

PRIME MINISTER

Attached is a note from Industry proposing that you should mark the 50th Anniversary of the opening of telephone services between the UK and India by a television link up or a telephone call to Mrs. Gandhi. John and I are against this; in our view conversations with Heads of Government should be limited to occasions when we have something to say to them rather than somewhat spurious anniversaries. Agree to decline?



18 March 1983

I did it
for Australia. I am sure
happy to do it again if Mrs.
Gandhi agrees. mb



10 DOWNING STREET

From the Private Secretary

21 March 1983

fof
Thank you for your letter of 16 March about the possibility of a telephone link-up between the Prime Minister and Mrs. Gandhi to mark the 50th anniversary of the opening of telephone services between the UK and India. Mrs. Thatcher has agreed that the High Commission in New Delhi may discuss this proposal with Mrs. Gandhi's Office, and if Mrs. Gandhi agrees, to take part in such a link-up on 11/12 April perhaps you could be in touch with Caroline Stephens here to arrange a time.

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

Timothy Flesher

Stephen Nicklen, Esq.,
Department of Industry.

SW



Secretary of State for Industry

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16 March 1983

Tim Flesher Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Tim

INDIAN TELECOMMUNICATIONS

1 May is the 50th Anniversary of the opening of telephone services between the UK and India. In view of Britain's historical involvement in the development of Indian telecommunications, the Managing Director of British Telecom International, after discussion with the Indian Telecommunications Administration, has suggested that it would be appropriate to mark the occasion by a telephone link up between the Prime Minister and Mrs Gandhi. Kenneth Baker will be visiting India from 10-12 April with Sir George Jefferson and the Managing Directors of Plessey and GEC Telecommunications to promote GEC's bid to supply System X to the Indians. Both BT and the other industrialists are anxious that the telephone call should take place in that week if possible. BTI could arrange either an international direct dialling call or a television link up from wherever the Prime Minister happened to be on 11 or 12 April. BTI believe that a television link up would generate more publicity.

2 The Foreign and Commonwealth Office have consulted the British High Commissioner in New Delhi who warmly supports this idea. The High Commissioner would hope to be able to interest Mrs Gandhi in it both by drawing attention to the 50th Anniversary of the opening of telephones and by placing it firmly in the context of the celebration of 1983 as World Communications Year. The occasion could also usefully be given a Commonwealth slant, appropriate to 1983 as the year of the Commonwealth Heads of Government meeting in Delhi.

3 My Secretary of State agrees that a telephone link up would be an appropriate way of marking this anniversary and would be grateful if you would put this suggestion to the Prime Minister. If the Prime Minister agrees to it, the High Commission in New Delhi will discuss the proposal with Mrs Gandhi's office. The High Commission have also suggested that the choice between a direct dialling call and a television link up should if possible



be left to Mrs Gandhi, though there would be no harm in expressing our slight preference for the latter if that is the Prime Minister's choice.

4 If the Prime Minister agrees to this suggestion it would be helpful to know her likely whereabouts on 11 or 12 April as soon as possible so that BTI can make the necessary technical preparations.

5 I am copying this letter to Brian Fall at the FCO.

*Yours sincerely
Steve Nicklen*

STEPHEN NICKLEN
Private Secretary



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Prestel Page 383

from the Chairman
Sir George Jefferson CBE

India 4

The RT Hon Mrs Margaret Thatcher MP
The Prime Minister
10 Downing Street
LONDON
SW1

5 May 1983

Prime Minister

GH
6/5

Dear Prime Minister,

I am writing to thank you for taking the time to telephone Mrs Ghandi on the occasion of the 50th anniversary of the telephone service between the United Kingdom and India on 3 May.

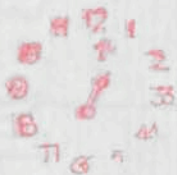
India is one of the 129 countries which can be dialled direct from the United Kingdom and we in British Telecom are proud of being acknowledged world leaders in the range, quality and availability of our international communications services. As a developing country, India's network inevitably causes us operational difficulties but, appropriately in World Communications Year, my people in British Telecom International have contributed significantly to helping the Overseas Communications Service in Bombay to get the best out of their installations.

Thank you for so kindly helping us to celebrate this occasion in our international services which came at a time when we and our main suppliers are working together to try to export significant quantities of British telecommunications equipment to India.

Yours sincerely
GH
Jefferson

SIR GEORGE JEFFERSON

5 MAY 1988



PRIME MINISTER

YOUR TELEPHONE CALL TO MRS. GANDHI:
50TH ANNIVERSARY OF UK/INDIA TELEPHONE LINKS

The call will be initiated by you at 1115 on Tuesday. It will be 3.45 p.m. in New Delhi. Mrs. Gandhi will be speaking from her Residence. We and the Indians expect the call to last only a few minutes.

