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PRIME MINISTER

MEETING WITH RAJIV GANDHI

You are to have a breakfast meeting with Rajiv Gandhi in Paris on Friday at our Embassy. You have not seen him since your meeting at CHOGM in 1987. But generally speaking things are much better now, and he seems to accept that we are co-operating whole-heartedly over Sikh extremism. You will want this meeting to be as friendly and uncontentious as possible, in the hope that it will send a message down the line in India, that there are no more reservations about relations with Britain.

You might start by saying a few words about the Nehru Centenary celebrations and the unveiling of the statue to his mother. You might also comment that the political situation in India seems to be moving very much his way and that you look forward to his re-election. That would be excellent news for India, for Britain and for the wider world.

You might then make a few remarks about your meeting with Miss Bhutto. You found her anxious to consolidate her relations with India and to build on the successful first meeting with Mr. Gandhi. Your impression is that she is getting a control over the Pakistan Government machine and military although in some areas she still has to move cautiously. You hope that every advantage will be taken of her willingness to work with India to get relations on to a permanently sounder footing.

You may want then to move on to a number of other international issues. He may like to say something about India's current difficulties with Nepal and Sri Lanka. We are rather dubious about their intentions towards Nepal, but our line is that we hope an early negotiated solution can be found. We recognise the heavy burden that India bears in Sri Lanka and hope that Mr. Gandhi can reach an accommodation with

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President Premadasa about the Indian presence. You ought also to have a word about CHOGM and your hope that South African issues will not feature too prominently there (you might mention your meeting with Mrs. Sisulue and representatives of the United Democratic Front). You will also want to take his mind on the Commonwealth Secretary General post. If there is to be any chance of launching Ramphal for a further term, this is it. But there are some signs that Gandhi may now be leaning towards Malcolm Fraser. More generally you might touch on East/West relations - he is going from Paris to Moscow - China, and European Community matters. The Indians are anxious about the implications of 1992.

On the bilateral front, you might ask whether there is any progress on the possible Rolls Royce participation in a Soviet-Indian project to produce civil aircraft (you had some contacts with him about this through SIS channels some months ago). If there is an opportunity, you might also mention BAe's bid to supply the Advanced Turbo-Prop aircraft for India's second airline and the Hawk jet trainer for the Indian airforce. There are some signs that Gandhi is looking for a largish contract to give us as a mark of approval.

There is a fuller note in the meeting folder.

C D J

(C.D. POWELL)

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