



10 DOWNING STREET

THE PRIME MINISTER

23 September, 1983

Dear Mr. Ransford.

I enjoyed our recent talk about the prospects for this year's Commonwealth Heads of Government Meeting. I am now writing in reply to your circular letter of 2 August about the agenda.

As you say in your letter, the world continues to be beset by apparently intractable problems. I of course share your hope that the Commonwealth may be able to make a contribution to solving at least some of them. I would see great value in private, informal discussion of these matters. It is that kind of discussion that gives these meetings their unique value.

As far as individual issues are concerned, you have identified those of particular Commonwealth concern. With so many problems to discuss, it will be more than ever important not to spend too long on one or two, however important, at the expense of the others.

I am however a little unhappy about two of your suggestions. First, I do not believe that a specifically Commonwealth initiative on disarmament or global security would advance significantly the work already under way in arms control negotiations in the UN and other fora. Second, we believe that the best prospects for reaching a settlement in Cyprus lie in the inter-communal talks in Nicosia held under the auspices of the UN. Initiatives outside this framework would seriously risk cutting across the efforts of the UN Secretary-General and could well prove counter-productive. For this reason we would prefer to avoid substantive discussion of this question in New Delhi.

/ I agree

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I agree that the problems of Southern Africa should be discussed by Commonwealth leaders in order to see how best to contribute to the search for solutions. I share your disappointment at the slow rate of progress towards Namibian independence. I shall naturally be ready, with Mr. Trudeau, to give an account of the activities of the Contact Group. Some of our colleagues will no doubt want to discuss implementation of Gleneagles, but I would hope we need not spend a great deal of time on this. I was, as you know, greatly encouraged by the decisive vote by the MCC against sending a team to South Africa.

As you suggested to Janet Young in July, it might be opportune for me to bring Heads of Government up to date on our thinking on the Falklands. I would propose to say something about our plans for the Falkland Islands, to thank those of our colleagues who have given us general support on this issue and to urge them to continue doing so.

As you say in your letter there has been a great deal of discussion about international economic issues in the first half of 1983. The reality of interdependence is now generally accepted. An enduring recovery in the world economy will do more than anything else to alleviate the problems currently facing the developing countries. We are at present studying the report entitled "Towards a New Bretton Woods", which you sent me on 12 September and about which we spoke when you came to see me.

I agree that we should look closely at the various aspects of functional co-operation within the Commonwealth. I am sure you are right to say that, in present financial circumstances, we should aim for a period of consolidation. If there are to be proposals for increased activities in any area, it would be helpful if these could be costed, and if proposals could also be put forward for balancing savings.

/I look

I look forward to seeing your paper about the style and format of our Meetings. As you know, I would like to see them become even more informal and businesslike. But I recognise the problems and realise that the solution essentially lies with Heads of Government themselves. I believe that the Chairman has a particularly crucial role to play. We can rely on Mrs Gandhi to exercise the right mixture of firmness and tact. In this connection, I welcome your suggestion that the Meeting should conclude on the evening of 29 November.

Finally, I hope we can pursue with real determination our search for a shorter communique. We all seem to favour this in principle, but it always eludes us in practice. I hope we may have more success on this occasion.

Yours sincerely
Rajiv Gandhi

His Excellency Mr. Shridath Ramphal, Kt, GMC, QC

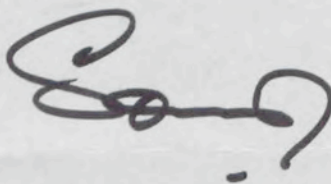
20 October 1983

Mr. Shri Ramphal

Thank you for your letter of 23 September about the Agenda for the forthcoming Commonwealth Heads of Government Meeting in New Delhi. I have now issued the Agenda papers and you will see from them that I have sought to reflect your comments and concerns in full measure. Your views on the major items on the Agenda will be, of course, of the highest interest to your colleagues, and I particularly hope that you will help to set the tone for the discussions on the principal agenda items by early interventions. I am, of course, taking very seriously the need for occasional restricted sessions and the opportunities for intimate discussions which the retreat in Goa will provide. Additionally, however, I hope I may make one specific request of you which arose out of my discussions with Mrs Gandhi in Delhi last week.

As is customary, the Meeting will begin with a formal opening session, in this case on Wednesday, 23 November, during which a few Heads of Government, each speaking for about seven minutes, will respond to Mrs Gandhi's address of welcome. A large number of invited guests will be at the Opening Ceremony, the only session which will be televised and covered directly by the media. It is with particular pleasure that I invite you to be one of the Heads of Government to respond to Mrs Gandhi. I very much hope that you will agree to do this.

With deep respect and regards,

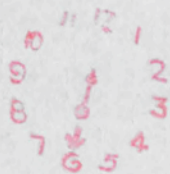


Shridath S Ramphal

The Rt Hon Margaret Thatcher, MP
Prime Minister of Great Britain
and Northern Ireland
10 Downing Street
London SW1

Commonwealth
CHGM
P5.

21 Oct. 1983



CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

7 October 1983

Type letter pl.

Dear Idun,

AS 19/10

CHOGM: Annotated Agenda

/ The Commonwealth Secretary-General has asked us to forward to the Prime Minister the enclosed envelope containing a circular letter to Heads of Government with Mr Ramphal's annotated proposals for the agenda for CHOGM. In accordance with normal practice, we are reclassifying the letter Confidential.

The proposals contain no surprises. Mr Ramphal does not specially emphasise the possibility of initiatives on subjects the Prime Minister has told him she would find unwelcome: disarmament and Cyprus. We shall have the opportunity to comment on the agenda in the Senior Officials' meeting immediately before CHOGM in New Delhi, on 22 November. The Prime Minister would then, if necessary, also have the opportunity to comment when the agenda is discussed by Heads of Government immediately after the Opening Session.

We are consulting other departments about Mr Ramphal's proposals with a view to submitting very shortly to the Cabinet Secretary a suggested list of briefs.

/ Meanwhile, there seems no need for the Prime Minister to respond personally to Mr Ramphal's latest letter. I enclose a draft letter of acknowledgement which you may care to send on her behalf.

Your ever

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

CONFIDENTIAL

DRAFT: ~~minute~~/letter/~~teletype~~/~~despatch~~/note

TYPE: Draft/~~Final~~

FROM: Private Secretary, No 10

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

TO: HE Mr Shridath S Ramphal, AC Kt
 CMG QC
 Commonwealth Secretariat
 Marlborough House
 Pall Mall
 LONDON SW1Y 5HX

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

The Prime Minister was [redacted] grateful for your letter of 29 September containing your proposals for the agenda of the forthcoming Heads of Government Meeting.

This seems to cover the ground [redacted] comprehensively. The Prime Minister agrees that it would be useful for Heads of Government to consider the Agenda in the light of a report from senior officials in a 'restricted' session immediately after the formal opening.

WOL 10/9

Enclosures—flag(s).....

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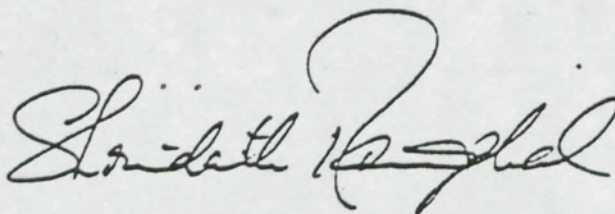
DOE

3 October 1983

C.152/12/3

COMMONWEALTH HEADS OF GOVERNMENT MEETING
NEW DELHI 1983

... I attach a message to your Head of Government on the
... subject of the Agenda for the forthcoming Heads of Government
... Meeting at New Delhi from 23 to 29 November, with five extra
copies. I should be grateful if you would ensure that the
original is transmitted to your Head of Government as quickly
as possible.



Shridath S. Ramphal

C.152/12/3

CONFIDENTIAL

~~SECRET~~ YDG

29 September 1983

On 2 August 1982 I wrote canvassing the views of Commonwealth leaders on the Agenda for the Heads of Government Meeting in New Delhi at the end of November. In the light of replies and further consultations I have been able to have, I now enclose a draft Agenda for your consideration, supplemented by a list of background papers which the Secretariat will distribute shortly. In accordance with our established guidelines on Style and Format, about which I have written to you separately, documents have been kept to a minimum so as to promote informality and spontaneous discussion.

As on previous occasions, the Agenda has been structured around broad and flexible headings to enable a review of developments in larger terms as well as discussion focussing upon more detailed aspects or specific topics. In the Introduction to my Report for the period 1981-83 I have offered some reflections on developments since Melbourne. I hope that the following comments offered by way of annotation of the draft Agenda will be helpful in your preparations.

1. OPENING SESSION

The Opening Session will be on the morning of Wednesday, 23 November at 1000 hours at the Vigyan Bhavan in the presence of a large number of invited guests and the media. In addition to Prime Minister Indira Gandhi's address of welcome and my own remarks, there will be the customary speeches in reply taking in all about an hour.

The formal photograph of Heads of Delegation will follow immediately.

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My traditional reception to provide you with an opportunity to meet representatives of the Indian and world press, who will have gathered in New Delhi to cover the Meeting, will be at 1230 pm.

2. ORDER OF AGENDA AND STYLE AND FORMAT

Immediately after the Opening Session and before the midday reception I hope there might be a short first Session held on a 'restricted' basis (Heads of Delegation only) to consider the Agenda and the suggested guidelines on Style and Format which might be taken as the first order of business.

Senior Officials will have met as is customary on the previous day 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 Session.

In addition, Heads of Government may wish to consider at the very outset the modified guidelines on Style and Format which I sent under cover of my letter of 19 September. The refinements of the Lusaka Guidelines are all designed to enhance and reinforce the special qualities of Commonwealth Heads of Government Meetings - starting in New Delhi.

3. WORLD POLITICAL SCENE

(a) Global Trends and Prospects

Under this general heading it is envisaged that discussion will traverse issues of broad political interest and special concern to Commonwealth leaders. The absence of sub-items, other than that on Southern Africa, is not intended to exclude discussion on specific subjects but rather to emphasise the broad and reflective nature of the item responsive to current circumstances,

Heads of Government will no doubt wish to consider from their several vantage points the many political developments that have occurred since they met two years ago. On that occasion the annotation of the Draft Agenda under this item was, inter alia, to the following effect:

"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".

