

18th November, 1980

Many thanks for your letter of 13th November.

Of course, I understand the reasons which prompted you to write as you did.

Defence expenditure last year was 3% higher, in real terms, than in the previous year; although the % increase for this year is not yet certain, it will not be far short of that figure; in addition, as you will remember, we increased the cash limit on the Defence Budget this year.

The Government has given and will continue to give high priority to defence, but of course what we are able to do must depend upon the economic resources which are available.

The Rt. Hon. Sir John Eden, Bt., M.P.



7.
13/11

Dear Margaret,

I do not want in any way to add to your problems. As I think you know, I will support you through thick & thin in all your battles on local govt. & public sector spending as a whole — but NOT if it means turning back on our commitment to defence. We must not have a showdown with the Chiefs of Staff etc. That is the very last thing we should have with this Govt. which you lead so magnificently. Pick the other targets — not Defence.

Your ever
John (EDEN)