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PREM 19/970

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PART 6

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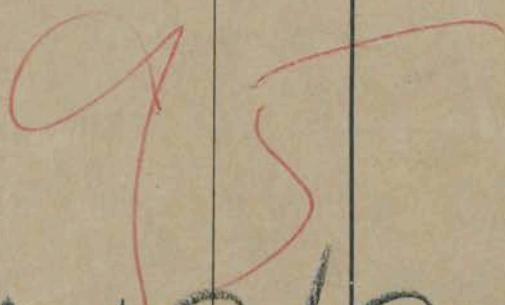
CONFIDENTIAL FILING

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

COMMONWEALTH

PART 1: MARCH 1979

PART 6: JULY 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>23</del>	<del>11</del>						
<del>24</del>	<del>11</del>						
<del>25</del>	<del>11</del>						
<del>26</del>	<del>11</del>						
 PREM 19/1970							

PART 6 ends:-

Sir A Acland 26.11.83

PART 7 begins:-

AJC to PM 27.11.83

Mr Coles

These are the texts of the passages for the Communique on Grenada & Cyprus which were agreed in Goa by Heads of Government.

As I told Mr Butler on the telephone, I think that the one on Grenada is very good indeed. The one on Cyprus will upset the Turks, I fear, since Cypriots have succeeded in twisting up the language of the Security Council resolution quite considerably.

I think we shall just have to tell the Turks that our position is based on our resolution - & that the Commonwealth meeting is a very different forum.

John King Ireland 26  
21

DRAFT COMMUNIQUE

GRENADA

1. Commonwealth leaders discussed recent events in Grenada which have caused such deep disquiet among them, and in the wider international community, and on which most of them had already expressed their views at the United Nations. They re-affirmed their commitment to the principles of independence, sovereignty and territorial integrity and called for the strict observation of these principles. They recorded their profound regret over the tragic loss of life in Grenada.
2. Heads of Government agreed, however, that the emphasis should now be on re-construction, not recrimination. They welcomed the establishment of an Interim Sovereign Administration in Grenada, looked forward to its functioning free of external interference or pressure and noted its intention to hold, as early as possible, elections which would be seen by the international community to be free and fair. On this basis and in the context of the prompt withdrawal of foreign military forces from Grenada at the instance of the Interim Administration and the readiness of the countries of the Caribbean community to assist in the maintenance of law and order in Grenada if so requested by that administration, Commonwealth leaders confirmed their readiness to give sympathetic consideration to requests for assistance from the Island State. In doing so, they stressed the importance they attached to an early return <sup>by</sup> to Commonwealth countries of the Caribbean to the spirit of fraternity and co-operation that had been so characteristic of the Region.
3. Time and again in their discussions, Commonwealth leaders were recalled to the special needs of small States, not only in the

Caribbean, but elsewhere in the Commonwealth. They recognised that the Commonwealth itself had given some attention to these needs in the context of economic development, but felt that the matter deserved consideration on a wider basis, including that of national security. Recalling the particular dangers faced in the past by small Commonwealth countries, they requested the Secretary General to undertake a study, drawing as necessary on the resources and experience of Commonwealth countries, of the special needs of such States consonant with the right to sovereignty and territorial integrity that they shared with all nations.

## CYPRUS

1. Heads of Government condemned the Declaration by Turkish Cypriot Authorities issued on 15 November 1983 to create a Secessionist State in Northern Cyprus in the area under foreign occupation. Fully endorsing Security Council Resolution 541 they denounced the Declaration as legally invalid, and reiterated the call for its non-recognition and immediate withdrawal. They further called upon all States not to facilitate or in any way assist the illegal Secessionist entity. They regarded this illegal act as a challenge to the international community and demanded the implementation of the relevant UN Resolution of Cyprus.

2. At this critical moment for a member country of the Commonwealth, Heads of Government reaffirming their Lusaka and Melbourne Communiques and recalling the relevant Security Council Resolutions pledged their renewed support for the independence, sovereignty, territorial integrity, unity, and non-alignment of the Republic of Cyprus, and in this respect they expressed their solidarity with their colleague, the President of Cyprus.

3. They agreed to establish a special Commonwealth Action Group on Cyprus at high level to assist in securing compliance with Security Council Resolution 541. The Group would consist of the following five countries together with the Secretary General: Australia, Guyana, India, Nigeria and Zimbabwe.

5. Finally, they urged all States and the two communities in Cyprus to refrain from any action which might further exacerbate the situation.

Pt-6  
CONFIDENTIAL

TO ALL HEADS OF DELEGATION

I circulate herewith revised draft communique paragraphs on Grenada. They are the result of the consultations requested by you. Those involved were the Heads of Delegation of Antigua and Barbuda, Bahamas, Barbados, Dominica, Guyana, Jamaica, St Lucia, Trinidad and Tobago, Zimbabwe, and myself.

The revised draft paragraphs have their unanimous agreement and they commend them for your acceptance without further ammendment - as do I.

Sonny

Goa

26 November 1983



DRAFT COMMUNIQUE

Grenada

Commonwealth leaders discussed recent events in Grenada which have caused such deep disquiet among them and in the wider international community, and on which most of them had already expressed their views at the United Nations. They reaffirmed their commitment to the principles of independence, sovereignty and territorial integrity and called for the strict observance of these principles. They recorded their profound regret over the tragic loss of life in Grenada.

Heads of Government agreed, however, that the emphasis should now be on reconstruction, not recrimination. They welcomed the establishment of an interim civilian administration in Grenada. <sup>They</sup> looked forward to its functioning free of external interference, <sup>or pressure, or the presence of foreign military forces</sup> and noted its intention to hold, as early as possible, elections which would be seen by the international community to be free and fair. On this basis, ~~and in the context of the prompt withdrawal of foreign military forces from Grenada at the instance of the Interim Administration~~ <sup>given</sup> and the readiness of the countries of the Caribbean Community to assist in the maintenance of law and order in Grenada if so requested by that Administration, Commonwealth leaders confirmed their readiness to give sympathetic consideration to requests for assistance from the island state. In doing so, they stressed the importance they attached to an early return of Commonwealth countries of the Caribbean to the spirit of fraternity and co-operation that had been so characteristic of the region.

Time and again in their discussions, Commonwealth leaders were recalled to the special needs of small states, not only in the Caribbean but elsewhere in the Commonwealth. They recognised that the Commonwealth itself had given some attention to these needs in the context of economic development but felt that the matter deserved consideration on a wider basis, including that of national security. Recalling the particular dangers faced in the past by small Commonwealth countries, they requested the Secretary-General to undertake a study, drawing as necessary on the resources and experience of Commonwealth countries, of the special needs of such states consonant with the right to sovereignty and territorial integrity that they shared with all nations.

DRAFT COMMUNIQUE PARAGRAPHS

Cyprus

Heads of Government condemned the declaration by the Turkish Cypriot authorities issued on 15 November 1983 to create a secessionist state in Northern Cyprus, in the area under foreign occupation. Fully endorsing Security Council Resolution 541, they denounced the declaration as legally invalid and reiterated the call for its non-recognition and immediate withdrawal. They further called upon all states not to facilitate or in any way assist the illegal secessionist entity. They regarded this illegal act as a challenge to the international community and demanded the implementation of the relevant UN Resolutions on Cyprus.

At this critical moment for a member country of the Commonwealth, Heads of Government, reaffirming their Lusaka and Melbourne Communiques and recalling the relevant Security Council resolutions, pledged their renewed support for the independence, sovereignty, territorial integrity, unity and non-alignment of the Republic of Cyprus; and in this respect, they expressed their solidarity with their colleague the President of Cyprus.

They agreed to establish a special Commonwealth Action Group on Cyprus at high level to assist in securing compliance with Security Council Resolution 541. The Group would consist of the following five countries, together with the Secretary-General: Australia, Guyana, India, Nigeria and Zambia.

Finally, they urged all states and the two communities in Cyprus to refrain from any action which might further exacerbate the situation.

CONFIDENTIAL

TO ALL HEADS OF DELEGATION

Further to the 'outline declaration' on international security which I circulated in New Delhi, I attach a 'fleshed out' version of the declaration for your additional consideration in Goa. I also attach draft paragraphs for the communique on Cyprus and Grenada which have been taken out of the Communique Committee in New Delhi and left for consideration by Heads of Government directly.

The draft paragraphs on Grenada, in particular, seek to follow our tradition of trying to find consensus through conciliation while respecting strongly held views.

Sonny

Goa  
26 November 1984

① Commonwealth Conference  
with immediate  
GOA DECLARATION ON INTERNATIONAL SECURITY

② Canadian's 5-point column  
Anderson Reagan Summit

Representing as we do a third of the world's people from every (continent and many regions, we share a sense of crisis as we meet together in New Delhi at the end of 1983. We are all deeply troubled and apprehensive about the state of the world. Despite differences of approach which affect the way we analyse and judge events, it is our common perception that super-power confrontation is assuming new and menacing dimensions. As antagonisms deepen, the danger increases that communication between them could break down completely. In the context of a continuing build-up of nuclear arsenals, human beings in vast numbers could face the grim prospect of annihilation. None of our countries or peoples would be insulated from that fate.

2. Simultaneously, the world is threatened with a general break-down of order in the international community. We are alarmed by the increasing evidence of a willingness to disregard the moral and legal principles which should govern the conduct of states; by the degree to which the ethic of peaceful settlement of disputes is being eroded and by the readiness of nations to resort to the illegal use of force. Subventor

3. At this time of crisis, we believe to be imperative that the Soviet Union and the United States should summon up the political vision of a world in which their nations can live in peace. Their first objective must be to work for the resumption of a genuine political dialogue between themselves so as to lead to a relaxation of tensions. We believe that Commonwealth Governments can make a practical contribution in encouraging them to do so and in promoting a larger measure of international understanding than now exists.

4. Essential to that enlargement of understanding is the need to increase contacts at a variety of levels between the governments and peoples of East and West. A concerted effort is required to restore to the conduct of East-West relations the basic elements of dialogue ? if a climate of confidence is to be rebuilt in place of the prevailing one of fear and mistrust.

5. In all these pursuits we emphasise the supreme importance of political will. We therefore welcome Prime Minister Trudeau's call for a new political dimension in the quest for international security. We support his efforts to restore active political contact and communication among the nuclear weapon powers, and } would be willing to help those efforts in all appropriate } ways. ?

6. We regard the stopping and reversal of the nuclear arms race between the super-powers as a pre-condition for progress in working towards a world released from the menace of nuclear weapons. Because the questions of disarmament and development are so closely linked, that release could bring manifold gains. If the benefits from a reduction in both nuclear and conventional armaments were ploughed back in some measure into world development, the needs of the developing countries which are in the forefront of our concern could be significantly met.

7. A crisis of confidence also affects the capacity of international institutions to play an effective role in world affairs. Rejecting that negative trend, we pledge our renewed support for the United Nations and reiterate our belief in the principles enshrined in its Charter.

There is, in our view, a need to take carefully considered and practical steps to improve the capacity of the United Nations to fulfil the objectives of the Charter.

8. We are particularly concerned at the vulnerability of small states to external attack and interference in their affairs. These countries, though unable to defend themselves, are members of the international community which has, at the very least, a moral obligation to provide effectively for their territorial integrity and independence. We have separately agreed on an urgent study of these issues. Additionally, however, we will assist in helping the international community to make an appropriate response to the UN Secretary-General's call for a strengthening of collective security in keeping with the Charter.

9. We cannot emphasise too strongly our belief that an ethic of non-violence must be at the heart of all efforts to ensure peace and harmony in the world. That ethic requires that the resolution of any conflict must start with the renunciation of force in the search for a peaceful settlement. Only by commitment and adherence to it on all sides will the world's people enjoy an environment of true international security.

10. Finally, we do not despair, however dark and menacing the prospect. We retain faith in human capacity to overcome the dangers and difficulties that threaten and to secure a more peaceful, just and habitable world.



Mr. Cummings

Peter Dunder

DRAFT COMMUNIQUE

Grenada

Commonwealth leaders discussed recent events in Grenada which had caused such deep disquiet among them and in the wider international community, and on which most of them had already expressed their views at the United Nations. They reaffirmed their commitment to the principles of independence, sovereignty and territorial integrity and called for the strict observance of these principles in respect of Grenada. They recorded their profound regret over the tragic <sup>loss of life in Grenada.</sup> death of Prime Minister Maurice Bishop.

Heads of Government agreed, however, that the emphasis now should be on <sup>reconciliation</sup> recuperation, not recrimination. They <sup>welcomed</sup> noted the establishment of an interim civilian administration in Grenada, <sup>looked forward to its functioning free of</sup> external interference or pressure, <sup>and urged the holding,</sup> as early as possible, of elections which would be seen by the international community to be free and fair. On this basis, and in the context of the prompt withdrawal of <sup>at the instance of the interim administration</sup> foreign military forces from Grenada, Commonwealth leaders confirmed their readiness to give sympathetic consideration to requests for assistance from the island state. In doing so, they stressed the importance they attached to an early return of Commonwealth countries of the Caribbean to the spirit of fraternity and co-operation that had been so characteristic of the region. <sup>and the readiness of the countries of the Caribbean Community to assist in the maintenance of law and order in Grenada if so requested by that Administration</sup>

Chambers for next print

Time and again in their discussions, Commonwealth leaders were recalled to the special needs of small states, not only in the Caribbean but elsewhere in the Commonwealth. They recognised that the Commonwealth itself had given some

attention to these needs in the context of economic development but felt that the matter deserved consideration on a wider basis, including that of national security. Recalling the particular dangers faced in the past by small Commonwealth countries, they requested the Secretary-General to undertake a study, drawing as necessary on the resources and experience of Commonwealth countries, of the special needs of such states consonant with the right to sovereignty and territorial integrity that they shared with all nations.

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COVERING CONFIDENTIAL

High Commissioner

LETTER FROM PRIME MINISTER TO MRS GANDHI

- A 1. As requested in your manuscript minute of 23 November, I submit  
B a draft covering the three points prepared in consultation with  
Mr Beetham and H of C.
- C 2. I attach copies of the record of the Prime Minister's meeting  
D with Mrs Gandhi on 22 November and of the briefing minute you  
gave her in preparation for it.

*Richard Samuel*

25 November 1983

R C SAMUEL

cc: Mr Beetham  
H of C

COVERING CONFIDENTIAL

DRAFT: ~~minute~~/letter/~~teleletter~~/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Mrs Indira Gandhi

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

[A-B]:

CAVEAT.....

~~I was very glad to have the opportunity of a discussion with you on 22 November before the start of the CHOGM. At the end of the meeting I referred briefly to the modernization of the Durgapur steel plant; and to GEC's bid for the captive power station for Balco. It may be helpful if I write more fully about both projects.~~

[Please type

letter

27/11/83

9

Ph. Coker.

Ph. Coker.

27/11/83.

When we met in September last year you and I sketched out a basis for <sup>Indo-British</sup> cooperation on the then proposed new steel plant at Daitari. <sup>Given subsequent</sup> ~~With the~~ postponement of that project, we would be very interested in <sup>replacing it with</sup> a cooperative <sup>+ possible expansion</sup> venture on a similar scale for the modernization of the Durgapur steel plant, originally built with British assistance. We would be prepared to offer comparable financing, including aid, to support a substantial supply of British capital equipment. [E-F].

Enclosures—flag(s).....

The offer by GEC to construct a captive power station for Balco's smelter at Korba, which I also mentioned, has been backed by a financing package including capital and

/local

local cost aid. GEC are prepared to undertake a very ~~short delivery period and we believe their price is very competitive.~~ <sup>have quoted what I understand is a</sup> ~~short delivery period and we believe their price is~~ <sup>competitive terms as regards both</sup> ~~very competitive.~~ I hope therefore that their tender will be given <sup>fair and</sup> favourable consideration by the Government of India. <sup>[G-H]</sup> ~~The High Commission is naturally available to discuss both the Durgapur and Balco projects.~~ <sup>er</sup>

There is another matter which did not arise in our discussion but which I should also like to mention. I think it would add a further valuable dimension to Indo/British relationships if we could resuscitate the practice of periodic non-official conferences on matters of current interest, involving leading Indian and British intellectuals, writers, politicians and other opinion formers. If you agree that such exchanges would be useful, I hope you will encourage the appropriate people on your side to talk to our High Commissioner about the best way to proceed. <sup>He was instructed</sup>

<sup>to put forward some of our own ideas</sup>  
<sup>on this subject</sup> <sup>to your people earlier this year; but</sup>  
our minds are entirely open + flexible  
on detail + we shall much look  
forward to hearing your ideas.

A

During our most useful preliminary talks when I ~~could~~ had the pleasure of calling on you <sup>the day</sup> before the CHOGMI opened, I referred rather briefly to two bilateral points: ~~the~~

C

I did not want to take time going into ~~even~~ detail ~~on such matters~~ when we had so much to discuss of immediate concern in the CHOGMI context.

B

~~But~~ they ~~are~~ <sup>since</sup> both points <sup>are</sup> of considerable importance for our bilateral relations. ~~So~~ <sup>But</sup> it <sup>may</sup> <sup>now</sup> ~~perhaps~~ be helpful if I send you <sup>this</sup> letter in amplification.

D

~~E~~

If I am right in thinking that this project is of major importance + priority from India's point of view, it wd be a magnificent context for ~~a joint~~ cooperation between us, in an area where British technology is ~~accepted as~~ <sup>being</sup> ~~in the~~ is known to be a world leader, + for the extensive utilisation of aid funds.

~~F~~



G

Their success wd be a crucial factor in ensuring that our current funds and allocation to India is fully + satisfactorily utilised. It wd also be an excellent way of maintaining GEC's currently very active interest in the Indian market, notwithstanding their ~~disappointment~~ <sup>disappointment</sup> over their failure to win ~~the~~ <sup>the</sup> telephone exchanges contract earlier this year.

achieving the aim of (on which our officials have been working together so constructively)

of

H.

AOL 27/10-

Group/Class ..... PREM 19 .....  
Piece ..... 970 .....

1/ C.152/12/14 dated 25/11/83 - CMOGM: New Delhi 1983  
Sixth Session Provisional Record

2/ C.152/12/14 dated 25/11/83 - CMOGM: New Delhi 1983  
Fifth Session Provisional Record

Paper extracted and  
temporarily retained  
under Section 3(4)  
pending completion of  
review.

(date) ..... 15/1/2013 .....

(Signed) ..... J. Gray .....

COMMONWEALTH HEADS OF GOVERNMENT MEETING  
NEW DELHI 1983

At the request of the Delegation of Trinidad & Tobago the attached paper is being circulated to replace that on the same subject circulated earlier today.

*Hugh Craft*

Hugh Craft  
Conference Secretary

Commonwealth Secretariat  
Vigyan Bhavan  
New Delhi

25 November 1983



REPUBLIC OF TRINIDAD AND TOBAGO

COMMONWEALTH FINANCE MINISTERS' MEETING (1983):  
REPORT OF THE PRIME MINISTER OF THE REPUBLIC OF  
TRINIDAD AND TOBAGO TO THE COMMONWEALTH HEADS  
OF GOVERNMENT MEETING, NEW DELHI -  
NOVEMBER 23 - 29, 1983



## REPUBLIC OF TRINIDAD AND TOBAGO

Two months ago, Trinidad and Tobago had the privilege of hosting the annual Meeting of Commonwealth Finance Ministers. The Meeting, a significant event in the international financial calendar, attracted special attention this year for two reasons. First, the continuing crisis in the world economy and second, the consideration by Finance Ministers of the Report - "Towards A New Bretton Woods." This Report had been commissioned as a result of the initiative of the distinguished Prime Minister of New Zealand, Mr. Robert Muldoon, at the annual Meeting held in London in 1982. Because of the importance of the issues raised in the Report, the Ministers of Finance felt that it should be brought to the attention of this Meeting and accordingly mandated me to convey to you the essence of our discussions.

The Commonwealth has taken a lead in focusing attention on vitally important issues pertaining to the functioning of the international financial and trading system. Finance Ministers were impressed with the outstanding quality of the Report and considered it a major contribution to the on-going search for answers to a wide range of inter-related issues on the international financial and trading system. Ministers agreed that the analysis and recommendations

/should receive...



REPUBLIC OF TRINIDAD AND TOBAGO

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should receive full, detailed and careful consideration both inside and outside the Commonwealth and requested the Secretary-General to seek the widest possible circulation and discussion of the Report.

I can state quite categorically that there was overwhelming support for the Report as a whole despite the reservations of some Ministers on certain aspects. It was generally accepted that there were basic problems in the functioning of the international financial and trading system. Indeed, there was a strong feeling that the current difficulties affecting the world economy were the result of deep-rooted structural defects and were not simply cyclical in origin. Consequently, economic recovery in the developed industrialised countries by itself should not be expected to stimulate and sustain growth and development in the world economy as a whole.

Moreover, considerable doubts were expressed about the strength of the recovery. Ministers took particular note that it had not yet had any significant impact on the developing countries. Although they welcomed the substantial reduction in inflation in the industrialised countries they expressed concern that the recovery

/remained at risk...



REPUBLIC OF TRINIDAD AND TOBAGO

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remained at risk mainly because of the continuing high real interest rates and the reduced import capability of the developing countries. The expansion in world trade and the resurgence of economic growth continued to be forestalled by the stubbornness of the recession, by protectionism and by the degree of adjustment demanded of the developing countries in the absence of appropriate financing.

Finance Ministers were of the considered opinion that the motivation behind the creation of the Bretton Woods institutions remained largely valid today. There have been manifestations of some capability of adjustment to changing circumstances over the years and certainly many of the recommendations contained in the Report could be implemented through the existing institutions.

It is clear that there have been fundamental changes in the world economy since Bretton Woods. Several countries have become independent and are today at various stages of development requiring different approaches for the solution of their economic problems. In addition, not only is there growing interdependence among countries but the issues which are critical to their economic fortunes are also

/closely interwoven...



REPUBLIC OF TRINIDAD AND TOBAGO

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closely interwoven. For example, just as high interest rates in certain countries adversely affect others, so too does the price of primary commodities influence the capacity of developing countries to service their debt. In the present economic setting these are some of the circumstances which give added impetus to the need for reform along the lines proposed in the Report.

Finance Ministers wished it to be understood that the establishment of the process of reform, a subject of the utmost importance, should not delay consideration of immediate or short-term issues. Accordingly, considerable attention was paid to those matters which were before the annual meetings of the World Bank and the International Monetary Fund (IMF) scheduled to commence almost immediately after the Commonwealth Finance Ministers' Meeting.

Those matters included the following:-

- problems affecting recovery and the consequences of slow recovery in the industrialised countries for the developing countries.

/- the deteriorating...





REPUBLIC OF TRINIDAD AND TOBAGO

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- the deteriorating situation regarding international liquidity.
- the external debt situation of the developing countries.
- the level of commodity prices.
- the problem of unemployment.
- the resource position of the International Development Association (IDA), the World Bank and the IMF.
- conditionality or the conditions of access to and use of IMF resources.

Ministers emphasised the great importance of the role of the international financial institutions and the urgent need to ensure that they are provided with adequate resources. They were able to speak with one voice about the dangers posed to IDA by the delay in securing its seventh replenishment. They pledged their support for IDA and requested the Minister of Finance of Canada to convey to the Bank/Fund Meetings the strength of their support. Ministers also called for early agreement on a selective capital increase for the World Bank and for urgent implementation of the IMF's quota increase. Regretably, all those matters are still outstanding.

/The Finance Ministers...



REPUBLIC OF TRINIDAD AND TOBAGO

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The Finance Ministers accepted that the achievement of change in the long-term requires determined political action. They did not, however, attempt to reach a common view on the nature of the required action or on the process and the specific proposals contained in chapter nine of the Report and entitled "Next Steps". Indeed, the Report merely proposed a process of consultation in the international community while recognizing that other approaches were possible. I agree with my colleague from New Zealand that what is needed is a concrete expression of political will and I fully endorse his proposal to establish a core group of Heads of Government assisted by the Secretary-General to advance the process of consultation with the wider international community.

Three Reports on economic matters are before us. Pursuant to my mandate I have reported on the deliberations of the Finance Ministers. I am firmly of the opinion that the issues dealt with in

/the other Reports...



REPUBLIC OF TRINIDAD AND TOBAGO

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the other Reports, that is - Protectionism : Threat to International Order and The North/South Dialogue : Making It Work - must be considered in an integral fashion along with the Report entitled "Towards A New Bretton Woods". The work of the proposed Commonwealth consultative team in stimulating dialogue among countries in the search for consensus could facilitate the process of preparation for an international conference to consider the reforms needed to meet the challenge for the world financial and trading system.

SIR ANTONY ACLAND

---

cc Sir John Leahy  
 Mr Thomas  
 Mr Ainscow  
 Mr Coles ✓ *M 20/11*  
 High Commissioner

--- Mr Muldoon circulated the attached draft statement of economic action at the end of this morning's Executive Session, for discussion with his colleagues at Goa. His Cabinet Secretary made it clear to me privately that the draft had been prepared before Mr Muldoon made his statement at the beginning of the Session, and did not reflect the fact that in his statement Mr Muldoon had proposed a core group of countries, not of Heads of Government. Mr Muldoon, he said, would have preferred a group of Heads of Government, but if that would be difficult for us or others would settle for a group of "special personal representatives" or senior officials.

2. This draft will be considered, together with Sir Peter Marshall's "non-paper", at a meeting of officials this afternoon. Sir Peter Marshall told me that he would be seeking to marry the two drafts in the direction of the non-paper. He thought that there would be general agreement on setting up a core group, and would be seeking to use his influence to discourage attempts to load a lot more into the group's terms of reference: the important thing was to focus agreement on getting the group set up.

3. I said to Sir Peter Marshall that I thought that the Prime Minister could just about go along with his "non-paper", but could not accept establishing the core group at Heads of Government level or any significant extension of the group's terms of reference.

*RTA*

ROBERT ARMSTRONG

25 November 1983

CHOGM : STATEMENT OF ECONOMIC ACTION

We the Heads of Government of the Commonwealth, meeting in New Delhi, recalling Mrs Gandhi's introductory comments on the global economic crisis, believe the grouping we represent is uniquely placed to suggest directions in which the international community as a whole may find more enduring answers to the problems that face us all. We have surveyed the current outlook for the international economy. We are acutely conscious of the grim prospects for developing countries, especially the poorer, and of the widespread hardship and suffering which are the hallmark of daily life of many of our peoples. The reality of global economic interdependence so clearly stated by Mrs Gandhi and other of our colleagues demands a systematic consideration of the root causes of our problems.

Since we last met in Melbourne there have been signs of recovery from the longest, deepest and most pervasive recession the world has experienced in the last 50 years. We welcome that recovery and the return to conditions of greater price stability in a number of developed and developing countries. Recovery however has to be seen against the background of a decline in world trade and output in 1982 without precedent in the post-war years.

We are deeply conscious that the recovery is unlikely to be sufficient in itself to overcome the fundamental problems which have been thrown into sharp relief by nearly a decade of slow and interrupted growth, a massive build-up in debt, intolerable levels of unemployment and other barriers to economic development.

Our discussions have served to underline the closely linked nature of many of the problems facing individual countries. We believe that the current framework for international co-operation is not adequate to deal with these problems, and needs to be updated and strengthened in a number of ways. We see three broad areas of special concern.

We are gravely concerned that the development process has been disrupted in many developing countries by the adverse trading and general economic conditions of recent years. We recognise that developing countries have immediate needs in the fields of debt, resource flows and balance of payments. The adjustment efforts of these countries, instead of being encouraged by adequate financing, are too often frustrated by the difficulties of securing sufficient resources from the international institutions. We believe that these institutions must play a larger role in helping to sustain resource flows to developing countries and that the poorer developing countries require much larger concessional flows than are currently forthcoming.

We recognise a return to sustained economic growth is a prerequisite to improved living standards in developing countries. We further believe that the prospects for achieving that goal would be greatly enhanced by making constructive adjustments to the trade and payments system so as to take account of the problems facing today's interdependent world economy.

We are increasingly concerned that there has been a gradual but persistent movement away from the spirit of Bretton Woods that had under-written the post-war expansion of world trade. Trade disputes are increasingly resolved outside a multi-lateral framework. A formidable array of new and expedient protectionist measures has arisen negating much of the progress made in successive GATT trade liberalisation rounds.

We recognise that governments everywhere are under pressure to resort to protectionist measures. We believe these pressures, however, result from fundamental changes in the nature of the world economy.

We conclude that what is required is not only a greater collective political resolve, but agreement to tackle some of the underlying causes which are giving rise to protectionist forces.

The build-up of sovereign debt is a matter of acute concern to us, particularly since high real interest rates are compounding the problem of servicing that debt. It is essential to maintain adequate financial flows to the growing number of countries in serious difficulties. Again we believe that these financial problems, like those of international trade, require a more systematic approach.

We welcome the convergence of views which has marked recent debate on the future of the trade and payments system. Important work has begun in a number of existing groupings. What is now needed is a more integrated approach.

