

bc cp 52



10 DOWNING STREET

*From the Private Secretary*

10 January 1984

IDA 7

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute of 9 January and the Chancellor of the Exchequer's minute of the same date.

As regards Sir Geoffrey Howe's suggestion that there should be a meeting to discuss this matter, the Prime Minister has said that she will have a word with him and Mr. Lawson in the margins of Cabinet this week. I believe that Mr. Tebbit will be in India at that time but the Prime Minister feels that a decision cannot be delayed in view of the fact that the Deputies' meeting takes place in Washington on 11 and 12 January.

I am copying this letter to John Kerr (HM Treasury) and Barnaby Shaw (Department of Employment).

A L DOLBY

Roger Bone, Esq.,  
Foreign and Commonwealth Office.





PM/84/6

PRIME MINISTER

Prime Minister.

①

I believe that the Chancellor will be minuting tonight to say that on financial grounds he has no objection to the Foreign Secretary's proposal.

The meeting of potential contributors to a supplementary fund begins tomorrow and continues for the rest of the week.

Agree to a brief discussion with Foreign Secretary and Chancellor (Mr. Tabbitt is in India) in the

Yes not IDA 7 margins of Cabinet this week?  
A.S.C. 9<sup>0</sup>/<sub>1</sub>

1. I have seen John Coles's letter of 5 January recording your views on my proposal that we should agree to contribute to a supplementary fund.

2. The course I recommend offers the prospect of political gain, not least among the countries of the developing Commonwealth, at no greater cost to ourselves than the figure which we had in any case agreed as our contribution to IDA 7. If, on the other hand, we fail to support a supplementary fund, we must expect some political damage.

3. I agree that we are not bound by what we said at CHOGM to support a supplementary fund. But the fact that we were prepared to commit ourselves in the CHOGM communique to play a positive role in the efforts to keep IDA going at a satisfactory level will have created expectations in the developing world that we would be active in supporting the supplementary fund proposal, as the only practical way of lifting IDA 7 above the \$9 billion level which is generally regarded outside the US as being inadequate.

/4. This





4. This is an important issue, and I would welcome the opportunity to have a word with you, together with Nigel Lawson and Norman Tebbit, on my return from the Middle East.

6. I am copying this minute to Nigel Lawson and Norman Tebbit.

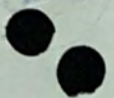
A handwritten signature in blue ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office  
9 January 1984



29 JAN 1984





RESTRICTED



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

FOREIGN AND COMMONWEALTH SECRETARY

IDA 7

You wrote to me on 4 January about the proposed IDA supplementary fund.

2. From a financial point of view I would have no objection to your proposal to contribute to the supplementary fund, since the cost is within the limits previously agreed between us. The issues are essentially political, and there is also the question of priorities within our aid programme, on which the Prime Minister's views were recorded in her Private Secretary's letter of 5 January. I would only add that, whether or not the supplementary fund is pursued, we should, in my view, continue to press the Americans to improve their offer.

3. I am copying this minute to the Prime Minister and to the Secretary of State for Trade and Industry.

A handwritten signature in black ink, appearing to be 'N.L.' with a flourish.

N.L.

9 January 1984

RESTRICTED



OVERSEAS AND: Policy Pt 4

