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10 DOWNING STREET

THE PRIME MINISTER

2 June 1981

Dear Sir Michael

Thank you for your letter of 6 May about the preparations for the forthcoming Festival of India and the associated financial problems.

I fully appreciate the difficult financial position in which the Festival Trust finds itself. But much as I sympathise, I regret that I can see no possibility of finding additional Government money to provide direct cash support for the Festival. As you know, the Government is, in fact, already supporting the Festival in a substantial way through its funding provision to the constituent organisations such as the British Museum, the British Library and the Arts Council. Government support for the organisations involved amounts to around £1 million. In the circumstances, I think that it is not unreasonable to look to the private sector for a contribution of around a quarter of that sum.

I was sorry to learn of the disappointing response so far from business. I understand that further action is being undertaken, in co-operation with the Foreign and Commonwealth Office, in the hope of securing a better response to your appeal for funds. I very much hope this will be successful, given all the interest in India in British industry and the country more generally. I believe it should be possible to raise from private sources the kind of money you have in mind.

I share your resolve that the Festival should be a success. It is important to relations between Britain and India that it should

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be. The efforts which you and other members of the Trust are making are much appreciated.

Yours sincerely
Margaret Thatcher

Sir Michael Walker, GCMG.



Foreign and Commonwealth Office

London SW1A 2AH

29 May 1981

Type for PM's
signature

Phms 1/6

Dear Michael

Festival of India

Thank you for your letter of 8 May enclosing one from the Chairman of the Festival of India Trust to the Prime Minister.

We have known for some time that the Festival Committee is encountering difficulties over the funding of this Festival. The position was set out in the briefing for the Prime Minister's visit to India last month. In that briefing we took the line that this is an event which will do much to stimulate British interest in India and convey India's cultural heritage to the British public; and that we would do all that we could to make it a major success. We could say no less in view of Mrs Gandhi's personal interest. But we also set out the difficulties including the fact that the British Government could offer no major financial contribution. It remains important to the health of Indo-British relations that the event should succeed. But we still doubt whether it would be right to offer more official money.

Mrs Jayakar, the Chairman of the organising Committee in India, is at present in Britain. FCO officials will be meeting her and the Festival Committee on 4 June when all aspects of the Festival will be reviewed. While the success of the Festival from the British point of view will depend on the 16 main exhibition events which are already advanced in planning, the Indians attach a great deal of importance to the performing arts where the planning is more fluid.

Much of the funding for the main exhibitions is being provided through the vote provision of the constituent organisations. We ourselves are in no position to assess the total amount provided by the bodies concerned. But the Arts Council assure us that this is nearer to £1 million than three-quarters of a million pounds. Nevertheless, more money is required; and we believe that Sir Michael Walker is not far off the mark in saying that an additional £250,000 is needed if both the main exhibitions and the supplementary events are to be a real success. The Festival Trust has made significant efforts to raise this sum. But in part due to the general economic situation and in part to the way they have gone about it, they have so far only been able to drum up about £40,000.

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In Sir Michael Walker's recent absence abroad, FCO officials have discussed the position with Kenneth Robinson of the Arts Council (who is Deputy Chairman of the Festival Trust). They explained the difficulty of finding any more Government money at the present time and suggested ways whereby the Trust's fund raising might be more effective. We have given the Trust a detailed list of firms with interests in India and emphasised that attempts at fund-raising must be based on high-level personal approaches. At our suggestion Lord Limerick, the Chairman of the BOTB, has been approached and has agreed to help, although he is not over-optimistic. We are also in frequent touch with the Indian High Commission, who are working on a list of Indian firms. The date of 4 June is important, since it is then that Mrs Jayakar will have to be told of the state of affairs. But any money that was obtained within the next few months could still be put to good use.

Mrs Jayakar is thought to hold the view that the British Government is committed to the success of the Festival since it was a British initiative and that further official financial support should therefore be forthcoming. We propose to explain to her that it is unrealistic to look to HMG for more money but that further contributions from private industry are still possible. Efforts to raise money from the private sector, which we believe could be much better organised and effective than they have been, must be allowed to proceed without any feeling that the Government will come in and bail out the Trust.

/ I enclose a draft of a reply which the Prime Minister may wish to send to Sir Michael Walker.

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(B J P Fall)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: Prime Minister

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Sir Michael Walker GCMG
 Chairman
 Festival of India Trust
 Herongate House
 West Chiltington Common
 Pulborough
 Sussex

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of 6 May about the preparations for the forthcoming Festival of India and the associated financial problems.

