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Prime Minister

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Arrangements are well in hand for the Commonwealth Heads of Government Meeting in Lusaka which, as I informed you in my message of 11 January, will be held from 1 to 8 August this year. I am now writing to seek your views on the subjects which you would like to see discussed at the Meeting and to submit for consideration some preliminary ideas.

The consultations I have had with Heads of Government so far and the views of others as reflected at the Senior Officials Meeting in Kuala Lumpur indicate that the Agenda should retain its customary pattern of a combination of global political and economic issues and specific topics, including Commonwealth functional co-operation.

In the two years since Commonwealth Heads of Government last met in London we have witnessed changes in the political field of worldwide significance and the initiation of other processes not yet complete. Perhaps by the time of the Meeting it will be possible to record a satisfactory outcome in certain of these areas. If the political scene has shown signs of change the same can hardly be claimed of the world economic scene. Despite the multitude of meetings that have taken place in a variety of international forums and at different levels since the middle of 1977 it is not possible to record much progress in the vital task of improving the lot of the world's poor.

In considering those matters of particular concern to the Commonwealth, Heads of Government will undoubtedly wish to do so in the wider context of their global setting. The

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developments that have occurred in South East Asia and the greater activity and new orientation of China in its external relations will be of interest not only to Commonwealth members in Asia and the Pacific but more generally. Similarly the efforts that have been made and are still being made to bring peace to the Middle East, although not directly involving any Commonwealth member, are of significance for the world at large. The reverberations of the change of regime in Iran have not only a political but also an economic impact of considerable significance.

On subjects of special Commonwealth interest developments in Southern Africa will inevitably and rightly occupy a high place in the Agenda. Lusaka will be the first occasion on which Commonwealth Heads of Government have held one of their regular Meetings on the continent of Africa and Zambia has been one of the leaders in the liberation struggle. As I write there are so many uncertainties and imponderables that no-one can forecast what the situation in either Zimbabwe or Namibia will be by the time the Meeting takes place. We can be certain, however, that whatever developments may ensue there will surely be both scope and need for continuing Commonwealth concern with and assistance in the area.

The Meeting will also provide an opportunity to review developments in Cyprus and the work of the Ministerial Committee on Belize established at the London Meeting.

In the economic sphere, Heads of Government will wish, as is customary, to review the world economic situation and prospects in the light of the continuing dialogue on restructuring international economic relations. The MTNs, the Common Fund Negotiating Conference and UNCTAD V would have ended and their outcome would undoubtedly be major points of reference for the discussions in Lusaka. Of interest to many will also be the progress made in the negotiation of a new Lome Convention. The Meeting will provide an opportunity to evaluate developments and to consider how the Commonwealth, building on recent achievements, can make a purposeful contribution to progress in important areas of the "North/South" dialogue. The Commonwealth has, for example, an important stake in international commodity trade and with the Common Fund negotiations hopefully concluded, there may be interest in other aspects of commodity trade and production - progress in the establishment of International Commodity Agreements and the expansion of processing in the raw material producing countries.

In the area of international finance, the restrictive conditionality measures of the IMF have posed major constraints on the use of IMF resources by many Commonwealth countries which have found themselves in serious balance of payments

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difficulties. I wonder whether you would see value in a frank discussion of this issue?

In the specifically Commonwealth field, we have just witnessed a very successful Ministerial Meeting on Industrial Cooperation. Ministers saw immense value in launching an action-oriented Commonwealth programme designed to accelerate industrialisation and agreed that an Industrial Development Unit with catalytic functions should be established within the Secretariat for this purpose. They also requested me to establish a Working Group to investigate further all relevant issues related to the creation of a Commonwealth Venture/Capital Company or alternative arrangements to meet identified needs for equity capital. In the light of their discussions at Kingston and London, Heads of Government will, I am sure, wish to consider arrangements to put these decisions into effect, including the provisions of the additional resources identified as being needed over a three-year period for the Industrial Development Unit.

Another area in which the Commonwealth may be able to make a contribution relates to the special problems faced by very small states. As you will probably be aware, a meeting of Commonwealth officials to consider this subject is to be held in London in the second half of April and the results of that meeting will be submitted for consideration by Heads of Government in Lusaka. It is my hope that through practical measures of assistance we can find ways of responding to the particular problems of our smallest member countries.

The Commonwealth Fund for Technical Cooperation continues to be the prime agency for functional cooperation within the Commonwealth. It is at the heart of an ever-widening range of joint Commonwealth assistance programmes and also provides an instrument for corporate action at the direction of Commonwealth leadership as a whole - such as the Commonwealth programmes of assistance in Southern Africa. Such practical manifestations of the Commonwealth's solidarity on major global issues, and its capacity to contribute in a meaningful way to the development efforts of its member countries, has been of immense and enlarging value. It is my hope that Heads of Government will wish to consider the measures necessary to strengthen this unique instrument for mutually beneficial cooperation.

The Commonwealth Youth Programme is another manifestation of such cooperative effort. Given the importance which Heads of Government have attached to work in the youth field, it would be helpful to have a discussion on the objectives and resources of the Programme in the light of its present financial constraints.

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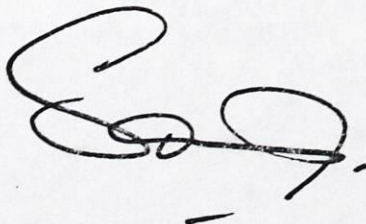
At their London Meeting, Heads of Government asked me to establish an Advisory Committee on relationships between the official and unofficial Commonwealth. There was some preliminary discussion of the Committee's Report at the Commonwealth Senior Officials Meeting in Kuala Lumpur in November last but final decisions on the recommendations have yet to be taken.

The foregoing are, of course, my own thoughts although they may well reflect views of those Heads of Government with whom I have had the privilege of discussion in recent months. I should be glad to have your views on the shape of the Agenda together with any suggestions you may have for specific topics for discussion. It would be useful if you could also let me know whether you plan to submit any papers to the Meeting. The Secretariat will be preparing a number but it is my hope to keep these to the minimum in both quantity and length.

In London in June 1977, in closed session, Heads of Government discussed the style and format of their future meetings with a view to enhancing their informality and purposefulness. A number of suggestions were made, and I was asked to pursue the matter further and put forward recommendations. Following my discussion of this issue with Commonwealth Senior Officials at Kuala Lumpur, I am in the process of consulting as many Heads of Government as I can and will submit specific proposals for your consideration nearer the time of the Meeting. It is already clear, however, that there is a general wish for more restricted sessions than in the past, and in formulating your thoughts on the Agenda you might perhaps wish to bear this in mind for the opportunities it will present.

I am aiming to prepare and circulate an annotated draft agenda for your consideration by the end of May and I should therefore welcome replies by the end of April.

With deep respect,

A handwritten signature in dark ink, appearing to be 'S. G.', written in a cursive style.