



10 DOWNING STREET

Prime Minister

I understand that the Chancellor is likely to agree to this paper subject to:-

- (a) the level of expenditure on BAS for this year being discussed between the F./C.O. and Treasury
- (b) the F./C.O. making proper PESC provision next year.

2. Agree to paper, subject to views of other colleagues?

A. S. Loh ^{25.}/₆

I must talk to those who decide the allocation of research money - i.e. the Chairman of the Advisory Committee - of N.C.R.C