER BUSINESS

8. COMMUNIQUE

Note: Some Governments have indicated a wish to submit papers. These will be circulated when received.

Extract from the Communique of the Commonwealth Finance Ministers' Meeting, Trinidad and Tobago, 21-22 September 1983

"TOWARDS A NEW BRETTON WOODS"

6. Ministers welcomed the Report "Towards a New Bretton Woods: Challenges for the World Financial and Trading System" for which they called at their previous meeting. The background, as explained in the communique of that meeting, was the urgent need, in view of the vast politico-economic changes which had taken place since the establishment of the Bretton Woods institutions, for a new overall examination of the international trade and payments system as a whole and in particular the role of the international economic institutions. They regarded the Report as a major contribution to the ongoing search for answers to the wide range of issues with which it dealt. They congratulated the Study Group on the high quality of their unanimous Report.

7. Ministers noted that the Report contained far-reaching recommendations of a short and longer-term character. They felt that the short-term issues should be taken up by them at the forthcoming Annual Meetings of the World Bank and IMF. Ministers commended the general thrust of the Report for serious consideration by the Commonwealth countries in particular and the international community in general.

8. Accordingly they requested the Secretary-General to seek the widest possible circulation and discussion of the Report. In that context they discussed ways to add further impetus to efforts to promote multi-lateral economic cooperation.

9. Ministers gave particular attention to the question of follow-up to the Report, including the recommendations on process which it contains. They welcomed the view that the call for a "new Bretton Woods" should be seen as a need for renewed work towards shared international objectives requiring the most careful preparation. An international conference could be the culmination of the process. They agreed on the need for a more integrated approach to inter-related issues of money, finance and trade. They also agreed that these were matters of great political importance requiring careful consideration by the international community at the highest level.

10. On this basis they commended the Report to Commonwealth Heads of Government at their meeting in November in New Delhi and requested the Prime Minister and Minister of Finance and Planning of Trinidad and Tobago to convey to his colleagues at New Delhi the essence of the discussions in Port-of-Spain.

TOWARDS A NEW BRETTON WOODS:
Challenges for the World Financial
and Trading System

Chapter 9

Next Steps

9.1 This chapter suggests procedures for implementing the measures that we recommend for improvement of the international financial and trading system. Many of these recommendations require immediate attention and can be acted upon quickly within existing institutional arrangements. Others will take a little longer to accomplish, and may be thought of as relating to the near-future — say, the next two years or so. Still others relate to longer-term objectives and require considerably greater preparation. The long-term recommendations, and to some degree those for the near-future as well, require the mounting of a major process of reform.

9.2 What is required is appropriate machinery for developing a convergence of views as to what needs to be done and securing the necessary action. The situation is not helped by the compartmentalised nature of the negotiating process in the IMF and the World Bank, in the GATT and at UNCTAD, and within the wider UN framework. Recent efforts at securing a comprehensive negotiating framework have not succeeded so far. Yet there remains the need for an integrated approach to negotiations.

9.3 Any approach to such negotiations must be rooted in realism. Negotiations exclusively under a UN General Assembly umbrella are not likely either to be acceptable to the industrialised countries or, if acquiesced in under pressure, to win their enthusiastic and constructive participation. This may be regrettable, but it is a reality. Likewise, negotiations strictly under the umbrella of the Fund and the Bank are not likely to be acceptable to the developing countries as a group. In any case, the suggested negotiations necessarily link trading and financial issues and require a broader framework than the Fund and the

Bank provide. What is needed is a process which does not pre-determine issues, either expressly or by reasonable implication; which is integrated without being all-encompassing; which is credible in representation without being unwieldy; and which is action-oriented while not geared to any single institution.

9.4 Proposals for an international monetary conference — or a 'new Bretton Woods' — must be viewed against this backdrop. Earlier in this Report it was explained that the expression a 'new Bretton Woods' should be seen as no more than shorthand for a negotiating process which re-examines the world's financial and trading arrangements, as settled at Bretton Woods and Havana, in the light of their present working and of contemporary needs. We have not interpreted a 'new Bretton Woods' to imply a dismantling of the existing international economic institutions.

9.5 On that basis, the international community should now think in terms of a conference; but it is important to stress that it is a conference that will need the most careful preparation both as to substance and modalities. It should be seen as the culmination of a process rather than its initiation. Indeed, the process of preparation itself should be capable of identifying particular matters and measures on which the international community might take immediate action even in advance of the conference itself.

9.6 It is not necessary at this stage to define precisely the specific issues that the conference will address or to outline the order in which it might take them up. Although, as has been emphasised, money, finance and trade are inter-related, and an integrated approach towards them will ultimately be necessary, it may be appropriate for the conference to discuss these issues separately, beginning with money and finance, for example. These modalities will be among the matters for the preparatory phase to resolve.

9.7 The process of preparation should be undertaken on a small-group basis and must be supported by a high level of professional competence. It should, of course, draw on the work and discussions of the various international economic institutions.

9.8 There are obviously many approaches to such an international conference. We put forward a possible approach fully mindful that it is not the only one. Nor are all the individual components critical. What is critical is that there should be a systematic approach along these general lines. We believe that it provides a promising means of attaining goals, discussed in the introductory chapter to our Report, which the whole international community shares.

9.9 Our suggestion would be that informal consultations should be started to reach agreement on the following points:

1. The international community should work towards an international conference on the world's financial and trading system.
2. The preparatory process could be established through initiatives taken on an informal basis or alternatively by the Secretary-General of the United Nations on a multilaterally agreed basis.
3. The task of preparation could be entrusted in the first instance to a group of not more than, say, twenty governmental Ministers (or persons of Ministerial rank), broadly representative of the financial and trading interests of the international community, plus: the UN Director-General for International Economic Co-operation; the Managing Director of the IMF; the President of the World Bank; the Director-General of GATT; and the Secretary-General of UNCTAD.
4. The Committee might establish a Group of Deputies to carry out detailed work on their behalf and at their direction.
5. The Preparatory Group could be serviced by a small secretariat, perhaps headed by an independent professional chairman, assisted as required. Staff support could be mainly drawn from the UN, the IMF, the World Bank, the GATT and the UNCTAD, on the basis of agreement among themselves.
6. The Preparatory Group would have no executive authority. It could work strictly on the basis of consensus.
7. During the preparatory phase there should be no let-up in the continuing process of change within the individual international institutions. As consultations proceed, agreements may emerge in forms which permit early action through existing mechanisms; and such agreements should be actively encouraged.
8. The Preparatory Group should be required to make a report on the modalities and substantive issues for the conference to the UN Secretary-General not later than 12 months after it has been constituted.

HL

29 September 1983

This is just to thank you for your letter to Sir Anthony Parsons of 23 September, with which you enclosed a memorandum by the Council for Education in the Commonwealth. I am sure the Prime Minister will be interested to see this before the Commonwealth Heads of Government Meeting.

