



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

FOREIGN AND COMMONWEALTH SECRETARY

Prime Minister.

To be aware.

ESPRIT

A.J.C. 10/2.

We talked on Tuesday evening about the German proposal for an "envelope" of about 600 mecu a year for R&D programmes. I told you that I agreed that this was helpful, and that I would be content for the UK to support the Germans, subject to clarification of the figures and a clear understanding with the Commission about the Council's conditions. In particular, we should need to be sure that there would be a cut-back in the level of commitments on the R&D programmes which were assigned a lower priority, and that payments in the later years would not exceed the agreed "envelope" level.

2. So far as ESPRIT is concerned, however, there still remains the outstanding question of the public expenditure handling of our contribution to the programme. It is unfortunate that Norman Tebbit's absence makes it impossible for us to get together, as you had suggested, to discuss this matter before Davignon's visit. But we would not in any case have been able to say anything substantive to Davignon before the E(A) discussion on 15 February. I hope it will be possible for us then to reach solutions both on the wider attribution issue and on the particular problem of ESPRIT. That should be in good time for the 28 February Research Council.

3. I am sending copies of this minute to the Prime Minister, the Secretary of State for Trade and Industry, Sir Robert Armstrong and Dr Nicholson.

N.L.

8 February 1984

EDUCATION : Amey
Nurse