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Prime Minister 21/9

Foreign and Commonwealth Office

Hope that Sir J. Mason

London SW1A 2AH

should speak along the lines below?

18 September 1981

Dear Michael,

Phil

I fear we are pointing cold water on everything M.F. wants to do for CHOGM.

Thank you for sending me a copy of your letter of 15 September to John Rhodes enclosing a message from the Prime Minister of Australia about trade policy.

Do we have to send such a negative message?

The Foreign and Commonwealth Secretary has seen Mr Fraser's message and the accompanying paper which is being circulated to other participants at CHOGM. He sees a danger that Mr Fraser's initiative could lead the CHOGM into an acrimonious and unproductive discussion, and would see advantage in our High Commissioner in Canberra approaching the Australian Government to try to head off trouble. If the Prime Minister agrees, the High Commissioner might be instructed to say that the Prime Minister has seen Mr Fraser's paper and is grateful to him for having given her an early sight of it. She will be considering it further with her colleagues, but her first reaction is that the issues raised in it will have to be dealt with great care and tact at CHOGM if we are to avoid an acrimonious and unproductive discussion. Few, if any, of the participants would be immune to attack on the question of protectionist policies, but a debate which led to a confrontation between the developed and the developing members of the Commonwealth on these questions would be likely to have a most unhelpful effect on the efforts which are being taken in developed countries (not least by us within the European Community) in the interests of developing countries there. On a more detailed point, the paper as it stands does not do justice to special trade arrangements for the developing countries such as the GSP schemes and the Lome Convention, both of which should be taken into account if a balanced picture were to be presented.

I am copying this letter to John Rhodes (DOT), John Kerr (HM Treasury), Kate Timms (MAFF) and David Wright (Cabinet Office).

Yours ever.

for (B J P Fall) Francis Bellard
Private Secretary

M O'D B Alexander Esq
10 Downing St

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