

Confidential Filing

Visits to the UK by

INDIA

Mr. L. K. Jha, a member of the Brandt Commission and an adviser to Mrs Gandhi.

July 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>27.83</del>							
11.7.83.							
<del>16/5/84.</del>							
<del>18/5/84</del>							
<del>30/5/84</del>							
<del>12.3.85.</del>							
21.3.85							

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## 10 DOWNING STREET

From the Private Secretary

21 March 1985

Dear Peter,

PRIME MINISTER'S MEETING WITH MR. L.K. JHA  
ON THURSDAY 21 MARCH 1985 AT 1630 HOURS

The Prime Minister received Mr. L.K. Jha this afternoon to take delivery of a message from Mr. Gandhi. The Indian Acting High Commissioner was also present. I enclose a copy of the message. As you will see it was simply a ticket of entry. Mr. Jha admitted openly that much of the purpose of his call had been overtaken by the Prime Minister's meeting with Mr. Gandhi in Moscow.

Sri Lanka

Mr. Jha said that Mr. Gandhi wanted to convey to the Prime Minister that India was anxious to get back to good relations with Sri Lanka. There had been discussions with the Sri Lankan Government in which it had been agreed that Sri Lanka should take one step towards de-escalation, India would respond and they would rapidly be in a situation where there could be a joint effort to reduce tensions. The Prime Minister said she was watching the position of the Tamils with great concern. She had discussed it with Mrs Gandhi at CHOGM and several times with President Jayewardene. The latter had been optimistic that his plans for devolution would be accepted but this had not been the case. Mr. Gandhi had told her in Moscow that the problem was that President Jayewardene had presented his proposals on a take it or leave it basis. She wondered what steps India was seeking from Sri Lanka. Mr. Jha said that they had no precise ideas in mind but a "broad-based" statement of the Sri Lankan Government's desire for a settlement to which India could make a positive response would help. Mr. Gandhi hoped that the Prime Minister would support a scenario of this sort during her visit to Sri Lanka. The Prime Minister agreed to do so, adding that she would have to give careful consideration to her handling of the Tamil problem in her speech to the Sri Lankan Parliament.

Pakistan

Mr. Jha said that India also sought better relations with Pakistan though the Sikh problem added a difficult new dimension. The Prime Minister said that the trial in Pakistan of the hi-jackers of the Indian aircraft should

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help relieve tension. She knew that President Zia shared Mr. Gandhi's desire for better relations.

Mr. Jha continued that there was also the nuclear problem which was causing India very grave anxiety. If Pakistan were to obtain a qualitative advantage, India would have to match it. Indeed, Pakistan's acquisition of the latest high technology weapons was a more general cause for concern. There was some feeling in the Indian Government that it might be possible to reach an understanding with Pakistan about the level - both qualitative and quantitative - of weaponry which each side would rest upon. This could not be parity as India had far bigger responsibilities. But India recognised that Pakistan had to be properly armed. Pakistan's territorial integrity was a major Indian interest. The Prime Minister said that these ideas were interesting. She would reflect upon them and be prepared to discuss them with Mr. Gandhi in April.

Sikhs

Mr. Jha said that the Indian Government remained very concerned at the threat posed by Sikh extremism. They wondered whether laws in some countries were not rather archaic and ill-adapted to deal with new sorts of crime. He recognised that the Sikh extremists in Britain had been careful to keep just within the terms of United Kingdom law. But might it not be possible to give thought to fresh legislation which should be more effective in preventing the use of one's territory for the plotting of terrorism against another state? The Prime Minister said that we were indeed giving thought to these matters although they were extremely difficult. She would bear Mr. Jha's remarks in mind.

Economic Issues

Mr. Jha said that the Indian economy was in good shape. It had a high growth rate, surplus food, no debt problem and a major thrust for liberalisation had just been launched. But there was a risk of balance of payments problems. India's exports were not doing brilliantly and she would have to start repaying IMF loans and other World Bank borrowings next year. During his visit to the United States he had tried to convince the Americans that, while he understood that they could not give more to the IDA, it was wrong to reduce India's share in a smaller IDA. This was of particular concern in the context of China. China had large reserves and all it would do with and IDA funds it received would be to add them to the reserves. India needed the money now. The next five years were crucial. There was a similar problem with World Bank lending. It was being said that the 10% of World Bank loans currently allocated to India were a ceiling. But there was nothing in the World Bank's articles to justify this: it was simply a management decision of long ago. One had to take account of India's size. A more flexible approach was needed particularly in the light of the steps which India had taken towards liberalisation. The United Kingdom had always been a

supporter of India and he hoped that this would continue to be the case.

Mr. Jha continued that there was also a problem over the agenda for the forthcoming meeting of the Development and Interim Committees. The agendas were tame and focussed on the debt problem which meant in effect Latin America. There were many other problems which needed to be considered, for instance exchange rates. He recognised that the agenda could not now be changed but wondered whether provision might not be made for open-ended informal discussion in which participants could bring up points of particular concern to them. These might then be pursued further if appropriate. To sum up his remarks, the essential thing was to avoid setting India on a trajectory which would lead eventually to a crisis. The Prime Minister said that she would reflect on the points which Mr. Jha had made and discuss them with the Chancellor.

I am copying this letter to Rachel Lomax (HM Treasury), Richard Mottram (Ministry of Defence) and Michael McCulloch (Overseas Development Office).

*yes surely,*  
*C.D. Powell*

C.D. POWELL

P.F. Ricketts, Esq.,  
Foreign and Commonwealth Office.

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PRIME MINISTER

Meeting with Mr. Jha

Since you have met Mr. Gandhi in Moscow, it's a bit hard to divine what the purpose of Mr. Jha's meeting will be - or the message which he will be bringing from Mr. Gandhi.

Possible subjects which might come up are:

(i) Sikh extremists in the UK. I doubt that you will want to take the initiative in raising this: you didn't with Mr. Gandhi.

(ii)

(iii) Sri Lanka You discussed this with Mr. Gandhi. But a further exchange on what you might say to President Jayewardene would be useful.

(iv)

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OF THE PUBLIC RECORDS ACT

C.D.P.

(Charles Powell)

20 March 1985

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Foreign and Commonwealth Office

London SW1A 2AH

20 March 1984<sup>5</sup>

*Dear Charles,*

India: Call on Prime Minister by Mr L K Jha

Thank you for your letter of 12 March in which you confirmed that the Prime Minister would see Mr Jha briefly at 16.30 on 21 March. Mr Jha will be bringing a personal letter from Mr Gandhi to the Prime Minister. This was prepared before the Prime Minister met Mr Gandhi in Moscow; we do not know the subject of the letter.

Mr Jha passed through London on 11 March on his way to the US (where we understand he will have seen Mr Shultz) and called on the Foreign Secretary. During their discussion, Mr Jha raised Indian concerns over Sri Lanka and Pakistan. On Sri Lanka, Mr Jha stressed Mr Gandhi's personal interest in seeing an end to the present troubles. On Pakistan he spoke of Mr Gandhi's wish to improve relations. He made a special point about the activities of Sikh extremists in the UK, suggesting that our laws were too lenient. He also raised India's economic liberalisation plans and IDA replenishment. Contrary to expectations, he made no mention of Indian concerns about Pakistan's nuclear programme.

/ I attach separate briefs covering the political and  
/ economic issues which Mr Jha may raise with the Prime  
/ Minister, together with a background note on the nuclear  
/ issue and a personality note.

