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TO IMMEDIATE COLOMBO
TELEGRAM NUMBER 213 OF 10 APRIL
INFO NEW DELHI

ACTION

FOR PS/PRIME MINISTER AND SIR A ACLAND
PRIME MINISTER'S MEETING WITH RAJIV GANDHI

1. OUR RELATIONSHIP WITH INDIA CONTINUES TO BE IMPAIRED BY WHAT THE INDIAN GOVERNMENT REGARD AS OUR FAILURE AND OUR RELUCTANCE TO CURB SIKH EXTREMISTS IN THE UK. FROM WHAT HIS OFFICIALS HAVE TOLD US MR GANDHI WILL PROBABLY NOT SEEK TO LABOUR THIS POINT WITH THE PRIME MINISTER: IT WILL, NONETHELESS, BE VERY MUCH IN HIS MIND AND HE WILL NO DOUBT LOOK TO THE PRIME MINISTER FOR CONFIRMATION THAT WE NOT ONLY TAKE THE PROBLEM SERIOUSLY BUT ARE PREPARED TO DO SOMETHING ABOUT IT. THE PRIME MINISTER WILL RECALL THAT INDIAN RETALIATION AGAINST US INCLUDED THE IMPOSITION OF AN EMBARGO ON COMMERCIAL DEALINGS WITH US: ALTHOUGH RAJIV INTERVENED TO LIFT THAT EMBARGO AND MADE IT CLEAR THAT HE DID NOT REGARD THE SIKH PROBLEM AS AN IMPEDIMENT TO NORMAL RELATIONS WE ARE STILL, AS IT WERE, ON PROBATION AND CONTINUING INDIAN PREVARICATION OVER THE WESTLANDS HELICOPTER CONTRACT (SEE PARA 6 BELOW) CONSTITUTES A FURTHER AREA OF AWKWARDNESS AND UNCERTAINTY. THE MEETING WITH RAJIV GANDHI THEREFORE PROVIDES A VALUABLE OPPORTUNITY FOR CREATING A BETTER ATMOSPHERE AND A CLOSER RAPPORT, AS WELL AS FOR SOME STRAIGHT TALKING.

2. SINCE THE PRIME MINISTER'S DEPARTURE FROM THE UK THE ONLY SIGNIFICANT DEVELOPMENT ON THE SIKH FRONT HAS BEEN A 'WORLD SIKH CONFERENCE' WHICH DR CHAUHAN CONVENED IN LONDON FROM 6-8 APRIL. ATTENDANCE NEVER EXCEEDED 150, AND THERE WAS ONLY A HANDFUL OF SIKHS FROM OVERSEAS. THE DEPARTMENT OF THE ENVIRONMENT REFUSED PERMISSION FOR A RALLY IN HYDE PARK PLANNED BY CHAUHAN FOR 8 APRIL. BUT ALTHOUGH THE CONFERENCE WAS EVIDENTLY A FAILURE THE INDIANS WILL INEVITABLY BE ANGRY THAT IT WAS 'ALLOWED' TO TAKE PLACE AT ALL. THE DEGREE OF EMOTION STILL FELT BY THE INDIANS WAS ILLUSTRATED IN A RECENT REPLY TO A QUESTION IN THE INDIAN PARLIAMENT WHICH BRACKETED THE UK WITH PAKISTAN (INDIA'S TRADITIONAL ENEMY) AS COUNTRIES WHOSE RESPONSE TO SIKH AND KASHMIRI EXTREMISM IS 'UNSATISFACTORY'.

3.

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4. THE INDIANS CONTINUE TO QUESTION THE RIGHT OF CHAUHAN TO ENJOY RESIDENT STATUS IN THE UK. THE PRIME MINISTER WILL BE AWARE (THOUGH THE INDIANS ARE NOT) THAT GURMEJ SINGH GILL, CHAUHAN'S SO-CALLED PRIME MINISTER, ENJOYS AN ABSOLUTE RIGHT TO REGISTER AS A BRITISH CITIZEN UNDER THE PROVISIONS OF OUR NATIONALITY LAWS.

WE CAN EXPECT A VERY ADVERSE INDIAN
REACTION TO THAT DECISION WHEN IT IS MADE.

