

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Douglas Hurd CBE MP
Secretary of State for Foreign Affairs
Foreign & Commonwealth Office
King Charles Street
London
SW1A 2AH

CID/4/4

23rd
April 1990

Dear Sir

FCO, DIPLOMATIC WING: POTENTIAL RESERVE CLAIMS

Thank you for your minute of ~~9~~ April. *Will request if required*

2 As you know from our Cabinet discussion, the 1990-91 public expenditure Reserve is already substantially accounted for, so we must all take as many steps as possible to live within existing expenditure provision. The costs of military training in Namibia, and the net costs of other unexpected requirements, together totalling some £7.5 million, represent after all less than 1 per cent of your total Diplomatic Wing programme. Quite apart from expenditure on Eastern Europe, I have already agreed to Reserve claims totalling £15.4 million for Colombia, the Caribbean Dependent Territories and Vietnamese Boat People expenditure. On the latter, my officials have asked yours to examine the possibility of re-phasing expenditure to keep the £5 million you mention within the existing planned total for Vietnamese Boat People expenditure in 1990-91.

3 I am grateful therefore for your undertaking to do all you can to keep expenditure within the existing plans for the year and to absorb any additional requirements.

4 I am copying this letter to the Prime Minister, David Waddington, Tom King, and Sir Robin Butler.

NORMAN LAMONT