**05NEWDELHI9751**

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VZCZCXRO6664 OO RUEHBI RUEHCI DE RUEHNE #9751/01 3611226 ZNY CCCCC ZZH O 271226Z DEC 05 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 7913 INFO RUEHBJ/AMEMBASSY BEIJING 9408 RUEHLM/AMEMBASSY COLOMBO 2523 RUEHKA/AMEMBASSY DHAKA 2546 RUEHIL/AMEMBASSY ISLAMABAD 5376 RUEHBUL/AMEMBASSY KABUL 2156 RUEHKT/AMEMBASSY KATHMANDU 3186 RUEHLO/AMEMBASSY LONDON 7518 RUEHMO/AMEMBASSY MOSCOW 5892 RUEHKO/AMEMBASSY TOKYO 2501 RUEHCI/AMCONSUL CALCUTTA 0521 RUEHCG/AMCONSUL CHENNAI 0161 RUEHBI/AMCONSUL MUMBAI 9433 RUCNDT/USMISSION USUN NEW YORK 8251 RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUEHGV/USMISSION GENEVA 0377 RUCPDOC/DEPT OF COMMERCE WASHDC RHHJJPI/PACOM IDHS HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC

 C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 009751 SIPDIS SIPDIS E.O. 12958: DECL: 12/26/2015 TAGS: PREL PREF KDEM PGOV ENRG IN BT SUBJECT: INDIA READY TO PUSH HARDER ON BHUTAN REFUGEES REF: A. NEW DELHI 9504 [Â¶](http://www.bhutan-research.org/us-diplomatic-cables-on-bhutan/05newdelhi9751#parB) B. STATE 223674 Classified By: A/DCM Geoff Pyatt for Reasons 1.4 (B, D) [Â¶](http://www.bhutan-research.org/us-diplomatic-cables-on-bhutan/05newdelhi9751#par1) 1. (C) Summary: The GOI is ready to take a more proactive role in prodding Bhutan to resolve the long-running refugee problem, an MEA official told A/DCM and Poloff on December [Â¶](http://www.bhutan-research.org/us-diplomatic-cables-on-bhutan/05newdelhi9751%22%20%5Cl%20%22par27) 27. Bhutan's King had previously informed New Delhi of his plan to abdicate in 2008 following elections, and India is optimistic about both political reform and economic growth in the kingdom, especially following the 2006 entry in service of the Tala hydroelectric project. End Summary. Refugees: New Delhi Takes the Lead? ----------------------------------- [Â¶](http://www.bhutan-research.org/us-diplomatic-cables-on-bhutan/05newdelhi9751%22%20%5Cl%20%22par2) 2. (C) MEA Joint Secretary (North) Pankaj Saran told A/DCM and Poloff that India is "eager" to talk to Bhutan about breaking the logjam of impediments to accepting the Category I and IV refugees in Nepalese camps. Bhutanese interlocutors have briefed the GOI on a verbal agreement between the Bhutanese and Nepalese FMs on the margins of the November SAARC summit in Dhaka to repatriate the first batch, but progress seems to have stalled since, Saran reported. The refugee issue is "looming larger" in New Delhi's consciousness, however, and the GOI is willing to use its good offices with both the Nepalese and the Bhutanese to resolve the differences, Saran continued. He suggested that refugee repatriation could be included on the agenda of India-Bhutan foreign office talks scheduled for mid-January. New Delhi is approaching the January talks as an opportunity for "deep thinking" on how to go forward with Bhutan, and "we intend to do more" on the refugee issue than in the past, he emphasized. [Â¶](http://www.bhutan-research.org/us-diplomatic-cables-on-bhutan/05newdelhi9751#par3) 3. (C) India understands the Bhutanese concerns about refugee repatriation, Saran commented, including fears of Maoist organizing in the refugee camps, and would move forward with both Bhutanese and Nepalese concerns in mind. New Delhi would also like to get a "better fix" on Nepal's objections to the proposal, he added, voicing Nepalese concern that Bhutan may agree to take only the first batch and then wash its hands of the issue. The Democratic Monarch ---------------------- [Â¶](http://www.bhutan-research.org/us-diplomatic-cables-on-bhutan/05newdelhi9751%22%20%5Cl%20%22par4) 4. (C) Thimpu had previously informed New Delhi of King Wangchuk's plan to abdicate his throne in 2008 following elections and establishment of a constitutional monarchy (Ref A), Saran said. He speculated that the monarch's decision was prompted by a desire to provide to his son more guidance in governing than he received upon assuming the throne after the death of his own father. New Delhi is ready to deal with the Crown Prince and expects him to take a more active role in affairs of state leading up to the 2008 transition. [Â¶](http://www.bhutan-research.org/us-diplomatic-cables-on-bhutan/05newdelhi9751#par5) 5. (C) The decision to abdicate is linked to the introduction of the Constitution, Saran observed, a continuation of the process the King began in 1998 by devolving power to a Prime Minister. Bhutan's population is young, Saran said, a fact that the King has pointed to in discussions with the GOI as a reason for his determination to introduce a constitutional democracy to "better reflect the aspirations" of the population. Saran dismissed concerns that the constitutional changes could be a prelude to further expulsions of ethnic Nepalese, saying that while New Delhi NEW DELHI 00009751 002 OF 002 has seen no indications that could be the case, it would strongly disapprove of further expulsions. Optimistic about Bhutan's Future -------------------------------- [Â¶](http://www.bhutan-research.org/us-diplomatic-cables-on-bhutan/05newdelhi9751%22%20%5Cl%20%22par6) 6. (SBU) New Delhi is optimistic about Bhutan's transformation, Saran commented, observing that the economy is looking up, particularly after the expected entry in service of the Tala hydroelectric project, ideally in May or June 2006. Hydroelectricity remains an area for growth, he continued, and India intends to do feasibility studies on three other locations for possible hydroelectricity projects. [Â¶](http://www.bhutan-research.org/us-diplomatic-cables-on-bhutan/05newdelhi9751#par7) 7. (U) Visit New Delhi's Classified Website: (http://www.state.sgov.gov/p/sa/newdelhi/) BLAKE