

SUBJECT

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of Matter
India - Pt. 2: VK/Indian relations

SUMMARY NOTE FOR THE RECORD OF A TÊTE A TÊTE DISCUSSION BETWEEN
THE PRIME MINISTER AND THE PRIME MINISTER OF INDIA, MRS. INDIRA
GANDHI, IN DELHI ON 15 APRIL 1981 AT 1500 HOURS

US/Indian Relations

The Prime Minister told Mrs. Gandhi that the world seemed to her to be an increasingly dangerous place. This being the case, it was a pity that relations between India and the United States were not closer. It was not easy to understand the difficulties which had arisen. One would have expected there to be an affinity between the world's two largest democracies. Was there anything that Britain could do to help?

Mrs. Gandhi said that in earlier days, her personal relations had been very good with more than one American President. She had got on well with both President Kennedy and President Johnson. But there came a time when India put a number of specific requests to the United States. In a year of serious drought, they had asked for wheat and been refused. The Russians had supplied it instead. Relations between the Indian Government and President Nixon had never recovered from this. Similarly the US had refused to help India establish a state steel industry. Here again the Soviet Union had been willing to assist. Finally, the Americans had refused their help during hostilities between India and Bangladesh.

Mrs. Gandhi was at pains to make it clear that she had no sympathy with Communism as such. She was experiencing acute difficulties with the Communists in a number of Indian states and was at a loss to know how to tackle them. The Soviet Union had failed to back her in the 1977 election, preferring an outcome in which she was narrowly returned to power. In the event they had miscalculated and she had been defeated. But the fact was that the Russians had helped on a number of crucial occasions. An additional factor was that they were willing to accept payment for their exports to India in Rupees.

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There was relatively little discussion on this occasion about Afghanistan and Pakistan. On Pakistan, Mrs Gandhi had said that whatever their assurances, the fact was that the Pakistanis had been prepared to use whatever arms they had against India. On Afghanistan, Mrs Gandhi was inclined to argue that the Russians had always feared encirclement and that there had been things going on in Afghanistan, before the Soviet intervention, calculated to stimulate Soviet sensitivities about Afghanistan's future orientation.

Immigration and the Nationality Bill

The Prime Minister told Mrs Gandhi that many of the accusations made against the Nationality Bill were very unfair. She referred to the amendments to it made in response to the wishes of the Indian Government. The rights of existing UKPH to enter the United Kingdom would be unaffected. Mrs Gandhi said that she was bombarded with correspondence about UKPH. Was there anything the British Government could do to increase the numbers being taken. The Prime Minister had replied that this would be difficult at a time when there were 2½ million unemployed in the United Kingdom and in the aftermath of the Brixton riot. Britain was still taking very large numbers of immigrants from India each year. The Prime Minister asked whether it would be acceptable if UKPH were substituted for dependants. This was something which could be arranged administratively. Mrs Gandhi replied that she did not know whether this would be acceptable.

Commercial Relations

The Prime Minister said that she hoped the Indian Government would consider very seriously the British tender for the Paradip steel plant. British industry could be relied upon to do a good job. The contract would be very helpful to us in the context of the unemployment problem. Mrs Gandhi said that it was very difficult to take quick

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decisions in matters like this. If things happened too rapidly, there was always a risk of the accusation that money had changed hands.

Internal

Mrs. Gandhi said that her visit to the North East had been a great success.

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15 April 1981

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