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PART A

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PART A



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PART A

1987 BUDGET SECURITY

DD's 28 years NAges 31/3/95.

FROM: B J PORTEOUS
DATE: 6 November 1986

MR ROMANSKI

cc Miss Sinclair
Mr Fox
Mr Fray ←
Mr Rees

BUDGET SECURITY

In your minute of 4 November you asked for my advice about the possible need to cover the secure facsimile arrangements in the Budget Security Instructions.

2. I suggest that we replace paragraphs 80A and 80B in Treasury Security Instructions by the attached draft paragraphs 80A, 80B and 80C, on which I would welcome comments.

3. The last line of paragraphs 158(e) and 160(b) could then be amended to read:-

"Between the Treasury, HM Customs and Excise, Inland Revenue, Department of Transport and the Bank of England (see paragraph 80B)."

4. You may also think it worth including a paragraph in the covering Office Notice on the lines of:-

"The secure facsimile which was used last year for the transmission of Budget classified papers up to including Budget Secret: Budget List Only between the Treasury and the Revenue Departments, has now been extended to the Bank of England, Department of Transport and DVLC Swansea (paragraph 80B)."

5. Finally there are a number of telephone numbers in the Budget Security Instructions. These will all change from 15 December which is a convenient date as I see that last year's Office Notice went out on 20 December. I suggest that we ensure that this year's notice goes out after 15 December and that Mr Rees is asked to go through it to amend all the telephone numbers.

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6. There is also a fundamental revision of Treasury Security Instructions in the offing, but I am doubtful that will be ready before the Budget Security Instructions are ready to issue and as they are largely self-contained it is unlikely to have a great effect on them. However I am copying this minute to Mr Fox so that he is aware of what is proposed.

B J PORTEOUS

DRAFT PARAGRAPHS FOR TREASURY SECURITY INSTRUCTIONS

Facsimile Transmissions

80A. In no circumstances should classified information be sent abroad by facsimile; secure facilities are available via the FCO telegram system (see separate Section in HM Treasury Reference Book) and via a secure facsimile link with UKREP, Brussels. Within the London telephone area the facsimile facilities in Room 75/G can be used for material up to and including Confidential provided the officer authorising its use is satisfied that the risk involved in using an insecure method is worth taking in the circumstances (eg the cost of failure to meet a specified deadline for an ^miminent announcement). Special rules governing the use of ~~the~~ facsimile for classified work are attached at Annex III.

80B. A special facsimile facility in the Chancellor's Office (Room 14/2) can be used for the transmission of Budget classified information up to and including BUDGET SECRET: BUDGET LIST ONLY and other classified economic information up to and including SECRET. This facility is only available to the Bank of England, HM Customs and Excise (King's Beam House), Inland Revenue (Somerset House), Department of Transport (Marsham Street) and DVLC Swansea and must be used for the facsimile transmission of all classified information from the Treasury to these addresses. Transmission can only be made by a member of the Chancellor's staff as they alone have been briefed on the special procedures which apply.

80C. Information about the use of facsimile is set out in the Treasury Reference Book. Enquiries about the general use of facsimile should be addressed to Mr D Lodge (233-5529) or to local Office Managers. Questions about the security aspects of the use of facsimile and about the use of the special facility referred to in para 80B above should be addressed to the Assistant Budget Security Officer in EOG2 (233-7861).

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FROM: K M ROMANSKI
 DATE: 5 January 1987

SIR PETER MIDDLETON

cc Mr Scholar
 Miss Sinclair
 Mr Porteous
 Mr Rees
 Mr Fray
 Mr Bone (C&E)
 Mr McManus (IR)

BUDGET SECURITY: BUDGET LIST

The Inland Revenue have asked (copy letter attached) that an additional name be added to the Budget List: Mr M R Bolland, PS to the Deputy Chairmen. He is needed to help cover for absences of the Private Secretary, Ms St Quinton, who is the designated officer for operating the secure facsimile link for BLO material. Although Inland Revenue already have somebody else on the list who can act as a back-up, they consider that in view of the likely volume of traffic and its urgency, one back-up is not sufficient, especially as he is not actually in their Private Office. Mr Battishill has agreed that the addition would be operationally justified. I would agree with this assessment - given the great urgency of some of the Budget material it could at times be very inconvenient if no-one was available to transmit or receive documents. Customs and Excise were allowed an additional name on the Budget List to operate the secure facsimile link; Inland Revenue so far have not. So I recommend that you agree to Mr Bolland's addition to the Budget List.

2. Staff moves have necessitated some changes to the Budget List:

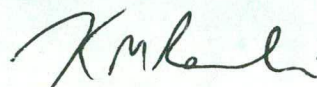
a. Already taken place

PS/MST - Mr Judge has replaced Mr Norgrove
 CO/in FP - Mr Childs has replaced Mr Polin

b. With effect from 12 January

Customs and Excise, PS/Chairman - Miss H Massie will replace Mr Railton.

I will reflect these changes when the Budget List is reissued.



K M ROMANSKI

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Inland Revenue
CENTRAL DIVISION
Somerset House
London
WC2R 1LB

Telephone 01-438 -7221

K M Romanski Esq
FP Division
HM Treasury
Parliament Street
LONDON
SW1

12 December 1986

Dear Kris

BUDGET SECURITY

I have been giving further thought to the use likely to be made of the secure facsimile link between our Departments. When this is used to receive or transmit BLO material, the documents must of course be handled by someone on the Budget List. I have hitherto assumed that we would be able to cope by having the Chairman's Private Secretary - Ms St Quinton - deal with most of these, with Mr Shaw covering in her absence. However if, as seems quite likely, considerably greater use is made of the secure facsimile link in 1987 for transmitting BLO documents, I foresee some risk that on occasion neither Ms St Quinton nor Mr Shaw will be available at the critical time. Where the link could not be used for that reason, there would be a clear loss of operational efficiency. To avoid this possibility I am writing to seek your agreement to the addition of the Private Secretary to the Deputy Chairmen - Mr M F Bolland - to the Budget List from 12 January. I realise that you will need to clear this with Sir Peter Middleton. When doing so you might like to mention that Mr Battishill has been consulted on the proposed addition and agrees it would be operationally justified.

Yours sincerely

S J McMANUS

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H M TREASURY
OFFICE NOTICE

~~SECRET~~
Please return to
me when finished.
Thanks M

ON (GENERAL) (86) 99
10 DECEMBER 1986

BUDGET SECURITY

I attach a note setting out this year's Budget security instructions. They apply without exception to Ministers, advisers and officials. Breaches of these instructions will be treated as a serious matter.

2. The special arrangements for Budget security are designed to give additional protection to information about Budget decisions. The instructions have been approved by the Chancellor of the Exchequer. This year's instructions follow the general lines of last year's instructions. The Budget security arrangements have generally worked well in the last two years, but that must not be a reason for complacency. It is important that all concerned continue to be observe these instructions strictly.