There is an urgent need to expedite work on these issues. We believe that a preparatory process should now be initiated to that end. This would involve shaping appropriately constituted groups commanding the confidence of both the developed and developing world. It is essential that these groups should provide a realistic but representative basis for ongoing work.

There is a widespread belief among us that it will be necessary, as this process clarifies the areas of agreement which have been reached, to convene an international conference with universal participation.

We recognise the need for consultation with all the competent institutions and groupings to establish an agenda for action. Nevertheless we believe that the following broad areas of concern we have identified at this meeting would need to be included in any such examination.

- The management of international liquidity and debt.
- The role of reserve currencies.
- Countering protectionist pressures.
- Co-ordination of economic policies.
- Promoting appropriate domestic economic policies.
- Exchange rates.
- The role of the international finance institutions.
- Aid and other financial flows.
- Linkages between trade, payments and development.

In order to pursue the most effective ways of promoting action in these areas, we the Heads of Government of the Commonwealth have invited our colleagues, the President of \_\_\_\_\_, the Prime Minister of \_\_\_\_\_,

assisted by the Secretary-General and Finance Ministers as appropriate, to constitute a Commonwealth Action Group. The members of the group will consult with other members of the international community on the means to stimulate early action on a comprehensive appraisal of the trade and payments system. We have invited them to report progress to us through the good offices of the Secretary-General.

The task is formidable. Time is pressing. The Commonwealth stands ready to play its part in helping the world community meet this challenge.



Prime Minister *MR 27.*  
" "

Mr Coles *AA 27.*

FROM: PUS  
DATE: 25 November 1983

CC: Sir R Armstrong  
Mr Ainscow

COMMONWEALTH FUNCTIONAL COOPERATION

The Committee of the Whole yesterday discussed the items of Functional Cooperation which had been remitted to us, and after fairly extensive discussion agreed a report to Heads of Government which should be received from the Secretariat today, or which may be made available in Goa.

On most of the items discussed there was some predictable pressure for increased expenditure. We successfully resisted this, and the report as agreed by officials does not present any problems. Some points were difficult to resolve, and in case some Heads of Government try to reopen them in Plenary Session, the Prime Minister may like a brief explanatory note.

On Student Mobility, there was continued criticism of the high level of fees, though recognition of the action taken by Britain (£46,000,000 over three years) to alleviate this. The main discussion centred on the financial implications of the Secretariat proposal to establish a Commonwealth Higher Education Unit. The Committee eventually agreed on a sentence stating that such a unit "could be staffed, on present calculations, within existing resources". The Secretariat undertook that if "unexpectedly" they did require extra resources, they would make a case to Governments through the Finance Committee before taking any decisions.

There was extensive discussion on "Women and Development" - a subject to which African delegations, notably Ghana, Zimbabwe, Kenya, Uganda, and Nigeria obviously attached importance. The debate centred on whether to hold a special meeting of Commonwealth Ministers in 1984 in preparation for a 1985 World Conference on the subject already scheduled for Nairobi. The consensus, as reflected in the report, was that, to minimise expense, there should simply be a meeting of

/officials

officials in London in 1984, to be followed by a meeting of Ministers in Nairobi on the eve of the 1985 Conference.

On the Commonwealth Foundation, there was a general consensus around a Canadian proposal to set a target of £1.46 million for 1984/85 and 1985/86. The Foundation had asked for £1.6 million, and we had proposed £1.3 million. £1.46 million is the figure which the Foundation calculate they would need to take account of inflation since their present budget of £1.1 million was fixed in Lusaka. Contributions to the Foundation are voluntary, and we have traditionally contributed 30 per cent of the total of other contributions, not 30 per cent of the target income. Nobody expects the target of £1.46 million to be achieved next year. On that basis, we can agree to a £1.46 million target, though I made it clear (and asked this to be noted in the record) that our maximum contribution in 1984/85 would be 30 per cent of £1.3 million.

On culture, we (with Canadian and Australian support) resisted pressure from the Indians and a number of Africans to set up some cultural machinery funded by Governments. The Committee eventually agreed to recommend against the establishment of any new machinery for financial reasons, but some Heads of Government might try to reopen this question.

The penultimate paragraph of the Committee's report on this item expresses the Committee's strong hope "that the practice of holding a Festival of Commonwealth Arts at the time of the four-yearly Commonwealth Games should continue". The Secretariat's original draft asked Heads of Government "to ensure, through the active support of relevant agencies", that this practice "is continued without interruption". We could not have accepted this, since the next Commonwealth Games are to be held in Edinburgh in 1986, and although we hope to stimulate cultural activities funded by private bodies, there is no provision for Government finance, and we cannot, therefore, guarantee now that cultural manifestations will be possible.

Finally, there was discussion of a proposal by Commonwealth Employment and Labour Ministers to establish a Working Group on "The Management

/of

of Technological Change". This would cost at least £60,000, of which we would have to pay 30 per cent. We see no need for a Working Group, and would have some difficulty in finding money for it. The Committee's report sensibly suggests that resource constraints may rule it out.\*

The only item of Functional Cooperation not referred to the Committee of the Whole was the Commonwealth Fund for Technological Cooperation (CFTC). This is covered in brief No B20, and presents no particular problems for us.

*A A Acland*

A A Acland

\* M<sup>r</sup> Hawke apparently attaches importance to Trades Union matters & the work of Commonwealth Labour Ministers, so may raise this.

CONFIDENTIAL

TO ALL HEADS OF DELEGATION

I promised last night to circulate an 'outline declaration' on international security for consideration at Goa. It is attached. If broadly acceptable, I will have fleshed out paragraphs which we might then look at.

If we can settle this "declaration" at Goa and some communique paragraphs on Grenada as well the processes of this Meeting would have been greatly assisted. I will try to produce some Grenada paragraphs at Goa.

'Sonny'

New Delhi  
25 November, 1983

## OUTLINE FOR DECLARATION ON INTERNATIONAL SECURITY

1. Shared sense of crisis. Apprehension about state of world order. Despite differences of approach, common perception that super power confrontation is assuming new and menacing dimensions. Danger of complete breakdown in communication between antagonists. Build up of nuclear arsenals threatens human annihilation.
2. General breakdown of stability and order in international community and increasing disregard of moral and legal principles which should govern conduct of states.
3. First objective is resumption of genuine political dialogue between super powers so as to lead to relaxation of tension.
4. Need to increase human contacts and political confidence-building measures at various levels of governments and peoples.
5. Importance of political will recognised and emphasised by all. Prime Minister Trudeau's call for new political dimension to international security welcomed. Support for his approach that more effective dialogue must take place among nuclear weapon powers.

*It's the Soviets that have walked out.*

6. Pre-condition of progress on de-nuclearisation world-wide is halting and reversal of nuclear arms race between super powers. The link between disarmament and development is also relevant.

7. Crisis of confidence in multilateral approach to international affairs. Renewal of support for United Nations. Importance of taking carefully considered and practical measures to make organisation better able to fulfill objectives of Charter.

8. Concern at vulnerability of small states to external attack and interference. These countries though unable to defend themselves are members of international community which has obligation to provide effective guarantees for their territorial integrity and independence. Consideration should be given to appropriate action responsive to the UN Secretary-General's call for a strengthening of collective security in keeping with the Charter.

*— Note required by  
Commonwealth Secretariat.*

9. The ethic of non-violence is at the heart of ensuring peace and harmony in the world and of pursuing conflict resolution through adherence to the principle of peaceful settlement and the non-use of force.

25 NOV 1983

## New institutions

There is much to be said in favour of the view expressed by Mrs. Margaret Thatcher that no effort should be made to create new international institutions to solve the difficulties faced by the world economy. Experience has shown that the mere proliferation of institutions does not make the solution of problems any easier. It may indeed make a solution more difficult because of overlapping areas of responsibility and duplication of effort. The resulting wastage of resources in a world where resource scarcity is increasing is hardly helpful in this connection. There is no doubt that if any new institution is to play any useful role at all, it must have very high quality staff placed in an appropriate setting and given the basic resources needed for it to function efficiently. If adequate resources are then not made available to it to perform the functions for which it was set up, this does not make sense. Overhead costs tend to be too heavy. If such resources are in fact made available, they often tend to be provided to it at the expense of existing institutions, whose operational efficiency is thus reduced. This must necessarily happen when resources come ultimately from the same pool. While some addition to the pool may sometimes take place in the short run because of the creation of the new institution, those providing (or authorising the provision of) resources always have the size of the overall pool in mind. Many of those who so light heartedly propose the creation of new institutions do not see this point. They seem to feel that the sleight of hand performed when a new institution is created will not be noticed by those — very hardheaded — persons who take decisions in such matters.

The issue of course does not concern only the availability of resources to the different institutions in the field. These institutions in turn are bound to keep assistance received by particular recipients from various other sources in mind before determining the volume of assistance they themselves dispense. Against this background, it would appear to make sense to propose new institutions only when two conditions are satisfied. First, the function to be performed by the new institution must be not merely of critical importance in its own right but clearly not part of the functions of an existing and actively functioning institution. Second, the institution must be of such a character that it is likely to attract resources independently of those already in a well recognised common pool. All this becomes particularly important in the international sphere where the various governments providing resources generally have a clear idea of the total of the claims of all the relevant institutions. For the World Bank and the IMF, these arguments apply with full force in so far as they are resource-raising-and-providing institutions. However, both of them and GATT play another important role, which is to provide a forum for international discussion, and an instrument for the implementation, of international policy in their respective spheres. It seems doubtful that new institutions performing essentially similar functions could play any really useful role, except perhaps in an extremely limited or regional context. This is because, for the new institution to be successful, it would generally have to have the support of exactly those countries whose unwillingness to modify the functioning of existing institutions has generated the demand for the new institution. The whole process is, therefore, likely to be self-defeating. Mrs. Thatcher was, therefore, basically correct in asserting that the IMF, the World Bank and GATT could be further adapted and developed in the spirit which inspired the founders of Bretton Woods. Those whose efforts in this direction have not succeeded during the last few years in the very dispiriting environment that has prevailed may be excused for being impatient with this argument. But, there is indeed no alternative. Their chances of improving these existing institutions even if they appear to be bleak at the moment, are greater than their prospects of getting approval for new institutions that are truly effective.

From: T N Byrne

Date: 24 November 1983

To all Members of Delegation  
holding 'B' Briefs

CHOGM BRIEFING: **CYPRUS: PMVE(83)B1C REVISE**

I should be grateful if you would note that Southern European Department have suggested the addition of the following point to make and background note:

(a) Point to Make

Secretary-General must be given every opportunity to pursue the mission of good offices entrusted to him by the Security Council. This must involve contact with all parties. Important not to put any obstacles in his way, for instance by insisting our preconditions.

(b) Background Note

The Greek Cypriots and Greeks are taking the line that there should be no contacts between the Cyprus Government and Denktash or the Turkish Cypriots until the Turkish Cypriot Declaration of Statehood has been withdrawn. The Greeks have also taken the line that the Secretary-General's mission of good offices cannot take effect until withdrawal. Although we continue to work for such a withdrawal, it is unlikely that this will occur. If the Greek Cypriot line is maintained, it would obstruct the Secretary-General's efforts to resume the inter-communal talks. We think that contacts can be resumed without implying recognition of the purported new state, although there will inevitably be a

/substantial





substantial delay before the Greek Cypriots  
again find it politically acceptable to be  
seen to be in contact with the Turkish Cypriots.

A handwritten signature in cursive script, reading "T N Byrne", followed by a horizontal flourish line.

T N Byrne

Group/Class ..... PREM 19 .....  
Piece ..... 970 .....

HGM (83) 2<sup>ND</sup> Session (Compendium) 24/11/83  
CHOGM: New Delhi 1983

Paper extracted and  
temporarily retained  
under Section 3(4)  
pending completion of  
review.

(date) ..... 15/1/2013 .....

(Signed) ..... S. Goyal .....

LUK 669/24  
FDW G208/24

**IMMEDIATE**

*Cc R Party*

DD NEW DELHI 250130Z  
PP NICOSIA  
PP ATHENS  
PP ANKARA  
RR ROME  
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**CONFIDENTIAL**  
CHANCERY REGISTRY  
25 NOV 1983  
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DESKBY 250130Z  
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TO IMMEDIATE NEW DELHI  
TELEGRAM NUMBER 905 OF 24 NOVEMBER  
INFO PRIORITY NICOSIA, ATHENS, ANKARA, NEW YORK, WASHINGTON,  
ROUTINE BONN, PARIS, ROME, UKDEL STRASBOURG, UKDEL NATO, UKREP  
BRUSSELS

FOR BYRNE, CHOGM DELEGATION  
YOUR TELNO 926: CYPRUS

1. FOLLOWING IS SUMMARY OF RECENT DEVELOPMENTS

2. FOLLOWING THE SECRETARY OF STATE'S SECOND MESSAGES TO THE GREEKS AND TURKS ABOUT GUARANTOR POWER CONSULTATIONS, THE GREEKS HAVE MAINTAINED THEIR REFUSAL TO JOIN TRIPARTITE DISCUSSIONS WITH THE TURKS.

UNITED NATIONS

3. KYPRIANOU ADDRESSED THE UN GENERAL ASSEMBLY YESTERDAY. HE CALLED FOR UDI TO BE REVERSED AND FOR THE INTERNATIONAL COMMUNITY TO HELP ACHIEVE THIS. HE ALSO SAID PUBLICLY THAT NOTHING FURTHER CAN BE DONE BEFORE UDI IS REVERSED.

4. THE SECRETARY-GENERAL APPEARS READY TO PRESS AHEAD WITH HIS MISSION OF GOOD OFFICES. BUT HE IS RELUCTANT TO APPOINT A SUCCESSOR TO GOBBI AND RISKS LEAVING A VACUUM. WE HAVE PRESSED HIM TO DO SO, AND ASKED THE AMERICANS TO ACT SIMILARLY.

EUROPEAN COMMUNITY

5. AT A POLITICAL CO-OPERATION MEETING AT MINISTERIAL LEVEL ON 22 NOVEMBER THE GREEKS PRESSED FOR "CONCRETE ACTION" BY THE EC IN THE TRADE FIELD TO REINFORCE THE INTENTION OF MEMBER STATES NOT TO RECOGNISE THE TURKISH CYPRIOT "STATE". THEY EXPLICITLY CLAIMED THAT THEY WERE NOT(NOT) ASKING FOR SANCTIONS. OTHER MEMBER STATES SHOWED GREAT CAUTION OVER THIS. IT WAS AGREED THAT THE COMMISSION SHOULD PREPARE A FACTUAL PAPER ON THE EC'S TRADING LINKS WITH THE TURKISH CYPRIOTS. IN PRACTICE EC TRADE PREFERENCE FOR NORTHERN CYPRUS IS PROBABLY IN QUESTION. SUBSEQUENTLY, ON 23 NOVEMBER, THE GREEKS IN COREPER CALLED FOR EC ECONOMIC ACTION AGAINST TURKEY AND SAID THEY WOULD RAISE THE QUESTION IN THE FOREIGN AFFAIRS COUNCIL ON 29 NOVEMBER.

COUNCIL OF EUROPE

6. THE COMMITTEE OF MINISTERS OF THE COUNCIL OF EUROPE DECIDED ALMOST UNANIMOUSLY AGAINST ALLOWING DENKTASH TO ADDRESS THE COMMITTEE (ONLY TURKEY VOTED FOR). NO PRECEDENT EXISTS FOR A PRIVATE CITIZEN TO ADDRESS THE COMMITTEE. THE COMMITTEE ALSO PASSED A RESOLUTION SIMILAR TO THAT OF THE UN SECURITY COUNCIL.

HOWE

Erstad

S-G. - food office

been in touch with Pentland

Reid with

Hope for UNIFED Cyprus.

Definitely - try to get sound.

Bangladesh - friends with Reid with

PRIME MINISTER

For your discussion of the World Economic situation you need the following briefs (spare copies in the attached folder)

A4	World Economic Issues
A7 and C2	Law of the Sea
B15 Revise	World Economic Prospects
B16	Relations with Developing Countries (including debts and UK aid policy)
B17 Addendum	Commonwealth Economic Studies
B18	Lome Negotiations
C3	7th Replenishment of IDA

You will also need the various Commonwealth Secretariat reports which you have in one of your main briefing Folders.

A.J.C.

24 November 1983

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*file* 3

10 DOWNING STREET

*From the Private Secretary*

24 November 1983

*Dear Brian,*

Mr. Mugabe

The Prime Minister had a bilateral meeting with Mr. Mugabe on 24 November during the Commonwealth Heads of Government meeting in New Delhi. I enclose the record of the conversation.

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

I should be grateful if the record could be very closely protected. Its contents should be brought to the attention only of those who have an essential operational need to know of its contents.

*Yours ever*

*John Major*

Brian Fall, Esq.,  
Foreign and Commonwealth Office.

*BF*

**SUBJECT**

cc Master  
Zimbabwe Relations

SECRET

2

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE  
PRIME MINISTER OF ZIMBABWE AT 1845 HOURS ON THURSDAY 24 NOVEMBER  
1983 AT THE BRITISH HIGH COMMISSIONER'S RESIDENCE IN NEW DELHI

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Present:

Prime Minister	Mr. Mugabe
Foreign and Commonwealth Secretary	Mr. Mnungagwa
Sir John Leahy	Mr. Mangwende
Mr. A.J. Coles	

The Prime Minister said that she was glad to have the opportunity of a meeting because things were not going so well as they should between Britain and Zimbabwe. She understood that Mr. Mugabe had had a successful meeting recently with Mr. Rifkind. Our views on certain matters were well known and she would not repeat them. But she wanted fully to understand Mr. Mugabe's thinking - would he please talk?

We wanted to maintain our aid programme. We had agreed to supply Hunter aircraft. And BMATT were engaged in a valuable training operation. She would like a frank discussion. She had no toes to tread on. Her only wish was that at the end of the talk both sides could agree to cooperate. Britain had expected, and still expected, a great deal of Zimbabwe. We had always believed that an independent Zimbabwe, founded on free elections, could change the whole perspective of Southern Africa.

Mr. Mugabe thanked the Prime Minister for offering him an opportunity to exchange views and ideas and thereby to achieve a greater understanding than had existed in the recent past.

When Zimbabwe had commenced its life as a newly independent country, against a historical background of bitter fighting, his party had pronounced itself as committed, were it elected to Government, to a process of reconciliation. That commitment

/ was genuine -

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was genuine - they were deceiving no-one. Britain and the white community were shocked that the man whom they regarded as a terrorist and a guerilla leader was elected. But his people had never been terrorists - they were in search of freedom, justice and democracy. Having won the election, they had no need to be influenced by the hostile relations that had bedevilled Zimbabwe society. He had told Ian Smith and others that he was prepared to let bygones be bygones provided everybody else was prepared to respond to the hand of friendship. He had asked Lord Soames to remain to give him the tutelage which he needed. Neither he nor the other members of the Zimbabwe Cabinet had experience of Government or administration. The presence of Lord Soames was also needed to assure the British Government and people that the new Zimbabwe Government was not their enemy. Part of British culture had become part of Zimbabwe's culture. There was a large British community which needed assurance. Then help had been sought from Britain on the merging of the various armed forces. The former Rhodesian army had reservations about this exercise unless they were the central unit into which all others would be integrated. But he had set his face against this approach. None of the three armies could be allowed to exist as an army in its own right. There had to be reconciliation and unity.

Britain had immensely assisted the process. Zimbabwe was grateful to this day for the help which we had given in creating a national army. There had since been a few deserters who were creating problems here and there. And there was still much to be done to secure the full loyalty and commitment of the armed forces to the State. The present size of the armed forces - some 41,000 men - was the maximum necessary. The need now was to improve their quality.

Things had gone well in 1980 and 1981. Relations were gaining in strength. But not everyone had responded to the call for national reconciliation. For example, Ian Smith was bitter that the cause for which he had fought was lost. Others had similar feelings.

The Prime Minister said that these things could not be forgotten quickly. Mr. Mugabe said that his then friend and partner, Joshua Nkomo, had also been very bitter. Following  
/ the Lancaster



the Lancaster House Conference he had wanted to enter into a pact with Mr. Mugabe's party for electoral purposes. But Zanu had wanted the leadership question to be settled and believed that it was for the people to choose their leader. Nevertheless, they had pledged themselves to coalition with Zapu whether they won or lost. Zapu, however, had broken ranks. They had sought an alliance with Muzorewa and even with Ian Smith. Nkomo wanted to be leader and wanted his party to have a Parliamentary majority. His bitterness continued to simmer. After the elections, the Soviet Union had shipped arms to Zapu. Some of these, including 56 Sam 7 missiles, had now come into the possession of the Zimbabwe Government.

In 1976/77, Zapu had worked out a "zero hour" strategy. They had decided to leave the fighting to Zanu in the expectation that the latter would become exhausted and would not in the end be able to resist Zapu. Then Zapu would have moved in with an army well equipped with Soviet weapons. Later, contrary to the agreement that all weapons would be handed over to a national army, Zapu had hidden weapons. They had acquired over 25 large farms for storing these weapons and also for retraining cadres. Deliberately, they had not integrated their crack forces. When the arms caches had been discovered, his confidence in Nkomo had been immediately dashed. He had removed Nkomo and one or two other members of Zapu from the Cabinet. But there were still Zapu people in the Cabinet today. The situation was now under control but pockets existed eg isolated farms where people felt unsafe.

As to Muzorewa, it was known that he had kept 5,000 of his former troops and sent them to South Africa. Taxed with this, Muzorewa had denied it and said that if it was true, it had been done without his knowledge. He had told Muzorewa that he would take his denial at face value - events would prove whether he was associated with this matter. In 1981 some of these troops, who had been retained by the South Africans, had been re-infiltrated into Zimbabwe. Later, the South Africans had stopped this traffic and concentrated instead on disrupting Zimbabwe's routes to Mozambique. They had also sent some of Muzorewa's soldiers on missions to Angola and Mozambique. The group which had attacked Mtola in Mozambique and some of the mercenaries who went to the Seychelles had been drawn from these people, both black and white.

/ Sithole

Sithole was also a very disappointed man. He had organised subversion but this had not been very significant. It was known that he had sent people to train in Mozambique alongside the MPRA. Now, Sithole was a spent force.

All these people had been accepted as partners to build a new Zimbabwe - it had been hard to accept that they had behaved in the way they had behaved.

Muzorewa had developed links with Zaire and, more recently, with Israel. Israel had earlier trained people in South Africa for the Rhodesian army. Latterly, Muzorewa had gone to Jerusalem, reportedly to study the bible. The fact that South Africa had again started to infiltrate men into Zimbabwe had been one of the factors leading to the detention of Muzorewa.

The outside world claimed that the Zimbabwe Government was harassing its opponents. But it wanted opposition provided it was lawful. There would be elections in a year's time - "they" would be free to set up parties and contest the elections.

With regard to the white community, there had been problems and it was in connection with these that our bilateral relations had gone a little sour. It took time for people with a history of privilege and racial domination to adjust and to accept a new position. He had shown understanding and given them time to adjust. Those who could not do so were urged to leave and some had. Others remained, among them those who had financial need of their pensions. People like this could not accept that the guerillas against whom they had fought yesterday had today become the Government. It was very difficult for them to sever their relationship with South Africa.

In 1981 £36 million worth of ammunition had been destroyed at a barracks just outside Harare. The loss had been tremendous. A committee had reached the conclusion that the sabotage had been arranged from within. Later, a group of three whites and one black had been caught while attempting to enter Zimbabwe from South Africa. Then, an agent of South Africa, working in the Zimbabwe army, had been arrested. He had confessed to giving

South Africa information about the locations of barracks and ammunition dumps, etc. But the policeman in charge of him, who had an Afrikaans name, had arranged for him to be released.

In the Central Intelligence Organisation, Mugabe had kept the people whom he had found there. He knew that they had worked for Smith and had connections with South Africa but they had pledged loyalty so they had been retained. The head of the CIO was initially Mr. Flower, who was well regarded, but who had now retired. Then Robertson had been appointed but he had had to retire through illness. Two members of the CIO had been arrested as agents of South Africa - a charge to which they had confessed. Their coordinator had got wind of their likely arrest and had gone to the UK on a false pretext of wanting to see a sick mother. The British High Commissioner had pleaded for the release of these people. The reaction in Britain had been disappointing. He had been accused of infringing human rights. The Conservative Party, the British press and then the United States had taken up the cry. Orchestration was apparent. The Prime Minister said that there was no orchestration - look at what the press said about her. But Mr. Mugabe was entitled to complain; the press were interested in discord. We knew all about preventive detention from our experience in Northern Ireland where many British soldiers had lost their lives. However, what had really provoked criticism in Britain was allegations of torture <sup>of</sup> which she thought Mr. Mugabe had no knowledge.

Mr. Mugabe said that no government would ever instruct that torture be used. But security people had their methods. Mr. Mnungagwa was deaf in one ear as a result of torture. Other members of the present Cabinet had suffered similarly. But the two South African agents in the CIO had not been tortured, though the conditions of their detention were not good. In the case of the air force officers, it had been alleged that three had been tortured and according to the Courts this was true. But his own people would not admit it even to him. If there had been torture it was not because that was the wish of the Zimbabwe Government. When people were arrested and detained - and there was immediate hostile reaction from the Conservative Party (the Prime Minister had at once made representations), then the Zimbabwe Government

wondered whether there was understanding. Did these critics recognise the good that he had tried to do? Did the good vanish because of one or two isolated acts? Where was the balance in this criticism? Why had the positive achievements been ignored? Look at the environment. The majority of the white community were content. They still had their privileges, except the privilege of ruling. They had a far higher standard of living and occupied prominent posts. Firms had not been nationalised and had even been encouraged to expand. Zimbabwe was saddened by criticism that did not recognise the positive achievements.

The Prime Minister said that she had to face questions twice a week in the House of Commons. Recently, she had been asked to cut off all aid to Zimbabwe. She had said that she would not do so - this would not be conducive to helping those whom we wished to help.

Mr. Mugabe said that four of the seven air force officers had now been released. The Zimbabwe Government had been forewarned by the Attorney General that judgement would go against it. The Government had considered the issue and had taken the view that the Court had acquitted these people in view of certain technical considerations of the criminal law, particularly the requirement that confessions must be corroborated. The Government had therefore decided to examine the cases and had found that some had been more culpable than others. When three of the six who had been tried were on the point of release, he had received a message from the Prime Minister. The Prime Minister commented: "And you blew your top". Mr. Mugabe said that he could not accept direction from outside Zimbabwe. He had been very angry with our High Commissioner. The Prime Minister explained that she was continually asked whether we had made representations to the Zimbabwe Government - and we should continue to be questioned in this sense about the three who were still detained. Mr. Mugabe said that he could not be seen to be acting in response to representations by the British Government. No harm would come to the three who were still detained and they were likely to be released in due course. The Prime Minister said that we would try to find a new formula when faced with questions. We could perhaps refer to the fact that one more of the seven

/ detainees

detainees had been released and that our views on this matter were well known. Mr. Mugabe's helpful analysis had brought us up to the present time. Did he still want BMATT? Mr. Mugabe said that he did. They were doing good work. They would conclude the present exercise by August of next year and if another use could be found for them, they would stay on. The Prime Minister said that she was not pressing Mr. Mugabe to keep our soldiers - they were in great demand. She had been worried about the prospect of BMATT training elements of the Fifth Brigade. Mr. Mugabe said that the Fifth Brigade was notorious for nothing. The fact that they had been trained by the North Koreans did not make them any more dangerous than other units.

The Prime Minister said that since the question of the air force officers, there had been no fresh difficulty and we hoped that that situation could continue. Mr. Mugabe said that there was one point when he was very angry with the British Government. This had been when he had visited Ireland on his way to the United States. The Irish Government had told him that they were under pressure from Britain to raise the question of the detainees. The press there had been interested only in that issue. It had appeared that the British Government was preparing pressure for him everywhere he went. The whole matter seemed to be orchestrated. That was why he had made his public criticism of the Prime Minister, not because our general relationship was sour.

The Prime Minister asked Mr. Mugabe to understand. British public opinion expected perfection from Mr. Mugabe - his intellectual ability was unquestioned, he was known to be a religious man, he had won a free election. To have brought Rhodesia from its former condition to a state of independence was an enormous achievement. So when Mr. Mugabe had come to power people's expectations of him were unreasonably high. Everyone who knew him knew that he was incapable of corruption and everyone who met him thought highly of him. She had told him at No. 10 Downing Street that the Zimbabwe judicial system was very highly regarded. All these factors had led us to judge that acquittal of the air force officers must mean their release. Mr. Mugabe commented that these expectations were in a sense justified but people should take into account the fact that

/ Zimbabwe

Zimbabwe was going through a difficult period of transition. The Prime Minister said that it was true that critics did not take into account the fact that Mr. Mugabe and his people had suffered and had experienced preventive detention. The task of integrating the armies had not been easy. Mr. Mugabe said that he would never claim that the fact that he had been detained entitled him to detain others. But did people in Britain really expect that the situation in Zimbabwe would have been normalised so soon? What was the state of America four years after independence? The Prime Minister said that this was a fair point. Critics assumed that Zimbabwe should learn faster than others had. Britain had not moved to a one person/one vote basis until 1950. Mr. Mugabe said that if his Government had resorted to mass detentions, the world ought to be alarmed. But when it was only a matter of a few people, he ought to be given some credit for judgement. The cases of those still detained would come under review.