WR

Lady Pickthorn

HL

भारतीय ज्ञानपीठ



Ashok Kumar Jain
Managing Trustee

B/45-47, Connaught Place
NEW DELHI - 110 001

September 27, 1983

Your Excellency,

The Trustees of Bharatiya Jnanpith Foundation are happy that your Excellency is visiting India this November to participate in the Conference of Commonwealth Heads of Government. We are grateful that you have so graciously indicated your approval to be the Chief Guest and to present the Jnanpith Award, India's highest and most prestigious Annual literary prize to this year's Awardee, Mrs. Mahadevi Verma, the renowned poetess and writer, on 28th November, 1983 at New Delhi.

I enclose a brief note on ^{*}
Bharatiya Jnanpith and also on the Award Winner,
Mrs. Mahadevi Verma.

Details of the programme will be finalised through proper channels to suit your Excellency's convenience.

With assurances of our highest consideration,

Yours sincerely,

(A.K. Jain)

* also see booklets inside file cover.

Her Excellency
Mrs. Margaret Thatcher,
Prime Minister of United Kingdom,
10 Downing Street,
LONDON.

Enc:

JNANPITH AND IT'S AWARD

Jnanpith award is India's highest and most prestigious literary award which attempts to discover and re-emphasise cultural values. It reflects contemporary struggles and also our aspiration which find common expression in current writings in 15 Indian languages.

A list of the award winners is given on pages 8 and 9 of Souvenir for 1983. The last one was presented to Smt. Amrita Pritam, the renowned Punjabi poetess, by the President of India, Shri Giani Zail Singh.

Late Dr. Rajendra Prasad, the first President of India, was the first Chairman of the Selection Board. Presently Shri P.V. Narasimha Rao, a reputed linguist and writer, who is also the Minister for External Affairs of the Government of India, heads the Selection Board as its Chairman.

Founded in 1944 by the renowned industrialist, late Sahu Shanti Prasad Jain and his illustrious wife, Mrs. Rama Jain, Jnanpith has brought to light scores of rare works of Indology written in ancient and medieval languages, retrieving them from decay and extinction. Some of these texts inscribed on palm leaves are works

of philosophy, cosmography and mythological lore,
etc.

The 18th Annual award is to be presented to the eminent poetess and writer, Smt. Mahadevi Verma (76). Her contribution to the development and enrichment of modern Hindi poetry has been of immense value and impact. This year the award will be presented to her at a special function to be held in Delhi in November 1983. Jnanpith Award Presentation function is always a memorable occasion because of its authentic literary and cultural aura. Some of the choicest pieces of her poetry will be presented in the form of an Audio Visual programme by renowned artists on the occasion.

Awards have so far been presented by some of the most outstanding personages of India. 3 Presidents of India, 2 Prime Ministers and 2 Chief Justices have been among the Chief Guests to present the award, besides the two distinguished women - Mrs. Rukmani Arundale and Mrs. Mahadevi Verma herself.

MAHADEVI VERMA
AND HER LITERARY ACHIEVEMENTS

Born in 1907 in Uttar Pradesh, Mahadevi Verma attracted one's attention from her early years. She was mellow-natured, inwardly pensive, sophisticated in her own way, and bearing an innate warmth towards petty live creatures and the un-noticed ones around.

She did her M.A. in Sanskrit in 1933 with merit. Besides Sanskrit literature, she studied philosophy deeply and with a sentimental attachment. She has always had live and active interest in art, so much so that it were her own brush and pencil which adorned her two major poetical works, YAMA (The Night) and DEEPSHIKHA (The Lamp's Flame).

Her first collection of poems came out in 1930. And then another and yet another followed in regular succession. Significantly, she did not confine herself to poetry alone. She adopted prose also as her medium. And, not unexpectedly, her prose has the charm of poetry. It has depths of thinking and variations of style.

She has to her credit some 20 works : almost each one of them being a milestone, both in respect of

the subject matter and freshness of the literary idiom. Some of her prose works have really no equal, even as her poetry is an epitome of lyric beauty and painful awakening of life's total reality.

Mahadevi is one of the front-rank pioneers who brought in a new trend in modern Hindi poetry known as Chhayavadi -- broadly the Western Romantic poetry. It marked, instead, a new awakening to an eternal sense of oneness of life where Man and Nature stand in the mutual relationship of 'reflection' and 'reflector'. Sometimes it is Nature which mirrors Man and his transient joys and intransient sorrows, and at others it is vice versa. Mahadevi holds that, however close this relationship, it cannot satiate the spirit of Man unless the self is emptied completely.

Winner of a number of literary awards, she was honoured with the national title of 'Padmabhushan' in 1956 and the 'Bharat Bharati Award' in 1983. On her was conferred the D.Litt (Honoris causa) by the Vikram University of Ujjain, in 1979.

Mahadevi Verma is held in high esteem throughout the Indian literary world. Besides a number of scholarly studies on her life and literature

published during the last twenty years, research scholar from U.S.A., Ms. Karine Schomer, has done recently her Ph.D. thesis on Mahadevi. This has been published by the California University.

Council for Education in the Commonwealth

Patron: Lord Gladwyn GCMG GCVO CB

Joint Parliamentary Chairmen: Eric Deakins MP, Stephen Dorrell MP, Tom McNally MP

House of Commons : House of Lords : Westminster, London SW1

All correspondence to: D W Daniel, North East London Polytechnic, Romford Road, London E15 4LZ
Telephone: 01-590 7722

Sir Anthony Parsons
c/o 10 Darnley St.
London S.W.1.

23rd September 1983

Dear Sir Anthony,

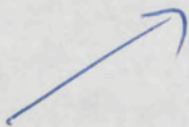
We are sending you herewith a short memorandum which we hope may be useful.


Yours sincerely,

Helen Pickthorn

This is obviously intended for the
PM's eyes. Perhaps you had
better see rather than me.

M. Coles




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Telephone: 01-590 7722

MEMORANDUM BY THE COUNCIL FOR EDUCATION IN THE COMMONWEALTH FOR COMMONWEALTH HEADS OF GOVERNMENT MEETING NEW DELHI NOVEMBER 1983

Many Commonwealth countries are finding their industrial and commercial development severely retarded by a lack of appropriate education and training resources of their own and difficulties of access to those of other countries. We urge that education and training for commerce and industry should be a major thrust of a Commonwealth programme for higher education.