3. All members of the department should recognise the sensitivity of Budget material, and take every care to ensure that its integrity is preserved. Heads of Divisions and Private Offices should ensure that staff who are likely to handle Budget papers understand the instructions. The Assistant Budget Security Officer in EOG2 will also help ensure that the staff most heavily involved understand the procedures and have the equipment to carry them out.

4. All members of the department should also note that the Budget Security instructions contain guidance (paragraphs 144 to 147) on contacts with journalists, in the period from the beginning of January to Budget Day, which apply whether or not you have any involvement with Budget work. The term "journalist" should be interpreted widely to include contributors to specialists publications, brokers circulars, newsletters etc; indeed anyone

who is in a position to make easy contact with the media. Most staff will not have any such contacts. But if you do you must observe these instructions, to protect your own position and that of the department against suspicion. In any contacts, you must take particular care, as inferences can be drawn from the most casual remark or refusal to comment.

5. The major change in this year's instructions compared with last year is that the guidance on use of the Budget prefix has been clarified. It is important that documents relating to the Budget be classified correctly, in accordance with the guidance in paragraphs 150 to 153A. In cases of doubt the Budget Security Officer should be consulted (see paragraph 9). Particular points to note are:

(a) the Budget prefix should be used for papers containing decisions on any public expenditure changes to be announced in the Budget; and

(b) a reply to, or comments on, a minute should not automatically be given the same classification as the original minute.

6. There are a number of other points in the instructions to which I would draw particular attention:

(a) The rules for handling Budget Secret: Budget List Only documents set out in paragraph 158 must be adhered to strictly. In particular, documents for which this classification is appropriate must not be sent or shown to anybody who is not on the authorised list of recipients (the "Budget List") which has been approved by me. Any alterations to the list require my prior approval. Special care should be taken over the custody of typed originals of Budget Secret: Budget List only documents (paragraph 158(b)).

(b) Great care should be taken to ensure that titles of Budget Secret documents and above are not themselves revealing of

the contents of the Budget, as they may be seen by staff not authorised to have access to Budget information (paragraph 158(a), 160(a)).

(c) A minute containing Budget classified material should not be written unless it is strictly necessary and, if it is, should not be circulated to those who do not have a real operational need to see it. If a person only needs to see part of a document, he should only be sent that part, not the whole document (paragraph 155).

(d) Each copy of every document classified Budget Secret or above must be individually numbered, in sequence (paragraph 158(c), 160(f)).

(e) Documents which are classified Budget Secret or above must always be sent in double envelopes, even if they are being sent within the Treasury. The inner envelope should bear the appropriate address label with all details fully completed (paragraph 158(d), 160(a)).

(f) Budget classified papers may not be filed by allocated Clerks (or Sector Registries) until after Budget Day, unless specifically authorised. Until then, such papers which have been passed to a Principal must be kept by him so that other staff do not have access to them (paragraph 158(f), 160(d)).

(g) Additional security furniture will be required by some staff. It is essential that requisitions for this be made as soon as possible from the Assistant Budget Security Officer in EOG 2 (extension 4859) (paragraph 158(g), 160(d)).

7. A copy of the Budget list is being sent today to those persons whose names are included on it.

8. The system of special spot checks on Budget classified documents (paragraph 161) will continue. These checks are carried out on

my authority. I ask all members of staff to co-operate so that the checks can be carried out with the minimum of disturbance.

9. The secure facsimile which was used last year for the transmission of Budget classification papers up to and including Budget Secret: Budget List Only between the Treasury and the Revenue Departments, has now been extended to the Bank of England and Department of Transport, at Marsham Street and DVLC Swansea (paragraph 80B). An amendment to the Treasury Security Instructions dealing with this point is also attached.

10. Further guidance on any aspect of the Budget security instructions can be obtained from the Budget Security Officer, Mr Romanski the Principal in FP (Indirect taxation branch - extension 4922), who will be assisted in the performance of his duties during the Budget season by Mr Rees, EOG2 (extension 4859).

11. Please insert these instructions in the copy of "HM Treasury Security Instructions" in your possession and destroy the previous version.

PETER MIDDLETON

COVERING
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TREASURY SECURITY INSTRUCTIONS

JANUARY 1983 EDITION

AMENDMENT NO 6

15 December 1986

1. Replacement Pages

Paragraphs 144-165 remove and destroy: insert new pages.

Paragraphs 80A-84 remove and destroy: insert new pages.

2. Manuscript Amendments

Paragraph 73 233 7887 to read 270 4394

Paragraph 137 233 4917 to read 270 4558

Paragraph 171 delete Mr B Older (Ext 6102) and insert Mr R Anderson
(270 6408).

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XIII. BUDGET SECURITY**Relations with the Press**

144. This first subsection applies to all Treasury staff in the pre-Budget period, including officials who are not involved in work connected with the Budget. References to 'journalist' in this section are to be interpreted widely to include contributors to specialist and academic publications, brokers' circulars, newsletters and other similar publications. References to the pre-Budget period should be taken to mean the period between the beginning of January and Budget Day itself.

145. Formal contacts with journalists in the pre-Budget period may only be undertaken with the prior authority of the Permanent Secretary or, in his absence, either the Under Secretary (FP) or one of the Second Permanent Secretaries. If permission for such contact is granted, a report should be submitted immediately after it takes place to the head of IDT, copied to the Permanent Secretary and the Budget Security Officer, whatever the subject matter of the discussion.

146. Telephone calls from journalists are to be referred in the first instance to IDT. If any conversation takes place directly with a journalist in the pre-Budget period a report is to be sent to IDT copied to the Budget Security Officer, whatever the subject matter of the conversation.

147. If any other contacts take place with journalists in the pre-Budget period, no matter how informal, a report of the fact is to be made to IDT copied to the Budget Security Officer, together with a very brief account of any discussion of official matters.

General

148. Special security arrangements apply to certain information connected with the Budget, as described in paragraph 150. The arrangements apply in addition to the normal departmental security procedures and are intended to provide additional protection for information about Budget decisions. It is the responsibility of every person involved in Budget work to be familiar with, and operate, these instructions. EOG will ensure that those most heavily involved understand the procedures.

149. The recipient of a Budget classified document is, at all times, personally responsible for its security. This applies even if custody of the document is entrusted to another member of his or her staff (where this is permitted).

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Use of Budget prefix

150. The Budget prefix should only be added to the security classification marking for documents which contain information concerning Ministerial decisions on:

- (a) the Budget judgement and in particular the PSBR;
- (b) all taxation matters connected with the Budget; and
- (c) any social security or other public expenditure changes to be announced in the Budget.

The Budget classification should also be applied to documents in which no decisions are recorded, where the papers are particularly sensitive - for example, where the very fact that a matter is being discussed is sensitive, where there is a serious danger of forestalling or where a document might reveal the approach to the Budget likely to be adopted by Ministers. The Budget prefix should not be used on other papers which do not reveal Ministerial decisions.

151. A Budget classification is not, in general, required for papers containing:

- (a) Ministerial decisions relating to economic forecasts, monetary policy, exchange rate policy and other items not directly related to tax or public expenditure decisions, even where these are in the context of a Budget;
- (b) arguments for and against a particular course of action, or recommendations from officials to Ministers or other Ministers to the Chancellor unless the papers are particularly sensitive (see above); or
- (c) lists of options in which no decision is recorded.

