

11 August 1981

*Dear Prime Minister,*

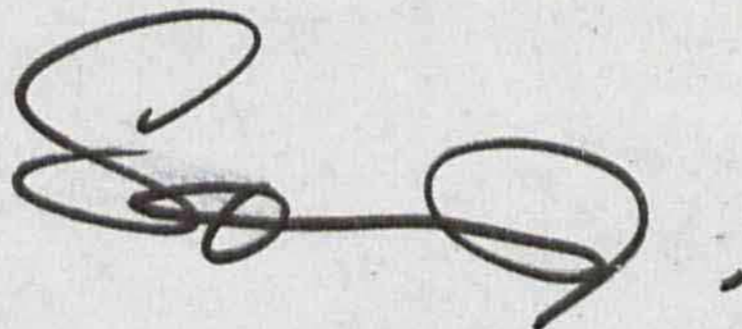
Thank you for your letter of 31 July and for your comments and suggestions on the scope of the Melbourne discussions. I have now issued the agenda papers and, as you will see, they reflect your concerns as well as those of other Heads of Government. I particularly welcome your suggestion that the economic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

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

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

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

With deep respect and regards,



Shridath S. Ramphal

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

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SECRET

10 August 1981

*Dear Paul Quintin,*

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

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

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

1. OPENING SESSION

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

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

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

## 2. ORDER OF AGENDA

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

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

## 3. WORLD POLITICAL SCENE

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

### (a) Global Trends and Prospects

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

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

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

(b) Developments in Asia

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

(c) Southern Africa

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

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

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

#### 4. WORLD ECONOMIC SITUATION

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

##### (a) The Overview of Crisis

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

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

##### (b) Approaches to Solutions

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

i) Trade

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

ii) Financial flows

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

iii) Energy

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

(c) Food : A Commonwealth role

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

5. ISLAND DEVELOPING AND OTHER SPECIALLY DISADVANTAGED MEMBER COUNTRIES

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

6. COMMONWEALTH CO-OPERATION

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

(a) Regionalism

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

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

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

(c) Commonwealth Foundation

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

(d) Commonwealth Youth Programme

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



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

(e) Culture

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

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

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

i) Report of the Commonwealth Working Party on Human Rights

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

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

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

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

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

SECRET

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

iv) Feasibility Study on Commonwealth Film and Television Institute

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

7. REPORT OF THE COMMITTEE OF THE WHOLE

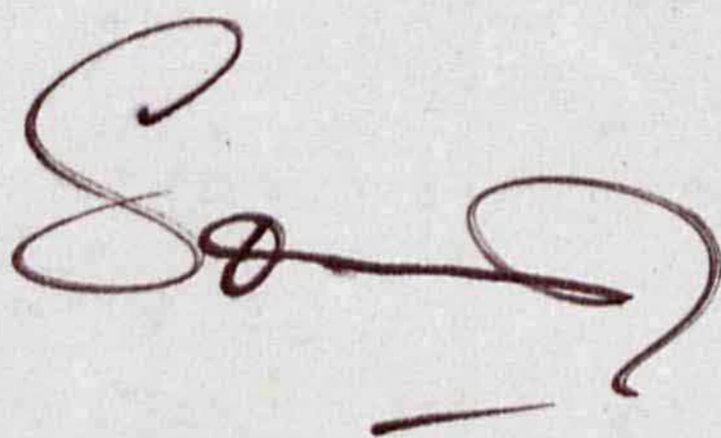
This agenda item is intended to allow for consideration of the Report of the Committee of the Whole on any matters, other than the draft communique, that may have been sent to it for preliminary consideration.

8. OTHER BUSINESS

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

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

With deep respect,



Shridath S Ramphal