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FM DELHI 181230Z MAR 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 317 OF 18 MARCH.

MRS GANDHI'S VISIT

1. I SAW MRS GANDHI THIS AFTERNOON. HER WAITING ROOM WAS LIKE GRAND CENTRAL STATION, WHICH GAVE ME A USEFUL OPPORTUNITY TO SAY A WORD OR TWO TO THE FINANCE MINISTER ABOUT THE THERMAL POWER STATION, TO RAJIV ABOUT THE BRITISH LEYLAND CAR PROJECT AND TO RANA ABOUT THE DETAILS OF THE PROGRAMME. A CABINET MEETING AND ALSO A MEETING OF THE TRUSTEES OF THE NEHRU FOUNDATION BOTH SEEMED TO BE GETTING UNDER WAY. IN THE CIRCUMSTANCES IT SEEMED THE MOST POPULAR THING WOULD BE TO MAKE MY CALL A BRIEF ONE. MRS GANDHI SAID SHE WAS LOOKING FORWARD TO THE VISIT AND DID NOT WANT TO BE TIED DOWN TO A FORMAL AGENDA. SHE WAS NOT GOING TO RAISE ANY TOTALLY NEW MATTERS. IT WAS MUCH MORE A QUESTION OF HER AND THE PRIME MINISTER EXCHANGING IDEAS ON HOW TO HANDLE ONGOING SITUATIONS. SHE THOUGHT THERE WOULD BE NO PROBLEM IN HAVING AN INTERESTING CONVERSATION FOR AN HOUR OR MORE. I PUT IN A WORD IN FAVOUR OF THE THERMAL POWER STATION, WHICH MERELY ELICITED A NOD.

2. AS A RESULT OF OUR CONVERSATION, RANA SPOKE WITH ALEXANDER (MRS GANDHI'S PRINCIPAL SECRETARY, EQUIVALENT IN RANK TO THE CABINET SECRETARY, AND MORE CONCERNED WITH POLICY MATTERS THAN THE LATTER) AND SUBSEQUENTLY RANG ME ON THE LATTER'S INSTRUCTIONS. WHEN THE TWO PRIME MINISTERS MET AT 11 AM ON 22 MARCH ALEXANDER WOULD LIKE TO TALK WITH WHOEVER WE THOUGHT APPROPRIATE, BASICALLY ABOUT BILATERAL MATTERS. RANA WAS EVASIVE WHEN I PRESSED HIM TO BE MORE PRECISE. BUT HE DID UTTER THE WORDS BILATERAL ECONOMIC RELATIONS, TRADE, TEXTILES, ECONOMIC ASSISTANCE. I SAID WE MIGHT ALSO HAVE SOME MATTERS TO RAISE. RANA SAID THAT IT WAS ALEXANDER'S IDEA (AND I KNOW THIS IS MRS GANDHI'S PREFERENCE) THAT WHEN THE LARGER MEETING TOOK PLACE AFTER THE PRIME MINISTERS' TETE A TETE HE AND HIS BRITISH OPPOSITE NUMBER SHOULD TELL THE TWO PRIME MINISTERS BRIEFLY WHAT THEY HAD BEEN DISCUSSING AND THEN IT WOULD BE OPEN TO EITHER PRIME MINISTER TO PURSUE ANY TOPIC. IT IS CLEAR THAT THE TALKS WITH ALEXANDER WILL BE IMPORTANT. ALEXANDER ALSO ASKED THAT R N MALHTRA (EQUIVALENT TO PERMANENT SECRETARY AT THE TREASURY) SHOULD BE INCLUDED IN THE DISCUSSIONS ON MONDAY MORNING. I ASKED IF HE WOULD OFFICIALLY BE A MEMBER OF THE DELEGATION AND WAS TOLD NO. HOWEVER IT IS IMPORTANT THAT HE SHOULD BE TREATED AS IF HE WERE AND THAT HE SHOULD ATTEND THE LUNCH AT NO 10 AND ALSO THE LORD MAYOR'S LUNCH.

THOMSON

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