*Yours ever,*

*Peter Ricketts*

(P F Ricketts)  
Private Secretary

C D Powell Esq  
10 Downing Street

CALL ON THE PRIME MINISTER BY MR L K JHA: 21 MARCH 1985 AT 4.30 PM

INDIA

OUR OBJECTIVES

To tell Mr Jha:

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(a) that we are doing everything possible within our legal constraints to curb Sikh extremists in the UK;

(b) that we believe that the solution to Sri Lankan terrorism must be a political settlement which satisfies Tamil concerns, and that we have sought to persuade the Sri Lankan Government of this;

(c) we have noted recent meeting between Mr Gandhi and President Zia in Moscow and Pakistan decision to put on trial hijackers of Indian Airlines aircraft. Understand this may be followed up soon by talks between Foreign Secretaries (PUS equivalent). How do you see way ahead?

ARGUMENTS

Sikh Extremists

(a) Will do what we can, but within constraints of UK law: Attorney-General studied

number of court cases against Sikh extremists: some of these recently refused entry to UK: important to maintain close liaison between our security authorities;

Sri Lanka

(b) Support unity and integrity of Sri Lanka. We oppose terrorism. But terrorists cannot be defeated if Tamil minority alienated. Necessary to separate moderates from extremists. Acknowledge role India can play.

(c) Have impressed upon Sri Lankan Government that they should try to relaunch negotiations: that they need to follow up dialogue



initiated by Athulathmudali's visit to Mr Gandhi in February: and that we thought the Indian Government would be more able to constrain Tamil extremists in South India if President Jayewardene were doing more on these lines.

#### TACTICAL ARGUMENTS

##### Sikh Extremists

(a) Welcome assurances that commercial negotiations can go ahead normally; know some in Indian bureaucracy advocate economic pressure on UK: must point out this only inhibits action by HMG: we cannot appear to be acting under duress.

#### HIS OBJECTIVES

(a) to emphasise Indian concern over Sikh extremists, and urge us to take more action by possibly reviewing current laws on extremist statements leading to incitement to crime.

(b) to stress that a solution to Sri Lanka must be negotiated with full participation of Tamils and to ask UK to encourage a new political initiative in Sri Lanka; possibly by means of a public statement.

(c) (possibly) to push the Delhi Six-Nation Declaration on Nuclear Disarmament.

(d) (possibly) to express concern about Pakistan's nuclear programme.

#### YOUR RESPONSE

##### Sikh Extremists

(a) cannot do more than our best; we are doing that;

##### Sri Lanka

(b) Agree on need for political settlement acceptable to Tamils. Have made our position very clear in Parliament. Shall certainly take the opportunity to do so in Colombo next month. Shall also encourage President Jayewardene to follow up dialogue initiated by Athulathmudali's visit to Delhi.



Delhi Six-Nation Declaration

(c) agree on need to avoid nuclear war, but deterrence has worked in Europe for 40 years: Geneva negotiations the best forum for disarmament talks.

Pakistan Nuclear Programme

(d) Have made our views clear to Pakistanis, as have Americans. President Zia's assurances welcome, but do not go far enough. Would like Pakistan to sign NPT or put all facilities under IAEA safeguards. Believe progress only possible through mutual Indo-Pakistan agreement.

BACKGROUND

Sikh Extremists

1. Indian concerns about the activities of Sikh extremists in the UK, and what they see as HMG's lenience towards them, led to an Indian embargo on British ministerial visits and commercial negotiations. Mr Gandhi's Principal Secretary assured us in January that visits and negotiations could now go ahead. This was confirmed by Mr Gandhi on 8 February. But Indian doubts about our willingness to constrain Sikh extremists persist.

2.

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OF THE PUBLIC RECORDS ACT

3. The Home Secretary has used his powers of exclusion against two prominent Sikh extremists, Talwinder Singh Parmar and Jasbir Singh; a number of others have been refused entry to the UK. Several prosecutions for acts of violence have been brought against (low-level) members of Sikh extremist organisations.

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FOREIGN AND COMMONWEALTH OFFICE  
17 May 1984

PRIME MINISTER'S MEETING WITH MR L K JHA: 21 MARCH  
ECONOMIC ISSUES

OUR OBJECTIVES

- a) to persuade Indians that discussions of international economic and financial issues should be contained within framework of existing institutions; that neither International Monetary Conference nor Cancun style meetings would serve useful purpose now.
- b) to express our continued support for India to receive a substantial share of IDA funds.

ARGUMENTS

- a(i) Look forward to positive discussion in April Interim and Development Committee Meetings; they offer important opportunity to discuss in constructive framework wide range of matters of concern to developing countries.
- (ii) No global solutions; an international monetary conference likely raise undue expectations, be confrontational, and not achieve practical progress. Cancun.
- b) HMG strong advocate of India's receiving substantial share of IDA. Some reduction inevitable with low (\$9 bn) replenishment, and Chinese access. Establishment of Special Facility should help to ease pressure.

TACTICAL ARGUMENTS

- a) At their meeting in Toronto in September 1984 Commonwealth Finance Ministers favoured IMF Interim and World Bank Development Committees as a forum for discussion.

- b) Developing country interests not uniform.
- c) India still a major recipient of international funding - IBRD has committed \$1.7 bn to India in FY1984.

HIS OBJECTIVES

- a) To press for our support on India's maintaining her share of IDA funds.
- b) To establish our position on the Spring meetings, and on proposed international monetary conference.

YOUR RESPONSE

- a) Continue to support India's claim to IDA funds and during Seventh Replenishment argued against abrupt changes in resource allocations. Believe this being followed. India well in front of China if FY85 level maintained.
- b) No lack of opportunities for constructive dialogue, but no easy answers. Developing countries emerging from difficult period but prospects now more favourable. Best contribution industrialised countries can make is to secure sustainable non-inflationary growth.

Important to spread benefits widely. Markets must be kept open and protectionist pressures resisted.

PRESS LINE (If required)

- a) The PM and Mr Jha discussed a range of international economic issues.

The Prime Minister hoped the Spring meetings of Interim and Development Committee would contribute to the understanding

between the industrialised and developing countries. Sustained non-inflationary growth remains the best way to help world recovery. Markets must be kept open and protectionist pressures resisted. It was encouraging that many developing countries such as India were increasingly looking to their own resources to help themselves.

- b) The United Kingdom pledged its continued support to India remaining a major beneficiary of IDA funds.

#### BACKGROUND

- a) The Interim and Development Committees meeting April 17-19 to discuss, in a medium to long term framework, issues relating to adjustment efforts and balance of payments problems, including external indebtedness, international capital flows, trade policies and role of IMF and IBRD.
- b) There will be demands for a political dialogue and claims that the existing structure imposes unequal burdens of adjustment on developing countries. To sustain our case we will need to demonstrate that the case by case approach remains the valid basis for a strategy.
- c) India has been a leading proponent of a call for an international monetary conference. Before the London Summit Mr Jha delivered a letter from Mrs Gandhi urging that the Summit should restore momentum to the dialogue and suggesting such a conference. Sir Crispin Tickell called on Mrs Gandhi after the Summit and pointed out the world climate had changed over the last 18 months; that global negotiations were not now feasible, a point Mrs Gandhi accepted. He emphasised that it was best to work within existing institutions; differences were less on objectives than on methods.
- d) India has been a major recipient of IDA resources. She received some 34% of IDA6. The pattern of IBRD/IDA lending to India has changed; now obliged to borrow more from IBRD than

IDA. FY85 borrowing \$1.7bn IBRD; \$1.0bn IDA. In FY85 IDA flows to India will be \$650 mn and China \$400 mn. This will be probable pattern for the next 2 fiscal years of IDA7. India's IDA share therefore 22%, China 13%.

- e) The NAM Summit in 1983 commissioned a Report on the future of the international monetary and financial system (circulated by Mrs Gandhi just before her death last year). This makes a number of recommendations for changes in the international financial system and recommends an international monetary conference. We were considering a reply but had not done so before the death of Mrs Gandhi.