In the light of this Council's conference on 5th July 1983 on 'Education & Training in the Commonwealth for Commerce & Industry', and after studying some relevant conclusions of the Commonwealth Standing Committee on Student Mobility, we wish to commend to Heads of Government a programme that features, inter alia,

1. expansion of the Commonwealth Scholarship and Fellowship Plan and of the Fellowships and Training Programme of the Commonwealth Fund for Technical Cooperation in such a way that more awards are specifically related to professional, managerial and technician manpower needs of commerce and industry; and a new scheme of Commonwealth awards to fund placements in commerce and industry for practical training complementary to appropriate courses of education;
2. support for regional initiatives by member governments or by the educational institutions themselves to strengthen particular departments or disciplines in selected national institutions;
3. the vigorous exploitation, in consultation with manufacturers, of new information and communication technologies that can be harnessed to the existing infrastructure and experience of Commonwealth countries to bring about dramatic developments in education through distance teaching and learning techniques

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AB 12.9.83

Commonwealth CHGM #5

PLR AM



cc: FCO
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DES
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CO

10 DOWNING STREET

23 September, 1983

THE PRIME MINISTER

Dear Mr. Raphael.

I enjoyed our recent talk about the prospects for this year's Commonwealth Heads of Government Meeting. I am now writing in reply to your circular letter of 2 August about the agenda.

As you say in your letter, the world continues to be beset by apparently intractable problems. I of course share your hope that the Commonwealth may be able to make a contribution to solving at least some of them. I would see great value in private, informal discussion of these matters. It is that kind of discussion that gives these meetings their unique value.

As far as individual issues are concerned, you have identified those of particular Commonwealth concern. With so many problems to discuss, it will be more than ever important not to spend too long on one or two, however important, at the expense of the others.

I am however a little unhappy about two of your suggestions. First, I do not believe that a specifically Commonwealth initiative on disarmament or global security would advance significantly the work already under way in arms control negotiations in the UN and other fora. Second, we believe that the best prospects for reaching a settlement in Cyprus lie in the inter-communal talks in Nicosia held under the auspices of the UN. Initiatives outside this framework would seriously risk cutting across the efforts of the UN Secretary-General and could well prove counter-productive. For this reason we would prefer to avoid substantive discussion of this question in New Delhi.

/ I agree

ST

I agree that the problems of Southern Africa should be discussed by Commonwealth leaders in order to see how best to contribute to the search for solutions. I share your disappointment at the slow rate of progress towards Namibian independence. I shall naturally be ready, with Mr. Trudeau, to give an account of the activities of the Contact Group. Some of our colleagues will no doubt want to discuss implementation of Gleneagles, but I would hope we need not spend a great deal of time on this. I was, as you know, greatly encouraged by the decisive vote by the MCC against sending a team to South Africa.

As you suggested to Janet Young in July, it might be opportune for me to bring Heads of Government up to date on our thinking on the Falklands. I would propose to say something about our plans for the Falkland Islands, to thank those of our colleagues who have given us general support on this issue and to urge them to continue doing so.

As you say in your letter there has been a great deal of discussion about international economic issues in the first half of 1983. The reality of interdependence is now generally accepted. An enduring recovery in the world economy will do more than anything else to alleviate the problems currently facing the developing countries. We are at present studying the report entitled "Towards a New Bretton Woods", which you sent me on 12 September and about which we spoke when you came to see me.

I agree that we should look closely at the various aspects of functional co-operation within the Commonwealth. I am sure you are right to say that, in present financial circumstances, we should aim for a period of consolidation. If there are to be proposals for increased activities in any area, it would be helpful if these could be costed, and if proposals could also be put forward for balancing savings.

/I look

I look forward to seeing your paper about the style and format of our Meetings. As you know, I would like to see them become even more informal and businesslike. But I recognise the problems and realise that the solution essentially lies with Heads of Government themselves. I believe that the Chairman has a particularly crucial role to play. We can rely on Mrs Gandhi to exercise the right mixture of firmness and tact. In this connection, I welcome your suggestion that the Meeting should conclude on the evening of 29 November.

Finally, I hope we can pursue with real determination our search for a shorter communique. We all seem to favour this in principle, but it always eludes us in practice. I hope we may have more success on this occasion.

Yours sincerely
Rajiv Gandhi

His Excellency Mr. Shridath Ramphal, Kt, GMC, QC

CONFIDENTIAL

AJC or



Foreign and Commonwealth Office

London SW1A 2AH

Please type letter.

AM 22/9

19 September 1983

Dear Sir,

CHOGM

The Commonwealth Secretary-General wrote to the Prime Minister on 2 August with his preliminary ideas on the agenda for the New Delhi CHOGM and requested comments by the first week of September if possible. Tim Flesher sent Mr Ramphal an interim reply on 10 August, warning that the Prime Minister's considered reply might be slightly delayed. I now enclose a further letter from Mr Ramphal, covering a copy of the recent Commonwealth report "Towards a New Bretton Woods". I enclose also a draft letter for the Prime Minister to send to Mr Ramphal in response to both his letters. The draft has been prepared in consultation with the other Whitehall departments involved.

The draft is largely self-explanatory. The Foreign Secretary is generally content with the framework proposed in Mr Ramphal's letter of 2 August. On political matters he would endorse Mr Ramphal's wish for a wide-ranging and effective discussion. But the Foreign Secretary does not believe that a Commonwealth initiative on "global security" or disarmament would be helpful. Mr Ramphal refers to the Commonwealth Prime Ministers' declaration on disarmament of 1961. Heads of Government issued another statement in 1973 on the tenth anniversary of the Treaty banning nuclear weapons tests, and it is possible that Mr Ramphal and Mrs Gandhi may have it in mind for CHOGM to issue a similar statement to mark the twentieth anniversary. We would not favour any Commonwealth initiative on this subject, and the Prime Minister may care to sound a note of warning accordingly.

Nor do we believe that the Commonwealth could help over Cyprus at the moment. The Government of Cyprus is currently engaged in a campaign to internationalise the issue and to step up their criticism of Turkey and the Turkish Cypriots. There are signs that they intend to pursue this campaign at CHOGM; and we would like to discourage Mr Ramphal from allowing CHOGM to be misused in this way.

/Mr Ramphal

CONFIDENTIAL



Mr Ramphal has indicated to Lady Young that he hopes the Prime Minister will say something about the future of the Falklands; the Foreign Secretary believes that the meeting (which will almost certainly follow a UN debate on the Falklands) would provide a convenient forum for the Prime Minister to thank those of her colleagues who have supported the Government's policy, and to encourage the others to be more robust. There should be an opportunity for appropriate lobbying in the corridors.

Mr Ramphal clearly hopes that the meeting may make a distinctive contribution to the discussion on international economic issues. The Foreign Secretary suspects that he is being over-optimistic about this. The Prime Minister sounded a note of caution to Mr Ramphal on 13 September, and there is no need for her to say anything further at this stage.

On functional cooperation, our main objective will be to avoid committing ourselves to expensive new operations, wherever possible. In this context, Mr Ramphal's suggestion that "the period immediately ahead should be one of consolidation" is helpful. On the other hand, we know that the Commonwealth Foundation will be appealing for more funds (with some justification, as its present budget was fixed in 1979).

Marlborough House is in urgent need of extensive repair. The background is described in the attached note. There is no need for the Prime Minister to mention this subject in her letter to Mr Ramphal, though he will undoubtedly wish to mention it at CHOGM.

