



BRIEF FOR MEETING WITH MRS GANDHI, PRIME MINISTER OF INDIA
POINTS TO MAKE

Security

1. Deeply deplore tragic death of Mr Mhatre. Police doing everything possible to apprehend culprits. Fully aware need to give increased protection to Indian diplomatic community in Britain.
2. (If raised). Cannot curtail activities of Indian dissident groups in Britain unless they transgress the law.

Indo-Pakistan Relations

3. Concerned at heightened tension in Kashmir and possible deterioration in Indo-Pakistan relations. How can situation best be calmed?

IDA 7

4. Disappointed at fund level being set at \$9 billion. Decided to take part in supplementary fund. Hope that agreement will be reached on this as soon as possible.

Aid Programme

5. Understand talks progressing well on captive power plant for Bharat Aluminium Company (BALCO) aluminium smelter. Hope agreement can be reached in time for aid to be allocated to this financial year.

Lady Young

6. Hope you will be able to have discussion with Lady Young who is visiting India in March.

South Asian Department

FCO

11 February 1984

ESSENTIAL FACTS

1. The Home Secretary has announced enhanced security protection for Indian diplomats in Britain following the abduction and murder of Mr Mhatre, the Indian Assistant Commissioner in Birmingham, on 5 February. The Indians seem content with the arrangements made. Police investigations are continuing but no arrests have yet been made. Indian diplomats in Britain also feel vulnerable to attack by various Indian extremist groups, such as Sikhs resident in this country. They do not always understand that the police cannot prevent demonstrations taking place, and even the burning of the Indian flag, unless an actual offence takes place under English law.

2. Background on the Indo-Pakistan situation is contained in the brief for a meeting with President Zia of Pakistan.

3. The Indians have been generally content with our position on IDA since Mrs Gandhi's visit to London in March 1982 when the Prime Minister agreed to waive the proportionality condition with regard to the replenishment of IDA 6. We have now made known our disappointment that the level of funding for IDA 7 has been set at \$9 billion rather than \$12 billion and have announced our decision to take part in a supplementary funding. At the same time, we have taken steps to bring our proportional contribution to IDA closer to our GDP share although it is still somewhat higher. The total sum available will not suffer.

4. There is a risk of a serious underspend of our bilateral aid programme for India of £110 million this financial year. One way of alleviating the position would be for the Indians to take an early decision on a captive power plant for the BALCO aluminium smelter. Talks are now taking place with some urgency but it would do no harm to bring the problem to Mrs Gandhi's attention.

5. Lady Young is visiting the Subcontinent from 4-18 March. It would be useful if she were to have a good discussion with Mrs Gandhi on foreign policy issues.

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