



10 DOWNING STREET

THE PRIME MINISTER

10 September 1982

*Trade*  
*VB*  
*Trade*  
*FCO*

*Dear Sir John,*

Thank you for your letter of 1 September about the Orissa steel project. I know how much valuable work your company has already put into this.

We are certainly keen that the United Kingdom should continue to participate in this project and to this end we have initiated discussions with the Government of India on how the project might now best be taken forward. It is of course for them to decide whether to revert to the situation as it was in May before negotiations with your company broke down or to proceed on a different basis.

It was good of you to write.

*Yours sincerely*  
*Margaret Thatcher*

Sir John Buckley

—

*VB*





*From the Secretary of State*

Willie Rickett Esq  
Private Secretary to the Prime Minister  
10 Downing Street  
London  
SW1

8 September 1982

*Dear Willie,*

*Type letter pl.*

*mg/i.*

..... I enclose a draft reply for the Prime Minister's signature in response to Sir John Buckley's letter of 1 September about the Indian steel project.

The Prime Minister is aware of the background to this project. In recent weeks the Government of India has indicated that, despite the breakdown in negotiations with Davy for this contract in May, there remains scope for substantial United Kingdom involvement on a new basis. In particular United Kingdom proposals that BSC might lead a United Kingdom offer have found a favourable reaction in India. In addition, the Indian Finance Minister, Mr Mukherjee, indicated that negotiations might be re-opened with Davy for the original full turnkey project. However, at his meeting with the Prime Minister on 1 September, Mr Mukherjee appeared to rule out the possibility of a return to a turnkey approach. This was confirmed by Mrs Gandhi in talks with the High Commissioner on 4 September. At the moment therefore there appears to be little cause for the optimism in Sir John Buckley's letter that the Indians may return after all to a Davy-led project. The Government of India is expected to come to a decision during the course of this month on how to take the project forward.

I am copying this letter and the draft to John Holmes (FCO).

*Yours sincerely*

*John Whitlock*

JOHN WHITLOCK  
Private Secretary





DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO:

Sir John Buckley  
Chairman  
Davy Corporation Limited  
15 Portland Place  
London  
W1A 4DD

Thank you for your letter of 1 September about the Orissa steel project. I know how much valuable work your company has already put into this.

We are certainly keen that the United Kingdom should continue to participate in this project and to this end we have initiated discussions with the Government of India on how the project might now best be taken forward. It is of course for ~~them~~ ~~Government of India~~ to decide whether to revert to the situation as it was in May before negotiations with your company broke down or to proceed on a different basis.

*It was good of you to write.*

*ASL/g.*

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India, Relations, Pt 2



1 September 1982

I am writing on behalf of the Prime Minister to acknowledge your letter of 1 September. This is receiving attention and a reply will be sent to you as soon as possible.

WFSR

Sir John Buckley

1 September 1982

I attach a letter the Prime Minister has received from Sir John Buckley.

I should be grateful if you could provide a draft reply for the Prime Minister's signature, and if this could reach me by Friday 10 September.

I am sending a copy of this letter and the enclosure to John Holmes (Foreign and Commonwealth Office).

(SGD) WILLIE RICKETT

John Whitlock, Esq.,  
Department of Trade.





PPS?

Sir John Buckley

**Davy Corporation Ltd**

15 Portland Place  
London W1A 4DD  
England

Tel: 01-637 2821

Telex: 22604

1 September 1982

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

*Dear Prime Minister.*

I do hope you will not mind my writing to you yet again about the Indian Steel Project but we have learnt that there is a clear possibility that the Project may shortly be restarted, very much on the lines originally proposed, with Davy leading. This would be a most effective way of proceeding as so much work has been done on this complex job, and the detailed experience and knowledge already gained is essential for the successful design, construction and commissioning of the plant.

As always with projects of this magnitude and national importance, strong support will be required from the Governments of both countries. May I therefore say once again how grateful we are to you for the sustained backing you have given throughout the long negotiations.

*Yours Sincerely,  
John Buckley.*

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