It should be borne in mind that a submission to a Minister on a Budget matter, suggesting a range of options, may properly not have a Budget classification, but a note from a Ministerial Office recording a decision on it should be given a Budget classification.

152. Care and common-sense are needed in using the Budget prefix. In any cases of doubt the Treasury Budget Security Officer (see paragraph 165) is to be consulted.

Level of Budget classification

153. "BUDGET SECRET - BUDGET LIST ONLY" is a special security classification to be used for certain Budget documents, ie for those papers which reveal the contents or probable contents of the whole, or a very substantial or particularly sensitive part, of the Budget. The Chancellor may also decide that papers dealing with particular subjects be

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given this classification. Strict rules are laid down for access to, and handling of, documents with this classification. These are set out in paragraph 154 and 158 below.

Examples of papers which are to be given this classification include:

- papers, including records of meetings, which give an overall picture of Budget strategy;
- complete drafts of the Budget speech (and the most sensitive extracts such as complete drafts of the tax sections);
- full drafts of the Budget Brief, or particularly sensitive parts of it;
- full draft of the FSBR (and early drafts of the sections dealing with Budget proposals); and
- the Budget Resolutions, as a whole.

Papers dealing with an individual tax would not normally require BUDGET SECRET - BUDGET LIST ONLY classification, unless this is required by the Chancellor.

153A. Otherwise, Budget security rules require that the ordinary security classification of documents be prefixed by the word BUDGET. BUDGET: TOP SECRET should only be used where the material would fall clearly within the definition of TOP SECRET even if it were not to be included in the Budget. BUDGET: SECRET is the correct classification for all other papers on the main Budgetary items (ie the main tax rates and social security benefits and other major changes in tax legislation or public expenditure). BUDGET: CONFIDENTIAL should be used for papers recording decisions on other Budget matters, including all other decisions on tax items. The classification of a document is not necessarily the appropriate classification for a minute commenting on or replying to it even if the original document is classified BUDGET SECRET-BUDGET LIST ONLY. For example, a minute containing comments on a document should bear the classification appropriate to its contents and should only bear the same classification as the original document where it is appropriate.

Communication of Budget classified information

154. Documents for which the "BUDGET LIST ONLY" classification is appropriate may only be circulated to persons who are on the "Budget list", a list of recipients of such documents approved by the Permanent Secretary. Under no circumstances are they to be circulated or shown, or the contents communicated in any other way, to a person not on that list. A copy of the Budget list will be made available to each person who is on the list. If it is considered essential to show a BUDGET LIST ONLY document to a person not on the Budget list, the prior approval of the Permanent Secretary must be

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obtained in writing to the addition of his name to the Budget list. Requests for names to be added to the Budget list should be addressed in the first instance to the Budget Security Officer. This applies right up to the Budget Day.

155. The circulation of all Budget classified documents is to be restricted to the absolute minimum consistent with operational requirements. Before writing Budget classified material all originators must ask themselves:

- (a) Is the document necessary at all? (A private face-to-face conversation is more secure than a written note - paragraph 13 contains guidance on the security of telephone conversations.)
- (b) If the document is necessary, need it be circulated? (Only copy a document to those people who need to be aware of its contents.)
- (c) Need the document quote precise details of decisions eg proposed tax rates?
- (d) Does the document require a Budget classification?
- (e) Is the title likely to be a security risk? (Particularly in the case of BUDGET SECRET and more highly classified documents, the title is likely to be seen by persons who are not authorized to have access to the contents, so it is essential that the title does not reveal any sensitive information.)
- (f) Do all recipients need a copy of the whole document? If a part of the document would suffice, send only that part. It is essential that persons do not see parts of documents containing classified material which they have no operational need to see.

156. BUDGET LIST ONLY documents may not be shown to anybody who is not on the Budget list (except for the normal arrangements whereby the Queen, Prime Minister, certain staff at Number 10 and the Governor of the Bank of England are told the contents of the Budget). Other BUDGET classified information may be communicated to staff in the Chancellor's Departments (and the Office of the Parliamentary Counsel), only if they need to know about it for the efficient performance of their duties.

157. Budget classified information must not be communicated to anyone outside the Chancellor's Departments and the office of the Parliamentary Counsel without prior authority having been obtained from the Budget Security Officer. There are only three general exceptions to this rule. First, FP group have authority to communicate to

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specified Department of Transport officials Budget decisions on VED and the duties on hydrocarbon oils. Second, the head of FP has authority to communicate to specified officials in the Department of Health and Social Security certain information about Budget changes in personal taxation. Third, as is appropriate for public expenditure matters, ST group will discuss any social security changes to be announced in the Budget with DHSS officials. In all these instances the Divisions concerned must ensure that these Departments are aware of the need for particular care in handling the information. Similarly, if a Treasury Minister writes to a Minister in another Department on a Budget classified matter, his Private Secretary should ensure that the other Private Office are aware of the significance of the Budget classification, and in particular of the need to ensure that the letter is shown or copied only to those who need to see it.

Preparation and handling of BUDGET SECRET: BUDGET LIST ONLY documents

158. In addition to the normal security instructions regarding handling of SECRET documents, set out in paragraphs 42 to 103, the following special instructions apply to the handling of BUDGET SECRET: BUDGET LIST ONLY documents:

- (a) The title of the document must not give away any sensitive information as to its contents as it will be used on the label on the inner envelope and may therefore be seen by persons not authorised to handle the document. A code word should be used if necessary.
- (b) The document must be typed on plain paper. The security classification is not to be typed. Documents may be typed by a Personal Secretary if she is herself on the Budget list. The typist's initials should appear on each page of the document. The originator is responsible for the security of the typed master, which must be given a number in the sequential series used for copies.
- (c) Copies of the typed master must be made onto the special paper bearing printed 'BUDGET SECRET: BUDGET LIST ONLY' markings on one side of the paper only. Each copy of the document must be sequentially numbered.
- (d) The documents must always be enclosed in the special distinguishing folder marked "BUDGET SECRET: BUDGET LIST ONLY" for transmission. They must always be transmitted in double envelopes even if sent within the building. The inner envelope must bear the special "BUDGET SECRET: BUDGET LIST ONLY" label completed with the relevant details in full. If more than one document is sent in one envelope, details of each document must be shown on the label. If a BUDGET SECRET: BUDGET LIST ONLY document is to be sent or copied to a Minister, he should be sent two

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copies. A receipt must always be obtained for all copies of "BUDGET SECRET: BUDGET LIST ONLY" documents. It is the responsibility of the originator to ensure that a receipt is returned for each copy which has been sent out. These receipts must be retained until after Budget day.

