

cc PC

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CD

Treasury Chambers, Parliament Street, SW1P 3AG 14/4.
01-233 3000

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Ministry of Defence
Main Building
Whitehall
London SW1A 7HB

13 September 1984

John Major

FALKLAND ISLANDS: FUTURE CAPITAL WORKS

Thank you for copying to me your minute of 6 September to the Prime Minister. I have now seen her Private Secretary's reply.

I am content with what you propose but I should be grateful if my officials could be shown the terms of the proposed announcement in draft. I am concerned the announcement should make it clear that the cost of the Army works contract and the increase in the cost of the airfield contract will be found from within defence budget provisions and will not be an addition to planned public expenditure.

Copies of this letter go to the Prime Minister, to the other members of OD(FAF), to the Secretary of State for the Environment and to Sir Robert Armstrong.

Nigel Lawson

NIGEL LAWSON

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Argentina Defence Pt 14