The Prime Minister repeated that we would try to find some new formula for use in public. We could state that there was a review tribunal which regularly reviewed cases. The cases of those still detained were on the cause list for the review tribunal. She now had a better understanding of Mr. Mugabe's viewpoint.

The Foreign and Commonwealth Secretary recalled that when the air force officers had been acquitted he had received an immediate report to this effect. When this had been followed by a report of the detention of some of them, there had naturally been great disappointment.

The Prime Minister said that there would be occasion for more discussion at Goa. Taking up a reference by the Prime Minister to the President of Mozambique, Mr. Mugabe said that Mr. Machel had taken 2½ hours to describe to him his visit to Europe. Most of this time had been spent in praise of The Queen, the Prime Minister, etc. Machel had been deeply excited by his visit. He did not want to come under Soviet influence. No-one wanted to. Machel had been very grateful for the aid package he had been offered in London.

/ At this

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- 9 -

At this point, the Prime Minister and Mr. Mugabe had to leave for dinner with Mrs Gandhi. The discussion ended at 2000.

A.S.C.

24 November 1983

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10 DOWNING STREET

*From the Private Secretary*

MR. RICKETTS  
FOREIGN AND COMMONWEALTH OFFICE

President of Nigeria

Since it appeared that it was unlikely that we would be able to arrange a formal bilateral with the President of Nigeria, we arranged for the Prime Minister to sit next to President Shagari at The Queen's dinner for Commonwealth Heads of Government last night.

The Prime Minister told me afterwards that she had not found President Shagari particularly easy to talk to but that they had discussed the Nigerian elections (Mrs Thatcher complimented him on the outcome and the encouragement given to democracy) and had also had an exchange of views on Namibia. The latter exchange was in conventional terms and produced nothing new.

The Prime Minister may get a further opportunity for a talk with President Shagari at the Goa retreat.

A. J. Cole.

24 November 1983



PRIME MINISTER

Goa Retreat : Bilaterals

It has not been possible to fit into the programme all the bilateral meetings which you wanted to have. We have "done" Mrs Gandhi, Mr. Ramphal, Mr. Hawke and Mr. Mugabe. You have also spoken to Mr. Shagari and Mr. Adams at dinner.

I hope you will get an opportunity at Goa to have talks with the following since there is a need to cover a number of points:-

Mr. Mugabe (again - but a private chat this time)  
Mr. Jayewardene (Sri Lanka)  
Mr. Obote (Uganda)  
Mr. Moi (Kenya)  
Mr. Lee Kuan Yew (Singapore)  
Mr. Price (Belize)  
Mr. Chambers (Trinidad and Tobago)  
Sir Dawda Jawara (Gambia)

I attach a card for each. It would be very helpful if you could let us have a brief account of what you were able to do.

If you need fuller background briefs Robin will have them with him at Goa.

A. J. C .

24 November 1983

MR. JAYEWARDENE (SRI LANKA)

Grateful Sri Lanka voted with us on Falklands at UN.

Continue to support development (extra £10m for Victoria Dam announced in October).

Tamil problem

- violence caused concern in UK
- recognise terrorist problem
- support unity of Sri Lanka
- hope for progress following Mr Parthasarathy's visit to Colombo

Sorry State visit (October) could not take place but understand why.

British military assistance (if raised) - regret had to turn down request at time of riots - could not get directly involved in communal strife.

MR. OBOTE (UGANDA)

Security situation - understand need to control guerilla activity. Hope Commonwealth military training team has been helpful with training.

Economic - considerable progress. We support efforts of IMF and World Bank.

Buganda - will continue to support his efforts re displaced persons. Hope your government will assist work of voluntary agencies.

Compensation for Expropriated Property  
Glad you have enacted legislation. Hope early decisions on claims for compensation and repossession of property.

MR. MOI (KENYA)

Reassure him about British attitudes to Kenya.

Congratulations on re-election (Sept).

Lord Whitelaw looking forward to attending 20th Anniversary celebrations.

Success of Queen's visit.

(If Raised) - Hope to take up invitation to visit Kenya before too long.

Shall continue to help with aid (over £300m since Independence; £30m spent in 1981/82. Made new commitment of 10m in response to Moi's appeal last year.

Kenya's adherence to IMF programme great encouragement.

Economic Situation (collapse of commodity prices, high oil costs, world recession, 4% per annum birth rate.)

Cooperation in military matters much appreciated. Hope relations with your defence forces can now become more relaxed. (restrictions introduced last May have been complicating the work of our Defence Advisor, military training teams and British units on exercises). Recognise this is delicate for you but, if there are any problems, let us discuss them.

/ Greatly admire

Greatly admire your handling of OAU affairs. Kenyan diplomacy largely responsible for successful resolution of East African community issue (on 14 November Moi, Obote and Nyerere agreed apportionment of assets of defunct community - Tanzania re-opened border with Kenya)

Grateful for Falklands absention.

MR. LEE KUAN YEW (SINGAPORE)

Glad to continue to have his views on

- (a) Hong Kong
- (b) Brunei (his advice helped us to resolve impasse in talks earlier this year).

Worried about technology exchange to Soviet Union: Russians devote massive resources to this; think they may be trying to exploit Singapore and other major centres for acquisition of strategically sensitive items. Support Singapore as bastion of free trade and enterprise - but could we let you have note on this - and then have informal exchange of views at political level with your people?

Give British firms full weight in awarding contracts for Mass Rapid Transit project.

MR. PRICE (BELIZE)

Belize-Guatemala

Anxious for settlement of dispute soon.  
Understand you have firm proposals  
(Guatemala use without sovereignty of  
southernmost cay; maritime delimitation  
to give passage to sea; use of sea port).  
Next meeting?

British garrison

You know will not withdraw at end of year.  
But can't stay indefinitely. Aim to  
withdraw as soon as possible.

Falklands

Thanks for voting with us.

MR. CHAMBERS (TRINIDAD)

(Not essential but why did he want to see you?)

Grenada

Effect on CARICOM?

(If Raised) We can agree to their national airline (BWIA) calling at Antigua on one of its two services to London via Barbados either instead of, or in addition to, the stop at Barbados. Can't offer more - but you can call for talks under our Air Service Agreement.



PRESIDENT JAWARA (GAMBIA)

(When you could not see him in September  
we promised him a talk at CHOGM)

Thank you for voting with us on Falklands  
for second year running.

Will continue help with aid (£3.5m this  
year).

Gambia Army - following MOD visit in  
September, we can provide training team  
for two years, some training in UK and  
£100,000 of non-lethal equipment (no more).

Group/Class ..... PREM 19 .....  
Piece ..... 970 .....

C. 152/12/11 CMOGM: New Delhi 1983

Report of the Committee of the Whole (HGM(83)13)  
dated 24/11/83

Paper extracted and  
temporarily retained  
under Section 3(4)  
pending completion of  
review.

(date) ..... 15/1/2013 .....

(Signed) ..... S. Gung .....

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10 DOWNING STREET

*From the Private Secretary*

MR. RICKETTS  
FOREIGN AND COMMONWEALTH OFFICE

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BAHAMAS

It may be worth recording that the Prime Minister had a word last night with the Prime Minister of the Bahamas. Mrs Thatcher referred to Mr. Pindling's comment in the CHOGM debate yesterday to the effect that if small states were not able to defend themselves they perhaps had no right to be independent states. When Mrs Thatcher referred to this remark in her talk with Mr. Pindling last night, he said that the fact was that, the way things were going, small states in the Caribbean were likely to be the "new colonies of the United States".

*A. J. Cole.*

24 November 1983

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Group/Class ..... PREM 19 .....  
Piece ..... 970 .....

1/ C.152/12/14 24/11/83 - CHOGM: New Delhi 1983 - Fourth Session <sup>provisional</sup> record.

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Paper extracted and temporarily retained under Section 3(4) pending completion of review.

(date) ..... 15/1/2013 .....

(Signed) ..... S. Gray .....

COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI

ADDRESS BY RIGHT HON. R D MULDOON CH

PRIME MINISTER OF NEW ZEALAND

24 NOVEMBER 1983

Mrs Gandhi, I am delighted to have the opportunity to address my colleagues on the subject of the world economy.

For very good reasons, our discussions at Commonwealth Heads of Government Meetings are structured around the broadest possible subject headings. This agenda item - World Economic Issues - is in this tradition and not easy to bring into focus. Moreover, we have before us three substantial reports compiled by Commonwealth experts - one on protectionism, one on the North/South Dialogue, one on the steps that might be taken towards a new Bretton Woods.

I believe there is one issue that stands out - an issue that deserves attention at Head of Government level. Indeed, I believe it is the common theme to all three reports commissioned by the Commonwealth.

After a period of unprecedented economic growth ending in the mid 1970s, the world economy now faces a number of major structural difficulties. At worst, we could see financial collapse and major dislocation of the trading system. At best, there is the prospect of a fragile recovery and a succession of debt crises. These problems will not go away. The underlying issue, therefore, is that sooner or later they must be addressed in the form of a comprehensive examination of the trade and payments system.

The Commonwealth cannot by itself establish the broad terms and conditions for such an examination - that is for the international community acting as a whole, yet when I look around this meeting and see the diversity of groups that various of our colleagues can reach into - the Non-Aligned Meetings, the industrial summits, the OAU, ASEAN, CARICOM, the European Community, for example - we can see the significance of a strong, unified and above all realistic Commonwealth voice on the issue.

In the 18 months or so since I first began to use the metaphor of a new Bretton Woods to describe the scale and importance of the undertaking I had in mind, there has been a considerable change in international thinking on the matter. For example, it is now accepted wisdom to talk of debt/trade linkages. Even the United States has discovered that retrenchment in Mexico means unemployment in Texas.

The last ten years have taught us the hard way the real meaning of economic interdependence. It is in fact based on a very sound principle indeed - self interest.

Each country has an increasingly strong self-interest in the economic health of other countries. This was always so, but what has changed so markedly is the relative significance of these economic linkages. After three to four decades of the fastest growth ever of world output, productivity, world trade and international communications, economic interdependence has leapt out of the text books and landed on Ministers' desks everywhere.

Because of this interdependence, we cannot look at our current problems in a piecemeal fashion. Our handling of the threat from protectionism has long-term implications for the debt servicing capacity of many countries. Equally the interests of the international trading system are ill-served by Fund-sponsored austerity programmes that put disproportionate weight on slashing imports so as to achieve a quick statistical turnaround on the trade account.

I believe that these and many other issues confronting us must be addressed in a systematic examination of the trade and payments system. However, there are a few countries - including some of the key industrial powers - which resist this logic. I do not believe that any of these countries are arguing that everything is fundamentally sound with the world economy. After all, the agreement of the Summit Countries at Williamsburg to examine some of the major monetary reform issues, indicates at least an open mind on the issue. The Summit Countries know, for example, the damage caused by wild fluctuations in exchange rates - fluctuations which the last IMF World Economic Outlook estimated to be as great as 20 percent over periods as short as three months.

Moreover, on the trade side of the trade and payments equation, most of the summit countries are only too well aware of their continuing inability to find any solution to the problem of creeping protectionism - a problem which, left unchecked, could ultimately undermine political relationships even amongst themselves. Our Commonwealth study on protectionism, for example, estimates that as much as 50 percent of international trade is now "managed trade" - that is trade which is not, for a variety of reasons, conducted on the basis of the arms-length free market.

Perhaps they fear that the present system of trade and payments - for all the stresses that have been put on it - could be replaced by something worse. They fear that calls for a comprehensive appraisal of the trade and payments system - a new Bretton Woods, if you like - are nothing more than highly politicised attempts to tear down the existing structure of international economic relations.

These fears are real ones. Because they are real, they will have to be taken into account. If they are not taken into account, there will be no genuine dialogue between North and South, no new Bretton Woods, or indeed any comprehensive framework for looking at the trade and payments system.

That, in my view, is the only lesson we can draw from so many

years of failure to engage the key industrial powers in what were to be Global Negotiations. Politically, there is no profit in maintaining the stand-off that has developed. Economically, the weight of developing countries is now far too important to the economic performance of the developed world to ignore. As our own Chairman put it recently in her address to the General Assembly, I quote "To help developing countries is not mere largesse". Last year, the downturn in demand by developing countries for the exports of the OECD countries was sufficient to turn an expected small positive growth rate for the OECD area into a decline of 0.5 percent overall. That is the reality of interdependence.

I suspect it is premature to attempt to spell out with too much precision the framework that might be acceptable. As our report "Towards a New Bretton Woods" suggests, that has to be developed through consultation. Our test must be a practical one - what will be acceptable to those who are least convinced of the need for an examination at all?

The first point to make is that an unwieldy conference called together prematurely would not be in anyone's interests. Our Commonwealth report states the position very concisely, I quote, "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."

Proper preparation will be the key. In planning this, I believe it will be necessary to agree on some type of weighted voting system along the lines of the procedures used by the IMF's Interim Committee or the World Bank's Executive Board. For small countries like New Zealand the one country/one vote procedure has certain immediate attractions, but given a choice between form and substance, I would prefer to go for substance. The fact is that any negotiating or discussion process which does not reflect realities of world economic and political power will never become more than a theoretical possibility - a hardy annual for debate in other international forums.

I am sure that my Australian colleague and I, as representatives of two countries with significant interests in the export of beef and dairy products, look forward to that sunny day when we can simply outvote the United States 2 to 1 on their dairy and beef import policies. I am not sure that either Bob Hawke or I would be wise to hold our breath in anticipation of that day.

The shape of the table, the preparatory process, will be very important in building confidence. What is on the table, the issues, will be what the next generation will judge us by. In my letter to our Chairman, I have suggested a checklist of these issues. I would like to comment on one or two salient points.

My first point is that as a matter of commonsense any examination of the trade and payments system cannot be solely concerned with international linkages. Many of the problems that developed over the last ten years or so have domestic roots. Our economic management tools tended to have an inflationary bias to them. Irrespective of social and political conditions most countries find it very difficult to adjust their economies to sudden and unforeseen changes in the real price of oil, to shifts in key ratios such as the ratio of real wages to real interest rates. The point is not to deny the existence of external shocks, but rather to underline the importance of sound domestic policies.

This is the reason you will see on my indicative check-list matters such as macro-economic policy co-ordination and domestic adjustment policies.

Having pointed to the importance of domestic policies we should, I suggest, be very careful to avoid that other canard which is the mirror face of denying the importance of domestic policies. I am referring to the proposition that if we all followed sound domestic policies, the international economy would look after itself.

Apart from this representing political naivety of the highest order, it is nonsense. There must be rules of the games to govern international economic relations. In the field of international trade, for example, it took very detailed and explicit negotiations over industrial tariff by governments to set up the GATT framework before the international marketplace could function more effectively. Similarly, post-war currency convertibility was achieved only gradually and as a result of international negotiation. I suggest we will deal with the modern-day problems of the interdependent world economy again only through a very conscious and deliberately co-ordinated international effort. This is why I have included in my check-list subjects such as the role of reserve currencies, including the future evolution of Special Drawing Rights and alternative exchange rate regimes.

One of the consequences of the policy adjustments made by industrial countries over the last decade has been a massive downturn in the terms of trade of certain commodity exporters. In New Zealand's case we have had to frame our economic policies against the background of a 25 percent drop in our terms of trade as well as, of course, reduced access for some of our major export commodities to traditional markets. Because New Zealand is a relatively affluent country, we have been able to cope, though not without difficulty. For other commodity exporting countries that same percentage decline in their terms of trade represents what economists call an 'exogenous variable'. I call it an utter disaster. In these less affluent countries, the margin for acceptable adjustment to such changes simply does not exist. In New Zealand's case, the political consequences since the mid 1970s have been nothing more than an erosion in what had been a comfortable Parliamentary majority. I can live with that. In other countries that same proportionate decline in their terms of



trade has caused substantial political upheaval and possibly cost even one or two of them their constitutions. This is why I have argued consistently that economic instability can lead to political instability and even to strategic instability.

It is against this background that I included in my check-list of issues the future role and financial requirements of the IMF and its programmes, including the appropriateness of its current approach to conditionality. Conditionality must be made to fit the structural current account difficulties so many heavily indebted countries face today. The adjustment programmes must start from the recognition that it will take years to work through the backlog of problems that have been built up.

In spite of the fact that we live in what has been called an "aid-weary" world, I retain an unfashionable belief that for many countries, particularly small, isolated island countries with very limited resources, there will be a continuing long-term requirement for official development assistance. There are certain basic statistical facts to be taken into account. For example, one of our reports estimates that official development assistance finances about two-thirds of the deficits of the low income countries and about one-quarter of their total investment. For that category known as the least developed countries, the contribution made by ODA is thrown into even sharper relief: official development assistance provides over three-quarters of the investment in many of them.

I believe that any comprehensive examination of the trading system must keep a reasonably clear distinction between preserving an efficient international trading system and the question of resource transfers as such. The price of that, however, is a clear reaffirmation of the place of official development assistance. I believe it is essential to find ways of putting aid on a more assured basis. I have suggested distributing Special Drawing Rights on the basis of need and there are other possibilities canvassed in our report, Towards a New Bretton Woods.

Finally, my check-list obviously includes debt and protectionism. I have left these to last not simply because I believe them to be among the most worrying features of the world economy, but also because they demonstrate most clearly why it is so dangerous to believe we can rely on the recovery to solve all our problems.

I am not sure whether I could quite join Helmut Schmidt who recently dismissed hopes of a world economic recovery as "an American illusion". I see the recovery as having essentially stabilised a very dangerous contraction of the world economy. In 1982 the world economy went backwards. World production declined by an estimated 2% and the volume of world trade declined by 2.5%. Had this continued into 1983, I believe it would have put impossible strains on world economic and political stability. The recovery certain developed countries are now experiencing is more than an illusion, but it has to

be seen against that perspective. It has turned the tide against forces of contraction of world output and trade unprecedented in our post-war experience. This welcome cyclical recovery will not tackle the underlying roots of protectionism since clearly the growth of protectionism predates the recession. Protectionism, which is by no means confined to the OECD countries, will persist in the developed world if only because no-one is predicting growth rates which will reduce the roughly 35 million unemployed in the OECD area as a whole.

The recovery will not do much to alleviate the debt burdens of many developing countries. The Commonwealth Study, "Towards a new Bretton Woods", estimates that there are as many as 40 countries which have been reported to have agreed to debt-reschedulings or to be in substantial payment arrears. In the ten-month period to June 1983, the value of cross-border debt being renegotiated with commercial banks has been calculated as being over 20 times larger than in any previous year. We get daily reports indicating that some of the most seriously indebted countries are in default in all but a formal sense.

Although many of these issues which I have raised are highly technical, the difficulties in resolving them are fundamentally political. As Heads of Government, we know that political will does not materialise from thin air. Political will has to be created. Whatever the problem, the process of creating political will is much the same the world over. You get a manageable number of the right people together. You put before them the right programme for discussion. You draw up proposals that address the real problems. You then negotiate an agreement which each participant in those negotiations takes back to his people to see whether this is within the bounds of acceptability. This is what happened in 1944 at Bretton Woods and later at Havana. Each country then had to ask itself - this is part of a world programme agreed by the world community. Now are we in or are we out? The vast majority of then sovereign countries decided they were in. The rules and institutions that grew out of that process underwrote an unprecedented period of expansion and growth.

I believe we face comparable problems today that require us to develop, as a conscious act of policy, the means to generate the political will required to tackle those problems. We need an acceptable process and a sensible agenda. To achieve that will mean stepping a little outside the comfort of established group positions. That, I suggest, is the purpose of Commonwealth Head of Government meetings. In political life, whether one is operating in the domestic or international arenas, there are relatively few opportunities to seize the high road - to point to a way forward. That is the opportunity we have over the next few days. I hope we can rise to that challenge, not simply in finding appropriate language to be included in our communique, but in identifying ways to carry forward our views.

One which I have suggested is to establish a core group of Heads of Government, with the assistance of the Secretary-General,

to take our views into other international meetings and forums. It is important that the consensus we reach here in New Delhi is carried into the wider international community to provide the platform for early action.

If the Commonwealth can speak with a clear and persuasive voice, a sensible programme, and a clear vision of what can be achieved, we can point the way. I have no doubt that if we decline to rise to the challenge this year or next year, we will find ourselves returning again and again to this underlying issue until finally we reach a consensus to establish an acceptable framework for conducting international economic relations in the late 20th century.

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10 DOWNING STREET

*From the Private Secretary*

MR. RICKETTS  
FOREIGN AND COMMONWEALTH OFFICE

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Barbados

We arranged for the Prime Minister to sit next to the Prime Minister of Barbados at The Queen's dinner for Commonwealth Heads of Government last night. The Prime Minister took the opportunity to ask Mr. Adams for his views on the handling of Grenada at the Conference. He said that he had left Barbados hoping that the issue would not be brought up but Mrs Gandhi had since referred to it in her speech and he believed that Miss Charles of Dominica would wish to comment. The Prime Minister then spoke to Miss Charles who said that she felt that she had no option but to raise Grenada. The Prime Minister told her that if this resulted in criticism of the OECS states she would herself intervene to defend their right to express their point of view.

A. J. Cole.

24 November 1983

CONFIDENTIAL

MR COLTBY

Grades

Prime Minister

COMMONWEALTH HEADS OF GOVERNMENT MEETING  
NEW DELHI 1983

FOR THE INFORMATION OF DELEGATIONS

The attached paper is being circulated at the request of the Prime Minister of Trinidad & Tobago.

*Hugh Craft*

Hugh Craft  
Conference Secretary

Commonwealth Secretariat  
Vigyan Bhavan  
New Delhi

24 November 1983

STATEMENT BY THE HONOURABLE PRIME MINISTER TO THE  
HOUSE OF REPRESENTATIVES - 26 OCTOBER 1983

It is incumbent on the Parliament of Trinidad and Tobago to direct its attention to the tragic circumstances which have visited Grenada over the last few days. I should like, therefore, to outline to this Honourable House, to the people of Trinidad and Tobago and to the wider regional and international community, the position of the Government of Trinidad and Tobago on those unprecedented and ominous developments.

On Friday October 14, 1983, reports reached the Government of Trinidad and Tobago that the Prime Minister of Grenada, Maurice Bishop, had been placed under house arrest. Subsequently, further reports indicated that Deputy Prime Minister, Bernard Coard, had resigned from the Government in order to dispel rumours that he was implicated in a plot to assassinate Mr. Bishop.

By Wednesday, October 19, news was received that Prime Minister Bishop, together with some of his Cabinet, two prominent union leaders and several civilians had been shot and killed by the military in Grenada. The ensuing events, as reported, led to the imposition of military rule in Grenada, and the establishment of a Revolutionary Military Council. The Military Council imposed, among other things, a twenty-four hour curfew over a four-day period.

The Cabinet of Trinidad and Tobago, considered these developments the following day, that is to say Thursday October 20, 1983. Immediately after the Cabinet meeting, I convened a Press Conference at which I expressed the feeling of shock and dismay of the Cabinet at the news of the execution of the former Prime Minister of Grenada and several of his Ministers.

I indicated that this Government viewed with horror the importation of such execution into the English-speaking Caribbean and that under no circumstances whatsoever could the Government and people of Trinidad and Tobago countenance the execution of public figures in the settlement of political disputes. I also announced that in the circumstances, the Government of Trinidad and Tobago had taken the following decisions with immediate effect and until further notice:-

- i. Trinidad and Tobago would not participate in any Caricom meetings whatsoever in which Grenada would be present.
- ii. No Grenada citizens or nationals would be allowed entry into Trinidad and Tobago without a visa.
- iii. No exports from Grenada into Trinidad and Tobago would be afforded Caricom treatment and that no vessels registered in Grenada would be allowed the facilities of the Caricom Jetty in Trinidad and Tobago.

Further, I made it quite clear that the Government of Trinidad and Tobago would take such steps as were necessary to ensure the safety of Trinidad and Tobago nationals in Grenada.

I emphasised that these decisions of the Government of Trinidad and Tobago were without prejudice to any decision which might be taken by Caricom Heads of Government at an emergency meeting which was scheduled to take place in Port of Spain over the weekend of Saturday 22 and Sunday 23 October 1983. The hosting of this meeting by the Prime Minister of Trinidad and Tobago was proposed by the Prime Minister of Saint Lucia and after appropriate consultations.

The emergency meeting took place in Port of Spain on Saturday 22 and Sunday 23 October, 1983 and was attended by: the Deputy Prime Minister of Antigua and Barbuda, the Prime Minister of the Bahamas, the Foreign Minister of Barbados, the Prime Minister of Belize, the Prime Minister of Dominica, the President of Guyana, the Prime Minister of Jamaica, the Chief Minister of Montserrat, the Prime Minister of St. Vincent and the Grenadines and the Prime Minister of Trinidad and Tobago.

Proposals were advanced to the meeting that were consistent with the established foreign policy of Trinidad and Tobago based on the principles of the United Nations Charter to which we fully subscribe. The fundamental elements of this policy are non-interference in the internal affairs of other states and the avoidance of the use of force in the conduct of international relations and in the settlement of disputes. These proposals were:

- i. No involvement of any external elements in the resolution of the Grenada situation;
- ii. The resolution of the Grenada solution should be wholly regional, that is to say, Caricom in nature;
- iii. The regional solution pursued should not violate international law and the U.N. Charter;
- iv. Any proposed solution should have as its primary purpose the restoration of normalcy in Grenada.

Subject to a minor reservation by one Prime Minister, which as Chairman, I was confident would have been resolved, there was agreement in principle on the proposals advanced. In respect of specific proposals relating to the restoration of normalcy in Grenada, the meeting considered whether the Governor-General, as the legal representative of the Queen, should be used as a point of contact in Grenada. We decided that through contact with the Governor-General, we would seek to accomplish the following:-

- a. the immediate establishment of a broad-based civilian government of national reconciliation whose composition was acceptable to the Governor-General. The primary function of that Government would be the putting into place of arrangements for the holding of elections at the earliest possible date;



- b. acceptance of a fact-finding mission comprising eminent nationals of Caricom States;
- c. the putting into place of arrangements to ensure the safety of nationals of other countries in Grenada and/or their evacuation where desired;
- d. the acceptance of the deployment in Grenada of a Peace-keeping Force, comprising contingents contributed by Caricom countries.

These proposals and objectives in fact, represented the position of Trinidad and Tobago. As Chairman, I intimated to the Meeting that I had reason to believe that the persons exercising authority in Grenada would be willing to treat on the basis of these proposals and objectives. My judgement, derived from consultations I had held with the President of the Republic of Trinidad and Tobago, who is in London, and who at my request, had been in contact with the Governor-General of Grenada. In addition, I spoke with the Secretary-General of the Commonwealth.

By 3.06 a.m. on Sunday when the adjournment was taken it was apparent that consensus had emerged in support of the proposals and objectives, so much that Heads of delegations including some of the OECS had suggested names of eminent persons who would comprise the fact-finding mission to Grenada. It had also been agreed that I, as Chairman of the Meeting, would be entrusted with pursuing the initiatives. At that point, it was agreed that the number, the composition and the terms of reference of the fact-finding team would be decided on the resumption of the meeting later that morning.

The single consideration standing in the way of complete agreement was what action members would take in the event that the regime in Grenada refused to treat on the basis of the proposals. On this one point there was a division of views. Some members held that there should be instant resort to force, including extra Caricom assistance in connection there with, if required. Others, among them Trinidad and Tobago, maintained the position that force, be it regional or extra-regional, should not be the first resort in

respect of a sister Caricom State. As Prime Minister of Trinidad and Tobago I indicated that I would wish in the circumstances to take the matter to Parliament before agreeing to the use of Trinidad and Tobago forces in hostilities outside of Trinidad and Tobago.

When the meeting reconvened later that morning, one of my colleagues from the OECS immediately informed us that a leading personality of a Caricom country had agreed to serve on the fact-finding mission. Whatever transpired between the adjournment and the resumption, which incidentally was one hour later than the appointed time, is not within my knowledge. But certain Heads, for the first time, stated that there was no consensus on the proposals and that in any event they were of the opinion that no further discussions should continue along those lines. Instead, they wished to direct their attention to two papers which had earlier been circulated, one by the Prime Minister of Jamaica and the other by the OECS members present.

The Jamaica paper, which was entitled "The Protocol of Port of Spain" proposed far-reaching amendments to the decision-making mechanisms contained in the Treaty of Chaguaramas - the Caricom Agreement. The OECS paper proposed sanctions to be imposed on Grenada.

A majority of members took the political decision to suspend Grenada from Caricom and to support the sanctions on Grenada. The sanctions proposed were as follows:

1. No official contact with the existing regime;
2. The regime would not be permitted to participate in the deliberations and business of the Organization;
3. Representatives of the regime would not be permitted to participate in or chair caucuses or groupings pertaining to meetings of international agencies and would not be permitted to speak on behalf of the OECS in international agencies.

