



CONFIDENTIAL

Qz.03591

MR BARCLAY

--- We spoke about the Prime Minister's discussion with Mr Davignon about ESPRIT on 13 February. United Kingdom Ministers are being invited to take a decision at E(A) on 21st February about the funding of ESPRIT. It would be preferable that no Department should try to take as a hostage the last sentence of the seventh paragraph of the record which you sent to Roger Bone on 13 February. If you agree, therefore, I thought I should send the attached letter to Miss Lackey (DTI).

I should perhaps add that I have confirmed with the Commission that they expect the public intervention stock of skimmed milk powder to exceed 1 million tonnes and the public intervention stock and publicly aided stock of butter to exceed 1 million tonnes within about 6 weeks. The current stocks are approaching these levels and on 9 February were 970,642 tonnes of skimmed milk powder and 874,012 tonnes of butter (of which 765,101 tonnes were public intervention stock and 108,911 tonnes were the publicly aided stock).

D F WILLIAMSON

15 February 1984

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CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 7256

Qz.03590

15 February 1984

Miss M J Lackey CBE
Department of Trade and Industry
1 Victoria Street
London SW1

ESPRIT

In order to avoid any misunderstanding, I thought that I should clarify one point referred to in the record of the Prime Minister's meeting with Mr Davignon on 13 February. Some Departments have queried the reference to the budget problem in the last sentence of the seventh paragraph of Mr Barclay's letter of 13 February to Mr Bone. As I was present at the meeting and with Mr Barclay's agreement, I should make clear that the Prime Minister, stressing that there should be more attention to priorities in Community research and development programmes, said that she would certainly need to be satisfied that the finance would be available for ESPRIT and that the budget situation was very relevant to the funding of the proposed programme. In short, the United Kingdom had to be satisfied on the financing of ESPRIT. Subject to this, however, the Prime Minister did not rule out a decision on ESPRIT before the whole post-Stuttgart package on the financing of the Community had been decided and put into place.

I am sending copies to Brian Unwin (Treasury), Sir Crispin Tickell and David Hannay (FCO) and to the recipients of David Barclay's letter of 13 February.

D F WILLIAMSON

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TMP

10 DOWNING STREET

From the Private Secretary

MR. WILLIAMSON
CABINET OFFICE

Thank you for your minute of today's date enclosing a draft letter to Miss Lackey in the Department of Trade and Industry about the Prime Minister's comments on ESPRIT.

I am entirely content for you to write as you propose.

MR. D. BARCLAY

15 February 1984

MR



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15/2

CABINET OFFICE

Mr Barclay

With the compliments of

D F Williamson

15 February 1984

70 Whitehall, London SW1A 2AS
Telephone 01 233

CONFIDENTIAL

Mr Barclay



CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 7256

Qz.03590

15 February 1984

Miss M J Lackey CBE
Department of Trade and Industry
1 Victoria Street
London SW1

Dear Miss

ESPRIT

In order to avoid any misunderstanding, I thought that I should clarify one point referred to in the record of the Prime Minister's meeting with Mr Davignon on 13 February. Some Departments have queried the reference to the budget problem in the last sentence of the seventh paragraph of Mr Barclay's letter of 13 February to Mr Bone. As I was present at the meeting and with Mr Barclay's agreement, I should make clear that the Prime Minister, stressing that there should be more attention to priorities in Community research and development programmes, said that she would certainly need to be satisfied that the finance would be available for ESPRIT and that the budget situation was very relevant to the funding of the proposed programme. In short, the United Kingdom had to be satisfied on the financing of ESPRIT. Subject to this, however, the Prime Minister did not rule out a decision on ESPRIT before the whole post-Stuttgart package on the financing of the Community had been decided and put into place.

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Yours sincerely,

David Williamson

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JAN
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