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*PM3 ADJ*  
*cc. PC.*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

25 October 1988

PUBLIC EXPENDITURE SURVEY: DEFENCE

The Prime Minister has seen the joint minute from the Chief Secretary and the Defence Secretary reporting the outcome of their discussions on the Public Expenditure Survey. She is glad that agreement has been reached.

The Prime Minister had a brief word about the outcome with the Defence Secretary this morning. She suggested that he should look at the possibility of purchasing additional stocks of ammunition, needed to strengthen the sustainability of operations in war, in the course of the current financial year. The Defence Secretary said that he would consider this and discuss it with the Chief Secretary.

I am copying this letter to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

C. D. POWELL

Miss Carys Evans,  
Chief Secretary's Office,  
H.M. Treasury.

*JS*