4. The regime would not be allowed to benefit from the trade, economic and functional co-operation arrangements of the Organization;
5. No new issues of currency will be made to the regime under the East Caribbean Central Bank (ECCB) arrangements;
6. The OECS Governments will cease all sea and air communication links with Grenada.

At the conclusion of the meeting I proceeded to hold a Press Conference on the meeting in my capacity as Chairman. Immediately thereafter, I spoke to the press in my capacity as Prime Minister of Trinidad and Tobago. After the Press Conference, I had discussions with the President of Guyana and the Prime Minister of Belize who together with the Prime Minister of the Bahamas and myself were not in favour of military intervention as a first resort. On Monday, I spoke again to the President of Guyana and to the Prime Minister of Bahamas. I also attempted to reach the Prime Minister of Belize but he was airborne at the time. We continue to be in touch on the matter.

I would like to inform this Honourable House that in relation to my earlier statement that the Government of Trinidad and Tobago would take such steps as are necessary to ensure the safety of Trinidad and Tobago nationals the Ministry of External Affairs had established a mechanism for receiving information on Trinidad and Tobago nationals who wished to leave Grenada. As of the evening of Tuesday October 25, it had been ascertained that there were 136 Trinidad and Tobago nationals in Grenada who wished to be repatriated.

We had also established contact with the office of the Governor-General of Grenada with a view to working out arrangements for repatriation. It was decided that a BWIA aircraft would be despatched to Grenada to transport our nationals.

New developments, however, in Grenada have precluded the implementation of these arrangements.

It is now public knowledge that military forces have landed in Grenada and are currently engaged in hostilities there.

I would like to state that the first official notification I, as Prime Minister of Trinidad and Tobago and current Chairman of Caricom, received of the landing of forces in Grenada came from the United States Embassy in Port of Spain through the Minister of External Affairs several hours after the actual landing. I wish to state further that to date, I have received no notification from any Caricom member country of any intention to request assistance from the Government of the United States to intervene militarily in Grenada nor have I been informed by any Caricom member country that such a request had in fact been made. At an emergency meeting of Cabinet, yesterday, the entire situation as was then known was reviewed.

I later called in the United States Ambassador, the British High Commissioner, the Venezuelan Ambassador, the High Commissioner for Canada, and the Acting High Commissioner of India to discuss the developments in Grenada and to appraise them of the position of the Trinidad and Tobago Government in the continuing crisis. I also invited and met with the Archbishop of Port of Spain and the Bishop of Trinidad and Tobago at Whitehall for discussions on the crisis. Earlier today, I met the Colombian Ambassador at his request, and I have arranged a meeting with the Nigerian High Commissioner. Other diplomatic representatives will be called in as necessary.

The Government of Trinidad and Tobago maintains its original position on this matter and continues to hold firmly to the view that:

1. It is regrettable that a solution involving the non-use of force, proposed during the emergency meeting of the Heads of Government was not allowed to be pursued;
2. It is regrettable that a solution of a purely Caricom nature was not agreed upon and was not allowed to be pursued;
3. It is regrettable that measures involving the use of force as a first resort have been embarked upon;
4. It is regrettable that military intervention of this nature has been imported into the Commonwealth Caribbean.

In the light of the present situation and in pursuance of our original initiatives, we shall seek:

- i. the earliest possible withdrawal of combat forces in Grenada;
- ii. through appropriate channels, the earliest establishment there of a Caricom peace-keeping presence in which we are prepared to participate. In this regard, we wish to state that in our view there is a clear distinction between the role of an occupation force and that of a peace-keeping force.
- iii. the establishment of a broad-based civilian government. The primary function of the civilian government would be the earliest putting into place of arrangements for the holding of free and fair elections.
- iv. the establishment of a fact-finding mission comprising eminent nationals of Caricom States.

At the present, the Security Council of the United Nations, the Permanent Council of the OAS and the United Kingdom Parliament are all meeting on this matter.

The Government of Trinidad and Tobago is deeply conscious of the implications of all these developments for Trinidad and Tobago and for the Caribbean as a whole. Whatever the circumstances and however justifiable it may appear in the eyes of others, the commitment of our armed forces in the situation that I have described and which in the view of many, is tantamount to war, cannot be made on the basis of emotion or editorial hyperbole. Such a commitment requires, in my view, reference to the Parliament of the sovereign people of Trinidad and Tobago. Moreover, in the instant case it involves a sister Caricom country which has a large and significant community of its nationals in Trinidad and Tobago.

Last year the Heads of Government of Caricom States, at their meeting in Ocho Rios, took specific decisions against the use of force in the resolution of disputes. More recently, in July of this year at the Fourth Conference of Heads of Government of Caricom countries in Port of Spain, they reiterated this commitment to the non-use of force. The Government of Trinidad and Tobago, as a party to these decisions could not now depart from these agreed principles particularly without resort in the first instance to efforts <sup>to</sup> a peaceful resolution of the problem.

The Government of Trinidad and Tobago deeply sympathises with the people of Grenada on what is obviously a troubled time not only for them but also for the Caribbean region and stands ready to assist in a resolution of the crisis in accordance with its stated principles.

Finally, let me make it clear that it is our intention to treat with this issue on a non-partisan basis and we invite our friends opposite to treat the matter likewise so that the country, the region and the international community will be in no doubt whatsoever as to the attitude of this Honourable House on matters of national, regional and international moment.

LUK 453/24

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OO HARARE

GRS 440

CONFIDENTIAL  
FM NEW DELHI 240400Z NOV 83  
TO IMMEDIATE DESKBY FCO (241800Z)  
TELEGRAM NUMBER 935 OF 24 NOVEMBER 1983  
INFO IMMEDIATE HARARE

FROM LEAHY WITH CHOGM DELEGATION

PRIME MINISTER'S MEETING WITH MR MUGABE

1. THE PRIME MINISTER HAD A MEETING WITH MR MUGABE THIS EVENING LASTING ONE AND A QUARTER HOURS. MUGABE WAS ACCOMPANIED BY MESSRS MNUNGAGWA, MINISTER OF STATE FOR NATIONAL SECURITY, AND MANGWENDE, THE FOREIGN MINISTER. THE SECRETARY OF STATE AND I WERE ALSO PRESENT. A FULLER ACCOUNT WILL FOLLOW. MEANWHILE, YOU MAY LIKE TO KNOW THAT:-

(A) THE DISCUSSION CONCENTRATED ON THE ZIMBABWE GOVERNMENT'S POLICIES SINCE INDEPENDENCE AND ON ANGLO-ZIMBABWE RELATIONS.

(B) WHILE THERE WAS PLENTY OF PLAIN SPEAKING ON BOTH SIDES THE ATMOSPHERE WAS GOOD THROUGHOUT, AND I JUDGE THE AIR HAS BEEN CLEARED A LOT.

(C) ALTHOUGH MUGABE MADE NO PROMISES ABOUT THE TIMING OF THE RELEASE OF THE THREE AIR FORCE OFFICERS STILL IN DETENTION, HE GAVE A STRONG HINT THAT PROVIDED HE WAS NOT SEEN TO ACT UNDER PRESSURE FROM US IT WOULD NOT BE LONG.

2. THE PUBLIC PRESENTATION OF WHAT TRANSPIRED AT THE MEETING, IN TERMS BOTH OF WHAT IS SAID TO THE PRESS AND TO PARLIAMENT, WILL NEED CAREFUL HANDLING. INDEED, SINCE MUGABE WAS APPARENTLY KEEN BEFORE THE MEETING THAT IT SHOULD BE KEPT PRIVATE WE ARE NOT VOLUNTEERING ANYTHING ABOUT IT TO THE PRESS. BUT, IF ASKED, THE NUMBER 10 PRESS OFFICER INTENDS TO SAY NO MORE THAN: THE PRIME MINISTER HAD A CHAT WITH MR MUGABE OVER DRINKS THIS EVENING IN THE HIGH COMMISSIONER'S HOUSE, MR MUGABE BROUGHT THE PRIME MINISTER UP TO DATE ON DEVELOPMENTS IN ZIMBABWE, YES THE DETAINED AIR FORCE OFFICERS WERE MENTIONED AND MR MUGABE WELL KNOWS OUR POINT OF VIEW ON THIS. MR INGHAM WILL CONFIRM LATER IF HE HAS HAD TO MAKE USE OF THIS LINE AND NEWS DEPARTMENT SHOULD STICK CLOSELY TO IT. IT IS PARTICULARLY IMPORTANT TO AVOID THE USE OF SUCH PHRASES AS "REPRESENTATIONS WERE MADE".

PLEASE PASS ADVANCE COPIES TO NUMBER 10 PRESS OFFICE AND NEWS DEPARTMENT.

WADE-GERY

NNNN

BS/NO.10

NOV 24  
h.r.

XY 42

Security Classification  
CONFIDENTIAL  
IMMEDIATE  
LEAHY

CONFIDENTIAL

FROM: J C Thomas  
DATE: 24 November 1983

Mr Coles ✓ *28*  
*u*

CC: Mr Fall  
Sir R Armstrong  
Sir A Acland  
Sir J Leahy  
Mr Ainscow  
Mr Goldsmith

MR MULDOON'S ECONOMIC PROPOSALS

1. The Prime Minister may like some advice on Mr Muldoon's opening speech on world economic issues.
2. His speech follows his letter of 20 October to Mrs Gandhi (attached) in which he sets out (page 3) a checklist of items to be covered in his proposed "comprehensive examination" of the trade and payments system.
3. These items are all, one way or another, already on the international agenda. They are covered in the Helleiner report, 'Towards a New Bretton Woods'; in the Economic Declaration of the Seventh Non-Aligned Meeting at Delhi in March 1983; by UNCTAD VI; and in the shopping list of the G77's call for "global negotiations".
4. Part of the Muldoon checklist will be covered by the work of the G10 deputies; and part could well be covered by the Chancellor's Trinidad proposal for a Commonwealth Group to look at the role of the IMF, World Bank and GATT.
5. Muldoon follows this letter in his speech. Much of it (from our point of view) is rather good: emphasis on sound domestic policies; recognition of importance of global recovery; interdependence between developed and developing; recognition that an unwieldy conference would not be in anyone's interest; and that any economic negotiating process which does not reflect the realities will never get off the ground.
6. He proposes that a system of weighted voting (as used in the IMF) will be necessary; and his main proposal is the establishment of a "Core Group of Heads of Government, with the assistance of the Secretary General, to take our views into other international meetings and fora".

/7. The



7. The majority at CHOGM are likely to be broadly in favour of Muldoon. But :

- (a) We know the Australians dislike the idea of an international monetary conference; and Mr Hawke told the Prime Minister he thought Mr Muldoon was "less fervent" in promulgating his ideas.
- (b) Mrs Gandhi will, I think, not want to be upstaged by Mr Muldoon. (She wants to promote her own NAM style of "global negotiations").
- (c) Mr Muldoon's suggestion of weighted voting is unlikely to go down well with the G77 members of the Commonwealth.

8. The weakness the Mr Muldoon's approach is :

- (a) that it is mostly wind, and
- (b) that his agenda is so broad that, if it were to be addressed seriously, we would risk being dragged onto a slippery slope leading back to the old global negotiations in a UN framework. Progress would not be possible.

9. So I recommend that the Prime Minister should, fairly early in the economic debate, maintain the line suggested in the talking points I submitted yesterday, adding a few (not too many) polite words about Mr Muldoon's speech.

9. On our tactics, I think at this stage we should maintain our opposition to an international monetary conference; should continue to urge acceptance of the Chancellor's Trinidad proposal; and should be ready, when it comes to communiqué bargaining, to contemplate a widening of the scope of the Chancellor's proposed group to include other areas for consideration which might be agreed (ie its terms of reference would have to be subject to consensus). We should resist the Muldoon notion that Heads of Government should form a "Core Group": it would be better to build on the group of officials from capitals suggested by Mr Lawson.

J C Thomas

J C Thomas

Prime Minister's

FROM: Mr Byrne  
DATE: 23 November 1983


PS/No 10

*mt*

PRIME MINISTER'S VISIT TO THE INDIA INTERNATIONAL TRADE FAIR 1983

In response to your request earlier today relayed through the Duty Clerk I attach a brief for the Prime Minister's visit to the India International Trade Fair on Thursday 24 November prepared by the High Commission.

*Terry Byrne*  
T N Byrne



BRIEFING FOR THE PRIME MINISTER'S VISIT TO THE INDIA INTERNATIONAL  
TRADE FAIR 1983 ON THURSDAY 24 NOVEMBER

1. The India International Trade Fair 1983 is being held at the exhibition complex at Pragati Maidan. It was inaugurated by the President of India on 14 November and concludes on 27 November. It has been a Government of India supported annual event since 1979. The theme of this year's fair is "Technological Cooperation amongst Developing Countries" with special emphasis on telecommunications. Its primary objective is to highlight the specific import and export opportunities that India offers and to project India's industrial and technological capabilities and its commercial potential.

2. At last year's Fair the UK participated as part of an EEC venture. The EEC decided not to participate this year. British companies also declined to participate this year as a result of last year's disappointing experience. Largely because of the visit of HM The Queen, the Department of Trade and Industry agreed to UK participation in the form of a small Central Office of Information stand. The theme of the UK stand is the expertise available in the UK to developing nations. Small scale models and photographs are used to present the design and engineering skills offered by British consultants, engineers and specialised bodies. The projects and areas illustrated include the Victoria Dam project in Sri Lanka, the Mangla Dam project in Pakistan, the British Aerospace 146 airliner, projects on solar energy and wind power, mining and transport and Calcutta second Hooghly Bridge.

3. Plessey have taken part of the stand and are exhibiting a small rural telephone exchange (similar to the one donated to the Government of India for use at Goa). There are good prospects for the sale of these exchanges in India.

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4. Other nations participating in the Trade Fair include the Soviet Union and the GDR each of whom have a large pavilion to themselves; the Federal Republic of Germany, who have a large stand in the same pavilion as the UK stand; and small Australian and Canadian stands. Neither the USA nor France is participating in the Fair.

Commercial Department  
British High Commission  
New Delhi  
23 November 1983

Group/Class ..... PREM 19 .....  
Piece ..... 970 .....

HGM (83) (CW) 1 dated 23/11/83

CHOGM: New Delhi 1983 - Committee of the Whole  
Notice of Meeting

Paper extracted and  
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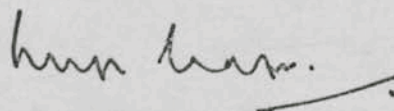
(date) ..... 15/1/2013 .....

(Signed) ..... S. Gray .....

COMMONWEALTH HEADS OF GOVERNMENT MEETING  
NEW DELHI 1983

FOR THE INFORMATION OF DELEGATIONS

Attached is the text of a message from  
H.E. Maumoon Abdul Gayoom, President of the Republic  
of Maldives, to Mrs Gandhi which is being circulated  
at her request.



Hugh Craft  
Conference Secretary

Commonwealth Secretariat  
Vigyan Bhavan  
New Delhi

23 November 1983

Text of a message from H.E. Maumoon Abdul Gayoom,  
President of the Republic of Maldives

Her Excellency Mrs. Indira Gandhi  
Prime Minister of India and Chairperson of the  
1983 Commonwealth Heads of Government Meeting

As the Heads of Government of the Commonwealth assemble at New Delhi for their biannual Meeting, may I extend on behalf of the Republic of Maldives and its people greetings to you, Madam Prime Minister, and the distinguished Commonwealth Leaders.

Our association with the Commonwealth of Nations, as a special member, is but one year old and we look to the deliberations of our friends and colleagues at New Delhi with considerable anticipation and expectancy.

You meet at a time of growing conflict and tension, an international circumstance from which, as current events so unfortunately demonstrate, the Commonwealth is not immune. The collective wisdom that will be brought to bear on your discussions can make an invaluable contribution towards providing a solution to at least some of the most intractable problems being experienced, with your resolution serving both as an example and an inspiration to the international community.

I fully realise that there will be many matters demanding your attention but the Government and people of Maldives entertain a confidence that your Meeting will address itself to the need for revised global trading and financial arrangements, the basis of which will be not just a greater degree of international equity but which will, by their very organisation, give emphasis to the principle and application of interdependence.

The Maldives as an island developing country is in a position to appreciate the great economic constraints and difficulties confronting small island states which together constitute one quarter of the Commonwealth's membership. We therefore feel that these countries have both a special interest and a special need for the early birth of a new, enlightened and just international economic order.

Indeed few associations can, collectively have such a fundamental influence and authority as the Commonwealth in turning the world away from the concept of dependence to that of interdependence and to foster the imperatives for change which this produces.

My Government and people send best wishes to the member states at their 1983 Meeting and pray for its success.

Group/Class..... PREM 19  
Piece..... 970

C. 152/12/14 dated 23/11/83 - CHOGM: New Delhi 1983  
Restricted Second Session Provisional summary record

Paper extracted and  
temporarily retained  
under Section 3(4)  
pending completion of  
review.  
(date)..... 15/1/2013  
(Signed)..... S. G. G.



FROM: Mr Byrne  
DATE 23 November 1983

Private Secretary }  
PS/No 10 } separate copies

*WOL 24/11*

CHOGM BRIEFING: MALTA - THE PRICE CASE

1. Developments in Malta over the weekend require alterations to the Background brief PMVE(83)C44. These are:
- (a) The point to make at paragraph 5 should now read "Pleased that the matter has been resolved."
  - (b) The background note in paragraph 10 should now read:  
"Anthony Price is a British soldier who went absent without leave (AWOL) from his unit in February and was arrested in Malta in April. Eventually charged with conspiracy against the Government on what appeared to be trumped-up charges. We made efforts during the period of detention without charge to have him dealt with under the normal judicial procedures and, once he had been charged, to secure his release or early trial. The Maltese have now released Price, following certain assurances about Maltese security that we were able to give them."

*Terry Byrne*  
T N Byrne

The Price Case

5. Pleased that the matter has been resolved.

made efforts during the period of detention without charge to have him dealt with under the normal judicial procedures, and once he had been charged, to secure his release or early trial. The Maltese have now released Price following certain assurances about Maltese security that we were able to give them.

Prime Minister

cc: ✓ Mr Butler / Th. Cole ✓  
~~xxxxxx~~ Ad 24/11

(Discussed with MM.  
 I will draft a letter  
 as agreed).

RWG 23/11

1. Dr Alexander, Mrs Gandhi's influential Principal Secretary, took the initiative in speaking to me this morning about the bilateral aspects of your talk with her yesterday.
2. He made two points, which I have mentioned to Mr Butler:
  - (a) If we want to unstick the Konigswinter idea, it would be helpful to him if you could briefly mention it to Mrs Gandhi before you leave India. One sentence would be enough; eg to the effect that we look forward to hearing from them about how they would like to carry the idea forward on their side.
  - (b) During your other meetings with Mrs Gandhi, it would also be helpful if you could put a little more emphasis on our wish for fair treatment of the GEC power plant bid for Balco Aluminium; and on our desire to launch a cooperative venture in their steel sector, eg on Durgapur modernisation, which would be comparable in scale (this is the important point) to the project she and you sketched out for the now-postponed new steel mill at Daitari in Orissa.
3. Dr Alexander is an efficient operator and sympathetic to our interests on these points. What he is asking for are cues to push things along in our direction.

23 November 1983

Robert Wade-Gery



COMMONWEALTH  
HEADS OF GOVERNMENT MEETING  
NEW DELHI 1983

23 November 1983

... Following consultations between the Chairperson and  
the Secretary-General the attached copy of a memorandum  
on the Council for Education in the Commonwealth is  
circulated to Heads of Delegation for their information.

*Hugh Craft*

Hugh Craft  
Conference Secretary

Commonwealth Secretariat  
Vigyan Bhavan  
Delhi

# 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: DW Daniel, North East London Polytechnic, Romford Road, London E15 4LZ  
Telephone: 01-590 7722

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## MEMORANDUM BY THE COUNCIL FOR EDUCATION IN THE COMMONWEALTH FOR COMMONWEALTH HEADS OF GOVERNMENT MEETING NEW DELHI NOVEMBER 1983

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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

JP

SUBJECT

RECORD OF A CONVERSATION AT A WORKING BREAKFAST IN THE HIGH  
COMMISSIONER'S RESIDENCE IN NEW DELHI AT 0740 ON WEDNESDAY  
23 NOVEMBER 1983

---

Present

Prime Minister  
Foreign and Commonwealth  
Secretary  
Sir Robert Armstrong  
Mr. A.J. Coles

Prime Minister of Australia  
Sir Geoffrey Yeend  
Mr. Henderson  
Mr. Evans

\* \* \* \* \*

Following a discussion of the economic situation in Australia and the United Kingdom, and a brief reference to Mrs. Gandhi's concern about the Tamil problem, the conversation turned to Grenada, on which Mr. Hawke said that he would be interested to hear the Prime Minister's views.

The Prime Minister said that we expected Mr. McIntyre would arrive in Grenada soon. He was well thought of. The United States intended to withdraw its troops by 23 December, though Mrs. Gandhi had commented to her that she presumed that the United States Administration could secure Congressional approval for a longer stay if necessary. After the American departure there would be a need for some moderating influence to keep order in Grenada. Mrs. Gandhi was strongly of the view that until American troops left there was no role for the Commonwealth. It was important that there should be no hiatus between United States withdrawal and whatever security arrangements were to follow this. As regards the discussion of Grenada at CHOGM, there was no point in seeking Communique language which would be divisive. Mr. Hawke said that this was not an issue in which Australia wished to become engaged. The events in Grenada were of less concern to Australia than to the United Kingdom or the Caribbean countries.

The Prime Minister briefly explained our wish to withdraw our troops from Belize; but the task of extraction was difficult.

/ In response

In response to a question from the Prime Minister about Cyprus, Mr. Hawke said that Australia had a real interest in the issue because of the presence of Australian soldiers in the Island. The Prime Minister said that the Security Council had adopted a good resolution. President Kyprianou would doubtless wish to secure support from CHOGM but thereafter it was not clear what would happen. The Greeks and the Turks did not appear to be ready to engage in consultations. The Foreign and Commonwealth Secretary said that he was just making a fresh approach to both Governments in an attempt to persuade the Greeks to change the position they had adopted. But this was unlikely to be successful. Mr. Hawke asked whether the local situation on the Island was containable. The Foreign and Commonwealth Secretary said that it had held so far and there was as yet no sign of Greek or Turkish forces being increased. It was a striking fact that the presence of our own troops in the UN force in Cyprus had cost us £½ billion over nineteen years. We were paying a high price to keep the peace there. The Prime Minister expressed concern at the proliferation of multi-national forces. Their presence often rigidified rather than solved problems. Future proposals for such forces should be examined very carefully. With regard to the Cyprus problem, it was necessary to keep well in mind the importance of Turkey to NATO.

The Foreign and Commonwealth Secretary said that our Security Council Resolution represented the limit of what we thought it was sensible to do. The text had stopped short of proposing sanctions. The Prime Minister said that experience showed that sanctions never worked - take the cases of Rhodesia, Iran and the Soviet Union. Mr. Hawke said that sanctions could only work if they were universal and that was an unattainable aim.

In response to a question from the Prime Minister, Mr Hawke said that there had been a major debate in Australia over the export of uranium. It was clear that it was in Australia's interest to participate in this trade but there had been a dramatic and tense debate - for this reason it was politically

/ necessary

necessary for Australia to be prominent in public discussion of nuclear issues. Their fundamental position was one of alliance with the United States and the West but starting from that position they wished to promote effective discussion of disarmament issues.

With regard to the form of the CHOGM Communique, there was agreement that it should be as short as possible and that the suggestion that there should be a declaration couched in first person terms ("We, the Heads of Commonwealth Governments ...." etc.) was not a helpful one.

The Prime Minister said that she believed that nine days was too long for Commonwealth Heads of Government Meetings. Mr. Hawke said that he entirely agreed. Having read the material prepared for this Conference, he believed that a much more astringent programme was necessary. If they were away from home for so long, Heads of Government could not help worrying about what was happening in their own countries.

Australia was also not keen on regular regional meetings of Commonwealth Heads of Government - they should be spaced out more. The holding of these meetings was often financially painful for the host country. Mr. Samora was likely to have to spend £2½ million on the next regional meeting in the Pacific. So Australia had been discussing with Ramphal and others the case for reducing the frequency of meetings. After all, the Pacific countries had the South Pacific Forum which was a useful and intimate body.

The Prime Minister said that she was not keen on the idea of a new Bretton Woods conference. Mr. Hawke said that Australia recognised that the present system was not functioning well, but an international conference was not likely to provide the answer. He wished to strengthen the existing international institutions. The Prime Minister said that that was exactly our own position. Mr. Hawke said that Mrs. Gandhi, with whom

/ he had



he had discussed this matter the previous evening, was certainly not a strong advocate of Mr. Muldoon's ideas and Mr. Muldoon himself seemed to be less fervent in promulgating them than he had been.

Turning to aid questions, the Prime Minister said that she disliked the trend for an ever-increasing proportion of our aid to be given through international organisations where we obtained no recognition for what we were doing. Mr. Hawke said that his Government was carrying out a complete review of all aid programmes and conducting a cost benefit analysis of them. The effectiveness of aid was a serious domestic issue, particularly at a time when unemployment was rising. The Prime Minister said that we had similar problems.

Mr. Hawke said that the international trade system was more fundamental to the problems of developing countries than aid itself. If international trade could be made freer, many of the problems would be solved. The Foreign and Commonwealth Secretary said that it was in the agricultural sector that one found the greatest amount of protectionism. Mr. Hawke commented, "Are you telling us?". The Prime Minister said that we had to lead the attack on agricultural surpluses in the European Community.

The Foreign and Commonwealth Secretary said that an agreed Commonwealth line on some of these issues could be useful. For example, when he had negotiated the increase in the IMF quota, the fact that there was a clear Commonwealth position had been helpful in persuading the United States to come along. Mr. Evans said that Australian thinking on Mr. Muldoon's ideas had been influenced by the fact that the United States Administration found it difficult enough to maintain its present level of contributions to the IMF and IDA. It was unrealistic to expect them to increase their contributions substantially.

Reverting to disarmament issues, the Prime Minister asked whether Mr. Hawke had any specific ideas. Mr. Hawke said that

/ the first

the first point was the necessity of recognising that neither of the two super powers could get itself into a position of perceived weakness. Mr. Andropov and Mr. Reagan were not going to behave differently because of discussion at CHOGM. Nevertheless, there were a small number of initiatives which it might be possible to take. For example, nowhere near all the Commonwealth countries had signed relevant conventions. With regard to INF and START, it was necessary to establish that we all had an interest in the outcome of the negotiations. The facilities which Australia provided for the United States made it a likely target in the event of hostilities; hence Australia's legitimate interest in the discussions was evident. But it was silly to set assumptions and objectives which were not related to reality. He did not wish to appear to be strutting prominently on the stage.

The Prime Minister said that she had noted that Mr. Hawke was to visit Japan and China at the end of January and in early February. We would keep him up to date on the Hong Kong talks where there would be another round on 7 and 8 December. Mr. Hawke said that he appreciated our efforts to keep him informed. There was considerable interest in Australia among the Hong Kong business class. Many of them would do well in Australia. In a brief description of the present position in the talks, the Foreign and Commonwealth Secretary stressed that we were not interested in hanging on to a colonial regime in Hong Kong. The Prime Minister added that but for the position of China, Hong Kong would have been independent long ago.

The Prime Minister thanked Mr. Hawke for having called on her for the discussion. Mr. Hawke said that while we did not agree on all things, our positions on the fundamental issues were very close.

The discussion ended at 0845.

A.S.C.



COMMONWEALTH  
HEADS OF GOVERNMENT MEETING  
NEW DELHI 1983

23 November 1983

Following consultations between the Chairperson and ... the Secretary-General the attached copy of the Final Statement of the First Session of the Inter-Action Council of Former Heads of Government is circulated to Heads of Delegation for their information.

Hugh Craft  
Conference Secretary

Commonwealth Secretariat  
Vigyan Bhavan  
Delhi.



**INTERACTION**  
**COUNCIL**  
OF  
FORMER HEADS  
OF  
GOVERNMENT

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- Kirti Nidhi Bista  
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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 <sup>may</sup> 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, <sup>where necessary</sup> 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 :
  - i) 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.

~~Prime Minister.~~

Mr Coles

A.J.C. 23/11.

