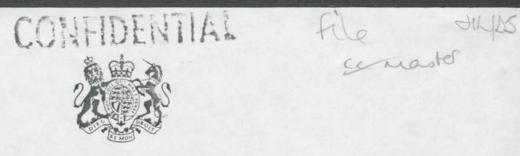
PETELT



10 DOWNING STREET

From the Private Secretary

28 July 1981

Dear Roderie

Call by Rajiv Gandhi

Rajiv Gandhi called on the Prime Minister this morning. He was unaccompanied. Much of the conversation was of a very general kind but one or two points may be worth recording.

In the course of a discussion about the rioting in this country and about similar troubles in India, Rajiv said that in his meetings with members of the Asian community here they had had no complaints to make about the performance of the police in places like Southall. Referring to civil disturbances in India, Rajiv said that they usually occurred in periods of economic recession and in communities where there was a large percentage of small businesses. Businesses of this kind, and of course their employees, were the most vulnerable to the repercussions of economic difficulties.

In response to a question from the Prime Minister, Rajiv described the situation in his constituency and the campaign he had fought there. At no point did he mention that the constituency had previously been held by his brother. A number of his remarks were, at least by implication, critical of his brother's record. He said that on his arrival he had found conditions in the constituency very bad. People claimed that nothing had been done for them for 20 years. They contrasted the situation with that in the neighbouring constituency, which was his mother's. The position in regard to housing and water was very bad. Rajiv said that he was anxious not to shift too much of the responsibility from the shoulders of the individual to the Government but he was making a major effort to improve the water supply. He hoped to have remedied the present situation within a year or so.

Rajiv said that he was determined to ensure that his constituency kept more or less in step with the neighbouring constituencies, richer and poorer, so that there was not too great a contrast between those which were favoured and those which were not. Rajiv explained the success of his electoral campaign by the decision he had taken at an early stage to get rid of a lot of the previous political figures, who had been principally interested in questions of status, and replace them by "workers". By the latter word he meant those who were prepared to work really hard during the campaign: by the end of the campaign he said there were some 40,000 workers active on his behalf.

CONFIDENTIAL

/Rajiv

COMEDENTIAL Rajiv described the general political position of Congress (I) s good. Opinion had turned in their favour at about the end of last year. This was in part attributable to the fact that they had made a number of sensible appointments. Rajiv said that he himself saw the appointment of good people to key jobs, particularly in the bureaucracy, as a key to the Government's success. It was essential that the bureaucracy was made to attach higher priority to merit and accountability than to long service. Rajiv excepted from his generally optimistic account the three Communist provinces where, he said, the situation was bad and getting worse. He was less worried by the Communists' propensity to murder political opponents than by the programme of brain-washing and indoctrination which they were conducting in the schools. In a few years time they would have created a situation which would be very difficult to reverse. Unfortunately, Congress (I) had no competent personalities in the provinces in question. On Anglo-Indian relations, Rajiv said that he had the impression that the financial problems of the Festival of India were on their way to resolution. He was very grateful to the Prime Minister for the interest she had shown. He agreed with the Prime Minister that the Festival promised to be a great success. In a brief reference to international affairs, Rajiv said that there had been a significant relaxation in India's relations with Pakistan and with China. Recent contacts with Pakistan had indeed been "very friendly". Rajiv commented that given the difficulties in the Middle East it was important to try to improve relations wherever one could. In response to a question from the Prime Minister, Rajiv said that he was confident that his mother would go to the CHGM. Rajiv's confidence and self-possession throughout the discussion with the Prime Minister was striking. He had, in my view, grown markedly in stature even since April. He readily agreed that his experiences during the by-election had had a significant effect on him. Joms ever Nichael Alexander

R.M.J. Lyne, Esq., Foreign and Commonwealth Office.