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PARIS BILATERALS ON 14 JULY: PRIME MINISTER'S MEETING
WITH RAJIV GANDHI

SUMMARY

1. THE PRIME MINISTER'S BILATERAL WITH GANDHI IS AN OPPORTUNITY TO CONSOLIDATE THEIR PERSONAL RELATIONSHIP AND SET THE SEAL ON THE IMPROVEMENT IN BILATERAL RELATIONS. THE PRIME MINISTER WILL FIND GANDHI IN GOOD HEART AS THE INDIAN GENERAL ELECTIONS APPROACH. HE IS ON THE OFFENSIVE IN DOMESTIC POLITICS ALTHOUGH HE HAS LITTLE REASON FOR ENCOURAGEMENT OVER PUNJAB. SRI LANKA IS HIS MAIN FOREIGN POLICY HEADACHE. BUT HE WILL BE MORE INTERESTED TO DISCUSS EAST-WEST RELATIONS AND TO PROJECT HIMSELF PUBLICLY AS A WORLD STATESMAN WHOSE VIEWS ON GLOBAL ISSUES ARE TAKEN SERIOUSLY.

DETAIL

2. THIS WILL BE THE PRIME MINISTER'S FIRST MEETING WITH GANDHI SINCE THE RECENT IMPROVEMENT IN INDO-BRITISH BILATERAL RELATIONS. HE WILL BE HOPING TO USE HIS PRESENCE IN PARIS TO DEMONSTRATE THAT HE IS A RESPECTED EQUAL AMONG THE WORLD'S MAJOR LEADERS. WITH THE PRIME MINISTER, HIS AIMS ARE LIKELY TO BE TO MARK THE IMPROVEMENT IN OUR RELATIONS, TO DISCUSS WAYS OF BUILDING ON THIS, TO TAP THE PRIME MINISTER'S EXPERTISE ON EAST-WEST RELATIONS AND TO HEAR HER VIEWS ON THE FUTURE SHAPE OF THE EUROPEAN COMMUNITY POST-1992. HE MAY WELL INVITE HER TO VISIT INDIA.

3. GANDHI WAS GENUINELY TOUCHED BY THE PRIME MINISTER'S GENEROUS TRIBUTE TO HIS MOTHER AT THE UNVEILING OF HER STATUE IN LONDON EARLIER THIS YEAR AND IS

APPRECIATIVE OF THE TIME AND EFFORT THE PRIME MINISTER HAS BEEN DEVOTING TO INDO-BRITISH RELATIONS. HE WILL BE HOPING FOR A POSITIVE OUTCOME FROM HIS TALK WITH HER. THE MEETING THEREFORE OFFERS AND OPPORTUNITY TO TEST THE SERIOUSNESS OF HIS EXPRESSED DESIRE TO FIND SPECIFIC PROJECTS WE CAN DEVELOP TOGETHER. AGREEMENT ON SUCH PROJECTS WOULD BE THE CLEAREST DEMONSTRATION THAT OUR RELATIONS NOW REST ON SOLID FOUNDATIONS.

INTERNAL POLITICS

4. GANDHI'S MAIN PREOCCUPATION IS THE INDIAN GENERAL ELECTION, DUE TO BE HELD AROUND THE END OF THE YEAR (POSSIBLY EARLIER). HE HAS BEEN ELECTIONEERING HARD, ADDRESSING MEETINGS ALL OVER THE COUNTRY. THE PRIME MINISTER WILL FIND HIM CONFIDENT AND OPTIMISTIC ABOUT HIS OWN PROSPECTS: HE HAS COME THROUGH A SERIES OF POLITICAL REVERSES AND SCANDALS WITHOUT SEVERE DAMAGE. HIS PARTY IS IN SOMEWHAT BETTER SHAPE THAN SIX MONTHS AGO. HE HAS GONE ON THE OFFENSIVE, WHEREAS THE OPPOSITION REMAINS DIVIDED, BADLY LED AND UNABLE AT PRESENT TO DEMONSTRATE TO THE VOTERS THAT IT OFFERS AN EFFECTIVE ALTERNATIVE. THE GOVERNMENT'S ECONOMIC RECORD IS RESPECTABLE, NOTABLY THE RATE OF INDUSTRIAL GROWTH, WHICH IS RUNNING AT 9 PERCENT. DESPITE AN INFLATION RATE OF 8 PERCENT AND GROWING INTERNAL AND EXTERNAL DEFICITS, THE ECONOMY WILL NOT BE AN ELECTION ISSUE. THE MONSOON IS EXPECTED TO BE A GOOD ONE. THE ELECTION IS STILL AN OPEN RACE, BUT AS OF NOW CONGRESS LOOKS BETTER PLACED TO SQUEEZE HOME THAN ITS OPPONENTS.

