

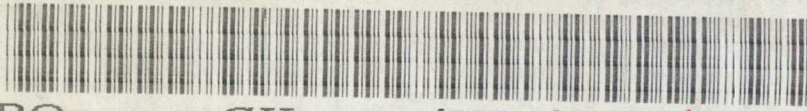
PO-CH/NL/0811

PART A

START 29-02-84
21.8.84

SECRET

(Circulate under cover and
notify REGISTRY of movement)



PO -CH /NL/0006
0811



PART A

1984 BUDGET LEAK

DDs 25 years NABIS 25/08/94

PO -CH /NL/0006
0811

PART A

PART A

PERSONAL AND CONFIDENTIAL



FROM: J O KERR

DATE: 29 February 1984

(Handwritten initials)

SIR PETER MIDDLETON

GUARDIAN LEAK

.. I attach the Private Office return, as requested.

(Handwritten signature)

J O KERR

BUDGET SPEECH

BUDGET SCORECARD

Chancellor's Office

Mr Kerr
 Mr Baillie
 Mr Lawrence *
 Mr Visconti *
 Miss Varaillon *
 Miss Day *
 Mrs Willis *

Mr Kerr
 Miss O'Mara
 Miss Simpson
 Mr Baillie
 Mr Lawrence *
 Mr Visconti *
 Miss Varaillon *
 Miss Day *

Chief Secretary's Office

Mr Gieve
 Miss Swift
 Mr Pegler
 Mr Lopez *
 Ms Jones *
 Miss Spencer *

Mr Gieve
 Miss Swift
 Mr Pegler
 Mr Lopez *
 Ms Jones *
 Miss Spencer *

Financial Secretary's Office

Mr Hudson
 Miss Bogan
 Mr De Souza *
 Miss Mankelow *
 Miss Melvin *
 Miss Harris *

Mr Hudson
 Miss Bogan
 Mr De Souza *
 Miss Mankelow *
 Miss Melvin *
 Miss Harris *

Economic Secretary's Office

Mr Ellis
 Mr Stubbington *
 Mr Normington *
 Mr Munday *
 Miss Goring *
 Miss Lunnon *

Mr Ellis
 Mr Stubbington *
 Mr Normington *
 Mr Munday *
 Miss Goring *
 Miss Lunnon *

Minister of State's Office

Mr Corcoran
 Miss McCambridge
 Mr Murray
 Miss Bullock
 Miss Dodd *

Mr Corcoran
 Miss McCambridge
 Mr Murray
 Miss Bullock
 Miss Dodd *

* indicates staff had access but did not in fact read papers.

All Private Offices can account for their copies of the two sets of documents.

BUDGET SPEECH

BUDGET SCORECARD

Special Advisers

Mr Ridley
Miss Newman
Mrs Osborn

Mr Ridley
Miss Newman
Mrs Osborn

Mr Lord
Mrs Clark
Mrs Rees
Mrs Hollyer
Mrs Bateman

Mr Lord
Mrs Clark
Mrs Rees
Mrs Hollyer
Mrs Bateman

Mr Portillo
Ms Smith

Mr Portillo
Ms Smith

All Special Advisers can account for the two sets of papers.

Neither Mr Lord nor Mr Portillo has had recent contact with the Guardian.

X
Mr and Mrs Ridley dined with Mr McRae on Tuesday 28 March.

Whitelaw hints that deadline will be extended
FO claims 88pc 'success' rate at Cheltenham

By Richard Norton-Taylor and Dennis Johnson
The Foreign Office said yesterday that from now on any presence at the Government's legal advisers...

Rival in cheap US air fares market

By Michael Smith, Industrial Editor
A new cut-price fares war on flights between London and New York broke out yesterday when the records entrepreneur, Richard Branson, launched a new low-fare airline and British Caledonian responded with a £50 one-way ticket...

'Drop it' plea to Government on electricity rise

By Rod Chapman, Energy Correspondent
The Government was urged yesterday to drop next month's 3 per cent rise in domestic electricity prices...

Lawson plans tax shake-up for budget

By Hamish McRae and Victor Keegan
The Government's tax of income from banks and building societies is to be increased in the budget on March 13 but it is expected to be offset by a cut in the VAT on take-away food...

Trudeau resigns to give Liberals a chance

From Clyde Sanger in Ottawa
Mr Pierre Trudeau, Canada's Prime Minister, will announce his resignation on Monday, Mr Trudeau said yesterday...

TUC pledges action on union ban

Continued from page one
The TUC General Council last night decided to suspend its membership of the National Economic Development Council...

Tighter control over Ulster arms urged

From David Beroford
The prompt and detailed responses made in relation to a shooting incident early last month have not given sufficient weight to the hands of the security forces...

300 die in Kenya rampage

From Rick Wells in Nairobi
A five-day rampage by members of the Kenyan army in the north-eastern Kenya resulted in the massacre of more than 300 people...

600 fans in hospital after England game

From Paul Johnson in Paris
Just before half-time there was more fighting, and again English fans appeared to start it. French supporters were in hospital last night after the match...

15 fans in hospital after England game

From Paul Johnson in Paris
Just before half-time there was more fighting, and again English fans appeared to start it. French supporters were in hospital last night after the match...

Hart's New Hampshire win throws open race

Continued from page one
Senator Hart was careful not to regard himself as the party's front-runner, who has taken notice of his party rivals and had concentrated on attacking President Reagan...

Rescue operation under way to save Charlton

By Charles Burgess
The future of Charlton Athletic, the Second Division football club in the hands of the liquidator, hung in the balance last night...

Shake-up 'Split' on defence

Continued from page one
The Labour defence spokesman in the Lords, Lord Mulley, said he had brought down the current review of investment...

Reagan proposals

THE REAGAN Administration will put forward new proposals when the Secretary in the White House talks on conventional force reductions...

Electricity 'tax'

A COMMITTEE of MPs accused the Government yesterday of using next month's 2 per cent domestic electricity price rise as a means of taxation...

CROSSWORD SOLUTION 16,864
1 Author, priest or French paragon (6)
2 Jolly types would make a break for it (4,4)
3 This worship - given sonance, paradoxically, by Handel (6)
4 The Dover-Calais run (10)
5 Inhabitable source (10)
6 The destroyer with a historical Welshian aboard (8)
7 Row with English police over ball (6)
8 Rotten taking a turn in my foreign Blackfoot (4,4)
9 The right for Blackfoot's sense (6,5)
10 Perhaps training fast horse tips the winner (5,4)
11 To put putting point into make-up (8)
12 Model car races having a tie in interest (8)
13 Winter wear to pull over the eyes (6)
14 Grant (11,4)
15 The solution tomorrow
16 Quick Crossword Solution No. 1,340
Adherent: 14 Mystic; 15 Barber; 18 Minister; 20 Frog; 22 Tyrwald; 23 Band; 24 Roy-figure; 25 Down: 2 Innards; 3 Rock; 4 Malady; 5 Rifleman; 6 Halve; 7 Light Brigade; 8 Spymonster; 13 Tiptail; 16 Barrage; 17 Deaden; 19 Snip; 21 Obey.

THE WEATHER
AROUND THE WORLD
AROUND BRITAIN
LONDON-TIME REPORTS
LONDON READINGS

NEWS IN BRIEF
Atlantic fares war
A FARES war on flights to the UK erupted yesterday between British Caledonian and a new airline launched by Virgin Atlantic...

Market moves
POUND down 0.0035 to 1.9188; Dow Jones down 2.51 to 1,154.83. Markets, page 19.

INSIDE
Arts reviews 10, 11
Business and finance 17, 19
Classified advertising 21, 23
Crosswords 27, 28
Futures 20
Guardian Women 2, 3
Home news 24, 28
Letters 24
Matters 24
Overseas news 26, 27
Personal 26
Sports news 6, 7
TV & RADIO 26
ENTERTAINMENT 27
PERSONAL 26
The weather
OUTBREAKS of rain. Details, back page.

SNOW REPORTS
The snow report for the 24th March 1984. Snow cover in the UK, Ireland and the Channel Islands. Snow cover in the UK, Ireland and the Channel Islands.

SNOW REPORTS
The snow report for the 24th March 1984. Snow cover in the UK, Ireland and the Channel Islands. Snow cover in the UK, Ireland and the Channel Islands.

THE GUARDIAN
25, Abchurch Lane, London EC4A 3DF
Telephone: 01-278-2332
Telex: 8811746 (Guardian)
In Manchester:
25, Abchurch Lane, London EC4A 3DF
Telephone: 01-278-2332
Telex: 8811746 (Guardian)

Ex-Star editor loses libel action against the BBC
By Ian Black
Twelve days of legal wrangling over multiple counts, multiple video screenings and Fleet Street's "last night" when a High Court jury threw a libel action against the BBC brought to a close yesterday...

Newspaper
Enclosed



H M Treasury

Parliament Street London SW1P 3AG

Switchboard 01-233 3000

Direct Dialling 01-233

M D X Portillo
Special Adviser

1 March

John

1. I can account for all budget scorecards and both speech drafts.
2. Jo Smith is familiar with the budget.
3. I have had no contact with the Guardian for some months. I do not know Keegan or McGee.
4. No bright ideas.

Michael

B (84) 1049

BUDGET SECRET



FROM: APS/Minister of State

DATE: 1 March 1984

MISS O'MARA

BUDGET PAPERS

I set out below, as requested, a list of the people in this office who have access to the Budget speech and Budget scorecard papers:

Michael Corcoran, Private Secretary

Debbie McCambridge, Assistant Private Secretary

Paddy Murray, Clerk

Kathy Bullock, Clerk

Vivienne Dodd, Personal Secretary.

Of the staff in this office Miss Dodd is unlikely to have read any of the papers.

We can account for all Budget papers on these two topics.

Debbie McCambridge

MISS D C McCAMBRIDGE

BUDGET SECRET

BUDGET SECRET

From: J WILLIAMS

Date: 5 March 1984

MR GILMORE

cc Mr Kerr
Mr Battishill
Mr Monger
Mr Hall
Mr Folger

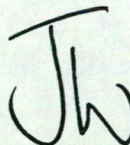
F (Budget presentation)

GUARDIAN LEAK: 1 MARCH

Sir Peter Middleton mentioned to you this morning the need for a briefing line on Budget Day on the 1 March Guardian leak. Sir Peter Middleton has also discussed this need with Mr Battishill and Mr Folger and it has been agreed that the points the brief should cover include, inter alia:

- (i) The action taken to trace the source.
- (ii) Government responsibility for the resulting losses/gains on the stock market.
- (iii) Whether consideration was given to announcing relevant bits of the Budget earlier so as to remove damaging uncertainty.

2. Sir Peter Middleton would be grateful if you, in conjunction with Mr Monger, would prepare a suitable brief to be submitted to Mr Folger by Friday 9 March.



J WILLIAMS

Personal & Confidential



H M Treasury

Parliament Street London SW1P 3AG

Switchboard 01-233 3000

Direct Dialling 01-233

A N Ridley
Special Adviser

M^r Kerr.

Our conversation this a.m.

(1) Budget Documents.

The checking process is still not complete. I will report when it is. We are not aware of any gaps.

2. People who saw Budget Speech & Document.

No one has done so in my Office, other than my secretary & cleared assistant.

3. People who have seen ^{budget} other papers.

No one has been to our Office to see or borrow such papers in any way which calls for comment. As far as we can tell nothing we have despatched has gone

away or to recipients other than those
marked on the paper in question.

(4) Contacts with Gardner.

None other than my (a Biddy's) dinner
with H. McLoone on Monday 27 March, Tuesday
28 March.

(5) Any ideas? None.

M. 1/3/87

D(84) 1050



John Kew

1, Contacts with Gresham: none since last autumn (Chris Huhne).

2, Papers: I think all present

3, Secretaries (Successively):

Maria Clark

Amanda Rees

Eileen Hollister

Gillian Bateman

4, Ideas: only that the leak either took place Tues. a.m. before 11.00 or that the leaker was not present ^{on the} fringes of the ^{overview} meeting.

RL

Rodney Lora

1 iii 84

BUDGET SECRET

B (84) 1048

MR BATTISHILL

cc Mr Kerr 
Mr J Williams
Mr Monger
Mr Hall
A/27



1 MARCH GUARDIAN LEAK

This is a note to record the obvious point that, however this is being followed up as a matter of substance, we shall need a briefing line for use as necessary on Budget Day and afterwards. It will then be clear to everyone that the Guardian did get hold of very firm information.

2. Points to cover would include:

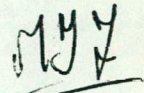
action taken to trace source

government responsibility for resulting losses/gains on stock market

why not announce relevant bits of Budget earlier so as to remove damaging uncertainty.

3. In view of the sensitivity it may be that we will not want to circulate such a brief as part of the overall briefing package but to give it a narrower circulation for use if pressed.

4. This point may already be on board to be handled in some other way (eg via a Ministerial statement) is so please excuse my intervention.


M T FOLGER



(17)

Miss O' Mara

BUDGET DOCUMENTS

As I told you, we are carrying out a comprehensive check to ensure that we have all the Budget papers we should. I confirm now that we have our copies of the two drafts of the speech and the six scorecards (i.e. the additions to numbers 1 & 4).

Everyone in this office could have seen these documents. Tina Spencer, the typist, does not recall having seen any of them. Since we have not missed out on any of them there is no reason why she should have done.

Kaye Jones looked them in and passed them through to this office. She does not recall reading any of them.

Frank Lopez makes up folders of files for the Budget overview meetings and keeps the files so he too must have seen the papers. Again he does not think he has read any of them.

Bobbie, the messenger, carries the papers in our out-tray into the clerks' room so she might have seen them - but they normally

skj in ~~category~~ folders. I have no reason to think she has looked at them.

Jane Swift was here until 17 February so she saw all the papers excepting the 6th version & the second draft of the speech. She probably skimmed the ones she saw.

Paul Peyles has been here since 20 February full time and was here part time the week before. He has read the 6th version & the second draft speech & probably saw the 5th version & the first draft speech.

I have seen all the documents & read (most of) them.

So much for the office. It is always possible that someone else came in and saw one of the documents in someone's desk. As I have said they are generally kept in folders and we do try to ensure that people working for meetings do not see confidential papers. However ~~there~~ they may sit on the clerks' desks awaiting filing for a day or two. I doubt whether it would be possible for anyone to read - let alone photocopy - one of these documents without being found outside this office advised.

J. G. Greig

FINANCIAL SECRETARY'S OFFICE.

1. <u>BUDGET SPEECH.</u>	STAFF WHO HANDLED PAPERS	STAFF WHO HAD ACCESS BUT DID NOT EVER HANDLE.	ADDITIONS BY TYPIST? YES/NO
1st draft -	A.P.H F.P.B.	G.P.D C.H.M P.D.M S.L.H	NO
2nd draft -	A.P.H	G.P.D. C.H.M P.D.M S.L.Harris Muri	NO

2. BUDGET SCORECARDS

A.P.H	G.P.D	NO
F.P.B	C.H.M	
	P.D.M	
	S.L.H.	

WOM

- ① EST
- ② A Ellis ✓
- ③ T Stobberger +
- ④ T Moninger +
- ⑤ A Munday +
- ⑥ Mrs D Grimes +
- ⑦ Miss J Luman - replacement typist on 29/2.

AZ

1/3

CONDIMENTOL



PWT

Permanent Secretary
H M TREASURY

C. Any steel?
(I agree with PWT)

Mr Ken,

This is a preliminary note on the options. You might ask the Chancellor to cast his eye over it. My present inclination is to go for (b) the Police enquiry. A Tribunal would go too wide and a normal leak enquiry would be insufficient.

I will provide more considered advice on Thursday

Em
43

B(81) 1047

BUDGET - SECRET

COPY NO 1 OF 4 COPIES
FROM: B T GILMORE
6 March 1984
cc Mr Battishill
Mr Chambers

SIR PETER MIDDLETON

'GUARDIAN' ARTICLE 1 MARCH

I attach a first paper on possible ways of investigating this prima facie budget leak (apart from the standard leak procedure which is already being applied within the restraints that we cannot allow an investigation to be seen to be under way).

2. May I consider with you -

yes ✓

(a) whether this approach is right so far, or am I overlooking something?

yes ✓

(b) whether I may now discuss a possible police inquiry with Mr Hosker of the Treasury Solicitor's Office?

None

(c) what further action if any with Revenue, Customs and No 10? + Bank.

In hand

(d) when do we have to settle what is said in the Budget speech itself?

3. Mr Chambers and I are seeing Mr Payne and Mr Dermot (investigators) first thing tomorrow. Subject to your views I propose to give them our analysis to date and a room to work from; invite them to conduct a preliminary investigation, going as far as is possible without spreading knowledge of the fact of a leak; and to ask for their preliminary advice by close of play Thursday 8 March on the considerations bearing on further investigations after the Budget.