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5. GIVEN THE MANY CONSTRAINTS ON OUR ABILITY TO CURB SIKH EXTREMISTS AS EFFECTIVELY AS THE INDIANS DEMAND OUR BEST HOPE IS TO TRY AND CONVINCED THEM THAT WE UNDERSTAND AND SHARE THEIR CONCERN AND THAT WE SHALL CONTINUE TO DO EVERYTHING WE CAN, WITHIN THE PARAMETERS OF CURRENT LEGISLATION, TO ENSURE THAT ANYONE WHO BREAKS THE LAW IS PUNISHED. IF THE NEED ARISES THE PRIME MINISTER COULD ALSO POINT OUT THAT THE BRITISH AUTHORITIES HAVE EXCLUDED SEVERAL SIKH EXTREMISTS FROM ENTERING THE UK OR, WHERE THIS HAD NOT BEEN POSSIBLE, HAVE ISSUED WARNINGS TO THEM NOT TO ADVOCATE VIOLENCE. THE FOLLOWING

POINTS COULD ALSO BE MADE:

(A) WE SHALL TRY TO DETER FUNDS BEING COLLECTED IN THE UK WHICH MIGHT BE USED FOR TERRORISM IN INDIA. BUT THE NORAID ANALOGY DEMONSTRATES THAT THE QUESTION IS NOT SUSCEPTIBLE TO IMMEDIATE SOLUTION.

(B)

(C)

6. PROSPECTS FOR THE WESTLANDS CONTRACT DO NOT SEEM GOOD AND RAJIV GANDHI'S COMMENTS TO THE FINANCIAL TIMES OF 4 APRIL (MY TELNO 381 TO DELHI) SUGGEST THAT HE HAS ALREADY MADE UP HIS MIND TO GIVE THE ORDER TO THE FRENCH. SINCE THE PRIME MINISTER SENT HER LETTER OF 22 MARCH TO MR GANDHI IT HAS BECOME CLEAR THAT INDIAN AIRLINES, CHARGED WITH ESTABLISHING A NEW NATIONAL HELICOPTER CORPORATION, HAVE EVALUATED THE PROJECT ON DIFFERENT CRITERIA FROM THOSE EARLIER APPLIED AND THAT THE ADVICE THEY HAVE GIVEN OVERRIDES THE INDIAN AIRFORCE EVALUATION OF 1984. IF THIS IS INDEED THE CASE WESTLANDS HAVE NEVER BEEN INFORMED THAT THE RULES HAVE BEEN CHANGED: THEY HAVE CONTINUED TO MANUFACTURE THE W30 IN ACCORDANCE WITH THE SPECIFICATIONS LAID DOWN BY THE INDIAN GOVERNMENT AND ON THE BASIS OF THE GOI LETTER OF INTENT. THE PRIME MINISTER WILL NO DOUBT WISH TO IMPRESS ON MR GANDHI THE ADVERSE IMPACT ON BUSINESS CONFIDENCE IN INDIA IF THE DECISION NOW GOES AGAINST WESTLANDS.

7. THE LOSS OF THE ORDER TO WESTLANDS WOULD ALSO HAVE SERIOUS IMPLICATIONS FOR THE LEVEL OF OUR AID TO INDIA. THE INDIANS WILL NOT BE UNAWARE OF THAT: IF THEY HAVE DECIDED AGAINST THE W30 THEIR TACTIC WILL INEVITABLY BE TO PROPOSE THAT THE AID EARMARKED FOR THAT PROJECT SHOULD BE DIVERTED TO ALTERNATIVE PROJECTS. THERE IS, HOWEVER, ANOTHER OPTION OPEN TO THE INDIANS: THEY MAY SUGGEST SPLITTING THE ORDER BETWEEN THE FRENCH AND BRITISH SUPPLIERS. OUR GUESS IS THAT, PRESENTED WITH SUCH A COMPROMISE, WESTLANDS WOULD SETTLE FOR IT RATHER THAN LOSE THE WHOLE ORDER.

HOWE

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SERVICES. BUT THERE ARE SIGNS
THAT THIS

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