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SUBJECT
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BRITISH HIGH COMMISSION
NEW DELHI, INDIA

From the High Commissioner
Sir Robert Wade-Gery

5 November 1984

Charles Powell Esq.
Prime Minister's Office
10 Downing Street

Dear Charles,

I enclose a record of the Prime Minister's meeting with Mr Swraj Paul yesterday. May I leave distribution to you?

It was very nice seeing you here

Yours ever

Robert

P.S. You will have seen that para 9 of my telno 904 contained a summary of Swraj's main points.

RLLK.

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Note of a meeting between the Prime Minister and Mr Swraj Paul,
at the British High Commissioner's Residence in New Delhi at
9.10 am on Sunday 4 November 1984

Present:

Prime Minister

Mr Swraj Paul

Sir Robert Wade-Gery

In reply to the Prime Minister's condolences, Mr Swraj Paul said how grateful everyone in India was to the Prime Minister for coming to attend Mrs Gandhi's funeral. Immediately after the assassination, there had been strong indignation in Delhi, shared by Mr Rajiv Gandhi and many Members of Parliament, at the statements which Dr Chauhan had been allowed to make on the BBC. He himself had attempted to explain that the BBC was outside the British Government's control, but this was not an easy point to get across in India. Indian politicians had been talking of a trade boycott against Britain, citing the comparable action taken by Dr Mahathir's Government in Malaysia at an earlier stage. It had also been pointed out to him that in the case of the film "Death of a Princess" the then British Foreign Secretary had visited Saudi Arabia in order to apologise on behalf of the British Government for offence caused by a British television programme. There had even been talk of the establishment of an IRA Government-in-exile in India. It was important not to underestimate the strength of Indian feelings, which were as usual masked by a misleading politeness; lack of candour was a national trait of which as an Indian by origin himself he was acutely aware. However, Mrs Thatcher's statement on 2 November, condemning the behaviour of Dr Chauhan and his associates, had had an extremely beneficial effect and appeared to have defused the crisis. Mr Gandhi had seen the text of that statement that same night and had been much relieved. He had also felt able to ignore the advice of his advisers that he should raise the subject of Dr Chauhan when he saw Mrs Thatcher the next morning.

/Sir R Wade-Gery

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Sir R Wade-Gery said that in legal terms Dr Chauhan seemed to be choosing his words with great care; their effect was unmistakable, but he was at pains to use language which predicted rather than incited assassination. Mr Swraj Paul commented that Dr Chauhan's private legal adviser was Judge Mota Singh, whom the Prime Minister would know as a British lawyer of Sikh origin.

Mr Swraj Paul went on to say that he had been in close contact with the Gandhi family since the assassination; and to give some details of what had happened.

He himself was anxious to help her to provide in some way for the safety of her children; but unfortunately it seemed clear that Britain would be too dangerous a place to send them. One of the two assassins (who was now dead) had been with Mrs Gandhi for eight years; the other for just under a year. Both had surrendered after emptying their guns into her. They had been taken away by other guards into the police guard room, where they had subsequently been shot and left for dead, although one had in fact survived. Their fate had given rise to fears of a "Kennedy syndrome", ie that the guards who shot them had something to hide.

The Prime Minister expressed her affection for Mr Gandhi, her admiration for the way he had conducted himself since the assassination, and her confidence in his political future. Mr Swraj Paul said that Mr Gandhi had enemies within his own party. But in present circumstances they all knew that they

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needed him if they were to win the forthcoming elections. He therefore had about four months in which to establish his authority within the party. The elections would take place on schedule, in early January.

The meeting ended at 9.30 am.

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High Commissioner

GAS TURBINES FOR DELHI ELECTRIC SUPPLY UNDERTAKING (DESU)

1. DESU, a Government of India enterprise, have called for tenders for a 180 MW gas turbine power station to provide auxiliary power for Delhi at peak periods of demand. The power supply in Delhi is unsatisfactory and the extra supply is needed until a new super-thermal power station for the capital is commissioned (which will not be before 1990).
2. GEC-Rolls Royce and John Brown have bid (as have various foreign firms), and are also in discussion with Bharat Heavy Electricals Limited (BHEL), the principal Indian public sector power equipment manufacturer, about a possible collaboration agreement. GEC-Rolls Royce appear to be the front runners both for collaboration and for supply.
3. The Indian Power Secretary (Permanent Secretary equivalent) called on Sir A Rawlinson in London on 6 September to seek a British aid input to back (by implication) the GEC-Rolls Royce bid: he confirmed they were "very well placed". There are insufficient uncommitted bilateral aid funds available, and discussions are currently at an advanced stage in Whitehall on a possible 25% ATP offer. Time is getting short, as the closing tender date was to have been 5 November (but with an effective postponement because of the assassination).
4. The offshore content would amount to some ^{10.5} ~~£402~~ m. with expenditure in 1985/6. The project has both political and economic priority for the Government of India and GEC have pursued the business energetically as part of their renewed interest in the Indian market following their success with the Balco captive power plant.



3 November 1984

R C Beetham

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High Commissioner

GAS TURBINES FOR DESU

- / 1. I attach a self-explanatory brief on this subject.
2. The DTI's attempt to run an ATP case, though supported by the Treasury and FCO, has run into strong and serious opposition from the ODA. Mr Vereker is recommending that Mr Raison turn down the proposal on the grounds that the economic and developmental case is weak (gas turbines are not cost effective, DESU should simply cut back demand (!) by putting up their tariffs until the supply situation improves in the 1990s).
3. Mr Venkataraman asked for aid finance to back GEC's bid in September. Mr Benjamin is deeply concerned about the effect of a refusal of ATP both on GEC and on Mr Venkataramanan (in the Rihand context) and has asked you to raise this with the Prime Minister. Since there is hardly likely to be time, I prepared the brief in case you wish to show it to her Private Secretary.



3 November 1984.

R C Beetham

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