Agreed.



B T GILMORE

BUDGET - SECRET

LEAK: "GUARDIAN" 1 MARCH

Objectives

1. To find and deal with the source or sources.
2. To establish what happened so as to minimise the possibility of repetition.
- ? } 3. To restore confidence in the Budget process.

Options

One or more of -

- ~~useless~~ (a) Standard leak procedure - by government investigator - Annex A.
 - ✓ (b) Police inquiry - needs advice of Treasury Solicitor/Law Officers
 - (c) More formal external inquiry - by Royal Commission or Committee of Privy Counsellors, or by Tribunal Under 1921 Act.
 - (d) Parliamentary - by a Select Committee.
 - (e) Ad hoc - by an independent individual eg Lord Diamond or Lord Richardson.
- Best avoided but may be unavoidable*

Precedents

A Sunday Times article on 8 March 1981, two days before the Budget, was thought at the time to have been based on a leak. It was pursued by the standard leak procedure (like leaks of similar information the previous autumn), without success.

In 1969 Sir G Nabarro alleged that the Chancellor was responsible for a leak of a change in VED. A Select Committee at the House of Commons concluded that there was no substance in the allegations.

The most notable previous cases were:

- (a) in 1957, allegations of a leak of a proposed change in the bank rate were investigated by a Tribunal of Inquiry under the 1921 Act, which found no substance in the allegations.

well: an official (not in HMT) had talked loosely to Frank Gaitshell

- (b) in 1947 Mr Dalton as Chancellor told a Lobby correspondent of his main tax changes on the way into the House of Commons to deliver the speech, and resigned when it became clear that a few newspapers carried this before it was publicly announced. There was an inquiry by a Select

Committee.

(c) in 1936 the Colonial Secretary, Mr J H Thomas told two friends of proposed Budget changes, which led to his resignation. There was a Tribunal of Inquiry.

Considerations

The choice of method of inquiry will depend on -

(a) how widely the investigators need to go: it will not be easy, for instance, for Cabinet Office investigators alone (or an individual ad hoc) to pursue effectively the question whether any private gain was involved;

(b) what powers are needed (whether, for instance, it is desired to require the journalists on oath to reveal their source);

[(c) how serious is the need to restore confidence in the Budget process.]

(d) whether prosecution is to follow.

Yes.

Action

The standard leak procedure is already being mounted - subject to the major constraints of the need to preserve secrecy about there being thought to be a leak at all.

Annex B lists pros and cons of more formal means of inquiry. It is not apparent that any of these would be right. It was a Committee of Privy Councillors who considered the Falklands question. It was a Tribunal of Inquiry under the 1921 Act which considered the Crown Agents questions, but that is exceptionally expensive and slow, and gives immunity; it was set up only after and in the light of previous investigations. A parliamentary inquiry is for parliament, but the Salmon Royal Commission on Tribunals of Inquiry ruled out Select committees as a method of investigating allegations of public misconduct.

There is more to be said for the senior, independent individual, but he would probably not be able to go wide enough outside government.

✓ The considerations point to instituting a police inquiry once the content of the Budget is public. The leak seems sufficiently serious for that, and

✓ the police will better be able to pursue questions about what individuals may have done to profit from their knowledge. I understand that in recent police inquiries the police have wished to start their investigations from scratch rather than rely on any previous investigations. In that case, we need to consult Treasury Solicitor to consider -

- ✓
- (a) to what suspected crimes are the police's attention to be directed;
 - (b) which police force is to be approached, at what stage, and in what terms?

18.9 When a loss occurs the Investigating Officer's first task is to:

- a. to find out exactly what happened;
- b. to assess the degree of compromise and minimise the damage done;
- c. to prevent a recurrence.

18.10 The Investigating Officer's first task, therefore, will be to ascertain, in consultation with the appropriate branch, the basic facts of the loss, and then determine the reasons for the loss and assess its seriousness.

18.11 If the loss was due to carelessness the Investigating Officer will not normally need to call upon outside assistance. He should however take into account the guidance contained in paragraphs 18.4-18.6.

18.12 If the Investigating Officer, by virtue of his enquiries, considers that espionage or subversion is or may be involved, he should immediately report the facts to the Security Service, who will determine whether or not there is a prima facie case for suspecting espionage or subversion. The Security Service will investigate if in its opinion there is such a case.

18.13 However, there may be rare occasions when the Investigating Officer suspects, in circumstances not covered by paragraphs 18.4-18.6 or 18.12 that a criminal offence may have been committed (eg where a break-in has occurred) and decides that police assistance is needed. On such occasions, in the Metropolitan district, police assistance should be sought through the Deputy Assistant Commissioner Special Branch, New Scotland Yard; elsewhere through the Chief Constable. The Security Service should also be informed.

18.14 If the help of the Security Service or police is necessary, it should be sought as early as possible.

18.15 If at any point during the investigation it becomes apparent that the loss has resulted in an **actual** compromise of material, the Investigating Officer should inform the senior official (see paragraph 18.8). The action to be taken in the event of a compromise is set out in paragraphs 18.32-18.34.

LEAKS

18.16 Leaks usually take the form of reports in a newspaper or in other media which appear to involve the unauthorised disclosure of classified information, or sensitive, unclassified information which may be protected by a privacy marking such as "Commercial in Confidence". Such disclosure will have been made either by word of mouth, whether deliberately or carelessly, or following the unauthorised sight or passage of a document. First news of a leak may come direct from a journalist, either because he is attempting to verify the information he has received or because he wishes the Department to know that he has gained access to classified information. In the rare cases where this occurs before publication has taken place, it may be possible to seek an injunction to prevent publication in breach of Crown copyright and/or in breach of confidence (see paragraph 18.33 below).

18.17 Any apparent leak which comes to notice should be reported promptly to the Permanent Secretary of the Department who should arrange for the Departmental Security Officer to make immediate preliminary enquiries. The object of these enquiries should be to determine in consultation with the branch responsible for the subject matter and the Departmental Press Officer, whether there is firm evidence of a leak. It should be borne in mind that what looks like a leak may be no more than intelligent deduction or speculation or an unfounded claim by a journalist that the article he has written is based on unauthorised disclosure.

18.18 Several factors will contribute to the decision to mount a leak investigation, including the intrinsic importance of the information leaked, how widely it was circulated and the resources available for investigation. The Permanent Secretary of the Department concerned will be responsible, in consultation with the Chairman of the Official Committee on Security, for deciding whether an investigation should take place.

18.19 In general there is likely to be advantage in pursuing an investigation in those cases where:

- a. the consequences of the leak (including political consequences) are serious;
- b. a specific document can be identified from the contents of the leak;
- c. the authorised circulation of the leaked document was small;
- d. it has been possible to take the decision to investigate promptly.

18.20 In all cases Permanent Secretaries will wish to exercise their discretion. There may be instances where all the criteria above are satisfied but where an investigation would not be justified and, equally, where the investigation of an apparently 'oral' leak would be worthwhile. There are 2 risks attached to frequent investigations into leaks which do not satisfy the criteria in paragraph 18.19: first, they might devalue investigations generally and result in their being taken less seriously by staff; second, they might encourage individuals in the belief that they can disclose classified information with impunity.

Leaks Involving More than one Department

18.21 If the leaked information was available within more than one Department enquiries should be made as quickly as possible in all the Departments concerned. The responsibility for initiating these procedures lies with the Department primarily concerned, that is, the Department whose information has been leaked.

18.22 The initiating Department should consult the other Departments concerned, at Permanent Secretary level, about the leak. If it is not clear that the leak has occurred in the initiating Department, each Permanent Secretary should be invited to instruct his Departmental Security Officer to conduct prompt but discreet enquiries to see if it can be quickly established from which Department the information was leaked. If this can be done, responsibility for investigating the leak will pass to the appropriate Permanent Secretary. If it cannot be established, the initiating Department will retain the responsibility for the investigation until the source of the leak has been established.

18.23 Any leak involving Sigint information must be investigated in accordance with the procedures laid down in Chapter X of "Instructions and Regulations concerning the Security of Signal Intelligence" (IRSIG).

The Leak Procedure

NS 18.24 When the preliminary enquiries (see paragraph 18.17) indicate that there has been a leak the Permanent Secretary of the initiating Department (or of the Department primarily concerned if this has been established) should inform the Chairman of the Official Committee on Security, with copies to the Private Secretary to the Prime Minister, the Director General of the Security Service, and the Legal Secretary to the Law Officers' Department (or, for Scotland, the Crown Agent) giving the result of the preliminary investigation and his conclusion about the likely damage caused. He should recommend whether or not circumstances warrant a full investigation. When an investigation is recommended, the Departmental Security Officer should, in consultation with his Permanent Secretary, take any reasonable steps likely to assist the investigation, in order to minimise delay.

18.25. The Legal Secretary to the Law Officers' Department (or the Crown Agent) should inform the Chairman of the Official Committee on Security whether the Attorney General (or the Lord Advocate) is satisfied that it would not at that stage be appropriate to institute an investigation by the Security Service or the police.

18.26 If the Chairman of the Official Committee on Security agrees that there should be no investigation, the Department concerned should submit, either at Permanent Secretary level to the Chairman of the Official Committee on Security or at a lower level to the Management and Personnel Office Secretary to the Official Committee, a report of the circumstances of the leak, any preliminary or other investigation which has taken place and the conclusions and lessons which can be drawn, together with any background information which is likely to be of use to the Central Panel of Investigators in future investigations. The Central Panel is described in paragraph 18.32.

CONFIDENTIAL

18.27 If the Chairman of the Official Committee agrees that an investigation should take place, the Management and Personnel Office will recommend that an investigator from the Central Panel of Investigators takes charge of the investigation. He will be directly responsible to the Permanent Secretary concerned but he should work closely with the Departmental Security Officer and his staff. If, exceptionally, and with the agreement of the Chairman of the Official Committee on Security, an investigator who is not a member of the Panel is invited to take charge, the Panel will remain available to assist or advise as required.

18.28 If, during an investigation, it becomes necessary to interview Ministers, the Permanent Secretary concerned is responsible for informing the Chairman of the Official Committee on Security, who will seek approval from the Private Secretary to the Prime Minister.

18.29 If at any stage in the investigation anything should emerge which might give rise to a reconsideration of the possibility of criminal proceedings or to the institution of civil proceedings, the Permanent Secretary should consult the Legal Secretary to the Law Officers, keeping the Chairman of the Official Committee on Security informed.

18.30 The investigator will report the outcome to the Permanent Secretary. The Permanent Secretary, after taking any necessary action, should submit the report, with details of any action taken, to the Chairman of the Official Committee on Security, with copies to the Director General of the Security Service and copies of the letter (but not the report) to the Private Secretary to the Prime Minister and to any other Permanent Secretaries involved. In addition he should arrange for any background information to be sent to the Management and Personnel Office for inclusion in its Central Records.

Central Records

18.31 Information about leaks and leak investigations is kept centrally in the Management and Personnel Office under the control of the Secretary to the Official Committee on Security. It is indexed and cross-referenced so as to facilitate the task of investigators. Access to this information, apart from those who maintain it, is restricted to the Chairman of the Official Committee on Security and to investigators. Information which has been submitted to the Management and Personnel Office in confidence is kept securely and will be made available to an investigator only if it proves necessary to do so for the purposes of an investigation on which he is engaged.

Central Panel of Investigators

18.32 The Central Panel of Investigators consists of those who have been selected to provide a wide range of background experience in both the Civil Service and criminal investigation and who have agreed to make themselves available, subject to their other commitments, to investigate leaks as and when they may be asked to do so. It consists mostly, though not exclusively, of retired public servants who have been recommended by their former employers for this work. Individual members will be selected ad hoc to deal with a particular investigation after discussion between the Management and Personnel Office and the Department in which the investigation is to take place. The views of that Department will be the prime consideration in selecting the individuals concerned. After discussion with the Department, the Management and Personnel Office will establish the availability of the investigator or investigators who have been selected as suitable, and will leave the Department concerned to get in touch and make the necessary arrangements. Terms and conditions of service are fixed by the Management and Personnel Office in consultation with the Treasury, but the Department conducting the investigation will be responsible for employing each investigator on a day-to-day contract-for-service basis. For investigations of the most serious leaks, which might involve interviews with very senior Officials or with Ministers, it might be agreed that a pair of investigators should work as a team. Membership of the Panel is subject to continuous scrutiny by the Management and Personnel Office in discussion with Departments and in the light of experience.

Possible Legal Action to Recover Documents or Discover Sources

18.33 If it should come to a Department's attention that one of the news media, which can be specifically identified, has possession of information arising from a leak, it may be possible to obtain an injunction to prevent publication in breach of Crown copyright (if the contents of a document are to be published) and/or breach of confidence. Action in such cases will need to be taken very swiftly, since no injunction is likely to be granted after publication; but, wherever possible, the Permanent Secretary of the Department concerned should consult the Chairman of the Official Committee on Security and, if it is decided to go ahead, the Management and Personnel Office will so instruct the Treasury Solicitor.

18.34 In theory it should be possible to recover documents (whether originals or copies) which have been sent by civil servants to a newspaper. For this to be a practical proposition, it would be necessary for the investigator to establish with reasonable certainty which document or documents have come into the possession of the newspaper, though not whether the documents are originals or merely copies; but any order for delivery up would be so worded as to extend to original documents and any copies in the newspaper's possession, whether or not these had been made by the newspaper. Among the factors which will need to be considered before this relief is sought are whether the documents contain sensitive information (lest it be said that resort has been had to legal proceedings to recover inconsequential documents) and whether recovery of the documents is likely to assist in ascertaining who was responsible for their disclosure; for example, there have been cases where forensic analysis of the documents which have been leaked has led to the identification of the culprit. In general, it should be recognised that it may become difficult to justify the frequent use of this procedure, with the attendant publicity which will almost inevitably be involved, unless the time, trouble and expense entailed can be shown to be matched by countervailing benefits. In cases where an investigator feels that recovery of the documents may prove essential to the success of the investigation, the Permanent Secretary of the Department concerned should consult the Chairman of the Official Committee. In some cases they may agree that Ministers should also be consulted. If it is decided to institute proceedings, the MPO will instruct the Treasury Solicitor.

18.35 In certain circumstances it might also be possible for the Crown to obtain an order against a newspaper that it should disclose the source of confidential information which has come into its hands. Such proceedings would not be taken except on the advice of Treasury Counsel and, where appropriate, the Law Officers; the agreement of the Permanent Secretary responsible for the investigation, after consultation with the Chairman of the Official Committee and any other Permanent Secretaries involved in the investigation, should be sought.

Breaches resulting from espionage or subversion

18.36 If the breach of security results from espionage or subversion, it is the responsibility of the Department in which the culprit was employed to ascertain what documents have been or are likely to have been compromised and to notify the originator - if another Department - who should in turn notify all other Departments which may be concerned. If the compromised information was received from an allied foreign government, the Department should consult the Foreign and Commonwealth Office about how to inform the country concerned.

Limiting damage caused by a compromise

18.37 It is the responsibility of the originator to decide what steps, if any, should be taken to limit the damage caused by the compromise. In assessing the degree of damage the originator should always consider whether the document was correctly classified.

Cryptographic Material

18.38 The procedures for reporting compromises or violations affecting the security of cryptographic material or information are contained in Chapter 14 paragraphs 14.10-14.12.

LESSONS

18.39 Each incident should be regarded not only as calling for investigation in itself but also as a means of drawing lessons for the future - as showing, for instance, where the security arrangements of the Department are defective, or as pointing to failure by an individual to observe them. The measures to be taken may consist of further restriction of access to classified papers, improved document control or physical security eg room, key or combination setting security. No incident should be allowed to pass without its lessons being brought home to the individual responsible. Minor cases can sometimes be dealt with by means of a word from the Security Officer. In more serious cases the Security Officer should report the facts to the Establishments Branch, who will recommend what disciplinary measures, if any, are called for.

PUBLICITY

18.40 Departments may find that they achieve an improvement in security standards if they compile and distribute to Heads of Divisions/Branches a periodic return (say, quarterly) analysing by types of offence the number of breaches which have occurred branch by branch within the period. The individuals responsible for the breaches should not be identified in these returns.

B.
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RHODESIAN SANCTIONS: FURTHER INQUIRY

BACKGROUND NOTE

ROYAL COMMISSION OF PRIVY COUNCILLARS^{SELLORS}

- Advantages:
- i. It could be undertaken quickly;
 - ii. Its hearings could be in private, leaving scope for prosecutions at a later stage;
 - iii. Cabinet papers could be produced to members as Privy Counsellors^{sellors};
 - iv. Its report could be published - or not - as the government wished.

