

MR. COLINS

Orissa Steel Plant

Prime Minister.

A.S.C. 29.
6

Tim
I have told Lord Colfield's office
that I am not prepared to deal with this
in this way. They must send a private
secretary letter with advice for the

I was telephoned yesterday by Chris Benjamin of Trade (Federal 2159) about Orissa. He told me that the Indian Cabinet is reviewing the position on Orissa early this week and with that in mind Trade had sent (copied to us) a draft possible message from the Prime Minister to Mrs. Gandhi to Sir John Thompson in Delhi asking if it would help our case if the message was sent. The text of the message (Code Creda 288) is as follows:

"I was naturally very disappointed that the negotiations on the Orissa steel plant did not reach a successful conclusion in May. I would like to assure you personally that the United Kingdom remains very interested in participating in this major project which would be of great importance to both our countries.

I have not raised this earlier since I can well understand that you intended to reconsider how to proceed with the project but I understand that your Government is approaching a decision. We are very ready to work with you in any way you wish but it would be a great pity to waste the immense amount of work done on both sides and the measure of agreement on details. With this as a starting point negotiations could proceed rapidly. The United Kingdom remains ready to prepare an attractive financial package and the earlier a decision to proceed the greater will be the scope for this.

I would very much welcome our going forward on this basis."

Sir John Thompson replied as in the attached telegram. What Chris Benjamin was seeking was the authority to meet Sir John's request as at the last line of his telegram. I am not sure whether you have dealt with this at all but perhaps you could get in touch with Chris Benjamin to explain the position.

29 June 1982

TF

PS TO PM 10, DOWNING ST.

CONFIDENTIAL

GRS 88

CONFIDENTIAL

DESKBY 251500Z JUN

FROM DELHI 251150Z JUN

TO IMMEDIATE DOT

TELEGRAM NUMBER CRED A 307 OF 25 JUNE 1982

INFO IMMEDIATE FCO, ODA, NUMBER TEN

FOLLOWING FOR BENJAMIN, PEP

YOUR CRED A 287: STEEL PLANTS

1. YOUR PARA ONE NOTED.

2. I HAVE ALREADY STRESSED THE PRIME MINISTER'S INTEREST AND SAID EVERYTHING IN YOUR TELNO CRED A 288. A MESSAGE WHICH GOES NO FURTHER THAN THAT MIGHT BE THOUGHT AN ANTI-CLIMAX: AND IT REFERS TO ONLY ONE STEEL PLANT. MOREOVER, WE MAY NEED A MORE SUBSTANTIVE MESSAGE LATER: THE CABINET DECISION WILL NOT BE THE END OF THE MATTER. MY ADVICE REMAINS AS IN PARA 4 OF MY TELNO CRED A 299. HOWEVER, IF I SHOULD CHANGE MY MIND DO I HAVE AUTHORITY TO DELIVER THE MESSAGE AS IT STANDS AND TO PROMISE A SIGNED ORIGINAL ?

[COPIES SENT TO NO 10 DOWNING ST]

LIMITED

SAD

TRED

ODA

PS

PS/PUS

LORD BRIDGES

MR GIFFARD

MR DONALD

ADDITIONAL DISTN
SUB CONTINENT ECONOMIC / TRADE

CONFIDENTIAL