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These disturbing trends have continued, and in some respects they have worsened, since Melbourne. But, partly because they have, there is now, perhaps, a greater awareness of the dangers they constitute and a heightened sense of urgency to reverse them - concerns which have been prominent in the opening days of the current Session of the UN General Assembly.

In my consultations leaders have underlined a variety of particular issues: the continuing problems in West and East Asia; self-determination and denuclearisation in the South Pacific; the Falklands; and such special concerns as Cyprus and Belize. All these and more will be in the minds of Commonwealth leaders and will inform the political discussion. But a wider anxiety has been the overall deterioration in the environment of international security and the particular intensification of East-West tensions. Each of the Commonwealth's different regions has suffered to some degree in the prevailing climate of confrontation, suspicion and insecurity.

Commonwealth leaders at New Delhi will not wish to enter the maze of specific technical disarmament issues, but may see value in sharing their thoughts on paths leading away from militarism and towards internationalism and common security. At Melbourne, Commonwealth leaders emphasised that - "As an association of aligned and non-aligned states, the Commonwealth was uniquely well placed to make a substantial contribution to defusing international tensions in a divided world". New Delhi will be a timely occasion for Commonwealth leaders to explore how best they might make that contribution.

Nowhere has the decline in internationalism been more in evidence than in the erosion of confidence in the conciliatory role of the United Nations. In his 1982 Report and again in his 1983 Report the United Nations Secretary-General has called on nations to return to the spirit of the Charter and to take urgent steps to restore confidence in the world organisation as a means of maintaining international security. The Commonwealth's many small states have a particular interest in fulfilment of the Charter's promise of collective security; but all states would gain. Heads of Government may wish to consider how the Commonwealth can help this process of renewal.

(b) Southern Africa

The Commonwealth has a special concern with the problems of Southern Africa, including Namibia's independence. Commonwealth leaders will wish to review the continued frustration by South Africa of the United Nations' efforts to resolve the Namibian question. They may also wish to explore the prospects of a Commonwealth contribution to international efforts to bring Namibia to independence, bearing in mind the special roles of Commonwealth Frontline African States and Commonwealth members of the Western Contact Group.

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Commonwealth leaders will also wish to consider the wider but related problems of apartheid in South Africa and of the new pressures being faced by Commonwealth countries in the region. While exploring further areas for Commonwealth action against apartheid, including humanitarian assistance to its victims, Heads of Government will wish to note the very real value of the Commonwealth's contributions under the Gleneagles Agreement and, more recently, the Brisbane Code of Conduct.

4. WORLD ECONOMIC ISSUES

All my consultations confirm that, as was the case at Melbourne, Heads of Government attach overwhelming importance to the discussion of economic issues at New Delhi. For some Commonwealth countries the general economic situation is even more serious now than two years ago. A process of recovery is underway in the United States, and to a more limited degree in some OECD countries; but there is uncertainty about its strength and durability. Taken as a whole, there is general agreement that the world economy remains in need of 'intensive care' and that the assessment which Commonwealth leaders made in their Melbourne Declaration remains valid, namely:

"that what is at stake, in terms of how hundreds of millions will live or die; of the prospects for cooperation or conflict; and of the prospects for economic advance or stagnation - is of such vital importance in human terms that it would be an indictment of this generation if that political will and the readiness to find a creative compromise were not found".

At New Delhi, Commonwealth leaders will have before them two studies which they commissioned at Melbourne. The first, PROTECTIONISM: THREAT TO INTERNATIONAL ORDER, is the work of the Group which was set up to study the impact of protectionism on developing countries in particular and its implications worldwide as well. As envisaged, the report was made available to the GATT Ministerial Meeting in 1982. The second study relates to the obstacles to progress in the North-South dialogue arising from the negotiating process itself. That report, NORTH-SOUTH DIALOGUE: MAKING IT WORK, was also published in 1982. Both reports have attracted wide international notice and been welcomed for their dispassionate professionalism, candour and practical thrust.

More specifically, however, Heads of Government at New Delhi will have before them a new major study, TOWARDS A NEW BRETTON WOODS: CHALLENGES FOR THE WORLD FINANCIAL AND TRADING SYSTEM. Commissioned by Commonwealth Finance Ministers in 1982, this Report by a most distinguished Expert Group has been welcomed just recently by Commonwealth Finance Ministers (at their September meeting in Port of Spain) "as a major contribution to the ongoing search for answers to

the wide range of issues with which it dealt". The Report covers the substantive issues and makes recommendations for both the short and long term. It also deals with matters of procedure and makes recommendations on the next steps that the international community might take.

Finance Ministers specifically commended the Report to Commonwealth Heads of Government in New Delhi and requested the Prime Minister and Minister of Finance and Planning of Trinidad and Tobago "to convey to his colleagues at New Delhi the essence of the discussions in Port of Spain". The relevant paragraphs of their Communique are set out in Annex I to this letter.

Heads of Government will note that in Port of Spain Commonwealth Finance Ministers gave particular attention to the question of follow-up to the Report, including the recommendations on process, and that in doing so:

"They welcomed the view that the call for a 'New Bretton Woods' should be seen as a need for renewed work towards shared international objectives requiring the most careful preparation. An international conference could be the culmination of the process. They agreed on the need for a more integrated approach to inter-related issues of money, finance and trade. They also agreed that these were matters of great political importance requiring careful consideration by the international community at the highest level".

The Report's recommendations on 'process' is attached hereto as Annex II.

Taken together with the 1982 reports, TOWARDS A NEW BRETTON WOODS will provide Heads of Government at New Delhi with a comprehensive, authoritative and up-to-date survey of contemporary international economic issues offering pointers for solutions both on substance and on process. It is now for Commonwealth leaders together to grasp the situation in its full political dimensions. The New Delhi meeting will be almost uniquely well-placed to contribute to global consensus-building in this area of critical importance to all countries.

5. COMMONWEALTH FUNCTIONAL COOPERATION

Commonwealth Heads of Government do not expect to dwell extensively on the details of functional cooperation. These are for the greater part in the domain of appropriate Ministerial consultations. Together, however, they represent a vital practical element of Commonwealth relations and to many Commonwealth leaders, particularly among developing member countries, they are a tangible expression of the Commonwealth connection. Heads of Government will want their New Delhi meeting to reinforce the importance of this day-to-day cooperation between member countries. The specific topics are:

(a) Commonwealth Fund for Technical Cooperation

Commonwealth leaders will welcome the improved strength of the Fund due essentially to new forward planning techniques, the continued support of the major contributor countries and the whole-hearted response to my call for increased contributions from the very many small developing countries who are the Fund's principal beneficiaries. There is general agreement that in present difficult financial times the Fund should look to the period immediately ahead as one of consolidation. These very times, however, enlarge the need for the Fund's assistance. While growth will be modest, therefore, it is essential that the Fund be alert to the most pressing needs and constantly responsive to them.

(b) Student Mobility

At their Melbourne Meeting, Heads of Government reaffirmed the importance of student mobility and educational interchange within the Commonwealth, both in the context of the development efforts of member countries and the maintenance of Commonwealth links. Pursuant to the Melbourne discussion the Commonwealth Standing Committee on Student Mobility was established in 1982 and its Report will be before leaders at New Delhi. The Committee sees educational interchange as a Commonwealth imperative, and makes wide-ranging recommendations to put such interchange on a more assured basis and to give it greater coherence. The Committee proposes initiatives designed to improve consultation, to facilitate and diversify student interchange, and to promote new and imaginative approaches to Commonwealth cooperation in higher education with a view to widening the range of opportunities for Commonwealth citizens. Heads of Government will wish to consider the Committee's recommendations in this most important area of intra-Commonwealth activities.

(c) Commonwealth Youth Programme

At Melbourne, Heads of Government agreed that the Commonwealth Youth Programme should be provided with adequate resources to sustain its existing level of activities and, to this end, that Governments should seek to maintain the value of their contributions in real terms. It is encouraging that this objective has broadly been achieved and that the Programme has been set on a stable course. Heads of Government may wish to reaffirm their support for the Programme as well as their commitment to maintaining the value of their pledges.

(d) Commonwealth Science Council

The Commonwealth Science Council has set up an Expert Group to examine ways and means of promoting an expanded programme of Commonwealth scientific cooperation, especially in new and emerging areas of developmental significance. Heads of Government may wish to welcome the establishment of this Group, whose recommendations could take Commonwealth scientific cooperation to a higher threshold.

(e) Women and Development

Since its establishment by Heads of Government three years ago, the Secretariat's very modest Women and Development Unit has sought to give the Commonwealth's contribution in this area an emphasis on practicality. The UN World Conference to Review and Appraise the Achievements of the UN Decade for Women is expected to be held in a member country, Kenya, in 1985. Heads of Government may think it appropriate that Commonwealth Ministers responsible for women's affairs might take that opportunity to evaluate the Secretariat's programme and to identify directions for the future.

(f) Commonwealth Foundation

Following approval by Heads of Government at Melbourne, formalities for the reconstitution of the Foundation as an international organisation were completed in February 1983. A comprehensive review of the Foundation's programmes has also been completed. Though headquarters costs have been reduced, inflation (since 1979) has substantially affected the Foundation and inroads into reserves are inevitable in the current year if the present level of activity is to be maintained. The Foundation now seeks modest increased resources to consolidate and put into effect programmes and policies drawn up as a result of the review.

(g) Culture

The Secretariat was requested by Senior Officials at their meeting in Arusha to prepare a background paper outlining the possibilities for Commonwealth cooperation in the cultural field. Heads of Government might wish to explore the several options that are open to them in this field, along with their financial implications.

6. OTHER BUSINESS

It has been suggested that Commonwealth leaders may wish to have a discussion on population issues, particularly in the light of the International Conference on Population due to be held in Mexico in 1984. Given the importance of the subject for world development, Heads of Government may think it appropriate to take account of the subject in their contributions on World Economic Issues.

Additionally, Heads of Government will have before them a proposal by Commonwealth Employment and Labour Ministers for a working group on the management of technological change. This may appropriately be considered as a sub-item under Functional Cooperation.

General

The Agenda proposed aims at a judicious blend between substantial policy issues and matters of a more specific nature. Bearing in mind the practice of the Committee of the Whole (Senior Officials) giving initial

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consideration to most of the 'Functional Cooperation' items, I hope you will agree that the Agenda offers a reasonable basis for constructive dialogue across a broad spectrum of issues of interest and concern to Commonwealth leaders.