- Disadvantages:
- i. It could not compel witnesses to give evidence;
 - ii. The public may consider such an inquiry to be inadequate for this purpose.

TRIBUNAL OF INQUIRY UNDER THE 1921 ACT

- Advantages:
- i. It would ensure judicial hearing in public;
 - ii. It could compel witnesses to give evidence;
 - iii. There would be immunity from subsequent prosecutions.

- Disadvantages:
- i. It would be slow and expensive;
 - ii. There would be a risk of adverse publicity for Ministers and civil servants.



SELECT COMMITTEE

- Disadvantages:
- i. It would be too 'political' and might divide on party lines;
 - ii. The Salmon Royal Commission on Tribunals of Inquiry ruled out Select Committees' as a method of investigating allegations of public misconduct;
 - iii. Producing Cabinet papers to a Select Committee would establish a significant and dangerous precedent.

FURTHER INQUIRY BY MR BINGHAM

Disadvantage - he might not be regarded as a "sufficiently weighty public figure to pass what would be a subjective and non legal judgement on the functioning of Government"

PERSONAL - BUDGET SECRET

B (81) 1046

FROM: J.G.LITTLER
DATE: 7 MARCH, 1984

SIR PETER MIDDLETON


cc Mr. Bailey
Sir Terence Burns
Mr. Battishill
Mr. Gilmore
Mr. Kerr ✓

LEAK

I continue to see the balance of argument in favour of including a passage in the Speech. But I think your submission reflects the different arguments.

2. I was not very happy with your first draft for what might be said. The key sentence is a little too abrupt for my taste (although I can see an argument the other way). And I am a little worried lest your draft final sentence might appear flippant, which must certainly be avoided.

3. I have had a shot at an alternative, attached. I have worked on your own first alternative - I think it would be much preferable to avoid pinpointing the leak, and I think there may well be sufficient uncertainty for the Chancellor to get away with that during the Speech, even as the details are revealed.


(J. G. LITTLER)

BUDGET SECRET

Before I come to the detailed measures, there is one further matter about which I must inform the House. Amid the deluge of imaginative speculation about the contents of the Budget in recent weeks, there have been certain indications which, I regret to say, give rise to suspicion of a leak of secret information. Until now, it has been impossible to pursue this without serious risk of compounding the problem. I have however today instituted arrangements for an urgent enquiry, and will report further to the House.

PERSONAL
BUDGET SECRET

B (84) 1056

PEM
8/3

COPY NO 1 OF 2 COPIES

From: SIR PETER MIDDLETON

Date: 8 March 1984

CHANCELLOR

THE LEAK

I should be grateful if you could find time to talk to Mr Gilmore, Mr Hosker and me this afternoon. We need to decide on the form of investigation. If - as I recommend - it is decided to go for a police enquiry, we need to consult the Attorney General. And you will wish to consult the Prime Minister first. If we are to get an investigation into operation by next Tuesday, which seems to me to be essential, there is less time than I had thought.

2. There is a separate note en route to you about the pros and cons of including a passage in the Budget Speech.



P E MIDDLETON

SUSPECTED LEAK

This note considers the action to be taken to deal with the prima facie leak of information about the budget contained in the Guardian article of 1 March by Hamish Macrae and Victor Keegan. It is agreed with Mr Hosker (Treasury Solicitor) and Mr Payne and Mr Dermit (Cabinet Office security investigators).

BACKGROUND
TO
LEAK

A. The issue

The article is prima facie based on knowledge of the content of the Budget. A note on the reasons for thinking this to be so is at Annex A. It is strange, however, that the authors of the article have not followed it up. It seems as if they may not themselves realise how close they are, and it is very unlikely that they have a document.

B. Objectives

- a. To find and deal with the source or sources;
- b. to establish what happened so as to minimise the possibility of repetition;
- c. to restore confidence in the Budget process.

C. Action So Far

The standard leak procedure has already been initiated. How far the investigators can take it is subject to the constraint of the need to preserve secrecy about there being thought to be a leak at all. Similarly, the Law Officers have not yet been informed, since there is no question of an immediate police inquiry.

D. The Next Possible Steps

The standard leak procedure requires a decision to be taken whether to mount (or, in this case, whether to continue, but to declare openly) an investigation by a government investigator, or to institute an investigation by the Security Service or the police.

It is for the Attorney General to satisfy himself whether a Security Service or police investigation would be appropriate, and if a police investigation were considered appropriate it would be for the Attorney General to initiate it through the Director of Public Prosecutions.

Apart from a police inquiry the main possibilities are -

- i a Committee of Privy Counsellors
 - ii a Tribunal of Inquiry under the 1921 Act - this would need to be set up by a Resolution of both Houses of Parliament
 - iii an ad hoc departmental inquiry by an independent individual eg a judge, Lord Diamond or Lord Richardson
- at parliament's initiative
- iv a Select Committee.

E. Precedents

A Sunday Times article on 8 March 1981, two days before the Budget, was thought at the time to have been based on a leak. It was investigated by the standard leak procedure (like leaks of similar information the previous autumn), without success.

The most notable previous cases involving budgetary or similar information were:

(a) in 1969 Sir G Nabarro alleged that the then Chancellor was responsible for a leak of a change in VED. A Select Committee at the House of Commons concluded that there was no substance in the allegations.

(b) in 1957, allegations of a leak of a proposed change in the bank rate were investigated by a Tribunal of Inquiry under the 1921 Act, which found no substance in the allegations.

(c) in 1947 Mr Dalton as Chancellor told a Lobby correspondent of his main tax changes on the way into the House of Commons to deliver the speech, and resigned when it became clear that a few newspapers carried this before it was publicly announced. There was an inquiry by a Select Committee.

(d) in 1936 the Colonial Secretary, Mr J H Thomas told two friends of proposed Budget changes, which led to his resignation. There was a Tribunal of Inquiry.

The most recent precedent involving national security rather than commercially sensitive information was the leak to the Guardian of a document about the arrival of Cruise missiles, where a standard leak inquiry was followed by a police inquiry which has led to a prosecution under the Official Secrets Act. That case, however, turned on the loss of a document, which does not seem to have happened in this case.

F. Considerations

The choice of method of further inquiry depends on -

(a) how widely the investigators need to go: it will not be easy, for instance, for Cabinet Office investigators alone (or an individual ad hoc) to pursue effectively the question whether any private gain was involved:

(c) what powers are needed;

(c) how serious is the need to restore confidence in the Budget process;

(d) whether prosecution is to follow.

Apart from a possible police inquiry, none of these courses seems well suited to the present case. All would require paper to be produced in public which might point to future Budget changes also (except that a Committee of Privy Counsellors could take such papers in private without breaching their secrecy). A Tribunal of Inquiry could compel witnesses to give evidence, but it is not clear that this would lead to any greater success than a police inquiry. It could give immunity from subsequent prosecutions. It would be very slow and very expensive. And unless further substantial evidence becomes available either a Tribunal or a Committee of Privy Counsellors seems entirely out of scale with the particular problem to be dealt with (a Tribunal was last established to deal with the Crown Agents affair, but only after previous inquiries by other methods; a Committee of Privy Counsellors dealt with the Falklands inquiry).

It is ultimately for Parliament to decide about a Select Committee inquiry, but the Salmon Royal Commission on Tribunals of Inquiry ruled out Select Committees as a method of investigating allegations of public misconduct, mainly because such matters should be entirely removed from political influences.

The pros and cons of an ad hoc inquiry by an individual would turn on the terms of reference, but it is difficult to see that it would have advantages over the standard procedure, particularly as it is unlikely that the individual could be given powers to summon witnesses etc.

The main advantages of a police inquiry are that the leak would be seen to be being investigated by an independent authority with a view to prosecution

from the outset, and that it could be pursued from the outset with people outside government including the journalists concerned. Against these advantages it could be argued that it would be preferable to pursue the standard investigation to the point at which a more precise view had been formed of the issue to which the police's attention was to be directed, and the likelihood of success: until that point, an undirected investigation by the police would be wasteful and could raise all sorts of incidental problems. Against that, however, is the need to reassure opinion immediately on 13 March that a full and external inquiry has already been set in hand, and possibly to forestall the establishment of less satisfactory forms of inquiry.

The balance between the standard procedure, followed by a police investigation if appropriate, and a police inquiry from the first therefore depends on the degree of concern on the day. That may be affected by events right up to the Budget Speech. But the decision to pursue a police investigation must be taken before then if it is to be handled satisfactorily on the day - see below.

On balance the considerations seem to point to a police inquiry.

G. Procedure

If a police inquiry is to be instituted from the first, it will be necessary to secure the concurrence of the Attorney General, who will take the appropriate steps with the Director of Public Prosecutions. The Metropolitan Police Commissioner would be seen by the Director of Public Prosecutions on 13 March and invited to mount an investigation of a serious crime under Section 2 of the Official Secrets Act. What charges were framed in the course of the investigation, and whether any prosecution took place, would be for the police, subject to consultation with the Attorney General and Director of Public Prosecutions. One course they might take would be to prosecute the journalists for receiving information knowing that it had been communicated to them in contravention of the Act. If this were to happen the journalists would probably be required to disclose their source. It would be necessary to give the police on 13 March the analysis of the reason to suspect a crime (Annex A), and the list of those with access to the documents knowledge of which was believed to underlie it.

This annex examines the contents of the Guardian article of 1 March in order to reach a view on whether an unauthorised disclosure of classified information has taken place and, if so, which classified document or documents might have been involved. In the latter context the annex examines only the most sensitive documents in circulation.

The article's contents

2. A copy of the article is attached. It mentions some 10 specific changes in taxation, which are listed below with comments:

(i) The introduction of a composite rate for bank interest. This had, however, already received some press coverage (notably Times coverage on 28 February) following a leak by the banks of the discussions on the change and a PQ on 24 February.

(ii) A "cut in tax relief on industry's stocks and capital investment, offset by a reduction in corporation tax". The article specifically mentions the three-year phasing for the reduction in capital allowances, and the 35 per cent planned for the corporation tax main rate.

(iii) Withdrawal of life assurance premium relief (LAPR) on new policies. Again, this had received some earlier coverage in the press, beginning with a Times article of 8 February, but this coverage remained essentially speculative.

(iv) A widening of VAT to include newspapers, take-away foods and building alterations.

(v) A "bank tax in the form of a 1 per cent levy on consumer credit".

(vi) A halving of stamp duty on "land and buildings" from 2 to 1 per cent, which in the article is immediately followed by the next item.

(vii) Abolition of the investment income surcharge (IIS). The article describes the present threshold for the surcharge as £7,600, rather than the correct £7,100.

(viii) A "similar cut or abolition" of stamp duty on share transactions "has been actively considered".

(ix) An increase in the "personal thresholds" (ie, main income tax personal allowances) of "up to twice the 5.3 per cent needed to compensate for inflation". Higher rate thresholds would be increased in line with inflation.

(x) Excise duties to rise "by broadly the rate of inflation".

3. As noted above, several of these items had already appeared in the press by 1 March - for example, the composite rate and LAPR. Others had been the topic of speculation: for example, a Daily Telegraph article of 27 February suggested that the increase in personal allowances would be "above the rate of inflation"; that stamp duty on share transactions might be abolished and the "reform of stamp duty for shares extended to house-buyers", and that a tax on banks and other financial institutions was under consideration. Similarly, the Guardian's point on excise duties is something of a commonplace; increases in line with inflation are the conventional assumption.

4. What distinguishes the article is the inclusion of Budget proposals which, because of their radical nature, had not been the subject of even remote speculation. Foremost of these are the corporation tax changes and the extension of the VAT base, but there is also the inclusion of IIS abolition. Added to that is the degree of detail in the article - the three year period for the phased reduction in capital allowances; the 35 per cent rate for corporation tax; the specific areas to which VAT is to be extended; the specific cut for the rate of stamp duty on land and buildings; and the specific increase in the income tax personal allowances (for most of February "double-indexation" was the lead

option) coupled with the point that the higher rate thresholds would only be indexed. This differential approach to the thresholds is again a radical one, and outside the area of normal speculation.

5. Hence the range of the article's contents and the degree of detail make it difficult to accept the possibility that it was assembled from a variety of open sources or simply the product of "well-informed" speculation, and difficult to avoid the conclusion therefore that it resulted from an unauthorised disclosure of classified information.

The document or documents involved

6. In turning to this second question, what is equally of interest is what the article does not contain. There is no reference to several major Budget items and, in particular, VAT on imports (known in certain documents as PAS, for "postponed accounting system") and abolition of the National Insurance Surcharge (NIS). This is despite the fact that there has been some press discussion on the former, while the latter is both a hardy Budget annual and the focal point for industrial representations, against a background of the Government's stated objective of abolition during the lifetime of the present Parliament. This again supports the view that the article was not an assembly of "informed" material). Equally, there are a number of second-rank Budget proposals - for example, the "small companies" rate of corporation tax, share options, foreign earnings and foreign emoluments, Capital Transfer tax and Development Land Tax - which receive no mention. It seems likely that all of these items would have been mentioned had the journalists been aware of them, either to increase the impact of the 1 March article, or in a follow-up.

7. This leads to the tentative conclusion that the Guardian did not have a sight of any of the documents in the "Budget Scorecard" series circulated prior to 1 March. On the one hand, these listed all the Budget proposals. They also contained detail that would most likely have been used - for example, that the consumer credit

duty might have excluded mortgages and the planned reduction in the "small companies" rate of corporation tax. On the other hand, they did not contain some of the detail which is in the article, particularly the full detail of the proposed capital allowance changes or the 35 per cent corporation tax rate.

8. Concentrating on the most sensitive Budget classified papers, the next potential candidates are the minutes of the Budget "overview" meetings. These are briefly (but by no means exhaustively) discussed in turn below.

(a) Sixth Overview meeting: 28 February

These record discussions of VAT on imports; confirmation of the extension of the VAT base; the dropping of the consumer credit duty (this timing being of some interest in relation to the article's contents); the "£2 a week" option for income tax thresholds (this being an advance on "double-indexation"); foreign emoluments; composite rate; capital allowances (but no discussion of the detail of rates of tax or allowances); and NIS (with a decision that this should be from 1 October).

(b) Fifth overview meeting: 21 February

These record the phasing for the corporation tax changes and the final rate; that higher rate income tax thresholds would simply be indexed while the basic threshold might be raised by more than double-indexation; discussion of CTT; that the consumer credit duty would be so described (earlier discussion had been in terms of a "consumer credit licence"); the proposed surcharge on vermouth; the extension of the VAT base; and mention of foreign earnings and emoluments, the building societies corporation tax rate, and North Sea taxation.

(c) Fourth Overview Meeting: 14 February

These record the decisions on the various exercise duties; discussion of the PSBR for 1984-85; the corporation tax changes; North Sea taxation; IIS abolition; increases in the CBT threshold; and stamp duty, including an increase in the threshold for land and buildings to £30,000.

(d) Third Overview Meeting: 7 February

These record detailed discussion of FAS (VAT on imports), NIS and the corporation tax proposals; the "small companies" rate of corporation tax; the PSBR for 1984-85; the extension of the VAT base to newspapers and periodicals; LAPR; the composite rate; and DLT.

(e) Second Overview Meeting: 31 January

These record discussion of PAS; the composite rate; double-indexation of the "basic rate threshold"; IIS abolition; LAPR withdrawal; share options; foreign earnings and emoluments; stamp duty, recording a reason to drop abolition on house purchase; CTT; corporation tax, including the reduction in the small companies rate to 30 per cent; NIS abolition; a number of other tax items including DLT and car benefit scales; and the PSBR for 1984-85.

(f) First Budget Overview Meeting: 24 January

These record discussion of VAT on imports; the duty on consumer credit; VAT on non-domestic construction; an income tax option of indexation plus 2 per cent; corporation tax, NIS and IIS on a preliminary basis;

BUDGET - SECRET

foreign earnings and foreign emoluments; and the VAT base extension.

8. Again, it is difficult to avoid the conclusion that the Guardian has not had a sight of any of these documents. Each provides either insufficient detail for the article, or far more than it contains.

9. The third most likely documentary source is the drafts for the Budget Speech. Three documents were circulated during February, as follows:-

- (i) an outline, circulated on 13 February;
- (ii) the first draft, circulated on 17 February;
and
- (iii) the second draft circulated on 24 February.

10. All three documents detailed the Budget proposals, though the first to a much lesser extent. Again, it is difficult to avoid the conclusion that the Guardian has not had a sight of these documents as a whole. All three mention the PSBR figure for 1984-85, which would have been irresistible to the journalists, while the first and second speech drafts contain full detail on the excise duty charges. This would have been similarly irresistible, particularly the charges on beer and wine duties which are at the forefront of public discussion in this area.

