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## PRIME MINISTER

## OVERSEAS AND DEFENCE EXPENDITURE

I have seen Sir Robert Armstrong's minute of 4th December submitting the reports of the Official Group MISC 42, and suggesting how the various issues might be resolved which were left outstanding by officials.

- 2. If the Foreign and Commonwealth Secretary and the Chancellor are content I can agree to Sir Robert's proposals, on the understanding, which is acknowledged by officials, that my right to claim on the central contingency reserve for uncovenanted defence expenditure on evacuations or operational military assistance to Third World countries is not circumscribed in any way.
- 3. I am copying this minute to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and Sir Robert Armstrong.

F.

Ministry of Defence

23rd December 1980