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807

Confidential

Duchy of Cornwall Management  
Bill

ROYAL  
FAMILY

June 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>13-7-81</del>							
<del>14-7-81</del>							
<del>6-8-81</del>							
<del>2-8-81</del>							
<del>1-9-81</del>							
<del>2-9-81</del>							
<del>27-10-81</del>							
<del>3-11-81</del>							
24-6-82							

PREM 19/897

**TO BE RETAINED AS TOP ENCLOSURE**

**Cabinet / Cabinet Committee Documents**

Reference	Date
L(81)99	27.10.81
L(81) 20th Meeting, Minute 6	3. 11. 81

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES

Signed Wayland Date 8 August 2013

**PREM Records Team**



Royal Family

Wh  
25/6

FROM THE LEADER OF THE HOUSE  
HOUSE OF LORDS

24 June 1982

Dear Gertner,

with  
PM

I have seen a copy of your letter of 22 June to John Biffen about the Duchy of Cornwall Management Bill and the need to take Second Reading on the floor of the House of Commons.

You say that I am content that all stages should be taken in the Lords in October. Given the pressures of the programme in the Lords and the uncertainties about the amount of business which will remain in October, I would, of course, have preferred to have taken at least Second Reading in the Lords before the Recess. It is certainly very important that the Bill should complete its stages in the Commons in time for a First Reading in the Lords before we rise for the Recess. But, subject to that point, we will plan for all substantive stages in the Lords in October and I do not, at this stage, anticipate any difficulties, though the programme will certainly be tight.

I am copying this letter to the recipients of yours.

Yours ever  
Baroness

BARONESS YOUNG

The Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer

25 JUN 1982





Prime Minister 2  
 To be aware, I understand  
 the Chief Whips Office are copying with  
 the idea of Second Reading on 5 July. WH  
 22/6

Treasury Chambers, Parliament Street. SW1P 3AG

01-233 3000

22 June 1982

Rt. Hon. John Biffen MP  
 Leader of the House

MS

Dear Lord President,

DUCHY OF CORNWALL BILL

You will remember that it was agreed by QL Committee (QL(81)6th Meeting), and then by the Cabinet on 30 July last year, that the Duchy of Cornwall Management Bill should be included in the Legislative Programme for this Session on condition that it was referred to Second Reading Committee.

The Opposition were subsequently consulted about the Bill and they agreed that it should be introduced and referred to the Second Reading Committee; and this has been done. The Opposition's agreement was subject to clearing up some detailed points on the Bill but these did not seem likely to cause any difficulty. In the event, however, the Opposition spokesman have not been able to reach agreement with us on these points, not, I believe, because we have been unable to satisfy them about the substance of the Bill but because of political difficulties on their part of being seen to be co-operating in giving a Bill on this subject an uninterrupted passage.

The Opposition would not have the same objection to an alternative procedure which would not involve them in overtly assisting the passage of the Bill. Their business managers have indicated that, if we take the Second Reading on the Floor of the House and the Committee stage in Standing Committee, they would expect the Bill to complete all its stages in the Commons in July. It would then go to the Lords for consideration in the Autumn and I understand that Janet Young is content with that.

We have had to decide quickly whether we would proceed on that basis, since the revised procedure would need to be announced this Thursday if the Commons stages are to be completed before the Recess. I have no doubt that we should proceed. This Bill is a useful measure which brings into

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the twentieth century the legislation governing the management of the Duchy of Cornwall Estate. Since the revenues from the Estate relieve the taxpayer of financing the Duke of Cornwall's official duties and the balance (as determined in periodic negotiations) is surrendered to the Government, anything which promotes the efficient management of the Estate is of direct benefit to the taxpayer. There is never a good time to take legislation touching on the affairs of the Royal family but no other time is likely to be more propitious than the present one and, having introduced and published the Bill, I am sure that we should not withdraw it.

After consulting you and the Chief Whip therefore, I agreed that we should proceed on this revised basis, \* ~~~~~~~~~ \* Since there is no meeting of Legislation Committee this Wednesday, I am circulating this letter to inform the Committee of this development. If any of our colleagues want to comment, they should do so by close of play tomorrow, 23 June.

I am copying this letter to the Prime Minister, Members of L Committee and Robert Armstrong.

