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cc FLO
Subject
PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T144/86

THE PRIME MINISTER

2 August 1986

Dear Prime Minister,

cc Master
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Thank you for your letter of 29 July.

I agree that there seems to have been a communications gap. Our request to post drug liaison officers to India was made in July 1985. Our High Commission in New Delhi were not made aware until the middle of May 1986 that your Government had any concerns about the existing cooperation between us over economic and commercial offences. And when your High Commissioner wrote to Geoffrey Howe on 3 June with your Government's authorisation, suggesting the terms on which he should give evidence to Parliament, these included no mention of economic and commercial intelligence cooperation but only of administrative matters which at that stage had still to be worked out. Those matters were soon resolved and your High Commission duly issued visas for our two officers on 12 June.

I note what you have said in your letter about your Government's determination to combat the drug menace and your commitment to strengthening international cooperation in tackling the problem. We both take exactly the same view of the seriousness of the problem and the need to work together to tackle it. Only the drug-pushers will gain if it seems that we cannot get ahead with arrangements for improving practical liaison in Delhi in just the same way as you have two customs liaison officers at the Indian High Commission who enjoy close cooperation with HM Customs. I very much hope therefore that, whatever problems remain on your side,

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they can speedily be resolved so that our liaison officers can begin their work in India.

As regards Indo-British cooperation on economic and commercial intelligence, I was surprised to learn that your Parliament and people perceive a lack of adequate action on our part. We have already given full and unreserved assurances that we shall cooperate, as we have hitherto, to the maximum extent possible within our law. We could scarcely do more than that, or be expected to do so. We shall not do less either.

As to the specific case mentioned in your letter, when your authorities sought assistance from us in January our Inland Revenue explained that the information requested might not be readily at hand and that it might be some time before it could be provided. The Inland Revenue have continued to assure your authorities that priority is being given to this case and several progress reports have been sent, keeping your officials fully in the picture. However, I understand that your authorities have neither acknowledged nor replied to some questions which our Inland Revenue have put to them about the case.

I have asked Tim Renton to deliver this letter to you on my behalf immediately upon your arrival in London and hope that by the time we meet we can quickly clear up any misunderstandings on this matter so that our drug liaison officers can begin work without further delay.

Kind regards.

Yours sincerely

Margaret Thatcher

Shri Rajiv Gandhi