I know that Heads of Government value their meetings as opportunities both for enlarging consensus on specific issues and having a truly reflective discussion aimed at broadening understanding of each others point of view. To this end, as the guidelines on Style and Format suggest, effective use might be made at New Delhi of 'Restricted Sessions'; and there remains, of course, the whole range of informal contacts between leaders from which Commonwealth relations are so greatly strengthened.

At a time of great strain in international relations and of much danger for the world's people, the draft Agenda for New Delhi aims to afford Commonwealth leaders a chance of applying that "healing touch" which Jawaharlal Nehru attributed to the Commonwealth some 35 years ago.

With deep respect,

Shridath S Ramphal

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI - 1983

DRAFT AGENDA

1. OPENING SESSION
2. ORDER OF AGENDA AND STYLE AND FORMAT
3. WORLD POLITICAL SCENE
 - (a) Global Trends and Prospects
 - (b) Southern Africa
4. WORLD ECONOMIC ISSUES
5. COMMONWEALTH FUNCTIONAL COOPERATION
 - (a) CFTC
 - (b) Commonwealth Student Mobility
 - (c) Commonwealth Youth Programme
 - (d) Commonwealth Science Council
 - (e) Women and Development
 - (f) Commonwealth Foundation
 - (g) Culture
6. REPORT OF THE COMMITTEE OF THE WHOLE
7. OTHER BUSINESS
8. COMMUNIQUE

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COMMONWEALTH HEADS OF GOVERNMENT MEETING
NEW DELHI - 1983

DRAFT AGENDA : DOCUMENTATION

1. OPENING SESSION
2. ORDER OF AGENDA AND STYLE AND FORMAT
 - Letter from Secretary-General to Heads of Government dated 19 September 1983
3. WORLD POLITICAL SCENE
 - (a) Note for information:
 - Extracts from UN Secretary-General's Reports for 1982 and 1983
 - Report of the President of the Security Council on enhancing the effectiveness of the Security Council (Document S/15971 of 12 September 1983)
 - (b) Report of the Commonwealth Committee on Southern Africa (HGM(83)4)
4. WORLD ECONOMIC ISSUES
 - (a) Studies mandated by Heads of Government Meeting 1981
 - (i) "Protectionism: Threat to International Order"
Report by Group of Experts
 - (ii) "North-South Dialogue: Making it Work"
Report by Group of Experts
 - (b) "Towards a New Bretton Woods: Challenges for the World Financial and Trading System"
Report by a Group of Experts
 - (c) Memorandum by the Commonwealth Secretary-General on the Reports of the three Experts' Groups (HGM(83)5)

5. COMMONWEALTH FUNCTIONAL COOPERATION

Ninth Report of the Commonwealth Secretary-General

(a) CFTC

Special Commonwealth Stamp Issue: Note by the
Commonwealth Secretariat
(HGM(83)6)

(b) Commonwealth Student Mobility

Second Report of the Commonwealth Standing Committee
on Student Mobility

Resolution by Executive Heads of Commonwealth
Universities

Memorandum by the Commonwealth Secretary-General
on the Standing Committee's Report
(HGM(83)7)

(c) Commonwealth Youth Programme

Memorandum by the Commonwealth Secretary-General
(HGM(83)8)

(d) Commonwealth Science Council

Note by the Commonwealth Secretariat
(HGM(83)9)

(e) Commonwealth Foundation

Memorandum by the Chairman and Trustees of the
Commonwealth Foundation
(HGM(83)10)

(f) Culture

Note by the Commonwealth Secretariat on
Cooperation in the Cultural Field
(HGM(83)11)

6. REPORT OF THE COMMITTEE OF THE WHOLE

7. OTHER BUSINESS

8. COMMUNIQUE

Note: Some Governments have indicated a wish to submit papers.
These will be circulated when received.

Extract from the Communique of the Commonwealth Finance Ministers' Meeting, Trinidad and Tobago, 21-22 September 1983

"TOWARDS A NEW BRETTON WOODS"

6. Ministers welcomed the Report "Towards a New Bretton Woods: Challenges for the World Financial and Trading System" for which they called at their previous meeting. The background, as explained in the communique of that meeting, was the urgent need, in view of the vast politico-economic changes which had taken place since the establishment of the Bretton Woods institutions, for a new overall examination of the international trade and payments system as a whole and in particular the role of the international economic institutions. They regarded the Report as a major contribution to the ongoing search for answers to the wide range of issues with which it dealt. They congratulated the Study Group on the high quality of their unanimous Report.
7. Ministers noted that the Report contained far-reaching recommendations of a short and longer-term character. They felt that the short-term issues should be taken up by them at the forthcoming Annual Meetings of the World Bank and IMF. Ministers commended the general thrust of the Report for serious consideration by the Commonwealth countries in particular and the international community in general.
8. Accordingly they requested the Secretary-General to seek the widest possible circulation and discussion of the Report. In that context they discussed ways to add further impetus to efforts to promote multi-lateral economic cooperation.
9. Ministers gave particular attention to the question of follow-up to the Report, including the recommendations on process which it contains. They welcomed the view that the call for a "new Bretton Woods" should be seen as a need for renewed work towards shared international objectives requiring the most careful preparation. An international conference could be the culmination of the process. They agreed on the need for a more integrated approach to inter-related issues of money, finance and trade. They also agreed that these were matters of great political importance requiring careful consideration by the international community at the highest level.
10. On this basis they commended the Report to Commonwealth Heads of Government at their meeting in November in New Delhi and requested the Prime Minister and Minister of Finance and Planning of Trinidad and Tobago to convey to his colleagues at New Delhi the essence of the discussions in Port-of-Spain.

TOWARDS A NEW BRETTON WOODS:
Challenges for the World Financial
and Trading System

Chapter 9

Next Steps

9.1 This chapter suggests procedures for implementing the measures that we recommend for improvement of the international financial and trading system. Many of these recommendations require immediate attention and can be acted upon quickly within existing institutional arrangements. Others will take a little longer to accomplish, and may be thought of as relating to the near-future — say, the next two years or so. Still others relate to longer-term objectives and require considerably greater preparation. The long-term recommendations, and to some degree those for the near-future as well, require the mounting of a major process of reform.

9.2 What is required is appropriate machinery for developing a convergence of views as to what needs to be done and securing the necessary action. The situation is not helped by the compartmentalised nature of the negotiating process in the IMF and the World Bank, in the GATT and at UNCTAD, and within the wider UN framework. Recent efforts at securing a comprehensive negotiating framework have not succeeded so far. Yet there remains the need for an integrated approach to negotiations.

9.3 Any approach to such negotiations must be rooted in realism. Negotiations exclusively under a UN General Assembly umbrella are not likely either to be acceptable to the industrialised countries or, if acquiesced in under pressure, to win their enthusiastic and constructive participation. This may be regrettable, but it is a reality. Likewise, negotiations strictly under the umbrella of the Fund and the Bank are not likely to be acceptable to the developing countries as a group. In any case, the suggested negotiations necessarily link trading and financial issues and require a broader framework than the Fund and the

Bank provide. What is needed is a process which does not pre-determine issues, either expressly or by reasonable implication; which is integrated without being all-encompassing; which is credible in representation without being unwieldy; and which is action-oriented while not geared to any single institution.

9.4 Proposals for an international monetary conference — or a 'new Bretton Woods' — must be viewed against this backdrop. Earlier in this Report it was explained that the expression a 'new Bretton Woods' should be seen as no more than shorthand for a negotiating process which re-examines the world's financial and trading arrangements, as settled at Bretton Woods and Havana, in the light of their present working and of contemporary needs. We have not interpreted a 'new Bretton Woods' to imply a dismantling of the existing international economic institutions.

9.5 On that basis, the international community should now think in terms of a conference; but it is important to stress that it is a conference that will need the most careful preparation both as to substance and modalities. It should be seen as the culmination of a process rather than its initiation. Indeed, the process of preparation itself should be capable of identifying particular matters and measures on which the international community might take immediate action even in advance of the conference itself.

9.6 It is not necessary at this stage to define precisely the specific issues that the conference will address or to outline the order in which it might take them up. Although, as has been emphasised, money, finance and trade are inter-related, and an integrated approach towards them will ultimately be necessary, it may be appropriate for the conference to discuss these issues separately, beginning with money and finance, for example. These modalities will be among the matters for the preparatory phase to resolve.

9.7 The process of preparation should be undertaken on a small-group basis and must be supported by a high level of professional competence. It should, of course, draw on the work and discussions of the various international economic institutions.

9.8 There are obviously many approaches to such an international conference. We put forward a possible approach fully mindful that it is not the only one. Nor are all the individual components critical. What is critical is that there should be a systematic approach along these general lines. We believe that it provides a promising means of attaining goals, discussed in the introductory chapter to our Report, which the whole international community shares.

9.9 Our suggestion would be that informal consultations should be started to reach agreement on the following points:

1. The international community should work towards an international conference on the world's financial and trading system.
2. The preparatory process could be established through initiatives taken on an informal basis or alternatively by the Secretary-General of the United Nations on a multilaterally agreed basis.
3. The task of preparation could be entrusted in the first instance to a group of not more than, say, twenty governmental Ministers (or persons of Ministerial rank), broadly representative of the financial and trading interests of the international community, plus: the UN Director-General for International Economic Co-operation; the Managing Director of the IMF; the President of the World Bank; the Director-General of GATT; and the Secretary-General of UNCTAD.
4. The Committee might establish a Group of Deputies to carry out detailed work on their behalf and at their direction.
5. The Preparatory Group could be serviced by a small secretariat, perhaps headed by an independent professional chairman, assisted as required. Staff support could be mainly drawn from the UN, the IMF, the World Bank, the GATT and the UNCTAD, on the basis of agreement among themselves.
6. The Preparatory Group would have no executive authority. It could work strictly on the basis of consensus.
7. During the preparatory phase there should be no let-up in the continuing process of change within the individual international institutions. As consultations proceed, agreements may emerge in forms which permit early action through existing mechanisms; and such agreements should be actively encouraged.
8. The Preparatory Group should be required to make a report on the modalities and substantive issues for the conference to the UN Secretary-General not later than 12 months after it has been constituted.

