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PRIME MINISTER

FALKLAND ISLANDS - FURTHER CAPITAL WORKS

I have seen Michael Heseltine's minute to you of 6 September, proposing that the PSA be authorised to place contracts up to a maximum figure of £105m for the further capital works on the Islands. I support the recommendation.

2 I note, however, that there has been an upward revision of the total costs of these works, since we last looked at the subject in March, and I would hope that PSA will in future be able to maintain a strict control over the contractors' costs.

3 I am copying this minute to other members of OD(FAF), to the Secretary of State for Environment and to Sir Robert Armstrong.

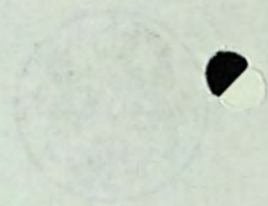
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