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FM DELHI 171100Z APR 81

TO IMMEDIATE FCO  
TELEGRAM NUMBER 423 OF 17/4/81

PRIME MINISTER'S VISIT TO INDIA

1. AFTER AN INTENSIVE PROGRAMME IN DELHI AND THE CONCLUSION OF THE OFFICIAL TALKS WITH MRS GANDHI, I WOULD JUDGE THAT THE VISIT IS BEING A REAL SUCCESS BUT NOT A SPECTACULAR ONE. THE INDIAN GOVERNMENT AND MRS GANDHI PERSONALLY HAVE GONE OUT OF THEIR WAY TO DEMONSTRATE THEIR WARM FEELINGS FOR THE UK AND THEIR REGARD FOR THE PRIME MINISTER. A NUMBER OF UNUSAL TOUCHES WHICH WERE NOT FOR EXAMPLE PART OF THE BREZHNEV PROGRAMME HERE HAVE BEEN INTRODUCED BY MRS GANDHI AND THE PERSONAL UNDERSTANDING BETWEEN THE 2 PRIME MINISTERS HAS BEEN STRENGTHENED. THE GOVERNMENT OF INDIA CLEARLY WANTED A SUCCESSFUL VISIT AND TO THIS END THEY CHOSE TO AVOID PRESSING POINTS WHICH WOULD HAVE BEEN LIKELY TO GIVE RISE TO CONTROVERSY. THE FACT THAT THE INDIAN PRESS STRESSES DIFFERENCES ON THE NATIONALITY LAW AND ON ARMS FOR PAKISTAN, SEEMS TO OWE MORE TO THEIR NEED FOR A STORY AND THEIR GENERAL EXPECTATIONS THAN TO OFFICIAL INDIAN BRIEFING.
2. ON INTERNATIONAL AFFAIRS, THERE WAS A GOOD EXCHANGE OF VIEWS WHICH DID NOT PRODUCE ANY SIGNIFICANT SURPRISES OF CHANGES. IT MAY PROVE TO HAVE BEEN USEFUL TO PUT BRITISH VIEWS ON NAMIBIA AND THE SECURITY COUNCIL STRONGLY TO THE INDIAN FOREIGN MINISTER A FEW HOURS BEFORE HE LEFT FOR THE MEETING OF THE BUREAU OF NON-ALIGNED IN ALGIERS. THE INDIANS, TO WHOM THE PRIME MINISTER PASSED PRESIDENT ZIA'S MESSAGE, STRESSED THAT THEY WERE IN NO WAY THREATENING PAKISTAN. ON THE CONTRARY THEY WERE WORKING FOR AN IMPROVEMENT IN RELATIONS AND NARASIMHA RAO MIGHT WELL GO TO ISLAMABAD NEXT MONTH. THE INDIANS TOOK NOTE OF THE PRIME MINISTER'S STATEMENTS THAT HER DISCUSSION WITH REAGAN HAD NOT INCLUDED AMERICAN MILITARY ASSISTANCE TO PAKISTAN. THEY WELCOMED THE PRIME MINISTER'S ASSURANCE, BASED ON HER TALK IN LONDON WITH MR HAIG, THAT THE UNITED STATES WAS ANXIOUS TO SEE AN IMPROVEMENT IN US/INDIAN RELATIONS. IN GENERAL ON EAST/WEST MATTERS, THERE WAS A TACIT AGREEMENT NOT TO PUSH POINTS OF DIFFERENCE.
3. THE JAGUAR DEAL HAS NOT BEEN MENTIONED AND THERE WAS NO DISCUSSION OF DEFENCE MATTERS EXCEPT THAT THE PRIME MINISTER TOOK AN OPPORTUNITY TO STRESS TO THE CHIEF OF AIR STAFF OUR INTEREST IN THE LIGHT COMBAT AIRCRAFT PROJECT. NO MENTION HAS BEEN MADE OF DIEGO GARCIA AND INDEED THERE WAS NO DISCUSSION OF THE INDIAN OCEAN AS A PROBLEM AREA, THOUGH IN HER BRIEF SPEECH TO THE HOUSES OF PARLIAMENT, FOLLOWING THE PRIME MINISTER'S, MRS GANDHI REFERED TO THE DEMILITARISATION OF THE INDIAN OCEAN.