5. IN RECENT WEEKS GANDHI HAS PERSONALLY LAUNCHED TWO POPULIST AND REFORMING PROGRAMMES UNDER THE SLOGAN 'POWER TO THE PEOPLE'. THESE HAVE TAKEN SOME WIND OUT OF THE OPPOSITION'S SAILS AND LOOK SET TO WIN BACK VOTES IN RURAL AREAS. BUT THE ENDURING PROBLEM OF THE PUNJAB HAS NOT RESPONDED TO TREATMENT: GANDHI ANNOUNCED A SERIES OF POLITICAL MEASURES - INCLUDING THE RELEASE OF SIKH DETAINEES - IN MARCH, BUT THE SIKHS REMAIN DISILLUSIONED, DEMORALISED AND SUSPICIOUS. HARSH MEASURES AGAINST TERRORISM HAVE REDUCED CIVILIAN AND POLICE CASUALTIES FROM TERRORIST VIOLENCE (WHICH ARE RUNNING AT A MONTHLY AVERAGE OF 160 THIS YEAR COMPARED WITH AN AVERAGE OF 220 IN 1988). BUT THE TERRORISTS HAVE NO SHORTAGE OF RECRUITS OR WEAPONRY, AND WITHIN THE LAST MONTH HAVE BRUTALLY ATTACKED CIVILIAN TARGETS IN DELHI AND THE PUNJAB.

FOREIGN POLICY

6. THE GOI STILL BELIEVE THAT SIKH TERRORISTS ARE GETTING HELP FROM OUTSIDE INDIA, ESPECIALLY FROM PAKISTAN. GANDHI APPEARS FOR THE MOMENT TO BE SATISFIED THAT BRITAIN IS TAKING SIKH EXTREMISM SERIOUSLY, AND THAT THE PRIME MINISTER PERSONALLY IS RESPONSIBLE FOR THIS. BUT THE INDIANS WILL CONTINUE TO PRESS, ALBEIT LESS OFFENSIVELY THAN IN THE PAST, FOR MORE FROM BRITAIN THAN WE CAN DELIVER.
7. ON OTHER FOREIGN POLICY ISSUES, GANDHI IS LIKELY TO BE FOCUSING PRIMARILY ON EAST-WEST RELATIONS AND DEVELOPMENTS IN THE SOVIET UNION, HIS NEXT PORT OF CALL AFTER PARIS. HIS VISIT TO MOSCOW IS PART OF A PROCESS OF HIGH LEVEL CONTACTS THAT BOTH SIDES SEEK TO MAINTAIN. BUT IT HAS ACQUIRED ADDITIONAL IMPORTANCE FOLLOWING THE SINO-SOVIET SUMMIT IN MAY. GANDHI IS CONCERNED TO DEMONSTRATE THAT INDIA'S CLOSE RELATIONSHIP WITH THE SOVIET UNION, AND HIS OWN WITH GORBACHEV, HAVE NOT BEEN ADVERSELY AFFECTED BY THE IMPROVEMENT IN SINO-SOVIET RELATIONS. THE INDIANS ARE STILL ADJUSTING TO THE CONCEPT OF A MULTI-POLAR WORLD.
8. SIGNALS FROM MOSCOW WERE A SIGNIFICANT FACTOR IN ENCOURAGING GANDHI TO VISIT PEKING LAST DECEMBER. THIS WAS THE FIRST VISIT BY AN INDIAN PRIME MINISTER FOR 34 YEARS, AND GANDHI PROCLAIMED IT AS A HISTORICAL BREAKTHROUGH. INDIA HAS NO INTEREST IN JEOPARDISING THE IMPROVED ATMOSPHERE THAT RESULTED FROM IT, AND HAS THEREFORE TAKEN A MUTED AND CAUTIOUS LINE ON RECENT EVENTS IN CHINA: AN INTERESTING EXAMPLE OF THE INDIAN ITCH TO MORALISE BEING SUBORDINATED TO THE PROTECTION OF THEIR MAJOR BILATERAL INTERESTS. A WIDE PROGRAMME OF BILATERAL CONTACTS HAS PROCEEDED UNAFFECTED, AND SENIOR OFFICIALS DISCUSSED THE BORDER DISPUTE AMICABLY BUT INCONCLUSIVELY IN BEIJING AT THE BEGINNING OF JULY. THE CHINESE ARE GRATEFUL FOR INDIA'S HELPFUL (IE UNCRITICAL) ATTITUDE TOWARDS TIBET, AND IN TURN HAVE INDICATED THAT THEY WILL NOT SEEK TO QUEER INDIA'S PITCH IN ITS CURRENT DISPUTE WITH NEPAL.
9. IN DISCUSSING EAST-WEST RELATIONS, GANDHI IS UNLIKELY TO WANT TO HIGHLIGHT DIFFERING PERCEPTIONS OVER NUCLEAR WEAPONS. BUT HE MAY FEEL OBLIGED TO REFER TO INDIA'S PLANS TO MOVE TOWARDS A NON-VIOLENT AND NUCLEAR-FREE WORLD (ENSHRINED