C.152/12/3

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~~SECRET~~

29 September 1983

Dear Eric Quinton,

On 2 August 1982 I wrote canvassing the views of Commonwealth leaders on the Agenda for the Heads of Government Meeting in New Delhi at the end of November. In the light of replies and further consultations I have been able to have, I now enclose a draft Agenda for your consideration, supplemented by a list of background papers which the Secretariat will distribute shortly. In accordance with our established guidelines on Style and Format, about which I have written to you separately, documents have been kept to a minimum so as to promote informality and spontaneous discussion.

As on previous occasions, the Agenda has been structured around broad and flexible headings to enable a review of developments in larger terms as well as discussion focussing upon more detailed aspects or specific topics. In the Introduction to my Report for the period 1981-83 I have offered some reflections on developments since Melbourne. I hope that the following comments offered by way of annotation of the draft Agenda will be helpful in your preparations.

1. OPENING SESSION

The Opening Session will be on the morning of Wednesday, 23 November at 1000 hours at the Vigyan Bhavan in the presence of a large number of invited guests and the media. In addition to Prime Minister Indira Gandhi's address of welcome and my own remarks, there will be the customary speeches in reply taking in all about an hour.

The formal photograph of Heads of Delegation will follow immediately.

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

My traditional reception to provide you with an opportunity to meet representatives of the Indian and world press, who will have gathered in New Delhi to cover the Meeting, will be at 1230 pm.

2. ORDER OF AGENDA AND STYLE AND FORMAT

Immediately after the Opening Session and before the midday reception I hope there might be a short first Session held on a 'restricted' basis (Heads of Delegation only) to consider the Agenda and the suggested guidelines on Style and Format which might be taken as the first order of business.

Senior Officials will have met as is customary on the previous day 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 Session.

In addition, Heads of Government may wish to consider at the very outset the modified guidelines on Style and Format which I sent under cover of my letter of 19 September. The refinements of the Lusaka Guidelines are all designed to enhance and reinforce the special qualities of Commonwealth Heads of Government Meetings - starting in New Delhi.

3. WORLD POLITICAL SCENE

(a) Global Trends and Prospects

Under this general heading it is envisaged that discussion will traverse issues of broad political interest and special concern to Commonwealth leaders. The absence of sub-items, other than that on Southern Africa, is not intended to exclude discussion on specific subjects but rather to emphasise the broad and reflective nature of the item responsive to current circumstances.

Heads of Government will no doubt wish to consider from their several vantage points the many political developments that have occurred since they met two years ago. On that occasion the annotation of the Draft Agenda under this item was, inter alia, to the following effect:

"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".

These disturbing trends have continued, and in some respects they have worsened, since Melbourne. But, partly because they have, there is now, perhaps, a greater awareness of the dangers they constitute and a heightened sense of urgency to reverse them - concerns which have been prominent in the opening days of the current Session of the UN General Assembly.

In my consultations leaders have underlined a variety of particular issues: the continuing problems in West and East Asia; self-determination and denuclearisation in the South Pacific; the Falklands; and such special concerns as Cyprus and Belize. All these and more will be in the minds of Commonwealth leaders and will inform the political discussion. But a wider anxiety has been the overall deterioration in the environment of international security and the particular intensification of East-West tensions. Each of the Commonwealth's different regions has suffered to some degree in the prevailing climate of confrontation, suspicion and insecurity.

Commonwealth leaders at New Delhi will not wish to enter the maze of specific technical disarmament issues, but may see value in sharing their thoughts on paths leading away from militarism and towards internationalism and common security. At Melbourne, Commonwealth leaders emphasised that - "As an association of aligned and non-aligned states, the Commonwealth was uniquely well placed to make a substantial contribution to defusing international tensions in a divided world". New Delhi will be a timely occasion for Commonwealth leaders to explore how best they might make that contribution.

Nowhere has the decline in internationalism been more in evidence than in the erosion of confidence in the conciliatory role of the United Nations. In his 1982 Report and again in his 1983 Report the United Nations Secretary-General has called on nations to return to the spirit of the Charter and to take urgent steps to restore confidence in the world organisation as a means of maintaining international security. The Commonwealth's many small states have a particular interest in fulfilment of the Charter's promise of collective security; but all states would gain. Heads of Government may wish to consider how the Commonwealth can help this process of renewal.

(b) Southern Africa

The Commonwealth has a special concern with the problems of Southern Africa, including Namibia's independence. Commonwealth leaders will wish to review the continued frustration by South Africa of the United Nations' efforts to resolve the Namibian question. They may also wish to explore the prospects of a Commonwealth contribution to international efforts to bring Namibia to independence, bearing in mind the special roles of Commonwealth Frontline African States and Commonwealth members of the Western Contact Group.

Commonwealth leaders will also wish to consider the wider but related problems of apartheid in South Africa and of the new pressures being faced by Commonwealth countries in the region. While exploring further areas for Commonwealth action against apartheid, including humanitarian assistance to its victims, Heads of Government will wish to note the very real value of the Commonwealth's contributions under the Gleneagles Agreement and, more recently, the Brisbane Code of Conduct.

4. WORLD ECONOMIC ISSUES

All my consultations confirm that, as was the case at Melbourne, Heads of Government attach overwhelming importance to the discussion of economic issues at New Delhi. For some Commonwealth countries the general economic situation is even more serious now than two years ago. A process of recovery is underway in the United States, and to a more limited degree in some OECD countries; but there is uncertainty about its strength and durability. Taken as a whole, there is general agreement that the world economy remains in need of 'intensive care' and that the assessment which Commonwealth leaders made in their Melbourne Declaration remains valid, namely:

"that what is at stake, in terms of how hundreds of millions will live or die; of the prospects for cooperation or conflict; and of the prospects for economic advance or stagnation - is of such vital importance in human terms that it would be an indictment of this generation if that political will and the readiness to find a creative compromise were not found".

At New Delhi, Commonwealth leaders will have before them two studies which they commissioned at Melbourne. The first, PROTECTIONISM: THREAT TO INTERNATIONAL ORDER, is the work of the Group which was set up to study the impact of protectionism on developing countries in particular and its implications worldwide as well. As envisaged, the report was made available to the GATT Ministerial Meeting in 1982. The second study relates to the obstacles to progress in the North-South dialogue arising from the negotiating process itself. That report, NORTH-SOUTH DIALOGUE: MAKING IT WORK, was also published in 1982. Both reports have attracted wide international notice and been welcomed for their dispassionate professionalism, candour and practical thrust.

More specifically, however, Heads of Government at New Delhi will have before them a new major study, TOWARDS A NEW BRETTON WOODS: CHALLENGES FOR THE WORLD FINANCIAL AND TRADING SYSTEM. Commissioned by Commonwealth Finance Ministers in 1982, this Report by a most distinguished Expert Group has been welcomed just recently by Commonwealth Finance Ministers (at their September meeting in Port of Spain) "as a major contribution to the ongoing search for answers to

the wide range of issues with which it dealt". The Report covers the substantive issues and makes recommendations for both the short and long term. It also deals with matters of procedure and makes recommendations on the next steps that the international community might take.

Finance Ministers specifically commended the Report to Commonwealth Heads of Government in New Delhi and requested the Prime Minister and Minister of Finance and Planning of Trinidad and Tobago "to convey to his colleagues at New Delhi the essence of the discussions in Port of Spain". The relevant paragraphs of their Communique are set out in Annex I to this letter.

Heads of Government will note that in Port of Spain Commonwealth Finance Ministers gave particular attention to the question of follow-up to the Report, including the recommendations on process, and that in doing so:

"They welcomed the view that the call for a 'New Bretton Woods' should be seen as a need for renewed work towards shared international objectives requiring the most careful preparation. An international conference could be the culmination of the process. They agreed on the need for a more integrated approach to inter-related issues of money, finance and trade. They also agreed that these were matters of great political importance requiring careful consideration by the international community at the highest level".

The Report's recommendations on 'process' is attached hereto as Annex II.

Taken together with the 1982 reports, TOWARDS A NEW BRETTON WOODS will provide Heads of Government at New Delhi with a comprehensive, authoritative and up-to-date survey of contemporary international economic issues offering pointers for solutions both on substance and on process. It is now for Commonwealth leaders together to grasp the situation in its full political dimensions. The New Delhi meeting will be almost uniquely well-placed to contribute to global consensus-building in this area of critical importance to all countries.

5. COMMONWEALTH FUNCTIONAL COOPERATION

Commonwealth Heads of Government do not expect to dwell extensively on the details of functional cooperation. These are for the greater part in the domain of appropriate Ministerial consultations. Together, however, they represent a vital practical element of Commonwealth relations and to many Commonwealth leaders, particularly among developing member countries, they are a tangible expression of the Commonwealth connection. Heads of Government will want their New Delhi meeting to reinforce the importance of this day-to-day cooperation between member countries. The specific topics are:

(a) Commonwealth Fund for Technical Cooperation

Commonwealth leaders will welcome the improved strength of the Fund due essentially to new forward planning techniques, the continued support of the major contributor countries and the whole-hearted response to my call for increased contributions from the very many small developing countries who are the Fund's principal beneficiaries. There is general agreement that in present difficult financial times the Fund should look to the period immediately ahead as one of consolidation. These very times, however, enlarge the need for the Fund's assistance. While growth will be modest, therefore, it is essential that the Fund be alert to the most pressing needs and constantly responsive to them.

(b) Student Mobility

At their Melbourne Meeting, Heads of Government reaffirmed the importance of student mobility and educational interchange within the Commonwealth, both in the context of the development efforts of member countries and the maintenance of Commonwealth links. Pursuant to the Melbourne discussion the Commonwealth Standing Committee on Student Mobility was established in 1982 and its Report will be before leaders at New Delhi. The Committee sees educational interchange as a Commonwealth imperative, and makes wide-ranging recommendations to put such interchange on a more assured basis and to give it greater coherence. The Committee proposes initiatives designed to improve consultation, to facilitate and diversify student interchange, and to promote new and imaginative approaches to Commonwealth cooperation in higher education with a view to widening the range of opportunities for Commonwealth citizens. Heads of Government will wish to consider the Committee's recommendations in this most important area of intra-Commonwealth activities.

(c) Commonwealth Youth Programme

At Melbourne, Heads of Government agreed that the Commonwealth Youth Programme should be provided with adequate resources to sustain its existing level of activities and, to this end, that Governments should seek to maintain the value of their contributions in real terms. It is encouraging that this objective has broadly been achieved and that the Programme has been set on a stable course. Heads of Government may wish to reaffirm their support for the Programme as well as their commitment to maintaining the value of their pledges.

