

Subject: Commonwealth  
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STATE HOUSE

ZOMBA

MALAWI

9th November, 1983

Rt. Honourable Margaret Thatcher,  
Prime Minister,  
United Kingdom of Great Britain  
and Northern Ireland,  
LONDON.

PRIME MINISTER'S  
PERSONAL MESSAGE

SERIAL No. T.1799183

Dear Prime Minister,

I have been informed by my Minister of Finance and my Governor of the Reserve Bank of Malawi on the outcome of the Annual Meetings of the World Bank Group and the International Monetary Fund which were held in Washington, D.C., in September this year.

2. Among the issues which were discussed and close to the heart of Malawi and the whole of Sub-Saharan Africa, are the contributions of your Government and that of the United States to both the IMF and the International Development Association of the World Bank.

3. I understand that while the prospects for contribution of the United States' Government of US \$8.4 billion to the International Monetary Fund are brighter, there are still a lot of difficulties with regard to the agreement on the total contribution to be made to IDA 7, and the consequent contribution of your Government and the United States', among others.

4. It has been proposed that total contribution to IDA 7 should be at least US\$16 billion. At the Fourth Meeting of Deputies held in Japan in July this year to negotiate the Seventh IDA Replenishment, some of the Deputies indicated that they wanted the figure of US\$16 billion scaled down to US\$9 billion.

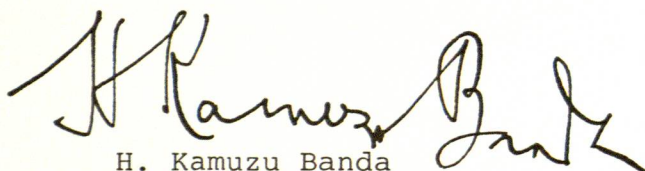
5. This matter is of great concern to my country and many others in Sub-Saharan Africa. And, with your permission, I will tell you why.

6. The International Development Association has played a very important role in spearheading development in our sub-continent. It has also complemented and co-financed important bilateral aided projects in my country. Finally and simply, the International Development Association has played a noble role in development. It has served a noble purpose. In view of the serious economic situation facing the World, and much more so the least developed countries, I am of the opinion that there is a very persuasive case to maintain the proposed level of replenishment of US\$16 billion for IDA 7.

7. It is with this in mind that I want to make a special appeal to you, Prime Minister, for the total contribution to IDA 7 to be maintained at the minimum level of US\$16 billion. If this level cannot be sustained, the main area of reduction in IDA lending in the next four years is likely to be Sub-Saharan Africa. This reduction in lending is likely to affect more the least developed countries like my own.

8. I would therefore like to appeal to Her Majesty's Government to do what is legitimately needed to help ensure that the IMF continues to be the cornerstone of the international financial system. Similarly, I would also appeal that careful consideration be given to maintain the lending ability of the International Development Association. This can be done by ensuring that the contributions of your Government and others like the United States, France, the Federal Republic of Germany and Canada, do not fall below the required level.

9. Please accept, Prime Minister, my personal wishes for your good health and the continuing prosperity of the British people.



H. Kamuzu Banda  
LIFE PRESIDENT