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FM DELHI 290315Z JUL 30

TO PRIORITY FCO

TELEGRAM NUMBER 590 OF 28 JULY.

MIPT: INDO-BRITISH RELATIONS

1. AS WE ARE REPORTING BY LETTER TO THE DEPARTMENT, IT IS BECOMING CLEAR THAT MRS GANDHI IS UNDER CONSIDERABLE STRAIN. SHE HAS DRAFTED HER SON, RAJIV, TO TRY TO TAKE SOME OF THE BURDEN OFF HER, BUT IT IS MOST UNLIKELY THAT HE WILL COME WITHIN MILES OF FILLING THE PART FORMERLY PLAYED BY SANJAY. SHE IS FEELING ISOLATED AND SOMEWHAT BELEAGUERED, AND HENCE MORE THAN EVER PRONE TO SEE MATTERS IN PERSONAL TERMS. SHE IS LIKELY TO BE MORE ERRATIC IN HER OPINIONS AND TO FORM EXAGGERATED NOTIONS OF WHO ARE HER FRIENDS AND WHO HER ENEMIES.

2. BOTH OVER THE JAGUAR AND NOW OVER THE COASTAL STEEL PLANT, IT IS THEREFORE INCREASINGLY LOOKING AS IF THE FINAL DECISIONS WILL BE TAKEN BY MRS GANDHI ON THE BASIS OF HER PERSONAL FEELINGS AND IRRESPECTIVE OF OBJECTIVE MERITS. SHE IS LIKELY TO SEE THE JAGUAR AND STEEL PLANT ISSUES AS LYING BETWEEN THE FRENCH AND OURSELVES AND THE GERMANS AND OURSELVES RESPECTIVELY, AND TO MAKE UP HER MIND PURELY ON THE BASIS OF WHO SHE THINKS IS BETTER DISPOSED TOWARDS HER AND THEREFORE DESERVES TO GET THE BUSINESS.

3. IT IS NOT CLEAR WHETHER WHAT WAS SAID TO ME LAST WEEK ABOUT THE ATTITUDE OF THE BRITISH PRESS TOWARDS MRS GANDHI'S NUCLEAR AND FOREIGN POLICIES (MY TELS NOS 585 AND 586) REFLECTS MRS GANDHI'S PERSONAL RESENTMENT AT THE BRITISH MEDIA IN PARTICULAR. I HAVE, HOWEVER, JUST HAD FRESH EVIDENCE FROM A CLOSE ASSOCIATE OF THE FAMILY THAT THE HANDLING BY THE BRITISH MEDIA OF SANJAY'S DEATH CAUSED HER MUCH RESENTMENT. YOU WILL KNOW THAT THE INDIAN MINISTER OF SHIPPING, MR SHARMA, TOOK THE OPPORTUNITY TO REFER TO THIS IN HIS MEETING ON 10 JULY WITH MR FOWLER. I SEE A CONTINUING DANGER THAT MRS GANDHI'S RESENTMENT AT THIS SORT OF THING WILL, IF IT HAS NOT DONE SO ALREADY, ASSUME THE NATURE OF RESENTMENT AT BRITAIN IN GENERAL, WITH CONSEQUENT SUBSTANTIAL LOSSES TO THE BRITISH MANUFACTURERS WHO ARE TRYING TO GAIN OR PRESERVE THESE VERY SUBSTANTIAL PIECES OF BUSINESS.

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4. I THEREFORE MAKE NO EXCUSE FOR REVERTING AGAIN TO THE NEED, AS I SEE IT, FOR A POLITICAL GESTURE DESIGNED TO REASSURE MRS GANDHI PERSONALLY ABOUT HMG'S ATTITUDE TOWARDS HER. THE PRINCE OF WALES' VISIT WILL CERTAINLY HELP AND ITS EARLY ANNOUNCEMENT WILL BE VALUABLE. BUT SOMETHING RATHER MORE IMMEDIATE IS, I BELIEVE, STILL NEEDED. I HAVE NOT YET SEEN COLES' LETTER FORESHADOWED IN PARA 6 OF YOUR TEL NO 539 ABOUT JAGUAR AND WILL TELEGRAPH AGAIN IF NECESSARY WHEN IT ARRIVES.

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THIS TELEGRAM
WAS NOT
ADVANCED

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