A, L K

## Chairman of the Economic Administration Reforms Commission.

Born 1913; educated at Banares Hindu University and Trinity College Cambridge. Joined ICS in 1937. In 1947 was appointed Joint Chief Controller of Exports. He subsequently served as Additional Secretary in the Ministry of Commerce and Industry when he became internationally well known as India's outstanding representative at meetings of the GATT. He acted as Chairman of the GATT 1957-58 and was Chairman of the UN Interim Committee for Co-ordination of International Commodity Arrangements, 1959-61. He became Secretary, Department of Economic Affairs, Ministry of Finance in 1960, in effect the official head of the Indian "Treasury". Appointed Secretary to the Prime Minister July 1964. Governor of the Reserve Bank July 1967. Appointed Indian representative on the governing body of the IMF, July 1969. Indian Ambassador to the US 1970-73; Governor of Jammu and Kashmir 1973-80. A member of the Brandt Commission on North/South questions which he chaired during Willy Brandt's illness.

As Secretary to the Prime Minister he exerted a great deal of influence on Mr Shastri and initially on Mrs Gandhi. He was an active Governor of the Reserve Bank and was able to exert a good deal of influence on the Finance Ministry under Mr Morarji Desai. But in 1969 Mrs Gandhi disregarded his advice against nationalisation of the major banks. He was sent to Kashmir to get him out of the way though he subsequently played an important role when Sheikh Abdullah returned to power in 1975. After Janata's victory in 1977 many were surprised that he did not return to the Centre. He combines his present job with a general role as Mrs Gandhi's economic adviser and acts particularly as her special representative on North/South questions.

L K Jha is an outstandingly able man with great experience and a sure political touch. He is both pragmatic and imaginative. He is moderate on international economic policy and always looks for opportunities for collaboration rather than confrontation between developed and developing countries. He does not support everything in the Brandt Report. His ambition is to be Finance Minister and, technically, he could make a very good one. However, he is clearly a member of the Old Guard and has no political base of his own. It is doubtful whether Mrs Gandhi will promote him. Since he feels he has inadequate influence in his present job he might be offered and might accept the post of High Commissioner in London. He called on Mrs Thatcher during his visit to London in mid-1983.

He is pro-British, friendly to this Mission and has a delightful Bengali wife (Mekhala) who has done outstanding work in the social services. He has a good collection of Hindu sculpture and enjoys the amenities of life, including a drink.



late SK

(3) ccpc

10 DOWNING STREET

*From the Private Secretary*

12 March 1985

INDIA: VISIT BY MR L K JHA

BS/

Thank you for your letter of 11 March about the visit of Mr L K Jha. The Prime Minister is able to see Mr Jha for a brief meeting at 1630 on 21 March.

C D POWELL

Peter Ricketts Esq  
Foreign and Commonwealth Office





Foreign and Commonwealth Office

London SW1A 2AH

11 March 1985

*Prime Minister*

*Agree to see him?*

*Yes mt CDP 1/3*

*Dear Charles,*

India: Visit by Mr L K Jha

Mr L K Jha, who is a close adviser to the Indian Prime Minister, will be passing through London on 11 and 21 March on his way to and from the US. He has informed Sir R Wade-Gery that he will be carrying a personal letter from Mr Gandhi for the Prime Minister.

Mr Jha acted as economic adviser to Mrs Gandhi and continues to exert considerable influence on Indian economic policy.

He is a man of outstanding political ability and experience. His views on international economic policy are moderate, and he is pro-British. He called on the Prime Minister during a visit to London in mid-1983.

I understand that the Prime Minister's diary might permit a meeting on 21 March at 1630. We therefore recommend that this appointment be offered to Mr Jha.

*Yr ever,  
Peter Ricketts*

(P F Ricketts)  
Private Secretary

C D Powell Esq  
10 Downing Street

POSTAL TELEGRAPH AND TELEPHONE

11 MAR 1985

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PRIME MINISTER'S  
PERSONAL MESSAGE



SERIAL No. T43B/85 PRIME MINISTER  
INDIA

SUBJECT

cc Master  
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New Delhi,  
March 9, 1985

Dear Mrs Thatcher,

I am looking forward to meeting you next month when you will be making a brief stop over in Delhi. Meanwhile, I feel, it would be useful if you and your government were acquainted with some of the issues which are causing us some concern. You were good enough to receive L.K. Jha as the emissary of Indira Gandhi in May last year. I am sending him once again to London to acquaint you with some of our problems and seek your cooperation in dealing with them.

With warm personal regards,

Yours sincerely,

(Rajiv Gandhi)

Rt. Hon'ble Mrs Margaret Thatcher  
Prime Minister of Britain  
LONDON.

cc MASTER

file

JR

OPS

INDIA: visits of Mr LK Jha:  
July 83.



cc: Feo

cc Leon Pol: LES  
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10 DOWNING STREET

THE PRIME MINISTER

30 May 1984

**PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T89/84**

Dear Prime Minister,

Thank you for your letter of 16 May. I am grateful to you for sending Mr. Jha to hand it to me personally and to explain the purpose of your message.

I am very conscious of your concerns and I shall bring your letter to the attention of the other participants at the London Economic Summit. We shall certainly wish to discuss the propositions which you have advanced.

As I told Mr. Jha, I should be glad to send an emissary to India after the Summit to give you an account of our discussions on these and other matters.

Warmest regards,

Yours sincerely  
Rajiv Gandhi

Her Excellency Shrimati Indira Gandhi

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cc MASTER

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*[Handwritten signature]*

10 DOWNING STREET

*From the Private Secretary*

18 May 1984

*Dear Peter,*

LONDON ECONOMIC SUMMIT: MRS GANDHI'S SPECIAL EMISSARY

Mr. Jha called on the Prime Minister at 1445 hours today) your letter of 17 May refers. He was accompanied by Mr. Arjun Sengupta, Mr. I.F. Chaddha and Mr. Pushkar Johari, the Deputy High Commissioner. Sir Crispin Tickell was also present.

In response to a question from the Prime Minister, Mr. Jha said that Mrs Gandhi faced a difficult problem in the Punjab. This was not a clash between communities of the kind that could be treated as a law and order problem. Individuals were being singled out for attack. No form of security could cope with this approach. The Prime Minister said that she understood the difficulty.

Mr. Jha then handed over a letter from Mrs Gandhi, the text of which is enclosed with this letter. Explaining the purpose of the message, he said that Mrs Gandhi hoped that the Economic Summit would be an occasion for restoring momentum to the North/South dialogue. Taking up remarks which she had made at CHOGM, Mrs Gandhi looked for a new initiative on money and finance. He had not come with a precise formula but rather to explore acceptable means of progress. The Williamsburg Summit had declared itself open to dialogue. But subsequent events had shown no real progress. Now the situation was deteriorating.

The London Summit could take a positive initiative to break the deadlock. One possibility was a conference on the relationship between money and trade, on the one hand, and development on the other. If this was not possible, at least a forum could be created to discuss what kind of conference would be useful, its venue and its agenda. The danger was that if discussions proceeded in the existing separate groups thinking would crystallise in each group and the others would be asked to take it or leave it. So could there not be a process of joint thinking? India was speculating about two possible solutions, a formal

/ conference

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*[Handwritten initials]*

conference of the kind which had initiated the North/South dialogue or a non-structured meeting on the Cancun model. The weakness of Cancun had been that countries who had not participated had been somewhat hostile to its results. But the Prime Minister would chair the London Summit and Mrs Gandhi had chaired the non-aligned summit. If the London Summit agreed, Mrs Thatcher could invite Mrs Gandhi to select a number of developing countries to join the industrialised countries in a discussion of the way forward. Mrs Gandhi would of course have to consult the Non-Aligned Movement and then find perhaps 20 countries to represent the developing countries. They should meet informally and not at summit level. This would create a forum for joint thinking. India did not envisage new institutions.

The Prime Minister's leadership was most important. Hence he had come to London first. He would later proceed to Washington, Ottawa, Paris, Rome and Bonn and put the same ideas to those capitals.