We are likely to find ourselves in a minority over many of the issues likely to arise at CHOGM; for example, on UNLOSC, where we shall probably be in a minority of one. We have therefore been considering whether there are any low cost, useful initiatives we could propose as an earnest of our commitment to the Commonwealth. This will not be easy, but we are considering some ideas which may be worth floating informally at official level in advance of CHOGM. If they seem worth pursuing at New Delhi, we shall of course cover them in our detailed briefing for the Prime Minister nearer the time.

/I am

CONFIDENTIAL



I am copying this letter and enclosures 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

J. E. Holmes

(J E Holmes)
Private Secretary

CONFIDENTIAL

DSR 11 (Revised)

DRAFT: ~~minutes~~/letter/~~teletype~~/~~despatch~~/~~note~~

TYPE: Draft/~~Final~~/~~xxx~~

FROM: Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: HE Mr Shridath S Ramphal, AC Kt
CMG QC

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

Commonwealth Secretariat
Marlborough House
Pall Mall
LONDON SW1Y 5HX

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I ~~enjoyed~~ ^{talk} enjoyed our recent ~~discussion~~ about the prospects for this year's Commonwealth Heads of Government Meeting. I am now writing in reply to your circular letter of 2 August about the agenda.

As you say in your letter, the world continues to be beset by ~~seemingly~~ ^{apparently} intractable problems, and I ~~share~~ ^{I share} your hope that we ~~may collectively be able to apply the Commonwealth's 'healing touch' to at least some of them.~~ ^{may be able to make a contribution to at least some of the solutions of at least some of them.} Like you, I would see great value in ~~a~~ ^{the} private, informal and reflective discussion of ~~current trends and their implications for the future.~~ ^{these matters} It is indeed the opportunity for ~~this sort of discussion that gives these Meetings their unique value.~~ ^{kind}

As far as individual issues are concerned, you have ~~I think~~ identified those of particular Commonwealth concern. With so many problems to discuss, it will be more than ever important not to spend too long on one or two, however important, at the expense of the others.

I am however a little unhappy about two of your suggestions. First, I do not believe that a specifically Commonwealth initiative on disarmament or global security would advance

Enclosures—flag(s).....

significantly the work already under way in arms control negotiations in the UN and other fora. Second, we believe that the best prospects for reaching a settlement in Cyprus lie in the inter-communal talks in Nicosia held under the auspices of the UN. Initiatives outside this framework would seriously risk cutting across the efforts of the UN Secretary-General and could well prove counter-productive. For this reason we would prefer to avoid substantive discussion of this question at New Delhi.

I agree that the problems of Southern Africa should be discussed by Commonwealth leaders in order to see how best to contribute to the search for solutions. I share your disappointment at the slow rate of progress towards Namibian independence. I shall naturally be ready, with Mr Trudeau, to give an account of the activities of the Contact Group. Some of our colleagues will no doubt want to discuss implementation of Gleneagles, but I would hope we need not spend a great deal of time on this. I was, as you know, greatly encouraged by the decisive vote by the MCC against sending a team to South Africa.

As you suggested to Janet Young in July, it might be opportune for me at ~~the Meeting~~ to bring Heads of Government up to date on our thinking on the Falklands. I would propose to say something about our plans for the Falkland Islands, to thank those of our colleagues who have given us general support on this issue, and to urge them to continue doing so.

As you say in your letter there has been a great deal of discussion about international economic issues in the first half of 1983. The reality of interdependence is

now generally accepted. An enduring recovery in the world economy will do more than anything else to alleviate the problems currently facing the developing countries. We are at present studying the report entitled 'Towards a New Bretton Woods', which you sent me on 12 September and about which we spoke when you came to see me.

I agree that we should look closely at the various aspects of functional cooperation within the Commonwealth. I am sure you are right to say that, in present financial circumstances, we should aim for a period of consolidation. If there are to be proposals for increased activities in any area, it would be helpful if these could be costed, and if proposals could also be put forward for balancing savings.

I look forward to seeing your paper about the style and format of our Meetings. As you know, I would like to see them become even more informal and businesslike. But I recognise the problems, and realise that the solution essentially lies with Heads of Government themselves. I believe that the Chairman has a particularly crucial rôle to play, and ~~know that~~ we can rely on Mrs Gandhi to exercise the right mixture of firmness and tact. In this connection, I welcome your suggestion that the Meeting should conclude on the evening of 29 November. // Finally, I hope we can pursue with real determination our search for a shorter communiqué. We all seem to favour this in principle, but it always eludes us in practice. I hope we may have more success on this occasion

W 22.
9

MARLBOROUGH HOUSE

1. In 1959 The Queen made Marlborough House available to the Government, to be used for Commonwealth purposes. When the Commonwealth Secretariat was established in 1965, the then British Government agreed to make Marlborough House available as its headquarters.
2. Following an extensive survey, the PSA have recently discovered that Marlborough House is in urgent need of extensive repair, and is rapidly becoming unsafe. They consider that it needs complete rewiring; that the heating system needs to be replaced and modernised; and that the floors need substantial strengthening. They consider that, for the necessary work to be done satisfactorily, the building should be evacuated completely for $3\frac{1}{2}$ years. They estimate that the work would cost about £4 million, and have approached the Treasury accordingly. They would like to start work during the second half of 1984.
3. Mr Ramphal was initially dismayed when he heard the news; we believe he suspected that we were trying to move the Secretariat permanently away from Marlborough House. We have now reassured him on this point, and the Secretariat are discussing with the PSA possibilities for temporary accommodation. But Mr Ramphal will undoubtedly want to tell Heads of Government at New Delhi of the situation. In particular, he will look to the Prime Minister to give an assurance that the British Government will pay for the necessary repairs to be done as quickly as possible, and for the Secretariat to be adequately rehoused in the meantime.

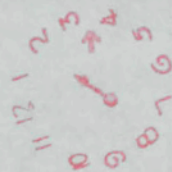


Commonwealth

Commonwealth Heads of Gov

M. J. G.

19 SEP 1983



with WR

COMMONWEALTH : CHGM New Delhi : P-S.

NA to see

cc. John Coles ~~BY~~

27/9

19th September 1983

Mr Alison is away from the office today and so I am writing to thank you for your letter of 15th September, together with its enclosure.

I will, of course, make sure that Mr Alison sees this on his return.

Tessa Gaisman (Mrs)
Political Office

Lady Pickthorn

Council for Education in the Commonwealth

Patron: Lord Gladwyn GCMG GCVO CB

Joint Parliamentary Chairmen: Eric Deakins MP, Stephen Dorrell MP, Tom McNally MP

House of Commons : House of Lords : Westminster, London SW1

All correspondence to: D W Daniel, North East London Polytechnic, Romford Road, London E15 4LZ
Telephone: 01-590 7722

15 Sept. 1983

Mr Michael Allison D.P.
10 Downing St.
London S.W.1.

