

SUBJECT

Master
OPS



10 DOWNING STREET

THE PRIME MINISTER

22 March 1985

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 55 / 85

My dear Prime Minister,

I very much enjoyed our discussion in Moscow last week, and am looking forward greatly to seeing you again in Delhi in April.

You kindly agreed in Moscow to look again into the question of Westland helicopters. I was most grateful for the promptness with which you acted on your return home. I have received the message Mr Arun Nehru was kind enough to give to Sir Robert Wade Gery. I hope that we can continue to deal with this on a restricted basis.

You referred in Moscow to technical objections to buying Westlands helicopters. When the government of India decided last July to buy the Westlands aircraft, it was only after a thorough evaluation which considered all the technical merits and demerits of the rival helicopters, including those which you outlined to me. Indeed the decision, which was communicated in a letter from your High Commission in London to Westlands in July last year, was subject to the proviso that Westlands meet certain conditions. This, as your authorities can confirm, Westlands have done. Furthermore, as you know, this required Westlands to invest money and effort in building helicopters in the light of that decision. At the Indian Government's invitation detailed contractual negotiations between Westlands and your officials continued

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until shortly before your General Election. In short, Westlands have incurred considerable expenditure in good faith. I am worried that if they were to lose the contract at this very late stage there would be widespread concern here, and confidence among those doing business with India could be damaged.

We mentioned the aid programme aspect when we met. £45 million, out of a total of £115 million allocated to India in 1985/86, is earmarked by both our Governments expressly for the Westlands project, and £20 million in 1986/87. This is an arrangement which I have authorised at the Government of India's request after the most careful consideration.

We would be faced with very considerable political and practical difficulties if the Westlands project were not now concluded. I do hope that we can stand by what was agreed.

With my warm best wishes.

Yours sincerely
Margaret Thatcher

His Excellency Shri Rajiv Gandhi, MP

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: Shri Rajiv Gandhi,
Prime Minister of India

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

KANAK

PRIVACY MARKING

SUBJECT:

.....In Confidence

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CAVEAT.....

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Enclosures—flag(s).....

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There is also a further dimension, that of our aid programme to India. £45 million, out of a total of £115 million allocated to INdia in 1985/86, is earmarked by both our Governmetns for the Westlands project, and £20 million in 1986/87. This is an arrangement which I authorised at the request of the Government of India after the most careful consideration. We would be faced with very considerable political and practical difficulties if the Westlands project is not concluded. It cannot by any means be assumed that the £65 million earmarked for the Westlands contract can readily be reallocated to other projects.

With my warm best wishes

Car.

20 MAR 1985

