

PRIME MINISTER

The proposal is;

(i) to dock the aid programme to India by £25 million this year (if the Westlands order finally collapses);

(ii) not necessarily to reinstate it next year;

(iii) to make clear that this is the inevitable result of the Indians' own actions;

(iv) to use the money for unspecified new bids, including Indonesia.

Agree this, but seek a more specific commitment from the Foreign Secretary on how to use the £25 million: e.g. for ATP?

C.D.P.

Yes not

13 May 1985