11. Looking at the first and second drafts there is, however, one potential correlation with the contents of the article. Each draft contains a block of material (k) entitled "Savings and Investment", with contents as follows in the order in the drafts:-

- (i) First draft, circulated on 17 February
 - composite rate for banks;
 - reduction in the rate of stamp duty on share transactions to 1 per cent;

BUDGET - SECRET

- reduction to apply to "land and buildings" also and threshold to be increased to £30,000;
- withdrawal of LAPR for new policies;
- share option changes;
- abolition of IIS.

(ii) Second Draft, circulated on 24 February

- composite rate for banks;
- withdrawal of LAPR for new policies;
- reduction in the rate of stamp duty on share transactions to 1 per cent;
- reduction to apply also to "land and buildings" and threshold to be increased to £30,000;
- abolition of IIS.

12. Reading across to the Guardian article, two things are striking. One is the fact that a large part of the article is built on the Block K items. The second is the way it groups together the stamp duty reductions and IIS abolition. This is not a natural grouping, particularly as the article goes on to discuss income tax charges, and not a grouping likely to occur to a journalist recalling a verbal discussion of the long list of tax items contained in the article. It may also be of interest that the article refers to stamp duty on "land and buildings" rather than the more colloquial "houses" or "house purchase".

13. There is, therefore, a further possible, but nevertheless tentative, conclusion that the Guardian may have had sight of this block of either speech drafts. If it were block K of the first draft, it is puzzling that there is no reference in the article to share options, which might appear to suggest the second draft circulated on 24 February. In either event, sight of this block would have had to have been supplemented by verbal briefing to provide the remaining content of the article. (Here a possible part of interest is that, on income tax thresholds, the second draft refers to a "more than double" indexation increase in

the main thresholds, compared to the article's "up to twice" indexation formula.)

14. Moreover it is also puzzling that the article does not mention the increase in the threshold for stamp duty on land and buildings to £30,000, which is contained in both the first and second drafts. Additionally, the article describes the reduction in stamp duty on share transactions as "being actively considered", whereas both drafts indicate firm decisions. It might equally be, therefore, that the whole of the article's contents is based on verbal briefing rather than sight of any classified document.

BUDGET LEAK

The 'Guardian' article of 1 March by Hamish Macrae and Victor Keegan is a prima facie Budget leak. Nothing is being done which might openly indicate that fact, to avoid compounding the problem. But we have to decide now how to deal with it so that we can reassure opinion on 13 March that a proper inquiry has already been set in hand, and possibly to forestall less satisfactory forms of inquiry.

2. Subject to the Attorney General's view, it is proposed to mount a police investigation of a suspected serious crime under Section 2 of the Official Secrets Act.

3. To continue with the standard leak inquiry would not be commensurate with the problem. A police inquiry would show that the leak was to be investigated by an independent authority with a view to prosecution from the outset. The police could pursue investigations from the outset with people outside government, including the journalists concerned.

4. Other possibilities such as a Tribunal of Inquiry - which would have to be set up by resolution of both Houses - would be less satisfactory. They would be much slower, and much more expensive. They would require papers to be produced in public which might point to future Budget changes also. They would seem out of scale with the problem to be dealt with.

5. The police would be brought in at a stage where Budget secrecy would not be compromised but I could say at the time of my Budget speech that the investigation had already been started.

PERSONAL
BUDGET SECRET

Handwritten notes:
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COPY NO 1 OF 8 COPIES

From: SIR PETER MIDDLETON
Date: 8 March 1984

CHANCELLOR

- cc
Sir T Burns
Mr Bailey
Mr Littler
Mr Battishill
Mr Gilmore

THE LEAK

I promised you some advice on the treatment of The Guardian leak on Budget day.

2. There are a number of possibilities:

- (a) The leak may be raised as a point of order in the House on Budget day. This could happen before you start speaking; when you get to the first of the tax measures which appeared in The Guardian or other articles in the press; or when you have gone through sufficient items to make it clear that there was a comprehensive leak on 1 March; or, most likely, it might come up when you reach LAPR.
- (b) It might be raised by one of the Leaders of the Opposition parties.
- (c) It might not come up in the House at all.

PERSONAL
BUDGET SECRET

3. The considerations relevant to how we deal with this are:

- (a) There must be an enquiry of a sort commensurate with the nature of the leak.
- (b) You will wish to make it clear that you regard this as a serious matter and rebut any accusation that information might have been released on your authority.
- (c) You will also wish to avoid any charge that you are withholding anything from the House.

These considerations point to making a public announcement of the leak enquiry on Budget day. This could be by press notice, or in the House. Given the risk that it may be raised in the House we have to be prepared for this even if we decide to go down the press notice route. The questions then are:

- (a) should you pre-empt criticism by referring to the matter in your Budget Speech. If so,
- (b) where should it come in the Speech.

Taking these in turn:

- (a) The arguments for and against including a passage in the Speech are finely balanced. As you are an ex-journalist there will be suspicion that you go in for news management on a considerable scale and are expert at it. Though no one inside - or indeed anyone outside who pauses to think - could imagine that you were responsible, there will still be a tendency (which we saw to some extent in the papers on 2 March) to assume the leak was part of a Ministerial directed softening

PERSONAL
BUDGET SECRET

up campaign. A press notice would normally be sufficient, but you might feel the need of the added protection of a passage in the published version of the Speech.

The second pointer, in the same direction, is the very strong probability that the leak will be raised before, during, or after the Speech. Last year there were points of order (turned down) about leaks before the Chancellor stood up. This would put you on the defensive and might actually affect the sort of enquiry we have to conduct. There might for example be demands for a widespread tribunal of enquiry. If there is already a piece in the Speech, you would then be able to refer to any prior challenge either by bringing forward that section of the Speech in answer. Or, possibly better, you could say that you proposed to refer to the matter at the appropriate point in your Speech.

The main argument the other way concerns the impact on the presentation of the Budget. You will not wish the leak to become the main story. The probability that it will be raised in the House is not a certainty. But if you refer to it in the Speech it will be. And it could turn the whole Budget into a sort of GCHQ story. The main thrust of the measures would be lost - at least in the eyes of some commentators.

It is possible greatly to exaggerate from inside the public perception of a leak. Totally confident stories by journalists about the content of the Budget are now the rule rather than the exception. So far this year there have been rather fewer of these stories than one might expect - which caused the Sunday Telegraph to suggest that the speculation had been more

PERSONAL
BUDGET SECRET

tentative than usual this year. But there is still the weekend and Monday and Tuesday's papers to go. Memories of The Guardian story could be dim by then. I rather doubt whether the spectre of the Opposition sitting reading The Guardian and checking off the measures as you read your Speech is realistic.

- (b) If you decide on a reference in the Speech, I should put it immediately before the tax proposals. This would minimise the amount of speculation on TV while you were going through the economic strategy part of the Speech, which would be one consequence of putting it up front. And you would have said something before you get to LAPR which is the most sensitive item from this point of view.

The best alternative would be to leave it to the end of the Speech. Though there is the risk of spoiling your peroration, it would produce the least diversion of media coverage and would give the Opposition less time to make a fuss.

... 4. I attach, below, a section which could appear in the Speech, or which could be used in the House in answer to interventions. It could also form the basis of a press notice if it was decided not to volunteer an announcement in the House. It would be wise to consult the Treasury Solicitor about the final form of words to be used.

5. My own view is still that it would be best not to include a section in the Speech, but to be prepared to answer the point immediately if it does come up in the House. But there are strongly held views the other way.



P E MIDDLETON

DRAFT SECTION FOR THE SPEECH

To come after block H, Tax Reform

"Before I come to the detailed measures, there is one further matter about which I must inform the House. Amid the deluge of imaginative speculation about the contents of the Budget in recent weeks, there have been other indications which, I regret to say, give rise to suspicion of an unauthorised disclosure of secret information. Until now, it has been impossible to pursue this without serious risk of compounding the problem. I have however today instituted arrangements for an urgent enquiry [by the Police], and will report further to the House."

This form of words, which I would prefer, does not refer specifically to The Guardian nor the date of the leak. If you wished to do so, you could speak as follows. But this runs the risk that measures subsequently dropped would be pinpointed immediately - a risk that is implicit in any investigation. It would clearly associate the leak with the Civil Service protest over GCHQ. And if you refer to The Guardian, everyone will try to get hold of a copy.

"Before I come to the detailed measures, there is one further matter about which I must inform the House. I regret that there is a suspicion that there was an unauthorised disclosure of secret Budget information on or around 28 February [the day of the Civil Service protest about GCHQ] leading to an article in The Guardian on 1 March. I have therefore instituted an urgent enquiry [by the Police] and will report back to the House on the matter."

FROM: J O KERR

DATE: 12 March 1984



X *PSV like in*
have no papers in
that for Cabinet.

MR GILMORE

cc Sir P Middleton

We spoke. I think that what the Chancellor had in mind, for contingency use in the House tomorrow, was the attached formula, which would replace paragraphs 2-4 of your note.

JOK

J O KERR

Mr Kerr

cc Sir P. Middleton
Mr Hosker (I.S.D.)

Mr. Hosker and I see one possible snag, of which the Chancellor should be aware, if the questions are specifically about the Guardian, and if this confirmation is given early on in the speech, then the Chancellor will have done just what we are claiming had to be avoided - confirmed the measures before they are announced. The more general the questions, and the later they come, the less this point ~~is~~ arises.

But I think you are now prepared to pay that price

So long as the Chancellor realises that, he can judge it on his feet.

B Gilmore 1/2/iii



FROM: J O KERR

DATE: 12 March 1984

MR GILMORE

*John Hosker
Home Affairs Sec*

cc Sir P Middleton

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So long as the Chancellor realises that, he can judge it on his feet.

P. Gilmore 12/iii

What the Chancellor says on Budget Day, Tuesday 13 March

If questioned in the House during the Budget Speech:-

- (1) I confirm that there is prima facie evidence of an unauthorised disclosure of classified information.
- (2) I can assure the hon Member that there will be a full investigation.
- (3) The House will, of course, be informed of the outcome.

If pressed:-

The Attorney General is in touch with the Director of Public Prosecutions with a view to a possible police investigation.

B(2) 1052

BUDGET - SECRET

COPY NO 2 OF 5 COPIES

SUSPECTED LEAK

1. All concerned agree that it is right to invite the police to investigate.
2. The Director of Public Prosecutions will see an Assistant Commissioner at 5.30pm on Tuesday 13 March to ask him to mount an investigation, beginning with a visit to the Principal Establishment Officer at the Treasury.
3. If I am not asked about a suspected leak before or during the Budget speech, I will say nothing about it myself.
4. If I am asked, I will say as little as possible on the day itself - note attached.
5. If I have not referred on Budget Day itself to a police investigation, I will answer an arranged written question on Wednesday 14 March - notes attached.
6. The Attorney General has advised me not to say anything in the Budget Speech if I can avoid it that might prejudice the police inquiry before it is under way. In any case I don't want to disclose contents of Budget any further until House and country informed. Action with police therefore immediately after I have sat down.

at the Chancellor says on Budget Day, Tuesday 13th March

1. If no questions about leaks are raised:

Nothing.

2. If questioned in the House ~~before~~ during the Budget speech:-

"~~I hope the House will allow me to deal with this in its proper place~~";

~~and then at the end of the Budget speech~~

- ②. I can assure the hon Member that there will be a full investigation, into the matter he has raised".

③ The House will be informed of the outcome.

3. If pressed -

"I will of course keep the House informed."

4. If there is a major issue on the point -

① There is prima facie evidence of an unauthorised disclosure of ~~secret~~ ^{classified} information. Until now it has been impossible to pursue

this without serious risk of compounding the problem. I can not

say that I have referred the matter through the Attorney General ^{is in touch with} to the Director of Public Prosecutions with a view to a possible police investigation."

On Wednesday, 14th March

N.B. The Question would have to be tabled by 10pm Tuesday 13 March.

1. If there has been no mention of leaks on Tuesday:

A. for Priority Written Reply:

To ask the Chancellor of the Exchequer what steps he will take to deal with the clear evidence of a leak of his Budget in the Guardian of 1 March?

A. Chancellor of the Exchequer:

In recent weeks there have been indications which give rise to a suspicion of unauthorised disclosure of Budget information. Until now it has not been possible to pursue this without serious risk of compounding the problem. My Right Hon. and Learned Friend the Attorney General has now arranged with the Director of Public Prosecutions for a police investigation, which is under way.

2. If the Chancellor has referred on Tuesday to an investigation but not a police investigation -

BUDGET - SECRET

Q. What form of investigation will be undertaken into the suspected Budget leak about which he told the House in the course of his Budget speech?

g A. Until now it has not been possible to pursue ^{the} ~~this~~ prima facie ^{evidence} disclosure of secret information without serious risk of compounding the problem. My Right Hon. and Learned Friend the Attorney General has now arranged with the Director of Public Prosecutions for a police investigation, which is under way.

3. If the Chancellor has referred on Tuesday to a police investigation, no PQ on Wednesday.



NB. Cabinet on Tuesday: Re line 4

BUDGET - SECRET

Chancellor,

*You will wish to have
and with us about this*

SIR PETER MIDDLETON

Bm.

COPY NO 1 OF 3 COPIES

FROM: B T GILMORE

9 March 1984

cc Mr Hosker

SUSPECTED LEAK

As agreed, I submit an analysis, agreed with Mr Hosker, of the two related questions: when and how the police inquiry is set up, and when and how the House of Commons is told of it.

2. The main points of possible awkwardness seem to be:

(a) once the Commissioner is invited to mount an inquiry, precisely what he does about it and when is up to him;

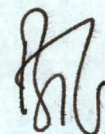
(b) the role allotted to the Attorney General is not a comfortable one: he could find himself dealing with quite a delayed reaction on Wednesday;

(c) if the point first arises in the peroration or later the timing seems the most difficult of all, and we have not been able to check in the time available that what is proposed would be in order.

(d) if the Chancellor goes through the whole day without mentioning what has already been done, he may subsequently be accused of having suppressed relevant information.

(e) it would be awkward if the police investigations came to the attention of staff before a Treasury notice could be issued - you will see that we would hope to avoid this.

3. To announce on the Tuesday that the Attorney would make a statement on the Wednesday seems to give the worst of all worlds. It invites a whole day's speculation about what might be in the statement, and suggestions from all quarters about what form of inquiry should be set up before they can be forestalled. The moment it arises it needs to be dealt with.



B T GILMORE

BUDGET - SECRET

1. Proposed Action to institute the police inquiry
 - a. Mr Hosker and Mr Gilmore see Attorney General and Director of Public Prosecutions at 10.30am Monday 12 March. They seek Attorney's and DPP's agreement to proceed as follows.
 - b. DPP asks Commissioner of Metropolitan Police on Monday 12 March to institute police investigation, emphasising secrecy until Budget speech is begun and suggesting first meeting between investigating officer and Mr Gilmore at 2.30pm Tuesday. The point of the first meeting, he suggests, is for Mr Gilmore to hand over the initial dossier, explain the background as necessary, and consider with the investigating officer how to proceed (accommodation; assistance in arranging programme of interviews etc) and the terms in which it would be right to inform Treasury staff, but not to start interviewing etc until the inquiry had been announced and a Treasury notice issued. Thus the Chancellor will be able to say if challenged at any time from Monday evening that "steps have already been taken to institute a police inquiry", and from 2.30pm Tuesday that "the inquiry is already in progress".
 - c. If the point arises on Tuesday 13 March, Chancellor deals with it - see below.
 - d. Attorney-General to be ready to announce inquiry to House on Wednesday 14 March if the point has not arisen before.
 - e. Treasury notice to issue on Tuesday evening or Wednesday afternoon, depending when the inquiry is announced.

2. What to say if challenged before or during the speech

a. If challenged in general terms before the speech begins:

"I hope the House will allow me to deal with this in its proper place".

b. If pressed further, or if challenged specifically about the 'Guardian' article, before the speech begins:

"I do assure the House that I will deal with the points that are being raised before I sit down".

c. If it has already been raised as above, or if interrupted in the course of the speech, then immediately before specific tax measures:-

"Amid the usual deluge of imaginative speculation about the contents of the Budget in recent weeks, I regret to have to inform the House that there have been indications which give rise to the suspicion of an unauthorised disclosure of secret information. Until now, it has been impossible to pursue this without serious risk of compounding the problem. I have, however, today arranged for an urgent inquiry by the police, and I will report further to the House."

d. If pressed about Guardian specifically, or any other specific point eg profiteering or Tribunal of Inquiry, then:

"I have told the House that a police inquiry is already under way. I really think we must now leave the police to get on with the job. I will of course report further to the House when there is something to report."

e. If it is first raised during specific tax measures, deal with it immediately as at c. and d.

f. If it is first raised at peroration, press on; but return to it as at g., separately from the speech itself.

g. If it is first raised by Mr Kinnock or others after the speech, then seek leave of the House to deal with the point additionally, and speak as at c.

h. If challenged on not volunteering the statement earlier:

"My Learned Friend the Attorney General would have dealt with this point tomorrow, but since it was raised I have answered it."

