PRIME MINISTER

MEETING WITH MR. GANDHI

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You have agreed to a meeting with Mr. Gandhi in Vancouver.

Gandhi's political position is much weaker than a year ago, with a string of election defeats, charges of corruption, trouble in the Punjab and the emergence of an increasingly credible opponent in the person of VP Singh.

You might start by expressing sympathy over India's severe drought. You might also repeat your earlier congratulations on the Sri Lanka accord and ask how he sees the prospects.

In the case of our relations, there has been a resurgence of sniping and trouble-making by middle-level Indian officials, alleging that we are not co-operating wholeheartedly against Sikh terrorism. There is a lot to be said for tackling this head-on. We want strong and co-operative relations with India. You know from Mr. Gandhi's talks with Sir David Goodall that this is also his aim. But the message does not seem to be getting through lower down the line. You want to assure him that we are absolutely determined to help deal with Sikh extremism. The draft extradition treaty which we have presented goes far further than the provisions agreed with any other country. The Home Secretary has used his powers to the full, excluding over 20 Sikh extremists since January last year.

We are providing help with Gandhi's personal security at CHOGM. We really are doing our best. You would hope that a clear understanding can emerge from this meeting, and be conveyed to all concerned on both sides, that Britain is doing everything possible within the law to combat terrorism and that this issue should not affect our relations.

You will want to urge him to bring the Extradition Treaty to a conclusion. This requires a political decision.

You will also want to discuss the handling of CHOGM, in particular South Africa and Fiji - on which he may argue for a formal statement.

A brief is attached.

CDP

C. D. POWELL

9 October 1987

- To encourage early progress on <u>draft extradition treaty</u> as important political signal to Sikh extremists and others that Britain and India mean business;

ARGUMENTS TO USE

Bilateral

- Convinced of scope for <u>new impetus in Indo-British relations</u>. Rich and varied basis already exists: language, law, Indian community in UK, £100m plus pa bilateral development assistance, £1.5 billion two way trade. With rejuvenated British economy take a fresh look potential for increased cooperation is vast.
- Governments must set tone and provide leadership. People's natural energy and talents will do rest.
- We share your concerns on <u>Sikh extremist</u> issues. Our support for India's unity and opposition to Khalistan clear cut although advocacy of secession not an offence under our laws (as it is in India). Shared interest in combatting terrorism several recent convictions in British courts (including 2 Sikhs sentenced in December 1986 for conspiracy to murder you.) Home Secretary has

January 1986.

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- Draft extradition treaty remains under discussion. Current text, including UK proposals made during Natwar-Singh's visit to London in April, wide ranging and goes further than provisions agreed with any other country, including US. Understand Indian MEA indicated in September that further proposals will be forthcoming.
- Still await these proposals, and naturally will ensure they are looked at carefully. But must emphasise believe we have already reached limits of what we can do within our laws: Geoffrey Howe and Douglas Hurd have given close personal attention to current text. Believe time for a political decision has come. Clear substantive Indian interests in a treaty. It would send an unmistakeable and valuable deterrent signal to Sikh extremists in UK - who are lobbying intensively against it - about our joint determination to tackle terrorism. They will present anything less as a victory for their cause.
- Concerned by suggestions emanting from middle-ranking MEA officials that Britain lacks political commitment to tackle Sikh extremist issues. Has coincided with hints that bilateral cooperation in other areas will be affected. Simply do not understand this, in light of repeated assurances you and your Ministers have given. Facts make plain we have the political will - but we must act within our own laws. Very much hope your views can be made clear to all and reflected by all within Indian administration. Confusion and uncertainty on this point in no-one's interests.

South Africa

- Many issues to discuss at CHOGM. Want to avoid time consuming division on sanctions. Share one objective: total elimination of apartheid.
- Britain eager to look at areas where Commonwealth can act together constructively; aid to the neighbouring states and to

black South Africans.

- A number of ideas on aid are on the table. Britain already in the lead but ready to look at what more the Commonwealth can do.

Afghanistan

- CHOGM should send firm signal that Commonwealth stands by its principles.

THEIR COUNTER ARGUMENTS

Bilateral

- Welcome British actions against Sikh extremists so far but my advisers say there is scope for more.
- Our lawyers will let you have additional proposals on draft extradition treaty soon.
- You should ignore any dissenting voices from MEA.

South Africa

- Need for further Commonwealth political/economic pressure on South Africa Government.
- (Possibly) seek British contribution to Africa Fund.

Afghanistan

- Should acknowlege Kabul's efforts towards "national reconciliation".
- Western "interference" remains an obstacle.

RESPONSE

Bilateral

- Generalised complaints/requests for more action against Sikh extremists unhelpful unless backed up by specific examples/ suggestions. These have not been forthcoming despite repeated requests. Want to do all we can within our laws.

- Will look carefully and positively at proposals on extradition treaty when they arrive. If we can do more we will. But believe we have genuinely reached end of road. Time for a political decision on broad balance of advantage of what is on offer.
- Welcome assurances. But these are being undermined from within MEA. Urge you to remove any confusion or doubt about our joint determination to tackle these issues.

South Africa

- Agree we must maintain our resolve. But more convinced than ever that positive sanctions not the answer.
- Hope time will come for further international mediation. But not now. Neither side in South Africa ready for negotiation or genuine compromise. Britain continuing to work for dialogue and to advocate reform.
- (Africa Fund): Welcome any initiative to provide practical and positive support to neighbouring states to reduce dependence on South Africa. Note Africa Fund cooperation with SADCC. Britain very active bilaterally and through SADCC and EC.

Afghanistan

- Kabul's "national reconciliation" policy a device to impose a Communist dominated regime.
- Main interference remains that of 110,000 Soviet occupation forces.

COMMONWEALTH HEADS OF GOVERNMENT MEETING: VANCOUVER, OCTOBER 1987

BRIEFING FOR THE PRIME MINISTER BILATERAL WITH MR GANDHI

ESSENTIAL BACKGROUND

Bilateral

- 1. Gandhi's administration has mid-term blues. Direct rule imposed on Punjab in May, with emphasis on draconian measures to restore law and order. No political solution or even policy in sight.
- 2. India slow to recognise economic and social change in Britain. Bilateral relations remain overshadowed by Sikh issue. After bad 1986, sustained efforts to respond to legitimate Indian security concerns and explain limits to British actions under our law led to improvement in early 1987, and progress on draft extradition treaty during April visit by Minister of State for External Affairs, Natwar-Singh (also in Vancouver). But during Mr Renton's visit to New Delhi in September and subsequently suggestions have reemerged that we are faint hearted in cooperating over Sikhs. Further Indian proposals promised on draft extradition treaty, still awaited.

South Africa

3. India severed all links with South Africa in 1947. So Commonwealth undertakings at Marlborough House represent no new cost to India. While wanting to avoid a row on sanctions at Vancouver India will be concerned to demonstrate that Commonwealth pressure is maintained, and will look for a tangible sign of this from Vancouver. In private, advocacy of sanctions justified by need to satisfy public opinion.

4. India likely to agree on further aid for FLS but will not wish to see Africa Fund overshadowed. The first was set up at 1986 Harare NAM Summit with India leading. Britain has not contributed but has stressed our own activities in support of FLS. Fund Appeal document contains references unacceptable to us on assistance to FLS in enforcing sanctions and on support for liberation movements in South Africa and Namibia.

Afghanistan

5. India is main potential threat to robust communique language at Vancouver.