CONFIDENTIAL

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FROM PRIVATE SECRETARY

PRIME MINISTER'S TALKS WITH MRS GANDHI

- THE PRIME MINISTER MET MRS GANDHI IN PLENARY SESSION YESTERDAY AFTERNOON FOR AN HOUR FOLLOWING AN HOUR AND TWENTY MINUTES PRIVATE DISCUSSION. NARASIMHA RAO, INDIAN FOREIGN MINISTER. WAS ALSO PRESENT. THE TALKS COVERED INTERNATIONAL ISSUES, MAINLY US FOREIGN POLICY ATTITUDES, THE MIDDLE EAST AND INDO/PAKISTAN RELATIONS.
- IN WELCOMING THE PRIME MINISTER. MRS GANDHI SAID WE SHOULD NOT TAKE OUR RELATIONSHIP FOR GRANTED BUT SHOULD WORK AT IT TO GIVE IT GREATER MEANING IN A CHANGING WORLD. SHE HOPED THE PRIME MINISTER'S VISIT WOULD SUCCEED IN STRENGTHENING FRIENDSHIP BETWEEN INDIA AND BRITAIN. THE PRIME MINISTER AGREED ABOUT THE NEED TO DEEPEN OUR RELATIONSHIP. THERE HAD NOT BEEN AS MUCH CONTACT BETWEEN BRITAIN AND INDIA AS THERE SHOULD HAVE BEEN GIVEN INDIA'S IMPORTANT POSITION IN THE WORLD AS A LEADING DEMOCRATIC. NON ALIGNED. COMMONWEALTH COUNTRY WITH A POTENTIAL TO INFLUENCE THINGS FOR THE BETTER NOT JUST IN INDIA BUT THROUGHOUT THE WORLD.

US FOREIGN POLICY

3. THE PRIME MINISTER SAID IT WAS CLEAR FROM HER VISIT TO THE UNITED STATES AT THE END OF FEBRUARY THAT THE NEW REAGAN ADMINISTR-ATION REGARDED ITS FIRST PRIORITY AS TO PUT ITS ECONOMY IN ORDER. IT WAS ONLY NOW TURNING TO FOREIGN AFFAIRS, AND HAD NOT, SHE BELIEVED, YET MADE UP ITS MIND ABOUT ANY OF THE MAJOR ISSUES. PRESIDENT REAGAN WAS AWARE THAT LACK OF CONSULTATION IN THE PAST HAD PERHAPS LED TO A LACK OF UNDERSTANDING OF AMERICAN POLICIES AND WAS DETERMINED TO CONSULT WIDELY, HAIG'S VISIT TO THE MIDDLE EAST SHOULD BE SEEN AGAINST THAT BACKGROUND. THE PRIME MINISTER SAID THAT DURING HER VISIT REAGAN HAD JUST RECEIVED BREZHNEY'S LETTER SUGGESTING A SUMMIT. THE LETTER WOULD CLEARLY NEED CAREFUL CONSIDERATION BUT SHE BELIEVED THAT THE AMERICANS ACCEPTED THAT THERE WOULD HAVE TO BE A MEETING, BUT PROBABLY NOT FOR SOME TIME AND PERHAPS WITH CONDITIONS ATTACHED. THE AMERICANS WOULD NOT WANT TO NEGOTIATE UNTIL THEY HAD DECIDED THEIR POSITION ON ALL POINTS TO BE DISCUSSED, EG SALT II AND THE APPROACHES TO SALT III. THEY ALSO FELT STRONGLY, AS WE DID, THAT WE MUST REVER ACCEPT THE LONG TERM PRESENCE OF RUSSIAN TROOPS IN AFGHANISTAN. IT WAS A PITY THAT BREZHNEV'S LETTER HAD NOT BEEN ACCOMPANIED BY AN INDICATION OF

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READINESS TO WITHDRAW FROM AFGHANISTAN.

