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ds

10 DOWNING STREET

From the Private Secretary

17 August 1981

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

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

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

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

M. A. PATTISON

Peter Jenkins, Esq.,
HM Treasury.

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PRIME MINISTER

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

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

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

14 8 81

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

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

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

May I also know what tariffs
have been lowered and what increased
since France came to office.

Also what action on

- 1) additional aid
- 2) additional trade

He proposes to take as a result
of his communication.

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

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