- (e) If they are being sent to other Departments, the documents must be sent by messenger or by the special van service which operates between the Treasury, the Revenue Departments and Parliamentary Counsel's Office. If these are not available, the documents may be sent by special signature service of the IDS. In every case receipts must be obtained for the documents. In no circumstances may the documents be sent by post or transmitted on facsimile equipment except for the secure facsimile link between the Treasury, HM Customs and Excise, Inland Revenue, Department of Transport and the Bank of England (see paragraph 80B).
- (f) Each Recipient is responsible for ensuring that every BUDGET SECRET: BUDGET LIST ONLY document is entered in the appropriate Security Register. He must do this himself if no-one else is available or authorised to do this - this applies particularly at Principal level. A document may be entered in the security register by the Personal Secretary or allocated Clerk from the information shown on the label, without opening the inner envelope. If this is done, the number of the security register entry is to be written on the label. The recipient of the document is to ensure that the security register number is shown and should copy it onto the document itself. In some areas, Personal Secretaries or Clerks may themselves be included on the Budget list authorised to handle BUDGET SECURITY: BUDGET LIST ONLY material. Only in such cases may they open the inner envelopes, in which case the security register number may be written on the document itself. BUDGET SECRET: BUDGET LIST ONLY documents may not be filed until after Budget Day except where the Clerk concerned is on the Budget List.
- (g) Each copy of a BUDGET SECRET: BUDGET LIST ONLY document is personal to its recipient. It may not be shown to any person not on the Budget list in any circumstances, and shown (but not copied) to a person who is on the Budget list only if there is a real operational need for him to see it. The fact that a person is on the Budget list does not mean that he must see all BUDGET LIST ONLY documents. It is the recipient's responsibility to ensure that the document is not seen by any person who is not authorised to have access to it. It can be kept in the recipient's own

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security cupboard only if all persons who are entitled to know the combination number have been specifically authorised to handle BUDGET SECRET: BUDGET LIST ONLY documents. Otherwise it will be necessary to store such documents in a separate document box or security cupboard whose combination number is known only to the recipient (and any authorized handler of such material). Officials who require additional security furniture for this purpose should requisition it as soon as possible from the Assistant Budget Security Officer in EOG2 (Ext 4859).

- (h) It is essential that BUDGET SECRET: BUDGET LIST ONLY documents are not left unattended by the person who is responsible for their custody - he must lock them away whenever he leaves his room.
- (i) BUDGET SECRET: BUDGET LIST ONLY documents may on no account be photocopied except by the originator (or his Personal Secretary, on his authority, if she has typed the document). If a person not on the original list of copy addressees is subsequently to be given a copy of such a document, it must be provided by the originator and the name of the recipient properly recorded. He may retain a small stock of additional numbered copies of the document for this purpose (which are to be treated as accountable documents). If he needs to take an additional copy of the document, it must be numbered in the original series. The above rules as to handling and control of the document apply to additional copies.
- (j) BUDGET SECRET: BUDGET LIST ONLY documents may only be taken out of the office to meetings if this is absolutely unavoidable. They may be taken home only if the Permanent Secretary has given his prior approval, either for a particular occasion or generally for a particular individual. Permission will only normally be given if the person concerned has a security container at his home. Any documents taken out of the office must be carried in a locked briefcase, box or pouch and kept securely at all times.
- (k) Where a person only needs to see a part of a BUDGET SECRET: BUDGET LIST ONLY document, he should be sent only a copy of the relevant extract. The copy extract should be given a number in the same series as the full copies. It should be given the security classification, appropriate to the sensitivity of the matter contained in it - the security classification at the top of the front page should be amended in manuscript if necessary. The recipient of the extract should treat it in accordance with the security classification shown on the document.

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- (1) If a BUDGET SECRET: BUDGET LIST ONLY document is to be destroyed before the Budget, it is to be sent to the Budget Security Officer in double envelopes, the inner envelope bearing the appropriate label, and marked for destruction. The Budget Security Officer will carry out the destruction in accordance with the standing instructions.

159. If a Budget sensitive document meets the criteria of paragraph 24 for classification as TOP SECRET it should be classified as "BUDGET TOP SECRET: BUDGET LIST ONLY". The distinguishing folder and address labels for "BUDGET SECRET: BUDGET LIST ONLY" documents are to be used amended accordingly in manuscript. The instructions of paragraph 158 are to be followed, except where the normal security instructions for TOP SECRET documents impose more stringent requirements, in which case those should be obeyed.

Handling of other Budget classified documents

160. The normal rules for the control and transmission of classified documents (paragraphs 42-103 of H M Treasury Security Instructions) must be applied to all other documents which carry the prefix: BUDGET, except as modified below:

- (a) BUDGET: TOP SECRET and BUDGET: SECRET documents must always be transmitted in double envelopes, even if only sent within the building and the inner envelope must bear a completed BUDGET: SECRET label. As the title will be shown on the label and may be seen by staff not authorised to handle the document, the title should be carefully chosen to avoid revealing any sensitive information. If two or more papers are included in one inner envelope, details of both must be shown on the label. BUDGET: TOP SECRET and BUDGET SECRET documents sent outside the building must be accompanied by receipts (but it should be noted that if a BUDGET SECRET document is received from Customs and Excise it will not necessarily be accompanied by a receipt when it reaches the recipient's office as bulk receipts are used for documents transmitted by document pouch to the Treasury).
- (b) BUDGET: TOP SECRET and BUDGET: SECRET documents should normally be sent by messenger to other departments. If no messenger is available, they should be sent by special signature service of the IDS, a receipt being obtained from the post room. BUDGET: CONFIDENTIAL documents should be sent either by messenger or the IDS. Budget classified documents must not, in any circumstances, be sent by post or

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transmitted on facsimile equipment, except for the secure facsimile link between the Treasury, HM Customs and Excise, Inland Revenue, Department of Transport and the Bank of England (see paragraph 80B).

- (c) Each recipient is responsible for ensuring that every document classified BUDGET SECRET and above is entered in the appropriate Security Register. He must do this himself if no-one else is available or authorised to do this -this applies particularly at Principal level. Staff who are not authorised to handle BUDGET SECRET documents may record them in the Security Register, provided that they have been received in double envelopes, using the information shown on the label. If this is done, the inner envelope must be passed to the recipient unopened, the number of the security register entry being shown on the label. If this procedure is followed it does not detract from the recipient's responsibility that receipt of the document has been recorded, so he should ensure that the security register number is shown on the label and copy it to the document itself.
- (d) BUDGET classified documents are not to be filed or otherwise handled by Divisional Clerks until after the Budget. Principals are personally responsible for all BUDGET classified documents passed to them, and for ensuring that no other person is able to obtain access to them. Principals who will require a combination lock document box or security cupboard for BUDGET classified material should requisition it as soon as possible from the Assistant Budget Security Officer in EOG2 (Ext 4859). It should be noted that this instruction applies to BUDGET CONFIDENTIAL as well as more highly classified material.
- (e) Personal secretaries may continue to handle papers classified BUDGET SECRET or BUDGET CONFIDENTIAL as may Divisional clerks working with the Principals in FP. Files in FP containing BUDGET classified papers must bear the appropriate classification on the outside, and must be kept so that unauthorised persons can not have access to them.
- (f) All copies of documents of BUDGET SECRET classification or higher must be uniquely numbered in series, whatever the length of the circulation list. Copies of BUDGET CONFIDENTIAL documents need not be sequentially numbered. BUDGET classified material including BUDGET CONFIDENTIAL may only be copied on the authority of an SEO or above, or Personal Secretary acting on behalf of a higher grade officer, but

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recipients should as far as possible avoid making copies of Budget classified material. The making of copies must be carried out in accordance with paragraph 54.

