



10 DOWNING STREET

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From the Private Secretary

Prime Minister

Public Expenditure Cabinet

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The objective is, clearly, to have as brief
a discussion as possible about public expenditure
on Thursday. We certainly want no repetition of
last July's discussion.

The Chancellor is doing a lot of lobbying
next week with that aim in mind. The one
Minister he and the Chief Secretary can't
lobby is Mr Nott. There is still a potential
argument between the Treasury and MOD about
the interpretation of the NATO 3%. This is

PTO

worth £1 billion over the Survey.

Should we try to do something about this before Thursday? Is there any intermediary whose assistance we could seek?

MCS 9/7