The occasion is the 50th Anniversary (1 May) of the opening of telephone services between the UK and India.

The following background is attached:-

Annex A - A speaking note.

Annex B - World communications year

Annex C - Feature article on "50 years of co-operation"


Press Arrangements

We understand that Indian TV and journalists will be present with Mrs. Gandhi when she takes the call.

At this end there will be two photographers (Central Office of Information and British Telecom). We are also making arrangements to tape the conversation so that a transcript can be released afterwards with a Press Release.

Because of the press involvement and as it will be an "open line" the content of the call must not contain anything confidential.

As photographers will be present, I suggest you make the call from the White Room rather than the Study. I have arranged with Mr. Taylor that there should be a desk for you to sit at.


IAN KYDD

29 April 1983



10 DOWNING STREET

TIM

Prime Minister's 'phone
call with Mrs Gandhi. Have you
spoken to Industry about the
possibility of industrial action?
Answer: Do you want me to pursue
it and if there is a possibility
of industrial action should we
cancel/postpone?

IAN KYDD

A

A

TELEPHONE CALL BETWEEN PRIME MINISTER AND MRS GANDHI
3 MAY 1983

SPEAKING NOTE

50th Anniversary of UK/India Telecommunications

1. First opportunity we have had to speak since our meeting over breakfast in Delhi last September.
2. Appropriate that call should mark 50th Anniversary of first telephone service between Britain and India.
3. Amazing fact that cost of 3 minute call between Britain and India has fallen in fifty years from £6 in 1933 - equivalent to £70 at today's prices - to just £2.97 today. A remarkable example of the economic benefits of modern technology. *100,000 calls per month.*
4. Opportune that call is taking place in World Communications Year. We are marking this event in November with conference for Commonwealth communications experts. Hope India will be represented.
5. Britain has been closely associated with development of communications in India. Hope these links can be further strengthened in the future. British industry stands ready to play its part in transfer of advanced technology.

Non-Aligned Summit

6. Congratulations on your chairmanship of Non-Aligned Movement. Confident that under your guidance the Movement will gain in stature. Have read with interest your letter setting out conclusions of Summit.

/Commonwealth



Commonwealth Heads of Government Meeting

8. Very much looking forward to visiting India in November. Many important social, economic and political issues to discuss. Confident under your Chairmanship the Commonwealth will give a positive lead in the immensely difficult problems facing the world.

B

Press Briefing Material

1983 is World Communications Year (WCY) - designated by the UN General Assembly.

The UK is playing an active role in the Year both at home and abroad.

One of the UK's major contributions to the Year will be the sponsoring of a Commonwealth Conference (by HMG, British Telecom and Cable and Wireless plc) on the theme of "Telecommunications and Economic Development", to be held at Wilton Park in November.

BACKGROUND

World Communications Year

The UN has designated 1983 as World Communications Year (WCY). The UN sees WCY as offering an opportunity for all countries to "undertake an in-depth review and analysis of their communication policies and stimulate the accelerated development of communication infrastructures". The Secretary of State for Industry announced on 31 January the UK response to the WCY (copy of Dept Press Release ~~attached~~ *to follow attached*).

2 The UK wishes to take the opportunity of WCY to foster increased co-operation amongst Commonwealth countries in the telecommunication sector. The Commonwealth Conference will not be inter-governmental and the invitations which have gone out to telecommunications experts throughout the Commonwealth stress that the invitations are being sent to people in their personal capacity only.

Independent International Commission on World-Wide Telecommunications Development

3 The 1982 Nairobi Plenipotentiary Conference of the International Telecommunication Union adopted a resolution establishing an Independent International Commission on World-Wide Telecommunications Development. The UK were instrumental in the adoption of this resolution. The broad mandate of the Commission is to examine the totality of existing

and possible future relationships between countries in the field of telecommunications involving technical co-operation and a transfer of resources, in order to identify the most successful methods of such transfer. The UK has nominated Sir Donald Maitland as UK Member for the Commission.

Special Voluntary Programme

4 The UK sponsored a resolution at the Nairobi Plenipotentiary Conference which established a Special Voluntary Programme aimed at helping to meet the telecommunication needs of the developing world. It is not intended that HMG will contribute financially to this fund but it is hoped that industry in the UK will.

T Division
Department of Industry

27 April 1983

123 Victoria Street, London SW1E 6RB TEL: 01-212 5494/5 Ref: 21

31 January 1983

UK CONTRIBUTION TO WORLD COMMUNICATIONS YEAR

ANNOUNCED BY PATRICK JENKIN

Mr Patrick Jenkin MP, Secretary of State for Industry, today announced a national programme for 1983, as the UK contribution to World Communications Year (WCY), which will direct help to developing countries and strengthen communications at home and abroad.

