

SUBJECT

cc Masood

Note of Meeting between the Prime Minister and Mrs. Indira Gandhi
at Mrs. Gandhi's private house at 1630 on Tuesday, 22 November, 1983

Present:

Prime Minister
Sir Robert Wade-Gery
Mr. Butler

Mrs. Gandhi
Dr. P. C. Alexander, Principal
Secretary to the PM
Mr. K. Natwar Singh, Secretary
Ministry of External Affairs
Mr. C. R. Garekhan, Private
Secretary to the Prime Minister

Grenada

After Mrs. Gandhi had welcomed her to Delhi, the Prime Minister suggested that they should first discuss the handling of Grenada at the Conference. The Prime Minister said that it would help to reduce the risk of differences at the Conference if they were to concentrate on the future. She understood that the United States were proposing to withdraw their troops and were obliged to do so by 23 December under the War Powers Act, unless Congress granted an extension. Some security forces would be needed, but she expected that these would be more of a police than a military nature. It might be that the Grenadian Government would need help with police training or with organising the elections which the Governor-General had promised within 6-12 months.

Mrs. Gandhi said that she did not want any divisions at the Conference but there were bound to be some differences. The Indian Government had been opposed to a Commonwealth force because they felt that the United States' intervention had carried the situation beyond a point at which a Commonwealth force could have a useful role, and a decision could only be taken about Commonwealth participation when the United States had withdrawn.

The Prime Minister said that she hoped that, after the withdrawal of United States troops, no military personnel would

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remain. It might be necessary to keep a presence from the Eastern Caribbean states, but this would be more in the nature of a police force. It was essential that there should be a police force which was seen to be independent and also an effective judiciary. People who had been prevented from taking part in politics under the previous administration might have to be supported in returning to political life so that they could stand in the elections. Mrs. Gandhi commented that the present attitude of the United States Congress seemed to be such that they would be likely to grant an extension if the administration asked for it.

Cyprus

Mrs. Gandhi referred to the United Nations resolution on Cyprus which, she understood, had been largely a British draft. The Prime Minister said that President Kyprianou had wanted a clear cut resolution and she had advised him that, if such a resolution were to gain support at the United Nations, the UN Secretary General would need to offer his good offices in seeking a solution.

Mrs. Gandhi asked whether the Prime Minister believed that Cyprus would continue to exist as an entity.

The Prime Minister said that, frankly, she was fearful about the future. Cyprus had been partitioned for 9 years and a UN force had been there for 15 years. She recognised that President Kyprianou's tactics were to get the resolution from the United Nations and support from the Commonwealth Conference, and then apply pressure to the United Kingdom to get consultations going in accordance with the obligations of the Treaty. She told Mrs. Gandhi, in confidence, that the Turks were willing to join such consultations if the Greeks agreed; the Greeks were unwilling to sit down with the Turks. Her main concern was now to prevent the build up of armed forces on Cyprus. President Kyprianou had drawn attention to the fact that

/ Mr. Denktash's

Mr. Denktash's declaration had left open the possibility of inter-communal talks, but President Kyprianou had made the point that such talks were impossible because they would imply recognition of Mr. Denktash's administration. She feared that, in practice, the Turkish-Cypriot section of the island would remain in being and grow closer to Turkey, but she hoped that the Commonwealth Conference would support President Kyprianou by endorsing the integrity of Cyprus.

Sri Lanka

The Prime Minister suggested that a declaration in favour of the integrity of Cyprus would presumably help with the problem of the Tamils in Sri Lanka. She had been pleased to see that the latest round of the reconciliation talks conducted by Mr. Parthasarathy had gone well. Mrs. Gandhi said that the latest ^{talks} had gone well, but the Sri Lankans were saying that the improvement would only last for the duration of the Commonwealth Conference and that a further massacre would occur thereafter. Although President Jayewardene could have taken a stronger stand at the outset, there was now little he could do and he had himself said his entire Cabinet now wanted to get rid of him by one means or another. The problem was that extremists were now getting the upper hand; although moderate Tamils had said privately that they were willing to compromise, they could not give up publicly their claim to secession because they would then be outflanked by the militants. The Indian Government was not in favour of secession but did not want to see more people killed. There had been many more deaths than had been published and the flow of refugees into India was causing problems. There were 3 million Tamils in Sri Lanka, some of whom were Indian citizens; the latter tended to be Tamils in Central Sri Lanka who had gone from India to work on the tea plantations and were not agitating for secession but were slaughtered because they were widely dispersed. That was why the Indian Government had made available the good offices of Mr. Parthasarathy: they had not interfered in any other way.