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4. ON BILATERAL COMMERCIAL AND ECONOMIC MATTERS THE INDIANS WITH ONE EXCEPTION WERE COOPERATIVE. DOCUMENTS COVERING THE DEVELOPMENT OF THE COAL AND POWER INDUSTRIES IN INDIA, SPACE, SCIENCE AND TECHNOLOGY, DOUBLE TAXATION AND A GENERAL MEMORANDUM OF UNDERSTANDING ABOUT A NUMBER OF OTHER FIELDS OF COMMERCIAL INTEREST TO US, WERE SIGNED. THE LATTER DOCUMENT CONTAINED A BRIEF PASSAGE ON TRADE WHICH PROVED AN EXCEPTION TO THE GENERAL INDIAN HELPFULNESS. THE MINISTER OF COMMERCE AND HIS OFFICIALS WERE STILL SMARTING OVER VARIOUS LONG-STANDING DETAILED GRIEVANCES EG. THE ALLEGED HOLD UP BY BRITISH CUSTOMS OF FOLKLORIC ITEMS. THE INDIANS LAID GREAT STRESSES ON THE NEED TO SORT OUT THESE PROBLEMS AND IMPROVE INDIAN EXPORTS TO THE UK. ON THE THERMAL POWER PLANT, THE INDIANS SAID THEY WOULD BE GLAD TO ESTABLISH THAT IT WAS A VIABLE PROJECT. MRS GANDHI TOLD THE PRIME MINISTER THAT THE DECISION ON THE COASTAL STEEL PLANT LAY BETWEEN THE BRITISH AND THE GERMAN LED CONSORTIA. IT HAD TAKEN LONGER TO COMPLETE THE STUDIES THAN HAD BEEN EXPECTED. THE INDIAN CABINET WOULD CONSIDER THE QUESTION ON 22 APRIL.

5. THERE WAS RELATIVELY LITTLE DISCUSSION IN THE OFFICIAL TALKS ABOUT THE NATIONALITY BILL AND IMMIGRATION QUESTIONS, ALTHOUGH A READER OF THE INDIAN PRESS MIGHT WELL SUPPOSE THAT IT WAS THE PRINCIPLE SUBJECT OF DISCUSSION. THE FORTHRIGHT WAY IN WHICH THE PRIME MINISTER FACED UP TO THE ISSUE AND DEALT WITH THE CRITICISMS, BOTH IN HER SPEECH TO THE MEMBERS OF PARLIAMENT AND IN A MEETING WITH A DOZEN OR SO MP'S, SPECIALLY REQUESTED BY MRS GANDHI, WAS EFFECTIVE AND HAS BEEN THE SUBJECT OF ADMIRING COMMENT. IN HER PUBLIC COMMENTS MRS GANDHI HAS BEEN STUDIOUSLY MODERATE AND HAS NOT GONE FURTHER THAN SHE JUDGED NECESSARY FOR HER DOMESTIC POLITICAL REQUIREMENTS. SHE REFERRED TO THE "STRONG FEELINGS" OF MANY INDIANS ABOUT THE NATIONALITY BILL AND EXPRESSED HER OWN "DISAPPOINTMENT" ABOUT THE SITUATION OF UKPH.

6. IN GENERAL I AM INCLINED TO THINK THAT MRS GANDHI MEANT IT WHEN SHE SAID IN PARLIAMENT THAT THE VISIT WOULD LEAD TO TRADE AND COOPERATION "BENEFITTING BOTH OUR COUNTRIES EVER MORE FRUITFULLY IN THE YEARS TO COME".

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