The Prime Minister said that some countries spanned a number of groups and were therefore not working in isolation. India was a member of the Commonwealth, the Non-Aligned Movement and the UN - and India tended to be represented in every major grouping. What worried her was not the lack of opportunities for meetings but the shortage of practicable solutions. Before we set up another forum, we needed to work on the solutions. But the London Summit would certainly discuss the propositions advanced in Mrs Gandhi's letter.

She (the Prime Minister) sometimes worried whether we were searching for solutions which were not there. There was a quest for new formulae when it might be that the old ones were best. We were now pulling out of world recession. The need was to ensure that countries formulated their own recovery programmes in a way that would not worsen the problems of others. This meant the avoidance of protectionism. There might also be scope for an international investment code to give investors more confidence. We and other countries were asked to give aid to multilateral institutions. Some such aid was of course necessary. We were not altogether enamoured of it because it diluted our direct contacts with the recipient countries.

She did not believe that a magic formula was waiting to be discovered. But she was glad that India was exploring the problem.

Mr. Jha said that he could agree with everything the Prime Minister had said. In particular, it was right that countries which pursued economic recovery should not hurt

/ others

others. That applied not only to protectionism but also to interest rate policies. These and other points which the Prime Minister had mentioned could usefully be discussed in a forum of the kind he had mentioned. The present atmosphere was vitiated by a feeling that the West was indifferent to these problems. He felt that people in the next century, looking back at this one, would ask whether it was better to have borrowed and defaulted - or not borrowed at all.

The Prime Minister agreed. It was wrong that countries which had been conscientious in their financial policy should suffer. She much hoped that Argentina would not default. If it did, it would have to be ostracised and products already on the high seas would have to be turned round.

Mr. Jha said that a meeting between industrialised countries and the non-aligned could easily be limited to say 22 countries as at Cancun. The Prime Minister said that she felt that there was not much point in meeting just to ask questions. It was better for the existing groups to try to arrive at practical, limited solutions. But as she had said, she would certainly put Mrs Gandhi's concerns to the Summit participants.

Mr. Sengupta said that the main concern expressed in Mrs Gandhi's letter was directed at the absence of dialogue between North and South. The Prime Minister suggested that there was little point in establishing a dialogue until each group had worked out a practical agenda consisting of more than mere headings. If there was to be a new initiative, she would wish it to consist of more than a call for another conference. Mr. Jha asked that we should think in terms of a preparatory meeting to explore possible solutions with the expert help of the IMF, the IBRD, etc. The Prime Minister said that she believed that this process of exploration had been conducted for some time. The problem now was to formulate solutions. But after the Economic Summit we would send an emissary to India to explain the conclusions reached and discuss how we could best proceed.

The discussion ended at 1520.

I am copying this letter and enclosure to David Peretz (HM Treasury) and Richard Hatfield (Cabinet Office).

*John ...*

*John ...*

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office.

ANNEX A

MR JHA'S PARTY

Mr L K Jha : Mrs Gandhi's Special Emissary

Mr Arjun Sengupta : Special Secretary for Economic Affairs,  
Prime Minister's Secretariat

Mr I F Chaddha : DUS (Economic) Ministry of External  
Affairs

Mr Pushkar Johari : Deputy High Commissioner



cc MASTER  
OPS.

cc Econ Pst: LET  
A16.



PRIME MINISTER  
INDIA

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. T/82/84

New Delhi  
May 16, 1984

Dear Prime Minister,

Last year, after the Nonaligned Summit I wrote to you, drawing your attention to its recommendations on the current economic crisis as well as for longer term structural changes.

There have been several discussions to find a basis for the North-South dialogue. None has yielded any positive results. There is general despondency amongst developing countries because their plight is worsening, and threatening prosperity and stability everywhere. The problems of the industrialised countries are also not entirely over. In some of them, there are signs of recovery but it remains weak and uncertain and we have yet to see its impact on developing countries. In an inter-dependent world, recovery in the North will be difficult to sustain without growth in the South.

...2

Hasn't the time come for us to give some impetus to such a dialogue? For instance, a fresh initiative could be considered on the question of money and finance. The functioning of the international monetary and financial system has been under close scrutiny in different forums, including the Williamsburg Summit and the Commonwealth Heads of Government Meeting. In pursuance of a decision taken by the Nonaligned Summit in New Delhi to call an International Conference on Money and Finance for Development, we set up a high level group of experts, which has just finalised its report. Such a Conference would be possible only after a thorough preparatory process, which will take time. Therefore, our immediate concern is to break through the impasse and find a way of beginning some dialogue between the North and the South. Time is not on our side. The different summit processes would eventually need to come together.

The urgent need to implement a programme of immediate measures and to launch global negotiations remains. These issues have been discussed on several occasions, notably at UNCTAD VI and during the 38th session of the UN General Assembly.

Both these long-term and the short-term issues are probably also engaging your attention and may figure in your deliberations at the forthcoming London Summit. I am asking my personal emissary Mr. L.K. Jha to explain our suggestions to your Government. There will be other ideas also. We are open to suggestions and I should be glad to know your own views. I also hope that our concerns will be taken into consideration in the course of your talks in London.

With regards and good wishes, .

*Indira Gandhi*

The Rt. Hon. Margaret Thatcher,  
Prime Minister of Britain,  
London.

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

17 May 1984

Dear John,

Mr Jha's Call on the Prime Minister

/A  
Thank you for your letter of 16 May confirming that the Prime Minister could see Mr Jha at 1445 on Friday 18 May. I enclose a brief for the Prime Minister's use. Mr Jha last met the Prime Minister in London in mid-1983.

We understand that Mr Jha proposes to be accompanied by the Indian Deputy High Commissioner and by two officials: details at Annex to the brief. We agreed that Sir C Tickell will be present at the meeting.

/B  
We have just received through the Indian High Commission a copy of the message which Mr Jha will be conveying to the Prime Minister: I enclose a copy.

I am copying this letter, with its enclosures to David Peretz (HM Treasury) and Richard Hatfield (Cabinet Office).

Yours ever,  
Peter Ricketts

(P F Ricketts)  
Private Secretary

A J Coles Esq  
10 Downing Street

RESTRICTED



MR L K JHA'S CALL ON THE PRIME MINISTER, FRIDAY 18 MAY 2.45 pm

Points to Make

A: INTERNATIONAL ECONOMIC ISSUES

LONDON ECONOMIC SUMMIT

1. Expect discussions to focus on how to consolidate the economic recovery, how to spread its benefits more widely, and how to strengthen the international trade and financial systems.
2. Will also address the difficulties faced by developing countries, particularly international debt.
3. Summit leaders will be very conscious of interest of rest of world. Have agreed to send special emissary to India to brief on outcome of Summit, if this would be welcome.

IDA 7

4. Have just heard that Americans now appear ready to support World Bank Selective Capital Increase proposal; hope IDA 7 will quickly be put in place. Sir Geoffrey Howe sent a message to Mr Shultz last week urging an end to the impasse.
5. Remain ready to contribute our share to a Supplementary Fund.

COMMONWEALTH CONSULTATIVE GROUP

6. Commonwealth Consultative Group on International Economic Issues playing useful role as envisaged by New Delhi Statement. Seeking practical changes within existing institutions the right approach.



B: BILATERAL (if raised)

PUNJAB CRISIS

Hope calm will soon be restored. Sympathise with efforts to deal with problem.

SIKH DEMONSTRATION - SUNDAY 20 MAY

Police alerted, taking seriously, and in touch with India House. Demonstration will be kept strictly under control.

MURDER OF INDIAN DIPLOMAT

Successful police investigation. Five men in custody, two charged with murder.

Essential Facts

## GENERAL

1. Mrs Gandhi's message will probably be in the name of the Non-Aligned: the Indians are currently Chairman and lay stress on economic issues. A list of Mr Jha's party is at Annex A and a biographical note on Mr Jha at Annex B.