- (g) The arrangements set out in paragraphs 68-75 for taking classified papers out of the office apply to BUDGET: SECRET and BUDGET: CONFIDENTIAL documents, but BUDGET: SECRET papers are subject to the overriding restriction that they must not be taken out of the office unless absolutely unavoidable. In such an event, they should be carried in a locked briefcase, box or pouch and kept securely at all times.
- (h) BUDGET: SECRET or TOP SECRET waste should be destroyed by shredding; arrangements for this may be made with EOG (extension 4859). Recipients must keep a proper record of any such documents they destroy. Production of such a record is necessary to meet the requirements of the spot checks described in paragraph 161.

General points

161. To ensure that the required procedures are being adhered to, Budget classified documents will be subject to a series of spot checks. There will be random checks of individual copies of classified documents sent to named individuals. There will also be more systematic searches of complete circulation lists of particularly sensitive Budget classified papers. These checks will be carried out by FP and EOG.

162. Budget classified papers must not be typed in typing pools. Particular care should be taken about the custody of carbons, photocopies, dictating machine tapes, word-processing discs, shorthand notes etc containing classified information.

163. The disposal of any BUDGET SECRET or above document is to be recorded in the security register. Where a Principal wishes to dispose of a document he is to take care that this does not enable any unauthorised person to see its contents.

164. If BUDGET classified papers do not state the post-Budget classification, recipients should alter the classification as appropriate after Budget day. The 'BUDGET' prefix should always be deleted after Budget day, as it no longer has any significance. Papers which refer only to decisions which were announced in the Budget may be declassified. Papers containing advice or background to such decisions should generally be classified CONFIDENTIAL. Papers containing references to courses of action which were not pursued, which were classified BUDGET SECRET, should remain SECRET.

Queries

165. Any questions about the Budget Security instructions should be addressed to the Budget Security Officer, who is the Principal in FP Division (Indirect taxation branch) (extension 4922).

RESTRICTED

b. Elsewhere

Single envelope in good condition, closed with economy label and bearing no security marking. Send by Messenger service, by IDS or ordinary letter post.

v. PRIVACY MARKINGS

- a. IN CONFIDENCE documents, such as STAFF: IN CONFIDENCE, MANAGEMENT: IN CONFIDENCE and APPOINTMENTS: IN CONFIDENCE, if sent by Messenger service, or IDS, should go in a single envelope bearing the privacy marking. If sent by post they should go in double envelopes, the inner one prepared as above but with flap stuck down, the outer one without the privacy marking.
- b. COMMERCIAL: IN CONFIDENCE documents may be sent by either Messenger service, the IDS or ordinary post. They should go in a single envelope bearing the name of the addressee but without any privacy marking.
- c. COMMERCIAL: IN CONFIDENCE - NAMED DISTRIBUTION ONLY documents if sent by Messenger service or by signature service of IDS Document receipt. Double envelope, outer envelope to have flap stuck down bearing no marking and addressed by name, inner envelope to be addressed, to have flap stuck down and marked "TO BE OPENED ONLY BY [NAME]". Registered letter post or data post may also be used.

When an economy label is used, it should cover the whole width of the flap of the outer envelope to ensure the contents cannot be seen.

Facsimile Transmissions

80A. In no circumstances should classified information be sent abroad by facsimile; secure facilities are available via the FCO telegram system (see separate Section in HM Treasury Reference Book) and via a secure facsimile link with UKREP, Brussels. Within the London telephone area the facsimile facilities in room 75/G can be used for material up to and including Confidential provided the officer authorising its use is satisfied that the risk involved in using an insecure method is worth taking in the circumstances (eg the cost of failure to meet a specified deadline for an imminent announcement). Special rules governing the use of this facsimile for classified work are attached at Annex III.

RESTRICTED

RESTRICTED

80B. A special facsimile facility in the Chancellor's Office (Room 14/2) can be used for the transmission of Budget classified information up to and including BUDGET SECRET; BUDGET LIST ONLY and other classified economic information up to and including SECRET. This facility is only available to the Bank of England, HM Customs and Excise (King's Beam House), Inland Revenue (Somerset House), Department of Transport (Marsham Street) and DVLC Swansea and must be used for the facsimile transmission of all classified information from the Treasury to these addresses. Transmission can only be made by a member of the Chancellor's staff as they alone have been briefed on the special procedures which apply.

80C. Information about the use of facsimile is set out in the Treasury Reference Book. Enquiries about the general use of facsimile should be addressed to Mr D Lodge (270-5050) or to local Office Managers. Questions about the security aspects of the use of facsimile and about the use of the special facility referred to in para 80B above should be addressed to the Assistant Budget Security Officer in EOG2 (270-4859).

Document receipts

81. Document receipts (see Annex II H) should be followed up if they have not been returned within five days; reminders should be followed up if necessary after three days. Document receipts are not required when documents are delivered direct by hand of Divisional or Private Office staff between Divisions or Private Offices. Certain exceptions also apply to the Committee Section and to the section handling telegrams (Overseas Communications Section).

Addresses overseas

82. Classified correspondence to addresses abroad and all correspondence to Communist countries should go by diplomatic bag through the Overseas Communications Section. The procedures in paragraph 80, for transmission to external addresses, must be followed but in addition the outer envelope must be marked:-

- a. with the classification (top left)
- b. "by FCO Bag" (top right)
- c. "Authorised Official" (lower left) and signed by the sender.

Documents for officers going overseas

83. Classified documents should be sent in advance by diplomatic bag. When this is impossible, special arrangements apply (see paragraph 76).

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Safe-keeping of boxes

84. When boxes used for transmitting classified documents are not in use they should be kept locked and under lock and key, to prevent their locks from being compromised. The Stationery Clerk should be informed if a box is in need of repair. Any loss or suspicion of tampering should be reported without delay to the Assistant Departmental Security Officer. The keys of boxes should be treated as security keys (paragraphs 104-109).

RESTRICTED

RESTRICTED

From: R B SAUNDERS

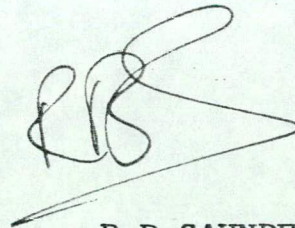
Date: 6 January 1987

MR ROMANSKI

cc Mr Scholar
Miss Sinclair
Mr Porteous
Mr Rees
Mr Fray *MF*
Mr Bone - C&E
Mr McManus - IR

BUDGET SECURITY: BUDGET LIST

Sir Peter Middleton has seen your minute of 5 January and has agreed to the addition of Mr Bolland. He has also noted the other changes in your paragraph 2.



