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PART A

CHEVENING 1987

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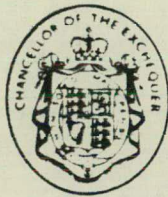
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PART A



X

*rup*

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign  
and Commonwealth Affairs

4 August 1986

*John Gifford*

It is very good of you to agree once again to make Chevening available in January for what has now become the traditional Treasury pre-Budget weekend meeting. I understand our offices have been in touch about timing, and have agreed on 10-11 January as a mutually convenient weekend.

My office will be in touch with yours later on about numbers and precise timing for our arrival on the Saturday morning and departure on the Sunday.

Once again many thanks.

*John*  
*Nigel Lawson*

NIGEL LAWSON



FROM: D M BAILLIE

DATE: 22 July 1985

(F)

287

*Indy*

cc PS/Financial Secretary  
PS/Minister of State  
PS/Economic Secretary  
Sir P Middleton  
Sir G Littler  
Sir T Burns  
Mr Bailey  
Mr Cassell  
Mr Cropper  
Mr Lord  
Mr Davies  
PS/IR  
PS/C&E  
*Ms Lomax.*

PS/CHIEF SECRETARY

### CHEVENING BUDGET WEEKEND 1986

After recent discussion between the Chancellor and Sir Geoffrey Howe, it has been decided that the informal weekend at Chevening will take place on Saturday 11 January and Sunday 12 January 1986. This is one weekend later than originally envisaged.

2. I would be grateful if you could pen these dates firmly in your diary.

3. Whilst on the subject of the Budget, I would appreciate it if ~~others~~ on the copy list, along with yourselves, could firmly place in your diary the regular Budget Overview Meetings for 1986. These meetings will commence on Tuesday 14 January, or Tuesday 21 January. They will take place right up until the Tuesday preceeding the 1986 Budget Day. The meetings will take place in the Chancellor's room here in the Treasury and will commence at 11.00 am. As was the practice this year, they will continue through lunch. Finally I would be grateful if copy addressees could let other officials who traditionally attend the Overview Meetings of the need to keep their diaries free on Tuesday morning.

*David Baillie*

D M BAILLIE



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292  
4A  
10

Ch

I gather it should  
be possible to fit  
Tom & Emily in  
at Chevening.

(and OK for  
tapestry room).

Good.  
Thanks.  
v.

AA

From: SIR PETER MIDDLETON

Date: 3 December 1986

CHANCELLOR

*Ch*  
*Can discuss @ Waterloo*  
*on Tuesday.*  
*I am pursuing whether*  
*there are any difficulties over*  
*Tom & Emily coming (I hope not)*  
*AA*

**CHEVENING**

I should like to announce the arrangements for Chevening before Christmas.

**Participants**

2. The meeting will start on the morning of Saturday 10 January and finish after lunch on 11 January. The core participants have reserved the dates in their diaries. But perhaps we could confirm that those invited are:

(a) **Ministers and Advisers**

- (1) Chancellor
- (2) Chief Secretary
- (3) Financial Secretary
- (4) Economic Secretary
- (5) Minister of State
- (6) Mr Cropper
- (7) Mr Ross Goobey.
- (8) *Mr Tyrie*

(b) **Senior Officials**

- (9) Sir Peter Middleton
- (10) Sir Geoffrey Littler
- (11) Sir Terence Burns
- (12) Mr Butler
- (13) Mr Cassell
- (14) Mr Scholar
- (15) Mr Battishill
- (16) Sir Angus Fraser
- (17) Mr Allan.

3. Wives should be invited, as usual. The charge would be between £25-30.

4. The main papers would be much the same as last year:

(a) Sir T Burns' paper on the policy background to the MTFs. This will cover the policy and broad issues of presentation.

(b) A paper on Tax Issues by Mr Cassell indicating the main arguments for each Budget starter. There will be annexes on:

(i) the impact of the Budget measures on the financial sector;

(ii) the effect of various tax options on the traps;

(iii) the employment background to the Budget;

(iv) the main representations from Ministers in other Departments;

(v) manpower/running cost impact of the main Budget starters.

(c) A paper by the Revenue summarising the state of play on the main tax options.

income

(d) A note by Customs giving a brief analysis of the main indirect tax options plus the usual ready reckoner.