A: INTERNATIONAL ECONOMIC ISSUES

## LONDON ECONOMIC SUMMIT

2. The Prime Minister agreed on 16 May to proposals for briefing non-participants on the outcome of the Summit. These included sending Sir Crispin Tickell (FCO) to brief the Indians and the Australians. A visit to New Delhi will demonstrate that the UK, as Summit host, recognises the significance of the Summit for developing countries.

## IDA 7

3. Adoption of resolutions on IDA 7 and Selective Capital Increase (SCI) has been delayed. Both represent package deal whereby Japan assumes UK's second place ranking in Bank and contributes generously to IDA 7. US have blocked SCI resolution as lever in their talks with Japanese for liberalisation of her capital markets. UK have not accepted linkage and have appealed to US to end dead-lock. US Executive Director has now said (16 May) they are ready to support SCI proposal. Need to move fast on adoption of package to allow new money for IDA after 1 July.

## COMMONWEALTH CONSULTATIVE GROUP

4. Chancellor attended second Ministerial meeting of this Group in London (16 May) which was set up at CHOGM to promote consensus on issues in New Delhi Statement on Economic Action. At latest meeting Ministers identified a number of issues on which agreement might be sought and how and where to do so. They also gave Mr Ramphal responsibility for carrying out further consultations both within and outside the Commonwealth. The Indians, who are also members of the Group, want conference embracing all major groupings.

7<sup>ve</sup> entrée





B: BILATERAL

PUNJAB CRISIS

Extremist Sikhs based on Golden Temple at Amritsar are directing violent agitation in the Punjab. Moderate Sikhs losing influence. Indian Government appears at a loss to restore order. Decision to storm Golden Temple could spark off violence by extremist Sikhs elsewhere, including UK.

SIKH DEMONSTRATION - SUNDAY 20 MAY: 3-5 pm

Demonstration in Trafalgar Square (300-500 people) to protest about Punjab crisis. Police will only allow up to 50 demonstrators at a time into area in front of India House.

MURDER OF INDIAN DIPLOMAT

Mr Mhatre, Indian Assistant Commissioner in Birmingham. Murdered February 1984. 6 men charged in UK, 5 in custody. Seeking warrants for three more men believed to be in Pakistan

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FREEDOM OF INFORMATION  
ACT 2000

FOREIGN AND COMMONWEALTH OFFICE  
17 May 1984



ANNEX A

MR JHA'S PARTY

Mr L K Jha : Mrs Gandhi's Special Emissary

Mr Arjun Sengupta : Special Secretary for Economic Affairs,  
Prime Minister's Secretariat

Mr I F Chaddha : DUS (Economic) Ministry of External  
Affairs

Mr Pushkar Johari : Deputy High Commissioner

JHA, L K

Chairman of the Economic Administration Reforms Commission.

Born 1913; educated at Banares Hindu University and Trinity College Cambridge. Joined ICS in 1937. In 1947 was appointed Joint Chief Controller of Exports. He subsequently served as Additional Secretary in the Ministry of Commerce and Industry when he became internationally well known as India's outstanding representative at meetings of the GATT. He acted as Chairman of the GATT 1957-58 and was Chairman of the UN Interim Committee for Co-ordination of International Commodity Arrangements, 1959-61. He became Secretary, Department of Economic Affairs, Ministry of Finance in 1960, in effect the official head of the Indian "Treasury". Appointed Secretary to the Prime Minister July 1964. Governor of the Reserve Bank July 1967. Appointed Indian representative on the governing body of the IMF, July 1969. Indian Ambassador to the US 1970-73; Governor of Jammu and Kashmir 1973-80. A member of the Brandt Commission on North/South questions which he chaired during Willy Brandt's illness.

As Secretary to the Prime Minister he exerted a great deal of influence on Mr Shastri and initially on Mrs Gandhi. He was an active Governor of the Reserve Bank and was able to exert a good deal of influence on the Finance Ministry under Mr Morarji Desai. But in 1969 Mrs Gandhi disregarded his advice against nationalisation of the major banks. He was sent to Kashmir to get him out of the way though he subsequently played an important role when Sheikh Abdullah returned to power in 1975. After Janata's victory in 1977 many were surprised that he did not return to the Centre. He combines his present job with a general role as Mrs Gandhi's economic adviser and acts particularly as her special representative on North/South questions.

L K Jha is an outstandingly able man with great experience and a sure political touch. He is both pragmatic and imaginative. He is moderate on international economic policy and always looks for opportunities for collaboration rather than confrontation between developed and developing countries. He does not support everything in the Brandt Report. His ambition is to be Finance Minister and, technically, he could make a very good one. However, he is clearly a member of the Old Guard and has no political base of his own. It is doubtful whether Mrs Gandhi will promote him. Since he feels he has inadequate influence in his present job he might be offered and might accept the post of High Commissioner in London. He called on Mrs Thatcher during his visit to London in mid-1983.

He is pro-British, friendly to this Mission and has a delightful Bengali wife (Mekhala) who has done outstanding work in the social services. He has a good collection of Hindu sculpture and enjoys the amenities of life, including a drink.

New Delhi  
May 16, 1984

Dear Prime Minister,

Last year, after the Nonaligned Summit I wrote to you, drawing your attention to its recommendations on the current economic crisis as well as for longer term structural changes.

There have been several discussions to find a basis for the North-South dialogue. None has yielded any positive results. There is general despondency amongst developing countries because their plight is worsening, and threatening prosperity and stability everywhere. The problems of the industrialised countries are also not entirely over. In some of them, there are signs of recovery but it remains weak and uncertain and we have yet to see its impact on developing countries. In an inter-dependent world, recovery in the North will be difficult to sustain without growth in the South.

...2

Hasn't the time come for us to give some impetus to such a dialogue? For instance, a fresh initiative could be considered on the question of money and finance. The functioning of the international monetary and financial system has been under close scrutiny in different forums, including the Williamsburg Summit and the Commonwealth Heads of Government Meeting. In pursuance of a decision taken by the Nonaligned Summit in New Delhi to call an International Conference on Money and Finance for Development, we set up a high level group of experts, which has just finalised its report. Such a Conference would be possible only after a thorough preparatory process, which will take time. Therefore, our immediate concern is to break through the impasse and find a way of beginning some dialogue between the North and the South. Time is not on our side. The different summit processes would eventually need to come together.

The urgent need to implement a programme of immediate measures and to launch global negotiations remains. These issues have been discussed on several occasions, notably at UNCTAD VI and during the 38th session of the UN General Assembly.

Both these long-term and the short-term issues are probably also engaging your attention and may figure in your deliberations at the forthcoming London Summit. I am asking my personal emissary Mr. L.K. Jha to explain our suggestions to your Government. There will be other ideas also. We are open to suggestions and I should be glad to know your own views. I also hope that our concerns will be taken into consideration in the course of your talks in London.

With regards and good wishes,

sd/L

The Rt. Hon. Margaret Thatcher,  
Prime Minister of Britain,  
London.

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cc R

10 DOWNING STREET

*From the Private Secretary*

16 May 1984

Special Emissary from Mrs. Gandhi

Thank you for your letter of 14 May.

The Prime Minister could see Mr. Jha for 30 minutes at 1445 on Friday 18 May. I should be grateful for a brief.

I am copying this letter to David Peretz (HM Treasury) and Richard Hatfield (Cabinet Office).

A. J. COLES

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office.

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SEPC ①

Prime Minister.

Foreign and Commonwealth Office

Would you be prepared to see London SW1A 2AH

Mr. Jha for 30 minutes at

14.45 on Friday, 18 May? 14 May 1984

Dear John,

AK  $\frac{15}{5}$ 

Yes

Special Emissary from Mrs Gandhi

Our High Commission in New Delhi have been asked to arrange for Mrs Gandhi's personal emissary, Mr L K Jha, to deliver a message from Mrs Gandhi to the Prime Minister about the London Economic Summit. He will be in London on 17-18 May.

