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FM NEW DELHI 101200Z DEC 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 1025 OF 10 DECEMBER

CHAUHAN

1. I HAVE NOT WANTED TO JUMP TO HASTY CONCLUSIONS IN THIS DIFFICULT AND TANGLED STORY. BUT IN THE LIGHT OF EVENTS SO FAR, AND OF THE NEW EVIDENCE SUMMARISED IN MY 2ND I.F.T., MY CURRENT ASSESSMENT IS AS FOLLOWS:-

(A) RAJIV GANDHI'S ENTOURAGE ARE EXTREMELY ANGRY WITH US.

(B) IN THIS THEY ARE PARTLY REFLECTING THE INCOMPREHENSION AND ANGER WITHIN INDIA, TO WHICH THEY ARE PARTICULARLY SENSITIVE AT ELECTION TIME.

(C) THEY ARE, MORE IMPORTANTLY, DRIVEN BY A REAL FEAR THAT OUR INACTION, HAVING ALREADY BEEN IN THEIR BELIEF, SUBSTANTIATED OR NOT, A CONTRIBUTORY FACTOR TO THE MURDER OF MRS GANDHI, IS CONTINUING TO CONTRIBUTE MATERIALLY TO THE DANGER OF RAJIV BEING SIMILARLY KILLED.

(D) THEY BELIEVE HIS EARLY DEATH WOULD ENDANGER INDIA'S NATIONAL SURVIVAL.

(E) THEY ARE CONVINCED WE COULD FIND SOME WAY OF ACTING AGAINST CHAUHAN IF WE REALLY WANTED TO.

(F) THEY HAVE ORDERED THE MEA TO APPLY POLITICAL AND ECONOMIC PRESSURES TO BRING US TO THAT PITCH.

(G) IN PURSUIT OF THIS THE MEA HAVE ORDERED ALL GOVERNMENT DEPARTMENTS TO CONSULT THEM BEFORE UNDERTAKING ANY IMPORTANT CONTRACTS WITH US.

2. WHATEVER WE SAY, WE SHALL NOT ALTER THIS STAGE OF AFFAIRS UNLESS AND UNTIL WE DO TAKE WHAT IS ACCEPTED AS EFFECTIVE ACTION. MY THIRD IFT CONTAINS SOME IDEAS FOR MY FURTHER DIALOGUE WITH RASZOTRA. BUT THEY WILL NOT AFFECT THE BASIC ATTITUDES DESCRIBED ABOVE.

3. WE MUST ALSO RECKON THAT THERE IS AN ODDS-ON CHANCE OF AN ATTEMPT BEING MADE ON RAJIV'S LIFE IN THE NEXT FEW MONTHS, PROBABLY BY SIKHS, AND THAT, IF THIS HAPPENS WHILE WE ARE STILL TOLERATING CHAUHAN, THE EFFECT ON ALL OUR INTERESTS HERE COULD BE CATASTROPHIC. LIVES AND PROPERTY COULD BE LOST AS WELL AS CONTRACTS AND INFLUENCE.

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4. WE THEREFORE NEED TO ASK OURSELVES WHETHER, IN THE ABSENCE OF NEW EVIDENCE AGAINST CHAUHAN, THERE ARE ANY CIRCUMSTANCES IN WHICH WE WOULD FEEL OBLIGED TO DO SOMETHING ABOUT HIM: AND IF SO, WHAT WE WOULD DO AND WHETHER WE MIGHT NOT BE WISER TO DO IT NOW.

5. I DO NOT UNDERESTIMATE THE DIFFICULTY OF TAKING ACTION. NOR CAN I FROM HERE DO MUCH MORE TO SUGGEST WAYS AND MEANS. BUT I MUST LEAVE YOU IN NO DOUBT OF THE DANGEROUS AND DAMAGING CONSEQUENCES OF DOING NOTHING.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 1027 OF 10 DECEMBER

