



CHANCELLOR OF THE EXCHEQUER

FCS/79/138

Overseas Aid : Policy Review

1. You wrote to me on 9 July supporting a suggestion made by John Nott that we should set in hand a fundamental review of aid policy. Now that we have reached decisions on the size of the aid programme for 1980/81 I think it would be timely to commission a policy review on the lines you propose.

2. I propose, therefore:

- i. that a group of senior officials should be set up under Cabinet Office chairmanship with representation from both wings of the FCO, the Treasury, the Department of Trade, the Department of Industry, the Civil Service Department and the CPRS.
- ii. that their terms of reference should be:-
"To examine the policies governing the aid programme in relation to developmental, political and commercial objectives and to make recommendations"; and
- iii. that they should be asked to produce a report by the end of October.

3. Since we want the work to begin as soon as possible I will assume the agreement of my colleagues to this proposal if I do not hear to the contrary by 1 August, and would invite the Cabinet Office to make the necessary arrangements to set up the group with a view to starting work in the group at about the end of August. The intervening time could usefully be employed in the preparation of papers. I have it in mind that the FCO would put in an initial paper to start the proceedings. Other Departments might also wish to put in their ideas.

4. I am copying this minute to the Prime Minister, the Secretaries of State for Industry and Trade, the Lord President of the Council and Sir John Hunt.

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(CARRINGTON)

BGC to see O/A
HW
9/8
MAD 20/1/79

o-h



30 JUL 1959