The programme includes:

- Overseas promotion to demonstrate Britain's telecommunications expertise
- Training for overseas telecommunications staff
- An offer of rural telephone exchanges to a Commonwealth developing country
- A Commonwealth telecommunications seminar
- A voluntary development fund for the developing world.

At home, WCY will build on the success of Information Technology Year 1982, with:

- Competitions, exhibitions and overseas visits for young people
- A Science Museum exhibition
- Communications centres
- A major end-of-year conference.

This year was declared World Communications Year by the United Nations and is seen by them as providing an opportunity for all countries to analyse their own communication policies and to develop their internal communications. The activity, under the direction of the International Telecommunication Union (ITU) will pay particular attention to the needs of the developing countries. The Year will enable the UK to build upon its international initiatives, emphasise the importance attached to telecommunications in the developing world and demonstrate its strength in telecommunications services and equipment.

The Government has set up a national committee to carry out the UK programme. Members include Mr Kenneth Baker MP, Minister for Information Technology;

Sir George Jefferson, Chairman of British Telecom; Mr Eric Sharp, Chairman Cable and Wireless plc; Mr Des Pitcher, President of the Telecommunications Equipment Manufacturers Association and Mr Stephen Finch, President of the Telecommunications Managers Association. A Working Group with representatives of interested Government Departments, the operators, manufacturers and users will work closely with the Committee on detailed proposals and with the ITU.

Notes to Editors

Further detail of the UK's WCY programme is attached.

Non-press calls to 01-212 8792.

WORLD COMMUNICATIONS YEAR - THE UK CONTRIBUTION

Britain's activities for World Communications Year will be on two fronts. First, help will be directed to the outside world. Mr Jenkin made it clear when he spoke to the Plenipotentiary Conference of the ITU in Nairobi last Autumn, that Britain fully recognises the developing world's need for better communications.

Britain has a tremendous amount to offer the rest of the world in technology, training, expertise and products. It is in the vanguard of the telecommunications revolution. For example, British Telecom's digitalisation programme or the operation by BT of the longest optical fibre trunk circuit in the world. British Embassies and High Commissions abroad will therefore be asked to arrange special functions- film shows and exhibitions- to show key decision makers what Britain has to offer.

To provide more training for people from overseas, the amount of money available for bringing overseas telecommunications staff to the UK for training under the ITU Fellowship Scheme will be increased five-fold. British Telecom, Cable and Wireless and major UK companies already provide very considerable training facilities for overseas staff and the Department of Industry is considering with them how this valuable contribution can be increased.

In addition, DOI is in touch with an African Commonwealth telecommunications authority about the possible provision of three GEC UXD5B digital telephone exchanges and digital micro-wave transmission equipment. The aim is to demonstrate the relevance of the new technology to the needs of the developing world. The equipment will provide more efficient service and easier maintenance. The offer will include the necessary training and expert advice.

Of course, Britain already supports communications projects in a number of countries from Aid funds, including Bangladesh, Colombia, India, Lesotho, Malaysia, Mauritius and Nepal and there may be other projects which could be supported as a further contribution to the Year.

This year will also see the signing of a new financial agreement whereby the external operators in Britain, Australia and Canada will provide financial and other support to the international telecommunications entities of Commonwealth developing countries. This should give new impetus to Commonwealth collaboration.

A Commonwealth telecommunications seminar towards the end of the year, bringing together key decision makers, is also under consideration.

To bridge the home and overseas parts of the programme, Britain is exploring the feasibility of establishing a voluntary development fund so that both industry and the ordinary people of this country can contribute towards meeting some of the communication needs of the developing world in line with the objectives of the ITU special voluntary programme, which was established, through a UK initiative, at the Nairobi Conference. The aim will be to transfer resources on a people-to-people basis, quite independent of Government - a special Oxfam to cater for the critical communication needs of the most deprived in the world.

This covers proposals for World Communications Year outside Britain. But at the same time, the Government wants to use the Year to increase awareness of communications within the UK, building on the Information Technology Year awareness campaign.

Young people will be made aware of what changing communications can offer them, in everyday life and in choosing a career, and competitions, exhibitions and overseas visits are planned.

STC, a major telecommunications manufacturer, has arranged for a permanent telecommunications exhibition at the Science Museum, and it is hoped local museums will consider what they can do.

Impact of WCY will go well beyond the young, reaching management and the trade unions. The awareness campaign will include establishing communications centres where British equipment can be seen by the general public. For example, British Rail have indicated a willingness to consider establishing such centres at major rail termini and the British Airports Authority may follow this example.