R B SAUNDERS

Private Secretary



FROM: CATHY RYDING
DATE: 8 January 1987

PS/CHIEF SECRETARY

ps/Sir P Middleton
cc Mr Culpin

BUDGET SECURITY - MINISTERS' CONTACTS WITH THE PRESS

The Chancellor has seen Mr Culpin's minute to Sir P Middleton of 7 January and has noted that the Chief Secretary is to have lunch with Anne Lapping of "A Week in Politics" next Tuesday. The Chancellor has commented "a very dangerous and hostile lady".

A handwritten signature in cursive script, appearing to be "CR".

CATHY RYDING

FROM: ROBERT CULPIN
DATE: 7 JANUARY 1987

SIR PETER MIDDLETON

*a very dangerous
& hostile lobby.*

- cc PPS)
- PS/Chief Secretary)
- PS/Financial Secretary) esp
- PS/Economic Secretary) last
- PS/Minister of State) para
- Mr Cropper)
- Mr Ross Goobey)
- Mr Tyrie)
- Mr Pickford
- Mr Romanski

BUDGET SECURITY - MINISTERS' CONTACTS WITH THE PRESS

At this time of the year, I normally clear with you the contacts with the press which I have arranged in the Budget security period. This time I think there are three.

Bryce Gold

- The Chief Secretary is prepared to go on Newsnight tonight to discuss Opposition policies, if a sufficiently senior Opposition spokesman can be found.
- The Chancellor is giving an interview to Woman's Own next Tuesday.
- The Chief Secretary is giving a Press Conference next Wednesday on the Public Expenditure White Paper, with officials in support.


2. I understand that the Chief Secretary has made two further commitments for next Tuesday, through his Private Office rather than IDT.

- He is having lunch with Anne Lapping of "A Week in Politics".
- He is giving a short interview to Mark Burca of "Boardroom Magazine".

3. I should be grateful for formal clearance for all these contacts.

4. I shall clear with you any further contacts which IDT arranges.

5. If Ministers, their Private Offices or their advisers have any other contacts with journalists in the Budget security period, I leave it to them to clear and record them.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a smaller 'c'.

ROBERT CULPIN

COVERING SECRET

The Board Room
Somerset House
London WC2R 1LB

Telephone 01-438 6615

8 January 1987

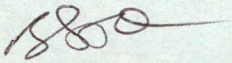


Inland Revenue

Private Secretary to the Chairman

PRIVATE SECRETARY TO THE CHANCELLOR

Attached are two submissions on Budget Day Tax Changes and Reform of Capital Gains Tax which are intended to be considered together.


B St Quinton

cc PS/Financial Secretary
PS/Chief Secretary
PS/Economic Secretary

COVERING SECRET

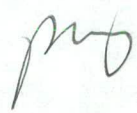
? MST
? ARG

From: R B SAUNDERS

Date: 13 January 1987

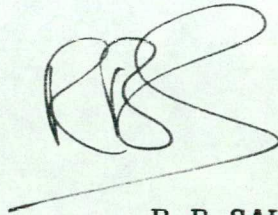
PS/FINANCIAL SECRETARY

cc PPS —
Mr Culpin
Mr Romanski



BUDGET SECURITY: FINANCIAL SECRETARY'S CONTACTS WITH THE PRESS

Sir Peter Middleton has seen your minute of 12 January. He sees no problem with the first two engagements. He also thinks that the third can go ahead, since it is already arranged. But he has commented that great care will be needed.



R B SAUNDERS

Private Secretary

RESTRICTED



PMP

FROM: P D P BARNES
DATE: 16 January 1987

PS/SIR PETER MIDDLETON

cc PS/Chancellor
Mr Romanski

BUDGET SECURITY

Paragraph 158 (j) of HM Treasury Security Instructions states that BUDGET LIST ONLY documents may be taken home only if the Permanent Secretary has given his prior approval.

2. The Economic Secretary would be grateful if Sir Peter would give general permission for him to take BUDGET LIST ONLY documents home. I understand that the Economic Secretary did so last year, as he frequently had time to do budget work only in the evenings or at weekends. I also understand that he will be able to keep such documents in a security container at his home.

PB

P D P BARNES
Private Secretary

RESTRICTED

RESTRICTED

From: R B SAUNDERS

Date: 16 January 1987

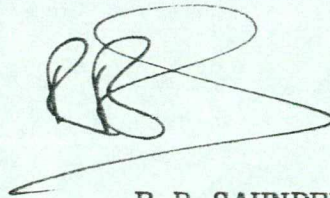
pus

PS/ECONOMIC SECRETARY

cc PPS
Mr Romanski

BUDGET SECURITY

Sir Peter Middleton has seen your minute of today and is happy to give the general approval which the Economic Secretary seeks.



R B SAUNDERS
Private Secretary

RESTRICTED

pus

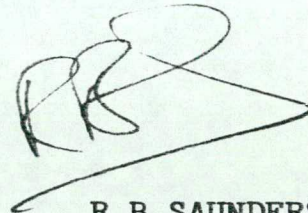
From: R B SAUNDERS

Date: 19 January 1987

MR ROMANSKI

cc PPS
PS/Minister of State
Mr CulpinBUDGET SECURITY: RECEPTION FOR BILL SHARP AT MIRROR BUILDING

This is to record that Sir Peter Middleton and the Minister of State will be attending a reception hosted by Mr Robert Maxwell on 22 January to mark the retirement of Mr Sharp as Controller of HMSO. Mr Judge and I will record any discussions with journalists that take place.



R B SAUNDERS

Private Secretary

UNCLASSIFIED

pur



FROM: A C S ALLAN

DATE: 22 January 1987

MR CULPIN

cc Sir P Middleton
Mr Romanski

BUDGET SECURITY INSTRUCTIONS

At David Willett's party last night, I had a brief conversation with Rodney Lord about cricket and Australian beer. I also very briefly said hello to John Peet. In neither conversation did I discuss anything to do with the Budget or the economy.

ACSA

A C S ALLAN

RH12.37

UNCLASSIFIED



FROM: A P HUDSON
DATE: 23 January 1987

MR CULPIN

cc Sir P Middleton
Mr Romanski

BUDGET SECURITY INSTRUCTIONS

I should report that I passed the time of day with Rodney Lord at David Willett's party on Wednesday evening (21 January). Neither of us said anything about the Budget or the economy.

A handwritten signature in black ink, appearing to be "A P HUDSON".

A P HUDSON

RESTRICTED

pmv

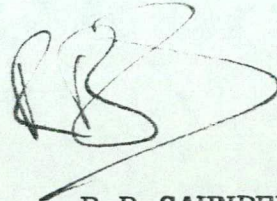
From: R B SAUNDERS

Date: 13 February 1987

MR ROMANSKI

cc PPS
Mr Scholar
Mr Culpin
Mr ReesBUDGET SECURITY

Sir Peter Middleton has asked that Mr Culpin should be added to the Budget List. Could you please arrange this.



