

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T61AB/83**



PRIME MINISTER
INDIA

New Delhi
May 9, 1983

Dear Prime Minister,

In a few weeks, some leading industrialized countries will meet at Summit level in Williamsburg. You will naturally discuss problems of concern to your countries, but I am sure that issues which form the subject of North-South dialogue will also be considered. I thought I should share with you the concerns of the Non-aligned Movement about the prevailing world economic situation and our ideas of resolving the crisis in mutual cooperation and partnership.

The current crisis affects all countries. It has particularly grave consequences for developing ones. The widening gap between the developed and the developing countries is a source of instability which could pose serious threat to world peace and security. No one now disputes the fact of growing interdependence amongst nations and the need of dialogue and constructive cooperation among them. Recovery in the developed countries depends, to a large extent, on the ability of the developing countries to purchase from them since the developing countries constitute an important segment of the global trade. Similarly, many industries in the developed countries depend on stable supplies of raw

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Subject: Econ Pol: Williamsburg
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materials and other inputs from the developing countries. Hence the resumption of growth in developing countries is essential not only for promoting recovery in the developed world but also for sustained economic growth in the world as a whole.

Some growth oriented structural reforms in the world economic system are indispensable for the economic health of all nations. The existing international institutions in the financial, monetary and trade fields were established at a time when most of the developing countries were not independent. Even from the point of view of developed countries, these institutions cannot be said to be functioning altogether satisfactorily. For example, they have not been able to find adequate solutions to the problems of debt, liquidity and exchange rates. It would not be realistic to expect private commercial banks to play the role that they did in the 70s in the recycling of surplus liquidity.

The Non-aligned countries believe that such restructuring of international economic relations and strengthening of multilateral economic cooperation on the basis of mutual benefit can be achieved only through comprehensive discussions on international economic cooperation for development. Fresh political impetus can be given to global negotiations in a two phased approach - first taking up those issues on which some degree of agreement is in sight and then the remaining one.

In the meantime, urgent international action in areas of critical importance to developing countries such as money and finance, food, financial flows, trade, raw materials, energy is indispensable. We have proposed a Programme of Immediate Measures to

stimulate the economies of developing countries while reactivating the world economy, suggesting the convening of an International Conference on Money and Finance for Development with universal participation. Our approach is flexible and we look forward to discussing, in a spirit of partnership and cooperation with you and leaders of other developed countries, the scope and modalities of the proposed Conference. This approach has received the broad endorsement of the Group of 77 at its Ministerial Meeting in Buenos Aires last month.

We hope that the concerns I have set out above will receive your personal attention and be carefully considered at the Williamsburg Summit.

With warm regards,

James Stewart
Walter J. ...

The Rt. Hon'ble Margaret Thatcher,
Prime Minister of the United Kingdom of
Great Britain and Northern Ireland,
London.