IN THE 1986 DELHI DECLARATION AND SUBSEQUENT STATEMENTS), EVEN THOUGH THESE IDEAS HAVE BEEN LARGELY SIDE-TRACKED BY THE MORE SUBSTANTIVE GAINS FROM BILATERAL US/SOVIET DISARMAMENT TALKS.

10. INDO-US RELATIONS ARE AGAIN GOING THROUGH A DIFFICULT PATCH.

THE INDIANS RESENT BEING SINGLED OUT AS A VILLAIN IN THE TRADE DISPUTE OVER QUOTE SUPER 301 UNQUOTE. THEY RESENT CONGRESSIONAL CRITICISM OF THEIR HUMAN RIGHTS RECORD, AND U S CONCERNS OVER NPT AND MISSILE DEVELOPMENT. BUT RELATIONS ARE STILL BETTER THAN THEY HAVE BEEN IN THE PAST. THE INDIAN DEFENCE MINISTER HAS JUST COMPLETED A VISIT TO THE U.S., THE FIRST SINCE 1947. GANDHI SETS CONSIDERABLE STORE BY HIS PERSONAL RELATIONSHIP WITH PRESIDENT BUSH AND HAS NO INTEREST IN FANNING THE FLAMES. BUT IN AN ELECTION YEAR HE CANNOT APPEAR WEAK IN DEFENDING INDIA'S INTERESTS AGAINST SUPER-POWER PRESSURE.

11. GANDHI WILL NO DOUBT WANT TO SAY SOMETHING ABOUT SOUTH

AFRICA IN THE CONTEXT OF CHOGM, AND WILL BE INTERESTED IN THE PRIME MINISTER'S IMPRESSIONS OF DE KLERK. THE INDIANS HAVE NOT CHANGED THEIR IDEAS, AND ARE AS COMMITTED TO SANCTIONS AS IN THE PAST. BUT THEY MAY NOW BE MORE RECEPTIVE TO THE MERITS OF ALTERNATIVE APPROACHES TOWARDS SOUTHERN AFRICA, AND LESS INCLINED TO HECTORING. WE KNOW THAT THEY EXPECT ENVIRONMENTAL MATTERS TO BE OF GREATER INTEREST AT CHOGM THAN DISCUSSION OF SOUTH AFRICA: GANDHI'S INTEREST IN THE ENVIRONMENT MAY GIVE THE PRIME MINISTER AN OPPORTUNITY TO REFER TO OUR GRANT OF POUNDS STERLING 40,000,000 OVER THE NEXT FIVE YEARS TOWARDS THE LOCAL COSTS OF ENVIRONMENTAL PROJECTS IN INDIA (SEE MIFT).