R B SAUNDERS

Private Secretary

RESTRICTED

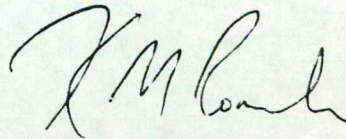
FROM: K M ROMANSKI

DATE: 17 FEBRUARY 1987

ALL IN TREASURY ON BUDGET LISTcc Mr Graham (OPC)
Mr Bone (C&E)
Mr McManus (IR)**BUDGET SECURITY: BUDGET LIST**

Sir Peter Middleton has approved the addition of certain names to the Budget List. There have also been some changes as a result of staff movements. I attach a copy of the revised list for the Treasury and the Revenue Departments.

2. Some Budget correspondence is still being addressed to Mr Monger, who is now in the Cabinet Office. It is important to ensure that up-to-date lists of postholders are used, so that minutes are not circulated to persons who no longer need to see them.

**K M ROMANSKI**

BUDGET LIST**Chancellor's Office**

1. Chancellor
2. Mr Allan (PPS)
3. Mr Kuczys (PS)
4. Mrs Ryding (PS)
5. Mr Hudson (Speech writer)
6. Mr Fray (EO)
7. Mrs Henson (CO)
8. Mr Lyons (CO)
9. Miss Camp (CO)
10. Mrs Spragg (Pers Sec)
11. Miss Reader (Pers Sec)
12. Mrs Modos (Pers Sec)
13. Mrs Harvey (Pers Sec)

Other Ministers

14. Chief Secretary
15. Miss Rutter (PS)
16. Financial Secretary
17. Mr Heywood (PS)
18. Economic Secretary
19. Mr Barnes (PS)
20. Minister of State
21. Mr Judge (PS)

Permanent Secretaries

22. Sir Peter Middleton
23. Mr Saunders (PS)
24. Sir Geoffrey Littler
25. Mrs Miller (Pers Sec)
26. Mr F E R Butler

RESTRICTED

- 28. Mrs Verlander (Pers Sec)
- 28. Sir T Burns
- 29. Ms Lemessany (PS)

Accountancy Adviser

- 30. Mr A Wilson

Deputy Secretaries

- 31. Mr Cassell
- 32. Mr Byatt
- 33. Mr Monck

Special Advisers

- 34. Mr Cropper
- 35. Mr Tyrie
- 36. Mr Ross Goobey

Fiscal Policy

- 37. Mr Scholar (US)
- 38. Mrs Crane (Pers Sec)
- 39. Miss Sinclair (AS)
- 40. Ms Nelson (Pers Sec)
- 41. Mr Haigh (Prin)
- 42. Miss Wallis (CO)
- 43. Mr Romanski (Prin) (Budget Security Officer)
- 44. Mr Rees (Budget Security assistance)
- 45. Mr Childs (CO)
- 46. Miss Evans (Prin)
- 47. Mr Walters (SEO)
- 48. Mr Sedgwick (CO)

Other Treasury Officials

- 49. Mr Sedgwick (US-EA)
- 50. Mr Odling-Smee (US-MP)

RESTRICTED

- 51. Mr Bredenkamp (Scorecards)
- 52. Mr Riley (AS-MP1)
- 53. Mr S Davies (AS-EA1)
- 54. Mr Mowl (AS-PSF)
- 55. Mr Culpin (IDT)

For Budget Briefing

- 56. Miss O'Mara (EB)
- 57. Mr Pickering (EB)
- 58. Mrs Henry (EB)
- 59. Miss Robinson (WPU))
- 60. Miss Patel (WPU))
- 61. Mrs Shah (WPU)) from 19 February
- 62. Miss Madhani (WPU))
- 63. Miss Forde (WPU))
- 64. Mrs Poole (WPU))
- 65. Mr Kemp (EB) from 27 February
- 66. Mr Dawson (EB)) from 2 March
- 67. Miss Davis (EB))
- 68. Mr Hacche (EB))
- 69. Mr Kelley (EB)) from 9 March
- 70. Miss Peters (EB))

RESTRICTED

Inland Revenue

1. Mr Battishill (Chairman)
2. Ms St Quinton (PS)
3. Mr Isaac (D Chairman)
4. Mrs Newns (Pers Sec)
5. Mr Painter (D Chairman)
6. Mrs Ellis (Pers Sec)
7. Mr Beighton (Central Division)
8. Miss Nash (Pers Sec)
9. Mr Johns (Central Division)
10. Miss Reed (Pers Sec)
11. Mr McManus (Central Division)
12. Mr Shaw (HEO)
13. Mr Walker (Central Division)
14. Miss Wiseman (Pers Sec)
15. Mr Calder (Statistics)
16. Miss Davies (Pers Sec)
17. Mr Ko (Statistics)
18. Mr Boyce (Manpower)
19. Mr Bolland (PS-D Chairman)

RESTRICTED

Customs and Excise

1. Sir A Fraser (Chairman)
2. Miss Massie (PS)
3. Miss Kemp (APS)
4. Mr Knox (D Chairman)
5. Miss Vincent (Pers Sec)
6. Mr Jefferson Smith (Director, Internal Taxes)
7. Mr Wilmott (Asst Sec DPU)
8. Miss Cunningham (Pers Sec)
9. Mr Bone (DPU - Prin)
10. Mr Fisher (DPU - SEO)
11. Mrs Hamill (DPU - Economic Adviser)
12. Mr Brennan (DPU - Senior Economic Assistant)

RESTRICTED

pen

FROM: K M ROMANSKI

DATE: 17 FEBRUARY 1987

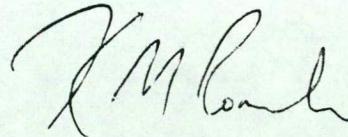
ALL IN TREASURY ON BUDGET LIST

cc Mr Graham (OPC)
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K M ROMANSKI

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7. Mrs Henson (CO)
8. Mr Lyons (CO)
9. Miss Camp (CO)
10. Mrs Spragg (Pers Sec)
11. Miss Reader (Pers Sec)
12. Mrs Modos (Pers Sec)
13. Mrs Harvey (Pers Sec)

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16. Financial Secretary
17. Mr Heywood (PS)
18. Economic Secretary
19. Mr Barnes (PS)
20. Minister of State
21. Mr Judge (PS)

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23. Mr Saunders (PS)
24. Sir Geoffrey Littler
25. Mrs Miller (Pers Sec)
26. Mr F E R Butler

27. Mrs Verlander (Pers Sec)
28. Sir T Burns
29. Ms Lemessany (PS)

Accountancy Adviser

30. Mr A Wilson

Deputy Secretaries

31. Mr Cassell
32. Mr Byatt
33. Mr Monck

Special Advisers

34. Mr Cropper
35. Mr Tyrie
36. Mr Ross Goobey

Fiscal Policy

37. Mr Scholar (US)
38. Mrs Crane (Pers Sec)
39. Miss Sinclair (AS)
40. Ms Nelson (Pers Sec)
41. Mr Haigh (Prin)
42. Miss Wallis (CO)
43. Mr Romanski (Prin) (Budget Security Officer)
44. Mr Rees (Budget Security assistance)
45. Mr Childs (CO)
46. Miss Evans (Prin)
47. Mr Walters (SEO)
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RESTRICTED