Yours sincerely,

*Jim Rucker*

PP GEOFFREY HOWE

(Approved by the Chancellor and signed in his absence)

\*~\* Passage deleted and closed, 40 years, under FOI Exemption.

*Wayland*  
8 August 2013

~~2. Mr. [unclear]~~ 1. M. Gatten  
To be aware  
3. CF.

file

July Six

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10 DOWNING STREET

From the Private Secretary

2 September 1981

Dear John

Prince of Wales and the Duchy of Cornwall Revenues

The Prime Minister was grateful for the Chancellor's minute of 1 September.

She agrees that the Government should accept the proposal, \* ~~~~~ \* that from 1981 he should voluntarily surrender 25 per cent of the Duchy of Cornwall Revenues to the Consolidated Fund.

Yours

William Kerr

John Kerr, Esq.,  
HM Treasury

~~CONFIDENTIAL~~

ll.

\* ~ \* Passage deleted and closed, 40 years, under FOI Exemption

Wayland  
8 August 2013



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

PRIME MINISTER

PRINCE OF WALES AND DUCHY OF CORNWALL REVENUES

We have to decide what to do about the Duchy of Cornwall Revenues following the recent marriage of the Prince of Wales. The present position is that when the Duke of Cornwall came of age in 1969, he was entitled to the whole of the revenues of the Duchy (tax free). However, in agreement with the Government of the day, the Duke undertook voluntarily to surrender 50 per cent of the Revenues to the Consolidated Fund, this arrangement was subject to review in the event of his marriage or some other changes of circumstances.

..... 2. The attached minute by Douglas Wass to me sets out in some detail the facts and figures associated with the decision,

[redacted] that from 1981 he should voluntarily surrender 25 per cent of the Duchy of Cornwall Revenues to the Consolidated Fund. I endorse this recommendation,



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[REDACTED]

3. In law, of course, these revenues belong to the Prince and he is free to decide how much he will surrender. In the aftermath of the wedding the personal popularity of the Prince has never been higher; so a September announcement should not attract adverse comment - except from the traditional anti-monarchists, who may, for once, think a low profile is advisable.

4. The surrender will compare with a 33 per cent surrender by the previous Prince of Wales, who was, however, a bachelor while he was Duke of Cornwall, so even that comparison is not unfavourable.

[REDACTED]

A handwritten signature in black ink, appearing to be "G.H.".

(G.H.)

1st September 1981

*Passages deleted and closed, 40 years,  
under FOI exemption.*

*Wayland  
8 August 2013*



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LETTERCODE/SERIES ..... <i>PREM 19</i> .....	Date and sign
PIECE/ITEM ..... <i>897</i> ..... (one piece/item number)	
Extract/Item details:  <i>Minute from Wase to Chancellor of the Exchequer dated 19 August 1981 (attached to Howe to PM, 1 September 1981)</i>	
CLOSED FOR ..... <i>40</i> ..... YEARS UNDER FOI EXEMPTION	<i>8 August 2013 Wayland</i>
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NUMBER NOT USED	

PRIME MINISTER

PRINCE OF WALES AND THE DUCHY OF CORNWALL REVENUES

You will recall the minute to the Chancellor from Sir Douglas Wass that I showed you last week. This recommended that from 1981 the Prince of Wales should voluntarily surrender 25% of the Duchy of Cornwall revenues, rather than the present 50%. You commented that you doubted whether this would be sufficiently generous in the event of the Prince starting a family, and suggested that he should only surrender 20% then.

*Passage deleted and closed, 40 years,  
under FOI Exemption.*

*Wayland  
8 August 2013*

He therefore supports the figure of 25% proposed by the Treasury.

Agree with the Chancellor that the Prince should surrender 25% of the Duchy of Cornwall revenues from 1981?

*S.J. Pike*

*pp WFSR.*

*Yes  
ms*

1 September 1981

BT when  
Chancellor  
writes (probably  
1/9) WH 20/8



I have passed on your  
comments to the  
Chancellor's office so  
that he can consider  
them when taking  
advice.

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

WH  
26/8

19 August 1981

W. Ricketts, Esq.,  
Private Secretary,  
10, Downing Street

Manuscript note deleted and  
dated, 40 years, under FOI  
Exemption.

