

5/12/83
PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 230/83



10 DOWNING STREET

cc: FCO

Master
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FUSE VC

THE PRIME MINISTER

23 December, 1983

Dear Mr President,

Thank you for your letter to me of 9 November expressing your concern at the level of contributions to the International Development Association (IDA) and the International Monetary Fund (IMF).

We have both since returned from the Commonwealth Heads of Government Meeting in Delhi where, as you know, these and other important economic issues were discussed and included in the Statement on Economic Action. I was much impressed there by the strength of feeling about IDA 7 on the part of developed and developing countries alike. It is clearly widely recognised that IDA is a highly efficient means of channelling resources into the poorest countries. For this reason the UK has always been generous in its support.

The United States' contribution, as the largest single donor to IDA, is crucial. On present indications of a US contribution limited to only \$750 million for each of three years and a 25 per cent share, the Replenishment may reach only \$9 billion. As you know, we consider this is too low; and provided all donors are prepared to give the necessary support, we would favour a larger replenishment. I was happy to subscribe to the passage in our Statement on Economic Action at Delhi which called on Commonwealth donor countries to convey to all other donor countries the strength of our support for the IDA 7 replenishment.

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As regards the IMF, we have already taken the legislative action necessary to increase the United Kingdom quota under the 8th General Review. As you will know by now the United States has passed the legislation for their contribution of \$8.4 billion. This is very welcome news.

Thank you for your kind wishes which I warmly reciprocate.

Yours sincerely
Raymond Chikwa

His Excellency Ngwazi Dr. H. Kamuzu Banda, G.C.B.

COVERING CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

21 December, 1983

Dear John,

Type letter please

ADL 22/12.

Letter from President Banda of Malawi to the Prime Minister

With my letter of 18 November I enclosed a letter from President Banda of Malawi to the Prime Minister. Although much of the ground was covered at CHOGM, President Banda would undoubtedly much appreciate a reply from the Prime Minister. I enclose a draft, with which Sir Geoffrey Howe agrees.

Yours ever,

R B Bone

R.B. (R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

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DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

TO: HE Ngwazi Dr H Kamazu Banda
Life President of the Republic of
Malawi

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

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We have both since returned from the Commonwealth Heads of Government Meeting in Delhi where, as you know, these and other important economic issues were discussed and included in the Statement on Economic Action. I was much impressed there by the strength of feeling about IDA 7 on the part of developed and developing countries alike. It is clearly widely recognised that IDA is a highly efficient means of channelling resources into the poorest countries. For this reason the UK has always been generous in its support.

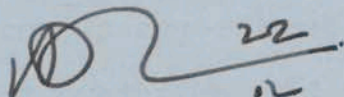
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/As

Enclosures—flag(s).....

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Thank you for your kind wishes which I ^{would} wholeheartedly reciprocate.

 22
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