

Mr Samuel

✓ cc: Mr Coles ✓  
 Sir A Acland

*24.*  
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SRI LANKA

1. When Mrs Thatcher called on her yesterday afternoon, Mrs Gandhi took a markedly more pessimistic line on the prospects for a Sri Lanka settlement than we had had from Mr Parthasarathi last week; in particular, she suggested that President Jayewardene no longer had any chance of being able to carry his Sinhala colleagues with him if he accepted a settlement. Mrs Thatcher remarked to me afterwards about the contrast between these remarks and what I had earlier told her about GP's hopes.

2. This morning, when Sir Antony Acland and I were talking to GP, he continued to sound optimistic about the possibility of a settlement, though he identified one new major area of difficulty (Jayewardene is insisting on two separate regional councils, one in the Tamil north and the other in the 40% Tamil east, and he is refusing to concede a Tulf demand for a single regional council embracing both the north and those parts of the east where the Tamils remain a majority). I told him that his line contrasted with Mrs Gandhi's gloomier one yesterday and quoted her remarks about Jayewardene. But GP stuck to his guns; Mrs Gandhi's meeting with Jayewardene yesterday evening had gone well in atmospheric terms and it remained possible that he could ~~deal~~ on a moderate settlement if one could be reached. Given GP's habitual pessimism, and the tendency of Indian officials to avoid contradicting anything Mrs Gandhi has said, I regard this as encouraging. I reported the conversation to Mr Butler and was able briefly to introduce him to GP.

*delivered*

23 November 1983

Robert Wade-Gery