(d) Commonwealth Science Council

The Commonwealth Science Council has set up an Expert Group to examine ways and means of promoting an expanded programme of Commonwealth scientific cooperation, especially in new and emerging areas of developmental significance. Heads of Government may wish to welcome the establishment of this Group, whose recommendations could take Commonwealth scientific cooperation to a higher threshold.

(e) Women and Development

Since its establishment by Heads of Government three years ago, the Secretariat's very modest Women and Development Unit has sought to give the Commonwealth's contribution in this area an emphasis on practicality. The UN World Conference to Review and Appraise the Achievements of the UN Decade for Women is expected to be held in a member country, Kenya, in 1985. Heads of Government may think it appropriate that Commonwealth Ministers responsible for women's affairs might take that opportunity to evaluate the Secretariat's programme and to identify directions for the future.

(f) Commonwealth Foundation

Following approval by Heads of Government at Melbourne, formalities for the reconstitution of the Foundation as an international organisation were completed in February 1983. A comprehensive review of the Foundation's programmes has also been completed. Though headquarters costs have been reduced, inflation (since 1979) has substantially affected the Foundation and inroads into reserves are inevitable in the current year if the present level of activity is to be maintained. The Foundation now seeks modest increased resources to consolidate and put into effect programmes and policies drawn up as a result of the review.

(g) Culture

The Secretariat was requested by Senior Officials at their meeting in Arusha to prepare a background paper outlining the possibilities for Commonwealth cooperation in the cultural field. Heads of Government might wish to explore the several options that are open to them in this field, along with their financial implications.

6. OTHER BUSINESS

It has been suggested that Commonwealth leaders may wish to have a discussion on population issues, particularly in the light of the International Conference on Population due to be held in Mexico in 1984. Given the importance of the subject for world development, Heads of Government may think it appropriate to take account of the subject in their contributions on World Economic Issues.

Additionally, Heads of Government will have before them a proposal by Commonwealth Employment and Labour Ministers for a working group on the management of technological change. This may appropriately be considered as a sub-item under Functional Cooperation.

General

The Agenda proposed aims at a judicious blend between substantial policy issues and matters of a more specific nature. Bearing in mind the practice of the Committee of the Whole (Senior Officials) giving initial

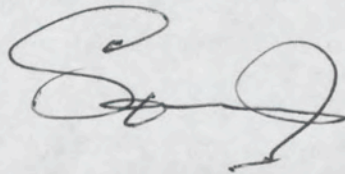
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consideration to most of the 'Functional Cooperation' items, I hope you will agree that the Agenda offers a reasonable basis for constructive dialogue across a broad spectrum of issues of interest and concern to Commonwealth leaders.

I know that Heads of Government value their meetings as opportunities both for enlarging consensus on specific issues and having a truly reflective discussion aimed at broadening understanding of each others point of view. To this end, as the guidelines on Style and Format suggest, effective use might be made at New Delhi of 'Restricted Sessions'; and there remains, of course, the whole range of informal contacts between leaders from which Commonwealth relations are so greatly strengthened.

At a time of great strain in international relations and of much danger for the world's people, the draft Agenda for New Delhi aims to afford Commonwealth leaders a chance of applying that "healing touch" which Jawaharlal Nehru attributed to the Commonwealth some 35 years ago.

With deep respect,



Shridath S Ramphal

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI - 1983

DRAFT AGENDA

1. OPENING SESSION
2. ORDER OF AGENDA AND STYLE AND FORMAT
3. WORLD POLITICAL SCENE
 - (a) Global Trends and Prospects
 - (b) Southern Africa
4. WORLD ECONOMIC ISSUES
5. COMMONWEALTH FUNCTIONAL COOPERATION
 - (a) CFTC
 - (b) Commonwealth Student Mobility
 - (c) Commonwealth Youth Programme
 - (d) Commonwealth Science Council
 - (e) Women and Development
 - (f) Commonwealth Foundation
 - (g) Culture
6. REPORT OF THE COMMITTEE OF THE WHOLE
7. OTHER BUSINESS
8. COMMUNIQUE

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COMMONWEALTH HEADS OF GOVERNMENT MEETING

NEW DELHI - 1983

DRAFT AGENDA : DOCUMENTATION

1. OPENING SESSION
2. ORDER OF AGENDA AND STYLE AND FORMAT
 - Letter from Secretary-General to Heads of Government dated 19 September 1983
3. WORLD POLITICAL SCENE
 - (a) Note for information:
 - Extracts from UN Secretary-General's Reports for 1982 and 1983
 - Report of the President of the Security Council on enhancing the effectiveness of the Security Council (Document S/15971 of 12 September 1983)
 - (b) Report of the Commonwealth Committee on Southern Africa (HGM(83)4)
4. WORLD ECONOMIC ISSUES
 - (a) Studies mandated by Heads of Government Meeting 1981
 - (i) "Protectionism: Threat to International Order"
Report by Group of Experts
 - (ii) "North-South Dialogue: Making it Work"
Report by Group of Experts
 - (b) "Towards a New Bretton Woods: Challenges for the World Financial and Trading System"
Report by a Group of Experts
 - (c) Memorandum by the Commonwealth Secretary-General on the Reports of the three Experts' Groups (HGM(83)5)

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5. COMMONWEALTH FUNCTIONAL COOPERATION

Ninth Report of the Commonwealth Secretary-General

(a) CFTC

Special Commonwealth Stamp Issue: Note by the Commonwealth Secretariat (HGM(83)6)

(b) Commonwealth Student Mobility

Second Report of the Commonwealth Standing Committee on Student Mobility

Resolution by Executive Heads of Commonwealth Universities

Memorandum by the Commonwealth Secretary-General on the Standing Committee's Report (HGM(83)7)

(c) Commonwealth Youth Programme

Memorandum by the Commonwealth Secretary-General (HGM(83)8)

(d) Commonwealth Science Council

Note by the Commonwealth Secretariat (HGM(83)9)

(e) Commonwealth Foundation

Memorandum by the Chairman and Trustees of the Commonwealth Foundation (HGM(83)10)

(f) Culture

Note by the Commonwealth Secretariat on Cooperation in the Cultural Field (HGM(83)11)

6. REPORT OF THE COMMITTEE OF THE WHOLE

7. OTHER BUSINESS

8. COMMUNIQUE

Note: Some Governments have indicated a wish to submit papers. These will be circulated when received.

Extract from the Communique of the Commonwealth Finance Ministers' Meeting, Trinidad and Tobago, 21-22 September 1983

"TOWARDS A NEW BRETTON WOODS"

6. Ministers welcomed the Report "Towards a New Bretton Woods: Challenges for the World Financial and Trading System" for which they called at their previous meeting. The background, as explained in the communique of that meeting, was the urgent need, in view of the vast politico-economic changes which had taken place since the establishment of the Bretton Woods institutions, for a new overall examination of the international trade and payments system as a whole and in particular the role of the international economic institutions. They regarded the Report as a major contribution to the ongoing search for answers to the wide range of issues with which it dealt. They congratulated the Study Group on the high quality of their unanimous Report.

7. Ministers noted that the Report contained far-reaching recommendations of a short and longer-term character. They felt that the short-term issues should be taken up by them at the forthcoming Annual Meetings of the World Bank and IMF. Ministers commended the general thrust of the Report for serious consideration by the Commonwealth countries in particular and the international community in general.

8. Accordingly they requested the Secretary-General to seek the widest possible circulation and discussion of the Report. In that context they discussed ways to add further impetus to efforts to promote multi-lateral economic cooperation.

9. Ministers gave particular attention to the question of follow-up to the Report, including the recommendations on process which it contains. They welcomed the view that the call for a "new Bretton Woods" should be seen as a need for renewed work towards shared international objectives requiring the most careful preparation. An international conference could be the culmination of the process. They agreed on the need for a more integrated approach to inter-related issues of money, finance and trade. They also agreed that these were matters of great political importance requiring careful consideration by the international community at the highest level.

10. On this basis they commended the Report to Commonwealth Heads of Government at their meeting in November in New Delhi and requested the Prime Minister and Minister of Finance and Planning of Trinidad and Tobago to convey to his colleagues at New Delhi the essence of the discussions in Port-of-Spain.

TOWARDS A NEW BRETTON WOODS:
Challenges for the World Financial
and Trading System

Chapter 9

Next Steps

9.1 This chapter suggests procedures for implementing the measures that we recommend for improvement of the international financial and trading system. Many of these recommendations require immediate attention and can be acted upon quickly within existing institutional arrangements. Others will take a little longer to accomplish, and may be thought of as relating to the near-future — say, the next two years or so. Still others relate to longer-term objectives and require considerably greater preparation. The long-term recommendations, and to some degree those for the near-future as well, require the mounting of a major process of reform.

9.2 What is required is appropriate machinery for developing a convergence of views as to what needs to be done and securing the necessary action. The situation is not helped by the compartmentalised nature of the negotiating process in the IMF and the World Bank, in the GATT and at UNCTAD, and within the wider UN framework. Recent efforts at securing a comprehensive negotiating framework have not succeeded so far. Yet there remains the need for an integrated approach to negotiations.

9.3 Any approach to such negotiations must be rooted in realism. Negotiations exclusively under a UN General Assembly umbrella are not likely either to be acceptable to the industrialised countries or, if acquiesced in under pressure, to win their enthusiastic and constructive participation. This may be regrettable, but it is a reality. Likewise, negotiations strictly under the umbrella of the Fund and the Bank are not likely to be acceptable to the developing countries as a group. In any case, the suggested negotiations necessarily link trading and financial issues and require a broader framework than the Fund and the

Bank provide. What is needed is a process which does not pre-determine issues, either expressly or by reasonable implication; which is integrated without being all-encompassing; which is credible in representation without being unwieldy; and which is action-oriented while not geared to any single institution.

9.4 Proposals for an international monetary conference — or a 'new Bretton Woods' — must be viewed against this backdrop. Earlier in this Report it was explained that the expression a 'new Bretton Woods' should be seen as no more than shorthand for a negotiating process which re-examines the world's financial and trading arrangements, as settled at Bretton Woods and Havana, in the light of their present working and of contemporary needs. We have not interpreted a 'new Bretton Woods' to imply a dismantling of the existing international economic institutions.

