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THE PRIME MINISTER

23 June 1987

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T121187**

Dear Mr. President,

Thank you for your letter of 25 May about the Venice Economic Summit. I enclose with this letter a copy of the Economic Declaration.

As you recognise, the economic growth of developing countries is closely linked to that of the industrial countries. At Venice we gave high priority to the need for Summit countries to stimulate growth by reducing imbalances and coordinating their economic policies. We also made a renewed commitment to the new GATT Round, and agreed to resist protectionist pressures so that developing countries can have wider access to export markets. The liberalisation of world trade, including trade in agriculture, is a major objective of the United Kingdom government.

Development issues were discussed at length at Venice, reflecting the importance we attach to economic progress and stability in developing countries. Bangladesh's adjustment efforts so far have been impressive, despite the formidable economic difficulties which it faces. I share your concern about the decline in resources available for development and support the recent proposal by the Managing Director of the IMF to increase the resources of the Structural Adjustment Facility. We in Britain remain committed to maintaining a

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substantial bilateral aid programme. That to Bangladesh is one of our largest: last year we spent just under £40m and this year we hope to spend at least the same amount.

I hope that we shall meet at the Commonwealth Heads of Government meeting in Vancouver.

Yours sincerely
Rayant Shaltee

His Excellency Lieutenant General Hussain Mohammed Ershad.