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

9 July, 1979

*M. Lander*

*A. A.  
BM  
11/7*

*Dear Peter*

*R  
10/7*

OVERSEAS AID: POLICY REVIEW

There was, I understand, some discussion at the meeting of E(EA) Committee on 19th June about the need for a review of overseas aid policy - a subject on which we have had several airborne and chairborne exchanges of view!

I very much agree with the line which John Nott took at that meeting, that we should now set in hand a fundamental review of aid policy. Current UK overseas aid policy, naturally, owes much to the decisions of the previous government announced in their 1975 White Paper, More Help for the Poorest. We need to examine this whole area closely, and agree upon a policy for the reduced overseas aid programme which is consistent with, and so far as possible supportive of, our policies as a whole. What is needed, as I see it, is a wide-ranging review, designed to lead to decisions about the objectives of our overseas aid programme and the best means of achieving those objectives. It should deal with the political, economic and commercial purposes of our aid as well as with its developmental aims; and it should cover the geographical and sector distribution of our aid and its public service manpower implications, as well as the terms and conditions on which we give aid. It might also give us some guidance on the best way of providing for the numerous special claims which seem to arise during the course of a year.

The review would not, of course, be concerned with the size of the aid programme. That is a matter for decision in the public expenditure review on which we are now embarking. The aid review would have to take the decisions of the general expenditure review as its starting point. I have no doubt, however, that it could usefully begin its work immediately, in advance of the Cabinet's decisions on expenditure.

/This review

The Rt. Hon. The Lord Carrington, KCMG, MC

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This review would, to a considerable degree, overtake the work which is currently being done by the Aid and Trade Working Party. But I think, nevertheless, that there will be advantage in this Working Party carrying on with its work, which can be taken account of, or assimilated, in the wider review.

In my view there will be much advantage in the aid policy review being undertaken by a fairly wide group of Whitehall Departments - including the CSD and CPRS. I think the group should aim to produce its report by the end of the year, in time to influence the preparation of the 1980 Aid Framework.

I am sending copies of this letter to the Prime Minister, the Secretaries of State for Industry and Trade, the Lord President of the Council, Neil Marten and Sir John Hunt.

A handwritten signature in black ink, appearing to read "Geoffrey Howe".

(GEOFFREY HOWE)

10 JUL 1979

