

Prime Minister

cc: ✓ Mr Butler / Th. Cole ✓
~~xxxxxx~~ Ad 24/11

(Discussed with MM.
 I will draft a letter
 as agreed).

RWG 23/11

1. Dr Alexander, Mrs Gandhi's influential Principal Secretary, took the initiative in speaking to me this morning about the bilateral aspects of your talk with her yesterday.
2. He made two points, which I have mentioned to Mr Butler:
 - (a) If we want to unstick the Konigswinter idea, it would be helpful to him if you could briefly mention it to Mrs Gandhi before you leave India. One sentence would be enough; eg to the effect that we look forward to hearing from them about how they would like to carry the idea forward on their side.
 - (b) During your other meetings with Mrs Gandhi, it would also be helpful if you could put a little more emphasis on our wish for fair treatment of the GEC power plant bid for Balco Aluminium; and on our desire to launch a cooperative venture in their steel sector, eg on Durgapur modernisation, which would be comparable in scale (this is the important point) to the project she and you sketched out for the now-postponed new steel mill at Daitari in Orissa.
3. Dr Alexander is an efficient operator and sympathetic to our interests on these points. What he is asking for are cues to push things along in our direction.

23 November 1983

Robert Wade-Gery

COVERING CONFIDENTIAL

High Commissioner

LETTER FROM PRIME MINISTER TO MRS GANDHI

- A 1. As requested in your manuscript minute of 23 November, I submit
B a draft covering the three points prepared in consultation with
Mr Beetham and H of C.
- C 2. I attach copies of the record of the Prime Minister's meeting
D with Mrs Gandhi on 22 November and of the briefing minute you
gave her in preparation for it.

Richard Samuel

25 November 1983

R C SAMUEL

cc: Mr Beetham
H of C

COVERING CONFIDENTIAL

DRAFT: ~~minute~~/letter/~~teleletter~~/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Mrs Indira Gandhi

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

[A-B]:

CAVEAT.....

~~I was very glad to have the opportunity of a discussion with you on 22 November before the start of the CHOQM. At the end of the meeting I referred briefly to the modernization of the Durgapur steel plant; and to GEC's bid for the captive power station for Balco. It may be helpful if I write more fully about both projects.~~

[Please type

letter

27/11/83

9

Ph. Coker.

Phakar?

27/11/83.

When we met in September last year you and I sketched out a basis for ^{Indo-British} cooperation on the then proposed new steel plant at Daitari. ^{Given subsequent} ~~With the~~ postponement of that project, we would be very interested in ^{replacing it with} a cooperative venture on a similar scale for the modernization ^{+ possible expansion} of the Durgapur steel plant, originally built with British assistance. We would be prepared to offer comparable financing, including aid, to support a substantial supply of British capital equipment. [E-F].

Enclosures—flag(s).....

The offer by GEC to construct a captive power station for Balco's smelter at Korba, which I also mentioned, has been backed by a financing package including capital and

/local

local cost aid. GEC are prepared to undertake a very ~~short delivery period and we believe their price is~~ ~~very competitive.~~ ~~The High Commission is naturally available to discuss both the Durgapur and Balco projects.~~ ~~very competitive.~~ I hope therefore that their tender will be given ^{fair and} favourable consideration by the Government of India. ^[G-H] ~~The High Commission is naturally available to discuss both the Durgapur and Balco projects.~~ ^{er}

There is another matter which did not arise in our discussion but which I should also like to mention. I think it would add a further valuable dimension to Indo/British relationships if we could resuscitate the practice of periodic non-official conferences on matters of current interest, involving leading Indian and British intellectuals, writers, politicians and other opinion formers. If you agree that such exchanges would be useful, I hope you will encourage the appropriate people on your side to talk to our High Commissioner about the best way to proceed. ^{He was instructed}

^{to put forward some of our own ideas}
^{on this subject}
^{to your people earlier this year; but}
our minds are entirely open + flexible
on detail + we shall much look
forward to hearing your ideas.

A

During our most useful preliminary talks when I ~~acted~~ had the pleasure of calling on you ^{the day} before the CHOGMI opened, I referred rather briefly to two bilateral points: ~~the~~

C

I did not want to take time going into ~~our~~ detail ~~on such matters~~ when we had so much to discuss of immediate concern in the CHOGMI context.

B

~~But~~ they ^{since} ~~are~~ both points ^{we} of considerable importance for our bilateral relations. ~~But~~ it ^{may} ~~perhaps~~ ^{now} be helpful if I send you ^{this} letter in amplification.

D

~~E~~

If I am right in thinking that this project is of major importance + priority from India's point of view, it wd be a magnificent context for ~~a~~ joint cooperation between us, in an area where British technology is ~~accepted as~~ ^{being} ~~in the~~ is known to be a world leader, + for the extensive utilisation of aid funds.

~~F~~

G

Their success wd be a crucial factor in ensuring that our current funds and allocation to India is fully + satisfactorily utilised. It wd also be an excellent way of maintaining GEC's currently very active interest in the Indian market, notwithstanding their ~~disappointment~~ ^{disappointment} over their failure to win ~~the~~ ^{the} telephone exchanges contract earlier this year.

achieving the aim of (on which our officials have been working together so constructively)

of

H.

AOL 27/10-