- 4. ON THE MIDDLE EAST, THE PRIME MINISTER SAID THE REAGAN ADMINISTRATION HAD NOT YET MADE UP ITS MIND HOW TO CARRY THINGS FORWARD. THERE HAD BEEN A TENDENCY AT FIRST TO THINK THAT THE ARAB/ISRAEL DISPUTE HAD LOST URGENCY IN VIEW OF THE IRAN/IRAQ WAR, BUT THE AMERICANS HAD NOW REALISED THAT THIS WAS NOT SO. THE PRIME MINISTER EXPLAINED THAT THE EUROPEAN COMMUNITY'S INITIATIVE ON THE PALESTINIAN QUESTION DID NOT COMPETE WITH AMERICAN MOVES. ONLY THE AMERICANS COULD BRING INFLUENCE TO BEAR ON ISRAEL. BUT THE COMMUNITY THOUGHT THERE HAD BEEN TOO MUCH TALK IN GENERALITIES ABOUT THE PALESTINIAN QUESTION AND THAT DETAILS SUCH AS WHO WOULD HAVE THE RIGHT TO VOTE AND THE STATUS OF JERUSALEM NOW NEEDED TO BE WORKED OUT. WE DID NOT EXPECT MUCH PROGRESS UNTIL AFTER THE ISRAELI ELECTIONS AND UNTIL THE AMERICANS HAD MADE UP THEIR MINDS. BUT WE WERE TAKING SOUNDINGS OF THE COUNTRIES CONCERNED.
- 5. TURNING TO AFRICA, THE PRIME MINISTER SAID WE WERE PLEASED AT THE WAY THINGS WERE GOING IN ZIMBABWE, THOUGH PROBLEMS STILL REMAINED. THE RECENT DONOR'S CONFERENCE HAD BEEN A SUCCESS, AND INCREASED THE CHANCES OF A LASTING DEMOCRACY IN ZIMBABWE, WITH A BENEFICIAL INFLUENCE ON THE REST OF SOUTHERN AFRICA.
- 6. ON NAMIBIA, THE PRIME MINISTER SAID THAT BEFORE HER VISIT TO THE UNITED STATES, SHE HAD SPOKEN TO BOTHA AND SAID THERE MUST BE SOME MOVEMENT ON NAMIBIA IN ORDER TO WARD OFF A DIFFICULT MOTION AT THE UN. BOTHA, AFTER SOME URGING, HAD GONE TO GENEVA BUT THE CONFERENCE HAD NOT BEEN A SUCCESS. WE WERE NOW STRESSING TO THE AMERICANS THE NEED FOR PROGRESS AND WANTED EVENTUALLY TO SEE A FREE AND FAIR BALLOT. ONE DIFFICULTY WAS THAT WHEREAS WE HAD BEEN IN CHARGE IN THE LEAD-UP TO ZIMBABWE'S INDEPENDENCE, THERE WERE FIVE NATIONS INVOLVED IN NAMIBIA.
- 7. THE PRIME MINISTER SAID THAT WITH MUCH JUSTIFICATION THE AMERICANS WERE LOOKING AT THESE AND OTHER ISSUES, EG EL SALVADOR, THE CUBAN PRESENCE IN AFRICA, LIBYA, IN TERMS OF EAST-WEST RELATIONS. SHE HAD BEEN GLAD TO NOTE THAT REAGAN WAS KEEN ON IMPROVING RELATIONS WITH MEXICO. ALTHOUGH UNABLE TO ATTEND THE NORTH/SOUTH SUMMIT IN MEXICO IN JUNE IT WAS CLEAR THERE WAS A CHANCE OF HIS ATTENDING IN OCTOBER.
- B. IN GENERAL IT WAS CLEAR THAT THE AMERICANS WERE DETERMINED TO GET A FIRM UNDERSTANDING OF CURRENT ISSUES, TO GET PROBLEMS SOLVED, AND TO FURTHER THE CAUSE OF DEMOCRACY. THEY BELIEVED, AS DID WE, THAT ALTHOUGH AN OPEN SOCIETY HAD ITS PROBLEMS IT WAS BY FAR THE BEST POLITICAL SYSTEM AND PROVIDED THE BEST OPPORTUNITY FOR PROMOTING PROSPERITY AND HUMAN DIGNITY. THE AMERICANS WERE NOT HOWEVER JUDGING OTHERS ON HUMAN RIGHT AS THE CARTER ADMINISTRATION DID.