Overseas visits will play a useful role. For example, the Japanese companies Fujitsu and Mitsubishi, Siemens of Germany and Motorola of the USA have offered to arrange visits for young people and trade union members from the UK. The UK Council for Computing Development are organising a conference in October, to be hosted by the GLC, on the development of communications in large urban complexes.

International telecommunications are essential to the development of world trade. The Department of Industry is therefore proposing to hold a major conference in

London towards the end of this year - together with the British Computer Society and the Department of Trade - on the theme that world communications are the trade routes of the future.

The Government is looking to all organisations - schools, colleges and local authorities - to make their own contribution to World Communications Year and Telecommunications Division of the Department of Industry would be very interested to hear of any initiatives, on 01-212 8792.

Department of Industry

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British

TELECOM

feature

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Title: FIFTY YEARS OF CO-OPERATION

Length: 550 words

Author: David Orr

Telephone: 01-357 2130

India 1

The public telephone service between India and the United Kingdom celebrates its fiftieth anniversary on May 1 this year. Although the history of international telecommunications links between the two countries stretches back into the last century - the London to Bombay telegraph service was inaugurated in 1870 - the establishing of a long-distance HF radiotelephone service in 1933 was an important milestone.

Telephone systems in both countries have changed and developed enormously during those fifty years. The international links, too, have been refined out of all recognition through close co-operation and mutual investment.

When the telephone service was first introduced in 1933 it was available only between 9.00 am and 1.00 pm British time. It was also expensive, with a three-minute call from the UK costing £6.00 - a considerable sum of money in those days. Today the cost of a three-minute direct dialled call is just £2.58 at off peak times.

Post-war development in India saw the initial Bombay centre augmented by three others at New Delhi, Calcutta and Madras. Gradually the HF radio services were expanded to provide telegraph newscasts, telex and a radiophoto service.

In the 1950s and 1960s the inadequacy of HF radio point-to-point service in terms of quantity, quality and round-the-clock operation was being acutely felt throughout the world. Through contact with the United Kingdom authorities India followed the development of satellite communications with keen interest, deputing engineers for participation in the early Telstar experiments.

Subsequently, the first Indian earth station at Arvi, north of Pune, came into commercial operation in February 1971, linking with British Telecom's existing earth station at Goonhilly Downs, Cornwall, which had opened some ten years previously. This was followed by a second earth station at Dehara Dun, with terminal facilities at New Delhi.

When the first earth station was commissioned, manual telephone and telex facilities only could be provided. However, by the end of 1972 a semi-automatic telex exchange was commissioned, followed a year later by a semi-automatic telephone exchange of the crossbar type.

With better means of communication, traffic between the two countries increased considerably. The initial capacity of the gateway exchanges at Bombay was soon exhausted, and customers' requirements continued to be supported by manual systems.

Further development of the semi-automatic systems enabled international direct dialling facilities to be set up between Bombay and New Delhi and the whole of the United Kingdom. The service was introduced on a round-the-clock basis in 1976.

During that year about 170,000 calls were made through the international links; in 1981-82 that figure had risen to more than 780,000 and current use is running at more than 100,000 calls a month.

On December 16 last year, direct dialling between the two countries was extended to a further 30 cities in India - expanding coverage to an estimated 90% of that country's business population (44% of all telephone subscribers).

The historical links between the two countries are strong, and in recent years they have been fostered by joint involvement in the various international satellite organisations. It was the Indian representative who chaired the committee which drafted the initial INMARSAT agreement; British Telecom is now the largest Western European shareholder in INMARSAT, which is responsible for world-wide maritime satellites and their control systems.

With falling costs, wider and more versatile services, use of telecommunications links between India and Britain is quite likely to grow as much in the next five years as it has done in the last half century.

ends

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Top Copy:
UK/US relations
Pt 2.



Prime Minister

I have highlighted a
few points.

MINISTER OF STATE FOR DEFENCE
PROCUREMENT

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A.S.C. 29.
4

D/MIN/GP/19/5/25

Secretary of State

— Geoffrey Pattie .

VISIT TO INDIA 18TH-27TH APRIL - MINISTER(DP) AND HDS

I attach a general summary of this visit. HDS will write separately on the sales aspects and a record of the meetings will also be issued. In the meantime I thought you would wish to have this summary.

General Comments

2. India's relationships with Britain since independence have been complex. So many of the senior generation were trained in Britain or by the British that they have a quick appreciation of British attitudes and very often genuine affection and nostalgia too. At the same time there is evident a fierce pride and a determination to do things for themselves "to indigenise". They resent needing help and yet they accept that they must have help in advanced technology. They will reject anything which smacks of charity but they will bargain with all the skill of the street trader in order to extract the last ounce of advantage in a transaction.