/ She would

She would be having talks with President Jayewardene later in the evening and she hoped that these would work out well. But the trouble was that President Jayewardene did not have control either of his party, the army or the Buddhist priests. She found it extraordinary that Buddhists, who were prominent in renouncing violence, were promoting action against the Tamils, and there was evidence that both the troops and the police had been involved in massacres. It now appeared that attempts were being made to colonise Tamil areas and expel the inhabitants. There was also a rumour that the Sri Lankan Government wanted to give harbour facilities to the United States: so far they had been made available for rest and recreation, but most people believed that more was involved.

The Prime Minister said that, if there was anything she could do to help with this problem, either directly with President Jayewardene or in some other way, she hoped that Mrs. Gandhi would let her know.

Reform of the International Monetary Institutions

The Prime Minister said that she was not enthusiastic about suggestions for a new Bretton Woods Conference: there was no need for additional institutions.

Mrs. Gandhi said that the UNCTAD countries took the view that because the international institutions came into being at a time before many of them had achieved independence, they were not properly representative and had not adapted to meet the requirements of a more complex world. UNCTAD were committed to global negotiations, but the Indian Government took the view that while this was the objective, it would not be achieved in one step. So they were in favour of starting with things which could be achieved straightaway and there would be pressure at the Conference to achieve a resolution and a declaration in this sense. She had just seen Mr. Muldoon who hoped to reach agreement on at least some of the points set out in the letter he had sent to her: he had proposed that Mrs. Gandhi should establish

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a smaller conference working group for this purpose, but she was opposed to this on the grounds that there was a plethora of groups already. The Prime Minister commented that the proposals in Mr. Muldoon's letter were not specific. Mrs. Gandhi said that this was because Mr. Muldoon did not believe that specific proposals would gain agreement.

IDA Replenishment

In response to a question from the Prime Minister about Mrs. Gandhi's opening speech on the following day, Mrs. Gandhi said that the speech would be general, but she would include a specific reference to the IDA replenishment. Dr. Alexander said that the President of the World Bank and many Heads of Government were hoping that the Prime Minister would use her good offices to get the IDA replenishment through, as she had last year. Chancellor Kohl, on his recent visit to India, had said that he was in favour of a good replenishment, and President Mitterrand and the Japanese also supported it. The Prime Minister noted this request. She said that she thought it unlikely that agreement would be reached on the upper limit of the IDA replenishment, but she recognised that the \$9 billion offer by the United States was regarded as too low by the developing countries. The outcome seemed likely to be something between the two.

Bilateral Commercial Issues

The Prime Minister said that she wanted to refer briefly to the modernisation of the Durgapur steel plant and to GEC's bid for the captive power station for BALCO. She well understood why the plant at Daitari had been postponed on public expenditure grounds, but she was anxious that the British ^{aid} allocation should be fully spent and wanted Mrs. Gandhi to be aware of her interest in these two projects.

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10 DOWNING STREET

From the Principal Private Secretary

23 November 1983

Dear Brian,

I enclose a record of the Prime Minister's meeting with Mrs Gandhi on Tuesday 22 November in Delhi. This incorporates some minor typing corrections not included on the advance copy which you had previously.

I am copying this letter and the enclosure to John Kerr (HM Treasury), Callum McCarthy (Department of Trade and Industry) and Richard Hatfield (Cabinet Office).

Yours ever;

Robin Butler

Brian Fall, Esq.,
Foreign and Commonwealth Office.

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