



Foreign and Commonwealth Office

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London SW1A 2AH

12 July 1989

Dear Charles,

French Bicentenary: Meeting with Rajiv Gandhi

In my letter of 10 July, I provided briefing for the Prime Minister's breakfast meeting with Mr Gandhi on 14 July. The Prime Minister may wish to see the attached telegram from Sir David Goodall (New Delhi telno 845) about the issues which are likely to be on Mr Gandhi's mind.

Sir David Goodall has also suggested that the Prime Minister may wish to raise two particular projects. The first is the allocation, announced by Mr Patten in April, of £40 million of local costs aid over the next five years towards forestry projects and development of CFC substitutes in India. An ODA mission is currently examining a project to conserve the rain forests of the Western Ghats, an area of outstanding ecological importance in the southern state of Karnataka. The Indians have welcomed the initiative, but this has not so far been translated into concrete terms. The Prime Minister might draw attention to this as a real example of our willingness to help meet the environmental challenge in developing countries.

The second project is one in which the UK Airports Group (UKAG) led by International Aeradio Ltd (IAL) have been working with the National Airports Authority for four years on proposals to modernise, and improve safety at, Bombay and Delhi International airports. A final Cabinet decision is awaited. The UKAG proposals are good and are supported by concessional finance from the Aid and Trade Provision (ATP). The French are our rivals, and are expected to lobby Mr Gandhi in Paris.

If Mr Gandhi refers to difficulties over British Rail Engineering (BREL)'s bid to provide coaches and technology for a coach factory in the Punjab, the Prime Minister should raise no hopes of a solution. BREL seem very unlikely to accept the terms and price on offer.

I am sending copies of this letter to Colin Walters (Home Office), Brian Hawtin (MOD), Neil Thornton (DTI), Alex Allan (HMT) and Trevor Woolley (Cabinet Office).

Jan,
Steph

(J S Wall)
Private Secretary

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