All these papers will be ready before Christmas. FP will circulate a reading guide.

5. Just before the meeting there will be:

(e) a short preview of the forecast;

(f) a short note on presentational issues;

(g) a guide for the whole discussion from Mr Scholar.

6. The missing item from the agenda this year is the separate discussion of employment measures which has recently taken up the Sunday morning. So we need to decide whether to put in another item, or whether we start later on the Saturday. Possible additional items would be :

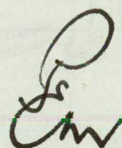
*Wanted* (a) the G5/OECD/IMF background to policy;

*Neither sound v attractive*

(b) pay and running costs.

I can see a case for both these. I am a bit worried about the way in which the objective indicators exercise is going. There is a huge OECD supply side exercise under way. And there would be a lot to be said for letting your colleagues into the background.

7. The running cost post mortem will have been completed so we could discuss that in the presence of two of the most difficult Departments - Revenue and C&E. Perhaps we could discuss this. We might need to add to the attendance depending on what we decide.



P E MIDDLETON

CHEVENING 1987

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*pur*

From: R B SAUNDERS

Date: 5 December 1986

PRINCIPAL PRIVATE SECRETARY

- cc PS/Chief Secretary
- PS/Financial Secretary
- PS/Economic Secretary
- PS/Minister of State
- Sir T Burns
- Mr F E R Butler
- Sir G Littler
- Mr Cassell
- Mr Scholar
- Mr Sedgwick
- Mr Culpin
- Mr Cropper
- Mr Ross Goobey
- Mr Tyrie

- Mr Battishill - IR
- Sir Angus Fraser - C&E

CHEVENING 1987

This note sets out the detailed arrangements for next month's meeting and formally commissions the papers - all of which, I think, have been set in train already one way or another. The meeting will start at 11 am on Saturday 10 January and finish after lunch on the Sunday.

2. The agenda will be as follows:

Saturday morning: Macro-economic policy and the MTFs

Saturday afternoon: Direct and indirect taxation

Sunday: International economic developments.

*May carry over into Sunday.*



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3. The paper for the Saturday morning session will be prepared by Sir T Burns and will cover the policy background to the MTFS, and broad issues of presentation. For the Saturday afternoon, Mr Cassell will prepare a paper on Tax Issues, covering the main arguments on each Budget starter. It will include annexes on the impact of the Budget measures on the financial sector; the distributional effects of various direct tax options; the employment background to the Budget; the main representations so far received from other Ministers; and the manpower/running cost impact of the main starters. In addition, there will be a paper by the Revenue summarising the state of play on the main income tax options, and one from Customs giving a brief analysis of the main indirect tax options, together with the usual ready reckoner. For the Sunday morning session, there will be a paper by Sir Geoffrey Littler which will survey world economic developments, and discuss G5 issues and the supply side work currently under way in the OECD.

4. All these papers should be circulated by close of play on Friday 19 December. FP will in addition be circulating a list of recommended reading for the Christmas holidays.

5. The following will be needed by close of play on Thursday 8 January:

- (a) a note by Mr Sedgwick giving a preview of the forecast;
- (b) a note by Mr Culpin on presentational issues;
- (c) an annotated agenda for the whole discussion by Mr Scholar.

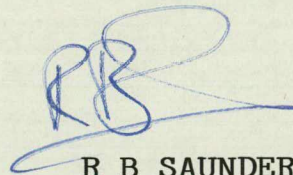
6. As to attendance, Ministers, Advisers and the following officials are invited for the whole time:

Sir Peter Middleton  
Sir Terence Burns  
Mr F E R Butler  
Sir Geoffrey Littler  
Mr Cassell  
Mr Scholar  
Mr Allan  
Mr Battishill.

**CONFIDENTIAL**

Sir Angus Fraser is invited for the Saturday session only. Perhaps he could let Miss Clarke know whether he will wish to stay for lunch and/or dinner. Wives are also invited, at a cost to be notified shortly, but which will be in the region of £25-30 for those staying overnight. Again could copy recipients please let Miss Clarke know if wives will be attending.

7. The existence of the meeting must not be disclosed.



**R B SAUNDERS**

Private Secretary