



MO 8/2/12

PRIME MINISTERDEFENCE ESTIMATES 1981/82

I have sent you today a minute describing the reductions I have made, or am contemplating, in order to reduce Defence Estimates to the budget agreed last month. I am particularly concerned by the political impact this may have but I see no way of avoiding it.

2. Apart from my own constituency, where Marshall of Cambridge will come in for severe difficulties, I see serious problems arising in such marginal constituencies as Dover and Stevenage. The shipbuilding areas will react very strongly to the inevitable redundancies and we can expect trouble in other areas too.

3. I wanted you to know directly of my awareness, and to have my personal assurance that every area of possible saving has come under examination. The options for saving money next year are narrow and what is being done to get Estimates down to target really has to be. I wish it could be otherwise.

Ministry of Defence

23rd December 1980