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Foreign and Commonwealth Office

London SW1A 2AH

26 June 1987

Dear Charles

CHOGM: Agenda

/ The Commonwealth Secretary General has forwarded
/ the enclosed envelope for the Prime Minister's attention.
It contains Mr Ramphal's circular letter addressed
to Heads of Governments about the CHOGM agenda. This
/ follows established practice. I also enclose a draft
interim reply which the Prime Minister may wish to
send to Mr Ramphal.

We will put up a substantive draft reply once
we have the comments of Government departments on
Mr Ramphal's proposals.

Yours ever

R N Culshaw

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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DSR 11 (Revised Sept 85)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1 +

FROM:

Reference

Prime Minister
DEPARTMENT:

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

Top Secret

Secret

Confidential

Restricted

Unclassified

TO: His Excellency

Copies to:

Mr Shridath Ramphal

AC, Kt, CMG, QC

Commonwealth Secretary-General

SUBJECT:

PRIVACY MARKING

..... In Confidence

CAVEAT

I was most grateful for your letter of 22 June and your suggestions on the agenda for the Vancouver Commonwealth Heads of Government meeting in October.

We are now studying your proposals and I shall let you have my considered views as soon as possible. I am sure that it is right to focus, as your letter seeks to do, on the ways in which the Commonwealth can undertake practical cooperation together.

As always, I look forward to what will surely be a most valuable meeting.

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Enclosures flag(s)

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OFFICE OF THE COMMONWEALTH SECRETARY-GENERAL
MARLBOROUGH HOUSE · PALL MALL · LONDON SW1Y 5HX

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C.152/14/3

22 June, 1987

Dear Mrs Thatcher,

With the Vancouver Heads of Government Meeting, from 13 to 17 October, now within sight, I am writing in the customary way to offer some first thoughts about your discussions. I know that Prime Minister Mulroney has already written to you in the firm hope that you will be able to join your colleagues in Canada. Having visited the venue in Vancouver, I can vouch for the impressive locale in which your deliberations will take place, and assure you that preparations for them are well in hand.

The period since Nassau has been one of unusual Commonwealth activity. We had the 'mission' of the Commonwealth Group of Eminent Persons to South Africa in the first half of 1986 and, in August of that year, the special Review Meeting of seven Commonwealth leaders in London - both in fulfilment of your decisions at Nassau. There will be more than usual, therefore, for you to take stock of at Vancouver. But, by the same token, I wonder whether these developments do not provide an opportunity, perhaps an incentive, for taking stock of the Commonwealth, and Commonwealth affairs, over a wider area. I detect in the international community a heightened interest in, and respect for, our association, including a sense of its usefulness in the world; and I know, of course, that this is widely felt within the Commonwealth itself. I am increasingly conscious, however, of the need to sustain and strengthen practical day to day co-operation in the Commonwealth; shared endeavour that is above contention and of acknowledged value. I very much hope that Vancouver will provide an opportunity for this kind of reflection and for decisions that confirm the Commonwealth's utility both within a troubled world and to its member countries, particularly those most in need of help. In short, I hope that Vancouver can be a time of renewal for the Commonwealth.

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

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One way of making this more likely might be to highlight under all Agenda items matters of particular concern to the Commonwealth, contributions which the Commonwealth uniquely can make and action by way of practical co-operation that Commonwealth countries can undertake together. Such an emphasis requires no major change in the structure of your Agenda, but might help the meeting to explore how the Commonwealth, through practical action, can best fulfil its quota of service to member countries. It is against this backdrop that I set out the issues which, at this stage, seem to fall within the ambit of your discussions at Vancouver.

Political Issues

Under this head, you will want to review events since the Nassau Meeting and weigh afresh the prospects for international peace. There have been some setbacks; but, since Nassau, there has been Reykjavik and, by Vancouver, there could be substantial progress on nuclear disarmament. This would be an encouraging backdrop for your discussions.

