

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF INDIA, MRS. INDIRA GANDHI, AT THE INTERCONTINENTAL HOTEL, BELGRADE, ON THURSDAY 8 MAY AT 0830.

Present

The Prime Minister
Mr. M.O'D.B. Alexander

Mrs. Indira Gandhi
Mr. K.N. Bakshie

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The Situation in India

In reply to a question from the Prime Minister, Mrs. Gandhi said that the situation in India was pretty bad. There was a mood of complete indiscipline. People thought only of themselves and not of the country. The agitation in the North East was worrying. The problem had been simmering for a long time and had begun to grow more acute some six months before the present Government took over. Things might have been less serious had the previous Government taken action sooner. The same was true of the economy where the previous Government had failed to take any decisions during the last three years. They had, for instance, not made a sufficiently early start in coping with the consequences of last year's drought. They had left behind a huge Government deficit. They had completely demoralised the Civil Service. As a result of the investigations of Mrs. Gandhi's previous period in office, members of the Civil Service were now reluctant even to sign a file, let alone to take a decision. Everyone expected overnight results from the new Government but it was proving very difficult indeed to pull things together. The Government had now had to embark on a new round of elections at the worst possible time. The Prime Minister said that the first year in office of a new government was always very tough. The patient was suffering from the effects of his illness and his medicine at the same time. Mrs. Gandhi had a double job ahead to put the economy straight and to motivate the people. Nonetheless, everyone in Britain had enormous confidence in her.

Mrs. Gandhi expressed concern about the impact in India of the rise of Islamic fundamentalism. There were signs that

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India's large Muslim population was being affected by developments in Iran and Saudi Arabia. There was, for instance, considerable opposition from the Muslim community to changes in the law of adoption. Although the law was only designed to make adoption possible, the Muslims had argued that it was encouraging adoption. As a result, they would have to be excluded from the operation of the law. Similarly, the Government had experienced difficulties in trying to enlarge the rights of divorced women. The Prime Minister recalled the differences between the Shi'ite and Sunni Muslims but agreed that the growth of Muslim unity and fundamentalism was a cause for concern.

Pakistan

Mrs. Gandhi said that President Zia was very unpopular in Pakistan. She wished to keep in touch with the Pakistani people, who were ^{with} basically friendly towards India, but this sometimes conflicted/the need to keep in touch with President Zia. He was still circulating maps which showed Kashmir as part of Pakistan. Hostility to India in Pakistan originated in the Civil Service and the Army. They were opposed to normalisation of relations. It was for this reason that the Indian Government were concerned about the supply of arms to Pakistan. The fear was not that Pakistan would invade India but that the arms would be used against the Pakistani people and along the border to stir up hatred between the two countries.

Afghanistan

The Prime Minister asked how Mrs. Gandhi viewed the British proposal for a neutral Afghanistan. Mrs. Gandhi said that she did not like the word "neutral". The situation in Afghanistan was quite different from that in Austria. She preferred the concept of an independent and non-aligned Afghanistan. However, she was at a loss to know how to achieve this objective. It was clear that the Soviet Union would not tolerate a pro-Western government in Kabul. Unless the Afghan Government was pro-Soviet or acceptable to the Soviet Union, there could be no solution. But how could one guarantee the character of a government?

/Elections

Elections would be no answer since their outcome would be, at best, unpredictable. The Prime Minister asked Mrs. Gandhi what she thought of the present puppet regime in Kabul. Mrs. Gandhi said that she thought both sides were producing exaggerated reports on what was happening in the country. A recent arrival from Afghanistan had told her that initially the Soviet troops were welcome because the Amin regime had been much hated. But when it had been put about that the Soviet troops intended to annex the country, the mood had changed. A rebellion against the occupying forces was now in progress but her information was that current accounts of the scale of the fighting were exaggerated. She intended to send a Special Envoy to Kabul soon to discuss the situation with the Afghan Government.

Mrs. Gandhi said that she believed that if the Western reaction to the Soviet invasion had been less violent, the Russians might have found it easier to leave. She did not altogether discount the Soviet claim that they had been invited into Afghanistan in August 1979 but had declined to go; ^{and that} they had only decided to move in when they learned that Amin had approached the US Government for assistance. She could see no reason why there should not be a non-aligned regime in Kabul. Mr. Gromyko had told her that the Russians would withdraw if they received a guarantee of non-interference from Pakistan. The Prime Minister said that she did not think that there had been any interference from Pakistan. If the Soviet Union were allowed to stay in Afghanistan indefinitely, there would be a strong risk of their carrying out another invasion elsewhere. Mrs. Gandhi said that at least the headlong rush to East/West confrontation over Afghanistan seemed to have been halted for the moment. But the situation remained very complex. The Iranian Government wished to hold a conference on the situation in the area and had invited the Indian Government to be represented. However, they did not wish to get involved. They feared that the main objective of the conference would be to criticise the United States.

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Iran

The Prime Minister said that the situation in South West Asia would be simpler to deal with if the issue of the American hostages in Tehran could be disposed of. It was poisoning the atmosphere and weakening the position of the United States. The failure of the rescue attempt had been particularly damaging. It had had a bad effect on the reputation of the United States throughout the Middle East. Mrs. Gandhi said that the attempt could never have succeeded. The Prime Minister said that the Foreign and Commonwealth Secretary had made it clear during his recent visit to Washington that the United Kingdom could not support US military action in the region.

Commenting on Indian foreign policy generally, Mrs. Gandhi said that the Western press had always portrayed her and her father as being pro-Soviet. This was a misleading picture. Over the years, the Russians had in fact given her "a raw deal". They had not supported her as strongly as many seemed to think. They had, it was true, never tried to defeat her, but they had certainly tried to weaken her.

The meeting ended at 0900.



8 May 1980