

MASTER

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INDIA: visits of Mr LK Jha:  
July 83.

cc Econ Pst: LES  
A 16



10 DOWNING STREET

THE PRIME MINISTER

30 May 1984

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. 189/84

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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FM OTTAWA 301630Z MAY 84  
TO PRIORITY FCO  
TELEGRAM NUMBER 320 OF 30 MAY

YOUR TELNO 974 TO WASHINGTON: LONDON ECONOMIC SUMMIT: MESSAGE  
FROM MRS GANDHI

1. MR JHA VISITED OTTAWA ON 25 MAY. HE MET MR TRUDEAU AND LUNCHEDED WITH DE MONTIGNY MARCHAND.

2. JHA'S MESSAGE FROM MRS GANDHI WAS ESSENTIALLY THE SAME AS THAT DELIVERED IN LONDON. HE STRESSED THE NEED TO REESTABLISH MOMENTUM ON NORTH/SOUTH ISSUES AT LONDON SUMMIT. THE FOCUS SHOULD BE ON MONEY AND FINANCE BECAUSE THESE AREAS WERE CAUSING THE MOST SERIOUS PROBLEMS FOR LDCS AND WERE THE ONES IN WHICH THE INDUSTRIALISED NATIONS COULD GIVE A LEAD. SINCE THE NORTH AND SOUTH HAD RESERVATIONS ABOUT DISCUSSING THESE ISSUES WITHIN THE FRAMEWORK OF THE UN OR THE BRETTON WOODS INSTITUTIONS RESPECTIVELY, MRS GANDHI WAS PROPOSING A CANCUN-STYLE MEETING WITH LIMITED REPRESENTATION FROM NORTH AND SOUTH. JHA FURTHER SUGGESTED THAT THE TEXTS FOR SUCH A MEETING SHOULD BE THE HELLEINER REPORT, THE REPORT OF THE NAM EXPERTS GROUP AND THE G10 REPORT COMMISSIONED AT WILLIAMSBURG.

3. MR TRUDEAU SAID HE WOULD WELCOME ANY INITIATIVE THAT MOVED THE NORTH/SOUTH DIALOGUE 'OFF DEAD CENTRE' AND WOULD TAKE ACTIVE PART IN DISCUSSIONS OF THIS IDEA AT THE LONDON SUMMIT. HOWEVER HE SAID THAT THE BRETTON WOODS INSTITUTIONS HAD PLAYED A GOOD AND POSITIVE ROLE AND THAT ANY NEW INITIATIVE SHOULD BUILD UPON THEM, NOT SEEK TO REPLACE THEM.

4. IN MORE GENERAL DISCUSSION OF THIRD WORLD INDEBTEDNESS, MR TRUDEAU STRESSED THE NEED TO THINK ABOUT MEDIUM AND LONG TERM SOLUTIONS. HE ALSO RAISED THE QUESTION OF STRUCTURAL ADJUSTMENT AND THE NEED TO RECOGNISE THE REALITY OF INTERDEPENDENCE. HE SAID HE WOULD BE RAISING THESE POINTS AT THE SUMMIT.

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5. OVER LUNCH, MARCHAND AND HIS COLLEAGUES SOUGHT FURTHER CLARIFICATION OF THE CANCUN-STYLE MEETING. JHA SAID IT NEED NOT BE AT HEADS OF GOVERNMENT LEVEL. FINANCE MINISTERS MIGHT BE MORE APPROPRIATE. IT EMERGED IN DISCUSSION THAT MRS GANDHI SAW THIS MEETING AS PREPARATION FOR A FULL BLOWN INTERNATIONAL MONETARY CONFERENCE. CANADIANS MADE IT CLEAR THAT THEY WOULD HAVE DIFFICULTIES IN PARTICIPATING IF THIS WERE THE CASE. JHA REACTED NEGATIVELY TO CANADIAN SUGGESTION THAT NORTH/SOUTH MONEY AND FINANCE ISSUES MIGHT BEST BE PURSUED THROUGH THE DEVELOPMENT COMMITTEE OF THE IMF/IBRD.

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