

SUBJECT



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10 DOWNING STREET

From the Private Secretary

8 September, 1982

Call on the Prime Minister
by Mr. Rajiv Gandhi

Mr. Rajiv Gandhi called on the Prime Minister on 8 September, accompanied by his Personal Assistant, Mr. Arun Singh, and the Indian High Commissioner.

The conversation, which lasted for about thirty minutes, was of a general nature. Mr. Gandhi congratulated the Prime Minister on the successful military operations in the South Atlantic. The Prime Minister briefly explained some of the difficulties of conducting operations at a distance of 8,000 miles and of dealing with a country, like Argentina, which was not subject to the democratic process.

Mr. Gandhi observed that in India it was the Communists who talked loudest about democracy but who were the chief threat to it. In Kerala the Communists had lost the elections because they had become so unpopular. In the Bengal elections, the Congress Party should have performed better but its organisation was still defective. He was doubtful whether it would be possible to prevent a Communist victory in the Tripura elections. In general, the Communist Party had developed long term programmes of indoctrination in India. They influenced the content of school books and concentrated on securing the allegiance of teachers.

The Prime Minister said that she noticed Mrs. Gandhi's appeal for improved law and order in her Independence Day speech. Rajiv commented that, while disorder was a problem, India had not yet experienced the professional terrorist activities which had developed in Europe. The Prime Minister referred to the wide availability of weapons on the black market. There was some risk that recent events in Lebanon would lead to an increase of Palestinian terrorism in Europe. But she agreed with Rajiv that, if the Palestinians were provided with a home on the lines of the latest American proposal, the problem might be solved.

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The Prime Minister enquired about the state of the Indian economy. Rajiv said that progress was fairly good but India still needed foreign assistance. The Government had made efforts to encourage industry but always ran into the problem of a shortage of investment capital.

The present tendency for international sources of cheap capital to dry up was not helpful.

This led to a general discussion of the world recession, the growing problem of international debt and future economic prospects for the United Kingdom.

In conclusion, the Prime Minister asked that her warm regards should be conveyed to Mrs. Gandhi and to Rajiv's wife and said that she was looking forward to meeting Mrs. Gandhi in Delhi on 29 September.

I am copying this letter to Richard Mottram (Ministry of Defence) and John Rhodes (Department of Trade).

John Holmes, Esq.,
Foreign and Commonwealth Office