I fully appreciate the difficult financial position in which the Festival Trust finds itself. But much as I sympathise, I regret that I can see no possibility of finding additional Government money to provide direct cash support for the Festival. As you know, the Government is, in fact, already supporting the Festival in a substantial way through its funding provision to the constituent organisations such as the British Museum, the British Library and the Arts Council. Government support for the organisations involved amounts to around £1 million. In the circumstances, I think that it is not unreasonable to look to the private sector for a contribution of around a quarter of that sum.

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Enclosures—flag(s).....

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I share your resolve that the Festival should be a success. It is important to relations between Britain and India that it should be. The efforts which you and other members of the Trust are making are much appreciated.

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THE Festival of India

PLEASE REPLY TO: Herongate House
West Chilmington Common
Pulborough
Sussex

6 May 1981
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The Rt. Hon. Margaret Thatcher, MP
10 Downing Street
London
SW1

Dear Prime Minister,

All of us on the Festival of India Trust, of which I am Chairman, have been delighted that you and Mrs. Gandhi have agreed to be joint patrons of the Festival. We have also been much encouraged by the warm references to the Festival during your recent speech in Delhi at the Indian Government dinner.

At the London end preparations for this very wide-ranging Festival are well under way, but unfortunately we have run into great difficulties over our fund-raising. Our calculations are that we need £250,000 to supplement the main exhibitions, to provide for publicity and administrative expenses, and to cover the costs of the associated performing arts events which are an important component of the Festival if it is to be in any way properly representative of the great range and wealth of Indian culture. We have launched an appeal in considerable depth in Britain which the Trustees are pursuing vigorously, and we are trying to cover all the commercial, banking and other sources who might be in a position to help us. Unfortunately, owing to the present difficult financial climate and despite our best endeavours, the response to our appeal has so far been very meagre and the present position is that we can count on donations totalling only some £40,000. We shall of course continue to press forward with our appeal, but I do not think that we can prudently assume that in the final outcome we could do much more than double this figure - and that may be optimistic.

There is another dimension to our financial problem which is that at the beginning of June Mrs. Jayakar, who is Chairman of the Festival Committee in India and a close associate of Mrs. Gandhi, is paying a visit to us in London to coordinate Festival arrangements and to decide in particular on the scope of the performing arts events. Decisions in this field cannot be delayed any longer if the Indians are to have

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time to select the artists they wish to represent them, and we are to be able to make the appropriate reservations of venues in London. If we are not in a position to confirm to Mrs. Jayakar that the necessary funds will be available for the performing arts events, the Indians will almost certainly consider that we have let them down by making it impossible to mount a Festival which is properly representative of Indian art and culture. This could well have repercussions on their willingness to cooperate with us in making available their superb and priceless exhibits which are essential to the museum events. This would mean that the entire Festival would founder.

In these difficult circumstances and taking special account of your reference in Delhi to the "generous contributions" which you look for from both participating countries, I am writing to ask you as our Festival Patron to help us with a grant of money which would enable us to match the generosity of the Indian Government and would establish our full commitment to the Festival. A sum in the neighbourhood of £150,000 would go far to safeguard the Festival, and it would then be up to the Trust to bridge the remaining gap to reach our target. An alternative way of assisting the Trust, which might be found preferable, would be for the Government to offer a guarantee up to, say, £200,000, in which event we should of course continue to press ahead with our fund-raising in order to minimise any ultimate call on the guarantee.

I greatly hope that you will agree to give us the backing for which I have asked as without it I fear that there is no realistic prospect of our being able to mount a representative Festival which could play an effective part in contributing both to a closer relationship between Britain and modern India and to a better understanding in this country of the immensely rich cultural heritage of India and of her communities in Britain.

Yours sincerely,
Michael Walker

Sir Michael Walker
Chairman
Festival of India Trust

8 May 1981

I am replying on the Prime Minister's behalf to your letter to her of 6 May about the Festival of India. Your letter is receiving attention and a reply will be sent to you as soon as possible.

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Sir Michael Walker, G.C.M.G.

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Festival of INDIA

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Yes please

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8 May 1981

I enclose a copy of a letter which the Prime Minister has received from the Chairman of the Festival of India Trust. I should be grateful if you could let me have a draft reply which the Prime Minister might send to Sir Michael Walker. It would be helpful if this could reach me by Tuesday 26 May.

MODBA

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

15