Dear Mr Allison,

I am sending you the enclosed, a short memorandum for the Commonwealth Heads of Government meeting in New Delhi, which we hope may be useful.

I am also sending a copy to Peter Utley, a mutual friend, who tells me that he is looking after you next week and has kindly advised me to send this to you for the attention, if at all possible of our Prime Minister.

Yours sincerely, Helena Pickthorn

Executive Chairman: J E C Thornton CB OBE
Deputy Chairman: Professor P R C Williams
Commonwealth & Parliamentary Liaison Officer: Lady Pickthorn
Honorary Secretary/Treasurer: D W Daniel
Assistant Secretary: Mrs A Baker
Newsletter Editor: Miss M Stack

Council for Education in the Commonwealth

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All correspondence to: D W Daniel, North East London Polytechnic, Romford Road, London E15 4LZ
Telephone: 01-590 7722

MEMORANDUM BY THE COUNCIL FOR EDUCATION IN THE COMMONWEALTH FOR COMMONWEALTH HEADS OF GOVERNMENT MEETING NEW DELHI NOVEMBER 1983

Many Commonwealth countries are finding their industrial and commercial development severely retarded by a lack of appropriate education and training resources of their own and difficulties of access to those of other countries. We urge that education and training for commerce and industry should be a major thrust of a Commonwealth programme for higher education.

In the light of this Council's conference on 5th July 1983 on 'Education & Training in the Commonwealth for Commerce & Industry', and after studying some relevant conclusions of the Commonwealth Standing Committee on Student Mobility, we wish to commend to Heads of Government a programme that features, inter alia,

1. expansion of the Commonwealth Scholarship and Fellowship Plan and of the Fellowships and Training Programme of the Commonwealth Fund for Technical Cooperation in such a way that more awards are specifically related to professional, managerial and technician manpower needs of commerce and industry; and a new scheme of Commonwealth awards to fund placements in commerce and industry for practical training complementary to appropriate courses of education;
2. support for regional initiatives by member governments or by the educational institutions themselves to strengthen particular departments or disciplines in selected national institutions;
3. the vigorous exploitation, in consultation with manufacturers, of new information and communication technologies that can be harnessed to the existing infrastructure and experience of Commonwealth countries to bring about dramatic developments in education through distance teaching and learning techniques

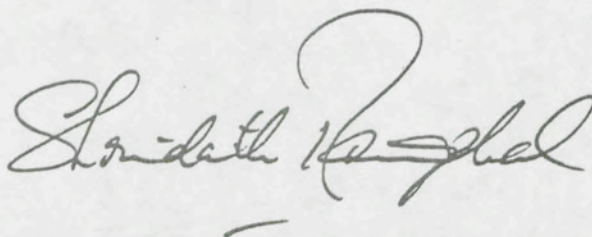
--- o ---

AB 12.9.83

ECON.116/66

12 September 1983

Further to my message of 2 August 1983 to your Head of Government on the subject of the agenda for the next Commonwealth Heads of Government Meeting in New Delhi in November 1983, I enclose a copy of the Report of a Commonwealth Study Group, entitled "Towards a New Bretton Woods : Challenges for the World Financial and Trading System". I should be grateful if you could ensure that the Report, together with the attached message, is transmitted to your Head of Government as quickly as possible.

A handwritten signature in cursive script, reading "Shridath S. Ramphal". The signature is written in dark ink and is positioned above the printed name.

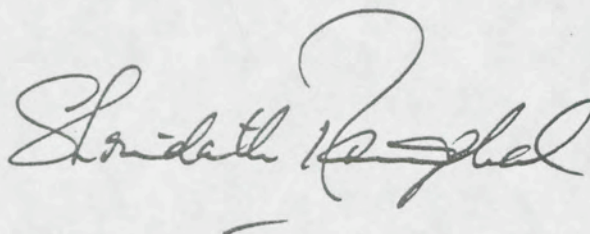
Shridath S. Ramphal

ECON.116/66

12 September 1983

Last month, when I submitted some preliminary ideas on the agenda for the Commonwealth Heads of Government Meeting in New Delhi, I indicated that Heads of Government will have before them a major study, "Towards a New Bretton Woods", on the working of the international financial and trading system. The Report, which was commissioned by Commonwealth Finance Ministers, has now been issued as a document for the Meeting of Commonwealth Finance Ministers in Port-of-Spain, scheduled for 20-22 September 1983. However, in view of its high relevance to the current world economic situation, the general importance of the issues that are covered and the interest of Heads of Government in any major process of reform that might be initiated including the proposal for an international conference, I am forwarding a copy in advance of the Port-of-Spain Meeting in order to provide sufficient time for Heads of Government to reflect on the issues before their own meeting. Heads of Government will, of course, have an opportunity in New Delhi to take into account not only the results of the Port-of-Spain Meeting but also reactions to the Report and its proposals at the forthcoming Bank/Fund Annual Meetings and the next regular session of the UN General Assembly.

With deep respect,



Shridath S. Ramphal

SUBJECT

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T122/83



ccops

MATTER

10 DOWNING STREET

re 8H

cto

THE PRIME MINISTER

25 August 1983

Dear Prime Minister,

Thank you very much for your letter of 4 August inviting me to attend the Commonwealth Heads of Government Meeting in New Delhi from 23 to 29 November, 1983.

I have great pleasure in accepting this invitation and much look forward to visiting India again. It will be a valuable and timely opportunity to discuss matters of common concern. We shall of course be in touch with Sonny Ramphal about his suggestions for the agenda but I share your hope for constructive and forward-looking discussions.

Yours sincerely
Margaret Thatcher

Her Excellency Shrimati Indira Gandhi

10



Foreign and Commonwealth Office

London SW1A 2AH

24 August, 1983

Dear Tim,

GR
pre type for
this segment.

/ The Indian High Commission has passed to us the enclosed letter to the Prime Minister from the Prime Minister of India formally inviting Mrs Thatcher to attend the forthcoming Commonwealth Heads of Government Meeting in New Delhi (23-29 November).

/ I also enclose a draft reply which the Prime Minister may wish to have sent to Mrs Gandhi. If you would care to return the final signed version to me, I shall arrange for it to be transmitted by our High Commission in New Delhi.

Yours ever

(J E Holmes)
Private Secretary

T Flesher Esq
10 Downing Street

Federal Reserve Bank of Cleveland

Cleveland, Ohio 44114

2 - AUG 1983

1121234
56789
101112

DRAFT: ~~minute~~/letter/~~telegram~~/~~dispatch~~/~~note~~

TYPE: Draft/~~Final~~

FROM: Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: Shrimati Indira Gandhi
Prime Minister of India
South Block 11
NEW DELHI

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

Thank you very much for your letter of 4 August inviting me to attend the Commonwealth Heads of Government Meeting in New Delhi from 23 to 29 November 1983.

CAVEAT.....