3. What to do if the point is not raised in the House on Tuesday 13 March
 - a. No Press Notice: would give rise to criticism of not informing Parliament first.
 - b. If the Attorney agrees, he would on Wednesday make a statement to the House in the sense of 2c. above, and refuse to be drawn on further questions until the inquiry is completed.

(MWT)

FROM: F CASSELL
13 March 1984

PRINCIPAL PRIVATE SECRETARY

cc - Sir P Middleton
Mr Battishill
Mr Lankester
Mr Monger
Mr Pirie
Mr Folger
Mr Beighton, IR

BUDGET LEAKS: INSURANCE SHARES

The Chancellor may like to have a little defensive briefing in case anyone raises the question of the fall in insurance company shares following reports of the abolition of LAPR.

The shares of life offices fell sharply after the reports published in the 'Guardian' on 1 March that LAPR was to be withdrawn on new policies. The FT life insurance share index fell from 498 before the report to around 470 immediately afterwards; it has since recovered to 483.

This section of the market had, however, been weakening since early February. The report in the 'Guardian' sharply steepened a decline that was already under way. There had already been some press speculation (eg in 'The Times' of 8 February) that LAPR was "under scrutiny". The earlier weakness may also have reflected the evaporation of speculation that Allianz, thwarted on Eagle Star, might bid for another company as well as apprehension in advance of Commercial Union's poor figures; the announcement on the tax treatment of building societies triggered further falls on 24 February.

I attach defensive briefing on three possible questions.



F CASSELL

Agreed for PM

BUDGET LEAK

The 'Guardian' article of 1 March by Hamish Macrae and Victor Keegan is a prima facie Budget leak. Nothing is being done which might openly indicate that fact, to avoid compounding the problem. But we have to decide now how to deal with it so that we can reassure opinion on 13 March that a proper inquiry has already been set in hand, and possibly to forestall less satisfactory forms of inquiry.

2. Subject to the Attorney General's view, it is proposed to mount a police investigation of a suspected serious crime under Section 2 of the Official Secrets Act.

3. To continue with the standard leak inquiry would not be commensurate with the problem. A police inquiry would show that the leak was to be investigated by an independent authority with a view to prosecution from the outset. The police could pursue investigations from the outset with people outside government, including the journalists concerned.

4. Other possibilities such as a Tribunal of Inquiry - which would have to be set up by resolution of both Houses - would be less satisfactory. They would be much slower, and much more expensive. They would require papers to be produced in public which might point to future Budget changes also. They would seem out of scale with the problem to be dealt with.

5. The police would be brought in at a stage where Budget secrecy would not be compromised but I could say at the time of my Budget speech that the investigation had already been started.



psf

FROM: J O KERR
DATE: 14 March 1984

PS/Chief Secretary

cc PS/Financial Secretary
PS/Minister of State
PS/Economic Secretary
Sir P Middleton
Sir T Burns
Mr Littler
Mr Bailey
Mr Battishill
Mr Gilmore
Mr Ridley
Mr Hall
Mr Lord
Mr Portillo

Sir L Airey: IR
Mr Fraser: C & E
Mr Butler: No 10

BUDGET: POSSIBLE LEAK

Mr John Browne MP has put down the following Written Question, for answer today:-

"To ask Mr Chancellor of the Exchequer, what steps he will take to deal with the leak of some of his Budget measures to the Guardian before 1 March."

2. The Chancellor has approved the following Answer, which will be given at 5.30 pm today:-

"In recent weeks there have been indications which give rise to a suspicion of unauthorised disclosure of classified information. [Until now it has not been possible to pursue this without serious risk of compounding the problem.] My Rt Hon and Learned Friend the Attorney General has [now] arranged with the Director of Public Prosecutions for a police investigation, which is under way."

3. There will inevitably be considerable press interest, and the matter could be raised in the House, e.g. late in today's debate.



But the Chancellor is clear that no comment should be offered which goes beyond today's Answer.

A handwritten signature in cursive script, appearing to read "J. O. Kerr".

J O KERR

Send.
Please acknowledge receipt
✓ D. Baillie
233-5392



FROM: J O KERR
DATE: 14 March 1984

PS/Chief Secretary

cc PS/Financial Secretary
PS/Minister of State
PS/Economic Secretary
Sir P Middleton
Sir T Burns
Mr Littler
Mr Bailey
Mr Battishill
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A handwritten signature in black ink, appearing to read "J O Kerr".

J O KERR

To. D. Baine,

From PSIR.

Received with thanks.

14.3.84.

J.K. Meenan



X. 138
Scrabble
on 9

HM TREASURY
HEADS OF DIVISION NOTICE

HD(84)8
14 March 1984

As the Chancellor told the House of Commons today, an investigation is being conducted by the police into a suspected unauthorised disclosure of Budget information.

2. Peter Chambers, Assistant Departmental Security Officer, will be the first point of contact with the police in conducting any necessary inquiries within the Treasury. Any questions should be addressed to him in the first instance (ext 8454).

4. I should be grateful if you would bring the contents of this Notice to the attention of all your staff who may be concerned.

Done ✓
Mr. Barrie -
Thanks
JG

BRIAN GILMORE

P. circulate to all in our offices.

Please pass on quickly:-

- 1. Margaret ✓
- 2. Judith ✓
- 3. Ann ✓
- 4. Nigel ✓
- 5. Marc ✓
- 6. Juliet ✓
- 7. Cristina ✓
- 8. Lesley ✓
- 9. Rosa ✓
- 10. Barbara ✓
- 11. Aat ✓
- 12. Mr. Salveson + Parly Section ✓
- 13. Mr. Peterson + JMC ✓
- 14. Messengers ✓
- 15. Back to Registry. (82/2) ✓

JG



psp

FROM: J O KERR
DATE: 14 March 1984

PS/Chief Secretary

cc PS/Financial Secretary
PS/Minister of State
PS/Economic Secretary
Sir P Middleton
Sir T Burns
Mr Littler
Mr Bailey
Mr Battishill
Mr Gilmore
Mr Ridley
Mr Hall
Mr Lord
Mr Portillo

Sir L Airey: IR
Mr Fraser: C & E
Mr Butler: No 10

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which goes beyond today's Answer.

A handwritten signature in cursive script, appearing to read "J O Kerr".

J O KERR

14 MARCH 1984

TREASURY

No. 163

Mr John Browne (C. Winchester): To ask Mr Chancellor of the Exchequer, what steps he will take to deal with the leak of some of his Budget measures to the Guardian before 1 March.

CHANCELLOR OF THE EXCHEQUER

In recent weeks there have been indications which give rise to a suspicion of unauthorised disclosure of classified information. My Rt Hon and Learned Friend the Attorney General has arranged with the Director of Public Prosecutions for a police investigation, which is under way.

RESTRICTED

c.

From: B T GILMORE BTG
15 March 1984

MR KERR ✓

This is in No 10.
Jore

✓ N

cc Sir P Middleton
Mr Hall
Mr Fox

BUDGET LEAK: GUARDIAN ARTICLE 15 MARCH

No 10 have asked for defensive briefing by ~~you~~^{noon} on today's Guardian article about the police investigation into the Budget leak and the banning of Hamish MacCrae from the Chancellor's post-Budget briefing of City Editors. Briefing is attached for onward transmission to No 10 if the Chancellor approves it. It has been cleared where necessary with the Law Officer's Departments: we have not in the time available been able to clear it with IDT.

Now
redrafted. //
MMA
15/3

B T GILMORE

BUDGET LEAK: GUARDIAN ARTICLE 15 MARCH: DEFENSIVE BRIEF

Today's Guardian article is attached at Annex A. It covers three main points:

(i) the police investigation into the possible unauthorised disclosure of classified Budget information;

(ii) the withdrawal of an invitation to Hamish MacCrae, the Guardian's Financial Editor, to attend the Chancellor's post-Budget briefing on 14 March; and

(iii) the statement that the Prime Minister has decreed that the police must be called in every time a serious breach of the Official Secrets Act is suspected.

The Police Investigation

The Prime Minister will be well aware of the background to the police investigation. The PQ which announced the investigation is at Annex B. The first task of the police is to establish, to their own satisfaction, whether an offence has been committed. It would be wrong to comment on the investigation in any way. In answer to any question about the investigation, or the circumstances which led to it, the Prime Minister is recommended to say only:

"I cannot at present go beyond the statement made yesterday by my Rt Hon Friend the Chancellor of the Exchequer. The matter is now in the hands of the police."

If pressed about alternative forms of inquiry:

"The matter is in the hands of the police. That is the proper authority. We must await the outcome of their investigation."

RESTRICTED

MR HAMISH MACRAE

Background

Hamish MacCrae had been invited, along with other economic and financial journalists, to the Chancellor's post-Budget briefing. The Chancellor decided that, in all the circumstances, it would be inappropriate for him to attend and the invitation was withdrawn after the Budget was delivered.

By way of background, the Chancellor has decided that normal telephone contact between the Guardian and the Press Office should continue so as to ensure that Treasury policies are not incorrectly reported. For future briefing, the question of whether the Guardian will be invited will be considered on each occasion on its merits. The Guardian has been informed that they are not being subject to a general embargo.

Line to take

In the particular context of the Budget, unauthorised disclosures can lead to speculative and damaging movements in the financial markets. In all the circumstances the Chancellor decided that it would be inappropriate for the Guardian to be represented at this briefing. [If pressed] There is no question of a general ban on the Guardian's contacts with the Treasury press office.

Is it now Government policy to ban journalists who write articles of which the Government disapproves?

Of course not.

The Guardian article says that "the Prime Minister has decreed that Scotland Yard detectives will be called in every time a serious breach of the Official Secrets Act is suspected."

Background

2. No Minister has the power to direct the police which cases to investigate, or how to conduct the investigations. In each case where the unauthorised disclosure of classified information is suspected it is for the Director of Public Prosecutions to decide whether to ask the police to investigate that case. The DPP works under the general superintendance of the Attorney General.

3. Each case has to be considered on its own merits.

4. The decision to ask the police to investigate the suspected unauthorised disclosure of Budget information was taken on its own merits. Such disclosure, if it occurred, would be a serious crime. An investigation might need to be pursued outside government. To have continued with the internal inquiry would not have been sufficient.

Line to take

No Minister can tell the police what to do. There is no general rule what cases shall be referred to the police. Each case has to be considered on its own merits.

Yard seeks 'leak' after Guardian predicts budget

By Gareth Parry, and Julia Langdon

Scotland Yard has begun an investigation into the alleged unauthorised disclosure of classified budget information to the Guardian two weeks ago.

The move signals a mounting Government campaign, ordered by the Prime Minister, against leaks of secret information. Mrs Thatcher has decreed that Scotland Yard detectives will be called in every time a serious breach of the Official Secrets Act is suspected.

Government action against the Guardian was announced in a Commons written answer by the Chancellor, Mr Nigel Lawson, yesterday. He was asked by Mr John Browne, MP for Winchester and secretary of the influential Conservative Finance Committee, what steps he would take to deal with the leak of some of his budget measures to the Guardian before March 1.

Mr Lawson replied: "In recent weeks there have been indications which give rise to a suspicion of unauthorised disclosure of classified information. The Attorney-General has arranged with the Director of Public Prosecutions for a police investigation, which is under way."

The Commons answer came in the wake of the Treasury's sudden withdrawal of an invitation to the Guardian's Financial Editor, Hamish McRae, to attend a post-budget briefing. Mr McRae was "unacceptable," said the Treasury.

Mr McRae was the co-author, with Victor Keegan, of a report which was published in the Guardian on March 1. They predicted virtually all the main measures announced by the Chancellor nearly two weeks later. A significant element of the report was a forecast of the ending of tax relief on life assurances, which led to a run on new policies to beat the budget.

Of all the possible measures

outlined on March 1, only the tax on banks turned out to be incorrect. The Guardian reported on the day before the budget that the proposed VAT on newspapers had met resistance.

The investigation reflects the concern of the Prime Minister and her Cabinet colleagues about the leaks of Government information in general, and those which have wide commercial implications in particular.

Only a small number of officials inside the Treasury, it is claimed, would have known the budget secrets in such detail. It is clear that the Prime Minister's anger is shared by the Chancellor, although it was understood that the Government believed that no-one benefited from press bans like the exclusion of Mr McRae from the post-budget briefing.

The invitation was understood to have been withdrawn because of Mr Lawson's personal pique.

Mrs Thatcher demands integrity at all levels and has in the past, forcefully objected to the leaking of information by her own ministers or civil servants.

She does not believe that this process can be used efficiently to soften the blow of a forthcoming unpopular announcement or to test the water.

Mr Peter Preston, the Editor of the Guardian, said last night: "I find this bizarre and perplexing. Many stories are printed in many papers about the budget and are often wrong. Sometimes ministers seem to brief the Sunday papers, and nothing is said about these selective and orchestrated leaks.

"This was an accurate story. We like to print accurate stories. Is the Chancellor only happy with wrong stories or stories planted for Treasury purposes? It's a very odd philosophy for a former Financial Editor."

14 MARCH 1984

TREASURY

No. 163

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c

Mr Middleton's office telephoned
the DPP with your request. It
appears that it's a settled policy,
endorsed by Ministers in the past, that
such reports should not be sent to
Ministers. If you were to press
to see the report nevertheless,
the DPP would have to approach
the Attorney-General for a ruling.
Do you want us to take this
any further?

mom
12/8

Can the
DPP
summarise
the
summary?
Mr.



Handwritten initials in a circle, possibly "MOM".

FROM: MISS M O'MARA
DATE: 16 August 1984

cc Mr Gilmore
Sir L Airey
Mr Fraser

SIR PETER MIDDLETON

BUDGET LEAK

The Chancellor was interested to read the letter from the DPP which you copied to him with your minute of 9 August and he awaits your views on the DPP's suggestions in due course. He has noted that while all 8 recommendations summarised at the end of Appendix A seem sensible, there are a number of points in the body of the report which he would like to discuss with you. Meanwhile, he would be grateful if you could ask the DPP whether, in the light of items 3 and 4 of the first page of his letter, he could see a copy of the police report itself.

MOM

MISS M O'MARA

SECRET

FROM: SIR PETER MIDDLETON

DATE: 9 AUGUST 1984

CHANCELLOR

cc: Mr Gilmore) without attachment
Sir L Airey
Sir A Fraser

I attach a copy of the letter to me from the DPP on the police investigation into the Budget Leak. I will, of course, consider the suggestions in appendix A and let you have my views.

Account in P.M.'s views.
 While all 8 recommendations
 summarized @ 10 end from
 Sherrill, there are a number of
 pts in the letter of the DPP
 which I will like to discuss
 with you BSM in one course.

Meanwhile, you ask
 the DPP if, in the
 letter of items 3 etc on page
 one of the letter, I can have
 a sight of the other Report, etc.



P E MIDDLETON

SECRET

20 AUG 1984



DIRECTOR OF PUBLIC PROSECUTIONS
4-12 QUEEN ANNES GATE
LONDON SW1H 9AZ
Telephone 01-213 5337

Sir Thomas Hetherington KCB CBE TD QC

Our Ref: D.C.2194.84

7th August 1984

Sir Peter Middleton KCB
H.M. Treasury
Parliament Street
London

Dear Sir

PERM. SECS. OFFICE	
RECEIVED	
8 AUG 1984	
Action:	MR GILMORE
Copies:	
To:	

POLICE INVESTIGATION OF SUSPECTED BUDGET LEAK

The Metropolitan Police have now concluded their investigation into this matter, and have forwarded to me their report. Briefly, their conclusions, with which I agree, are:-

1. The Guardian article of 1 March 1984 could only have been prepared with access to classified information. It could not merely be the result of "inspired financial journalism."
2. The most likely source is the budget speech in its first two drafts. The leak probably occurred at lunchtime or during the afternoon of Tuesday 28th February 1984. This was the "day of action" on the GCHQ issue, and the police officers believe there may be some significance in this.
3. It is probable that the original leak would not of itself have led to publication without subsequent corroboration.
4. At least one person (identity not known) in the Treasury deliberately disclosed classified information without authority. Others may well have been recklessly indiscreet.

As mentioned above, the identity of the source of the information has not been discovered, and I do not consider that there is any reasonable likelihood that further police enquiries would achieve this. I therefore propose to advise the Metropolitan Police to take no further action.

The investigating officers have produced as a Appendix to their report a note which suggests some measures for improving budget security in the future. I attach a copy of this.

