



Sir John Buckley

Davy Corporation Ltd

15 Portland Place
London W1A 4DD
England

Tel: 01-637 2821

Telex: 22604

23 January 1981

The Rt. Hon. Margaret Thatcher
10 Downing Street
LONDON SW1

Dear Prime Minister,

In view of the considerable Government support given to Davy in connection with the Indian US\$3.0 billion Steel Project, and knowing of your personal interest, I thought it was timely for me to write to say that we believe that we are making good progress; we continue to be optimistic.

The visit of His Royal Highness Prince Charles in November, and the business mission that was there at the same time, helped towards the establishment of a congenial climate for business. The visit this past week by the Secretary of State John Biffen has also helped. However, it is the ambience created by Government which has been so important. The Indian response leads us to feel confident that we stand well to win this major contract when the time comes for the Indian authorities to decide.

The worry we have at the moment is the threat from a bid for Davy by a little known American company called Enserch of Dallas. The Secretaries of State for Trade and Industry have been informed of this threat and the Office of Fair Trading have the matter under close examination and we understand that a recommendation will be made to the Secretary of State for Trade very shortly.

The doubt created in the market place by this uninvited bid is damaging and jeopardising major contracts such as the Indian Project. For Davy to be taken over by a company inexperienced in our field would, we believe, make the winning of the Indian Steel Project and similar projects, extremely unlikely. We hope, therefore, that your Government will do what it can to keep Davy an independent British company.

*Yours Sincerely,
John Buckley*