3. It is a cliché to describe India as a country of contrasts but as it happens nowhere is this more true than in technology. This really is the country of the satellite (the latest one being successfully launched the day before my arrival) and of the bullock cart. In the past the Indians have wanted to squeeze the last drop of advantage in terms of access to our research and they always seek the most advanced version of any system thereby posing difficult security problems for us. When they are buying they play off France, Russia and ourselves and our companies find that even a "best and final offer" has to be subjected to still further improvement to satisfy Indian requirements.

4. Despite their apparently insatiable demands for knowledge we have done some substantial business in India the most significant example of course being Jaguar aircraft. Indian confidence in us was shaken by problems over the supply of spares during the first war with Pakistan. On top of this they have a hitherto well founded belief that Britain is mainly interested in selling them equipment which while not being obsolescent is not the most advanced either.

/ The ...

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5. The fundamental policy issue is whether we attach importance to having good relations with India. If we do, and I would have thought it was to our advantage to do so, then one of the best ways to secure such good relations is in the field of defence co-operation. The gradual emergence of pockets of indigenous Indian advanced technology should assist in a process which I have described to the Indians as technology sharing rather than simply technology transfer. Sharing implies that they could have a genuine contribution to make and certainly in the 'DARIN' navigation/attack system developed for Jaguar with help from British and French firms they have a system which could well be of interest to us. Possibilities also occur for sales to third parties from joint programmes.

6. It is of course essential to keep Indian possibilities in perspective. For a long time to come they will need far more from us than we will get back but the new so called umbrella Memorandum of Understanding now in draft will provide for regular exchanges on a range of projects and issues. Nor should the importance of inter service contacts such as the visit here by the Indian CNS be underestimated. The central aim must be to convince the Indians that we are serious in wanting to work with them and by indicating that we are prepared to supply Sea Eagle with the Sea Kings and to supply Blindfire Rapier at some future date. We have given firm evidence of our intentions.

7. I have however indicated to the Indians very clearly indeed that the sort of relationship which is envisaged requires a healthy amount of working capital in the short term and our test of their sincerity will be the award of contracts. Currently we are very close to a £200 million deal on Sea Kings and the betting is that we will succeed. We will however believe it, and celebrate accordingly, when we see the signatures on the contracts.

Description of the Visit

8. Our visit to India took place at an important time in the development of UK/Indian relations in the Defence equipment field, and indeed at a significant stage in the development of India's own Defence procurement policy. This policy rests on two planks: India's ability to choose the most suitable equipment from either East or West without falling under the influence of either bloc; and their firm aim of building up their own Defence industries, which leads to demands for at least a measure of licensed production to be associated with any contract. (It is noteworthy that in the case of much Soviet equipment this is not the case).

/ 9. ...

9. Beyond this, however; a number of conflicting themes are evident in their policy. Their plans to develop a new MBT call for a totally Indian design, since they believe they are totally capable in this area. Conversely, the Indians are likely to place competitive feasibility studies with the UK and the Soviet Union for the design of their proposed Light Combat Aircraft (LCA), and they understand that this project will require the closest collaboration with their chosen partner over the whole range of the technologies involved. Again, while wishing in many cases to take advantage of the relatively low cost of Soviet equipment, the Indians realise that the Russians are rarely prepared to offer much transfer of technology. However, in the area of marine engines it was claimed that the less sophisticated Soviet equipment was more suited to indigenous manufacture and maintenance than the relatively high technology Rolls Royce gas turbines we have on offer.

10. Overall I would judge that the Indian desire to renew and build on their traditional Defence links with Britain, which became apparent during Sir John Nott's and PUS' visits to India last year and the recent visit to the UK by Defence Secretary Kaul and Scientific Adviser Aranachalam, is strengthening. I detected that the Indians are becoming disillusioned with their relationship with the Soviet Union and are irritated by the Russians patronising attitude towards them. In particular, the recent visits to India by the Defence scientists' team lead by ACSA(R) and DCA(RT)'s team to discuss collaboration on the LCA project have persuaded the Indians that Britain is prepared to assist India to develop her own technological and Defence industrial base, and to work towards a '2 way street' in Defence business. However, apart from the less tangible benefit of reducing Soviet influence in India, this process will only pay dividends to the UK if it leads to our winning more Defence equipment orders than would otherwise have been the case. The Indians, of course, will not be slow to exploit every opportunity of gaining the maximum amount of information and assistance for the minimum cost. During my meetings with Indian officials I made it clear that British help in the longer term was dependent on a significant proportion of the forthcoming Indian Defence equipment orders being placed with British companies.

11. Against this background, the Indian MOD will shortly be taking decisions on a large number of equipment programmes worth in all about £1 Billion but it must be emphasised that the timing of the expenditure is uncertain. The prospects include Sea King Helicopters, Sea Eagle Missiles, Sea Harrier aircraft, Rolls Royce Marine gas turbines, and Airborne Early Warning system, Rapier, Combat Engineer Tractors, Vickers RR CV12 engine for Indian MBT and FH70 field guns. An analysis of the current position on Defence Sales prospects will be included in the Defence Sales report of the visit.