SECRET

MS
The police officers have reported to me that their reception within the Treasury was most helpful, and that "the atmosphere of complete co-operation at senior level has persisted throughout the enquiry". They, and I, are most grateful for this. In particular, I understand that arrangements were "excellently handled" by Peter Chambers, who undertook a number of heavy tasks without which the enquiry could not have proceeded. I would like to add my concurrence with the officers appreciation of his assistance.

I am copying this letter and enclosure to Robert Armstrong and Henry Steel.

Yours sincerely

Tony Blair

7(7)

SECRET

18

APPENDIX A

APPENDIX 'A'

SECURITY ASPECTS.

These comments are furnished in a spirit of helpfulness with regard to the need to ensure the sanctity of 'BUDGET SECRET' in future years. Whilst recurrent themes emerged in many weeks of enquiry, the writer is obviously unfamiliar with the totality of demands created by the budget operation and is thus advising in ignorance of what may be very significant factors. Others more expert will be able to evaluate this report in the light of those factors.

To the writer the 'trick' of budget security seems to be in securing the right balance in three key areas.

The first is the balance between an effective budget and effective security in the broadest sense. It is certainly possible to suggest security measures which would be almost unassailable from within or without but the national economy could be the poorer.

The second balance is between administrative efficiency and adherence to the need to know principle (including effective procedures for securing confidential papers). This process is complicated by the sheer volume of material generated by the budget process and the need to move this paperwork between Departments and Sections within the Treasury.

The third balance is at the level of routine and is between the need to know and the need to perform minor clerical tasks. In essence it is suggested that it is not necessary to see and know the contents of a document merely to book it in and out. This may sound trivial but deviation from sound practice can lead to a dramatic increase in the scope of access to classified information which both increases the opportunity for unauthorised disclosure and renders the task of the ex post facto investigator more complex.

Dealing with the second balance in more detail it is accepted that a leak cannot be prevented however it occurs. Widespread circulation of complete documents, e.g. draft budget speeches makes the possibility of a major leak more probable.

It is essential, where possible, that only those sections of documents which are required are circulated.

It is queried whether precise figures, (i.e. ^{E.g.} 5% V.A.T. increase) need to be detailed in documents. One rule could be that only that which needs to be committed to paper should be and that the security value of oral discussion between officials should be emphasised.

A reduction in the number of copies of numbered draft speeches should be considered.

For example John WILLIAMS did not receive a copy of the first draft. However, he was the recipient of number 34., which he returned immediately as he had access to Sir Peter Middleton's copy (No. 6.)

Similarly with Mr. Makeham. He was the recipient of copy number 32. He received the second draft but not the first. In these circumstances, the question of the issue of copies 32. and 34. is queried.

Numbered copies are only worthwhile if there are no other copies. For example on arrival at the Inland Revenue six copies of the first draft were run off, one of which was for Mr. Painter who was already the recipient of Copy 21. In addition five copies of the second draft were also reproduced.

(Draft for Sir
speech had not been
any files)

?

Discussion between recipients before copying should occur to precisely define all departmental needs. All copies should be prepared at the Treasury thereby obviating the necessity for additional copying. Each must have its own number and unauthorised re-copying should be forbidden.

Turning to the third 'balance' apparent confusion exists between the need to know, and the need to book in a document. There is no necessity for a Clerical Officer or any other person responsible for booking in correspondence to actually have access to the contents. They need only know the title of the document which could be displayed on a sealed envelope, which in turn should be enclosed within another plain envelope simply addressed to the addressee. There is a need for care concerning titles to ensure that the description itself is not a breach of security.

Ideally such material should arrive on the recipient's desk unopened. At the least, his Personal or Private Secretary should be the first person to see the contents. Responsibility for further movement of the document or part of it should be tightly controlled at this level and it should be clear that this responsibility embraces any movement of the

documents or disclosure within meetings.

The adoption of the double sealed envelope is one method which could be utilised for the conveyance of all budget secret material, thereby reducing the numbers who see classified documents. Alternative systems include pouches, boxes etc.

It is essential that unwanted material is disposed as swiftly as is compatible with the efficiency of the budget operation.

Unwanted spare copies of secret documents such as draft speeches, score cards and minutes, no longer required by the recipient, should be forwarded as a matter of priority direct to a named person for destruction. This person could be the Budget Security Officer or someone in Central Unit.

In excess of 200. statements have been taken from staff who did or could have had access to the speeches. It is fair to say that a degree of ingenuity and effort may have been needed by some but the worrying fact remains that the opportunity existed on such a scale.

It is unsatisfactory that such numbers could obtain information from only 34 copies. Many

junior staff, and others, have access to keys and combinations of security cabinets.

Sadly, this situation almost defeats the basic principle of the security arrangements.

Weekend working is also an area which although it is accepted as necessary, offers opportunities for fairly unrestricted and undisturbed access to the building. A record showing details of all visits of staff engaged on the budget operation would give a ready picture of movements at any given time.

It would be invidious to draw a hard comparison between the Treasury, Customs and Excise and Inland Revenue in the area of document security because it is fully understood that there is a completely different requirement in the use of documents in the latter Departments. However, the movements of classified material within these two other departments by the use of sealed envelopes or pouches is worthy of note.

The booking in of documents by the date of origin serves little useful purpose from a security aspect. All budget working documents and budget papers should be booked in and out,

consecutively numbered, show dates and times, the sender's name and method of delivery. This procedure should also apply to internal movement of documents or parts thereof.

Because of the volume of Budget material circulating during the relevant time, it is imperative that the document title is accurately described on its envelope. The entry in the Document Register would then show precisely the nature of the document referred to.

It should be recognised that the unavoidable timing of key budget activity, late night typing and the use of the photocopier is a potential security problem requiring special care. This is exacerbated by the absence of clerical recording outside office hours.

Whilst senior staff must have the material they need to function they should be cognizant of the fact that haste and security are generally incompatible.

*Who is the
Budget
Security
Officer?*

The Budget Security Officer presently conducts 'spot checks' and enforces other measures, should be permitted to give total priority to the task during the budget operation, even at the cost of shedding other tasks. Because he has other commitments this is not the current practice. This is not a criticism in any way of the Officer.

He should be quasi independent, have experience in the field of security and be familiar with the operation of the Treasury and have the authority and flexibility to discharge his task without fear or favour, impartiality is important and rigid enforcement of the regulations should be maintained over the budget period. A logical development is to link his role with that of the Departmental Security Officer.

An area of overall grave concern is communication with the press. The need for strict compliance with the regulations relative to contact by telephone, personal, social or otherwise with journalists in the run up to the budget is pressing.

It is appreciated that enforcement of such regulations is difficult but staff who possess classified information should be reminded that a deliberate breach would be regarded as a serious matter.

It has emerged that Treasury Ministers take the regulations seriously, actively taking steps to avoid contact with journalists and being cognizant of the fact that it would be virtually impossible to conduct a 'budget free' conversation with journalists during the most sensitive period.

Who?

Conversely some officials suggest unbelievably, to differentiate between formal and informal discourse with the press. Whether this view is based on naivety or arrogance is irrelevant. The danger is apparent.

It may well be that a Treasury Officer possessing the highest integrity may be quite confident of safely handling a situation.

One must however fear, particularly in a social setting, that a cunning journalist could extract the information he required without the speaker being aware that his remark was anything other than innocuous.

Certain journalists appear to enjoy freer access within the Treasury than others. In fact McCrae has been in regular contact and is widely known.

There is little doubt that he and Victor Keegan would again use classified information in the future with little consideration for personal confidences.

Meetings with journalists prior to the budget should not be kept without prior authority of the Head of Department or his Deputy.

I am not sure this is enough

In exceptional circumstances, where authority is granted, then a report should be immediately submitted detailing any budget related conversation. A copy of this report should be supplied to the budget security officer.

While you're at press contacts with contractors

Telephone calls from journalists should be referred in the first instance to Information Office. Those conducted direct with Treasury staff should be reported detailing the content.

Consideration should be given to excluding the press officer from budget secrets until immediately prior to the budget (or at the very least not before budget proposals are 'firm').

This is acknowledged as an area where forceful views are held

It can be argued, that a Press Officer must be au fait with all budget measures to successfully cope professionally with enquiries. Therefore an exceptional man would be required to fill this post.

It may be good practice for the Press Office to log budget related enquiries.

Summary of recommendations :

- ✓ 1. A substantial reduction in the number of persons with access, direct or indirect to classified budget material.
- ✓ 2. Precise recording of movements of documents using sealed envelopes boxes or a similar method.
- ✓ 3. Strict enforcement of regulations pertaining to meeting journalists.
- ✓ 4. Strengthening the role of the Budget Security Officer.
- ✓ 5. The need to know principle must not be allowed to wither by neglect.

- ✓ 6. Restrict to a bare minimum the number of persons with access to keys and knowledge of combination cabinets.

- ✓ 7. Reduce the number of draft speeches copies if possible.

- ✓ 8. Early destruction of unwanted classified documents.



C

You may need your
diary over the concial
period for this interview

+ other papers produced
at the time, below.

DP

Copy of Budget speech
can be dated
quite precisely
was

CJ → PEM bilateral
in at 11:00am this
Friday. ●

~~off 5/7~~

David - Please
note both
times for diary
+ reminder for
PEM bilateral



Thank
you.

CJ

Det. Chief Superintendent
Veress + Det. Chief Inspector
McClurg would like to come
a interview ^{you} about the budget
leak - you will be the last.
It would take about 1 hour, &
would involve you making a
statement.

We have identified a suitable
slot at 10.30 on Wednesday, 11
June. Is that ok?

OK. Please
business with them
@ the Wh's
bilateral (when 11.12?)
B.
M.

Chancellor
Mrs Lawson

PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State

The Hon M Lennox-Boyd MP, H/C
Mr D Hunt MP, H/C

CHANCELLOR OF THE EXCHEQUER'S DIARY

Friday 17th February

11.45 a.m. -

1.00 p.m. Interview; "Crosstalk",
Radio Leicester, Epic
House, Charles St, Leics.

8.00 p.m.

AGM Blaby, Countesthorpe
Conservative Club, Main St.,
Countesthorpe (+Mrs L)

Sir P Middleton

Sir T Burns

Mr Littler

Mr Bailey

Mr Cassell

Mr Battishill

Mr Hall

Mr Ridley

Mr Lord

Mr Portillo

Mr Makeham

Miss Newman

Mr Kerr

Mr Peretz

Miss O'Mara

Miss Simpson

Miss Young

Miss C Garrett (Norman Shaw South)

Mr Salveson

Mr Baillie

Mr Visconti

Mr Lawrence

Miss Varaillon

Mrs Willis

Chancellor's Messengers (2)

Miss Ash

Miss S Lyons (EOG4)

Mr Davey (No 11)

Enquiry Room (2)

Security Guards (2)

PS/Inland Revenue

PS/Customs and Excise

CHANCELLOR OF THE EXCHEQUER'S DIARY

SATURDAY 18th FEBRUARY TO THURSDAY 1st MARCH 1984

Saturday 18th

Sunday 19th

7.45 for 8.00 p.m. Dinner Lord Whitelaw, No.11

Monday 20th

9.30 a.m. Ministers, Mr Monck + others, No.11 (Exec' Sr Options)

10.30 a.m. Ministers & Advisers, No.11

11.00 a.m. Nigerian Finance Minister, No.11

11.30 - 12.30 p.m. Budget Filming, ITN, No 11 (+Mrs L)

3.30 p.m. - 5.00 p.m. ENI, No 10

10.00pm Running 2 Unewhip (EC Documents on draft gen' Budget for 1984 & Occupiers Liability Bill)

Tuesday 21st

9.15am SIS for Employment, No.11

9.45 - 10.30 a.m. Sir R Muldoon, No.11

10.50 a.m. Sir L Airey, HMT (N.1)

11.00 a.m. Budget Overview, HMT

3.15 - 3.30 p.m. P.M.'s QU's, H/C Running 2 Unewhip (Parents Aid & Tourism)

3.30pm Sir Y K Pao (+Mr Peretz), No.11

4.15pm Mottall, No.11
5.00 p.m. EA, P.M.'s ROOM, H/C

6.00 p.m. Backbench Finance Committee (+Ministers), Cttee Rm 14, H/C

7.00pm Running 2 Unewhip (Tourism & Money Resolutions)

Wednesday 22nd

9.00 a.m. Ministers & Advisers + PPS's, HMT
11.00 am NO10 (Bi-lat)
11.00 a.m. 12 noon Miss Garrett, No.11

3.00 p.m. CST, Sir P Middleton, Mr Bailey & others, No.11 (PE Promises)

4.00 - 6.00 p.m. OD, No.10

6.00 p.m. S/S for Social Services, No.11

6.30 p.m. Backbenchers, No.11

7.00 pm 2 line whip (Trade Unions Membership Rights +
10.00 pm 2 line whip (Problems of Young Unemployed)
Thursday 23rd Running 2 line whip (Need for Improved Care of Elderly)
Running 2 line whip (Double Taxation Relief + Air
Navigation)

9.30 a.m. No 10 (Bilateral)

10.00 a.m. Cabinet
4.00 pm Mr Hall, No.11
4.30 p.m. OD(FAF), No.10
Running 2 line whip (Pensioners Commutation Bill +
Merchant Shipping Bill) BISQUE

5.30 p.m. Drks: Philip Jones (Chairman of Electricity Council), No.11

[6.30 - 7.30 p.m. Smoking Room, H/C]

Friday 24th

9.15 a.m. Ministers & Advisers, No 11

10.00 a.m. Mr McGillicuddy (+EST), No 11

10.30 a.m. Sir P Middleton, No.11

2.30 p.m. Stoney Stanton Scout Pack, No.11

Dinner; Miss Lawson, No 11

Friday 25th

Sunday 26th

Monday 27th

10.30 a.m. Ministers & Advisers, No.11
Lunch: Governor of Bank of England, No.11
6.00 p.m. Backbenchers, No.11

Tuesday 28th

9.30 a.m. EA, Conf Rm, Cabinet Office
11.00 a.m. Budget Overview, HMT
3.15 p.m. PM's Qu's, H/C

Wednesday 29th

9.00 - 10.30 MOD
10.45 a.m. EPSP, Conference Room A, Cabinet Office
2.30 - 4.00 p.m. Gov B/E, EST, Sir P Middleton, Sir T Burns & others, HMT (MTFS)
4.00 p.m. EX, No.10
5.30 p.m. No.10 (Bi-lat)
6.30 - 7.30 p.m. Smoking Rm, H/C

Thursday 1st March

10.00 a.m. Cabinet



Friday 2nd

9.15 am

Ministers + Advisers + PPS's, HMU

10.00 am

1st Order PQ's, HMU

11.00 am

Sir P. Middleton, HMU

11.30 am

NO10 (Strikes in essential services)

Saturday 3rd

Advice centres.

Sunday 4th

Monday 5th



Chancellor
Mrs Lawson

PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State

CHANCELLOR OF THE EXCHEQUER'S
DIARY

The Hon M Lennox-Boyd MP, H/C
Mr D Hunt MP, H/C

Saturday 18th February

Sir P Middleton

Sunday 19th February

Sir T Burns

7.45 for

Mr Littler

8.00 p.m.

Dinner Lord Whitelaw, No.11

Mr Bailey

Mr Cassell

Mr Battishill

Monday 20th February

Mr Hall

9.30 a.m.

Ministers, Mr Monck +

Mr Ridley

others, No.11 (Exec' Shp' Optas)

Mr Lord

10.30 a.m.

Ministers & Advisers, No.11

Mr Portillo

11.00 a.m.

Nigerian Finance Minister, No.11

Mr Makeham

~~11.30 a.m.~~

S/S for Trade and Woll

Miss Newman

11.45 ~~12.30~~ p.m.

Budget Filming, ITN, No.11

Mr Kerr

(+Mrs L)

Mr Peretz

~~2.30 p.m.~~

FST, Sir P Middleton & others

Miss O'Mara

3.30 p.m. -

#NI# (North Sea)

Miss Simpson

~~5.00 p.m.~~

~~ENI, No.10~~

Miss Young

Miss C Garrett (Norman Shaw South)

10.00 p.m.

Running 2 Line Whip (EC
Documents on draft Gen' Budget
for 1984 & Occupiers
Liability Bill)

Mr Salveson

Mr Baillie

Mr Visconti

Mr Lawrence

Miss Varaillon

Mrs Willis

Chancellor's Messengers (2)

Miss Ash

Miss S Lyons (EOG4)

Mr Davey (No 11)

Enquiry Room (2)

Security Guards (2)

PS/Inland Revenue

PS/Customs and Excise

CHANCELLOR OF THE EXCHEQUER'S DIARY

TUESDAY 21st FEBRUARY TO MONDAY 5th MARCH 1984

Tuesday 21st

9.15 a.m. S/S for Employment, No.11

9.45 - 10.30 a.m. Sir R Muldoon, No.11

10.50 a.m. Sir L Airey, HMT (N.I.)