- 9. IN REPLY TO A QUESTION FROM RAD ABOUT OUR INFLUENCE ON THE AMERICANS' ATTITUDE TOWARDS EL SALVADOR, THE PRIME MINISTER SAID WE CONDEMNED VIOLENCE WHEREVER IT OCCURRED BUT TOOK THE VIEW THAT EL SALVADOR, AS ALSO AFGHANISTAN AND POLAND, MUST SETTLE THEIR AFFAIRS IN THEIR OWN WAY. IF ONE ACCEPTED THAT VIEW ONE HAD TO BE CAREFUL ABOUT THE NUMBER OF ADVISERS SENT TO FOREIGN COUNTRIES.
- 10. ON IRAN/IRAQ SEE MIFT.

INDIA/PAKISTAN

- 11. THE PRIME MINISTER SAID SHE HAD BEEN STRUCK BY THE INTEREST IN US/PAKISTAN, AND ANGLO-PAKISTAN RELATIONS SHOWN BY INDIAN JOURNALISTS SHE HAD ADDRESSED IN LONDON. SHE ASKED FOR MRS GANDHI'S VIEWS ON PAKISTAN, COMMENTING THAT SHE HAD TOLD THE JOURNALISTS THAT IN HER VIEW EACH COUNTRY HAD THE RIGHT TO PROTECT ITS OWN PEOPLE. MRS GANDHI SAID SHE ACCEPTED THAT RIGHT BUT THAT INDIAN OPINION REMAINED CONCERNED ABOUT THE RISK OF PAKISTANI AGGRESSION. SHE HAD PERSONALLY INSISTED ON AN INDIAN CEASEFIRE FOLLOWING PAKISTANI SURRENDER IN 1971, BUT THIS HAD NOT BEEN POPULAR. INDIA WAS ANXIOUS FOR FRIENDSHIP WITH PAKISTAN: IT HAD GIGANTIC PROBLEMS AND COULD NOT AFFORD CONFRONTATION. MRS GANDHI SAID SHE HERSELF HAD EXTENDED THE HAND OF FRIENDSHIP TO BHUTTO AFTER THE 1971 WAR AND HAD INVITED HIM TO SIMLA. BHUTTO HAD SAID THEN THAT HE WANTED FRIENDSHIP WITH INDIA BUT, PERHAPS FOR UNDERSTANDABLE DOMESTIC REASONS, HAD NOT BEEN ABLE TO LIVE UP TO HIS WORD. NOW ZIA, BY RAISING THE KASHMIR QUESTION AND BY ADOPTING AN UNHELPFUL ATTITUDE TOWARDS INDIA'S COMMUNAL PROBLEMS, WAS CLOUDING THE ATMOSPHERE AND EXCITING INDIAN PEOPLE. BUT MRS GANDHI WOULD CONTINUE TO TRY FOR FRIENDSHIP. AGHA SHAHI HAD RECENTLY BEEN TO INDIA AND RAO WOULD BE GOING TO PAKISTAN, PERHAPS NEXT MONTH. SHE BELIEVED THAT, FOR THE FIRST TIME, THE PAKISTANI PEOPLE WANTED FRIENDSHIP.
- 12. MRS GANDHI SAID SHE WAS WORRIED ABOUT THE NATURE OF THE GROWING FRIENDSHIP BETWEEN THE AMERICANS AND PAKISTAN, THOUGH NOT BY THE FACT OF FRIENDSHIP ITSELF. INDIA'S EXPERIENCE, FOR EXAMPLE FOLLOWING THE PROVISION OF ARMS BY EISENHOWER TO PAKISTAN, WAS THAT ARMS SUPPOSEDLY DIRECTED ELSEWHERE ENDED UP BEING USED AGAINST INDIA.
- 13. THE PRIME MINISTER OUOTED FROM A LETTER TO HER FROM ZIA, WRITTEN FOLLOWING YOUR VISIT TO PAKISTAN, IN WHICH ZIA STRESSED HIS DESIRE FOR FRIENDSHIP WITH INDIA: AND ASKED THE PRIME MINISTER. TO TRY TO REMOVE INDIA'S DEEP-SEATED ANXIETY ABOUT PAKISTAN'S INTENTIONS WHICH CONTINUED TO THWART THE DEVELOPMENT OF RELATIONS BETWEEN INDIA AND PAKISTAN, AND TO EXPLAIN PAKISTAN'S GENUINE NEED TO ARM ITSELF AGAINST EXTERNAL THREAT. MRS GANDHI SAID IT WAS HARD TO SEE HOW THE ARMS IN QUESTION COULD HELP IN THE AFGHAN CRISIS. ARMING PAKISTAN WOULD ONLY CAUSE THE RUSSIANS TO DIG THEIR HEELS IN,