FROM: Sir J Leahy  
 DATE: 23 November 1983  
 cc: Private Secretary  
 PUS

## MEETING WITH MR MUGABE: 6.30PM 24 NOVEMBER

1. The two Ministers with Mr Mugabe will presumably be Messrs Mnungagwa, Minister of State for National Security (in PM's Office) and Witness Mangwende, the Foreign Minister. Their presence will, unfortunately, not make for the sort of relaxed discussion that would be possible in a tete-a-tete meeting. In these circumstances really delicate or sensitive bilateral matters, ie the air force officers, might best be left until the Prime Minister has a chance for a private discussion in Goa; and this meeting treated as a fence-mending occasion to address some wider questions. But since Mr Mugabe has asked for the meeting (though he is reluctant to admit it) Mrs Thatcher might perhaps let him open up and make the running?
2. Subjects which spring to mind for a general discussion are:
  - World Economic Issues (the CHOGM discussion will just have begun).
  - Mugabe's view of the role of the Commonwealth.
  - The role of the Russians in Africa.
  - Zimbabwe's relations with South Africa.
  - Namibia (what practical suggestions for resolving present problem? Denunciation of "linkage" not enough).
3. Should the air force officers come up (despite paragraph 1 above), the Prime Minister could say that the two of them should have an opportunity to talk about this later on during their stay; in the meantime she would merely say that she had heard from Mr Rifkind that he had had a good talk with Mugabe about the case and she had also noted that Air Lt Lewis-Walker had been released.
4. If I may make a further point, the Shona, like many Africans, are not accustomed to confronting awkward problems head on in conversation. Face to face they speak more circumspectly and allusively than we. They therefore read much more into what is actually said than we would do. What we would consider as no more than frank they would readily consider as downright threatening.

John Leahy

Sir J Leahy

Group/Class..... PREM 19  
Piece..... 970

C. 152/12/14 dated 23/11/83 covering HGM(83) 1<sup>st</sup> Session

Paper extracted and  
temporarily retained  
under Section 3(4)  
pending completion of  
review.

(date)..... 15/1/2013

(Signed)..... S. Gray





COMMONWEALTH  
HEADS OF GOVERNMENT MEETING  
NEW DELHI 1983

Prime Minister.

A. J. C. 24/11

*mt* 23 November 1983

Following consultations between the Chairperson and ... the Secretary-General the attached copy of a message which the Secretary-General has received from the Falkland Islands Government is circulated to the Heads of Delegation for their information.

*Hugh Craft*

Hugh Craft  
Conference Secretary

Commonwealth Secretariat  
Vigyan Bhavan  
Delhi.



## Falkland Islands Government

LONDON OFFICE  
29 Tulton Street  
Westminster, London SW1P 3QL  
Telephone: 01-222 2542  
Telex: 8950476 HCLON

2nd August 1983

His Excellency Mr. Shridath Ramphal, AC Kt CMG QC  
Secretary-General,  
Commonwealth Secretariat,  
Marlborough House,  
Pall Mall,  
London SW1Y 5HX

Your Excellency,

Please convey to the Commonwealth Heads of Government, meeting in Delhi, the greetings and gratitude of the people of the Falkland Islands for their support during the period of our occupation from April to June 1982.

At any meeting held in the country of the great Mahatma Gandhi all must be aware of the values he placed on peace and justice. These are the objectives of our Government, to achieve peace for our people to live their lives in the way and under the Government of their choice; and to uphold justice under which all men are subject to the same laws and no man is denied freedom because of political or religious beliefs. It is to defend these principles, and to represent their interests that the people of the Falklands have elected us to the Legislative Council. The people of the Falkland Islands may appear to some to be of little significance on the world scene. However, if the leaders of the free world ignore our right to self-determination and abandon us to nationalist greed, our insignificance could grow into a great precedent and be used by the powerful nations to subdue the weak.

With our heartfelt thanks for your help in the past, may we ask for your support in the future.

Signed:

The Hon. W.H. Goss MBE JP, Elected Member for East Stanley  
The Hon. L.G. Blake OBE JP, Elected Member for West Falkland  
The Hon. R.E. Binnie, Elected Member for East Falkland  
The Hon. J.E. Cheek, Elected Member for West Stanley  
The Hon. A.T. Blake, Elected Member for Camp Division  
The Hon. T.J. Peck MBE CPM, Elected Member for Stanley Division

*Minister I have discussed this with the PM + Sir A Acland.*

Prime Minister

cc: Mr Butler  
Mr Coles

*She will like to write The G a letter covering (a) + (b), to be delivered before she leaves, eg on Friday. Col in draft, in consultation with HFC + The Beethams, + submit. She didn't*

1. Dr Alexander, Mrs Gandhi's influential Principal Secretary, took the initiative in speaking to me this morning about the bilateral aspects of your talk with her yesterday.

*mention (a) at all at the meeting with The G*

2. He made two points, which I have mentioned to Mr Butler:

*+ rather gabbled her lines on (b).*

(a) If we want to unstick the Konigswinter idea, it would be helpful to him if you could briefly mention it to Mrs Gandhi before you leave India. One sentence would be enough; eg to the effect that we look forward to hearing from them about how they would like to carry the idea forward on their side.

*RWG 23/11*

(b) During your other meetings with Mrs Gandhi, it would also be helpful if you could put a little more emphasis on our wish for fair treatment of the GEC power plant bid for Balco Aluminium; and on our desire to launch a cooperative venture in their steel sector, eg on Durgapur modernisation, which would be comparable in scale (this is the important point) to the project she and you sketched out for the now-postponed new steel mill at Daitari in Orissa.

3. Dr Alexander is an efficient operator and sympathetic to our interests on these points. What he is asking for are cues to push things along in our direction.

Robert Wade-Gery

23 November 1983

bcc: Mr Williams  
Mr Beetham

CHOGM : STATEMENT OF ECONOMIC ACTION

We the Heads of Government of the Commonwealth, meeting in New Delhi, recalling Mrs Gandhi's introductory comments on the global economic crisis, believe the grouping we represent is uniquely placed to suggest directions in which the international community as a whole may find more enduring answers to the problems that face us all. We have surveyed the current outlook for the international economy. We are acutely conscious of the grim prospects for developing countries, especially the poorer, and of the widespread hardship and suffering which are the hallmark of daily life of many of our peoples. The reality of global economic interdependence so clearly stated by Mrs Gandhi and other of our colleagues demands a systematic consideration of the root causes of our problems.

Since we last met in Melbourne there have been signs of recovery from the longest, deepest and most pervasive recession the world has experienced in the last 50 years. We welcome that recovery and the return to conditions of greater price stability in a number of developed and developing countries. Recovery however has to be seen against the background of a decline in world trade and output in 1982 without precedent in the post-war years.

We are deeply conscious that the recovery is unlikely to be sufficient in itself to overcome the fundamental problems which have been thrown into sharp relief by nearly a decade of slow and interrupted growth, a massive build-up in debt, intolerable levels of unemployment and other barriers to economic development.

Our discussions have served to underline the closely linked nature of many of the problems facing individual countries. We believe that the current framework for international co-operation is not adequate to deal with these problems, and needs to be updated and strengthened in a number of ways. We see three broad areas of special concern.

We are gravely concerned that the development process has been disrupted in many developing countries by the adverse trading and general economic conditions of recent years. We recognise that developing countries have immediate needs in the fields of debt, resource flows and balance of payments. The adjustment efforts of these countries, instead of being encouraged by adequate financing, are too often frustrated by the difficulties of securing sufficient resources from the international institutions. We believe that these institutions must play a larger role in helping to sustain resource flows to developing countries and that the poorer developing countries require much larger concessional flows than are currently forthcoming.

We recognise a return to sustained economic growth is a prerequisite to improved living standards in developing countries. We further believe that the prospects for achieving that goal would be greatly enhanced by making constructive adjustments to the trade and payments system so as to take account of the problems facing today's interdependent world economy.

We are increasingly concerned that there has been a gradual but persistent movement away from the spirit of Bretton Woods that had under-written the post-war expansion of world trade. Trade disputes are increasingly resolved outside a multi-lateral framework. A formidable array of new and expedient protectionist measures has arisen negating much of the progress made in successive GATT trade liberalisation rounds.

We recognise that governments everywhere are under pressure to resort to protectionist measures. We believe these pressures, however, result from fundamental changes in the nature of the world economy.

We conclude that what is required is not only a greater collective political resolve, but agreement to tackle some of the underlying causes which are giving rise to protectionist forces.

The build-up of sovereign debt is a matter of acute concern to us, particularly since high real interest rates are compounding the problem of servicing that debt. It is essential to maintain adequate financial flows to the growing number of countries in serious difficulties. Again we believe that these financial problems, like those of international trade, require a more systematic approach.

We welcome the convergence of views which has marked recent debate on the future of the trade and payments system. Important work has begun in a number of existing groupings. What is now needed is a more integrated approach.

There is an urgent need to expedite work on these issues. We believe that a preparatory process should now be initiated to that end. This would involve shaping appropriately constituted groups commanding the confidence of both the developed and developing world. It is essential that these groups should provide a realistic but representative basis for ongoing work.

There is a widespread belief among us that it will be necessary, as this process clarifies the areas of agreement which have been reached, to convene an international conference with universal participation.

We recognise the need for consultation with all the competent institutions and groupings to establish an agenda for action. Nevertheless we believe that the following broad areas of concern we have identified at this meeting would need to be included in any such examination.

- The management of international liquidity and debt.
- The role of reserve currencies.
- Countering protectionist pressures.
- Co-ordination of economic policies.
- Promoting appropriate domestic economic policies.
- Exchange rates.
- The role of the international finance institutions.
- Aid and other financial flows.
- Linkages between trade, payments and development.

In order to pursue the most effective ways of promoting action in these areas, we the Heads of Government of the Commonwealth have invited our colleagues, the President of \_\_\_\_\_, the Prime Minister of \_\_\_\_\_,

assisted by the Secretary-General and Finance Ministers as appropriate, to constitute a Commonwealth Action Group. The members of the group will consult with other members of the international community on the means to stimulate early action on a comprehensive appraisal of the trade and payments system. We have invited them to report progress to us through the good offices of the Secretary-General.

The task is formidable. Time is pressing. The Commonwealth stands ready to play its part in helping the world community meet this challenge.

CONFIDENTIAL

FILE 5

cc Master



10 DOWNING STREET

*From the Principal Private Secretary*

23 November 1983

Dear Brian,

I enclose a record of the Prime Minister's meeting with Mrs Gandhi on Tuesday 22 November in Delhi. This incorporates some minor typing corrections not included on the advance copy which you had previously.

I am copying this letter and the enclosure to John Kerr (HM Treasury), Callum McCarthy (Department of Trade and Industry) and Richard Hatfield (Cabinet Office).

Yours ever;

Robin Butler

Brian Fall, Esq.,  
Foreign and Commonwealth Office.

CONFIDENTIAL





Prime Minister.

MR COLES

c Mr Ingham

cc Mr Fall  
Sir Antony Acland  
Sir John Leahy  
Mr Thomas  
Mr Ainscow  
High Commissioner

My New Zealand counterpart this afternoon gave me an advance copy of the speech which Mr Muldoon intends to make when he opens the discussion on world economic issues tomorrow afternoon.

- 2. I attach copies herewith.
3. We shall have opportunities to brief the Prime Minister on this, and to suggest any points which she might make during the course of the discussion.

RA

ROBERT ARMSTRONG

23 November 1983

SPEECH NOTES

RIGHT HON. R.D. MULDOON, C.H.

PRIME MINISTER OF NEW ZEALAND

ADDRESS TO COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI,

23 - 29 NOVEMBER, 1983

1.

MRS GANDHI,

I AM DELIGHTED TO HAVE THE OPPORTUNITY  
TO ADDRESS MY COLLEAGUES  
ON THE SUBJECT OF THE WORLD ECONOMY.

FOR VERY GOOD REASONS,  
OUR DISCUSSIONS AT COMMONWEALTH HEADS OF GOVERNMENT MEETINGS  
ARE STRUCTURED AROUND THE BROADEST POSSIBLE SUBJECT HEADINGS.

THIS AGENDA ITEM -  
WORLD ECONOMIC ISSUES -  
IS IN THIS TRADITION  
AND NOT EASY TO BRING INTO FOCUS.

2.

MOREOVER, WE HAVE BEFORE US  
THREE SUBSTANTIAL REPORTS  
COMPILED BY COMMONWEALTH EXPERTS -  
ONE ON PROTECTIONISM,  
ONE ON THE NORTH/SOUTH DIALOGUE,  
ONE ON THE STEPS  
THAT MIGHT BE TAKEN  
TOWARDS A NEW BRETTON WOODS.

I BELIEVE THERE IS ONE ISSUE THAT STANDS OUT -  
AN ISSUE THAT DESERVES ATTENTION  
AT HEAD OF GOVERNMENT LEVEL.

INDEED, I BELIEVE IT IS THE COMMON THEME  
TO ALL THREE REPORTS COMMISSIONED BY THE COMMONWEALTH.

AFTER A PERIOD OF UNPRECEDENTED ECONOMIC GROWTH  
ENDING IN THE MID 1970s,  
THE WORLD ECONOMY NOW FACES  
A NUMBER OF MAJOR STRUCTURAL DIFFICULTIES.

AT WORST,  
WE COULD SEE FINANCIAL COLLAPSE  
AND MAJOR DISLOCATION  
OF THE TRADING SYSTEM.

AT BEST,  
THERE IS THE PROSPECT OF A FRAGILE RECOVERY  
AND A SUCCESSION OF DEBT CRISES.

THESE PROBLEMS WILL NOT GO AWAY.

THE UNDERLYING ISSUE, THEREFORE, IS  
THAT SOON OR LATER THEY MUST BE ADDRESSED  
IN THE FORM OF A COMPREHENSIVE EXAMINATION  
OF THE TRADE AND PAYMENTS SYSTEM.

THE COMMONWEALTH CANNOT BY ITSELF  
 ESTABLISH THE BROAD TERMS AND CONDITIONS  
 FOR SUCH AN EXAMINATION -  
 THAT IS FOR THE INTERNATIONAL COMMUNITY  
 ACTING AS A WHOLE,  
 YET WHEN I LOOK AROUND THIS MEETING  
 AND SEE THE DIVERSITY OF GROUPS  
 THAT VARIOUS OF OUR COLLEAGUES CAN REACH INTO -  
 THE NON-ALIGNED MEETINGS,  
 THE INDUSTRIAL SUMMITS,  
 THE OAU, ASEAN, CARICOM,  
 THE EUROPEAN COMMUNITY,  
 FOR EXAMPLE -  
 WE CAN SEE THE SIGNIFICANCE  
 OF A STRONG, UNIFIED  
 AND ABOVE ALL REALISTIC  
 COMMONWEALTH VOICE ON THE ISSUE.

IN THE 18 MONTHS OR SO  
 SINCE I FIRST BEGAN TO USE THE METAPHOR  
 OF A NEW BRETTON WOODS  
 TO DESCRIBE THE SCALE AND IMPORTANCE  
 OF THE UNDERTAKING I HAD IN MIND,  
 THERE HAS BEEN A CONSIDERABLE CHANGE  
 IN INTERNATIONAL THINKING  
 ON THE MATTER.

FOR EXAMPLE,  
 IT IS NOW ACCEPTED WISDOM  
 TO TALK OF DEBT/TRADE LINKAGES.

EVEN THE UNITED STATES HAS DISCOVERED  
 THAT RETRENCHMENT IN MEXICO  
 MEANS UNEMPLOYMENT IN TEXAS.

THE LAST TEN YEARS HAVE TAUGHT US THE HARD WAY  
THE REAL MEANING OF ECONOMIC INTERDEPENDENCE.

IT IS IN FACT BASED ON A VERY SOUND PRINCIPLE INDEED -  
SELF INTEREST.

EACH COUNTRY HAS AN INCREASINGLY STRONG SELF-INTEREST  
IN THE ECONOMIC HEALTH OF OTHER COUNTRIES.

THIS WAS ALWAYS SO,  
BUT WHAT HAS CHANGED SO MARKEDLY  
IS THE RELATIVE SIGNIFICANCE  
OF THESE ECONOMIC LINKAGES.

AFTER THREE TO FOUR DECADES  
OF THE FASTEST GROWTH EVER OF WORLD OUTPUT,  
PRODUCTIVITY,  
WORLD TRADE AND INTERNATIONAL COMMUNICATIONS,  
ECONOMIC INTERDEPENDENCE  
HAS LEAPT OUT OF THE TEXT BOOKS  
AND LANDED ON MINISTERS' DESKS EVERYWHERE.

BECAUSE OF THIS INTERDEPENDENCE,  
WE CANNOT LOOK AT OUR CURRENT PROBLEMS  
IN A PIECEMEAL FASHION.

OUR HANDLING OF THE THREAT FROM PROTECTIONISM  
HAS LONG-TERM IMPLICATIONS  
FOR THE DEBT SERVICING CAPACITY  
OF MANY COUNTRIES.

EQUALLY THE INTERESTS OF THE INTERNATIONAL TRADING SYSTEM  
ARE ILL-SERVED BY FUND-SPONSORED AUSTERITY PROGRAMMES  
THAT PUT DISPROPORTIONATE WEIGHT ON SLASHING IMPORTS  
SO AS TO ACHIEVE A QUICK STATISTICAL TURNAROUND  
ON THE TRADE ACCOUNT.

I BELIEVE THAT THESE  
AND MANY OTHER ISSUES CONFRONTING US  
MUST BE ADDRESSED IN A SYSTEMATIC EXAMINATION  
OF THE TRADE AND PAYMENTS SYSTEM.

HOWEVER, THERE ARE A FEW COUNTRIES -  
INCLUDING SOME OF THE KEY INDUSTRIAL POWERS -  
WHICH RESIST THIS LOGIC.

I DO NOT BELIEVE THAT ANY OF THESE COUNTRIES ARE ARGUING  
THAT EVERYTHING IS FUNDAMENTALLY SOUND  
WITH THE WORLD ECONOMY.

AFTER ALL,  
THE AGREEMENT OF THE SUMMIT COUNTRIES AT WILLIAMSBURG  
TO EXAMINE SOME OF THE MAJOR MONETARY REFORM ISSUES,  
INDICATES AT LEAST AN OPEN MIND ON THE ISSUE.

THE SUMMIT COUNTRIES KNOW, FOR EXAMPLE,  
THE DAMAGE CAUSED BY WILD FLUCTUATIONS  
IN BILATERAL EXCHANGE RATES -  
FLUCTUATIONS

WHICH THE LAST IMF WORLD ECONOMIC OUTLOOK  
ESTIMATED TO BE AS GREAT AS 20 PER CENT  
OVER PERIODS AS SHORT AS THREE MONTHS.

MOREOVER, ON THE TRADE SIDE  
OF THE TRADE AND PAYMENTS EQUATION,  
MOST OF THE SUMMIT COUNTRIES ARE ONLY TOO WELL AWARE  
OF THEIR CONTINUING INABILITY TO FIND ANY SOLUTION  
TO THE PROBLEM OF CREEPING PROTECTIONISM -  
A PROBLEM WHICH, LEFT UNCHECKED  
COULD ULTIMATELY UNDERMINE POLITICAL RELATIONSHIPS  
EVEN AMONGST THEMSELVES.

OUR COMMONWEALTH STUDY ON PROTECTIONISM, FOR EXAMPLE,  
ESTIMATES THAT AS MUCH AS 50 PER CENT OF INTERNATIONAL TRADE  
IS NOW "MANAGED TRADE" -  
THAT IS TRADE WHICH IS NOT FOR A VARIETY OF REASONS,  
CONDUCTED ON THE BASIS  
OF THE ARMS-LENGTH FREE MARKET.

PERHAPS THEY FEAR  
THAT THE PRESENT SYSTEM OF TRADE AND PAYMENTS -  
FOR ALL THE STRESSES THAT HAVE BEEN PUT ON IT -  
COULD BE REPLACED BY SOMETHING WORSE.



THEY FEAR THAT CALLS FOR A COMPREHENSIVE APPRAISAL  
OF THE TRADE AND PAYMENTS SYSTEM -  
A NEW BRETTON WOODS, IF YOU LIKE -  
ARE NOTHING MORE THAN HIGHLY POLITICISED ATTEMPTS  
TO TEAR DOWN THE EXISTING STRUCTURE  
OF INTERNATIONAL ECONOMIC RELATIONS.

THESE FEARS ARE REAL ONES.

BECAUSE THEY ARE REAL,  
THEY WILL HAVE TO BE TAKEN INTO ACCOUNT.

IF THEY ARE NOT TAKEN INTO ACCOUNT,  
THERE WILL BE NO GENUINE DIALOGUE BETWEEN NORTH AND SOUTH,  
NO NEW BRETTON WOODS,  
OR INDEED ANY COMPREHENSIVE FRAMEWORK  
FOR LOOKING AT THE TRADE AND PAYMENTS SYSTEM.

THAT, IN MY VIEW, IS THE ONLY LESSON WE CAN DRAW  
FROM SO MANY YEARS OF FAILURE  
TO ENGAGE THE KEY INDUSTRIAL POWERS  
IN WHAT WERE TO BE GLOBAL NEGOTIATIONS.

POLITICALLY,

THERE IS NO PROFIT  
IN MAINTAINING THE STAND-OFF  
THAT HAS DEVELOPED.

ECONOMICALLY,

THE WEIGHT OF DEVELOPING COUNTRIES  
IS NOW FAR TOO IMPORTANT  
TO THE ECONOMIC PERFORMANCE  
OF THE DEVELOPED WORLD  
TO IGNORE.

AS OUR OWN CHAIRMAN PUT IT RECENTLY

IN HER ADDRESS TO THE GENERAL ASSEMBLY,

I QUOTE,

"TO HELP DEVELOPING COUNTRIES  
IS NOT MERE LARGESSE".

LAST YEAR,

THE DOWNTURN IN DEMAND BY DEVELOPING COUNTRIES  
FOR THE EXPORTS OF THE OECD COUNTRIES  
WAS SUFFICIENT TO TURN  
AN EXPECTED SMALL POSITIVE GROWTH RATE FOR THE OECD AREA  
INTO A DECLINE OF 0.5 PER CENT OVERALL.

THAT IS THE REALITY OF INTERDEPENDENCE.

I SUSPECT IT IS PREMATURE

TO ATTEMPT TO SPELL OUT WITH TOO MUCH PRECISION  
THE FRAMEWORK THAT MIGHT BE ACCEPTABLE.

AS OUR REPORT "TOWARDS A NEW BRETTON WOODS" SUGGESTS,  
THAT HAS TO BE DEVELOPED THROUGH CONSULTATION.

OUR TEST MUST BE A PRACTICAL ONE -

WHAT WILL BE ACCEPTABLE TO THOSE WHO ARE LEAST CONVINCED  
OF THE NEED FOR AN EXAMINATION AT ALL?

THE FIRST POINT TO MAKE

IS THAT AN UNWIELDY CONFERENCE  
CALLED TOGETHER PREMATURELY  
WOULD NOT BE IN ANYONE'S INTERESTS.

OUR COMMONWEALTH REPORT STATES THE POSITION VERY CONCISELY,

I QUOTE, "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."

PROPER PREPARATION WILL BE THE KEY.

IN PLANNING THIS,

I BELIEVE IT WILL BE NECESSARY

TO AGREE ON SOME TYPE OF WEIGHTED VOTING SYSTEM  
ALONG THE LINES OF THE PROCEDURES

USED BY THE IMF'S INTERIM COMMITTEE

OR THE WORLD BANK'S EXECUTIVE BOARD.

FOR SMALL COUNTRIES LIKE NEW ZEALAND

THE ONE COUNTRY/ONE VOTE PROCEDURE

HAS CERTAIN IMMEDIATE ATTRACTIONS,

BUT GIVEN A CHOICE BETWEEN FORM AND SUBSTANCE,

I WOULD PREFER TO GO FOR SUBSTANCE.

THE FACT IS,

THAT ANY NEGOTIATING OR DISCUSSION PROCESS

WHICH DOES NOT REFLECT REALITIES

OF WORLD ECONOMIC AND POLITICAL POWER,

WILL NEVER BECOME MORE THAN A THEORETICAL POSSIBILITY -

A HARDY ANNUAL FOR DEBATE

IN OTHER INTERNATIONAL FORUMS.

I AM SURE THAT MY AUSTRALIAN COLLEAGUE AND I,  
AS REPRESENTATIVES OF TWO COUNTRIES  
WITH SIGNIFICANT INTERESTS  
IN THE EXPORT OF BEEF AND DAIRY PRODUCTS,  
LOOK FORWARD TO THAT SUNNY DAY  
WHEN WE CAN SIMPLY OUTVOTE THE UNITED STATES  
TWO TO ONE  
ON THEIR DAIRY AND BEEF IMPORT POLICIES

I AM NOT SURE THAT EITHER BOB HAWKE OR I  
WOULD BE WISE TO HOLD OUR BREATH  
IN ANTICIPATION OF THAT DAY.

THE SHAPE OF THE TABLE,  
THE PREPARATORY PROCESS,  
WILL BE VERY IMPORTANT IN BUILDING CONFIDENCE.

WHAT IS ON THE TABLE,  
THE ISSUES,  
WILL BE WHAT THE NEXT GENERATION  
WILL JUDGE US BY.

IN MY LETTER TO OUR CHAIRMAN,  
I HAVE SUGGESTED A CHECKLIST ON THESE ISSUES.

I WOULD LIKE TO COMMENT  
ON ONE OR TWO SALIENT POINTS.

MY FIRST POINT IS THAT AS A MATTER OF COMMONSENSE  
ANY EXAMINATION OF THE TRADE AND PAYMENTS SYSTEM  
CANNOT BE SOLELY CONCERNED WITH INTERNATIONAL LINKAGES.

MANY OF THE PROBLEMS  
THAT DEVELOPED OVER THE LAST TEN YEARS OR SO  
HAVE DOMESTIC ROOTS.

OUR ECONOMIC MANAGEMENT TOOLS  
TENDED TO HAVE AN INFLATIONARY BIAS TO THEM.

IRRESPECTIVE OF SOCIAL AND POLITICAL CONDITIONS  
MOST COUNTRIES FOUND IT VERY DIFFICULT  
TO ADJUST THEIR ECONOMIES  
TO SUDDEN AND UNFORESEEN CHANGES  
IN THE REAL PRICE OF OIL,  
TO SHIFTS IN KEY RATIOS  
SUCH AS THE RATIO OF REAL WAGES  
TO REAL INTEREST RATES.

THE POINT IS NOT TO DENY THE EXISTENCE OF EXTERNAL SHOCKS,  
BUT RATHER TO UNDERLINE THE IMPORTANCE  
OF SOUND DOMESTIC POLICIES.

THIS IS THE REASON  
YOU WILL SEE ON MY INDICATIVE CHECKLIST  
MATTERS SUCH AS MACRO-ECONOMIC POLICY CO-ORDINATION  
AND DOMESTIC ADJUSTMENT POLICIES.

HAVING POINTED TO THE IMPORTANCE OF DOMESTIC POLICIES  
WE SHOULD, I SUGGEST,  
BE VERY CAREFUL TO AVOID THAT OTHER CANARD  
WHICH IS THE MIRROR FACE  
OF DENYING THE IMPORTANCE OF DOMESTIC POLICIES.

I AM REFERRING TO THE PROPOSITION  
THAT IF WE ALL FOLLOWED SOUND DOMESTIC POLICIES,  
THE INTERNATIONAL ECONOMY WOULD LOOK AFTER ITSELF.

APART FROM THIS REPRESENTING POLITICAL NAIVETY OF THE HIGHEST ORDER,  
IT IS NONSENSE.

THERE MUST BE RULES OF THE GAMES  
TO GOVERN INTERNATIONAL ECONOMIC RELATIONS.

IN THE FIELD OF INTERNATIONAL TRADE, FOR EXAMPLE,  
IT TOOK VERY DETAILED AND EXPLICIT  
NEGOTIATIONS OVER INDUSTRIAL TARIFFS BY GOVERNMENTS  
TO SET UP THE GATT FRAMEWORK  
BEFORE THE INTERNATIONAL MARKET-PLACE  
COULD FUNCTION MORE EFFECTIVELY.

SIMILARLY,  
POST-WAR CURRENCY CONVERTIBILITY  
WAS ACHIEVED ONLY GRADUALLY  
AND AS A RESULT OF INTERNATIONAL NEGOTIATION.

I SUGGEST

WE WILL DEAL WITH THE MODERN-DAY PROBLEMS  
OF THE INTERDEPENDENT WORLD ECONOMY  
AGAIN ONLY THROUGH A VERY CONSCIOUS  
AND DELIBERATELY CO-ORDINATED INTERNATIONAL EFFORT.

THIS IS WHY I HAVE INCLUDED IN MY CHECKLIST  
SUBJECTS SUCH AS THE ROLE OF RESERVE CURRENCIES,  
INCLUDING THE FUTURE EVOLUTION OF SPECIAL DRAWING RIGHTS  
AND ALTERNATIVE EXCHANGE RATE REGIMES.

ONE OF THE CONSEQUENCES OF THE POLICY ADJUSTMENTS  
MADE BY INDUSTRIAL COUNTRIES OVER THE LAST DECADE  
HAS BEEN A MASSIVE DOWNTURN IN THE TERMS OF TRADE  
OF CERTAIN COMMODITY EXPORTERS.

IN NEW ZEALAND'S CASE

WE HAVE HAD TO FRAME OUR ECONOMIC POLICIES  
AGAINST THE BACKGROUND OF A 25 PER CENT DROP  
IN OUR TERMS OF TRADE  
AS WELL AS, OF COURSE, REDUCED ACCESS  
FOR SOME OF OUR MAJOR EXPORT COMMODITIES  
TO TRADITIONAL MARKETS.

