

SUBJECT

CONFIDENTIAL

cf Marker  
India: Pt 2: UK/Indian Relations

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE  
INDIAN FOREIGN MINISTER, MR. RAO, IN DELHI ON 16 APRIL 1981  
AT 0900 HOURS

---

Present:

Prime Minister	Mr. Rao
Sir John Thomson	Mr. Sathe
Sir John Graham	Mr. Hiremath
Mr. Ingham	Mr. Bhalla
Mr. Alexander	

Non-Aligned Meeting

The Prime Minister congratulated Mr. Rao on the way the Non-Aligned Meeting in Delhi had been conducted. Mr. Rao said that the atmosphere had indeed been very good. Consensus had been reached because those who disagreed did not wish to spoil the atmosphere. At the end of the Conference, the Indian Government had suggested the participating States could enter reservations about the conclusions at any time in the next two week. In the event, no reservations had been received.

Commonwealth Heads of Government Meeting

The Prime Minister said that she hoped a similar atmosphere would prevail in Melbourne. She did not think that there were any major difficulties facing Heads of Government though she was aware that the Members from the Pacific were hoping that more time could be spent on the things that interested them. It would be useful if any unavoidable political declarations could be worked out before the meeting assembled. This would save much valuable time. Mr. Rao said that the Indian Government were concentrating on economic issues and hoped to play down or bypass political issues. They thought the Melbourne meeting would be a useful preparation for the subsequent summit meeting in Mexico. He agreed with the Prime Minister about the desirability of preparatory work.

/ North/South Summit

CONFIDENTIAL

North/South Summit

After the Prime Minister had referred to the concern of the Mexican Foreign Minister about the fact that the Ottawa Summit would precede the Mexico Summit, Mr. Rao confirmed that this was a source of concern to the Indian Government also. There were those who argued that if the developed countries had a harmonised position as a result of the Ottawa Summit, the developing countries should similarly coordinate their views. However, the Indian Government took a different view. They regarded it as essential that the meeting in Mexico should be the occasion for a free and open exchange of views. There should be no pre-determined positions. For that reason they did not think the developing countries should try to imitate the Ottawa Summit. They should limit themselves to analysing the outcome of the Ottawa Summit and exchanging views about it.

The Prime Minister said that she thought this was very wise. She was aware of the dangers flowing from the fact that the economic summits were carefully prepared by officials and were faced with draft declarations, which they often did not discuss, when they met. However, she doubted whether the Mexico Summit would lead to the taking of firm collective positions by the seven participants. Mr. Rao indicated that he was glad to hear this. The Mexico Summit should not be an occasion for negotiation or decisions. He hoped very much that this would be borne in mind in Ottawa. It was essential that Heads of Government should not come to Mexico with their hands tied. The Mexico meeting would be an input into on-going discussions. He hoped it would help to accelerate the dialogue between North and South. Those involved in the preparatory discussions in Vienna had been careful to avoid committing the Mexico meeting to anything other than a free-ranging and uncluttered discussion.

Iran/Iraq

Mr. Rao commented that many members of the Non-Aligned Movement were going to find it embarrassing to attend the next Non-Aligned Summit in Baghdad if the <sup>Iran/Iraq</sup> war was still in progress. The Prime Minister said that perhaps the prospect

/ of the Summit

CONFIDENTIAL

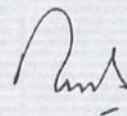
- 3 -

of the Summit would provide a stimulus to the search for a solution. Mr. Rao agreed but added that there was now a major conflict of personality between the leaders of the two sides. Each appeared to expect the other to fall within two or three months and to see no reason why concessions should be made in advance of that event. Moreover, each regime was accusing the other of attempts to subvert it.

Arab/Israel Dispute

After Mr. Rao had referred to Mr. Haig's recent visit to the Middle East, the Prime Minister said that she thought we were coming to the end of the period of appraisal which had followed the election of a new Administration in the United States. The time for a next step was now approaching. Unfortunately, it was not easy to see what the shape of that next step should be. Moreover the attack on President Reagan's life would no doubt have set back the process of policy formulation in the United States.

The discussion ended at 0920.



16 April 1981

cc Sir John Thomson  
Sir John Graham

CONFIDENTIAL