AS WOULD THE TRAINING AND ARMING OF AFGHAN REFUGEES AND SENDING THEM BACK TO AFGHANISTAN. MRS GANDHI SAID IT ALSO WORRIED INDIA THAT ALL PAKISTAN'S NEW AIRPORTS WERE ALONG THE INDIAN BORDER. THE PRIME MINISTER SAID THAT PERHAPS IN THE WAKE OF THE INVASION OF AFGHANISTAN PAKISTAN REALISED THE NEED FOR FRIENDSHIP WITH INDIA. MRS GANDHI EXPRESSED THE HOPE THAT THIS WAS SO, AND THANKED THE PRIME MINISTER FOR PASSING ON ZIA'S MESSAGE.

14. RAO ASKED IF OUR DISCUSSION WITH REAGAN HAD INCLUDED AMERICAN MILITARY ASSISTANCE TO PAKISTAN. THE PRIME MINISTER SAID NO: TALKS ON DEFENCE HAD BEEN LIMITED TO BILATERAL AND NATO ISSUES. THERE HAD BEEN SOME DISCUSSION OF A RAPID DEPLOYMENT FORCE THOUGH NOT IN THE TERMS MENTIONED IN THE PRESS. IN AN UNCERTAIN WORLD THEREOTAS A NEED FOR SUCH A FORCE TO BE AVAILABLE IF REQUESTED, THOUGH ONLY IF REQUESTED. WE HAD TOLD THE AMERICANS THAT IF SUCH A FORCE WERE TO BE ESTABLISHED, WE WOULD WANT TO PLAY OUR PART. THERE HAD BEEN NO DISCUSSIONS ON DETAIL, EG WHERE SUCH A FORCE WOULD BE STATIONED. THERE WAS NO QUESTION OF PERMANENTLY STATIONING IT IN THE MIDDLE EAST.

INDIA/CHINA

15. THE PRIME MINISTER SAID SHE HAD GAINED THE IMPRESSION FROM YOUR RECENT VISIT TO CHINA THAT THE POTENTIAL FOR FRIENDSHIP BETWEEN INDIA AND CHINA WAS GROWING. MRS GANDHI SAID INDIA HAD TAKEN THE INITIATIVE ON THIS AFTER YEARS OF SNUBS FROM CHINA. AMBASSADORS HAD BEEN EXCHANGED. THE CHINESE FOREIGN MINISTER WAS DUE TO VISIT INDIA SHORTLY THOUGH THE VISIT HAD HAD TO BE POSTPONED BECAUSE OF CONFLICT WITH A UN CONFERENCE. RAO TOLD THE HIGH COMMISSIONER SEPARATELY THAT IT. WAS CONCEIVEBLE THAT A VISIT MIGHT TAKE PLACE AS EARLY AS NEXT MONTH-

SAUDI ARABIA .

16. RAO SAID THE RECENT VISIT OF THE SAUDI FOREIGN MINISTER HAD GONE WELL AND VARIOUS PROTOCOLS HAD BEEN SIGNED. ACCORDING TO PRINCE SAUD, HAIG, ON HIS RECENT VISIT TO SAUDI ARABIA HAD SAID THAT THE AMERICANS WERE STILL FORMULATING THEIR FOREIGN POLICIES AND CONCLUSIONS SHOULD NOT BE DRAWN ABOUT THEIR ATTITUDES. THIS CONFIRMED THE PRIME MINISTER'S ANALYSIS FOLLOWING HER VISIT TO WASHINGTON.

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