9.5 On that basis, the international community should now think in terms of a conference; but it is important to stress that it is a conference that will need the most careful preparation both as to substance and modalities. It should be seen as the culmination of a process rather than its initiation. Indeed, the process of preparation itself should be capable of identifying particular matters and measures on which the international community might take immediate action even in advance of the conference itself.

9.6 It is not necessary at this stage to define precisely the specific issues that the conference will address or to outline the order in which it might take them up. Although, as has been emphasised, money, finance and trade are inter-related, and an integrated approach towards them will ultimately be necessary, it may be appropriate for the conference to discuss these issues separately, beginning with money and finance, for example. These modalities will be among the matters for the preparatory phase to resolve.

9.7 The process of preparation should be undertaken on a small-group basis and must be supported by a high level of professional competence. It should, of course, draw on the work and discussions of the various international economic institutions.

9.8 There are obviously many approaches to such an international conference. We put forward a possible approach fully mindful that it is not the only one. Nor are all the individual components critical. What is critical is that there should be a systematic approach along these general lines. We believe that it provides a promising means of attaining goals, discussed in the introductory chapter to our Report, which the whole international community shares.

9.9 Our suggestion would be that informal consultations should be started to reach agreement on the following points:

1. The international community should work towards an international conference on the world's financial and trading system.
2. The preparatory process could be established through initiatives taken on an informal basis or alternatively by the Secretary-General of the United Nations on a multilaterally agreed basis.
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5. The Preparatory Group could be serviced by a small secretariat, perhaps headed by an independent professional chairman, assisted as required. Staff support could be mainly drawn from the UN, the IMF, the World Bank, the GATT and the UNCTAD, on the basis of agreement among themselves.
6. The Preparatory Group would have no executive authority. It could work strictly on the basis of consensus.
7. During the preparatory phase there should be no let-up in the continuing process of change within the individual international institutions. As consultations proceed, agreements may emerge in forms which permit early action through existing mechanisms; and such agreements should be actively encouraged.
8. The Preparatory Group should be required to make a report on the modalities and substantive issues for the conference to the UN Secretary-General not later than 12 months after it has been constituted.



10 DOWNING STREET

From the Private Secretary

10 October 1983

The Prime Minister was grateful for your letter of 29 September containing your proposals for the agenda of the forthcoming Heads of Government Meeting.

This seems to cover the ground comprehensively. The Prime Minister agrees that it would be useful for Heads of Government to consider the agenda in the light of a report from senior officials in a 'restricted' session immediately after the formal opening.

A. J. COLES

His Excellency Mr. Shridath Ramphal, Kt, GMC, QC,

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CONFIDENTIAL

AJC or



Foreign and Commonwealth Office

London SW1A 2AH

Please type letter.

AM 22/9

19 September 1983

Dear Sir,

CHOGM

The Commonwealth Secretary-General wrote to the Prime Minister on 2 August with his preliminary ideas on the agenda for the New Delhi CHOGM and requested comments by the first week of September if possible. Tim Flesher sent Mr Ramphal an interim reply on 10 August, warning that the Prime Minister's considered reply might be slightly delayed. I now enclose a further letter from Mr Ramphal, covering a copy of the recent Commonwealth report "Towards a New Bretton Woods". I enclose also a draft letter for the Prime Minister to send to Mr Ramphal in response to both his letters. The draft has been prepared in consultation with the other Whitehall departments involved.

The draft is largely self-explanatory. The Foreign Secretary is generally content with the framework proposed in Mr Ramphal's letter of 2 August. On political matters he would endorse Mr Ramphal's wish for a wide-ranging and effective discussion. But the Foreign Secretary does not believe that a Commonwealth initiative on "global security" or disarmament would be helpful. Mr Ramphal refers to the Commonwealth Prime Ministers' declaration on disarmament of 1961. Heads of Government issued another statement in 1973 on the tenth anniversary of the Treaty banning nuclear weapons tests, and it is possible that Mr Ramphal and Mrs Gandhi may have it in mind for CHOGM to issue a similar statement to mark the twentieth anniversary. We would not favour any Commonwealth initiative on this subject, and the Prime Minister may care to sound a note of warning accordingly.

Nor do we believe that the Commonwealth could help over Cyprus at the moment. The Government of Cyprus is currently engaged in a campaign to internationalise the issue and to step up their criticism of Turkey and the Turkish Cypriots. There are signs that they intend to pursue this campaign at CHOGM; and we would like to discourage Mr Ramphal from allowing CHOGM to be misused in this way.

/Mr Ramphal

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Mr Ramphal has indicated to Lady Young that he hopes the Prime Minister will say something about the future of the Falklands; the Foreign Secretary believes that the meeting (which will almost certainly follow a UN debate on the Falklands) would provide a convenient forum for the Prime Minister to thank those of her colleagues who have supported the Government's policy, and to encourage the others to be more robust. There should be an opportunity for appropriate lobbying in the corridors.

Mr Ramphal clearly hopes that the meeting may make a distinctive contribution to the discussion on international economic issues. The Foreign Secretary suspects that he is being over-optimistic about this. The Prime Minister sounded a note of caution to Mr Ramphal on 13 September, and there is no need for her to say anything further at this stage.

On functional cooperation, our main objective will be to avoid committing ourselves to expensive new operations, wherever possible. In this context, Mr Ramphal's suggestion that "the period immediately ahead should be one of consolidation" is helpful. On the other hand, we know that the Commonwealth Foundation will be appealing for more funds (with some justification, as its present budget was fixed in 1979).

Marlborough House is in urgent need of extensive repair. The background is described in the attached note. There is no need for the Prime Minister to mention this subject in her letter to Mr Ramphal, though he will undoubtedly wish to mention it at CHOGM.

We are likely to find ourselves in a minority over many of the issues likely to arise at CHOGM; for example, on UNLOSC, where we shall probably be in a minority of one. We have therefore been considering whether there are any low cost, useful initiatives we could propose as an earnest of our commitment to the Commonwealth. This will not be easy, but we are considering some ideas which may be worth floating informally at official level in advance of CHOGM. If they seem worth pursuing at New Delhi, we shall of course cover them in our detailed briefing for the Prime Minister nearer the time.

/I am

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I am copying this letter and enclosures to the Private Secretaries to the Chancellor of the Exchequer, the Home Secretary, the Secretary of State for Education and Science, the Secretary of State for the Environment and the Cabinet Secretary.

Yours ever

J. E. Holmes

(J E Holmes)
Private Secretary

CONFIDENTIAL

DSR 11 (Revised)

DRAFT: ~~minutes~~/letter/~~teletype~~/~~despatch~~/~~note~~

TYPE: Draft/~~Final~~/~~xxx~~

FROM: Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: HE Mr Shridath S Ramphal, AC Kt
CMG QC

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

Commonwealth Secretariat
Marlborough House
Pall Mall
LONDON SW1Y 5HX

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I ~~enjoyed~~ ^{talk} enjoyed our recent ~~discussion~~ about the prospects for this year's Commonwealth Heads of Government Meeting. I am now writing in reply to your circular letter of 2 August about the agenda.

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Enclosures—flag(s).....

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I look forward to seeing your paper about the style and format of our Meetings. As you know, I would like to see them become even more informal and businesslike. But I recognise the problems, and realise that the solution essentially lies with Heads of Government themselves. I believe that the Chairman has a particularly crucial rôle to play, and ~~know that~~ we can rely on Mrs Gandhi to exercise the right mixture of firmness and tact. In this connection, I welcome your suggestion that the Meeting should conclude on the evening of 29 November. // Finally, I hope we can pursue with real determination our search for a shorter communiqué. We all seem to favour this in principle, but it always eludes us in practice. I hope we may have more success on this occasion

W 22.
9

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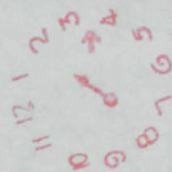


Commonwealth

Commonwealth Heads of Gov

M. J. G.

19 SEP 1983



CONFIDENTIAL

AJC or



Foreign and Commonwealth Office

London SW1A 2AH

Please type letter.

AM 22/9

19 September 1983

Dear Sir,

CHOGM

The Commonwealth Secretary-General wrote to the Prime Minister on 2 August with his preliminary ideas on the agenda for the New Delhi CHOGM and requested comments by the first week of September if possible. Tim Flesher sent Mr Ramphal an interim reply on 10 August, warning that the Prime Minister's considered reply might be slightly delayed. I now enclose a further letter from Mr Ramphal, covering a copy of the recent Commonwealth report "Towards a New Bretton Woods". I enclose also a draft letter for the Prime Minister to send to Mr Ramphal in response to both his letters. The draft has been prepared in consultation with the other Whitehall departments involved.

The draft is largely self-explanatory. The Foreign Secretary is generally content with the framework proposed in Mr Ramphal's letter of 2 August. On political matters he would endorse Mr Ramphal's wish for a wide-ranging and effective discussion. But the Foreign Secretary does not believe that a Commonwealth initiative on "global security" or disarmament would be helpful. Mr Ramphal refers to the Commonwealth Prime Ministers' declaration on disarmament of 1961. Heads of Government issued another statement in 1973 on the tenth anniversary of the Treaty banning nuclear weapons tests, and it is possible that Mr Ramphal and Mrs Gandhi may have it in mind for CHOGM to issue a similar statement to mark the twentieth anniversary. We would not favour any Commonwealth initiative on this subject, and the Prime Minister may care to sound a note of warning accordingly.

Nor do we believe that the Commonwealth could help over Cyprus at the moment. The Government of Cyprus is currently engaged in a campaign to internationalise the issue and to step up their criticism of Turkey and the Turkish Cypriots. There are signs that they intend to pursue this campaign at CHOGM; and we would like to discourage Mr Ramphal from allowing CHOGM to be misused in this way.

/Mr Ramphal

CONFIDENTIAL



Mr Ramphal has indicated to Lady Young that he hopes the Prime Minister will say something about the future of the Falklands; the Foreign Secretary believes that the meeting (which will almost certainly follow a UN debate on the Falklands) would provide a convenient forum for the Prime Minister to thank those of her colleagues who have supported the Government's policy, and to encourage the others to be more robust. There should be an opportunity for appropriate lobbying in the corridors.

Mr Ramphal clearly hopes that the meeting may make a distinctive contribution to the discussion on international economic issues. The Foreign Secretary suspects that he is being over-optimistic about this. The Prime Minister sounded a note of caution to Mr Ramphal on 13 September, and there is no need for her to say anything further at this stage.