I have great pleasure in accepting this invitation and much look forward to visiting India again. It will be a valuable and timely opportunity to discuss matters of common concern. We shall of course be in touch with Sonny Ramphal about his suggestions for the agenda but I share your hope for constructive and forward-looking discussions.

Enclosures—flag(s).....



Amone

de k
cfo

10 DOWNING STREET

From the Private Secretary

10 August 1983

BR
Thank you for your letter of 2 August containing your preliminary ideas on the agenda for the New Delhi Commonwealth Heads of Government Meeting. I shall show this to the Prime Minister at an early opportunity.

We shall look carefully at your suggestions and the Prime Minister will send you her considered views as soon as possible, even if this may in practice be a little later than the first week in September.

Meanwhile, I know that the Prime Minister is greatly looking forward to the Meeting and will appreciate your suggestion that it should end on the evening of 29 November.

TIMOTHY FLESHER

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

to

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

9 August 1983

*Dear Tim, for my sig
A.*

/ I enclose a message which the Commonwealth Secretary-General has asked to be transmitted to the Prime Minister. The message contains Mr Ramphal's preliminary ideas on the agenda for the forthcoming Commonwealth Heads of Government Meeting in New Delhi. He has written similarly to all other Commonwealth Heads of Government. As usual, we are treating his message as CONFIDENTIAL rather than SECRET.

/ I enclose also a brief summary we have prepared of the main points in his message.

Mr Ramphal asks for considered reactions to his ideas by the first week of September if possible. Our reply is likely to slip beyond this by a few days because of the absence on leave until then of the Foreign and Commonwealth Secretary and Sir Antony Acland. But this is not likely to cause any problems: on previous form very few Governments will reply on time.

/ On similar occasions in the past, the Prime Minister has sent Mr Ramphal an interim reply herself. On this occasion the reply has been drafted to go from a Private Secretary on the assumption that the Prime Minister may not have time to look at the papers before she leaves on holiday (it can of course easily be adapted into a personal reply). The draft includes an appreciative reference to Mr Ramphal's hope that the Meeting will end on the evening of 29 November rather than, as originally planned, on 30 November; you may recall that, in her letter to Mr Ramphal of 19 July 1982, the Prime Minister indicated her own hope that the Meeting could be shortened slightly.

I am copying this letter, plus enclosures, to Richard Hatfield (Cabinet Office).

*Jan eve
J E Holmes*

(J E Holmes)
Private Secretary

Tim Flesher Esq
10 Downing Street

CONFIDENTIAL

DRAFT: ~~minute~~/letter/teletype/despatch/note
XXXXXXXXXXXXXXXXXXXX

TYPE: Draft/Final 1+

FROM:

Reference

Private Secretary

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

HE Mr Shridath S Ramphal AC Kt CMG QC
 Commonwealth Secretariat
 Marlborough House
 Pall Mall
 LONDON SW1Y 5HX

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of 2 August containing your preliminary ideas on the agenda for the New Delhi Commonwealth Heads of Government Meeting. I shall show this to the Prime Minister at an early opportunity.

We shall look carefully at your suggestions and the Prime Minister will send you her considered views as soon as possible, even if this may in practice be a little later than the first week in September.

Meanwhile, the Prime Minister asks me to say that she is greatly looking forward to the Meeting and appreciates your suggestion that it should end on the evening of 29 November.

Enclosures—flag(s).....

CIRCULAR LETTER FROM COMMONWEALTH SECRETARY-
GENERAL TO HEADS OF GOVERNMENT, DATED 2 AUGUST 1983:
THE AGENDA FOR CHOGM

SUMMARY AND INITIAL COMMENTS

1. Mr Ramphal has written his letter after discussion with the Indians, and the ideas in it undoubtedly represent Indian thinking as well as his own. It seems clear that, beneath the generalities, they want CHOGM to focus on the following subjects:

Disarmament (it sounds as if Mr Ramphal may be hinting at a possible Commonwealth initiative).

Namibia

South Africa's policy of destabilisation; can the Commonwealth help the countries concerned?

Cyprus) Can the Commonwealth help wider inter-
)
Belize) national efforts to find solutions?

Economic issues: CHOGM will have before it the two 1982 Commonwealth studies, plus the one commissioned by 1982 Finance Ministers ('Towards a New Bretton Woods'). Together these 'will provide Commonwealth leaders with a comprehensive, authoritative and up-to-date survey of contemporary international economic issues'. Mr Ramphal hopes that CHOGM can 'contribute to global consensus-building in this area of critical importance to all countries'.

/Commonwealth

Commonwealth Functional Cooperation

Mr Ramphal indicates that Heads of Government will be invited to endorse the activities of, and perhaps authorise increased funds for:

CFTC

Commonwealth Youth Programme

Commonwealth Foundation

Commonwealth Science Council

Meetings of Commonwealth Employment/Labour Ministers

(''need for more intensive sharing of Commonwealth experience in managing technological change with particular reference to the micro-electronics revolution'').

Women and Development Programme

Finally, Mr Ramphal makes it clear that Heads of Government will be invited to consider student mobility, and ''possibilities for cooperation in the cultural field'' (ie, the future of the Commonwealth Arts Organisation).

2. There will undoubtedly be a host of subjects discussed at CHOGM which Mr Ramphal has not mentioned. Subjects likely to be raised by other Commonwealth members include:

Sporting links with South Africa

Diego Garcia (perhaps)

UNLOSC

The future of the Falklands

Antarctica

Commonwealth Coordination Department
5 August 1983

SUBJECT

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. 115A/83



PRIME MINISTER
INDIA

Vcc Ops
Master

New Delhi
August 4, 1983

Dear Prime Minister,

On behalf of the Government of India and on my own behalf, I have great pleasure in inviting you to attend the Commonwealth Heads of Government Meeting in New Delhi from November 23 to 29, 1983.

The Commonwealth Secretary-General, Dr. S.S. Ramphal, is at present in the process of consulting member-countries about possible items which might be included in the agenda. He will soon write to you.

I am sure we all want our discussions to be constructive and forward looking and our meeting to contribute to the process of finding answers to some of the major economic and political issues which concern us all.

For the Retreat we plan to take you to Goa, the well known sea-side resort on the West coast of India.

I hope that it will be possible for you to attend the meeting personally. I look forward to welcoming you to the first Commonwealth Summit in India.

With regards,

*Yours sincerely
Indira Gandhi*

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

SECRET

C.152/12/3

2 August 1983

Dear Prime Minister,

With the Commonwealth Heads of Government Meeting in New Delhi now less than four months away, the time has come for me to submit for your consideration some preliminary ideas on the agenda and to ascertain your thinking.

