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TO IMMEDIATE FCO

TELEGRAM NUMBER 222 OF 14 FEBRUARY

INFO IMMEDIATE ODA, DTI, MODUK (FOR PS/HDS, PS/PUS, PS/ACDS(O) AND
RMD 3)

MY TELNO 217 : INDO-BRITISH RELATIONS

SUMMARY

1. AT MY MEETING WITH THE NEW FOREIGN SECRETARY BHANDARI, YESTERDAY EVENING HE MADE CLEAR ON THE PRIME MINISTER'S INSTRUCTIONS THAT THE GOI REMAIN DISSATISFIED WITH OUR HANDLING OF THE SIKH EXTREMISTS IN BRITAIN BUT ARE CALLING OFF THEIR POLICY OF DISCRIMINATORY SANCTIONS AGAINST US. THEY NO LONGER HAVE ANY POLITICAL 'RESERVATIONS' ABOUT COMMERCIAL CONTRACTS, MINISTERIAL VISITS OR OTHER NORMAL ASPECTS OF OUR BILATERAL RELATIONS.

DETAIL

2. BHANDARI SAID THAT THE PRIME MINISTER HAD INSTRUCTED HIM TO REPLY WITH COMPLETE FRANKNESS TO THE REPRESENTATIONS I HAD MADE DURING MY CALL ON 11 FEBRUARY. THE REPLY WAS IN TWO PARTS.

3. FIRST, THE PRIME MINISTER WISHED TO MAKE CLEAR HOW VERY DEEPLY INDIAN PUBLIC OPINION HAD FELT, AND CONTINUED TO FEEL, THAT THE BRITISH GOVERNMENT'S RESPONSE TO THE SIKH EXTREMIST PROBLEM HAD BEEN INADEQUATE AND UNHELPEFUL. AFTER THE ASSASSINATION, THERE HAD BEEN A STRONG DEMAND FOR ACTION AGAINST BRITAIN: AND THE PRIME MINISTER'S PERSONAL FEELINGS AS A BEREAVED SON HAD BEEN INVOLVED. EVEN BEFORE THE PRESENT PROBLEM THERE HAD BEEN A FEELING IN INDIA EVER SINCE INDEPENDENCE THAT THERE WAS AN ANTI-INDIAN TILT TO BRITISH POLICY, E.G. OVER KASHMIR IN THE SECURITY COUNCIL (BHANDARI FIRST MADE HIS NAME AS A PROTEGE OF KRISHNA MENON). BRITAIN SHOULD BE MORE CONSCIOUS THAT INDIA HAD CHANGED SINCE 1947. HER STABILITY AND POLITICAL AND ECONOMIC STRENGTH MADE HER PRE-EMINENT IN THE SUB-CONTINENT. ANY THREAT TO HER UNITY ENDANGERED THE WHOLE REGION, AND THE MIDDLE EAST TOO. THE SIKH EXTREMISTS, THOUGH A TINY MINORITY IN INDIA AS IN BRITAIN, CONSTITUTED SUCH A THREAT. WHAT THEY DID IN BRITAIN HAD AN INFLUENCE, NOT LEAST FOR FINANCIAL REASONS, ON WHAT HAPPENED IN INDIA. IT WAS THEREFORE REASONABLE TO EXPECT BRITAIN TO UNDERSTAND INDIA'S PROBLEMS IN THAT CONTEXT AND TO TRY TO HELP. SOME SUCH HELP WAS ALREADY BEING GIVEN. BUT MORE WOULD BE NEEDED. HE WOULD WISH TO TALK TO ME ABOUT THIS IN DETAIL AT A LATER STAGE, AND TO PUT FORWARD CERTAIN IDEAS. THESE WOULD BE OF A POSITIVE NATURE. THE EXTREMISTS HAD TO BE ISOLATED, AND TO BE PREVENTED FROM BLACKMAILING THEIR SANER NEIGHBOURS.

