



1. CEDP
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PRIME MINISTER

Leyland Buses: Bangkok

1. I have seen a copy of your Private Secretary's letter of 7 May recording the outcome of your discussion with Norman Tebbit and Peter Rees on this subject yesterday.
2. I share Peter Rees's concern that we should not break ranks on the OECD consensus. It is in our interest to support this and work to improve international discipline in the use of subsidised credit.
3. I accept too that we must do all we can to support UK firms as effectively as other governments. I am therefore ready to agree that we should be prepared to match the Belgian offer by finding up to £21 million from the Aid and Trade Provision. Our offer should be made in terms which do not leave us open to a charge of having broken the OECD consensus. I am, however, very doubtful whether significant amounts of aid should be made available to the Thais beyond that if they try to play OECD countries off against each other. For the moment we should certainly take the position with all the parties concerned that there should be no question of further aid.
4. I am copying this to Norman Tebbit and Peter Rees.

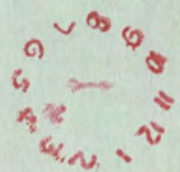
GEOFFREY HOWE

Foreign and Commonwealth Office

8 May, 1985

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