10 DOWNING STREET

THE PRIME MINISTER

29 September 1981

Thank you for your letter of 16 September enclosing a letter which you and Herr Willy Brandt have sent to the participants at the Cancun Summit meeting. The meeting is taking place as a direct result of a suggestion made by the Brandt Commission; it is therefore both appropriate and valuable to have your ideas in advance.

I entirely agree that both developed and developing countries share many interests in common. We in Britain with our far flung economic and cultural links, are particularly conscious of this. The Report of the Brandt Commission has made a valuable contribution to widening understanding of the issues involved. I also agree that the plight of the poorest demands major efforts from the industrialised countries. About two-thirds of our bilateral aid goes to countries in that category.

As regards your specific suggestions, Britain's position on the Global Negotiations has already been made clear both at the European Council in Luxembourg and in the Declaration of the Ottawa Summit. On areas of discussion, I agree broadly with the four fields which you identify and I welcome the fact that the procedures agreed for Cancun are sufficiently flexible to encompass them.

Finally, as regards future meetings, I am indeed keeping an open mind. The meeting at Cancun is, as you say, a unique occasion. I very much hope that it will lead to a new and constructive approach to these issues. For my part, I shall be looking to make progress wherever possible.

/ Meanwhile,

Meanwhile, the Commonwealth Heads of Government Meeting in Melbourne will provide a valuable opportunity for informal discussion. I hope that it will set the tone for Cancun.

Your sicerely Nagaret Holder