



10 DOWNING STREET

THE PRIME MINISTER

9 February 1983

Dear Herr Brandt.

Thank you for sending me an advance copy of your memorandum "Common Crisis", under cover of your letter of 27 January. I shall ensure that the memorandum receives the most careful study by the British Government.

The issues which you raise are of the very highest importance. Solutions must be found to the problems faced by developing countries in the present economic recession. Many of those countries have encountered severe difficulties with contracting export markets, low commodity prices, high oil prices and interest rates, and mounting debt repayments. The prosperity and well-being of developing countries is a matter of common interest to us all. We live in an interdependent world. As you know, I welcomed the message in your first Report that industrialised and developing countries share the same interests, and must work together to pursue them. This remains my view.

Your memorandum calls for an emergency programme of action. We have already taken rapid and decisive action in response to the debt problems of particular developing countries. Collaboration between the international financial institutions and the private banks has been greatly improved. I agree that more still needs to be done. There is no room for complacency. I hope that the next steps will be taken

/ at the meeting

at the meeting of the IMF Interim Committee to agree a substantial increase in the Fund's resources. The scope for further action will be examined by world leaders in the other international meetings which will take place during this year. The Economic Summit at Williamsburg and the meeting of UNCTAD VI will be key events. There are, of course, practical constraints on what can be achieved, but you can be assured that the British Government will play a constructive role in the discussions.

The work of your Commission will be a valuable contribution to the discussion of these serious issues. We shall take full account of the ideas which you have put forward.

Yours sincerely  
Margaret Thatcher

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Herr Willy Brandt