/ 12. ...

12. The programme for our visit included calls on the C in C Western Naval Command, Vice Admiral Tahiliani; and the Mazagon Dock Shipbuilders in Bombay, the HAL aircraft and aero engine factory and the National Aircraft Laboratory in Bangalore, and the Avadi tank factory and the Combat Vehicle R & D Establishment at Madras. I then travelled to Delhi for discussions with Indian MOD Ministers and senior officers and officials. An outline programme is at Annex and detailed records of my meetings will follow:

13. In Bombay, Admiral Tahiliani, though most hospitable, was highly cautious in discussing the equipment programmes of interest to us, and I would judge this was on instructions from Delhi, Tahiliani is also believed to be pro-French. The visit to Mazagon Dock Shipbuilders was mainly of interest for the view we had of the two Godavari Class frigates currently being built there. These heavily armed ships have a modified Leander hull design and engines with Soviet anti ship and anti aircraft missiles, guns and torpedoes, and longer space for two Sea King size helicopters. These ships illustrate the very powerful weapon systems the Indians can build for themselves using both Western and Soviet designs and equipment, even though the overall level of technology used is not high and the construction techniques are unsophisticated.

14. The HAL aircraft company has been established since 1940 with its headquarters at Bangalore. It has produced a variety of aircraft and aero engines under licence, including several MiG types, Alouette Helicopters, BAe 748s and of course currently the Jaguar and the RR Adour engine. Their production facilities are modern and spacious but are very lightly loaded and there is a considerable gap in forecast production in the Bangalore aircraft production facility, between the end of the Jaguar line (late 1980's) and the start of LCA production (not realistically before the mid-1990s). HAL's main problem has been in the design field and no indigenously designed aircraft nor any modifications to imported designs have been successful. The Indian Press and Politicians have become very critical of the lack of return on the major investment made in design staff and facilities, and the management of HAL is clearly under considerable pressure to succeed in producing a practicable design to meet the LCA requirement. This project will undoubtedly become a major collaborative programme between HAL and a Western or Soviet aerospace organisation. Following DCA(RT)'s visit to HAL earlier this year and a follow up industrial delegation, BAe are well placed to be chosen as HAL's partner. BAe have submitted a proposal for a funded feasibility study and it is thought that the Soviet Union will make a proposal shortly.

/ 15. ...

15. The one exception to India's lack of success in the aerospace designing field is the DARIN project to produce an improved Nav/Attack system for the Jaguar. This equipment is being developed collaboratively by HAL, Sagem of France, Ferranti and Smiths Industries and the programme is now well advanced. Ignoring security restrictions HAL showed HDS, the Air Adviser and myself a prototype Darin system installed in a Jaguar aircraft at the ASTE Test Establishment. It looked impressive, and this project raises interesting possibilities for the development of a two way street between UK and India. The Darin systems should not only be suitable for our own Jaguars but also for the Tornado ADV (giving it a ground attack capability attractive for 3rd country sales), and perhaps most importantly it could be installed in a single seater Hawk, turning that platform into a most effective ground attack and offensive support aircraft which should be a very attractive buy for less sophisticated foreign air forces.

16. The other strand to this idea lies in the Hawk aircraft itself. The Indian Navy and Air Force both need a swept wing jet trainer to prepare their pilots for Sea Harriers, Jaguars, MiG 23 series and Mirage 2000. HAL already produce the Adour engine, and production of the Hawk at Bangalore would go a long way towards solving their problem of underloading. It will not be easy to persuade the Indians to produce the Hawk since they are developing a (quite impractical) twin seat version of the Ajeet to meet their initial training requirement, and have a swept wing planned for the mid-90's. The mutual benefits of such a programme could however be considerable.

17. The new Chairman of HAL, Air Marshal Katre is a key figure who should be able to balance HAL's needs against the IAF's requirements. During my meeting with him his principle concern appeared to be the future loading of his factories. He is coming to the UK after the Paris Air Show and he accepted an invitation to fly in a Hawk. Katre is also involved in formulating India's AEW policy and he seems to favour fitting a sophisticated package with a 250 mile range into an HAL produced BAe 748 - not presently of course feasible.

18. My discussions at the Avadi tank factory and the CV R&D Establishment near Madras concentrated on the prospects of the RR CV12 engine being chosen for the re-engining of the Indian Army's Vijayanta tanks and Noel Davies of Vickers accompanied the UK party during my calls. Vickers stand a good chance of winning this contract and have put a considerable effort into designing their package to fit the Indian tank. Two RR engined Vijayantas are currently undergoing hot weather trials. This contract could enable further progress to be made on the 2 way street as Vickers are interested in using Indian castings for engine production in UK (castings are currently imported from Germany).