On functional cooperation, our main objective will be to avoid committing ourselves to expensive new operations, wherever possible. In this context, Mr Ramphal's suggestion that "the period immediately ahead should be one of consolidation" is helpful. On the other hand, we know that the Commonwealth Foundation will be appealing for more funds (with some justification, as its present budget was fixed in 1979).

Marlborough House is in urgent need of extensive repair. The background is described in the attached note. There is no need for the Prime Minister to mention this subject in her letter to Mr Ramphal, though he will undoubtedly wish to mention it at CHOGM.

We are likely to find ourselves in a minority over many of the issues likely to arise at CHOGM; for example, on UNLOSC, where we shall probably be in a minority of one. We have therefore been considering whether there are any low cost, useful initiatives we could propose as an earnest of our commitment to the Commonwealth. This will not be easy, but we are considering some ideas which may be worth floating informally at official level in advance of CHOGM. If they seem worth pursuing at New Delhi, we shall of course cover them in our detailed briefing for the Prime Minister nearer the time.

/I am

CONFIDENTIAL



I am copying this letter and enclosures to the Private Secretaries to the Chancellor of the Exchequer, the Home Secretary, the Secretary of State for Education and Science, the Secretary of State for the Environment and the Cabinet Secretary.

Yours ever

J. E. Holmes

(J E Holmes)
Private Secretary

CONFIDENTIAL

DSR 11 (Revised)

DRAFT: ~~minutes~~/letter/~~teletype~~/~~despatch~~/~~note~~

TYPE: Draft/~~Final~~/~~xxx~~

FROM: Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: HE Mr Shridath S Ramphal, AC Kt
CMG QC

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

Commonwealth Secretariat
Marlborough House
Pall Mall
LONDON SW1Y 5HX

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

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Enclosures—flag(s).....

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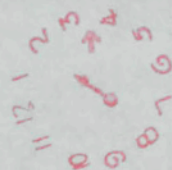


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M. J. G.

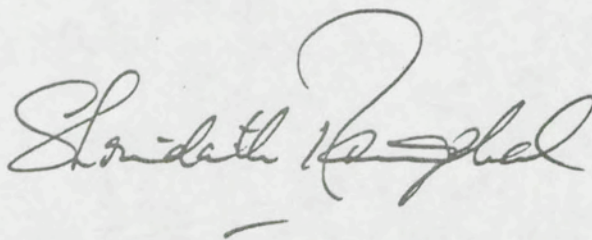
19 SEP 1983



ECON.116/66

12 September 1983

Further to my message of 2 August 1983 to your Head of Government on the subject of the agenda for the next Commonwealth Heads of Government Meeting in New Delhi in November 1983, I enclose a copy of the Report of a Commonwealth Study Group, entitled "Towards a New Bretton Woods : Challenges for the World Financial and Trading System". I should be grateful if you could ensure that the Report, together with the attached message, is transmitted to your Head of Government as quickly as possible.

A handwritten signature in cursive script, reading "Shridath S. Ramphal". The signature is written in dark ink and is positioned above the printed name.

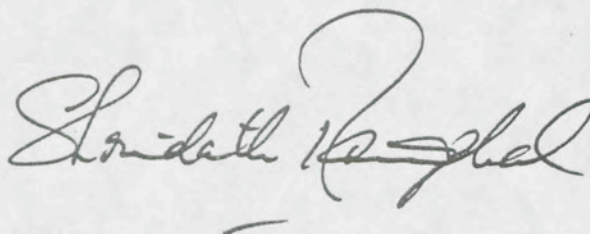
Shridath S. Ramphal

ECON.116/66

12 September 1983

Last month, when I submitted some preliminary ideas on the agenda for the Commonwealth Heads of Government Meeting in New Delhi, I indicated that Heads of Government will have before them a major study, "Towards a New Bretton Woods", on the working of the international financial and trading system. The Report, which was commissioned by Commonwealth Finance Ministers, has now been issued as a document for the Meeting of Commonwealth Finance Ministers in Port-of-Spain, scheduled for 20-22 September 1983. However, in view of its high relevance to the current world economic situation, the general importance of the issues that are covered and the interest of Heads of Government in any major process of reform that might be initiated including the proposal for an international conference, I am forwarding a copy in advance of the Port-of-Spain Meeting in order to provide sufficient time for Heads of Government to reflect on the issues before their own meeting. Heads of Government will, of course, have an opportunity in New Delhi to take into account not only the results of the Port-of-Spain Meeting but also reactions to the Report and its proposals at the forthcoming Bank/Fund Annual Meetings and the next regular session of the UN General Assembly.

With deep respect,



Shridath S. Ramphal

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

9 August 1983

*Dear Tim, for my sig
A.*

/ I enclose a message which the Commonwealth Secretary-General has asked to be transmitted to the Prime Minister. The message contains Mr Ramphal's preliminary ideas on the agenda for the forthcoming Commonwealth Heads of Government Meeting in New Delhi. He has written similarly to all other Commonwealth Heads of Government. As usual, we are treating his message as CONFIDENTIAL rather than SECRET.

/ I enclose also a brief summary we have prepared of the main points in his message.

Mr Ramphal asks for considered reactions to his ideas by the first week of September if possible. Our reply is likely to slip beyond this by a few days because of the absence on leave until then of the Foreign and Commonwealth Secretary and Sir Antony Acland. But this is not likely to cause any problems: on previous form very few Governments will reply on time.

/ On similar occasions in the past, the Prime Minister has sent Mr Ramphal an interim reply herself. On this occasion the reply has been drafted to go from a Private Secretary on the assumption that the Prime Minister may not have time to look at the papers before she leaves on holiday (it can of course easily be adapted into a personal reply). The draft includes an appreciative reference to Mr Ramphal's hope that the Meeting will end on the evening of 29 November rather than, as originally planned, on 30 November; you may recall that, in her letter to Mr Ramphal of 19 July 1982, the Prime Minister indicated her own hope that the Meeting could be shortened slightly.

I am copying this letter, plus enclosures, to Richard Hatfield (Cabinet Office).

*Jan eve
J E Holmes*

(J E Holmes)
Private Secretary

Tim Flesher Esq
10 Downing Street

CONFIDENTIAL

DRAFT: ~~minute~~/letter/tele~~letter~~/despatch/~~note~~
XXXXXXXXXXXXXXXXXXXX

TYPE: Draft/Final 1+

FROM:

Reference

Private Secretary

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

HE Mr Shridath S RAMphal AC Kt CMG QC
 Commowalth Secretariat
 Marlborough House
 Pall Mall
 LONDON SW1Y 5HX

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of 2 August containing your preliminary ideas on the agenda for the New Delhi Commonwealth Heads of Government Meeting. I shall show this to the Prime Minister at an early opportunity.

We shall look carefully at your suggestions and the Prime Minister will send you her considered views as soon as possible, even if this may in practice be a little later than the first week in September.

Meanwhile, the Prime Minister asks me to say that she is greatly looking forward to the Meeting and appreciates your suggestion that it should end on the evening of 29 November.

Enclosures—flag(s).....

CIRCULAR LETTER FROM COMMONWEALTH SECRETARY-
GENERAL TO HEADS OF GOVERNMENT, DATED 2 AUGUST 1983:
THE AGENDA FOR CHOGM

SUMMARY AND INITIAL COMMENTS

1. Mr Ramphal has written his letter after discussion with the Indians, and the ideas in it undoubtedly represent Indian thinking as well as his own. It seems clear that, beneath the generalities, they want CHOGM to focus on the following subjects:

Disarmament (it sounds as if Mr Ramphal may be hinting at a possible Commonwealth initiative).

Namibia

South Africa's policy of destabilisation; can the Commonwealth help the countries concerned?

Cyprus) Can the Commonwealth help wider inter-
)
Belize) national efforts to find solutions?

Economic issues: CHOGM will have before it the two 1982 Commonwealth studies, plus the one commissioned by 1982 Finance Ministers ('Towards a New Bretton Woods'). Together these 'will provide Commonwealth leaders with a comprehensive, authoritative and up-to-date survey of contemporary international economic issues'. Mr Ramphal hopes that CHOGM can 'contribute to global consensus-building in this area of critical importance to all countries'.

/Commonwealth

Commonwealth Functional Cooperation

Mr Ramphal indicates that Heads of Government will be invited to endorse the activities of, and perhaps authorise increased funds for:

CFTC

Commonwealth Youth Programme

Commonwealth Foundation

Commonwealth Science Council

Meetings of Commonwealth Employment/Labour Ministers

(''need for more intensive sharing of Commonwealth experience in managing technological change with particular reference to the micro-electronics revolution'').

Women and Development Programme

Finally, Mr Ramphal makes it clear that Heads of Government will be invited to consider student mobility, and ''possibilities for cooperation in the cultural field'' (ie, the future of the Commonwealth Arts Organisation).

2. There will undoubtedly be a host of subjects discussed at CHOGM which Mr Ramphal has not mentioned. Subjects likely to be raised by other Commonwealth members include:

Sporting links with South Africa

Diego Garcia (perhaps)

UNLOSC

The future of the Falklands

Antarctica

Commonwealth Coordination Department
5 August 1983

SUBJECT

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. 115A/83



PRIME MINISTER
INDIA

Vcc Ops
Master

New Delhi
August 4, 1983

Dear Prime Minister,

On behalf of the Government of India and on my own behalf, I have great pleasure in inviting you to attend the Commonwealth Heads of Government Meeting in New Delhi from November 23 to 29, 1983.

The Commonwealth Secretary-General, Dr. S.S. Ramphal, is at present in the process of consulting member-countries about possible items which might be included in the agenda. He will soon write to you.

I am sure we all want our discussions to be constructive and forward looking and our meeting to contribute to the process of finding answers to some of the major economic and political issues which concern us all.

For the Retreat we plan to take you to Goa, the well known sea-side resort on the West coast of India.

I hope that it will be possible for you to attend the meeting personally. I look forward to welcoming you to the first Commonwealth Summit in India.

With regards,

*Yours sincerely
Indira Gandhi*

The Rt. Hon. Margaret Thatcher,
Prime Minister of Great Britain &
Northern Ireland
10, Downing Street
London.

SECRET

C.152/12/3

2 August 1983

Dear Prime Minister,

With the Commonwealth Heads of Government Meeting in New Delhi now less than four months away, the time has come for me to submit for your consideration some preliminary ideas on the agenda and to ascertain your thinking.