The Nassau Meeting took place on the eve of the 40th anniversary celebrations of the United Nations. As it turned out, the United Nations itself was unable to reach agreement on a commemorative declaration. The Commonwealth did, however, in the Nassau Declaration on World Order, reflect the perception of people everywhere that "in the world of today and of tomorrow, international co-operation is not an option but a necessity". In that context you warned against "any movement away from multilateralism and internationalism, from a world aspiring to be governed by fair and open rules towards unilateral action and growing ascendance of power in all spheres: economic, political and military". That Declaration was a major statement of the Commonwealth's commitment to world order. How can we follow it up, bringing together, as we do in the Commonwealth, countries from every continent and ocean and people from every branch of the human family? In particular, how can we fulfil the pledge made in the Declaration to "place the Commonwealth's proven qualities of understanding and bridge-building across the divides of race, religion and economic and political systems, at the service of the United Nations and of all efforts to make it more effective"?

Among political issues of urgent concern to the Commonwealth are those of Southern Africa, where apartheid remains the root cause of many evils, including the continued denial of Namibia's independence. Since Nassau, Commonwealth action has followed the course charted by the Accord on Southern Africa. At Vancouver, you will have the benefit of both the experience of those efforts and the two particular documents that emerged from them. The first is the Report of the Group of Eminent Persons ('Mission to South Africa'). That unanimous Report, and the work of the Group leading up to it, have been

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material factors in Commonwealth as well as international responses to the situation in South Africa and in the neighbouring countries of Southern Africa. It was the central document before the special Review Meeting of seven Commonwealth leaders. The other document is the Communique of the Review Meeting, which was itself the subject of Commonwealth-wide consultation.

At the centre of all this major effort was the Commonwealth's collective call on the authorities in Pretoria to "initiate, in the context of a suspension of violence on all sides, a process of dialogue across lines of colour, politics and religion, with a view to establishing a non-racial and representative government in a united and non-fragmented South Africa." That call has not been heeded; indeed, its rejection has been underlined by the recent 'whites only' election in South Africa, which appears to have set the stage not for the dismantling of apartheid, for which you called at Nassau and again in London, but for its perpetuation. The state of emergency is now much more extensive than when you called for its termination; and it has been renewed, with all that it implies for the 'cycle of violence' to which the EPG drew attention.

At Vancouver, you will wish to give special attention to the conclusions of the London Review Meeting - not all of which were contentious. One unanimous conclusion, which has pointed relevance for your discussions, was that "the Commonwealth must retain its capacity to help to advance the objectives of the Nassau Accord and be ready to use all the means at its disposal to do so". A particular challenge at Vancouver, therefore, will be to build on what is common ground between Commonwealth countries and so move closer towards overall consensus on ways to secure what is, after all, "our common purpose, namely, the dismantling of apartheid and the establishment of a non-racial and representative government in South Africa as a matter of compelling urgency".

Beyond its borders, South Africa's destabilisation policies have now produced a virtual war situation in Southern Africa; especially so, in Mozambique. An urgent need, therefore, is for an enlarged programme of assistance to the Front-Line States, aimed at building up their economies and at helping them in all practicable ways to withstand South African destabilisation - an initiative, that is, for development and security in Southern Africa. The need to help Mozambique is specially urgent and not a matter of contention in the Commonwealth; indeed, many Commonwealth countries are already contributing in a variety of important ways. Can the Commonwealth collectively supplement these efforts? Can one such response be a special programme of technical assistance of the kind the Commonwealth provided once before (1976) under the Special Fund for Mozambique?

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The Commonwealth has over the past decade addressed the special needs of small states. With 27 member countries having populations of around a million people or less, the security and progress of such states must continue to be a Commonwealth priority. I expect that their vulnerability, which recent events have further confirmed, will be a matter of concern to you at Vancouver.

You will also wish to give attention to a number of other specific issues reflecting particular national, regional, or wider concerns. Among them will be the lack of progress on Cyprus; the continuing issue of Belize's territorial integrity; the question of nuclear-free zones; the situations in the Middle East, the Gulf, Afghanistan and Central America. There are, as well, blights that respect no frontiers, like international terrorism which remains high on any list of political concerns.