/ 19. ...

19. The Commandant of the CV R&D Establishment, Brig Chawla, has been tasked with designing a totally Indian new tank to be in service by the end of the 80s. This he at least knows is beyond his capabilities and he has commenced using consultants on some work - e.g. Laser Engineering of UK who are presently working on running gear designs at Avadi. He is very keen to take up an invitation to talk to Dr Ellis, Director of MVEE, for guidance in his mission and when we were in Delhi the scientific adviser, Dr Avanachalam, agreed to Chawla making the visit if he had the time. There is a major opportunity here for British suppliers but it must be handled sensitively.

20. During my first day of calls in Delhi I met my opposite number, Singh Deo. He had little of interest to say except to extol the merits of Sea King and Searchwater radar to meet India's AEW requirement (obviously on the basis of Naval lobbying). I also met the Chief of Naval Staff, Admiral Dawson who showed none of his reputed pro-British leanings, and appeared almost hostile. He avoided commenting on issues of sales interest to us, repeatedly changing the subject by the introduction of subjects of his own choice particularly the poor performance of some items of British equipment. However my calls on Dr Aranachalam and Mr Sarin, Secretary of Defence Production, were constructive. Dr Aranachalam is giving AEW high priority and was pleased with his recent visit to Britain. I talked about the possibilities of future co-operation on the LCA and tank programmes and Aranachalam responded positively. He then turned the discussion towards co-operation on areas of fundamental research such as solid state electronics and software. I was non-committal on this subject but agreed on the necessity to keep the dialogue going. Mr Sarin's concerns were focussed on HAL's problems of loading. When I mentioned the Hawk he appeared interested and asked for all the information we could give him on the aircraft, but he said that the Air Force would have to be convinced of the merits of the aircraft before he could take any action.

21. April 26th was a most satisfactory day during which I paid calls on Air Chief Marshal Dilbagh Singh (Chief of the Air Staff), Mr P K Kaul (Defence Secretary) and Mr R Venkataraman (Minister of Defence). The latter visit was arranged on the last day and, in Indian terms, was the 'official' indication that the visit had been well received.

22. With Dilbagh Singh we had a lengthy discussion on the potential benefits of the Hawk to the IAF; as a trainer, as a contender for the IAF aerobatic team; and as a 'gap filler' for Hindustani Aeronautics Ltd between the Jaguar and the LCA programmes. I also stressed the export potential of the aircraft, especially if it were fitted with the 'DARIN' system. Dilbagh Singh was obviously interested. Kaul was, if anything, more forthcoming. He did not rule out the possibility of buying an established aircraft and stated that the matter should be reviewed at the end of 1983.

/ 23. ...

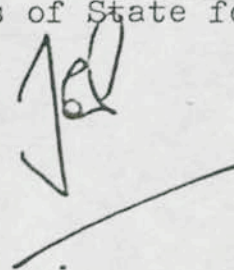
23. On AEW (Fixed Wing) the IAF have problems. Their requirement is for a NIMROD type of system but they almost certainly would not be able to afford it. Other possibilities exist and I offered to send an experienced RAF team to liaise with the IAF and share on a service to service basis the knowledge we have gained. This was enthusiastically welcomed by Dilbagh Singh, Kaul and Venkataraman. It was seen as another clear example of the improving Anglo/Indian relationship.

24. Kaul sees the 'umbrella' MOU, currently in draft, as the vehicle by which technology sharing would be developed. Once agreed (which should be very shortly) he saw merit in both countries listing possible areas for future collaboration. On this subject I repeated my earlier offer for Brig Chawla to visit the UK to discuss the problems involved with developing a Main Battle Tank. Both Kaul and Venkataraman endorsed this approach.

25. Finally, being only too well aware of the current state of the negotiations on Sea King, with both Kaul and Venkataraman, I emphasised our desire to develop short, medium and long term plans for future co-operation between our two countries. However such a commitment on our part required some early 'working capital' to be provided by the GOI, a point which obviously registered.

26. On the question of future Jaguar production, Venkataraman was pressed to clarify his recent statement in the Indian Parliament that there would be no further licence production of Jaguars at Bangalore following completion of the batch of 31, a batch which in turn follows the earlier batches of 40 and 45. The Minister explained that the batch of 31 would take production through until the end of the decade and that by then the technology would be relatively outmoded. It was pointed out to the Minister that the economic benefits of a lengthening production line would be an increasingly significant factor particularly when the possibility of adapting and modernising avionics and other systems was taken into account. The Minister said that his mind was not closed to the possibility of further production beyond the 31 but that at this stage such production was not envisaged.