Wayland  
8 August 2013

Dear Willie,

THE INCOME OF THE PRINCE OF WALES

... We spoke by telephone about the handling of the attached  
submission from Sir Douglas Wass to the Chancellor  
enclosing a draft letter from the Chancellor to the  
Prime Minister about the arrangements for the future  
expenditure of the Prince of Wales following his wedding.  
I explained that we were not able to send papers to the  
Chancellor in Portugal, but would be putting the  
submission to him on his return on 28 August. This  
would leave time for him to put a submission to the  
Prime Minister on the subject before her visit to  
Balmoral the following weekend.

You suggested that it would be helpful if the Prime  
Minister were to see these papers over the weekend of  
29/30 August in order to familiarise herself with the  
issues. On this basis I am sending you an advance copy  
of the submission so that it can go into the relevant  
weekend box. The Chancellor will let the Prime Minister  
know his views on 1 September.

Yours ever,

Peter

P.S. JENKINS

I doubt whether we are  
being sufficiently generous in the  
context of family. Could we not  
what he will surely  
only the



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DRAFT LETTER:-

Chancellor of the Exchequer to the Prime Minister

PRINCE OF WALES AND DUCHY OF CORNWALL REVENUES

We have to decide what to do about the Duchy of Cornwall Revenues following the recent marriage of the Prince of Wales. The present position is that when the Duke of Cornwall came of age in 1969, he was entitled to the whole of the revenues of the Duchy (tax free). However, in agreement with the Government of the day, the Duke undertook voluntarily to surrender 50% of the Revenues to the Consolidated Fund, this arrangement was subject to review in the event of his marriage or some other changes of circumstances.

2. The attached minute by Douglas Wass to me sets out in some detail the facts and figures associated with the decision.

\* ~~~~~ \*  
\* ~~~~~ \* that from 1981 he should voluntarily surrender 25% of the Duchy of Cornwall Revenues to the Consolidated Fund. I endorse this recommendation. In law, these revenues belong to the Prince and he is free to decide how much he will surrender. In the aftermath of the wedding the personal popularity of the Prince has never been higher; so a September announcement should not attract adverse comment - except from the traditional anti-monarchists, who may, for once, think a low profile is advisable.

3. The surrender will compare with a 33% surrender by the previous Prince of Wales, who was, however, a bachelor while he was Duke of Cornwall, so even that comparison is not unfavourable. \* ~~~~~ \*

\* ~~~~~ \* Passages deleted and closed, 40 years,  
under FOI Exemption. @Wayland

8 August 2013

TPS

CONFIDENTIAL until 5.00 p.m. 25th August, 1969

PRESS STATEMENT

FOR RELEASE BY BUCKINGHAM PALACE  
at 5.00 p.m. on Monday 25th August, 1969

By Section two of the Civil List Act 1952 the net annual revenues of the Duchy of Cornwall, during the minority of His Royal Highness The Prince of Wales, are at the disposal of Her Majesty The Queen, subject to the deduction of an allowance payable to His Royal Highness. The balance of the net annual revenues of the Duchy, at the disposal of Her Majesty, has been used to reduce the yearly sum of £475,000 paid from the Consolidated Fund for the Queen's Civil List. The total Consolidated Fund grants to the Civil List have thus been reduced by some £2½ million since 1952.

From the Prince of Wales's majority on 14th November 1969, His Royal Highness, as Duke of Cornwall, becomes entitled to the whole net revenues of the Duchy.

His Royal Highness has offered to make over to the Consolidated Fund, as from the date of his majority, half of the Duchy of Cornwall net revenues. This offer has been accepted by the Government. It has been agreed that the amount to be made over should be subject to review on His Royal Highness's marriage or in the light of other changes in circumstances.

NOTES FOR GUIDANCE OF PRESS OFFICERS

The Government recognise and appreciate the considerations which have led the Prince of Wales to offer to make over to the Consolidated Fund half of the Duchy of Cornwall net revenues to which he will become entitled on his coming of age.

2. The net revenues of the Duchy of Cornwall are the amounts remaining out of the income from the Duchy estates after all the expenses of the estates have been met. In 1968, the net revenues amounted to some £220,000.

3. The Civil List makes no provision for the Prince of Wales or for any family he may have (other than for his widow in the event of his decease). His expenses therefore fall to be met out of his income from the Duchy of Cornwall. Now that he is beginning to take a share in the public duties of the Royal Family, he needs a small "household" of his own, and his expenses include the salaries and other payments associated with that. The amount to be retained by the Prince is considerably in excess of his current expenses. His expenses can, however, be expected to grow as his share in the public duties of the Royal Family increases. The excess over his immediate expenses will make possible the gradual building up of a reserve fund to cover expenses and contingencies for which there would otherwise be no provision.

