



Foreign and Commonwealth Office

London SW1A 2AH

23 September 1981

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Prime Minister

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CHGM: MELBOURNE

You may find this useful:
The Party Centre is briefing the briefing folders downstairs & will bring up any you wish to see again. *Phd 23/9*

It may be helpful if we set out in advance of the Prime Minister's briefing meeting (3 pm, Thursday 24 September) those issues on which we think it could be particularly useful to focus on that occasion. The Prime Minister will already have seen the Steering Brief (PMVN(81)B1).

The main focus at CHGM is likely to be on the world economic situation, particularly its implications for developing countries. The Prime Minister might wish to consider the Australian attitude on these issues and whether anything further should be said to them on these matters before CHGM. The Australians may circulate their 'Melbourne Declaration' in its original form. We have instructed Canberra to press for amendments before circulation. The Australians have also circulated a contentious paper on 'The impact of protection on developing countries' trade. (These points are covered in the revised briefing which Cabinet Office are circulating). We have suggested that representations be made to them about this also (Francis Richards' letter of 18 September). There could perhaps be a case for following up these representations with a personal message from the Prime Minister to Mr Fraser.

I would have thought this a bad idea.

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More generally, the meeting might consider our overall approach to relations with developing countries in the light of

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the discussion at OD on 18 September. Paragraphs 6 and 7 of the steering brief are relevant; and the main briefs on the subjects (briefs A4 and B19) are being revised today and will be circulated this evening.

Mr Ramphal is likely to press his ideas for a Commonwealth initiative on Food and may have a fair amount of support. We question the need for a special programme, seeing the issue rather as one of priorities for the Commonwealth Fund for Technical Cooperation (CFTC). The Chancellor's forecast of increased British contributions to CFTC over the next three years has been well received at this week's meeting of Commonwealth Finance Ministers in Nassau.

In the political discussions, there are potential problems lurking under the 'Southern Africa' heading - which on present form is unlikely to be discussed in substance until the Monday (5 October) - because of the late arrival of President Shagari who is to be lead speaker. Provided that the efforts of the Five are under way again by then, or that some early movement is in prospect, the discussion on Namibia may not be too difficult. We can however expect criticism of the Americans and will have to carry conviction in persuading our Commonwealth colleagues that the endeavours of the Five are indeed the only sensible way forward. The Gleneagles Agreement, in the wake of the Springbok tour of New Zealand, could prove the most controversial subject of the whole meeting. The key is likely to rest with Mr Muldoon. It may be useful to consider how to handle this problem.

There is a delicate matter which does not feature on the agenda: Pakistan's possible readmission to the Commonwealth. The alarm signals are sounding from Delhi, and progress may be elusive

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if not impossible. It will probably be best pursued in informal talks at the Canberra retreat. Again, it might be useful to touch on this on Thursday afternoon.

We would not expect to encounter any serious difficulties under the 'Commonwealth Cooperation' heading - although there will no doubt be criticism on the subject of students' fees: and pressure from the Secretariat to have more money spent on a variety of projects covered in the briefs.

Yours ever

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