11.00 a.m. Budget Overview, HMT
2.30 pm Sir T. Burns, No.11

3.15 - 3.30 p.m. P.M.'s QU's, H/C

3.30 p.m. Running 2 Line Whip (Parents Aid & Tourism)

3.45 p.m. Sir Y K Pao (+Mr Peretz), No.11
4.15 pm Mun Young No.11

4.30 - 4.45 p.m. Mr Hall, No.11

5.00 p.m. EA, ~~PM's Room, H/C~~, No.10

6.00 p.m. Backbench Finance Committee (+Ministers), Cttee Rm 14, H/C

7.00 p.m. Running 2 Line Whip (Tourism & Monetary Resolution)

Wednesday 22nd

9.00 a.m. Ministers & Advisers + PPS's, HMT

11.00 a.m. No.10 (Bi-lat)

12 noon Miss Garrett, No.11

3.00 p.m. CST, Sir P Middleton, Mr Bailey & others, No.11 (P.E. Private)

4.00 - 6.00 p.m. OD, No.10

6.00 p.m. S/S for Social Services, No.11

6.30 p.m. Backbenchers, No.11

7.00 p.m. 2 Line Whip (Trade Union Membership Rights & Problems of Young Unemployed)

10.00 p.m.

2 Line Whip (Need for Improved Care of Elderly)

Running 2 Line Whip (Double Taxation Relief & Air Navigation)

Thursday 23rd

9.30 a.m. No 10 (Bilateral)

10.00 a.m. Cabinet

4.00 p.m. Running 2 Line Whip (Pensions Commutation Bill + Merchant
Shipping Bill) BISQUE

4.00 p.m. Mr Hall, No.11

4.30 p.m. OD(FAF), No.10

5.30 p.m. Drks: Philip Jones (Chairman of Electricity Council), No.11

6.30 pm Terence Huggins, No.11
[6.30 - 7.30 p.m. Smoking Room, H/C]

Friday 24th

9.15 a.m. Ministers & Advisers, No 11

10.00 a.m. Mr McGillicuddy (+EST), No 11

10.30 a.m. Sir P Middleton, ~~No.11~~ HMT

11.30 am Ministers, Sir P. Middleton, Mr Mayer + others, AMST (Foreign
2.30 p.m. Stoney Stanton Scout Pack, No.11 Earnings)

Dinner; Miss Lawson, No 11

Saturday 25th

Sunday 26th

Monday 27th

10.30 a.m. Ministers & Advisers, No.11
Lunch: Governor of Bank of England, No.11
6.00 p.m. Backbenchers, No.11

Tuesday 28th

9.30 a.m. EA, Conf Rm, Cabinet Office
11.00 a.m. Budget Overview, HMT
3.15 p.m. PM's Qu's, H/C

Wednesday 29th

9.00 - 10.30 Presentation / MOD
10.45 a.m. EPSP, Conference Room A, Cabinet Office
2.30 - 4.00 p.m. Gov B/E, EST, Sir P Middleton, Sir T Burns & others, HMT (MTRs)
4.00 p.m. EX, No.10
5.30 p.m. No.10 (BI-1st) (M.P.'s EXPENSES)
6.30 - 7.30 p.m. Smoking Rm, H/C

Thursday 1st March

9.30am No 10 (BI-1st)
10.00 a.m. Cabinet

P.M.



Friday 2nd

- 9.15 a.m. Ministers & Advisers + PPS'S, HMT
- ~~10.00 a.m. 1st Order PQ's, HMT~~
- 11.00 a.m. Sir P Middleton, HMT
- 11.30 a.m. No.10 (Strikes in Essential services)

Saturday 3rd

Advice Centres

Sunday 4th

Monday 5th



Tuesday 6th

- 10.00 am Budget Photocall, HMT
- 11.00 am Budget Overview, HMT.
- [3.00 pm OD(E)]
- [4.00 pm F 20 (Employee Involvement)]
- [4.30 pm Now (Strikes in Essen' Serv')]

CHANCELLOR OF THE EXCHEQUER'S DIARY

Tuesday 21st February

9.15am	S/S for Employment, No 11
9.45-	
10.30am	Sir R Muldoon, No 11
10.30 am	Mr Tebbit, No.11
10.50am	Sir L Airey, HMT
11.00am	Budget Overview, HMT
2.30 pm	Sir T Burns, No.11
3.15-	
3.30pm	PM's QU's, H/C
3.30pm	Running 2 Line Whip (Parents Aid & Tourism)
3.45pm	Sir Y K Pao (+Mr Peretz), No 11
4.15pm	Miss Young, No 11
4.30pm	EST, Mr Bailey, Mr Chivers No.11 (Attribution)
5.00pm	EA, No 10
6.00pm	Backbench Finance C'ttee (+Ministers), C'ttee Rm 14,H/C)
7.00pm	Running 2 Line Whip (Tourism & Money Resolution)

Chancellor
Mrs Lawson

PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State

The Hon M Lennox-Boyd MP, H/C
Mr D Hunt MP, H/C

CHANCELLOR OF THE EXCHEQUER'S
DIARY

Tuesday 21st February

9.15am S/S for Employment,
No 11

9.45-

(0.30) 10.30am Sir R Muldoon, No 11 *Mr Tebbitt, No 11*

10.50am Sir L Airey, HMT

11.00am Budget Overview, HMT

2.30 pm 3.15pm *Sir T. Burns, No 11*
PM's QU's, H/C

3.30pm Running 2 Line Whip (Parents
Aid & Tourism)

3.45pm Sir Y K Pao (+Mr Peretz),
No 11

4.15pm Miss Young, No 11

4.30pm *Mr Hall, No 11 Noll (Albion)*
EA, No 10

5.00pm Backbench Finance C'ttee
(+Ministers), C'ttee Rm
14, H/C)

6.00pm Running 2 Line Whip
(Tourism & Money Resolution)

Sir P Middleton

Sir T Burns

Mr Littler

Mr Bailey

Mr Cassell

Mr Battishill

Mr Hall

Mr Ridley

Mr Lord

Mr Portillo

Mr Makeham

Miss Newman

Mr Kerr

Mr Peretz

Miss O'Mara

Miss Simpson

Miss Young

Miss C Garrett (Norman Shaw South)

Mr Salveson

Mr Baillie

Mr Visconti

Mr Lawrence

Miss Varailon

Mrs Willis

Chancellor's Messengers 2)

Miss Ash

Miss S Lyons (EOG4)

Mr Davey (No 11)

Enquiry Room (2)

Security Guards (2)

PS/Inland Revenue

PS/Customs and Excise

CHANCELLOR OF THE EXCHEQUER'S DIARY

WEDNESDAY 22nd FEBRUARY TO TUESDAY 6th MARCH 1984

Wednesday 22nd

9.00 a.m. Ministers & Advisers + PPS's, HMT
10.00 am Mr Hall, ~~HMT~~ HMT
11.00 a.m. No.10 (Bi-lat)

12 noon Miss Garrett, No.11

3.00 p.m. CST, Sir P Middleton, Mr Bailey & others, No.11 (PE. Committee)

4.00 - 6.00 p.m. OD, No.10

6.00 p.m. S/S for Social Services, No.11

6.30 p.m. Backbenchers, No.11

7.00 p.m. 2 Line Whip (Trade Union Membership Rights & Problems of Young Unemployed)

10.00 p.m. 2 Line Whip (Need for Improved Care of Elderly)
Running 2 Line Whip (Double Taxation Relief & Air Navigation)

Thursday 23rd

9.30 a.m. No 10 (Bilateral)

10.00 a.m. Cabinet (LTPG)

4.00 p.m. Running 2 Line Whip (Pensions Commutation Bill + Merchant Shipping Bill) BISQUE

4.00 p.m. Mr Hall, No.11

~~4.30 p.m. OD (FAF), No.10~~

5.30 p.m. Drks: Philip Jones (Chairman of Electricity Council), No.11

6.30 p.m. Terence Higgins, No 11

[6.30 - 7.30 p.m. Smoking Room, H/C]

Friday 24th

9.15 a.m. Ministers & Advisers, No 11
10.00 a.m. Mr McGillicuddy (+EST), No 11
10.30 a.m. Sir P Middleton, HMT
11.30 a.m. Ministers, Sir P Middleton, Mr Monger & others, HMT (foreign earnings)
2.30 p.m. Stoney Stanton Scout Pack, No.11
Dinner; Miss Lawson, No 11

Saturday 25th

Sunday 26th

Monday 27th

10.30 a.m. Ministers & Advisers, No.11
Lunch: Governor of Bank of England, No.11
6.00 p.m. Backbenchers, No.11

Tuesday 28th


9.30 a.m. EA, Conf Rm, Cabinet Office
11.00 a.m. Budget Overview, HMT
3.15 p.m. PM's Qu's, H/C

Wednesday 29th

- 9.00 - 10.30 Presentation, MOD
- 10.45 a.m. EPSP, Conference Room A, Cabinet Office
- 2.30 - 4.00 p.m. Gov B/E, EST, Sir P Middleton, Sir T Burns & others, HMT (MTFS)
- 4.00 p.m. EX, No.10
- 5.30 p.m. No.10 (M.P.'s Expenses)
- 6.30 - 7.30 p.m. Smoking Rm, H/C

[Whip's Dinner to be held at Nell]

Thursday 1st March

- 9.30 a.m. No 10 (Bi-lat)
- 10.00 a.m. Cabinet
- 2.30 pm  1st order PQ Buehng, HMT

Friday 2nd

- 9.15 a.m. Ministers & Advisers + PPS'S, HMT
- 11.00 a.m. Sir P Middleton, HMT
- ~~11.30 a.m. No.10 (strikes in Essen services)~~

Saturday 3rd

Advice Centres

Sunday 4th

Dinner; Mr & Mrs Rees (HWSL)

Monday 5th



Tuesday 6th

10.00 a.m. Budget Photocall, HMT

11.00 a.m. Budget Overview, HMT

~~[3.00 p.m. OD(E)]~~

[4.00 p.m. FCO] (Employee Involvement)

~~[4.30 p.m. No 10] (Strike in Essen serv.)~~

Wednesday 7th

10.00 am NEDC

[4.00 - 5.30 pm No 10] (EC Issues) + 1

5.30pm No 10

6.30pm - 7.30pm Smoking RM, H/C

CHANCELLOR OF THE EXCHEQUER'S DIARY

Wednesday 22nd February

9.00 a.m. Ministers & Advisers
+ PPS's, HMT

10.00 a.m. Mr Hall, HMT

11.00 a.m. No.10 (Bi-lat)

12 noon Miss Garrett, No.11

2.30 p.m. Mr Ridley, No.11

3.00 p.m. CST, Sir P Middleton,
Mr Bailey & others, No.11
(P.E. Priorities)

3.30 p.m. Miss Young, No.11

4.15 to

6.00 p.m. OD, No.10

~~6.00 p.m. S/S for Social Services,
No.11~~

6.00pm *Chairman of Cullis, No.11*

6.30 p.m. Backbenchers, No.11

7.00 p.m. 2 Line Whip (Trade Union
Membership Rights &
Problems of Young Unemployed)

10.00 p.m. 2 Line Whip (Need for
Improved Care of Elderly)
Running 2 Line Whip
(Double Taxation Relief
& Air Navigation)

Chancellor
Mrs Lawson

PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State

The Hon M Lennox-Boyd MP, H/C
Mr D Hunt MP, H/C

CHANCELLOR OF THE EXCHEQUER'S DIARY

Wednesday 22nd February

9.00 a.m. Ministers & Advisers
+ PPS's, HMT

10.00 a.m. Mr Hall, HMT
~~10.30 am Mrs Young, HMT~~

11.00 a.m. No.10 (Bi-lat)

12 noon Miss Garrett, No.11
2.30 pm Mr Ridley, No.11

3.00 p.m. CST, Sir P Middleton,
Mr Bailey & others, No.11
4.15 4.00 pm Mrs Young (PE Minutes)

6.00 p.m. OD, No.10

6.00 p.m. S/S for Social Services,
No.11

6.30 p.m. Backbenchers, No.11

7.00 p.m. 2 Line Whip (Trade Union
Membership Rights &
Problems of Young Unemployed)

10.00 p.m. 2 Line Whip (Need for
Improved Care of Elderly)
Running 2 Line Whip
(Double Taxation Relief
& Air Navigation)

Sir P Middleton
Sir T Burns
Mr Littler
Mr Bailey
Mr Cassell
Mr Battishill
Mr Hall
Mr Ridley
Mr Lord
Mr Portillo
Mr Makeham
Miss Newman
Mr Kerr
Mr Peretz
Miss O'Mara
Miss Simpson
Miss Young ✓
Miss C Garrett (Norman Shaw South)

Mr Salveson
Mr Baillie
Mr Visconti
Mr Lawrence

Miss Varaillon
Mrs Willis
Chancellor's Messengers (2)
Miss Ash
Miss S Lyons (EOG4)
Mr Davey (No 11)
Enquiry Room (2)
Security Guards (2)

PS/Inland Revenue
PS/Customs and Excise

CHANCELLOR OF THE EXCHEQUER'S DIARY

THURSDAY 23rd FEBRUARY TO WEDNESDAY 7th MARCH 1984

Thursday 23rd

8.30 am

Haircut, No 11

9.30 a.m.

No 10 (Bilateral)

10.00 a.m.

Cabinet

2.30 pm

CST, Sir P. Middleton, Sir T. Burns, HMT, (LTPE)

4.00 p.m.

Running 2 Line Whip (Pensions Commutation Bill + Merchant

4.00 pm

Shipping Bill) BISQUE

Sir P. Middleton, Sir T. Burns, HMT (MTRF)

~~5.00 4.00 p.m.~~

~~Mr Hall, No 11 HMT~~

5.00 pm

Mr Ridley, AMT.

5.30 p.m.

Drks: Philip Jones (Chairman of Electricity Council), No. 11

6.30 pm

Mr Fowler, No 11

~~6.30 p.m.~~

~~Terence Higgins, No 11~~

[6.30 - 7.30 p.m.]

Smoking Room, H/C]

Friday 24th

9.15 a.m.

Ministers & Advisers, No 11

10.00 a.m.

Mr McGillicuddy (+EST), No 11

10.30 a.m.

Sir P Middleton, HMT

11.30 a.m.

Ministers, Sir P Middleton, Mr Monger & others, HMT

2.30 p.m.

