

CONFIDENTIAL

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Chancellor of the Duchy of Lancaster

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16 December 1986

Jill Rutter  
Principal Private Secretary to  
the Chief Secretary to the  
Treasury  
Treasury Chambers  
Parliament Street  
LONDON  
SW1P 3AG

J BRN

Dear Jill,

1987 PUBLIC EXPENDITURE WHITE PAPER

with DRN?

Thank you for sending me a copy of your letter of 10 December to David Norgrove.

The Chancellor of the Duchy would suggest an addition to the first section of "main points". Following the third paragraph, a further section be added to read:

"In other areas, most notably defence, the level of provision shows a smaller increase, but follows several years in which substantial increases in provision have taken place. In these areas, and in all programmes, the search for efficiency will yield savings. These, although not reflected in the expenditure inputs, will lead to improvements in the level of service or output from the programme".

This will very slightly pre-empt the last paragraph in this section, but might usefully reinforce the theme, and respond directly to the renewed emphasis on the level of defence expenditure.

I am sending a copy of this letter to David Norgrove, to the private secretaries to other members of Cabinet and to Trevor Woolley.

Yours Sincerely,  
*Andrew Lansley*

ANDREW LANSLEY  
Private Secretary