4. At this early stage of the Prince's career it is impossible to foresee his needs in five or ten years' time, let alone still further in the future. No attempt has been made to forecast and provide for every conceivable requirement during his time as Prince of Wales. The amount of the offer is thus related to what can be reasonably foreseen at present. The provision for review enables the amount to be reconsidered in the light of experience and changing circumstances - the most obvious of which would of course be the Prince's marriage.

5. From 14th November 1969 the Consolidated Fund grant of £475,000 a year to the Civil List will be paid in full. The amounts made over by the Prince of Wales out of Duchy of Cornwall net revenues will be paid into the Consolidated Fund and will be shown as part of the miscellaneous receipts in the annual accounts of that Fund presented to Parliament by the Treasury in accordance with section 21 of the National Loans Act 1968.



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[The following paragraphs not to be used except in reply to a direct question]

6. In making this offer the Prince of Wales is following the example of his great-uncle, Edward Prince of Wales, who made over to the Consolidated Fund some £20,000 a year from 1921 until his accession in 1936. If allowance is made for the change in the value of money since the 1920's and 1930's, the sum to be retained by Prince Charles will represent a considerably smaller amount than the average amount retained by Prince Edward between 1921 and 1936.

7. The Prince of Wales is not liable to income tax or surtax on the net revenues of the Duchy of Cornwall. He would, however, be liable to taxation like any other subject of Her Majesty on income received from any other source.

K

SECTION 7 OF DUCHY OF CORNWALL MANAGEMENT BILL

7. (1) On the application of the Duke of Cornwall any transaction affecting Duchy property and not otherwise authorised may be authorised by the Treasury if they consider that it will be conducive to the good management of the Duchy.

Power of  
Treasury  
to  
sanction  
transac-  
tions.

(2) An authorisation may be given under subsection (1) above for a particular transaction or for transactions of a particular description.



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LETTERCODE/SERIES ..... <i>PREM 19</i> .....	Date and sign
PIECE/ITEM ..... <i>897</i> ..... (one piece/item number)	
Extract/Item details:  <i>Letter from Adeane to Pattison dated 7 August 1981</i>	
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Extract/Item details:  <i>Letter from Pattison to Adeane dated 6 August 1981</i>	
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LETTERCODE/SERIES ..... <i>PREM 9</i> .....	Date and sign
PIECE/ITEM ..... <i>897</i> ..... (one piece/item number)	
Extract/Item details:  <i>minute from Wright to Pattison dated 3 August 1981, with attached draft letter</i>	
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Chancellor of the Duchy of Lancaster

Royal Farn

PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2BT

14 July 1981

Dear John

1. Mr. Arthur  
To see

2. Mr. [unclear]  
[unclear]  
15<sup>th</sup>

DUCHY OF CORNWALL MANAGEMENT BILL

As you will know, the Marquess of Lothian, accompanied by Lord Franks, called on the Chancellor of the Duchy of Lancaster yesterday morning to discuss the position of this Bill in relation to next Session's legislative programme. Mr Collinson from the Treasury was also present. I set out below a summary of the conversation.

The Marquess of Lothian explained that the Duchy of Cornwall Bill was designed to remedy the long-standing deficiencies in the powers of the Duke of Cornwall. It would be short and uncontroversial. It was not the intention to update and repair the existing legislation, but to grant to the Duke powers similar in nature to those already enjoyed by the Crown Estates and by universities' and colleges' estates. A revised draft of the Bill would very shortly be available from Parliamentary Counsel. In view of the imminent marriage of the Prince of Wales, the Marquess of Lothian suggested that 1981 would be a most appropriate year for this Bill to be enacted.

The Chancellor of the Duchy explained that the Government's legislative programme for the next Session of Parliament was under very heavy pressure. It had already proved necessary to postpone several desirable Government measures and he regretted that it would therefore not be possible for the Duchy of Cornwall Bill to be given a place in the programme.

Following a short discussion, the Chancellor of the Duchy summarised the position. The proposed Bill was not suitable for handing to a Private Member. However, he did not rule out the possibility that it might be introduced as a second reading committee Bill if soundings suggested that this procedure would not be widely challenged. He would arrange for this possibility

Contd ....