BECAUSE NEW ZEALAND IS A RELATIVELY AFFLUENT COUNTRY,  
WE HAVE BEEN ABLE TO COPE,  
THOUGH NOT WITHOUT DIFFICULTY.

FOR OTHER COMMODITY EXPORTING COUNTRIES  
THAT SAME PERCENTAGE DECLINE IN THEIR TERMS OF TRADE  
REPRESENTS WHAT ECONOMISTS CALL  
AN "EXOGENOUS VARIABLE".

I CALL IT AN UTTER DISASTER.



IN THESE LESS AFFLUENT COUNTRIES,  
THE MARGIN FOR ACCEPTABLE ADJUSTMENT TO SUCH CHANGES  
SIMPLY DOES NOT EXIST.

IN NEW ZEALAND'S CASE,  
THE POLITICAL CONSEQUENCES SINCE THE MID 1970s  
HAVE BEEN NOTHING MORE THAN AN EROSION  
IN WHAT HAD BEEN A COMFORTABLE PARLIAMENTARY MAJORITY.

I CAN LIVE WITH THAT.

IN OTHER COUNTRIES,  
THAT SAME PROPORTIONATE DECLINE IN THEIR TERMS OF TRADE  
HAS CAUSED SUBSTANTIAL POLITICAL UPHEAVAL  
AND POSSIBLY COST EVEN ONE OR TWO OF THEM  
THEIR CONSTITUTIONS.

THIS IS WHY I HAVE ARGUED CONSISTENTLY  
THAT ECONOMIC INSTABILITY  
CAN LEAD TO POLITICAL INSTABILITY  
AND EVEN TO STRATEGIC INSTABILITY.

IT IS AGAINST THIS BACKGROUND  
THAT I INCLUDED IN MY CHECKLIST OF ISSUES  
THE FUTURE ROLE  
AND FINANCIAL REQUIREMENTS  
OF THE IMF AND ITS PROGRAMMES  
INCLUDING THE APPROPRIATENESS  
OF ITS CURRENT APPROACH  
TO CONDITIONALITY.

CONDITIONALITY MUST BE MADE TO FIT  
THE STRUCTURAL CURRENT ACCOUNT DIFFICULTIES  
SO MANY HEAVILY INDEBTED COUNTRIES FACE TODAY.

THE ADJUSTMENT PROGRAMMES  
MUST START FROM THE RECOGNITION  
THAT IT WILL TAKE YEARS  
TO WORK THROUGH THE BACKLOG OF PROBLEMS  
THAT HAVE BEEN BUILT UP.

IN SPITE OF THE FACT  
THAT WE LIVE IN WHAT HAS BEEN CALLED  
AN "AID-WEARY" WORLD,  
I RETAIN THE UNFASHIONABLE BELIEF  
THAT FOR MANY COUNTRIES,  
PARTICULARLY SMALL, ISOLATED ISLAND COUNTRIES  
WITH VERY LIMITED RESOURCES,  
THERE WILL BE A CONTINUING LONG-TERM REQUIREMENT  
FOR OFFICIAL DEVELOPMENT ASSISTANCE.

THERE ARE CERTAIN BASIC STATISTICAL FACTS  
TO BE TAKEN INTO ACCOUNT.

FOR EXAMPLE,

ONE OF OUR REPORTS ESTIMATES  
THAT OFFICIAL DEVELOPMENT ASSISTANCE  
FINANCES ABOUT TWO-THIRDS OF THE DEFICITS  
OF THE LOW INCOME COUNTRIES  
AND ABOUT ONE-QUARTER OF THEIR TOTAL INVESTMENT.

FOR THAT CATEGORY KNOWN AS THE LEAST DEVELOPED COUNTRIES,  
THE CONTRIBUTION MADE BY ODA

IS THROWN INTO EVEN SHARPER RELIEF:  
OFFICIAL DEVELOPMENT ASSISTANCE  
PROVIDES OVER THREE-QUARTERS OF THE INVESTMENT  
IN MANY OF THEM.

I BELIEVE THAT ANY COMPREHENSIVE EXAMINATION OF THE TRADING SYSTEM  
MUST KEEP A REASONABLY CLEAR DISTINCTION  
BETWEEN PRESERVING AN EFFICIENT INTERNATIONAL TRADING SYSTEM  
AND THE QUESTION OF RESOURCE TRANSFERS AS SUCH.

THE PRICE OF THAT, HOWEVER,  
IS A CLEAR REAFFIRMATION OF THE PLACE  
OF OFFICIAL DEVELOPMENT ASSISTANCE.

I BELIEVE IT IS ESSENTIAL  
TO FIND WAYS OF PUTTING AID ON A MORE ASSURED BASIS.

I HAVE SUGGESTED DISTRIBUTING SPECIAL DRAWING RIGHTS ON THE BASIS OF NEED  
AND THERE ARE OTHER POSSIBILITIES CANVASSED IN OUR REPORT  
"TOWARDS A NEW BRETTON WOODS".

FINALLY,  
MY CHECKLIST OBVIOUSLY INCLUDES  
DEBT AND PROTECTIONISM.

I HAVE LEFT THESE TO LAST  
NOT SIMPLY BECAUSE I BELIEVE THEM TO BE  
AMONG THE MOST WORRYING FEATURES OF THE WORLD ECONOMY,  
BUT ALSO BECAUSE THEY DEMONSTRATE MOST CLEARLY  
WHY IT IS SO DANGEROUS  
TO BELIEVE WE CAN RELY ON THE RECOVERY  
TO SOLVE ALL OUR PROBLEMS.

I AM NOT SURE WHETHER I COULD QUITE JOIN HELMUT SCHMIDT  
WHO RECENTLY DISMISSED HOPES OF A WORLD ECONOMIC RECOVERY  
AS "AN AMERICAN ILLUSION".

I SEE THE RECOVERY  
AS HAVING ESSENTIALLY STABILISED  
A VERY DANGEROUS CONTRACTION  
OF THE WORLD ECONOMY.

IN 1982 THE WORLD ECONOMY WENT BACKWARDS.

WORLD PRODUCTION DECLINED BY AN ESTIMATED 2 PER CENT  
AND THE VOLUME OF WORLD TRADE DECLINED BY 2.5 PER CENT.

HAD THIS CONTINUED INTO 1983,  
I BELIEVE IT WOULD HAVE PUT IMPOSSIBLE STRAINS  
ON WORLD ECONOMIC AND POLITICAL STABILITY.

THE RECOVERY CERTAIN DEVELOPED COUNTRIES ARE NOW EXPERIENCING  
IS MORE THAN AN ILLUSION

BUT IT HAS TO BE SEEN AGAINST THAT PERSPECTIVE.

IT HAS TURNED THE TIDE AGAINST FORCES OF CONTRACTION  
OF WORLD OUTPUT AND TRADE

UNPRECEDENTED IN OUR POST-WAR EXPERIENCE.

THIS WELCOME CYCLICAL RECOVERY

WILL NOT TACKLE THE UNDERLYING ROOTS OF PROTECTIONISM

SINCE CLEARLY THE GROWTH OF PROTECTIONISM

PREDATES THE RECESSION.

PROTECTIONISM,

WHICH IS BY NO MEANS CONFINED TO THE OECD COUNTRIES,

WILL PERSIST IN THE DEVELOPED WORLD

IF ONLY BECAUSE NO-ONE IS PREDICTING GROWTH RATES

WHICH WILL REDUCE THE ROUGHLY 35 MILLION UNEMPLOYED

IN THE OECD AREA AS A WHOLE.

THE RECOVERY WILL NOT DO MUCH TO ALLEVIATE THE DEBT BURDENS  
OF MANY DEVELOPING COUNTRIES.

THE COMMONWEALTH STUDY,

"TOWARDS A NEW BRETTON WOODS",

ESTIMATES THAT THERE ARE AS MANY AS 40 COUNTRIES

WHICH HAVE BEEN REPORTED

TO HAVE AGREED TO DEBT-RESCHEDULINGS

OR TO BE IN SUBSTANTIAL PAYMENT ARREARS.

IN THE TEN-MONTH PERIOD TO JUNE 1983,  
THE VALUE OF CROSS-BORDER DEBT  
BEING RENEGOTIATED WITH COMMERCIAL BANKS  
HAS BEEN CALCULATED  
AS BEING OVER 20 TIMES LARGER  
THAN IN ANY PREVIOUS YEAR.

WE GET DAILY REPORTS  
INDICATING THAT SOME OF THE MOST SERIOUSLY INDEBTED COUNTRIES  
ARE IN DEFAULT IN ALL BUT A FORMAL SENSE.

ALTHOUGH MANY OF THESE ISSUES WHICH I HAVE RAISED ARE HIGHLY TECHNICAL,  
THE DIFFICULTIES IN RESOLVING THEM  
ARE FUNDAMENTALLY POLITICAL.

AS HEADS OF GOVERNMENT,  
WE KNOW THAT POLITICAL WILL  
DOES NOT MATERIALISE FROM THIN AIR.

POLITICAL WILL HAS TO BE CREATED.

WHATEVER THE PROBLEM,  
THE PROCESS OF CREATING POLITICAL WILL  
IS MUCH THE SAME THE WORLD OVER.

YOU GET A MANAGEABLE NUMBER OF THE RIGHT PEOPLE TOGETHER.

YOU PUT BEFORE THEM THE RIGHT PROGRAMME FOR DISCUSSION.

YOU DRAW UP PROPOSALS THAT ADDRESS THE REAL PROBLEMS.

YOU THEN NEGOTIATE AN AGREEMENT  
WHICH EACH PARTICIPANT IN THOSE NEGOTIATIONS  
TAKES BACK TO HIS PEOPLE  
TO SEE WHETHER THIS IS WITHIN THE BOUNDS OF ACCEPTABILITY.

THIS IS WHAT HAPPENED IN 1944 AT BRETTON WOODS  
AND LATER AT HAVANA.

EACH COUNTRY THEN HAD TO ASK ITSELF -  
THIS IS PART OF A WORLD PROGRAMME  
AGREED BY THE WORLD COMMUNITY.

NOW ARE WE IN  
OR ARE WE OUT?

THE VAST MAJORITY OF THEN SOVEREIGN COUNTRIES  
DECIDED THEY WERE IN.

THE RULES AND INSTITUTIONS THAT GREW OUT OF THAT PROCESS  
UNDERWROTE AN UNPRECEDENTED PERIOD OF EXPANSION AND GROWTH.

I BELIEVE WE FACE COMPARABLE PROBLEMS TODAY  
THAT REQUIRE US TO DEVELOP,  
AS A CONSCIOUS ACT OF POLICY,  
THE MEANS TO GENERATE THE POLITICAL WILL REQUIRED  
TO TACKLE THOSE PROBLEMS.

WE NEED AN ACCEPTABLE PROCESS  
AND A SENSIBLE AGENDA.

TO ACHIEVE THAT WILL MEAN STEPPING A LITTLE OUTSIDE  
THE COMFORT OF ESTABLISHED GROUP POSITIONS.

THAT, I SUGGEST, IS THE PURPOSE  
OF COMMONWEALTH HEAD OF GOVERNMENT MEETINGS.

IN POLITICAL LIFE,

WHETHER ONE IS OPERATING IN THE DOMESTIC OR INTERNATIONAL ARENAS,  
THERE ARE RELATIVELY FEW OPPORTUNITIES  
TO SEIZE THE HIGH ROAD -  
TO POINT TO A WAY FORWARD.

THAT IS THE OPPORTUNITY WE HAVE  
OVER THE NEXT FEW DAYS.



HOPE WE CAN RISE TO THAT CHALLENGE,

NOT SIMPLY IN FINDING APPROPRIATE LANGUAGE

TO BE INCLUDED IN OUR COMMUNIQUE,

BUT IN IDENTIFYING WAYS TO CARRY FORWARD OUR VIEWS.

ONE WHICH I HAVE SUGGESTED

IS TO ESTABLISH A CORE GROUP OF HEADS OF GOVERNMENT,

WITH THE ASSISTANCE OF THE SECRETARY-GENERAL,

TO TAKE OUR VIEWS

INTO OTHER INTERNATIONAL MEETINGS AND FORUMS.

IT IS IMPORTANT

THAT THE CONSENSUS WE REACH HERE IN NEW DELHI

IS CARRIED INTO THE WIDER INTERNATIONAL COMMUNITY

TO PROVIDE THE PLATFORM FOR EARLY ACTION.

IF THE COMMONWEALTH CAN SPEAK WITH A CLEAR AND PERSUASIVE VOICE,  
A SENSIBLE PROGRAMME,  
AND A CLEAR VISION OF WHAT CAN BE ACHIEVED  
WE CAN POINT THE WAY.

I HAVE NO DOUBT  
THAT IF WE DECLINE TO RISE TO THE CHALLENGE  
THIS YEAR OR NEXT YEAR,  
WE WILL FIND OURSELVES RETURNING AGAIN AND AGAIN  
TO THIS UNDERLYING ISSUE  
UNTIL WE FINALLY REACH A CONSENSUS  
TO ESTABLISH AN ACCEPTABLE FRAMEWORK  
FOR CONDUCTING INTERNATIONAL ECONOMIC RELATIONS  
IN THE LATE 20TH CENTURY.



ADDRESS OF  
SHRIMATI INDIRA GANDHI  
PRIME MINISTER OF INDIA  
TO THE  
COMMONWEALTH HEADS OF GOVERNMENT  
MEETING

NEW DELHI, 23 NOVEMBER 1983

Presidents, Prime Ministers, honoured guests from the Commonwealth :

I welcome you to New Delhi. Most if not all of you have visited us some time or other and are not strangers to the city. It is a meeting point of the immense diversities of India and a symbol of our ancient values and present aspirations.

Free India's decision to remain in the Commonwealth, although it was soon to become an independent republic, was in line with the ethos of our struggle for freedom. We fought imperialism, not a country or a people. We resolved consciously not to sever historical links but to transform them into a new relationship of friendship, conciliation and cooperation for the good not merely of our two countries but in the larger context. The London Conference of 1949 was a turning point in the evolution of the Commonwealth. At that meeting, as Mr. Lester Pearson has noted, my father argued convincingly that cooperation could be only for peaceful and constructive purposes. That meeting clearly declared that all members were free and equal, cooperating with one another in pursuit of peace, liberty and progress. There was no obligation to follow a common policy.

Answering critics in India, Jawaharlal Nehru explained :

"I have naturally looked to the interests of India, for that is my first duty. I have always conceived that duty in terms of the larger good of the world. The world is full of strife today and disaster looms on the horizon. In men's hearts there is hatred and fear and suspicion which cloud their vision. Every step, therefore, which leads to a lessening of this tension in the world should be a welcome step. I think it is a good augury for the future that the old conflict between India and England should be resolved in this friendly way which is honourable to both countries."

The Commonwealth brings together about a third of the member-States of the United Nations. It is a genuinely eclectic grouping of nations, comprising many races, religions and diverse geographical regions. No constitution, act or treaty limits the ambit of its concerns. It is a North-South forum, encompassing a representative range of developing countries and some of the developed. It is also a forum where non-aligned countries

meet those who belong to military alliances. It is obvious that we cannot agree on all matters, yet we try to find some common ground. To be a living organism, the Commonwealth must be flexible and responsive to changing situations. As the world evolves, so should the Commonwealth.

The nuclear age had just begun when the Commonwealth came into being with the intention to work for conciliation and cooperation. Now powerful nations have turned back from this path although today's deepening crises are far more serious than anything we had then envisaged. Peace is in peril. The arms race is very nearly out of hand and is squandering resources on the escalation of yet more sophisticated weaponry. This adds a new dimension. In poor countries, the development process is stagnating. The gap between rich North and poor South is widening. Can the Commonwealth help to bridge this widening chasm? Can it also harmonize, as the 1972 Stockholm Conference pointed out, the world of nature and that of the social institutions and artefacts built by humans, so as to improve the common environment that we all share, by enabling the earth to renew itself and deepening our respect for life—human and all other?

Independence is still denied, as in Namibia, and threatened or interfered with, as in West Asia and Grenada. What problems does war solve? The experience of the Second World War and each fuller retelling of it is horrifying enough. How much greater barbarism and destruction will be wrought in just a few minutes of nuclear engagement? Such lethal weapons of destruction must never be used, and therefore must not be produced. This decision should be taken by mutual agreement, and in such stages as necessary, to dismantle and destroy existing stockpiles.

Some twenty years ago, the international community embarked on arms control with the goal of general and complete disarmament under effective international supervision within a decade. Now that objective is dismissed as utopian. Yesterday we were troubled. Today we are being asked to live with nuclear weapons merely because they are there. Is it because the pursuit of power is the only concern? Have we lost all sensitivity and concern for human values?

In Vienna, in Geneva and elsewhere, negotiations between the United States and the Soviet Union have been deadlocked for years. At this crucial juncture, the Commonwealth must urge the two powers to exert themselves with greater determination to break the stalemate.

In the wider interest of peace, all powers should accept and strictly observe the principles of peaceful coexistence, non-intervention and non-interference. We cannot acquiesce in the reasons being advanced to justify the use of force by one State against another, to install regimes of particular

persuasions or to destabilize regimes deemed to be inconvenient. Recent unfortunate events in Grenada have caused profound disquiet. India has always been strongly opposed to interference and intervention by one country against another. Non-aligned countries have always resolutely condemned the use or threat to use force as well as intervention by one country against another. Immediate and appropriate action under the auspices of the United Nations is necessary so that international intervention is ended.

Small countries following independent policies are subject to a variety of pressures. The recent disturbing development in Cyprus is an example. The unilateral declaration of independence by the so-called Turkish Cypriot Assembly in the occupied part of Cyprus is patently illegal. We stand for the sovereignty and territorial integrity of Cyprus, a member of the Commonwealth. This Meeting should send a message to our absent colleague, President Kyprianou, assuring him that we are with him and his country at this hour of trial. Cyprus must remain undivided. The Commonwealth, the Non-Aligned Movement and the United Nations must ensure the integrity and inviolability of this brave and much-harassed nation.

Great changes are taking place in Central America. They must be seen for what they are: an internal response to outmoded and repressive power structures. Whenever peaceful change is thwarted, violence usurps its place. Support and intervention from outside will not stop change. The interests of all concerned can be safeguarded only through the political processes of dialogue, compromise and conciliation. The basis for dialogue in Central America has been offered by countries of the region itself—the Contadora group, Colombia, Mexico, Panama and Venezuela, whose initiative deserves positive response by those concerned.

Peoples with a colonial past, who have sacrificed for independence and value the principle of self-government and majority rule, have a special identification with those who are still in bondage. Apartheid denies basic rights to the majority of South Africans. The Commonwealth, as it now is, is the product of decolonization, cannot ignore the struggle and suffering of our sisters and brothers in Namibia, the last major bastion of colonialism. I am sure this Meeting would wish to give to Namibia the central place that Zimbabwe was accorded in Lusaka. That Summit was decisive in laying the basis for the transition to Zimbabwe's independence; so, let us hope, the New Delhi Conference will be for Namibia.

The two situations are not at par. A member of the Commonwealth was responsible for Zimbabwe's administration. The United Kingdom acted with wisdom in coming to terms with the forces of freedom, whereas Namibia is held in slavery by a regime which takes perverse pride in racism.

The Western Contact Group was formed to facilitate the implementation of the Security Council's resolution on Namibia's independence. Instead, it is being used to delay the movement for Namibia's independence. I hope our meeting will unequivocally reject the so-called linkage or parallelism between Namibian independence and the presence of foreign troops in Angola. Angola is an independent and sovereign country under constant threat and attack from South Africa.

Wherever justice is thwarted or freedom menaced, the Commonwealth must speak up. The denial to the Palestinians of their right to independence is at the centre of the West Asian crisis. How can there be peace in that region until the wrongs perpetrated on these long suffering people are undone and they can again live with dignity in a sovereign, independent homeland of their own?

The militarization of the Indian Ocean proceeds apace in the pursuit of the global interests of the powerful. Twelve years ago, the United Nations declared the Indian Ocean a Zone of Peace. Yet the region bristles with the fleets, bases and new command structures of outside powers. Nuclear arms inducted in the name of the security of others endanger the security of the countries of the region. Many of the littoral and hinterland States are sucked into these power games. Let us hope that the conference proposed to implement the U.N. Declaration on the Indian Ocean as a Zone of Peace will be held before the next meeting of Commonwealth Heads of Government in 1985.

The other major theme of our Meeting and one which is closely related to peace is development. Development reinforces peace and is itself dependent on it. The development process, like much else, is victim to the tension, conflict and confusion of our times. Today's global economic crisis is so pervasive in its reach that no one country or group of countries has been able to find any but a partial and temporary answer. The policies of the industrialized countries to control inflation have caused sharp slow-down in their own economic activity and have raised levels of unemployment, besides imposing heavier burdens of privation on developing countries, who face declining or negative growth rates, increasing balance of payments deficits and mounting debt burdens. Their exports fetch less while the costs of their imports soar. Aid flows decline.

On several occasions earlier this year, at the Non-Aligned Summit, at UNCTAD and at the United Nations, I have drawn attention to the close link between the sustained economic recovery of the North and the activation of vigorous economic development of the South. To give an example, the developing countries absorb 40 per cent of the exports of USA and 28 per cent of those of the OECD countries as a whole. Are industrialized

countries not aware of this reality? Their protectionism is creating further polarization between the developed and developing. It has not been possible to reach agreement on the Seventh Replenishment of the International Development Association (IDA VII) at the level considered essential by the World Bank. The last meeting of the Interim Committee actually decided to reduce access to IMF funds.

As a forum which includes the industrialized and developing, the Commonwealth must support and facilitate such discussions. I sincerely hope that this Meeting will endorse the suggestion of the Non-Aligned Summit for a Programme of Immediate Measures and an International Conference on Money and Finance for Development, with universal participation. Our basic approach should be to promote consultation and discussion between all nations, and to find a harmonious way of changing the world economic system and institutions. There may be differences on what is to be changed and how. None of us can afford to remain frozen in our postures. My discussions with world leaders in New York indicated that many nations appreciated the need to further discuss problems, identify priorities and move forward towards long-term solutions. There is now increasing acknowledgement that the Bretton Woods institutions, created nearly 40 years ago, are not adequately equipped to deal with today's complex problems. The Williamsburg Summit decided to have a study of the International Monetary System by Finance Ministers and the part which a high-level International Monetary Conference might, in due course, play in this process. At this meeting we have before us a comprehensive study entitled "Towards a New Bretton Woods". It makes important suggestions. Within the Non-Aligned Movement also, we have begun a preparatory process. These several studies will be helpful in developing a common perception of the economic crisis which envelops us all.

The Commonwealth itself was born out of dialogue and in the belief that human and international problems can and should be resolved through goodwill. The Commonwealth spirit asks us to rededicate ourselves to peace and development through dialogue.



*Balanced & respectful methods  
of control*

*Prime Minister*

*Dir 15/11/54  
(6 weeks)*

*[Call on both sides to take all steps  
for suspension - done]*

*A.T.C. 23/11*

Sir J Leahy)  
Mr Thomas ) Separate copies

Secretary of State's meeting with Mr Mukherjee: 23 November

1. The Secretary of State had a meeting with Mukherjee (at the latter's request) before this afternoon's session. Mukherjee was accompanied by Sengupta, P K Kaul and Rasgotra. The PUS and I were also present. The Indian purpose was clearly to sound us out on items likely to cause difficulty in the Communique, and Rasgotra and Kaul made most of the running on their side.

Nature of Communique

2. Rasgotra said that as he understood it in the light of this morning's restrictive session there would be one Communique (ie presumably a single document) and he thought it would be a long one. The Secretary of State said that he was not briefed on the details of what had been said this morning, but that our preference was very strongly for a short document.

Economic Issues

3. Rasgotra opened the discussion by saying that these were likely to cause the most difficulty: words could always be found to deal with problems on the political side. The Secretary of State said that what Mrs Gandhi had said in her speech about endorsing the proposals of the NAM would cause us very great difficulty if it was sought to follow this up in the Communique. In the discussion which followed, the Indian side put the emphasis very much on the idea of a conference on money and finance, and Rasgotra argued that it would be very difficult for the Non-Aligned members of the Commonwealth to go back on what they had so recently agreed in the NAM.





The Secretary of State countered that it would be equally difficult for us to go beyond what we had agreed at Williamsburg. The Bretton Woods analogy was not helpful: there was at present no need to establish Institutions, and it was not realistic or practical to think in terms of fixed exchange rates (though greater exchange rate stability would certainly be desirable). What we should do was to examine the practical steps which would be necessary to bring about any changes which were thought necessary. A conference of the kind originally proposed by Mr Muldoon was to put the cart before the horse. The idea which Mr Lawson had put forward in Port of Spain could play a useful part in bringing forward some practical ideas. Otherwise, we would be back on to points of substance where disagreements were well-known. It was important that the Communique drafting should not be approached by pressing points known to be unacceptable as this would inevitably lead to press stories of failure and victory/defeat.

4. Kaul argued that Mr Lawson's idea was unlikely to be productive. We already had a pretty clear idea of what the staff of the Institutions <sup>thought</sup> was necessary, but the problem was that it was only Governments who could take the necessary decisions. Mukherjee emphasised the crucial role of the US Government and the need to bring effective influence to bear on it. The PUS argued that there would nevertheless be advantage in a group of informed people who could talk to the Institutions and try to obtain a picture of what was attainable and what they needed to do their job in changing circumstances. Rasgotra indicated that the idea of a restricted group was an additional point of difficulty for the Non-Aligned, all of whom wanted to have their say. He added that he saw the conference as the end of a process: there would be no question of a timetable, and perhaps the step by step approach could be combined with acceptance of the need for a conference at the appropriate time. He noted that the Williamsburg formula



formula did not exclude the idea of a conference.

#### Namibia

5. The Secretary of State said that he had been disappointed by the implications in Mrs Gandhi's speech that the Contact Group was an obstacle to the implementation of Resolution 435, which we very much wanted to see. The Contact Group might prove a convenient way of helping to keep up the pressure. We did not endorse linkage, but it looked as if at least a move in the direction of Cuban withdrawal from Angola might be the key to progress. This would of course suit us well. Rasgotra said that the Indians did not see the Contact Group as an obstacle to progress. He asked for our views on the possibility of Commonwealth troops in Namibia or in Angola. The Secretary of State said that the Front Line States had not appeared enthusiastic about the Nigerian ideas but as far as we were concerned the option remained open. Rasgotra said that the African position might emerge more clearly in the course of the Meeting.

#### Grenada

6. Rasgotra asked for our views on the idea of a Commonwealth Force, for which he had not detected much enthusiasm. The Secretary of State made it clear that we were not pressing for this, but he thought that Mrs Gandhi's speech had gone too far in what it had said about withdrawal and UN involvement. Our hope was that the Meeting would look forward, not backward, and would leave Commonwealth countries either singly or jointly free to respond to any requests which the Advisory Council might wish to make. Reconstruction and help in policing were both important: the Grenadians no doubt welcomed the help which American engineers were providing on the former, and the OECS might have a helpful role to play on the latter. For

/our part,



our part, we would respond positively to requests for help on such things as police training and preparations for elections. Rasgotra said that it would present a problem if some of the forces were to stay. The Communique should not appear to legitimise such a possibility. The Secretary of State underlined the need to respect the wishes of the interim Administration in Grenada. In response to a question from Rasgotra, he said that we should not state in the Communique that future developments should be under the auspices of the United Nations: experience on other questions had shown that this could make it harder to reach agreement on the necessary steps.

*B J P Fall*

23 November 1983

(B J P Fall)

cc: PS/No. 10 —  
PS  
Sir R Armstrong  
PUS  
Mr Goldsmith  
Mr Goulden

High Commissioner  
Head of Chancery

COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI 1983

FOR THE INFORMATION OF DELEGATIONS

... Attached for your information is the Communique issued by Commonwealth Ministers of Agriculture, Food and Rural Development after their meeting in Rome on 4 November 1983.

*Hugh Craft*

Hugh Craft  
Conference Secretary

Commonwealth Secretariat  
Vigyan Bhavan  
New Delhi

23 November 1983

*AJC.*  
*102* <sup>23</sup>/<sub>11</sub>  
*h.a.*

Meeting of Commonwealth Ministers of Agriculture,  
Food and Rural Development

Rome, 4 November 1983

COMMUNIQUE

1. Commonwealth Ministers of Agriculture met in Rome on 4 November 1983, the day preceding the opening of the 22nd Session of the Food and Agriculture Organisation (FAO) Conference.

Food Situation in Africa

2. Ministers expressed grave concern at the continuing precarious food situation in Africa, particularly at the decline of food output per capita during the last decade. They noted that 22 countries of Africa, many of which are members of the Commonwealth, today face grave food shortages. In this context, Ministers urged the international community to take concerted action in providing increased development assistance to all these countries including increased food aid to alleviate their sufferings. They considered the external and internal factors including the persistent drought which has affected many African countries in recent years which have caused food production to lag behind population growth. They emphasised the importance of national food and population strategies in reversing this trend.