In doing so, I am all too conscious that in the period since the Melbourne Meeting the world has continued to be beset by seemingly intractable political and economic problems. For the greater part, the will and capacity of the international community to deal with these problems has yet to be mobilised. Inevitably, Commonwealth countries have not been left untouched. On the contrary, many have had to shoulder a disproportionate share of the consequences in terms of economic distress and social and political insecurity. In a situation where agreement has eluded the international community with such damaging results consensus remains of critical importance; convergences at the Commonwealth level can therefore be of major significance to member countries and to the world community. Perhaps never before has the Commonwealth's "healing touch", of which Jawaharlal Nehru spoke so feelingly in the early days, been more needed. Where better to apply it than in New Delhi at the first ever Commonwealth summit held in India?

The customary structure of the agenda, with broad and flexible headings covering international, political and economic issues and Commonwealth functional co-operation is by now well settled; I assume you will wish to adhere to it.

Political Issues

On the political front I believe that Heads of Government will, as on previous occasions, wish to have a tour d'horizon of significant international developments since their last Meeting. There will, of course, be a variety of issues and concerns and the discussions can be expected to be truly global

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

SECRET

SECRET

in range, reflecting both national and regional perspectives and covering the full gamut of problems. I do not need to single out issues; regrettably, none has disappeared from the international agenda since Melbourne, while some have been added. Transcending them all is the broader question of the global political environment, its acute tensions and uncertainties and the pervasive effects of the arms race and super-power rivalry.

No other occasion in the international calendar provides an opportunity of the kind that will arise at New Delhi for leaders representing a wide range of views to consult together, away from the glare of publicity, about their concerns and hopes and to explore the scope for common action in the interest of a more harmonious world. Perhaps Heads of Government would see value in a reflective discussion of current trends and their implications for the future, the manner in which they affect prospects for global security and whether there are ways in which the Commonwealth might raise its voice, as it did in 1961 on disarmament, to influence the course of events. At a time of palpable danger, can Commonwealth leaders at New Delhi glimpse a pathway to common security and invite the world to take it with them?

Many had hoped to welcome Namibia to the Commonwealth fold at New Delhi. That hope has been thwarted; it remains to be seen whether there will be any significant progress by November towards Namibia's independence. Against the background of the Commonwealth's long-standing involvement in Southern Africa and its total opposition to racism, I expect Heads of Government will also wish to hear from their colleagues in that region about other aspects of the situation. South Africa's policy of destabilisation has been intensified with potentially far reaching consequences for Commonwealth countries. It will be helpful to consider how Commonwealth efforts might assist the countries concerned to withstand these pressures. Similarly, in reviewing developments in Cyprus and Belize, the Meeting may wish to assess the prospects of a distinctive Commonwealth contribution to wider international efforts to find solutions.

Economic Issues

On the economic front I need not dwell on the gravity of the situation and the problems which it poses for all member countries, especially the more vulnerable developing countries. The issues are unhappily all too familiar and the disappointments in trying to find answers to them all too acute. In their Melbourne Declaration Commonwealth leaders:

"Assert(ed) that what is at stake - in terms of how hundreds of millions will live or die; of the

SECRET

prospects for co-operation or conflict; and of the prospects for economic advance or stagnation - is of such vital importance in human terms that it would be an indictment of this generation if that political will and the readiness to find a creative compromise were not found".

Matters are in many ways even more serious now than when Heads of Government discussed them in Melbourne.

Throughout most of the developing world there has been further deterioration in economic circumstances and prospects. For most of the developed countries also it has been a time of continued contraction, particularly in employment. In the United States and to a more limited degree in some OECD countries there have been signs of recovery, but there is uncertainty about its strength and durability. Taken as a whole the world economy remains in need of 'intensive care'.

Discussion of international economic issues has been vigorous at all levels, including that of Heads of Government. At the Non-Aligned Summit in New Delhi and the Western Economic Summit at Williamsburg, Commonwealth leaders played major roles. There have been Ministerial Meetings of the Group of 77, of OECD, of the Interim Committee and the GATT, and most recently the major occasion of UNCTAD VI. Additionally, there have been meetings of established inter-governmental bodies and informal expert gatherings. At the end of it all, however, there remains widespread unease over lack of progress on substantive issues and with the process of international negotiation and decision making.

The time is ripe to initiate a sustained process of reform and renewal in response to the urgent need for real development, to buttress and broaden recovery so that it becomes vigorous and durable and, overall, to improve the ways by which we co-operate to achieve these objectives. The Commonwealth is particularly well placed to help with this process. Heads of Government will have before them two studies which they commissioned at Melbourne. The first, PROTECTIONISM: THREAT TO INTERNATIONAL ORDER, is the work of the Group which was set up to study the impact of protectionism on developing countries in particular and its implications worldwide as well. As envisaged the report was made available to the GATT Ministerial Meeting in 1982. The second study relates to the obstacles to progress in the North-South dialogue arising from the negotiating process itself. That report, NORTH-SOUTH DIALOGUE: MAKING IT WORK, was also published in 1982. Both reports have attracted wide international notice and been welcomed for their dispassionate professionalism, candour and practical thrust.

SECRET

Even more specifically, however, Heads of Government at New Delhi will have before them a major study, TOWARDS A NEW BRETTON WOODS, on the working of the international financial and trading system. This study was commissioned by Commonwealth Finance Ministers when they met in London last year and will be examined initially by them when they meet in Port of Spain in September. The resulting report, on which a most distinguished Expert Group has just concluded work, is the first overall examination initiated by governments of the "international trade and payments system as a whole and, in particular, the role of the international economic institutions". Taken together with the 1982 reports, it will provide Commonwealth leaders with a comprehensive, authoritative and up-to-date survey of contemporary international economic issues. The New Delhi Meeting therefore will be particularly well placed to contribute to global consensus-building in this area of critical importance to all countries.

Functional Co-operation

Additionally, and separately, intra-Commonwealth co-operation at the functional level remains a vital element of the Commonwealth connection. Such co-operation is central to the Secretariat's functions and is nowhere better expressed than in the wide range of technical assistance activities for which the Commonwealth Fund for Technical Co-operation is responsible. At Melbourne, Heads of Government agreed to make increased resources available to the Fund to enable its activities to be restored to earlier levels: it has been possible, as a result, to upgrade the extent and range of assistance which the CFTC offers. The New Delhi Meeting will I hope serve to sustain the Fund's effectiveness and future prospects.

In the context of the many comparative advantages of Commonwealth functional co-operation, but given the very real fiscal pressures constraining member governments it would, I believe, be the wish of Commonwealth leaders that the period immediately ahead should be one of consolidation in which we seek to maximise the benefits of existing services to member countries. Among such services the Commonwealth Youth Programme and the Commonwealth Foundation hold important places. Both were helped by the Melbourne decisions; both look to Heads of Government for continued support in the discharge of their mandates. The same is true of the Commonwealth Science Council whose programmes in the new areas of science and technology are likely to be of major significance to development efforts in the next decades. Commonwealth Employment/Labour Ministers have already signalled the need for more intensive sharing of Commonwealth experience in managing technological change with particular reference to the micro-electronics revolution. And among the newer activities required by Heads of Government, the

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Women and Development Programme, now nearing the end of its third year, has injected significant perspectives on issues and strategies across the full range of the Secretariat's development activities. Particularly as we approach the final year of the United Nations Decade of Women (in 1985), Commonwealth leaders may wish to underline the importance of this very special Commonwealth co-operative effort.

