

OR

Econ Summit
Pt B.



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T75/83

10 DOWNING STREET

THE PRIME MINISTER

27 May 1983

Dear Prime Minister,

Thank you for your letter of 9 May, which reached me a few days ago, about the concerns of the Non-Aligned Movement with regard to the prevailing world economic situation and the Williamsburg Economic Summit.

I agree that all countries are affected by the world recession; that we live in a world of growing economic interdependence; and that the developing countries are important for the trade of the developed countries (and, of course, vice versa). I am not convinced, however, that structural reforms are needed in the world economic system. It seems to me that the international financial and economic institutions have adapted well to the challenges which they have faced during the past ten years and that they have displayed a considerable capacity for flexibility and imagination in doing this.

The general theme for the Economic Summit Meeting at Williamsburg is the state of the world economy and the prospects for recovery. My colleagues and I will be reviewing the signs of recovery which are now beginning to emerge in several of the developed countries; considering how this recovery might be nurtured without rekindling inflation; and looking at ways in which the developed and developing countries might co-operate in promoting non-inflationary growth worldwide. The fact that the Sixth Meeting of the United Nations Conference on Trade and Development is due to begin in Belgrade on 6 June will be very much in our minds.

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I was very glad to have your thoughts on the eve of my departure for Williamsburg.

Yours sincerely
Rajendra Prasad

Her Excellency Shrimati Indira Gandhi