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10 DOWNING STREET

Prime Minister.

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This is a copy of the
summing letter. May I
authorize the High Commission
to try to get the matter yes
cleaned up. I do not think
Mr Thatcher's connections are
of any significance in this
context. No, does he.

Paul

ms.

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Foreign and Commonwealth Office

London SW1A 2AH

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Mr. Lyne

913.

Dear Michael,

Burmah Oil and the Prime Minister's Visit to India

Burmah Oil have been in dispute with the Indian Government since 1978 over negotiation of compensation payments for the company's nationalised assets. Some £14m is at stake. Despite repeated representations by the High Commission in Delhi and by Ministers and senior officials in London there is still no clear sign of the issue being settled.

Mr P C Sethi, who has been Petroleum Minister in India since October 1980, recently indicated that he hoped to see the problem solved by March or April. We have heard this sort of prediction before and doubt whether anything will happen unless political pressure is maintained. We therefore have it in mind to instruct the High Commissioner in Delhi to tell the Indian Government that we hope the dispute will be settled before or at latest during the Prime Minister's visit.

Mr Maltby, the Main Board Director of Burmah Oil responsible for their business in India, has mentioned to us that although Mr Denis Thatcher is no longer a Director of Burmah Oil Trading, he nevertheless sits on the boards of some Burmah Oil subsidiaries. Although Mr Thatcher's connections with the Company are thus limited, it is possible that they will be the subject of comment in eg the Indian press, particularly if it becomes known that the dispute has been raised in connection with the Prime Minister's visit.

Our own view is that there is no reason not to continue to press for the settlement of a dispute on which periodic representations have been made since 1978. But we should be grateful if you would confirm that there is no objection to the course of action which we have in mind.

Yours ever
Robert Lyne
 (R M J Lyne)
 Private Secretary

M O' D B Alexander Esq
 10 Downing St