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From the Minister for Trade

PAUL CHANNON

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16 April 1985

SECRET

The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign  
and Commonwealth Affairs  
Foreign & Commonwealth Office  
Downing Street  
London SW1

*NRAM.*  
*OD. 17/4.*

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*David Geoffrey*

SIKH EXTREMISTS: DAMAGE TO INDO-BRITISH RELATIONS

I have seen a copy of Leon Brittan's letter of 29 March to you about nationality applications by Sikh extremists, one of which cannot be refused.

You will be conscious of the sensitivity of the Indian government towards our handling of such issues and the possibility that they could easily revert to a policy of sanctions against us, either at the political or commercial level, if they felt that our stance was not sufficiently firm. At the beginning of the year, sanctions were lifted before any real harm had been done but a prolonged period of discrimination against our exports could be damaging; there is quite a lot of trade at stake and a number of important major contracts.

My view is that we should be as frank as possible with the Indian government. That, I believe, offers the best way of defusing the matter and it would undoubtedly be a better course than saying nothing and being challenged later. However, I see no reason to say anything to them about Khan.

I am sure that, in view of the immediate aftermath of the Prime Minister's visit, you will be sensitive to the aspect of timing.

I am sending copies of this letter to the Prime Minister, to Members of OD and to Sir Robert Armstrong.

*Paul*  
PAUL CHANNON