In doing so, I am all too conscious that in the period since the Melbourne Meeting the world has continued to be beset by seemingly intractable political and economic problems. For the greater part, the will and capacity of the international community to deal with these problems has yet to be mobilised. Inevitably, Commonwealth countries have not been left untouched. On the contrary, many have had to shoulder a disproportionate share of the consequences in terms of economic distress and social and political insecurity. In a situation where agreement has eluded the international community with such damaging results consensus remains of critical importance; convergences at the Commonwealth level can therefore be of major significance to member countries and to the world community. Perhaps never before has the Commonwealth's "healing touch", of which Jawaharlal Nehru spoke so feelingly in the early days, been more needed. Where better to apply it than in New Delhi at the first ever Commonwealth summit held in India?

The customary structure of the agenda, with broad and flexible headings covering international, political and economic issues and Commonwealth functional co-operation is by now well settled; I assume you will wish to adhere to it.

Political Issues

On the political front I believe that Heads of Government will, as on previous occasions, wish to have a tour d'horizon of significant international developments since their last Meeting. There will, of course, be a variety of issues and concerns and the discussions can be expected to be truly global

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

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in range, reflecting both national and regional perspectives and covering the full gamut of problems. I do not need to single out issues; regrettably, none has disappeared from the international agenda since Melbourne, while some have been added. Transcending them all is the broader question of the global political environment, its acute tensions and uncertainties and the pervasive effects of the arms race and super-power rivalry.

No other occasion in the international calendar provides an opportunity of the kind that will arise at New Delhi for leaders representing a wide range of views to consult together, away from the glare of publicity, about their concerns and hopes and to explore the scope for common action in the interest of a more harmonious world. Perhaps Heads of Government would see value in a reflective discussion of current trends and their implications for the future, the manner in which they affect prospects for global security and whether there are ways in which the Commonwealth might raise its voice, as it did in 1961 on disarmament, to influence the course of events. At a time of palpable danger, can Commonwealth leaders at New Delhi glimpse a pathway to common security and invite the world to take it with them?

Many had hoped to welcome Namibia to the Commonwealth fold at New Delhi. That hope has been thwarted; it remains to be seen whether there will be any significant progress by November towards Namibia's independence. Against the background of the Commonwealth's long-standing involvement in Southern Africa and its total opposition to racism, I expect Heads of Government will also wish to hear from their colleagues in that region about other aspects of the situation. South Africa's policy of destabilisation has been intensified with potentially far reaching consequences for Commonwealth countries. It will be helpful to consider how Commonwealth efforts might assist the countries concerned to withstand these pressures. Similarly, in reviewing developments in Cyprus and Belize, the Meeting may wish to assess the prospects of a distinctive Commonwealth contribution to wider international efforts to find solutions.

Economic Issues

On the economic front I need not dwell on the gravity of the situation and the problems which it poses for all member countries, especially the more vulnerable developing countries. The issues are unhappily all too familiar and the disappointments in trying to find answers to them all too acute. In their Melbourne Declaration Commonwealth leaders:

"Assert(ed) that what is at stake - in terms of how hundreds of millions will live or die; of the

SECRET

prospects for co-operation or conflict; and of the prospects for economic advance or stagnation - is of such vital importance in human terms that it would be an indictment of this generation if that political will and the readiness to find a creative compromise were not found".

Matters are in many ways even more serious now than when Heads of Government discussed them in Melbourne.

Throughout most of the developing world there has been further deterioration in economic circumstances and prospects. For most of the developed countries also it has been a time of continued contraction, particularly in employment. In the United States and to a more limited degree in some OECD countries there have been signs of recovery, but there is uncertainty about its strength and durability. Taken as a whole the world economy remains in need of 'intensive care'.

Discussion of international economic issues has been vigorous at all levels, including that of Heads of Government. At the Non-Aligned Summit in New Delhi and the Western Economic Summit at Williamsburg, Commonwealth leaders played major roles. There have been Ministerial Meetings of the Group of 77, of OECD, of the Interim Committee and the GATT, and most recently the major occasion of UNCTAD VI. Additionally, there have been meetings of established inter-governmental bodies and informal expert gatherings. At the end of it all, however, there remains widespread unease over lack of progress on substantive issues and with the process of international negotiation and decision making.

The time is ripe to initiate a sustained process of reform and renewal in response to the urgent need for real development, to buttress and broaden recovery so that it becomes vigorous and durable and, overall, to improve the ways by which we co-operate to achieve these objectives. The Commonwealth is particularly well placed to help with this process. Heads of Government will have before them two studies which they commissioned at Melbourne. The first, PROTECTIONISM: THREAT TO INTERNATIONAL ORDER, is the work of the Group which was set up to study the impact of protectionism on developing countries in particular and its implications worldwide as well. As envisaged the report was made available to the GATT Ministerial Meeting in 1982. The second study relates to the obstacles to progress in the North-South dialogue arising from the negotiating process itself. That report, NORTH-SOUTH DIALOGUE: MAKING IT WORK, was also published in 1982. Both reports have attracted wide international notice and been welcomed for their dispassionate professionalism, candour and practical thrust.

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Even more specifically, however, Heads of Government at New Delhi will have before them a major study, TOWARDS A NEW BRETTON WOODS, on the working of the international financial and trading system. This study was commissioned by Commonwealth Finance Ministers when they met in London last year and will be examined initially by them when they meet in Port of Spain in September. The resulting report, on which a most distinguished Expert Group has just concluded work, is the first overall examination initiated by governments of the "international trade and payments system as a whole and, in particular, the role of the international economic institutions". Taken together with the 1982 reports, it will provide Commonwealth leaders with a comprehensive, authoritative and up-to-date survey of contemporary international economic issues. The New Delhi Meeting therefore will be particularly well placed to contribute to global consensus-building in this area of critical importance to all countries.

Functional Co-operation

Additionally, and separately, intra-Commonwealth co-operation at the functional level remains a vital element of the Commonwealth connection. Such co-operation is central to the Secretariat's functions and is nowhere better expressed than in the wide range of technical assistance activities for which the Commonwealth Fund for Technical Co-operation is responsible. At Melbourne, Heads of Government agreed to make increased resources available to the Fund to enable its activities to be restored to earlier levels: it has been possible, as a result, to upgrade the extent and range of assistance which the CFTC offers. The New Delhi Meeting will I hope serve to sustain the Fund's effectiveness and future prospects.

In the context of the many comparative advantages of Commonwealth functional co-operation, but given the very real fiscal pressures constraining member governments it would, I believe, be the wish of Commonwealth leaders that the period immediately ahead should be one of consolidation in which we seek to maximise the benefits of existing services to member countries. Among such services the Commonwealth Youth Programme and the Commonwealth Foundation hold important places. Both were helped by the Melbourne decisions; both look to Heads of Government for continued support in the discharge of their mandates. The same is true of the Commonwealth Science Council whose programmes in the new areas of science and technology are likely to be of major significance to development efforts in the next decades. Commonwealth Employment/Labour Ministers have already signalled the need for more intensive sharing of Commonwealth experience in managing technological change with particular reference to the micro-electronics revolution. And among the newer activities required by Heads of Government, the

SECRET

Women and Development Programme, now nearing the end of its third year, has injected significant perspectives on issues and strategies across the full range of the Secretariat's development activities. Particularly as we approach the final year of the United Nations Decade of Women (in 1985), Commonwealth leaders may wish to underline the importance of this very special Commonwealth co-operative effort.

The Meeting will also have before it the recommendations of the Commonwealth Standing Committee on Student Mobility, established pursuant to the recognition by Heads of Government at Melbourne of the importance of educational interchange within the Commonwealth. It is a matter of much consequence to the Commonwealth's own future, no less than to national development, that educational interchange, which has been such a distinctive and enduring element of Commonwealth links in the past, should continue to flourish.

As requested by Senior Officials at their meeting in Arusha, the Secretariat will provide a background paper on the possibilities for co-operation in the cultural field.

In the period since Melbourne I have received a number of suggestions from Heads of Government about the style and format of their Meetings, directed principally at ensuring that their unique character of informality and dialogue is maintained. The Guidelines adopted at Ottawa in 1973 and developed further at Lusaka in 1979 have served us well, but there is scope for further refinement in the light of experience. Drawing also on the discussion of this matter among Senior Officials at Arusha, I shall shortly be circulating a paper on the subject for your consideration.

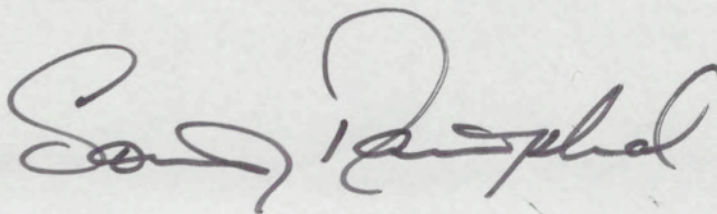
I had earlier conveyed to you that the Meeting would run from 23 to 30 November. Unlike Melbourne, where the Opening Session was held in the afternoon, proceedings at New Delhi will begin in the morning of the 23rd. In view of this it is envisaged that the Meeting will conclude on the evening of 29 November - a modest contraction which I believe Heads of Government will welcome.

I much look forward to receiving your views, together with an indication whether it will be your intention to present any papers to the Meeting. I am aiming to prepare and circulate an annotated draft agenda by the end of September and would therefore welcome replies by the first week of September if possible.

SECRET

Meanwhile, having recently returned from Delhi, I am delighted to be able to say that you are assured both of a very warm welcome and excellent facilities.

With deep respect,

A handwritten signature in dark ink, appearing to read "Shridath S. Ramphal". The signature is written in a cursive, flowing style with a large initial 'S'.

Shridath S. Ramphal



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10 DOWNING STREET

From the Private Secretary

10 August 1983

BR
Thank you for your letter of 2 August containing your preliminary ideas on the agenda for the New Delhi Commonwealth Heads of Government Meeting. I shall show this to the Prime Minister at an early opportunity.

We shall look carefully at your suggestions and the Prime Minister will send you her considered views as soon as possible, even if this may in practice be a little later than the first week in September.

Meanwhile, I know that the Prime Minister is greatly looking forward to the Meeting and will appreciate your suggestion that it should end on the evening of 29 November.

TIMOTHY FLESHER

His Excellency Mr. Shridath Ramphal, Kt, C.M.G., Q.C.

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