12. IN THE SOUTH ASIAN REGION, GANDHI IS LIKELY TO BE BULLISH

ABOUT RELATIONS WITH PAKISTAN (WHERE HE IS GOING AFTER MOSCOW). THIS IS ELECTORALLY POPULAR IN INDIA, AND GANDHI MAY HOPE FOR AN EARLY AGREEMENT ON THE WITHDRAWAL OF TROOPS FROM THE SIACHEN GLACIER TO LEND SOME SUBSTANCE TO THE MANY EXPRESSIONS OF GOOD INTENTIONS. ON VARIOUS SENSITIVE ISSUES INCLUDING CROSS BORDER TERRORISM AND NUCLEAR MATTERS THE INDIANS HAVE YET TO BE CONVINCED THAT MS BHUTTO IS MISTRESS OF HER OWN HOUSE: GANDHI WILL BE INTERESTED IN THE PRIME MINISTER'S VIEWS AFTER MS BHUTTO'S VISIT TO LONDON. AFGHANISTAN IS A LESS CONTENTIOUS ISSUE THAN HITHERTO BETWEEN THE TWO COUNTRIES, SINCE THE INDIANS HOPE THAT PAKISTAN AND OTHERS (INCLUDING THE

U S) ARE COMING ROUND TO THEIR OWN VIEW THAT THE PDPA CANNOT SIMPLY BE WRITTEN OFF. THE SUCCESSFUL LAUNCHING OF INDIA'S INDIGENOUS QUOTE AGNI UNQUOTE IRBM HAS ALSO HELPED EASE CONCERNS ABOUT PAKISTAN'S ACQUISITION OF NEW U S MILITARY HARDWARE.

13. GANDHI'S SATISFACTION OVER RELATIONS WITH PAKISTAN WILL BE TEMPERED BY HIS CONCERN OVER SRI LANKA, WHERE THE INDIANS FACE AN AWKWARD DILEMMA OVER WHETHER TO WITHDRAW THEIR PEACE-KEEPING FORCE AT PREMADASA'S BEHEST (POSSIBLY PRECIPITATING A BLOODBATH IN NORTH-EAST SRI LANKA) OR WHETHER TO KEEP IT IN PLACE AGAINST THE WISHES OF THE SRI LANKAN GOVERNMENT AND MOST SINHALESE. THERE HAVE BEEN SIGNS IN RECENT DAYS THAT PRESIDENT PREMADASA MAY NOW BE A LITTLE MORE FLEXIBLE OVER THE WITHDRAWAL OF THE INDIAN PEACE KEEPING FORCE (IPKF). IF GANDHI CAN AGREE WITH PREMADASA ON A FIXED TIMETABLE FOR WITHDRAWAL, WITH MATCHING GUARANTEES ON DEVOLUTION FOR THE NORTH EAST, HE WILL BE WELL PLEASED. HE WANTS TO BRING OUT THE IPKF, BUT SEES NO-ONE EXCEPT INDIA TO PICK UP THE PIECES IF SRI LANKA TEARS ITSELF APART THEREAFTER. THIS IS A MAJOR SECURITY WORRY FOR INDIA, TOO SERIOUS FOR GANDHI TO LOOK AT PURELY IN TERMS OF ELECTION POLITICS. BUT HIS IMMEDIATE OBJECTIVE MUST BE TO AVOID A BLOODBATH BEFORE THE INDIAN ELECTIONS. HE WILL ALSO BE HOPING THAT PREMADASA WILL NOT RAISE DIFFICULTIES OVER THE ISSUE AT CHOGM.

14. THE INDIANS ARE LESS UNCOMFORTABLE ABOUT THEIR DISPUTE WITH NEPAL. THEY FEEL THAT THEY HAVE A SOUND LEGAL AND POLITICAL DEFENCE FOR THEIR POLICY AND APPEAR CONTENT FOR THE DISPUTE TO DRAG ON UNTIL THE NEPALESE COME TO TERMS WITH THE NEED TO ACCOMMODATE INDIAN SECURITY INTERESTS: THE INDIANS ARE NOT PREPARED TO SEE NEPAL ESTABLISH AN EQUAL BALANCE BETWEEN INDIA AND CHINA. GANDHI SHOULD NOT TAKE IT AMISS IF THE PRIME MINISTER SAYS THAT WE HOPE BOTH SIDES WILL BE ABLE TO RESOLVE THE DISPUTE BY MUTUAL AGREEMENT AS SOON AS POSSIBLE, PROVIDED WE DO NOT IMPLY THAT INDIA IS MAINLY TO BLAME FOR THE PRESENT CRISIS.

15. SEE MIFT (NOT TO ALL).

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