Given the short notice, Mr Jha would be content with a brief call on the Prime Minister. But the Indians will attach importance to Mr Jha delivering Mrs Gandhi's letter to the Prime Minister in person if at all possible. As the current Chairman of the Non-Aligned Movement (NAM) they are under a responsibility to the NAM membership to put across the views of the developing countries on international economic issues in the run-up to the Economic Summit. India also has important interests of her own at stake, notably IDA 7, which the Indians will certainly hope to see raised at the Summit. This is a good opportunity to demonstrate that, as host to the Economic Summit, we are giving due weight to the developing countries' concerns.

Mr Jha has also asked to see the Foreign Secretary and the Chancellor of the Exchequer but they will both be in Paris for the OECD Ministerial meeting for much of the time he is in London. If the Prime Minister cannot see Mr Jha he may be obliged to stay on in London until Monday 21 May in order to deliver the message at a sufficiently high level.

Mr Jha arrives at London Airport at 1300 on Thursday 17 May and will be available for calls on the 17th and all day on Friday 18 May.

Mr Jha is a well-known figure in the field of international economic relations and acts as Mrs Gandhi's personal adviser on these matters. He last met the Prime Minister when he was

/in London



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/ in London in July 1983. I enclose a personality note.

I am sending a copy of this letter to David Peretz  
in the Chancellor's office.

*Yours ever,  
Peter Ricketts*

(P F Ricketts)  
Private Secretary

A J Coles Esq  
10 Downing Street

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JHA, L K

Chairman of the Economic Administration Reforms Commission.

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DA



10 DOWNING STREET

*From the Private Secretary*

11 July 1983

*Dear Sir,*

Call on the Prime Minister by Mr. L.K. Jha

I enclose a record of the conversation which took place here this morning between the Prime Minister and Mr. L.K. Jha.

*Your ever  
Fol Wla.*

Brian Fall, Esq.,  
Foreign and Commonwealth Office.

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✓

cc MASTER

CONFIDENTIAL

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND MR. L.K. JHA AT 1100 ON MONDAY 11 JULY 1983 AT 10 DOWNING STREET

Present:

Prime Minister  
Mr. Coles

Mr. L.K. Jha  
Dr. V.A. Seyid Muhammad

\* \* \* \* \*

Mr. Jha said that he had been asked by Mrs. Gandhi to convey to the Prime Minister her thoughts about the proposal for a Summit in New York at the time of the UN General Assembly. He wanted to emphasise, in particular, that the proposal had nothing to do with the United Nations as such. The UN General Assembly simply provided a convenient occasion for Heads of Government to come together without the necessity of there being a host. Mrs. Gandhi hoped that few rather than many Heads of Government would attend. But she attached particular importance to certain leaders coming and these included Mrs. Thatcher.

The Prime Minister said that she was interested to have this clarification. She believed that the value of the proposed Summit would depend on persuading a few leaders of importance to attend. It was vital that Mr. Andropov should be there - otherwise the gathering would lose much of its point. Mr. Jha commented that the Indians were concerned that Andropov's health would prevent him going. Mrs. Gandhi's judgement was that Mr. Tikhanov might be the right person to represent the Soviet Union. The Prime Minister said that it would be much more valuable if Andropov went. She had the impression that he was very much in command in Moscow. No-one else would have the same authority. If Andropov went, there would be an opportunity to put to him views which he never heard in the closed society of the Soviet Union. Mr. Jha said that he accepted that point but he hoped that, if Andropov could not attend, that would not deter the Prime Minister from attending. Apart from East/West tensions there were North/South issues to discuss.

/ The Prime Minister

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The Prime Minister had played a magnificent role at Cancun. That meeting would have produced results if Venezuela had not intervened with its global approach to North/South questions. The Prime Minister agreed that Cancun was a good conference. This had been helped by the fact that only 22 Heads of Government attended.

Mr. Jha said that Mrs. Gandhi was hoping that not more than 50 Heads of Government would go to New York. It would not be necessary for them all to meet at the same time. But the occasion would be provided for communication between those who lacked an adequate means of communication at present. The Americans were showing some reluctance because of the lack of time for adequate preparation.

The Prime Minister asked who would chair the Summit. Mr. Jha said that it would not necessarily have to be the Chairman of the UN General Assembly. One possibility would be the Indian Prime Minister, as current Chairman of the Non-Aligned. India envisaged a series of informal meetings. Special care would have to be taken about who met whom. The Prime Minister commented that it was essential to be clear about who would attend and who would not, who would be Chairman, what would be discussed and what would be achieved. East/West relations would clearly dominate. But it was necessary to bear in mind that, for example, President Reagan and Castro could not possibly be in New York together. Mr. Jha said that Mrs. Gandhi had already stated that that must be avoided.

The Prime Minister said that if the proposal were to go ahead, a lot of careful thought would be needed. But the key was Andropov. It would also be important to know whether Deng Xiaoping would attend.

Mr. Jha said that there should be preparatory consultations between a few like-minded countries. The Prime Minister said that there might be a need for a preparatory meeting but it was important first to establish whether Andropov and Deng Xiaoping would attend. If they agreed to come then a great deal of preparation would be necessary.

Mr. Jha said that Mrs. Gandhi was concerned that if the proposal went ahead virtually all the non-aligned would wish to attend. From

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South Asia, if India attended, Pakistan would wish to do so also - and Nepal and Sri Lanka would probably not agree to be left out. The Prime Minister pointed out that previous gatherings of Heads of Government in New York, for example in 1960 when Kruschev had attended and last year at the Special Session on Disarmament, had not been very successful. She thought that any gathering would have to be very carefully restricted. Was a meeting in September perhaps too soon?

Mr. Jha said that he had had negative signals from the United States. They were wary of an "accidental Summit". There had been hints that the Americans might be more positive towards the idea if Andropov did not attend. They had not adopted a definite position and President Reagan was said still to be open minded.

In discussion of other possible participants, Mr. Jha said that he had reason to believe that Egypt would attend. The Prime Minister thought that it would probably be necessary to invite Saudi Arabia, Nigeria, and a Francophone African state such as the Ivory Coast. Mr. Jha asked who should come from Europe. The Prime Minister said that she assumed that the five permanent members of the Security Council, including France, would have to attend. It would also be important for Germany to be present. Japan would doubtless have to be there as well.

In response to a question from the Prime Minister, Mr. Jha said that the Russian attitude was not negative but it contained a note of caution which the Indians attributed to the state of Andropov's health. In the next ten days the Indians would send a special emissary (not Mr. Jha) to Moscow.

The Prime Minister reiterated that the key to the whole proposal was Andropov. She wondered whether we were not now a little short of time. Perhaps we should consider a later date for the proposed Summit. Mr. Jha suggested that we should reflect on whether the presence of Andropov might not be a negative factor for President Reagan. The Prime Minister said that perhaps it would be wise to

/ wait

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wait until both President Reagan and Andropov were ready. But the first step was to find out who was willing to go. If the key Heads of Government were not ready to make up their minds, perhaps the whole idea should be delayed. She thought that we would now make further contacts with the US Administration to establish their latest attitude.

The discussion ended at 1140.

A. J. C.

11 July 1983

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10 DOWNING STREET

Prime Minute

It must now be very unlikely  
that Andropov, given his state  
of health, could go to New  
York. It follows that we have  
little interest in Dr. Gandhi's  
proposal succeeding.

In that case we should be  
careful not to let it be known  
now that you plan to be in the  
U.S. in the last week of  
September. For the Indians are  
quite capable of saying that  
since you will be in the area their  
proposal for a Summit is gathering  
support.

A.S.C.  $\frac{8}{7}$ .