3. Ministers looked forward to the deliberations of the FAO Conference on the food situation in Africa, and appreciated the Commonwealth Secretariat's concern and initiatives. Referring to the numerous studies and prescriptions which have been made for overcoming Africa's food problems, Ministers emphasised the need for practical action without further delay. There was very strong support for a proposal to recommend to Commonwealth Heads of Government, at their Meeting in New Delhi, the establishment of a special programme for alleviating agricultural and rural development problems in Commonwealth Africa and for a greater share of available CFTC resources to be allocated to this programme.

World Food Situation and World Food Security

4. Ministers noted with satisfaction the slight overall improvement in world food supplies since 1981, and they hoped that the 1972/74 world food crisis would not be repeated.

However they viewed with concern the continuing delicate world food situation which did not warrant any complacency, specially in the low income food deficit countries. They regretted the delay in achieving the targets set for food aid by the World Food Conference in 1974, and the progressive reduction in the availability of total food aid against a backdrop of rising needs of the developing countries. They urged the donor countries to make food aid available wholly on a grant basis. They renewed their support for the new concept of World Food Security and expressed satisfaction at the adoption of this initiative by a large number of countries. They urged all countries, developed and developing, to fully implement the FAO's 5 Point Plan of Action and called on the international community to renew efforts to work towards the early establishment of long term world food security for the achievement of which they reaffirmed the full support of Commonwealth governments.

#### National Food Production

5. Ministers reiterated that the critical need of most developing countries was to achieve higher national food production at least to keep pace with their population growth, requiring national commitment to higher investment in agriculture and rural development and envisage adoption of appropriate strategies and policies. They stressed the importance of remunerative prices to farmers, timely supply of inputs, effective food marketing and storage policies, and adoption of appropriate and innovative technologies for achieving this goal.

6. Ministers emphasised that the International Fund for Agricultural Development (IFAD), International Development Authority (IDA), United Nations Development Programme (UNDP), World Food Programme (WFP) and other organisations should continue to receive the contributions essential for fulfilling their important role in the flow of external assistance for agriculture. In this context they appealed to all countries for the second replenishment of IFAD without any further delay.

7. Ministers discussed the role of regional co-operation in enhancing national efforts at achieving increased food production through collaborative programmes of research and development, exchange of information, and regional food security schemes. They commended the achievements of regional food security programmes initiated by the Southern African Development Co-ordination Conference (SADCC), Economic Community of West African States (ECOWAS), Caribbean Community Secretariat (CARICOM) and the Association of South East Asian Nations (ASEAN), and looked forward to the extension and consolidation of such programmes in all regions of the Commonwealth.

8. Ministers considered the Study of Commonwealth Food Production prepared by the Secretariat, which they agreed contained valuable information for use in national food policy planning.

#### World Conference on Agrarian Reform and Rural Development (WCARRD)

9. Ministers reviewed progress in implementing the programme of action proposed at WCARRD. They reiterated the importance of equitable distribution of land to farmers, and provision of credit, other agricultural inputs, training and increased people's participation to enable farmers to make full use of available land and water resources. They also noted the initiatives taken by the Secretariat in these areas.

#### Pesticides

10. Ministers noted with concern the tendency of some chemical companies in some countries to export to Third world countries pesticides and other agro-chemicals the use of which exporting countries themselves do not allow because of their pernicious effects on health, food products and the environment. They requested the Secretariat to give attention to this area of concern.

#### Fisheries

11. Ministers reviewed the important role of fisheries in increasing national food production, in improving nutrition levels and in contributing to higher export earnings. They commended artisanal fisheries, both marine and inland including aquaculture, and the social welfare of fishermen, for special attention as the fishermen belonged to the most disadvantaged sections of the community. They emphasised the need for technical co-operation in improving management of artisanal fisheries, conservation of fish resources, and also the need to establish greater national control over the management and exploitation of Exclusive Economic Zones, specially by the small island developing countries. In this regard they congratulated the FAO for its timely initiative in organising the World Conference on Fisheries Management and Development in 1984. They expressed the need for greater initiatives by all agencies and called upon the Secretariat to focus greater attention in these fields in support of international initiatives.

## Commonwealth Co-operation and Secretariat Activities

12. Ministers reviewed the programmes of the Commonwealth Secretariat and CFTC in food production and rural development, and endorsed the strategy and general directions followed. They commended the catalytic role of the Secretariat in project management training, national food policy formulation, appropriate technology, post-harvest loss reduction, land use planning, agro-forestry, rainfed farming, co-operatives, rural credit, integrated rural development, livestock and fisheries. They welcomed the co-ordination of these programmes with those of other agencies, particularly FAO. They called for a greater proportion of CFTC resources to be allocated to food production and rural development activities.

13. Ministers welcomed the statement by the Director-General of FAO at the Opening of the Meeting. They expressed support for FAO's action programmes, specially for plans on world food security, launching of the comprehensive study on price policies, and pioneering work on the agro-ecological zones.

14. Ministers agreed that their discussions had proved useful as preparation for the FAO Biennial Conference. They expressed appreciation to the FAO for providing facilities for the meeting, and to the Secretariat for the preparatory arrangements and documentation. They looked forward to meeting again prior to the next FAO Biennial Conference in 1985. In the meantime, they agreed to keep in touch at official level on developments in fields of common concern, as well as to consider ways of getting maximum value from these meetings.





BRITISH HIGH COMMISSION  
NEW DELHI, INDIA

The High Commission for the Kingdom of Great Britain and Northern Ireland presents its compliments to the High Commission for the Republic of Trinidad and Tobago and, with reference to its note, No. 212/83 of 22 November 1983, has the honour to state that the Right Honourable Margaret Thatcher, Prime Minister of the United Kingdom, would be delighted to meet the Honourable Goerge Chambers, Prime Minister of the Republic of Trinidad and Tobago, and suggests that the meeting be held at 1830 hours on 23 November at the Residence of the British High Commissioner.

The High Commission for the Kingdom of Great Britain and Northern Ireland avails itself of this opportunity to renew, to the High Commission for the Republic of Trinidad and Tobago the assurances of its highest consideration.



23 November 1983

OVERSEAS COMMUNICATIONS SERVICE & INDIAN POSTS AND TELEGRAPHS DEPT.

OVERSEAS COMMUNICATIONS SERVICE & INDIAN POSTS AND TELEGRAPHS DEPT.

OVERSEAS COMMUNICATIONS SERVICE & INDIAN POSTS AND TELEGRAPHS DEPT.

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RT. HON. MRS MARGARET THATCHER MP  
CARE BRITISH HIGH COMMISSION  
CHAKRAPURI  
NEW DELHI (21)

*Please let me  
have in London  
o/v.  
23.  
"*



THE GENERAL COUNCILS ECONOMIC COMMITTEE RECENTLY  
CONSIDERED THE REPORT "TOWARDS A NEW BRETTON WOODS"  
PREPARED BY AN EXPERT STUDY GROUP AND PUBLISHED BY THE  
COMMONWEALTH SECRETARIAT. I UNDERSTAND THAT THE REPORT  
WILL BE CONSIDERED BY THE COMMONWEALTH HEADS OF

COL NEW DELHI (21)

4030NEMD RT. HON. PAGE 2/50

GOVERNMENT MEETINGS.  
THE REPORT DISCUSSES MANY OF THE KEY ISSUES RAISED IN THE  
TWO REPORTS OF THE BRANDT COMMISSION AND SETS OUT RECOMMENDATIONS  
IN THE CONTEXT OF THE TIME SCALE WITHIN WHICH THEY COULD  
BE PURSUED. THE ECONOMIC COMMITTEE APPROVED THE APPROACH  
OF THE REPORT AND BROADLY ENDORSE ITS CONCLUSIONS.

COL NIL

4030NEMD RT. HON. PAGE 3/58

SINCE THE COMMONWEALTH INCLUDES SO MANY NATIONS FROM  
BOTH NORTH AND SOUTH, ENDORSEMENT OF THE REPORT BY THE  
COMMONWEALTH HEADS OF GOVERNMENT WOULD MAKE A VALUABLE  
STEP FORWARD IN THE ATTEMPT TO RESTORE ECONOMIC GROWTH  
AND PROMOTE ECONOMIC DEVELOPMENT.

I AM WRITING, THEREFORE TO URGE YOU TO SUPPORT  
THE REPORT AT THE MEETING IN NEW DELHI  
MURRAY TUC

COL NIL

Sir John Leahy.I am giving the Prime Minister  
a note to take to Goa.

A.J.C. 24/11

FROM: Sir John Leahy  
DATE: 22 November 1983

Mr Coles ✓

CC: PUS  
Private Secretary

## BILATERAL MEETING WITH PRESIDENT JAWARA (THE GAMBIA)

1. In your letter of 16 November to Mr Ricketts about the Prime Minister's bilateral meetings at CHOGM you excluded President Jawara from the list of those people to whom the Prime Minister would speak privately. There are two reasons why I would like to suggest that the Prime Minister should be asked to reconsider this:
- A
- a) The Gambia was one of the 7 countries which voted with us against the recent Argentine resolution at the UN.
- B
- b) At Mr Flesher's suggestion (his letter of 1 September) we told President Jawara that as the Prime Minister could not see him in September as he had requested, the best time for a meeting would be at CHOGM. President Jawara will, therefore, be disappointed if he does not get a few minutes tête-à-tête with the Prime Minister.
2. Perhaps the Prime Minister could take President Jawara aside at some stage, either in GOA or at a lunch, and thank him for The Gambia's voting on our side over the Falklands for the second year running.

John Leahy

Sir John Leahy

JOHN

Brian Fall rang to say that it is possible that Forbes Burnham may seek to have a chat to the PM (although not necessarily a bilateral - maybe a private word over coffee) about what really happened in Grenada.

He thought you may want to mull this over in your mind.

Janice

22 11 83

Mr Coles

## JNANPITH AWARD SPEECH, 28 NOVEMBER

I gather from your office that the final text of this speech may not be available until 24 November or even later.

I should be grateful if you would do your best to ensure that we get it earlier than that. The Jnanpith people had particularly asked that the speech should be available before the PM's departure from UK, or at least immediately on arrival. They have:

- a) to circulate it in advance to Mrs Verma (award-winner) Chairman of the Selection Board and other main speaker
- b) translate it
- c) print 3,000 copies and distribute it.

They are a small, poorly-endowed foundation and do not have the logistical resources to do this at the very last minute. Even if we were to help with the translation they would want to use their own printers and a certain minimum time is required. Wednesday pm or at a pinch Thursday am is their deadline. Might it be possible to meet this?

22/11/83

Michael Starke  
BHC ext 506

I told Iain Muncy to expect problems; impossible deadline

Mark  
22/11

PRIME MINISTER

The Prime Minister of Trinidad cannot come tonight - he has an engagement.

I have suggested that we will try to fit him in at 1830 hours tomorrow evening. This would mean your leaving the President's reception after 45 minutes or so. I have made it plain that you will only have 30 minutes available for Mr Chambers - he is apparently quite content with that.

Agree that we may go ahead on this basis?

A. & C.

Robin has confirmed  
that the PM is  
content.

22 November 1983

M/K.  
22/11.

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c CTH  
A. Acland  
Sir J. Leahy  
FLO

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE  
COMMONWEALTH SECRETARY GENERAL AT 1855 HOURS ON TUESDAY  
22 NOVEMBER 1983 IN NEW DELHI

Present:

The Prime Minister  
Mr. Alison  
Mr. Coles

Mr. Ramphal

Mr. Ramphal said that he had advised the OECS countries not to make an issue of Grenada at CHOGM. He had told them that no other country was setting out to criticise them. The Prime Minister of Dominica had, however, made a rather strident statement to the press in Rome on her way to Delhi. It still seemed possible that Mr. McIntyre would send a letter to the Heads of Government. He would reach Grenada by next weekend. This was not a moment too soon. It was for him to say what he wanted of the Commonwealth. He was anxious to keep Latin America in play and was therefore thinking of the possibility of a policing operation drawn from countries from the American hemisphere. All the Caribbean countries were pleased about McIntyre's appointment. We should throw our weight behind him. The Americans might have difficulty with him because he certainly would not wish US troops to stay in Grenada. When the American forces left, there would have to be some replacement. That was where the Commonwealth could help. McIntyre would probably seek a broader Caribbean presence with countries like Trinidad and the Bahamas participating. Canadian participation was possible too - and McIntyre might need UK logistical help. The Commonwealth Secretariat had two plans ready. One involved a purely policing operation; the other policing plus a counter-insurgency reserve.

With regard to Cyprus, President Kyprianou would be arriving early on Friday morning. He was very pleased with Britain's stand on Turkish/Cypriot UDI. But it looked as though Kyprianou's

/ efforts

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- 2 -

efforts would produce no results. The prospect was of Northern Cyprus being absorbed into Turkey and the South going for ENOSIS. Our world was not equipped to deal with such situations.

Mr. Mahathir appeared to be in difficulty in Malaysia. The Deputy Prime Minister of Malaysia was to have attended CHOGM but had been called back. There were problems involving the Head of State. Mahathir's attitude to the Royalty had produced a backlash. People asked what could be expected of a Prime Minister who was not a true Malay.

He had met President Jayewardene in Sri Lanka and had since told Mrs Gandhi that Jayewardene appeared to be making a genuine effort at reconciliation with the Tamils. The mood amongst Sri Lankan Ministers was so strong that Jayewardene was virtually isolated in his conciliation efforts. The Tamils no longer felt able to trust anyone. Mrs Gandhi and President Jayewardene had met in Delhi today. The question was whether she could sell to the Tamils the package which he had put forward.

It was expected that the debate on the world political situation would continue until Thursday morning. Southern Africa would be dealt with next Monday.

On the venue for the next CHOGM, the Prime Minister of Trinidad and the Prime Minister of the Bahamas were each willing to act as hosts. He had advised the Caribbean countries to get together and select a single capital. The Prime Minister said that her impression was that Mr. Trudeau would be prepared to host the meeting in Vancouver.

Finally, on Namibia, Mr. Ramphal said that he had heard from President Nyerere that a meeting of the Front Line States had been told by Angola that it would not accept an African force, as proposed by the President of Nigeria, in place of the

/ Cubans.



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- 3 -

Cubans. Nevertheless, Mr. Shagari had given publicity to his idea and it remained to be seen what line he would take at CHOGM.

The discussion ended at 1835.

A.J.C.

22 November 1983

PRIME MINISTER

Session on agenda, style and format  
(immediately following the opening session)

I attach a minute by Sir Robert Armstrong.  
The agenda is annexed to it.

In one of the briefing folders attached  
you will find Mr. Ramphal's letter on the order  
of agenda and style and format. In the other  
folder Brief B2 sets out our aims on these  
questions.

A.J.C.

22 November 1983

Prime Minister.

MR COLES ✓

cc Mr Fall  
 Sir Antony Acland  
 Sir John Leahy  
 Mr Thomas  
 Mr Ainscow  
 Mr Goldsmith  
 High Commissioner (For information)

CHOGM 1984 1983

This note reports and briefs on the outcome of this afternoon's meeting of senior officials, attended by Sir Antony Acland, Mr Goldsmith and me.

Agenda and Timetable

2. The meeting agreed to recommend to Heads of Government the draft agenda circulated by the Secretariat (copy attached - Annex 1).  
 ---
3. The meeting also agreed a timetable for dealing with this agenda (copy attached - Annex 2).  
 ---
4. It was noted that the first session, after the opening session, in the later part of tomorrow morning would be for Heads of Government only. This would be discussing questions of order of agenda and style and format, not questions of policy.
5. It was agreed to recommend to Heads of Government that there-after morning sessions should begin at 9.45 am and conclude at 12.45 pm and that afternoon sessions should run from 3.00 pm to 6.00 pm.

Style and Format

6. The Secretary General summarised his proposals on style and format. The Australian and British delegations endorsed them. No-one else spoke. They were taken as agreed for discussion by Heads of Government.

Communique

7. The Secretary General said that in the discussions that he had had before the meeting there had been a general wish expressed for a shorter communique on this occasion. He thought that, given what

he described as the wide over-arching problems facing the world, these problems might be addressed in a statement or declaration, or possibly in two statements, which could be "first person" statements; other issues could be remitted to a subordinate document. Some shortening might be achieved by excluding from the communique conclusions which were no more than instructions to the Secretariat.

8. Once again only the Australian and British delegations spoke. The British delegation warmly endorsed the proposal for a shorter communique. We thought that Heads of Government would have their own ideas about how they might like to achieve this, but we suggested that one way of shortening the communique would be to take the Melbourne communique as read, and deal only with major issues or issues on which there had been major change since Melbourne.

9. We suggested that any communique or declaration was more likely to be read and to have influence if it was kept short and couched in striking political language.

10. The Australian delegation expressed some apprehension about the idea of a "first person" declaration: it was more difficult to reach agreement on texts to which Heads of Government were thus personally committed than on texts which were couched in consensus language.

#### Committee of the Whole

11. It was agreed to recommend to Heads of Government that they should remit to the Committee of the Whole (ie to senior officials) all the subjects listed under item 5 of the agenda except the first (CFTC). The Committee of the Whole should start work on those subjects on the morning of Thursday 24 November, with a view to reporting to Heads of Government on Monday 28 November for consideration at their session on the morning of 29 November.

12. It was also proposed that the Committee of the Whole should be responsible for preparing the drafts of the declarations (if any) and the communique. The Secretary General proposed, and nobody disagreed, that the Committee should divide into two parts for this purpose, one to draft the political sections and the other to draft the economic sections.

13. One specific issue on which our officials will need instructions from the Prime Minister and the Foreign and Commonwealth Secretary is whether and how far we should press for a reference to the Falklands in the communique. There are good arguments for including this subject: it was one of the major events affecting the Commonwealth that has occurred since Melbourne CHOGM, and in a communique which will no doubt have to deal with other major issues which have arisen since Melbourne (such as Cyprus) the omission of any reference to the Falklands would be noticed. As against that, we cannot be sure of being able to negotiate a reference to the Falklands that would be uniformly helpful; and, if we press for a reference to the Falklands, other countries will press for references of specific importance to them and it would be difficult to achieve the aim of a shorter communique.

#### Other Matters

14. Other matters dealt with at the meeting of senior officials were all procedural:

- (a) Six seats only per delegation (excluding Ministers and spouses for the opening session); insist that delegates should have their invitation cards to obtain entry.
- (b) A procedure for dealing with petitions.
- (c) A request for official changes to the Directory of Delegations to be received by the Secretariat not later than 10.00 am tomorrow morning.
- (d) Arrangements for admission to executive sessions.
- (e) Transport for officials going to Goa: a special aircraft to take those officials who are going to Goa will leave Delhi at 6.00 am on Friday 25 November and will return from Goa at 8.00 pm on Sunday 27 November.

RA

ROBERT ARMSTRONG

22 November 1983

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ANNEX 1

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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~~CONFIDENTIAL~~  
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COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI - 1983

DRAFT AGENDA : DOCUMENTATION

- 9-45-  
12-45-  
-----  
3-5-  
-----
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)

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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.



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ANNEX 2

<u>Date</u>	<u>Session</u>	<u>Time</u>	<u>Agenda Item</u>	<u>Subject</u>
Wednesday 23 November	1	0945	-	Opening Session
	2	1110	2	Order of Agenda and Style and Format
	3	1500	3(a)	World Political Scene : Global Trends and Prospects
Thursday 24 November	4	0930	3(a)	World Political Scene : Global Trends and Prospects (cont)
	5	1500	4	World Economic Issues
Friday 25 November	6	0930	4	World Economic Issues (contd)
Monday 28 November	7	0930	3(b)	World Political Scene : Southern Africa
	8	1500	4	World Economic Issues (contd)

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<u>Date</u>	<u>Session</u>	<u>Time</u>	<u>Agenda Item</u>	<u>Subject</u>
Tuesday 29 November	9	0930	5	Commonwealth Functional Co-operation :  (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
	10	1430	8	Final Communique



High Commission for the Republic of  
Trinidad and Tobago  
131, Jor Bagh,  
New Delhi-110003, India

No. 212/83

The High Commission for the Republic of Trinidad and Tobago presents its compliments to the High Commission for the United Kingdom of Great Britain and Northern Ireland and has the honour to request an appointment with The Honourable Margaret Thatcher, Prime Minister of the United Kingdom for the Honourable George Chambers, Prime Minister of the Republic of Trinidad and Tobago.

The High Commission for the Republic of Trinidad and Tobago avails itself of this opportunity to renew to the High Commission for the United Kingdom of Great Britain and Northern Ireland the assurances of its highest consideration.

NEW DELHI

22 November, 1983



SUBJECT

cc Masood

Note of Meeting between the Prime Minister and Mrs. Indira Gandhi  
at Mrs. Gandhi's private house at 1630 on Tuesday, 22 November, 1983

Present:

Prime Minister  
Sir Robert Wade-Gery  
Mr. Butler

Mrs. Gandhi  
Dr. P. C. Alexander, Principal  
Secretary to the PM  
Mr. K. Natwar Singh, Secretary  
Ministry of External Affairs  
Mr. C. R. Garekhan, Private  
Secretary to the Prime Minister

Grenada

After Mrs. Gandhi had welcomed her to Delhi, the Prime Minister suggested that they should first discuss the handling of Grenada at the Conference. The Prime Minister said that it would help to reduce the risk of differences at the Conference if they were to concentrate on the future. She understood that the United States were proposing to withdraw their troops and were obliged to do so by 23 December under the War Powers Act, unless Congress granted an extension. Some security forces would be needed, but she expected that these would be more of a police than a military nature. It might be that the Grenadian Government would need help with police training or with organising the elections which the Governor-General had promised within 6-12 months.

Mrs. Gandhi said that she did not want any divisions at the Conference but there were bound to be some differences. The Indian Government had been opposed to a Commonwealth force because they felt that the United States' intervention had carried the situation beyond a point at which a Commonwealth force could have a useful role, and a decision could only be taken about Commonwealth participation when the United States had withdrawn.

The Prime Minister said that she hoped that, after the withdrawal of United States troops, no military personnel would

/ remain.

remain. It might be necessary to keep a presence from the Eastern Caribbean states, but this would be more in the nature of a police force. It was essential that there should be a police force which was seen to be independent and also an effective judiciary. People who had been prevented from taking part in politics under the previous administration might have to be supported in returning to political life so that they could stand in the elections. Mrs. Gandhi commented that the present attitude of the United States Congress seemed to be such that they would be likely to grant an extension if the administration asked for it.

### Cyprus

Mrs. Gandhi referred to the United Nations resolution on Cyprus which, she understood, had been largely a British draft. The Prime Minister said that President Kyprianou had wanted a clear cut resolution and she had advised him that, if such a resolution were to gain support at the United Nations, the UN Secretary General would need to offer his good offices in seeking a solution.

Mrs. Gandhi asked whether the Prime Minister believed that Cyprus would continue to exist as an entity.

The Prime Minister said that, frankly, she was fearful about the future. Cyprus had been partitioned for 9 years and a UN force had been there for 15 years. She recognised that President Kyprianou's tactics were to get the resolution from the United Nations and support from the Commonwealth Conference, and then apply pressure to the United Kingdom to get consultations going in accordance with the obligations of the Treaty. She told Mrs. Gandhi, in confidence, that the Turks were willing to join such consultations if the Greeks agreed; the Greeks were unwilling to sit down with the Turks. Her main concern was now to prevent the build up of armed forces on Cyprus. President Kyprianou had drawn attention to the fact that

/ Mr. Denktash's

Mr. Denktash's declaration had left open the possibility of inter-communal talks, but President Kyprianou had made the point that such talks were impossible because they would imply recognition of Mr. Denktash's administration. She feared that, in practice, the Turkish-Cypriot section of the island would remain in being and grow closer to Turkey, but she hoped that the Commonwealth Conference would support President Kyprianou by endorsing the integrity of Cyprus.

### Sri Lanka

The Prime Minister suggested that a declaration in favour of the integrity of Cyprus would presumably help with the problem of the Tamils in Sri Lanka. She had been pleased to see that the latest round of the reconciliation talks conducted by Mr. Parthasarathy had gone well. Mrs. Gandhi said that the latest <sup>talks</sup> had gone well, but the Sri Lankans were saying that the improvement would only last for the duration of the Commonwealth Conference and that a further massacre would occur thereafter. Although President Jayewardene could have taken a stronger stand at the outset, there was now little he could do and he had himself said his entire Cabinet now wanted to get rid of him by one means or another. The problem was that extremists were now getting the upper hand; although moderate Tamils had said privately that they were willing to compromise, they could not give up publicly their claim to secession because they would then be outflanked by the militants. The Indian Government was not in favour of secession but did not want to see more people killed. There had been many more deaths than had been published and the flow of refugees into India was causing problems. There were 3 million Tamils in Sri Lanka, some of whom were Indian citizens; the latter tended to be Tamils in Central Sri Lanka who had gone from India to work on the tea plantations and were not agitating for secession but were slaughtered because they were widely dispersed. That was why the Indian Government had made available the good offices of Mr. Parthasarathy: they had not interfered in any other way.

/ She would

She would be having talks with President Jayewardene later in the evening and she hoped that these would work out well. But the trouble was that President Jayewardene did not have control either of his party, the army or the Buddhist priests. She found it extraordinary that Buddhists, who were prominent in renouncing violence, were promoting action against the Tamils, and there was evidence that both the troops and the police had been involved in massacres. It now appeared that attempts were being made to colonise Tamil areas and expel the inhabitants. There was also a rumour that the Sri Lankan Government wanted to give harbour facilities to the United States: so far they had been made available for rest and recreation, but most people believed that more was involved.

The Prime Minister said that, if there was anything she could do to help with this problem, either directly with President Jayewardene or in some other way, she hoped that Mrs. Gandhi would let her know.

#### Reform of the International Monetary Institutions

The Prime Minister said that she was not enthusiastic about suggestions for a new Bretton Woods Conference: there was no need for additional institutions.

Mrs. Gandhi said that the UNCTAD countries took the view that because the international institutions came into being at a time before many of them had achieved independence, they were not properly representative and had not adapted to meet the requirements of a more complex world. UNCTAD were committed to global negotiations, but the Indian Government took the view that while this was the objective, it would not be achieved in one step. So they were in favour of starting with things which could be achieved straightaway and there would be pressure at the Conference to achieve a resolution and a declaration in this sense. She had just seen Mr. Muldoon who hoped to reach agreement on at least some of the points set out in the letter he had sent to her: he had proposed that Mrs. Gandhi should establish

/ a smaller

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a smaller conference working group for this purpose, but she was opposed to this on the grounds that there was a plethora of groups already. The Prime Minister commented that the proposals in Mr. Muldoon's letter were not specific. Mrs. Gandhi said that this was because Mr. Muldoon did not believe that specific proposals would gain agreement.

#### IDA Replenishment

In response to a question from the Prime Minister about Mrs. Gandhi's opening speech on the following day, Mrs. Gandhi said that the speech would be general, but she would include a specific reference to the IDA replenishment. Dr. Alexander said that the President of the World Bank and many Heads of Government were hoping that the Prime Minister would use her good offices to get the IDA replenishment through, as she had last year. Chancellor Kohl, on his recent visit to India, had said that he was in favour of a good replenishment, and President Mitterrand and the Japanese also supported it. The Prime Minister noted this request. She said that she thought it unlikely that agreement would be reached on the upper limit of the IDA replenishment, but she recognised that the \$9 billion offer by the United States was regarded as too low by the developing countries. The outcome seemed likely to be something between the two.

#### Bilateral Commercial Issues

The Prime Minister said that she wanted to refer briefly to the modernisation of the Durgapur steel plant and to GEC's bid for the captive power station for BALCO. She well understood why the plant at Daitari had been postponed on public expenditure grounds, but she was anxious that the British <sup>aid</sup> allocation should be fully spent and wanted Mrs. Gandhi to be aware of her interest in these two projects.

F.R.B.



CYPRUS

FROM: A K Goldsmith  
DATE: 22 November 1983

All Members of the Delegation holding B Briefs

Brief PMVE(83) B10 Revise was written on 16 November and now needs updating. The FCO have advised by telegram that the attached additional Points to Make and Background should be read together with the existing briefing.

*A.K. Goldsmith*

A K Goldsmith

# The President

Warning that Mr. DeMolay does  
not want a vote

1974 - now attempt to finalise partition.

1960 - Constitution -

Are prepared to restore 1960  
Constitution

- excludes division, partition, union

Guarantor Powers / Britain & Greece

Small island - different ethnic & religious groups

Not only threat to a small state  
a challenge to international community.

Turkey - occupies 30% of our territory.

Turkey recognises this illegal regime.

U.N. New York - Documents relevant to U.N.

in hands of Turkish Delegation of

New York - before declaration

Need - Review. Call by Security Council not  
recognise.

That not enough.  
Specific action to review

## ADDITIONAL POINTS TO MAKE FOR PMVE(83) B10 REVISE

1. As we have made clear, deplore Turkish Cypriot action. Worked hard to prevent it, and have tried to secure reversal.
2. UK wholeheartedly support UN Security Council Resolution (tabled by UK). Passed overwhelmingly. Calls on states not to recognise and on UN Secretary General to use good offices to achieve earliest possible progress towards a just and lasting settlement in Cyprus. We are doing all we can to support UN Secretary General. Hope Commonwealth countries will also support and not recognise.
3. (Defensive) Separate Commonwealth initiative would cut across UN efforts. Believe that contacts between Commonwealth Secretary General and Sr Perez de Cuellar better way of ensuring Commonwealth interest is taken account of. For similar reasons meeting of Commonwealth Committee on Cyprus is unnecessary.
4. (Defensive) Could agree to reference in communique deploring Turkish Cypriot UDI.