John Wiggins Esq  
Private Secretary to the Chancellor of the Exchequer



to be explored. It was unfortunate that pressure of legislation prevented the inclusion of the Bill in the main programme for 1981/82. Nevertheless it was helpful that the Bill was already drafted and ready for introduction. Should an unforeseen gap appear in the Government's programme during the coming Session, he would of course consider taking advantage of such an opportunity to enact the Bill.

I am copying this letter to Mike Pattison (Number Ten), Murdo Maclean (Chief Whip's Office) and Leonard Harris (Cabinet Office).

*Yours ever* Nick Huxtable

N P M HUXTABLE  
Private Secretary

15 JUL 1981







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PIECE/ITEM ..... <i>897</i> ..... (one piece/item number)	
Extract/Item details:  <i>Letter from Prime Minister to Prince of Wales dated 13 July 1981</i>	
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PIECE/ITEM ..... (one piece/item number) <i>897</i>	
Extract/Item details:  <i>Minute from Whitmore to Prime Minister dated 8 July 1981, with attached draft letter</i>	
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PIECE/ITEM ..... <i>897</i> (one piece/item number)	
Extract/Item details:  <i>Manuscript note to Prime Minister dated 26 June 1981</i>	
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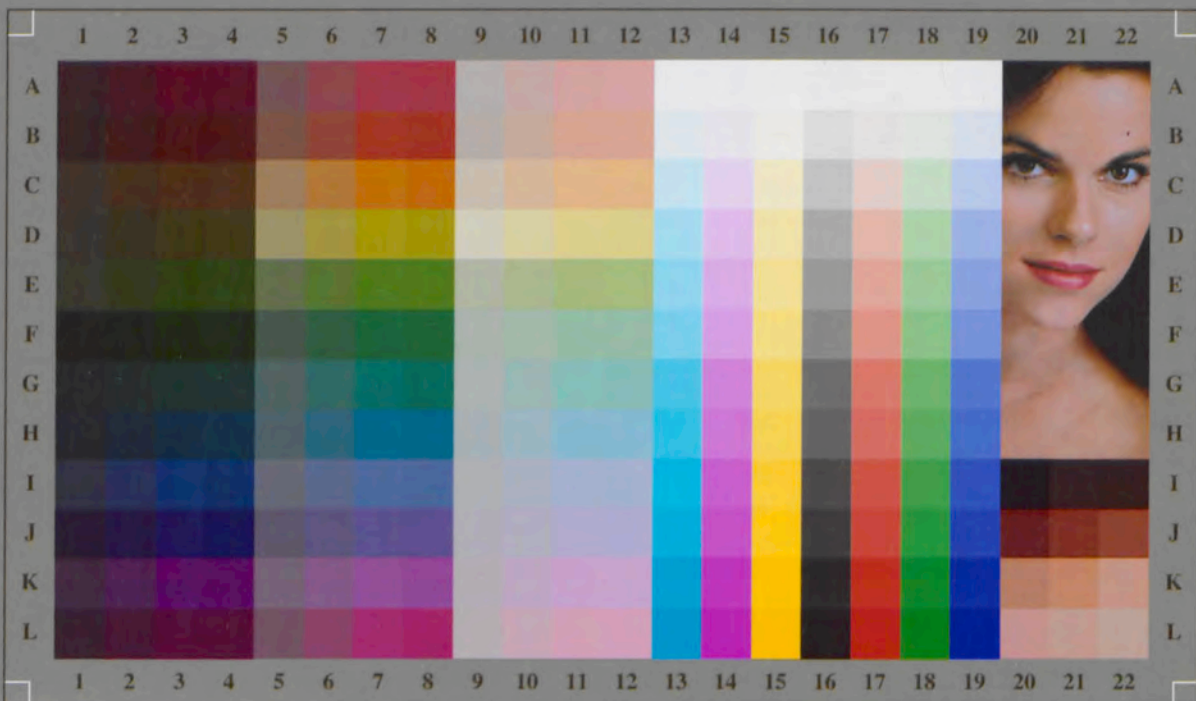


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PIECE/ITEM ..... <i>897</i> ..... (one piece/item number)	
Extract/Item details:  <i>Letter from Prince of Wales to Prime Minister dated 22 June 1981</i>	
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