Economic Issues

At Nassau, Commonwealth leaders expressed concern about the continuing difficult world economic situation and the deep uncertainties about economic prospects. The majority of Commonwealth countries, some even outside the low-income category, continue to experience grave economic difficulties. By Vancouver, the outlook may actually be worse for many developing countries despite their valiant adjustment efforts.

A major current issue is the sharp decline in net financial flows to developing countries. One response being actively considered is debt relief; and Commonwealth countries (Britain and Canada) are in the forefront of initiatives to ease the burden of official debt of poorer countries, particularly those in sub-Saharan Africa. You will wish to explore how the Commonwealth can contribute to early progress in these directions and on a basis which does not ignore the smaller middle-income countries who also face major debt problems.

There has been some progress in responding to the special capital needs of African low-income countries and in replenishing IDA; and active consideration is being given to the resource needs of the World Bank and the IMF. These issues are of great concern to the Commonwealth and may need your attention at Vancouver, depending on the outcome of the annual World Bank and IMF meetings in September. But even enhanced official flows will not suffice if the sharp decline in private flows is not reversed. Can new instruments and mechanisms be devised for channelling finance from capital markets to developing countries? Can the Commonwealth assist, directly or indirectly, in encouraging equity flows and venture capital?

The Uruguay Round of multilateral trade negotiations has made an unpromising start. Yet it is crucially important that opportunities offered by the Round to reverse the build-up of

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protectionist pressures are not missed. The major problem of agricultural protectionism, especially through export subsidies, remains to be tackled. The Commonwealth's interest is substantial and the Secretariat has been active since Nassau in implementing your decisions for facilitating progress. Can the Commonwealth do more?

Commodity prices remain depressed, with serious consequences for many Commonwealth countries; but, despite much international discussion, there has been almost no progress towards long-term solutions. Are new approaches and efforts needed? Meanwhile, to ease current distress, can existing arrangements, such as the IMF's Compensatory Financing Facility, be improved? Can the Commonwealth help to ensure the improved access to this Facility that you agreed was necessary at Nassau?

As I write, the Venice meeting of leading industrial countries, including Britain and Canada, has just concluded. UNCTAD VII will be held next month. Between now and Vancouver, Commonwealth governments will have opportunities for contact over a wide range of economic issues. Most notably, Finance Ministers will meet just before Vancouver, on the eve of the World Bank/IMF meetings. Can this year's 40th anniversary of General Marshall's speech at Harvard prompt creative decisions for promoting growth in developing countries - growth which is desperately needed in the majority of these countries and which could, in turn, help bring about economic recovery and a fall in unemployment in the developed countries? Can the Commonwealth at Vancouver stimulate such imaginative action?

Both political and economic issues carry social consequences. In many countries, chronic economic difficulties are aggravating social problems, sometimes leading even to political instability. The Commonwealth has been paying particular attention to the problems of youth unemployment. The Report of the Expert Group established at Nassau ('Jobs for Young People: A Way To A Better Future') will be before you at Vancouver. Employment and Labour Ministers have expressed the belief that this excellent Report provides an opportunity for the Commonwealth to make an important contribution to international action in this area.

Other issues discussed at Nassau which remain current include the impact of technological change, population and food production, especially in low-income countries - all closely interlinked with economic issues. Beyond them, are the issues of drug addiction and illicit drug trafficking, which also received your attention at Nassau; and, now, the spread of AIDS. The clear message which these issues send is that there are no human sanctuaries in our interdependent world; that global co-operation is, as you said at Nassau, "not an option but a necessity".

Perhaps in no other area is this more pointed than that of the environment, as documented in the Report of the World Commission on Environment and Development - 'Our Common Future'. Its plea for 'sustainable development', a global commitment to "human progress on a basis which meets the needs of the present without compromising the ability of future generations to meet their own needs" - has relevance for developed and developing countries alike. Against the backdrop of Bhopal, Chernobyl, the Rhine chemical spillage, the destruction of forests and lakes in Northern Europe and Canada by acid rain, the Mexican liquid gas explosion, and the human and ecological catastrophe in sub-Saharan Africa, can Commonwealth leaders give a lead to the world in generating enlightened responses to the grave problems highlighted by the Report?

