

PRIME MINISTER

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The ITC has now adjourned until Monday.

Community and Nordic countries seem reasonably content with an ITC contribution of £115 million, and they have accepted that this should go along with a contribution of £50 million from the United Kingdom.

Further progress now depends on Malaysia, Indonesia and Thailand. If they agree, Japan is expected to fall into line.

The banks and brokers were most concerned earlier about the position of the European Community countries. Now that they seem to have accepted a contribution of £115 million, it is apparently likely that the banks and brokers would be content to extend Wednesday's deadline in order to try to gain an agreement with the remaining countries.

It is hard to know whether to be pleased or sorry about this progress, but it certainly vindicates your decision on Wednesday not to increase the UK contribution.

DKW

David Norgrove

28 February 1986