The Meeting will also have before it the recommendations of the Commonwealth Standing Committee on Student Mobility, established pursuant to the recognition by Heads of Government at Melbourne of the importance of educational interchange within the Commonwealth. It is a matter of much consequence to the Commonwealth's own future, no less than to national development, that educational interchange, which has been such a distinctive and enduring element of Commonwealth links in the past, should continue to flourish.

As requested by Senior Officials at their meeting in Arusha, the Secretariat will provide a background paper on the possibilities for co-operation in the cultural field.

In the period since Melbourne I have received a number of suggestions from Heads of Government about the style and format of their Meetings, directed principally at ensuring that their unique character of informality and dialogue is maintained. The Guidelines adopted at Ottawa in 1973 and developed further at Lusaka in 1979 have served us well, but there is scope for further refinement in the light of experience. Drawing also on the discussion of this matter among Senior Officials at Arusha, I shall shortly be circulating a paper on the subject for your consideration.

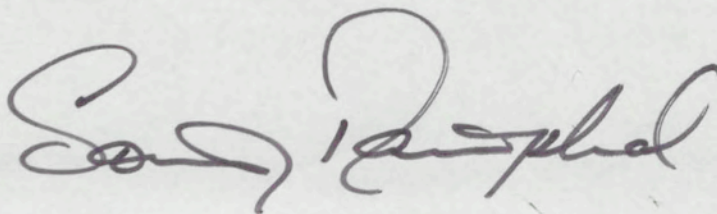
I had earlier conveyed to you that the Meeting would run from 23 to 30 November. Unlike Melbourne, where the Opening Session was held in the afternoon, proceedings at New Delhi will begin in the morning of the 23rd. In view of this it is envisaged that the Meeting will conclude on the evening of 29 November - a modest contraction which I believe Heads of Government will welcome.

I much look forward to receiving your views, together with an indication whether it will be your intention to present any papers to the Meeting. I am aiming to prepare and circulate an annotated draft agenda by the end of September and would therefore welcome replies by the first week of September if possible.

SECRET

Meanwhile, having recently returned from Delhi, I am delighted to be able to say that you are assured both of a very warm welcome and excellent facilities.

With deep respect,

A handwritten signature in dark ink, appearing to read "Shridath S. Ramphal". The signature is fluid and cursive, with a large initial "S" and "R".

Shridath S. Ramphal

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10 DOWNING STREET

From the Private Secretary

27 July 1983

CHOGM

When the Foreign and Commonwealth Secretary called on the Prime Minister this morning he explained that he expected to have to leave the Commonwealth Conference early because of the meeting of the Special Council of EC Ministers on 28/29 November.

The Prime Minister said that she thought it was a little unfortunate that a Special Council had been arranged during the period covering the Commonwealth Conference but accepted that this was probably inevitable, in view of the timing of the next European Council. She noted that the Foreign and Commonwealth Secretary would have to leave New Delhi before the end of the Conference. She did not think it necessary for another FCO Minister to make the journey to Delhi for what remained of the Conference, particularly given the fact that Sir Antony Acland will be present throughout.

Brian Fall, Esq.,
Foreign and Commonwealth Office.

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CHOGM ①



10 DOWNING STREET

PRIME MINISTER

Yes
md

Sir Robert Wade-Gery has asked whether he may call on you in the first week of August. Would you like to see him?

A.S.C.

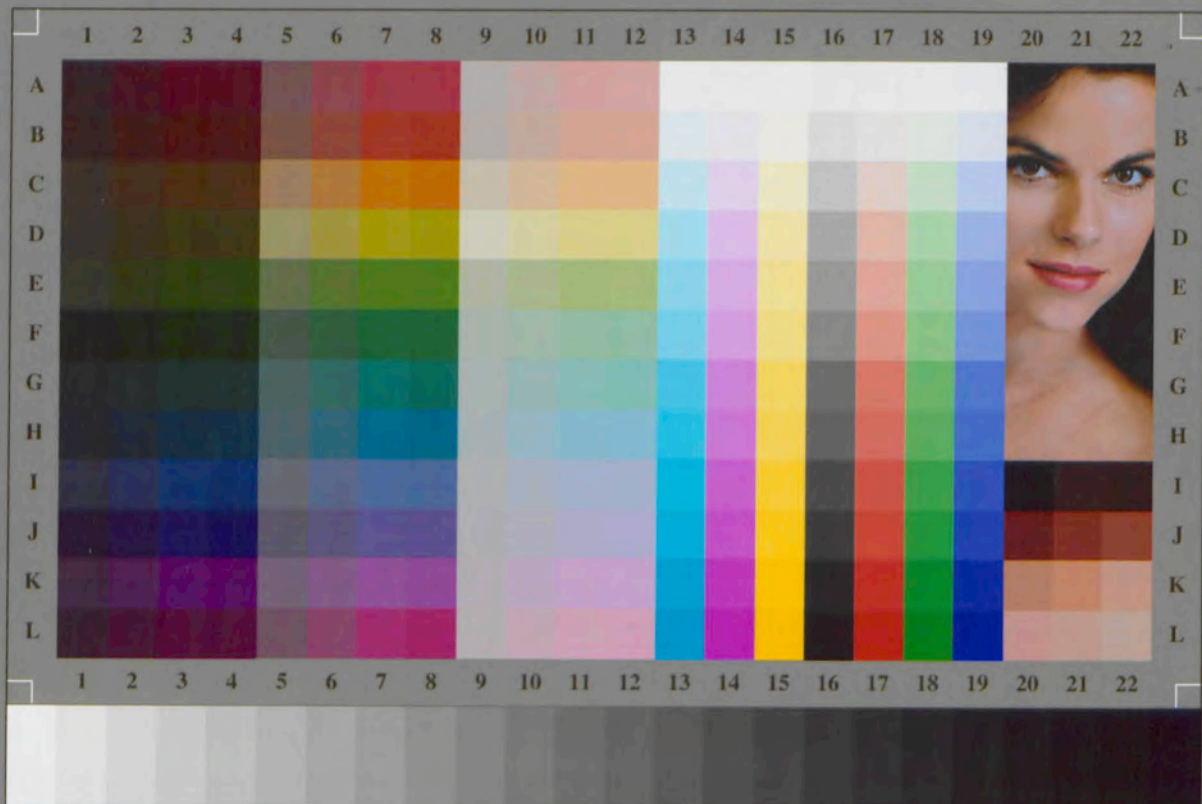
Mr. Fisher

*Wd. we pl. arrange
— and may we have
a word?*

25 July, 1983

*(a message should be left
to him at Head of
Mission Section in the
F.C.O.) . A.S.C. $\frac{25}{7}$.*

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