## ADDITIONAL BACKGROUND FOR PMVE(83)B10 REVISE

1. UN Security Council passed resolution tabled by UK and agreed by Greek Cypriots deploring UDI and calling for reversal by 13-1-1 (Pakistan and Jordan) on 18 November. We are in close touch with UN Secretary General on next moves and pressing him to remain personally involved in search for a solution. Also to appoint soon a new special representative in Cyprus.
2. Turks have agreed to Trilateral guarantor power consultations. Greeks will not talk to the Turks while still Turkish troops in Cyprus.
3. Our interests over the sovereign base areas require us to show some sympathy for the Greek Cypriots. But the wider interests of not alienating Turkey from the West, and the Greek Cypriot tendency to seize upon and exaggerate the support for them requires us not (not) to take their side totally and to avoid eg outright CHOGM condemnation of Turkey.

Just before was agreed

SA-UN - to consult with President & Jeddah  
about a meeting with the two.

Document from SA - inviting President to send  
someone to New York for that purpose.

Tuesday - 11/11 the day after the will  
kill in Westbydon had been removed.

Specific steps - mandatory results or reversal  
if not implemented further steps under  
charter.

If not resolved - repercussions.

Relations between Greece/Turkey & NATO.

Britain / Greece / Turkey } under Goots

Because of religion - certain countries take a  
different view.

Religion - never a problem in Cyprus.

Turks - what will happen to Turkish Cypriots  
if Turkish troops withdraw.

Replace with International Force

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~~W. Coler~~

PRIME MINISTER

CALL ON MRS GANDHI: 4.30 PM, 22 NOVEMBER

When you see Mrs Gandhi this afternoon you will be concentrating mainly on CHOGM issues and these will also be at the top of her mind. But you should not be inhibited about raising bilateral issues. Mrs Gandhi's staff have told me that she would think it natural for you to do so. You already have it in mind to raise the Indo/British Exchange revival; and the danger of aid underspend. I recommend that you take advantage of the latter topic to refer, however briefly, to the two major industrial projects in which we are currently interested. It will be taken as a lack of interest in them at the highest level if you do not. For the same reasons a brief mention of the light combat aircraft project would be appropriate.

2. The specific points would then be as follows:

- (a) Indo/British Exchange. A revival of the Koenigswinter-type discussions we have had in the past with the Indians would do much to add an extra intellectual dimension to our relations from which both sides would benefit. It would be enough to get Mrs Gandhi to agree that the idea should be pursued with vigour.
- (b) Aid Underspend. This danger should not be overstressed, since the Indian authorities now seem to be back on track for the current year. They

/have

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- 2 -

have made a major effort to bring forward suitable projects; and could reasonably claim that it is now up to us to do our stuff commercially. The main purpose of mentioning aid spending, as a subject to be kept under review for the future, would therefore be to lead into a reference to the two major industrial projects:

(i) Durgapur

Contrary to previous indications, the Indians at official level are thinking of limiting BSC's role to consultancy, and putting the modernisation packages out to international tender. This would delay implementation, and make it difficult to maximise British content. Mrs Gandhi's Principal Secretary has given instructions that the matter must go to Ministers after your meeting with her, in order to take full account of aid utilisation arguments (if they give us enough of the business, up to £100 million of aid might be made available). Indian Ministerial decisions may well depend on the outcome of any discussion you have with Mrs Gandhi. Your line should be that Mrs Gandhi and you worked out a plan for Indo-British steel collaboration over breakfast here last September; you realise that that related to a new plant at Daitari, since postponed by public expenditure cuts, and that Indian priorities now centre on the modernisation

/and

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- 3 -

and expansion of the old plant at Durgapur; and you hope that in this context we can work out something of comparable scale (in terms both of business for Britain and of British aid).

(ii) Balco

GEC's bid for the captive power station for Bharat Aluminium (British content would be about £121 million out of a total cost of £159 million) is believed to be lower than the offer by the domestic manufacturer BHEL, and delivery times are shorter. We have offered £45 million capital and local cost aid, but BHEL are lobbying hard. There would be price, financing and delivery advantages to the Indians in placing the order with GEC, but the decision is essentially political. Officials are waiting for a steer from the Prime Minister's Office. You should therefore urge that GEC's bid should be given a fair crack of the whip, provided its competitive (which it is); this would be particularly desirable given that they felt a bit unfairly treated over their System X telephone exchanges bid earlier this year.

- (c) LCA. The Indian Foreign and Defence Ministers whom you met in London earlier in November are two of her closest advisers. A brief reference to your conversation with them would give you an opportunity

/to express

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- 4 -

to express pleasure at the Indian award of their naval helicopter contract to Westlands (20 Sea Kings with Sea Eagle missiles to a value of £200 million plus); and at their decision, just taken, to buy 12 more Sea Harriers. You could go on to say that the Light Combat Aircraft project is, we hope, the next major area for Indo-British arms supply collaboration. We are in competition with the Germans and possibly also the French for a collaboration with the Indians on this project, for manufacture here; and British Aerospace are now engaged in a feasibility study. If India opts for a British partner it will mean a great deal of business for BAe, Rolls Royce and associated companies.

(Robert Wade-Gery)

22 November 1983



SECRETTHE NEW DELHI STATEMENT OF ECONOMIC ACTION

We are disturbed at the continuing troubled state of the world economy. We are acutely conscious of the grim prospects for developing countries, especially the poorer, and of the widespread hardship and suffering which are the reality of daily life. At Melbourne we declared our firm belief that the issues are so important that they require the personal commitment and involvement of political leaders. At New Delhi our priority has been common action in this common perspective.

Since we last met in Melbourne there have been signs of recovery from the longest, deepest and most pervasive recession the world has experienced in the last fifty years. Substantive progress has been made in reducing inflation and valiant adjustment efforts continue to be made by developing countries. But the recovery remains narrowly-based and its overall pace has been disappointing. Its impact continues to elude the developing world. Unemployment has become massive even in the developed countries.

? effects

There are considerable dangers in the present situation. Recovery remains at risk because of continuing high real interest rates and uncertainty deriving from the international efforts of national policies. In particular we deplore the rising level of protectionism. We welcome, in this connection, the strong stance taken in defence of multi-lateral trading rules by the Commonwealth Report - 'Protectionism: Threat to International Order'. We reaffirm our support for a standstill in the adoption of 'new'

protectionist measures and agree to redouble our efforts to work for their progressive relaxation.

We recognise that developing countries have particular and immediate anxieties in the fields of debt and balance-of-payments problems and resource flows. Their adjustment efforts, instead of being encouraged by adequate financing are too often being frustrated by the difficulties of securing adequate resources for the international financial institutions. We believe that these institutions must play a larger role in helping to sustain resource flows to developing countries and that the poorer developing countries require much larger concessional flows than are currently forthcoming. We are concerned at the erosion of support for these institutions and call for renewed commitment to support their objectives and functions.

We regret the failure to establish more co-operative relations between the developed and the developing countries - growing interdependence and mutual interests make renewed efforts to establish such relations imperative. We believe that the way in which the Commonwealth itself functions is in itself evidence that dialogue is not only possible but fruitful. We commend the practical and business-like approach to negotiations recommended in the Commonwealth Report 'North-South Dialogue: Making it Work'. We shall stimulate action within the respective forums of North and South - the OECD and the G77 and the Non-Aligned Movement - in order to ensure serious discussion, and as far as possible implementation, of the recommendations it contains.

We have paid particular attention to the report

"Towards a New Bretton Woods" which was first submitted to Finance Ministers at their meeting in Port of Spain in September and to the account of their discussion given to us by the Prime Minister of Trinidad & Tobago. While not necessarily accepting all of the recommendations it contains, we broadly endorse the Report. We believe it affords a practical basis for seeking solutions. We accept that an intergovernmental process is called for, a process which takes into account the work being done by other groups and bodies. We agree with the view of Finance Ministers that an international conference could be the culmination of the process.

We have accordingly decided to establish a group composed of the governments of .....  
 .....  
 assisted by the Secretary-General, for the purpose of consulting widely within the international community, on the basis of the Report, on the most effective way of taking action.

We are asking Finance Ministers to follow the work of this contact group with particular attention and to review its progress when they next meet in Toronto before the 1984 annual meetings of the International Monetary Fund and World Bank. To facilitate the work of Finance Ministers we asked the contact group to submit a report in good time for the Finance Ministers Meeting.

At the same time, we must continue to make progress on urgent individual issues. We have invited the Prime Minister of India, in her capacity as the Chairman of this Heads of Government Meeting, to convey to all donor <sup>countries</sup> /our collective

emphasis on the need for individual contributions to the seventh replenishment of IDA at the highest possible level, <sup>x</sup> / so that the total should at the very least be at not less than the IDA 6 level.

- UK only committed to saying "a higher figure than \$9 bn".

x "on the basis of fair burden sharing among the donor countries".



*With the compliments of*

THE PRIVATE SECRETARY

W. u.  
=

L. a.

FOREIGN AND COMMONWEALTH OFFICE  
SW1A 2AH

C H G M

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IMMEDIATE

MR FREELAND, LEGAL ADV. WH21

MR FIFOOT, LEGAL ADV. WH20

Mr Goodall

Mr O'Neill

Mr Martin

Mr Colvin

D I O

Sir R Armstrong

CABINET  
OFFICE

PS/ No. 10 DOWNING STREET

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FM NEW DELHI 210850Z NOV 83

TO IMMEDIATE DESKBY (210900Z) FCO

TELEGRAM NUMBER 910 OF 21 NOVEMBER 1983

FOLLOWING FOR PRIVATE SECRETARY AND COLES/NO 10 FROM CHOGM  
DELEGATION SECRETARIAT.

PROGRAMME FOR CHOGM

1. IT WOULD BE HELPFUL IF YOU COULD CONSIDER THE FOLLOWING  
POINTS AND LET US KNOW YOUR VIEWS ON ARRIVAL.

PRIME MINISTER'S LUNCH FOR OECS LEADERS

2. PRIME MINISTER OF ST KITT'S /NEVIS WILL DEFINITELY NOT HAVE  
ARRIVED IN TIME FOR LUNCH ON 22 NOVEMBER, AND PRIME MINISTER  
OF DOMINICA, PERHAPS THE MOST IMPORTANT, WILL ALMOST CERTAINLY  
NOT HAVE ARRIVED BY THEN. WE THEREFORE PROPOSE TO CALL THIS  
LUNCH OFF. IT COULD PROBABLY BE REINSTATED ON THURSDAY 24 NOVEMBER,  
AS INDIAN VICE-PRESIDENT IS ALMOST CERTAINLY NOW CANCELLING  
HIS PROPOSED LUNCH FOR HEADS OF DELEGATION.

3. WE HAVE SO FAR SEEN UNABLE TO ARRANGE ANY BILATERALS  
FOR AFTERNOON OF 22 NOVEMBER AS RELEVANT DELEGATIONS HAVE NOT  
YET ARRIVED.

4. PRIME MINISTER AND SECRETARY OF STATE MAY THEREFORE LIKE

4. PRIME MINISTER AND SECRETARY OF STATE MAY THEREFORE LIKE TO TAKE ADVANTAGE OF AN UNAVOIDABLE GAP IN THE EARLY AFTERNOON OF 22 NOVEMBER TO MEET HIGH COMMISSION STAFF. WE ARE PROVISIONALLY ARRANGING THIS FROM 1430 TO 1530 IN SAMUEL'S HOUSE. OTHERWISE, THIS COULD PROBABLY NOT (NOT) BE FITTED IN BEFORE SECRETARY OF STATES DEPARTURE.

5. SAMUEL WOULD BE GLAD TO GIVE SECRETARY OF STATE PRIVATE LUNCH ON 22 NOVEMBER, UNLESS PRIME MINISTER PREFERRED THAT HE SHOULD LUNCH WITH HER AT THE RESIDENCE.

6. FINALLY, GRATEFUL FOR CONFIRMATION OF FOLLOWING ITEMS IN PROVISIONAL PROGRAMME FOR 22 NOVEMBER :

1715 - CABINET SECRETARY'S DELEGATION MEETING.

1800 - PRIME MINISTER'S BRIEFING MEETING.

1845 - WILL PRIME MINISTER AND SECRETARY OF STATE BE ATTENDING QUEEN'S RECEPTION FOR BRITISH COMMUNITY ?

WADE-GERY

NNNN



FROM: A K Goldsmith  
DATE: 22 November 1983

cc: Sir J Leahy  
Delegation Secretary

*22*  
*[Handwritten initials]*  
PUS

*RIA*  
Cabinet Secretary

CHOGM: PRIME MINISTER'S MEETING WITH MR HAWKE

Paragraph 2, 12 and 13 of PMVE(83)C5, mention the Australian interest in the discussions on the future of Hong Kong. You may wish to let the Prime Minister know before her working breakfast for Mr Hawke that it now seems likely that Mr Hawke's visit to China, in return for Zhao Ziyang's visit to Australia last April, will take place in February 1984. This will add further point to Mr Hawke's interest in the progress of negotiations with the Chinese.

*A.K. Goldsmith*

A K Goldsmith

*Mr Giles*  
*[Handwritten initials]*  
*22*  
*11*



FUTURE OF HONG KONG ADVANCE COPIES

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MR DONALD  
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ED/FED

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Mr Roberts News D.

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FM CANBERRA 210420Z NOV 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 602 OF 21 NOVEMBER

INFO IMMEDIATE NEW DELHI, PRIORITY PEKING

MY TELNO 596: (NOT TO NEW DELHI) FUTURE OF HONG KONG: BRIEFING  
THE AUSTRALIANS

1. NO. 10 MAY WISH TO BE AWARE BEFORE THE PRIME MINISTER'S  
BREAKFAST WITH MR HAWKE ON 23 NOVEMBER THAT IT NOW SEEMS LIKELY  
THAT MR HAWKE'S RETURN VISIT TO CHINA FOR ZHAO ZIYANG'S  
VISIT HERE LAST APRIL WILL TAKE PLACE IN FEBRUARY NEXT YEAR.  
THIS WILL OF COURSE ADD FURTHER POINT TO MR HAWKE'S INTEREST  
IN THE PROGRESS OF OUR NEGOTIATIONS WITH THE CHINESE OVER  
THE FUTURE OF HONG KONG.

MASON

NNNN



*AM*

FROM: A K Goldsmith  
DATE: 21 November 1983

~~FUS~~ o/a  
Cabinet Secretary o/a

cc: Mr Ainscow  
Delegation Secretary

CHOGM INITIATIVE: VOLUNTARY FUND FOR THE UN DECADE FOR WOMEN

1. The point to make in paragraph 4 of PMVE(83)B24 refers to a further British contribution to this fund (background in paragraph 9 of the brief). The Minister for Overseas Development has agreed that if she felt it appropriate the Prime Minister might like to announce this further contribution to other Heads of Government at an appropriate point in the discussion on "Women and Development". If the Prime Minister does do this it might be worth making something of the announcement in a press notice. We will, as necessary, keep the ODA informed so that they may subsequently give the decision appropriate publicity in London.

*Terry Byrne*

*AK* A K Goldsmith

*Mr Coles*

*brief annotated.*

*AK 22/11*

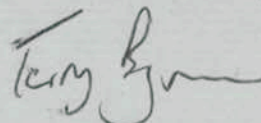
ADL  $\frac{29}{4}$ 

h-a.

PS/No 10 ✓

CHOGM: POSSIBLE MEETING BETWEEN PRIME MINISTER  
AND SINGAPORE PRIME MINISTER

If the Prime Minister is to have a talk with Mr Lee Kuan Yew, the Singapore Prime Minister, and if she calls for brief PMVE (83) C49 on Singapore she may use the Points to Make in paragraphs 3 and 4 about technology transfer to the Soviet Union. If she does, she may refer to a note to hand to Mr Lee Kuan Yew, the text of which is annexed to the brief. But for convenience I attach a copy of the note in the form in which it should be handed over. If the note is to be handed over it should be appropriately dated.

T N Byrne  
Delegation Secretary

21 November 1983



1. The British Government is concerned at the growing Soviet effort to acquire, by legal or illegal means, advanced Western technology and equipment which is of strategic benefit.
2. In common with our friends and allies we have strengthened our control over the flow of sensitive goods and technology from our countries to the Warsaw Pact. But we are aware that the Soviet Union and its allies make determined efforts to obtain these items through countries which do not participate in these joint arrangements. We believe that Singapore, as a large entrepôt centre and with a dynamic electronics sector, is a target for the Russians.
3. The British Government would welcome the opportunity to explain its concerns in greater detail and to discuss with the Singapore Government the wider implications of the transfer of strategic technology to the Soviet bloc. The British Government would therefore propose an informal exchange of views at a political level with the appropriate Singapore authorities.

November 1983

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Foreign and Commonwealth Office

London SW1A 2AH

21 November 1983

*The Prime Minister did  
not speak at any length  
to Mr. Obote.*

*A.J.C. 30.*

*John Taylor,*

CHOGM: Bilateral with President Obote of Uganda

The Prime Minister has sent a message to President Obote indicating her interest in meeting him at CHOGM and in having some bilateral discussion with him there. I enclose a speaking note.

The background to the displacement of civilians by the Uganda army's operations to the north and north-west of Kampala was described in my letter of 16 November. Notwithstanding the excesses involved in that operation, there has been a steady improvement both in the security situation generally and in the behaviour of the army. There is growing evidence that the army commanders are now more responsive to the President's instructions and more capable of enforcing a degree of discipline on their troops. Part of this improvement can be ascribed to the work of the Commonwealth Military Training Team in Uganda (CMTTU) (we supply half the personnel, including its commander), though there remains much room for improvement.

There has also been considerable progress in restoring the economy: Obote has conformed strictly to the harsh prescriptions of the IMF, allowing full play to market forces. British firms are bullish about the commercial prospects. But here again, as Obote realises, there is a long way to go, given the parlous state of the Ugandan administration and the country's substantial unpaid debts.

As the Amin years pass into history, public opinion is likely to become less tolerant of the methods used in Uganda to complete

/the government's

A J Coles Esq  
10 Downing Street  
LONDON SW1

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the government's assertion of its political control. It could then become more difficult to justify the good relations with Obote which our interests require. The Prime Minister may therefore wish, while reassuring him of our support, to seek from him a greater readiness to take us into his confidence than he has shown in the past. The Prime Minister will also wish to mention the need for progress in meeting the claims of the expelled Asians for compensation (background in PMVE (83)C40).

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

*Yours*

*R B Bone*

(R B Bone)  
Private Secretary

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BILATERIAL WITH PRESIDENT OBOTE:

POINTS TO MAKE

1. Welcome continued progress in restoring Uganda's security and rehabilitating the economy with IMF and World Bank support.
2. Understand the desire to deal firmly with guerillas, but important also to protect civilians. Welcome recent relief measures. Glad to provide £250,000 additional to previous help.
3. British firms optimistic about economic prospects. Encouraged by this and by recent agreement with Moi and Nyerere to settle distribution of assets and liabilities of the former East African community. This help to the regional economy will contribute to the political stability we all want.
4. Will mandate of the CMTTU be extended?

[Depending on response]

Will need to consider what role is expected of us. The Commonwealth formula a good one.

5. We have resisted pressure to take up cases of expelled Asians on a government to government basis. Hope for assurance of early progress in processing the claims.

6. [Defensive]

We have made quite clear in Parliament our distaste for your political opponents in the UK who advocate further violence in Uganda. We have no dealings with them. But we cannot take legal

/action



action against them unless they break our laws. Ready to look into any evidence of illegal activity.

7. [Defensive]

Press and media criticism of Uganda. A matter to take up directly with the press, radio and television. BBC has complete editorial freedom.





Foreign and Commonwealth Office

London SW1A 2AH

16 November 1983

*John Doe,*

Uganda: Displaced Persons

In mid-September, the Uganda Government issued an international appeal for assistance to alleviate the suffering caused to the civilian population in Buganda (particularly in the area to the north and north-west of Kampala) by an army operation against the guerrilla campaign being waged by the National Resistance Army (NRA).

The Ugandan army started its major military campaign against the NRA at the beginning of this year. The army's objective is understandable; and a directed coherent effort is in principle preferable to the uncoordinated vengeance with which the army previously responded to guerrilla attacks. But the campaign has resulted in the displacement of large numbers (up to 120,000) of civilians from their homes and farms. These civilians are now in camps supervised by the army. Conditions there are appalling; some reports estimate that 30% of the children in the camps are severely malnourished; there is harassment of young girls and women; overcrowding is severe; and disease is rife. We have played a major part in providing humanitarian assistance. Relief work in the camps has so far been carried out by (mainly British) voluntary agencies, who have until recently been tolerated but not much assisted by the Uganda Government. We have committed nearly £240,000 from ODA disaster relief funds to help the agencies. We have also taken the lead in urging the Uganda Government to accept its responsibilities towards the displaced persons.

Mr Rifkind pressed home our concern during his visit to Uganda in July. Now, in response to this pressure from ourselves and others, the Uganda Government has issued an appeal for assistance and has set up a relief administration committee which is being chaired by a British Technical Cooperation Officer with long experience of Uganda, Mr William Kirkham. We know that President Obote is personally responsible for this initiative. Other Western countries are making considerable contributions in response to this appeal and the Foreign Secretary has agreed that we should

/contribute



contribute £250,000 (£150,000 from Uganda's 1983/84 aid allocation; and a further £100,000 of emergency relief funds) for the rehabilitation of the displaced persons. We shall of course need to keep a close eye on how the money is spent.

Sir Geoffrey suggests that the Prime Minister might send President Obote a personal message in advance of CHOGM, reminding him of the support we have given him since he returned to power, paving the way for a discussion in the margins of CHOGM, during the course of which the Prime Minister might tell Obote of the additional aid now available. If the Prime Minister agrees, we will let you have an appropriate short supplementary brief for CHOGM.

I am copying this letter to Mike Power in Mr Raison's office and to Richard Hatfield in the Cabinet Office.

A handwritten signature in dark ink, appearing to read 'R B Bone', with a horizontal line extending to the right.

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street



10 DOWNING STREET

THE PRIME MINISTER

18 November 1983

*Dear Mr President,*

I have seen a copy of your Government's appeal to the international community for help for those people who have in recent months been displaced from their homes in the area to the north and north-west of Kampala.

I wanted to let you know that I have every sympathy for the measures your authorities are taking to alleviate the hardships faced by these people. I am glad that British voluntary agencies have already been able to play a substantial part in the relief effort and hope that they will be able to give active help to your newly appointed Relief Co-ordinator in the areas concerned. I have asked my people to look into the possibility of providing more money for the important work that lies ahead.

We have followed with the closest interest and sympathy the efforts your Government and you personally have made to rebuild your country's security and prosperity. I look forward to seeing you at the Commonwealth Heads of Government Meeting in New Delhi next week.

With warm regards,

*Yours sincerely*  
*Raymond Dehnb*

His Excellency Dr. Apolo Milton Obote

Group/Class..... PREM 19  
Piece..... 970

HGM (83) 1 - Programme of Opening Session dated 20/11/83

HGM (83) 2 - Conference Arrangements dated 20/11/83

Paper extracted and  
temporarily retained  
under Section 3(4)  
pending completion of  
review.

(date)..... 15/1/2013

(Signed)..... S. Gray

FROM: T N Byrne  
Delegation Secretary

DATE 19 November 1983

PS Secretary of State )  
PS/No 10 ) separate copies

CHOGM BRIEFING

1. I believe you may be already holding copies of the C category briefs (ie those background briefs to be available in the Delegation Secretariat). You may therefore like to note the following amendments:

(a) PMVE (83) C 46

(1) Replace existing paragraph 4 with:

"(If raised) Regret Davy's bid for Glenbrook Steel Mills contract was unsuccessful."

(ii) Replace paragraph 8 with:

"A British firm, Davy McKee of Sheffield, tendered for the second stage in the construction of Glenbrook Steel Rolling Mills against fierce Japanese competition. This contract was lost to the Japanese firm IHI."

(b) PMVE(83) C 30 Revise

(i) At end of paragraph 1 add:

"Understand you have some firm proposals to put to the Guatemalans. Must keep up the momentum."

(ii) At end of paragraph 12 add:

"Price has suggested a further meeting with the Guatemalans on 1/2 December in Miami. The Guatemalans have not yet responded to the suggestion."

/Price

Price has told the High Commissioner in Belmopan that Belize will make three new proposals to the Guatemalans.

- (a) The use without sovereignty or ownership of the southernmost cay;
- (b) maritime delimitation to give Guatemala a passage to the open sea;
- (c) use of a sea port."

(iii) Replace existing paragraph 14 with:

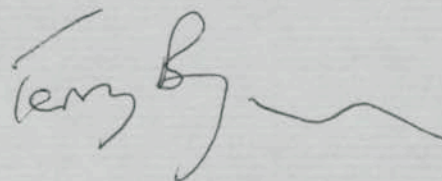
"Belize was one of eight countries to vote with the UK against the Argentine resolution on the Falklands at UNGA (16 November). Belize has also entered reservations on the Falklands passage in the NAM communique."

(c) PMVE(83)C52

(i) Replace paragraph 13 with:

"Following a recommendation by the review tribunal Lt Lewis-Walker was released on 16 November. As yet there is no date for a review tribunal for the other three officers. We have some indications that the Zimbabweans may release all or some fairly soon. These prospects could be set back if the subject were raised in a contentious way at CHOGM. It seems best to avoid it as far as possible. (Separate briefing has been provided for the Prime Minister's private talk with Mr Mugabe)."

(ii) Delete paragraph 14.



T N Byrne  
Delegation Secretary

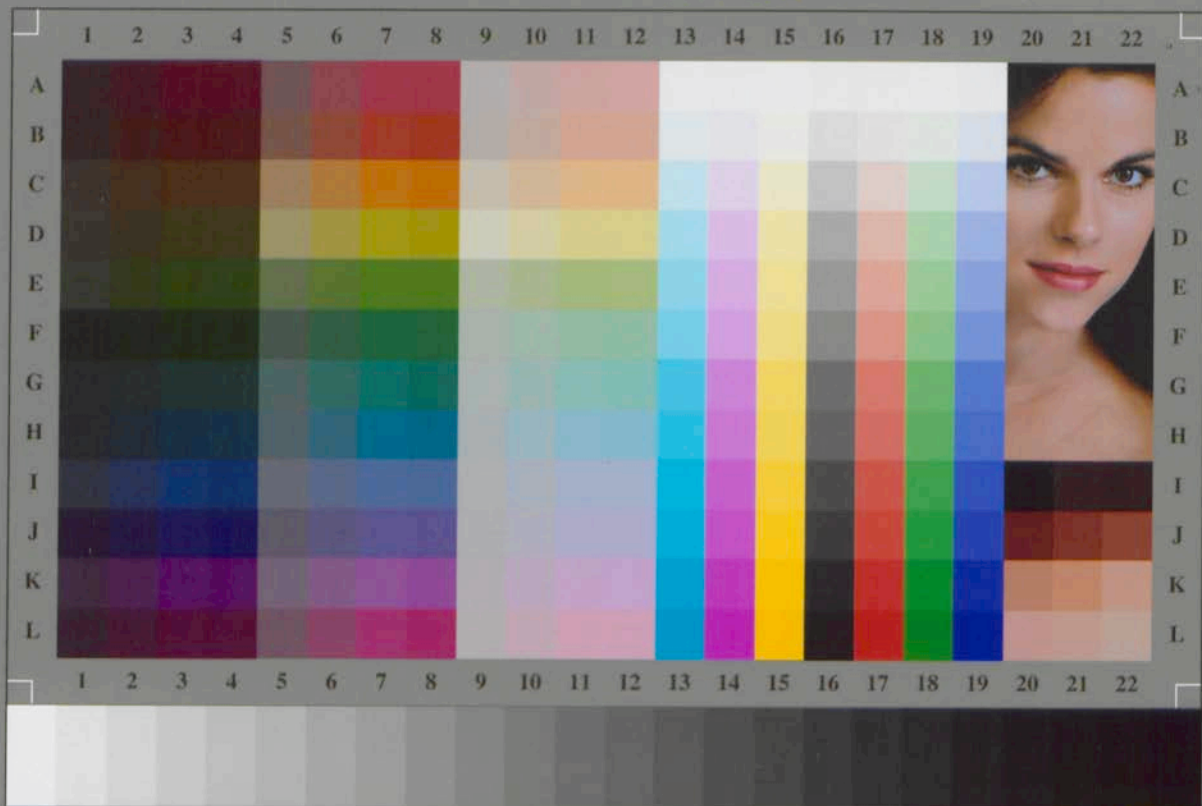
PART 5 ends:-

Harare tel 991 of 18.11.83

PART 6 begins:-

Delegation SEC to AJC 19/11/83

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