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10 DOWNING STREET

From the Private Secretary

23 September 1981

The Prime Minister has seen Brian Fall's letter to me of 18 September about the Australian paper on trade policy.

The Prime Minister does not dissent from the Foreign Secretary's assessment of the unhelpful nature of Mr. Fraser's latest initiative. However she is worried lest we should seem to be pouring too much cold water on Mr. Fraser's efforts in advance of CHOGM. She wonders whether it is really necessary to send such a negative message as that suggested by Brian Fall. If it is necessary to convey a warning signal, the Prime Minister hopes it can be done in a low key.

I am sending copies of this letter to John Rhodes (Department of Trade), John Kerr (H.M. Treasury), Kate Timms (Ministry of Agriculture, Fisheries and Food) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Francis Richards, Esq., Foreign and Commonwealth Office.

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