Practical Co-operation

Much of what the Commonwealth can do in the area of economic and social issues comes within the category of co-operation for development. The Commonwealth Fund for Technical Co-operation is the instrument by which, in large measure, such co-operation is made possible. As a mutual assistance programme for matching Commonwealth skills to Commonwealth needs, the CFTC has grown over the years; but it still remains a modest Fund in development assistance terms. Its original target for 1987/88 was £30 million - less than the cost of many a single capital project of most of the major aid agencies. The Fund is, however, greatly valued throughout the Commonwealth and much respected outside it. For many small countries, it is the very essence of the Commonwealth connection.

But the CFTC now faces the most serious decline in its resources ever to have occurred: it has had to scale its target for 1987/88 down to £20 million, which would actually be a fall of 20 per cent below even the previous year's expenditure. Such a reduction will seriously constrain the Fund's activities at a time when Commonwealth countries - particularly small countries - have even greater need of its services. The fact that this situation does not derive from the wish of any country to reduce the Fund's operations only enlarges the challenge before the Commonwealth. I will be addressing you separately on this matter, and Finance Ministers will have an opportunity of considering it before Vancouver, but the situation is sufficiently serious for me to bring it to your notice as a potential issue for consideration at Vancouver.

At each of your last two Meetings, you have expressed concern about the decline in student interchange within the Commonwealth. The efforts of the Commonwealth Standing Committee on Student Mobility have now been followed, as a result of your decision at Nassau, by the work of an Expert Group under the chairmanship of Lord Briggs on the potential for harnessing Commonwealth co-operation in distance education. The Group's

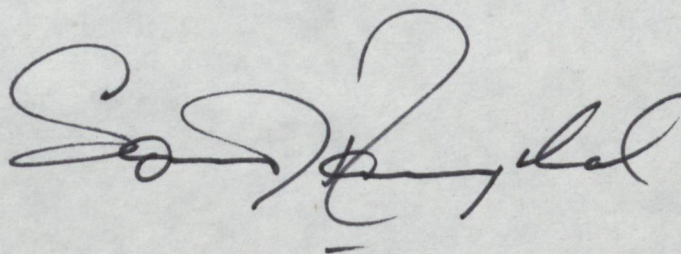
Report - "Towards a Commonwealth of Learning" - which is being discussed by Education Ministers in Nairobi in July, has put forward a fully worked out proposal for a new facility, a University of the Commonwealth for Co-operation in Distance Education. Vancouver will offer the opportunity for decisions to make this exciting concept a reality and to create a University of a wholly new kind, without a campus of its own but yet enlarging educational opportunity throughout the Commonwealth and serving to strengthen the Commonwealth association itself.

Vancouver will also provide an opportunity for considering the prospects of the Commonwealth Youth Programme, also facing serious resource pressures; the Commonwealth Science Council, in the light of your discussions at Nassau on its position in respect of finance for projects; and the Commonwealth Foundation, whose activities are so vitally important to sustaining professional and other links. You will also be able to take account of the conclusions of Commonwealth Ministers responsible for Women's Affairs, who will be meeting in August, on issues relating to Commonwealth programmes on women and development.

These, then, are the issues which seem to me to be within the compass of your Vancouver Meeting. I would greatly value your views on them and any others you may wish to discuss. I would specially welcome an indication whether you intend to present any papers to the Meeting. I will work towards issuing, during the second half of August, an annotated draft Agenda reflecting your comments.

The meticulous care with which the Canadian Government has been preparing for Vancouver augurs well for its success. Your personal participation will be an essential ingredient of that success. I hope, therefore, that you find these reflections of some help as you prepare for Vancouver.

With deep respect,



Shridath S. Ramphal