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4. SECOND, THE PRIME MINISTER RECOGNIZED AND VALUED THE STRONG TIES OF FRIENDSHIP WHICH LINKED THE PEOPLES OF BRITAIN AND INDIA IN SO MANY FIELDS. THOSE TIES HAD TO BE KEPT IN GOOD REPAIR. INDIA WISHED TO THINK OF THE FUTURE AS WELL AS THE PRESENT. INDIANS WERE NOT FANATICAL AND WERE NOT INCLINED TO NUTURE GRIEVANCES. GREEN-LIGHT INSTRUCTIONS HAD THEREFORE BEEN GIVEN TO THE FINANCE AND DEFENCE MINISTRIES TO DEAL WITH US OVER CURRENT CONTRACTS ON THE BASIS THAT THERE WERE NO POLITICAL RESERVATIONS AND THAT OUR COMPETITIVENESS WAS THE RULING CRITERION. SIMILARLY, MINISTERIAL VISITS AND OTHER EVENTS COULD TAKE PLACE WHENEVER WE WISHED, SUBJECT ONLY TO DIARIES AND TO CURRENT ELECTORAL AND BUDGET PREOCCUPATIONS.

5. BHANDARI WENT ON TO SAY THAT, AS I KNEW, HIS PRIME MINISTER MUCH HOPED THAT MRS THATCHER WOULD BE ABLE TO PAY AT LEAST A BRIEF VISIT TO INDIA IN APRIL. IT WOULD BE VERY USEFUL IF THEY COULD MEET AND TALK. BUT THIS WAS IN NO WAY A CONDITION FOR THE PRESENT INDIAN DECISION TO RESTORE NORMAL RELATIONS.

6. BHANDARI CONFIRMED THAT THE WESTLANDS W.30 NEGOTIATIONS WERE COVERED BY THE GREEN-LIGHT INSTRUCTIONS. HE ALSO REFERRED, UNPROMPTED, TO THE SEA HARRIER NEGOTIATIONS AND URGED THE IMPORTANCE OF REACHING AGREEMENT ON PRICE AND ON THE RELATED MOU: THAT WOULD 'FACILITATE OTHER THINGS'. HE MAY PERHAPS HAVE MEANT THIS AS A HINT THAT HARRIER QPRICE REDUCTIONS WOULD BE NEEDED BEFORE THE W.30 CONTRACT WOULD BE SIGNED.

7. IN ANSWER TO A QUESTION, BHANDARI ACKNOWLEDGED THAT MANY OTHER INDIAN GOVERNMENT DEPARTMENTS, BESIDES FINANCE AND DEFENCE, HAD BEEN GIVEN TO UNDERSTAND THAT BRITAIN WAS IN THE DOGHOUSE. HE WOULD NOW SET THAT RIGHT.

8. I THANKED BHANDARI FOR HIS CANDOUR AND CLARITY, AND WELCOMED WHAT HE HAD SAID ABOUT NORMALISING RELATIONS. I REPLIED SUITABLY TO HIS HISTORICAL EXCURSUS REBUTTING WITH COUNTER-EXAMPLES THE IDEA OF AN ANTI-INDIAN TILT BUT STRONGLY ENDORSING HIS REFERENCES TO FRIENDSHIP AND TO THE NEED TO LOOK TO THE FUTURE. THE CURRNET PROBLEM OF SIKH EXTREMISTS WAS ONE WE TOOK EXTREMELY SERIOUSLY, FOR OUR OWN REASONS AS WELL AS FOR INDIA'S. THERE WERE REAL DIFFICULTIES IN DEALING WITH IT: AND THE BASIC FACTS HAD BEEN MUCH DISTORTED IN THE PRESS. BUT OUR WILLINGNESS TO APPROACH THE MATTER IN A COOPERATIVE AND POSITIVE SPIRITY WAS WELL ILLUSTRATED BY THE EXCELLENT ARRANGEMENTS WHICH HAD BEEN MADE FOR CLOSE LIAISON
BHANDARI MADE CLEAR THAT HE WAS AWARE AND APPRECIATIVE OF THESE ARRANGEMENTS.

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9. COMMENT FOLLOWS. BHANDARI'S TONE THROUGHOUT THE MEETING WAS STRAIGHTFORWARD AND DOWN TO EARTH: WHOLLY UNLIKE RASGOTRA'S OVER THE PAST THREE MONTHS. HE MADE NO ATTEMPT TO CONCEAL THE FACT THAT MEASURES HAD BEEN BEING TAKEN AGAINST US. BUT THERE WAS NO TRACE OF RANCOUR OR EMOTIONALISM.

WADE-GERY

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