Stoney Stanton Scout Pack, No. 11

Dinner; Miss Lawson, No 11

(Foreign earnings)

Saturday 25th

Sunday 26th

Monday 27th

10.30 a.m. Ministers & Advisers, No.11
11.30 (OD/K)
4.00 pm ← Lunch: Governor of Bank of England, No.11
5.00 (D/PAC) ← SIS for Energy, FST, No.11 (North Sea Fiscal Regime)
6.00 p.m. Backbenchers, No.11

Tuesday 28th

9.30 a.m. EA, Conf Rm, Cabinet Office
11.00 a.m. Budget Overview, HMT
3.15 p.m. PM's Qu's, H/C
6.00 pm Terence Higgins, No.11

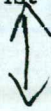
Wednesday 29th

9.00 - 10.30 Presentation, MOD
10.45 a.m. EPSP, Conference Room A, Cabinet Office
2.30 - 4.00 p.m. Gov B/E, EST, Sir P Middleton, Sir T Burns & others, HMT (MTRFS)
4.00 p.m. EX, No.10
5.30 p.m. No.10 (MP's Expenses)
6.30 - 7.30 p.m. Smoking Rm, H/C

[Whip's Dinner to be held at No.11]

Thursday 1st March

9.30 a.m. No 10 (Bi-lat)
10.00 a.m. Cabinet
[11.30am] OD (RAA)]
2.30 p.m. 1st Order PQ Briefing, HMT



Friday 2nd

9.15 a.m. Ministers & Advisers + PPS'S, HMT
11.00 a.m. Sir P Middleton, HMT
11.30am EIA

Saturday 3rd

Advice Centres

Sunday 4th

Dinner: Mr & Mrs Rees (+Mrs L)

Monday 5th



Tuesday 6th

10.00 a.m. Budget Photocall, HMT
11.00 a.m. Budget Overview, HMT
[4.00 p.m. FCO] (Employee Involvement)

Wednesday 7th

10.00 a.m. NEDC
[4.00 -
5.30 p.m. No.10] (see issues)
5.30 p.m. No.10 (B1-lat).
6.30 p.m. -
7.30 p.m. Smoking Rm, H/C

Thursday 8th

9.15 am OD(E), Conference Rm A, Cabinet office
10.00 am Cabinet
11.00 am ES, No10
2.30 pm 1st Order P.Q's, H/e
3.15 pm - 3.30 pm P.M's Qu's, ~~H/e~~ H/e
5.00 - 6.15 pm ODK, No10

Chancellor
Mrs Lawson

PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State

The Hon M Lennox-Boyd MP, H/C
Mr D Hunt MP, H/C

CHANCELLOR OF THE EXCHEQUER'S DIARY

Thursday 23rd February

8.30 a.m. Haircut, No.11
9.30 a.m. No.10 (Bilateral)
10.00 a.m. Cabinet
2.30 p.m. CST, Sir P Middleton,
Sir T Burns, HMT (LTPE)
4.00 p.m. Sir P Middleton, Sir T
Burns, HMT (MTRFS)
4.00 p.m. Running 2 Line Whip
(Pensions Commutation
Bill + Merchant Shipping
Bill) BISQUE
5.00 p.m. Mr Ridley, HMT
5.30 p.m. Drks: Philip Jones (Chairman
of Electricity Council),
No.11
6.30 p.m. Mr Fowler, No.11
[6.30 -
7.30 p.m. Smoking Room, H/C]

Sir P Middleton
Sir T Burns
Mr Littler
Mr Bailey
Mr Cassell
Mr Battishill
Mr Hall
Mr Ridley
Mr Lord
Mr Portillo
Mr Makeham
Miss Newman
Mr Kerr
Mr Peretz
Miss O'Mara
Miss Simpson
Miss Young
Miss C Garrett (Norman Shaw South)
Mr Salveson
Mr Baillie
Mr Visconti
Mr Lawrence
Miss Varaillon
Mrs Willis
Chancellor's Messengers (2)
Miss Ash
Miss S Lyons (EOG4)
Mr Davey (No 11)
Enquiry Room (2)
Security Guards (2)

PS/Inland Revenue
PS/Customs and Excise

CHANCELLOR OF THE EXCHEQUER'S DIARY

FRIDAY 24th FEBRUARY TO THURSDAY 8th MARCH 1984

Friday 24th

9.15 a.m. Ministers & Advisers, No 11

10.00 a.m. Mr McGillicuddy (+EST), No 11 (car Reg UJB 869 X)

10.30 a.m. Sir P Middleton, HMT (foreign earnings)

11.30 a.m. Ministers, Sir P Middleton, Mr Monger & others, HMT

2.30 p.m. Stoney Stanton Scout Pack, No.11

Dinner; Miss Lawson, No 11

Saturday 25th

Sunday 26th

Monday 27th

10.30 a.m. Ministers & Advisers, No.11

11.30 am ODK

1.00 pm Lunch: Governor of Bank of England, No.11

4.00 p.m. S/S for Energy, FST, ~~North~~ HMT (North Sea Fiscal Regime)

5.00 pm Ministers, Sir P. Middleton, Sir T. Brown & others, HMT (MTFS)

6.00 p.m. Backbenchers, No.11

Tuesday 28th

9.30 a.m. EA, Conf Rm^A, Cabinet Office

11.00 a.m. Budget Overview, HMT

2.30 pm Mr Hall, No.11

3.15 p.m. PM's Qu's, H/C

6.00 p.m. Terence Higgins, No.11

Wednesday 29th

9.00 - 10.30 Presentation, MOD

10.45 a.m. EPSP, Conference Room A, Cabinet Office

2.30 - 4.00 p.m. Gov B/E, EST, Sir P Middleton, Sir T Burns & others, HMT (MTFS)

4.00 p.m. EX, No.10

5.30 p.m. No.10 (MPS Expenses)

6.15 pm onwards No.10 (Bi-lat)

6.30 - 7.30 p.m. Smoking Rm, H/C

[Whip's Dinner to be held at No.11]

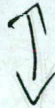
Thursday 1st March

~~9.30 a.m.~~ ~~No.10 (Bi-lat)~~

10.00 a.m. Cabinet

11.30 am OD (PAC)

2.30 p.m. 1st Order PQ Briefing, HMT



Friday 2nd

9.15 a.m. Ministers & Advisers + PPS'S, HMT

10.00 am Mr Hall, HMT

10.30 ~~11.00~~ a.m. Sir P Middleton, HMT

11.30 a.m. EA, No.10

2.30 pm Mr Jay, Mr Hall & others, No.11 (Budget broadcast)

Saturday 3rd

Advice Centres

Sunday 4th

Dinner: Mr & Mrs Rees (+Mrs L)

Monday 5th



Tuesday 6th

10.00 a.m.	Budget Photocall, HMT
11.00 a.m.	Budget Overview, HMT
[4.00 p.m.	FCO] <i>Employee involvement</i>

Wednesday 7th

10.00 a.m.	NEDC
4.00 - 5.30 p.m.	No.10 <i>(EC issues)</i>
5.30 p.m.	No.10 (Bi-lat)
6.30 p.m. -	
7.30 p.m.	Smoking Rm, H/C

Thursday 8th

9.15 a.m. OD(E), Conference Rm A, Cabinet Office
10.00 a.m. Cabinet
11.00 a.m. ES, No.11
2.30 p.m. 1st Order PQ's, H/C
3.15 p.m. -
3.30 p.m. P.M.'s QU's, H/C
5.00 -
6.15 p.m. ODK, No.10

Friday 9th



Saturday 10th

Constituency Protocol

Sunday 11th

Chancellor
Mrs Lawson

PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State

The Hon M Lennox-Boyd MP, H/C
Mr D Hunt MP, H/C

CHANCELLOR OF THE EXCHEQUER'S DIARY

Friday 24th February

9.15a.m. Ministers & Advisers,
No 11
10.00a.m. Mr McGillicuddy (+EST),
No 11 (car reg: UJB 869Y)
10.30a.m. Sir P Middleton, HMT
11.30 a.m. Ministers, Sir P Middleton,
Mr Monger & others, HMT
2.30p.m. Stoney Stanton Scout
Pack, No 11
3.00pm *Mr Ridley, No 11*
Dinner: Miss Lawson,
No 11

*(Foreign
earnings)*

Sir P Middleton
Sir T Burns
Mr Littler
Mr Bailey
Mr Cassell
Mr Battishill
Mr Hall
Mr Ridley
Mr Lord
Mr Portillo
Mr Makeham
Miss Newman
Mr Kerr
Mr Peretz
Miss O'Mara
Miss Simpson
Miss Young
Miss C Garrett (Norman Shaw South)

Mr Salveson
Mr Baillie
Mr Visconti
Mr Lawrence

Miss Varailon
Mrs Willis
Chancellor's Messengers (2)
Miss Ash
Miss S Lyons (EOG4)
Mr Davey (No 11)
Enquiry Room (2)
Security Guards (2)

PS/Inland Revenue
PS/Customs and Excise

CHANCELLOR OF THE EXCHEQUER'S DIARY

SATURDAY 25th FEBRUARY TO SUNDAY 11th MARCH 1984

Saturday 25th

Sunday 26th

Monday 27th

10.30 a.m.

11.00 a.m.

12 noon ~~11.30 a.m.~~

Ministers & Advisers, ~~No.11~~ HMT
CST, Sir P. Middleton, Sir T. Burns, + others, HMT (LTPE)
ODK, No.10.

1.00 p.m.

Lunch: Governor of Bank of England, No.11

4.00 p.m.

S/S for Energy, FST, ~~HMT~~ ^{No.11} (North Sea Fiscal Regime)

5.00 p.m.

Ministers, Sir P Middleton, Sir T Burns & others, HMT (MTFS).

6.00 p.m.

Backbenchers, No.11

10.00 pm

2 line - whip (GCHQ)

Tuesday 28th

9.30 a.m.

EA, Conf Rm A, Cabinet Office

11.00 a.m.

Budget Overview, HMT

2.30 p.m.

Mr Hall, No 11

3.15 p.m.

PM's Qu's, H/C

6.00 p.m.

Terence Higgins, No.11

10.00 pm

2 line - whip (Heating + Lighting + Welsh Affairs)

Wednesday 29th

9.00 - 10.30 Presentation, MOD
10.45 a.m. EPSP, Conference Room A, Cabinet Office
2.30 - 4.00 p.m. Gov B/E, EST, Sir P Middleton, Sir T Burns & others, HMT (MTRFS)
4.00 p.m. EX, No.10
5.30 p.m. No.10 (MP's Expenses)
6.15 p.m. onwards No 10 (Bi-lat)
6.30 p.m. Running 3 line whip (Interception of Telecommunications + Rates Bill)
6.30 - 7.30 p.m. Smoking Rm, H/C

[Whip's Dinner to be held at No.11]

Running 2 line whip (EC Documents + Barclays Bank Bill).

Thursday 1st March

10.00 a.m. Cabinet
11.30 a.m. OD (FAF), No 10
2.30 p.m. 1st Order PQ Briefing, HMT

10.00 p.m.
Friday 2nd

Running 2 line whip (Appropriation (Northern Ireland) Order.)

9.15 a.m. Ministers & Advisers + PPS'S, HMT
10.00 a.m. ~~Mr Hall, HMT~~ Mr Jopling, No 11.
10.30 a.m. Sir P Middleton, ~~HMT~~ No 11
11.30 a.m. EA, No 10

2.30 p.m.
3.30 p.m.
Saturday 3rd

Mr Jay, Mr Hall & others, No 11
Mr Hall, No 11

(Budget Broadcast)

Advice Centres

Sunday 4th

Dinner: Mr & Mrs Rees (+Mrs L)

Monday 5th



Tuesday 6th

10.00 a.m. Budget Photocall, HMT

11.00 a.m. Budget Overview, HMT

~~4.00 p.m.~~

~~FCO~~

~~(Employee Involvement)~~

Wednesday 7th

10.00 a.m.

NEDC

(H/W Unwin)

4.00 -

5.30 p.m.

No.10

(EC Issues)

5.30 p.m.

No.10 (Bi-lat)

6.30 p.m. -

7.30 p.m.

Smoking Rm, H/C

Thursday 8th

9.15 a.m.

OD(E), Conference Rm A, Cabinet Office

10.00 a.m.

Cabinet

11.00 a.m.

ES, No.11

2.30 p.m.

1st Order PQ's, H/C

3.15 p.m. -
3.30 p.m.

P.M.'s QU's, H/C

5.00 -
6.15 p.m.

ODK, No.10

Friday 9th



Saturday 10th

Constituency Photocall

Sunday 11th

CHANCELLOR OF THE EXCHEQUER'S DIARY

Monday 27th February

10.30 a.m.	Ministers & Advisers, HMT
11.00 a.m.	CST, Sir P Middleton, Sir T Burns, & others, HMT (LTPE)
12 noon	ODK, No.10
1.00 p.m.	Lunch: Governor of Bank of England, No.11
2.30 pm	LTPE, HMT
3.30 p.m.	FST & others, HMT (North Sea fiscal regime)
4.00 p.m.	S/S for Energy, FST, HMT (North Sea fiscal regime)
4.30 pm	Vermonth.
5.00 p.m.	Ministers, Sir P Middleton, Sir T Burns & others, HMT (MTFS)
6.00 p.m.	Backbenchers, No.11
10.00 p.m.	2 Line-Whip (GCHQ)

Chancellor
Mrs Lawson

PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
PS/Minister of State

The Hon M Lennox-Boyd MP, H/C
Mr D Hunt MP, H/C

CHANCELLOR OF THE EXCHEQUER'S DIARY

Saturday 25th February

Sunday 26th February

Monday 27th February

10.30 a.m. Ministers & Advisers,
HMT

11.00 a.m. CST, Sir P Middleton,
Sir T Burns, & others,
HMT (LTPE)

12 noon ODK, No.10

1.00 p.m. Lunch: Governor of
Bank of England, No.11

3.30pm ~~Post & others, HMT~~

4.00 p.m. S/S for Energy, FST,

HMT ~~Post~~ (North Sea Fiscal Regime)

5.00 p.m. Ministers, Sir P Middleton,
Sir T Burns & others,
HMT (MTPS)

6.00 p.m. Backbenchers, No.11

10.00 p.m. 2 Line-Whip (GCHQ)

Sir P Middleton

Sir T Burns

Mr Littler

Mr Bailey

Mr Cassell

Mr Battishill

Mr Hall

Mr Ridley

Mr Lord

Mr Portillo

Mr Makeham

Miss Newman

Mr Kerr

Mr Peretz

Miss O'Mara

Miss Simpson

Miss Young

Miss C Garrett (Norman Shaw South)

Mr Salveson

Mr Baillie

Mr Visconti

Mr Lawrence

Miss Varaillon

Mrs Willis

Chancellor's Messengers (2)

Miss Ash

Miss S Lyons (EOG4)

Mr Davey (No 11)

Enquiry Room (2)

Security Guards (2)

PS/Inland Revenue

PS/Customs and Excise

CHANCELLOR OF THE EXCHEQUER'S DIARY

TUESDAY 28th FEBRUARY TO SUNDAY 11th MARCH 1984

4.45 : FST, NO. 11.

Tuesday 28th

- 9.30 a.m. EA, Conf Rm A, Cabinet Office
- 11.00 a.m. Budget Overview, HMT
- 2.30 p.m. Mr Hall, No 11
- 3.15 p.m. PM's Qu's, H/C
5.00 pm CST, FST, EST, Mr Isaac, No 11 (EXEC' SHARE OPTIONS)
6.00 p.m. Terence Higgins, No. 11
- 10.00 p.m. 2 Line-Whip (Heating & Lighting + Welsh Affairs)

Wednesday 29th

- 9.00 - 10.30 Presentation, MOD
- 10.45 a.m. EPSP, Conference Room A, Cabinet Office
12.30 pm Dr K. Mr Hall, No 11 (HMSL)
- 2.30 - 4.00 p.m. Gov B/E, EST, Sir P Middleton, Sir T Burns & others, HMT (MTRs)
- 4.00 p.m. EX, No. 10
- 5.30 p.m. No. 10 (MP'S EXPENSES)
P.M.'S ROOM, H/C.
- 6.15 p.m. onwards ~~No 10~~ (Bi-lat)
- 6.30 p.m. Running 3 Line Whip (Interception of Telecommunication + Rates Bill)
- 6.30 - 7.30 p.m. Smoking Rm, H/C
[Whip's Dinner to be held at No. 11]
- Running 2 Line Whip (EC Documents + Barclays Bank Bill).

Thursday 1st March

10.00 a.m. Cabinet
11.15 a.m. OD
12 noon ~~11.30 a.m.~~ OD(FAF), No 10.
2.30 p.m. 1st Order PQ Briefing, HMT
10.00 p.m. Running 2 Line Whip (Appropriation (Northern Ireland) Order)

Friday 2nd

9.15 a.m. Ministers & Advisers + PPS'S, HMT
10.00 a.m. Mr Jopling, No.11
10.30 a.m. Sir P Middleton, No.11
11.30 a.m. EA, No 10
2.30 p.m. Mr Jay, Mr Hall & others, No 11 (Budget Broadcast)
3.30 p.m. Susan Crossland, No 11
4.00 ~~3.30~~ p.m. Mr Hall, No.11

Saturday 3rd

Advice Centres

Sunday 4th

Dinner: Mr & Mrs Rees (+Mrs L)

Monday 5th



Tuesday 6th

9.00 am Miss Garrett, No 11
10.00 a.m. Budget Photocall, HMT

11.00 a.m. Budget Overview, HMT

Wednesday 7th

10.00 a.m. NEDC

4.00 -
5.30 p.m. No.10 (+Mr Unwin) (EC Issues)

5.30 p.m. No.10 (Bi-lat)

6.30 p.m. -

7.30 p.m. Smoking Rm, H/C

Thursday 8th

9.15 a.m. OD(E), Conference Rm A, Cabinet Office

10.00 a.m. Cabinet

11.00 a.m. ES, No.11

2.30 p.m. 1st Order PQ's, H/C

3.15 p.m. -
3.30 p.m. P.M.'s QU's, H/C

5.00 -
6.15 p.m. ODK, No.10

Friday 9th



Saturday 10th

Constituency Photocall

Sunday 11th

Monday 12th

6.00pm Audience with the Queen, Buckingham Palace.



FROM: MISS M O'MARA

DATE: 21 August 1984

cc Sir P Middleton o.r.
Sir L Airey
Mr Fraser

MR GILMORE

BUDGET LEAK

Mr Board explained to me in response to my minute of 16 August that the DPP had told him that it was a settled policy, endorsed by Ministers in the past, that police reports of investigations such as that which took place over the Budget leak, should not be sent to Ministers. I have explained this to the Chancellor and he has asked whether in these circumstances, the DPP could let him have a summary.

mom

MISS M O'MARA