Foreign and Commonwealth Office

London SW1A 2AH

8 July, 1983

*Dear Sir*

India: UN Summit Proposal: Call by Mr L K Jha, Monday,  
11 July, at 11 am

Thank you for your letter of 7 July confirming that the Prime Minister has agreed to see Mr L K Jha at 11 am on Monday, 11 July. I enclose a brief, which I shall be submitting in parallel to Sir Geoffrey Howe.

We shall be writing separately with advice on the Prime Minister's proposed visit to North America in September. You will see that we think it would be prudent for the visit to be so arranged as to allow the Prime Minister to spend a day in New York, seeing Mrs Gandhi and one or two of the other Heads of Government who may turn up for the 'Summit', if this seemed desirable nearer the time. We do not recommend that the Prime Minister should allude to this possibility, or to her plans for a visit to North America, to Mr Jha; nor does the brief mention it. But the possibility is something the Prime Minister may wish to have in mind when she discusses the proposed 'Summit' with him.

*Am, over,  
Jha*

(B J P Fall)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street

CALL ON THE PRIME MINISTER BY MR L K JHA, MONDAY 11 JULY 1983 AT  
11 AM

POINTS TO MAKE

PROPOSED UN SUMMIT

1. Open mind on Mrs Gandhi's proposal. Reactions of other countries?
  
2. Frankly, difficult to give firm view on a proposal which is still so vague. Summit of indeterminate number of World Heads of Government poses obvious problems of organisation. Does Mrs Gandhi intend
  - (a) a meeting or a series of meetings attended by all Heads of Government who choose to turn up in New York that week?  
or
  - (b) more selective gatherings? or
  - (c) a series of bilaterals, with Heads of Government addressing the General Assembly as on previous such occasions?
  
3. If (a), or (b), what agenda? What Chairmanship? What sort of conclusions? And if (b), who to choose? If (c), do not recall much coming from previous UN Summits: occasions more for rhetoric than for serious negotiation.
  
4. Preserve open mind at this stage. Certainly do not dismiss idea of attending. But still need to see carefully whether attendance would be useful and what our partners have in mind. In any event, look forward very much to seeing Mrs Gandhi at CHOGM.

INTERNATIONAL MONETARY CONFERENCE [IF RAISED]

5. Not mentioned in closing statement of UNCTAD VI. Williamsburg Declaration represents our ideas correctly.



CALL ON THE PRIME MINISTER BY MR L K JHA, MONDAY 11 JULY 1983  
AT 11 AM

ESSENTIAL FACTS

PROPOSED UN SUMMIT

Mr Jha

/ 1. Personality note attached. Here for a meeting at Cambridge. Mrs Gandhi's senior economic adviser. Member of Brandt Commission. Also calling on Governor of the Bank of England, Chief Secretary to the Treasury and Minister for Overseas Development.

Mrs Gandhi's Invitation

/ 2. Letter of 2 April attached, following discussion at NAM Summit (but probably an Indian idea in the first place). Indians have added that Summit should be in week beginning 26 September.

Attitude of others

3. Americans instinctively opposed (although Shultz careful not to take a negative line when in India last week): not ready for Reagan/Andropov summit. Most Europeans privately sceptical, publicly non-committal - but French equivocal. UN Secretary-General not keen.

UK Line so far with Indians

4. Sir R Wade-Gery told Mrs Gandhi on 16 May that the Prime Minister could not, in the circumstances of the elections, then give a substantive reply. The Prime Minister has recently agreed that we should say (if asked) that she continues to be entirely open minded about the idea; and we should press the Indians, if they raise the matter, to explain their ideas for agenda, objectives and organisation.

Previous 'Summits' at the UN

5. 1960 - 23 Heads of State/Government addressed General Assembly (Macmillan, Krushev, Nehru etc): plus some bilaterals, but no collective 'summit' as such.

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1970 - Special 10-day 25th Anniversary Commemorative session of the General Assembly addressed by 42 Heads of State/Government (Heath, Mrs Gandhi etc): again, no collective 'summit' discussions.

INTERNATIONAL MONETARY CONFERENCE

6. Agreed at Williamsburg to invite Finance Ministers and IMF to "define the conditions for improving the international monetary system and to consider the part which might, in due course, be played in this process by a high level international monetary conference".

United Nations Department  
8 July 1983

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JHA, L K

Chairman of the Economic Administrative Reforms Committee.

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PRIME MINISTER  
INDIA

9

A, dear Prime Minister,

As you know, the 7th Conference of Heads of State or Government of Non-aligned countries was held in New Delhi from the 7th to the 12th March, 1983. I wanted to write personally to inform you, however, briefly, about the Conference and the issues with which we were principally pre-occupied.

A little over half of humankind was represented at the New Delhi Conference. So it was natural we should all be concerned with the problems that confront the international community as a whole, namely peace, independence, disarmament and development. On all these questions of overriding priority we had a united approach.

The Conference adopted a Declaration on several political and economic issues. In addition, the assembled Heads of State or Government issued a special "New Delhi Message". I enclose the text of the Message. As you will see, it embodies our fears and apprehensions as well as our hopes and aspirations. Our proceedings were dominated by a deep awareness of the threat of

nuclear war and the global economic crisis. The Message brings these concerns into sharp focus.

A number of proposals have been made on the highly complex question of nuclear disarmament. We, the non-aligned countries, earnestly urge an immediate halt to the drift towards nuclear conflict by taking the necessary steps outlined in the Message. There is pressing need for the nuclear weapon Powers to agree on a reassuring gesture.

The world is confronted with an acute economic crisis. We have invited attention to the necessity of restructuring the existing world economic system through a process of global negotiations. In the meantime, there should be a set of immediate measures to bring the world back to the path of sustained growth. We have suggested the convening of an International Conference on Money and Finance for Development with universal participation. It is now widely recognised that the economies and other aspects of the developed and developing nations are so interlinked that the search for solutions has to be made together by us all,

developed and developing. We believe we have made constructive proposals to this end.

The Message sets out our positive approach to other problems of worldwide concern such as Palestine and the Middle-East, the independence of Namibia, racism and apartheid, and stresses the need to find internationally acceptable solutions to the problems of different regions.

Urgent, even dramatic action is needed to rebuild confidence. We felt that it would be useful for the Heads of State or Government of the members of the United Nations to meet in New York for a few days at the time of the 38th Session of the General Assembly. The idea is to give fresh thought to ways and means of tackling the major problems of the day. We are realistic enough not to expect spectacular results since these problems are complex. But the least we can hope to achieve, at such a high-powered gathering, is a reduction in international tension and the initiation of a process which would improve the political climate and make it more conducive to the solution of problems. It would be a collective manifestation of our political will to grapple with our problems instead of letting problems overwhelm us.



I earnestly hope, Prime Minister, that you will agree with our basic approach. I am fully conscious that Heads of State or Government are extremely busy with urgent and important issues in their own countries. But at the N.A.M. we all thought that we should find some time to meet in New York. I do hope you also will be able to come to New York next autumn for a few days, to join fellow leaders in a common search for answers to our common problems. Need I say that your contribution will be invaluable.

With warm regards,

Yours sincerely  
Indira Gandhi.

The Rt. Hon. Margaret Thatcher, M.P.  
Prime Minister, First Lord of the  
Treasury and the Minister for the  
Civil Service,  
London

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7 July 1983

India: UN Summit Proposal

Thank you for your letter of 6 July.

The Prime Minister would like to receive Mr. L.K. Jha and could do so for 30 minutes at 11 o'clock on Monday, 11 July. I should be grateful if you could let me have a brief as early as possible tomorrow.

BFI

A J COLES

John Holmes, Esq.,  
Foreign and Commonwealth Office.

N/R



10 DOWNING STREET

Tim

Can you give me 30  
minutes?

at 7/7.

