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Mr Thomas ) Separate copies

# Secretary of State's meeting with Mr Mukherjee: 23 November

1. The Secretary of State had a meeting with Mukherjee (at the latter's request) before this afternoon's session. Mukherjee was accompanied by Sengupta PK Kaul and Rasgotra. The PUS and I were also present. The Indian purpose was clearly to sound us out on items likely to cause difficulty in the Communique, and Rasgotra and Kaul made most of the running on their side.

## Nature of Communique

2. Rasgotra said that as he understood it in the light of this morning's restrictive session there would be one Communique (ie presumably a single document) and he thought it would be a long one. The Secretary of State said that he was not briefed on the details of what had been said this morning, but that our preference was very strongly for a short document.

#### Economic Issues

Rasgotra opened the discussion by saying that these were likely to cause the most difficulty: words could always be found to deal with problems on the political side. The Secretary of State said that what Mrs Gandhi had said in her speech about endorsing the proposals of the NAM would cause us very great difficulty if it was sought to follow this up in the Communique. In the discussion which followed, the Indian side put the emphasis very much on the idea of a conference on money and finance, and Rasgotra argued that it would be very difficult for the Non-Aligned members of the Commonwealth to go back on what they had so recently agreed in the NAM.

The Secretary of State countered that it would be equally difficult for us to go beyond what we had agreed at Williamsburg. The Bretton Woods analogy was not helpful: there was at present no need to establish Institutions, and it was not realistic or practical to think in terms of fixed exchange rates (though greater exchange rate stability would certainly be desirable). What we should do was to examine the practical steps which would be necessary to bring about any changes which were thought necessary. A conference of the kind originally proposed by Mr Muldoon was to put the cart before the horse. The idea which Mr Lawson had put forward in Port of Spain could play a uesful part in bringing forward some practical ideas. Otherwise, we would be back on to points of substance where disagreements were well-known. It was important that the Communique drafting should not be approached by pressing points known to be unacceptable as this would inevitably lead to press stories of failure and victory/defeat.

Kaul argued that Mr Lawson's idea was unlikely to be productive. We already had a pretty clear idea of what thought the staff of the Institutions was necessary, but the problem was that it was only Governments who could take the necessary decisions. Mukherjee emphasised the crucial role of the US Government and the need to bring effective influence to bear on it. The PUS argued that there would nevertheless be advantage in a group of informed people who could talk to the Institutions and try to obtain a picture of what was attainable and what they needed to do their job in changing circumstances. Rasgotra indicated that the idea of a restricted group was an additional point of difficulty for the Non-Aligned, all of whom wanted to have their say. He added that he saw the conference as the end of a process: there would be no question of a timetable, and perhaps the step by step approach could be combined with acceptance of the need for a conference at the appropriate time. He noted that the Williamsburg

formula did not exclude the idea of a conference.

#### Namibia

The Secretary of State said that he had been disappointed 5. by the implications in Mrs Gandhi's speech that the Contact Group was an obstacle to the implementation of Resolution 435, which we very much wanted to see. The Contact Group might prove a convenient way of helping to keep up the pressure. We did not endorse linkage, but it looked as if at least a move in the direction of Cuban withdrawal from Angola might be the key to progress. This would of course suit us well. Rasgotra said that the Indians did not see the Contact Group as an obstacle to progress. He asked for our views on the possibility of Commonwealth troops in Namibia or in Angola. The Secretary of State said that the Front Line States had not appeared enthusiastic about the Nigerian ideas but as far as we were concerned the option remained open. Rasgotra said that the African position might emerge more clearly in the course of the Meeting.

### Grenada

Commonwealth Force, for which he had not detected much enthusiasm. The Secretary of State made it clear that we were not pressing for this, but he thought that Mrs Gandhi's speech had gone too far in what it had said about withdrawal and UN involvement. Our hope was that the Meeting would look forward, not backward, and would leave Commonwealth countries, either singly or jointly free to respond to any requests which the Advisory Council might wish to make. Reconstruction and help in policing were both important: the Grenadians no doubt welcomed the help which American engineers were providing on the former, and the OECS might have a helpful role to play on the latter. For

/our part,