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Treasury Chambers, Parliament Street, SW1P 3AG

Stephen Wall Esq LVO
Private Secretary
Foreign & Commonwealth Office
London
SW1H 9NL

*CDP
13/8*

10 August 1990

Dear Stephen,

*at flap
p 11*

POLITICAL AID

Charles Powell copied to John Gieve his letter of 23 July summarising the Prime Minister's views on your letter of 14 June about the possibility of establishing an organisation to give aid to political parties and other activities abroad.

2 The Prime Minister would be content for discussions to proceed with the Treasury on the basis which Charles indicated. The Chief Secretary thinks it important that these discussions take place before a paper is circulated to other parties in the House of Commons.

3 A number of issues remain to be resolved including the question of Vote provision. The Chief Secretary believes that the Diplomatic Wing Vote (as distinct from the Aid Vote) is the appropriate vehicle for funding this initiative. He notes that some of the activities which might be supported by a political aid Trust or independent Fund might be similar to those supported by the Know-How Fund for Eastern Europe. He also considers that the cost (at the reduced level suggested by the Prime Minister) should be found from within the existing Diplomatic Wing PES provision.

4 The Chief Secretary would be happy to meet Mr Hurd or Mr Waldegrave in the Autumn to discuss these and other points.

5 I am copying this letter to Charles Powell, who may wish to attend such a meeting.

*Yours sincerely,
Jeremy Heywood*

JEREMY HEYWOOD
Private Secretary

For Mr. East/West
Rel. No 91