Tom

11-11-30 on  
Monday

T



Prime Minister

Foreign and Commonwealth Office

do you want to see Mr.  
Jha, please next Sunday?

London SW1A 2AH

A.J.C.  $\frac{6}{8}$

6 July, 1983

Yes not

Dear John,

India: UN Summit Proposal

Mr L K Jha, a member of the Brandt Commission and an adviser to Mrs Gandhi, will visit the UK from 7-11 July, principally to attend the Cambridge Commonwealth Trust dinner at Trinity College on 7 July. While in London, he will call on the Chief Secretary to the Treasury and the Governor of the Bank of England. As you will have seen from Delhi telno 456 (copy enclosed) he has in addition asked to call on the Prime Minister to discuss Mrs Gandhi's proposal for a UN Summit.

Mr Jha is an outstandingly able public servant with great experience and a sure political touch. The many important positions he has held include Secretary to the Prime Minister, Governor of the Reserve Bank and Indian Ambassador to the United States. He accompanied Mrs Gandhi to the Cancun Summit and is probably her closest adviser on economic questions. He has been the principal architect of the active and constructive role played by India since Cancun in the field of international economic affairs.

The possibility of the Indians returning to the charge on Mrs Gandhi's summit proposal was foreshadowed in Brian Fall's exchange of letters with you last week. It would have suited us better if they had done so in slower time, but Mrs Gandhi no doubt feels that time presses and another round of lobbying might help to get matters moving. Press reports from Delhi suggest that the subject was raised with Secretary of State Shultz during his talks there last week.

If the Prime Minister can spare the time, we believe she should agree to see Mr Jha. It would serve our bilateral relations to use the opportunity to demonstrate to Mrs Gandhi that Mrs Thatcher continues to have an open mind on the proposed summit. It will not be easy to strike the right balance between encouraging the Summit on the one hand and appearing too overtly sceptical on the other. But it will be an opportunity to ask some frank questions about agenda and objectives. We will provide a brief accordingly.

/Appointments

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Appointments have been made for Mr Jha to call on the Governor of the Bank at 3 pm on 8 July and on the Chief Secretary at 3 pm on 11 July. Otherwise he is free to call on the Prime Minister any time on 8 or 11 July and on the morning of 7 July, before travelling to Cambridge.

*Your ever*

A handwritten signature in dark ink, appearing to read 'J E Holmes', written in a cursive style.

(J E Holmes)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street

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# CONFIDENTIAL

GRS 260  
CONFIDENTIAL  
FM DELHI 041125Z JUL 83  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 456 OF 04 JULY

YOUR TELNO 337: L K JHA

1. I TELEPHONED JHA THIS MORNING TO PASS ON THE SUGGESTIONS IN YOUR TUR. JHA QUITE UNDERSTOOD ABOUT THE CHANCELLOR'S MOVEMENTS AND SAID HE WOULD BE GLAD TO CALL ON THE CHIEF SECRETARY, AND INDEED TO MEET JEFFREY LITTLER AS WELL IF THAT COULD BE FITTED IN. HE LOOKS FORWARD TO HEARING ABOUT THE GOVERNOR. HE IS NOT (NOT) EXPECTING TO ATTEND THE COMMONWEALTH FINANCE MINISTERS MEETING.
2. JHA THEN ASKED ME TO CALL ROUND AT HIS OFFICE THIS AFTERNOON TO TELL ME OF A CONVERSATION HE HAD JUST HAD WITH MRS GANDHI. SHE HAD ASKED IF THE PRIME MINISTER COULD SPARE SOME TIME TO SEE JHA WHILE HE WAS IN LONDON IN ORDER TO EXPLAIN INDIA'S IDEAS ABOUT THE UN SUMMIT PROPOSAL. JHA SAID THE ESSENCE OF THE INDIAN APPROACH WAS THAT THEY WERE NOT RIGID ABOUT THE FORM SUCH A SUMMIT MIGHT TAKE: BUT MRS GANDHI WOULD FIND IT HELPFUL PERSONALLY TO HAVE WHAT JHA CALLED SOME 'FEED BACK' ABOUT THE UK ATTITUDE.
3. THIS IS A TRICKY ONE, GIVEN OUR VIEWS ON THE SUMMIT. BUT MRS GANDHI WOULD UNDOUBTEDLY BE PLEASED IF JHA, WHO IS ONE OF HER CLOSEST ASSOCIATES, COULD BE RECEIVED BY THE PRIME MINISTER. WE COULD BE CONFIDENT THAT ANY MESSAGE THE PRIME MINISTER MIGHT WISH TO CONVEY TO MRS GANDHI ON OTHER TOPICS WOULD GET THROUGH QUICKLY.
4. JHA WOULD BE AVAILABLE AM ON THURSDAY THE 7TH AND ANY TIME ON FRIDAY OR MONDAY, 8 OR 11 JULY. HE IS FLYING TO LONDON ON THE 6TH.

SAMUEL

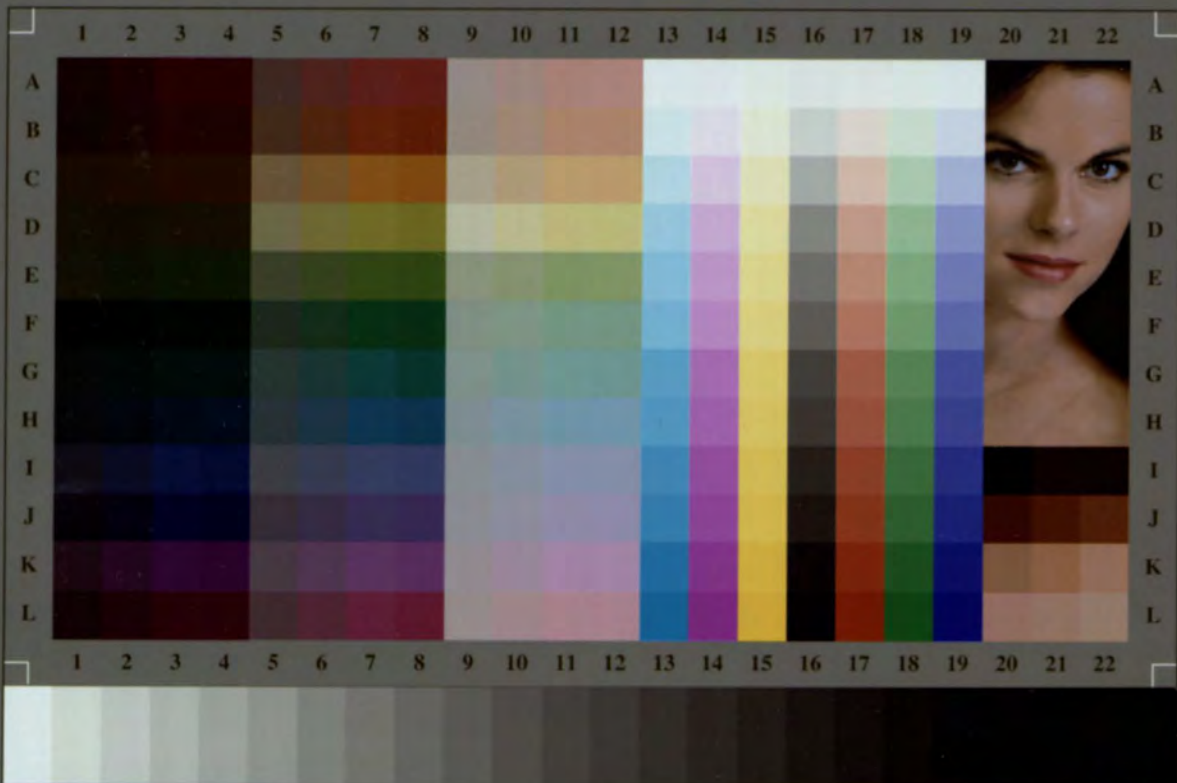
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