27. I have sent copies of this minute to the Prime Minister, the Foreign Secretary and the Secretaries of State for Industry and Trade.



28th April 1983

a. p. m.



Secretary of State for Industry

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
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TELEPHONE DIRECT LINE 01-212 3301
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24 April 1983

Tim Flesher Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Tim

50TH ANNIVERSARY OF UK/INDIA TELEPHONE LINKS

Earlier today you asked me for:

- i) speaking notes for the Prime Minister's conversation with Mrs Gandhi;
- b) Press briefing material.

2 I mentioned that we understand that the Foreign and Commonwealth Office are supplying briefing. I attach background information for you to pass on to your Press Office which I understand is also in direct contact with officials here.

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

*Yours ever
Steve Nicklen*

STEPHEN NICKLEN
Private Secretary

10TH ANNIVERSARY OF UK/INDIA TELEPHONE LINKS

Press Briefing Material

1983 is World Communications Year (WCY) - designated by the UN General Assembly.

The UK is playing an active role in the Year both at home and abroad.

One of the UK's major contributions to the Year will be the sponsoring of a Commonwealth Conference (by HMG, British Telecom and Cable and Wireless plc) on the theme of "Telecommunications and Economic Development", to be held at Wilton Park in November.

BACKGROUND

World Communications Year

The UN has designated 1983 as World Communications Year (WCY). The UN sees WCY as offering an opportunity for all countries to "undertake an in-depth review and analysis of their communication policies and stimulate the accelerated development of communication infrastructures". The Secretary of State for Industry announced on 31 January the UK response to the WCY (copy of Dept Press Release attached).

2 The UK wishes to take the opportunity of WCY to foster increased co-operation amongst Commonwealth countries in the telecommunication sector. The Commonwealth Conference will not be inter-governmental and the invitations which have gone out to telecommunications experts throughout the Commonwealth stress that the invitations are being sent to people in their personal capacity only.

Independent International Commission on World-Wide Telecommunications Development

3 The 1982 Nairobi Plenipotentiary Conference of the International Telecommunication Union adopted a resolution establishing an Independent International Commission on World-Wide Telecommunications Development. The UK were instrumental in the adoption of this resolution. The broad mandate of the Commission is to examine the totality of existing

and possible future relationships between countries in the field of telecommunications involving technical co-operation and a transfer of resources, in order to identify the most successful methods of such transfer. The UK has nominated Sir Donald Maitland as UK Member for the Commission.

Special Voluntary Programme

4 The UK sponsored a resolution at the Nairobi Plenipotentiary Conference which established a Special Voluntary Programme aimed at helping to meet the telecommunication needs of the developing world. It is not intended that HMG will contribute financially to this fund but it is hoped that industry in the UK will.

T Division
Department of Industry

27 April 1983

P-M -

Telephone Call to Mrs G.

Purpose.

Detailed briefing over the weekend

Press Arrangements;

CO1 + B'Tel. Photographers

Press Conf. Notice

Take for radio

Agree desk in White Room.

Jonathan Penner 2760

Ch'Man B/T.



JU447

Secretary of State for Industry

India

**DEPARTMENT OF INDUSTRY
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14 April 1983

Tim Flesher Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Tim

*Suggested 11.00 on
Tuesday 3 May -
cf. 1514*

50th ANNIVERSARY OF UK/INDIA TELEPHONE LINKS

In your letter of 21 March 1983, you said that the Prime Minister agreed to my Secretary of State's proposal that the 50th Anniversary of UK/India telephone links should be marked by a telephone link up between the Prime Minister and Mrs Gandhi. The Prime Minister further agreed that this call should take place on April 11 to coincide with the visit to India of Mr Kenneth Baker and Sir George Jefferson. As you know, Mr Baker's visit to India was cancelled, and a telephone link up on April 11 would therefore have had little meaning. Furthermore the High Commission advised that it would be preferable for the call to be made at a date closer to the Anniversary on May 1. It was likely to generate more publicity if it stood by itself apart from the Ministerial visit. There was also some risk that if we asked for it to coincide with Mr Baker's visit it would be seen as a sales gimmick.

2 In view of these factors, I should be grateful if you would consider the possibilities of a call closer to the actual Anniversary. The High Commission have also advised that it would be preferable if we could give a choice of one or two dates to Mrs Gandhi's office. I understand that dates just prior to May 1 are unlikely to be possible. I therefore suggest May 3 or May 4. British Telecom International, who will be arranging the call by international direct dialling, have said that they will be able to make the necessary technical arrangements for the call to be taken wherever the Prime Minister happens to be located at the agreed time.

*Yours etc
Steve Nicklen*

STEPHEN NICKLEN
Private Secretary

India
Relection, P3

11 4 APR 1983

