

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 230/83



10 DOWNING STREET

THE PRIME MINISTER

23 December, 1983

*Subject on
Commonwealth,
CHOGM, Pt 7*

Dear Mr President,

Thank you for your letter to me of 9 November expressing your concern at the level of contributions to the International Development Association (IDA) and the International Monetary Fund (IMF).

We have both since returned from the Commonwealth Heads of Government Meeting in Delhi where, as you know, these and other important economic issues were discussed and included in the Statement on Economic Action. I was much impressed there by the strength of feeling about IDA 7 on the part of developed and developing countries alike. It is clearly widely recognised that IDA is a highly efficient means of channelling resources into the poorest countries. For this reason the UK has always been generous in its support.

The United States' contribution, as the largest single donor to IDA, is crucial. On present indications of a US contribution limited to only \$750 million for each of three years and a 25 per cent share, the Replenishment may reach only \$9 billion. As you know, we consider this is too low; and provided all donors are prepared to give the necessary support, we would favour a larger replenishment. I was happy to subscribe to the passage in our Statement on Economic Action at Delhi which called on Commonwealth donor countries to convey to all other donor countries the strength of our support for the IDA 7 replenishment.

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As regards the IMF, we have already taken the legislative action necessary to increase the United Kingdom quota under the 8th General Review. As you will know by now the United States has passed the legislation for their contribution of \$8.4 billion. This is very welcome news.

Thank you for your kind wishes which I warmly reciprocate.

Yours sincerely
Ngwazi Banda

His Excellency Ngwazi Dr. H. Kamuzu Banda, G.C.B.