



Mr Powell. *AM* 1/12

Sir Crispin met Jha
on 19/11, and wrote to
Robert Anderson soon
after. He thought you
might like to see a
copy of his letter.

[Signature]
29/11

with compliments

SIR CRISPIN TICKELL
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Telephone 01-213: 4819
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Permanent Secretary

23 November 1984

Sir Robert Armstrong GCB CVO
Cabinet Office
70 Whitehall
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SW1*Dear Robert,*

FOLLOW UP TO LONDON ECONOMIC SUMMIT

You will remember that before the London Economic Summit, the Indian Prime Minister sent round L K Jha as her special emissary to deliver a letter to the Prime Minister urging the restoration of vigour to the North/South dialogue, largely through the International Conference (John Cole's letter to Peter Ricketts). After the Summit, as you know, the Prime Minister sent me round to explain the results (my letter of 13 July to you with supporting telegrams). L K Jha was in London this week, and took the opportunity of calling on me to discuss how matters now stood. He emphasised that he had no specific mandate from either the new Indian Prime Minister or the Finance Minister, although he said that he had no reason to think that either thought differently from Mrs Gandhi. He will be putting his thoughts to them both soon.

Jha began by expressing disappointment at the outcome of the International Monetary Fund and World Bank meetings in Washington in September. Nonetheless he welcomed the joint meeting of the Interim and Development Committees arranged for April 1985. Bearing in mind the non-aligned call for some form of international conference, he felt that the main problem now was how to carry forward the process after April. In his view further meetings under Fund and Bank auspices were not sufficient; the issues went beyond their remit; the developing countries had great difficulty with the weighted voting procedures. He realised that the industrial countries would be reluctant to go for a conference sponsored by the United Nations, and wondered in what form we could accept a conference. If we could give this problem some

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thought now, the April meeting could prepare the ground for a conference.

Jha went on to argue that the time was ripe for an initiative of this kind. Under Egyptian chairmanship the G77 should be kept on moderate courses, but Rajiv Gandhi might find it less easy than his mother to restrain the extremists in the non-aligned movement. Rajiv Gandhi would almost certainly look to HMG for understanding and finesse in handling the problem, and hope that after the US Presidential Elections we might be able to encourage a more positive approach from the United States. He mentioned that the G24 would be meeting in Delhi in early February to concert their position for the April meeting.

In reply I reiterated the Prime Minister's scepticism about omnibus conferences whether on the Cancun or any other model. The waste of time and effort which the Global Negotiations had caused illustrated my point. When I had seen Mrs Gandhi on 9 July she had acknowledged that these negotiations were not a feasible prospect. Mrs Thatcher believed that we should continue to make use of existing institutions, and limit our endeavours to strictly practical purposes. For this reason we were now carefully preparing for the Interim and Development Committee meetings in April. These would surely provide scope for dealing with the problems which Jha had in mind. It was true that some of the impetus had come from the major Latin American debtors, but this did not exclude treatment of other problems. I recalled Mrs Gandhi's point that prodigal sons should not be better treated than their more frugal brethren.

Jha said he doubted if his government would be able to take matters much further until after the elections on 24 December. Thereafter he hoped that progress could be made. I said that I was sure that it would be useful for our two governments to exchange ideas, perhaps next in the New Year. By then not only would the Indian position be clearer but we might also have a better impression of American intentions. Jha agreed. We undertook to remain in touch.

Yours ever

Crispin Tickell

cc Sir Antony Acland FCO
R Q Braithwaite Esq, FCO
J G Littler Esq, HM Treasury
N L Wicks Esq Washington
Sir J Thomson, New York
Sir Robert Wade-Gery, New Delhi
Mr C Powell

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