MY TWO IPT'S: CHAUHAN

1. IT IS NOW CLEAR, AS REPORTED IN MY TEL NO 969, THAT GOVERNMENT DEPARTMENTS HERE HAVE BEEN WARNED OFF CONCLUDING MAJOR CONTRACTS WITH BRITAIN IN PRESENT CIRCUMSTANCES.
2. I HAVE LITTLE DOUBT FROM THE TONE OF MY TALK WITH THE MEA ON THE SUBJECT (MY TEL NO OTTER 372) THAT THE 'POSTPONEMENT' OF THE MAJOR SBAC EXHIBITION AND SEMINAR IN FEBRUARY IS A RESULT OF THIS NEW DRILL. THE MEA OFFICIAL CONCERNED TOOK LITTLE TROUBLE TO CONCEAL HIS HOSTILITY. OUR CONTACTS IN THE OTHER GOVERNMENT DEPARTMENTS CONCERNED ARE EMBARRASSED BUT HELPLESS.
3. THE INDIAN'S DECISION TO POSTPONE THE SECRETARY OF STATE FOR DEFENCE'S VISIT IN FEBRUARY NOW ALSO BEGINS TO LOOK LIKE PART OF THE SAME PATTERN, ALTHOUGH MY FIRST THOUGHT WAS THAT IT MIGHT BE GENUINELY ELECTION-RELATED. I AM PRETTY SURE THAT THEY WILL ALSO VETO MR LAMONT'S VISIT. IT WAS ENCOURAGING THAT WHEN I SAW HIM ON 7 DECEMBER THE CHIEF OF PROTOCOL THOUGHT THERE WOULD BE NO DIFFICULTY ABOUT RE-INSTATING PRINCESS ANNE'S VISIT (IN FEBRUARY) : BUT HE ASKED FOR TIME TO CONSULT HIGHER AUTHORITY AND COULD YET BE TOLD TO CHANGE HIS TUNE.
4. WE ARE GETTING MORE REPORTS THAT THE DISSATISFACTION OVER CHAUHAN IS SOURING THE ATMOSPHERE FOR OUR BUSINESS PROSPECTS: AND THAT IT CENTRES IN RAJIV GANGHI'S POLITICAL ENTOURAGE AND MORE GENERALLY IN THE HIGHER REACHES OF THE CONGRESS (I) PARTY. THE LATEST AND CLEAREST COMES FROM A WELL-PLACED AND WELL-DISPOSED BUSINESS CONTACT, WHO ASKED TO SEE ME ON 7 DECEMBER. HE IS A MODEST MAN, NOT GIVEN TO THE INDIAN PRACTICE OF EXAGGERATING HIS INTIMACY WITH THE GREAT. HE HAD BEEN TALKING TO A MEMBER OF RAJIV'S POLITICAL HOUSEHOLD AND HAD FOUND THEM IN AN UGLY MOOD. THEY WERE SURE THAT IF WE CHOSE WE COULD FIND SOME WAY OF PREVENTING A MAN LIKE CHAUHAN DOING SO MUCH DAMAGE TO INDIA. OUR ATTITUDE MUST THEREFORE REPRESENT CULPABLE NEGLIGENCE IF NOT DELIBERATE MALICE.
5. MY CONTACT, WHO IS WELL INFORMED ON DEFENCE SALES ISSUES, WENT ON TO SAY THAT AS A RESULT OF OUR CONSIDERABLE RECENT EFFORTS OUR CHANCES OF SECURING THE HUGE CONTRACT FOR 155MM FIELD HOWITZER HAD BEEN BEGINNING TO BRIGHTEN. BUT THE INDIAN MINISTRY OF DEFENCE WERE NOW CLEAR THAT ADVICE TO BUY BRITISH WOULD BE UNWELCOME AT THE POLITICAL LEVEL, AND SPECIFICALLY TO THE PRIME MINISTER'S ENTOURAGE. THE INDIAN SYSTEM BEING WHAT IT WAS, THEY WOULD THEREFORE NOT RECOMMEND OUR GUN UNLESS THINGS HAD CHANGED BY THE TIME THE DECISION CAME TO BE TAKEN AFTER THE ELECTIONS.

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6. AS THINGS STAND WE HAVE NO SPECIFIC EVIDENCE OF DANGER TO OTHER PENDING CONTRACTS SUCH AS THE WE 30 HELICOPTER DEAL, BUT WE CANNOT RULE THIS OUT.

CCN PARA 5 LAT LINE AFTER THE ELECTIONS.

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FM NEW DELHI 101208Z DEC 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 1026 OF 10 DECEMBER

MIPT: CHAUHAN

1. FAILING OR PENDING ACTION AGAINST CHAUHAN I CAN THINK OF ONLY ONE TYPE OF PALLIATIVE LIKELY TO GAIN US AT LEAST A RESPITE. THIS WOULD BE TO SEND TO DELHI A VERY HIGH-LEVEL PERSONAL EMISSARY FROM THE PRIME MINISTER. HE WOULD NEED TO BE A POLITICIAN OR EX-POLITICIAN AND PREFERABLY ALSO A LAWYER, WHO COULD TALK WITH FULL POLITICAL AND LEGAL AUTHORITY TO RAJIV GANDHI AND OTHERS HERE ABOUT EXACTLY WHAT WE CAN AND CANNOT DO AND WHY.

2. UNLESS OF COURSE WE WERE WILLING TO UNDERTAKE SUCH A MISSION YOURSELF, THE ATTORNEY GENERAL WOULD BE THE SORT OF EMISSARY I HAVE IN MIND. A FORMER LAW OFFICER COULD BE ANOTHER POSSIBILITY. WHILE IT MIGHT BE POSSIBLE TO KEEP SUCH A VISIT SECRET, THERE WOULD PROBABLY BE REAL ADVANTAGE IN GIVING IT FULL PUBLICITY, AS AN EARNEST OF THE SORT OF TOP-LEVEL CONCERN WHICH THE INDIANS BELIEVE WE DO NOT FEEL AT PRESENT. IT MIGHT THEREFORE BE USEFUL TO ARRANGE A BACKGROUND SESSION BETWEEN THE EMISSARY AND SOME LEADING INDIAN EDITORS AND COMMENTATORS, WHO AS YOU WILL KNOW ARE A HIGH-POWERED AND INFLUENTIAL GROUP HERE.

3. AS TO TIMING, I SHOULD NEED OF COURSE TO PREPARE THE GROUND WITH RAJIV GANDHI'S OFFICE AND THE MEA: AND ACCOUNT WOULD HAVE TO BE TAKEN OF THE ELECTION CAMPAIGN. BUT OTHERWISE THE SOONER THE BETTER.

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