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53. Mr S Davies (AS-EAl)
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63. Miss Forde (WPU))
64. Mrs Poole (WPU))
65. Mr Kemp (EB) from 27 February
66. Mr Dawson (EB)) from 2 March
67. Miss Davis (EB))
68. Mr Hacche (EB))
69. Mr Kelley (EB)) from 9 March
70. Miss Peters (EB))

RESTRICTED

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3. Mr Isaac (D Chairman)
4. Mrs Newns (Pers Sec)
5. Mr Painter (D Chairman)
6. Mrs Ellis (Pers Sec)
7. Mr Beighton (Central Division)
8. Miss Nash (Pers Sec)
9. Mr Johns (Central Division)
10. Miss Reed (Pers Sec)
11. Mr McManus (Central Division)
12. Mr Shaw (HEO)
13. Mr Walker (Central Division)
14. Miss Wiseman (Pers Sec)
15. Mr Calder (Statistics)
16. Miss Davies (Pers Sec)
17. Mr Ko (Statistics)
18. Mr Boyce (Manpower)
19. Mr Bolland (PS-D Chairman)

RESTRICTED

Customs and Excise

1. Sir A Fraser (Chairman)
2. Miss Massie (PS)
3. Miss Kemp (APS)
4. Mr Knox (D Chairman)
5. Miss Vincent (Pers Sec)
6. Mr Jefferson Smith (Director, Internal Taxes)
7. Mr Wilmott (Asst Sec DPU)
8. Miss Cunningham (Pers Sec)
9. Mr Bone (DPU - Prin)
10. Mr Fisher (DPU - SEO)
11. Mrs Hamill (DPU - Economic Adviser)
12. Mr Brennan (DPU - Senior Economic Assistant)

17 December 1987

TASK FORCE LIST: TREASURY**LIST A****Chancellor's Office**

Chancellor
 Mr Allan (PPS)
 Mr Taylor (PS)
 Miss Wallace (APS)
 Mr Hudson (Prin)
 Mr Dight (EO)
 Mr Lyons (AO)
 Miss Murphy (AO)
 Mr Williams (AO)
 Mrs Spragg (Sen Per Sec)
 Mrs Modos (Per Sec)
 Miss Reader (Typist)

Other Ministers

Chief Secretary
 Miss Rutter (PS)
 Miss Everest-Phillips (APS)
 Miss P Stanton (PS)
 Mr N Romano (AA)
 Financial Secretary
 Mr Heywood (PS)
 Miss Feest (APS)
 Miss Wilson (Typist)
 Paymaster General
 Mr Judge (PS)
 Economic Secretary
 Mr Barnes (PS)
 Mr Glazebrook (AO)

Permanent Secretaries

Sir Peter Middleton
 Mr Sargent (PS)
 Mr D'Rosario (AO)
 Miss Todd (Per Sec)
 Sir Terence Burns
 Mr King (PS)

Second Permanent Secretaries

Sir Geoffrey Littler
 Mr Anson
 Mrs Verlander (Sen Per Sec)

Deputy Secretaries

Mr Byatt
Mrs Henser (Sen Per Sec)
Mr Cassell
Miss Rigby (Sen Per Sec)
Mr Monck
Miss Jackson (Per Sec)
Mr Scholar
Mrs Crane (Per Sec)

Special Advisers

Mr Cropper
Miss Gable (Per Sec)
Mr Call
Mrs Spencer (Per Sec)
Mr Tyrie
Ms Johnson (Per Sec)
Miss M May (Per Sec)

Fiscal Policy

Mr Cuplin (US)
Ms Healey (Per Sec)
Miss Sinclair (AS)
Ms Nelson (Per Sec)
Miss Evans (Prin)
Mrs Burnhams (SEO)
Mr Sparkes (HEO(D))
Mr Sedgwick (AO)
Miss Hay (Prin)
Miss Wallis (AO)
Mr Michie (Prin) (Task Force Security Officer)
Mr Rees (Task Force Security assistance)
Mr Childs (AO)
Miss Codling (Typist)

ETS

Mr G P Smith (AS)
Mr Riley (AS)
Mrs Hill (Per Sec)
Ms Munro (Economic Adviser)
Mr Scotter (Economic Adviser)
Mr Macpherson (Economic Adviser)
Mr Ford (Economic Assistant)
Ms Payne (AO)

AAG

Mr A Wilson
Mr D Slaughter (PS)

LIST B

Miss Mueller
Mr Wheatley (PS)
Mr Kemp
Mrs Maytom (Sen Per Sec)
Miss Peirson (US)
Mrs Moody (Per Sec)
Mr McIntyre (AS)
Miss Smith (Per Sec)
Mrs Lomax (US)
Mrs M A Dobson (Per Sec)
Mr Ilett (AS)
Mrs Davies (Per Sec)
Mr Board (Prin)
Mr Neilson (Prin)
Mr Courtney (Economic Adviser)
Mr Gibson (Prin)
Mr Portes (AT)

SECRET

20/10/87

ANNEX A

CIRCULATION: TASK FORCE LIST : INLAND REVENUE

LIST A

Mr Battishill	
Miss St Quinton	- Private Secretary
Miss E A Daughton	- Personal Secretary
Mr Isaac	
Mr Painter	
Mr Bolland	- Private Secretary
Mrs Newns	- Personal Secretary
Miss Nash	- Personal Secretary
Mr Beighton	
Mrs Ashby	- Personal Secretary
Mr Calder	
Miss Davies	- Personal Secretary
Mr Weeden	
Mr J Marshall	
Miss Harris	- Personal Secretary
Mr A Walker	
Mr McManus	
Miss Johnson	- Personal Secretary
Mr D Shaw	- Central Division SEO
Miss Purkis) Private Office
Mrs Hamlyn) Clerical Unit
Mr R H Allen	
Mrs Farquharson	- Personal Secretary
Mr Glassberg	
Miss Gatton	- Personal Secretary
Mr Johns	
Mrs Scottfield	- Personal Secretary
Mr W Carr	
Mr E Co	

LIST B

Mr Rogers	
Mr Cryne	- Personal Assistant
Mrs Rowlands	- Personal Secretary
Mr Pollard	
Mr Banyard	- Personal Assistant
Mrs Desautel	- Personal Secretary
Mr Lawrence	
Miss Barry	- Personal Secretary
Mr Houghton	
Mrs Pugh	- Personal Secretary
Mr Pitts	
Mrs Cheeseman	- Personal Secretary
Mr Lewis	
Miss Miles	- Personal Secretary

SECRET

Mr Cayley
Mrs Julian - Personal Secretary
Mr Hamilton
Miss K Frame - Personal Secretary
Mr Gonzalez
Miss J Elliott - Personal Secretary
Mr Mace
Miss Thurlow - Personal Secretary
Mr R V S Quinn
Miss Burnell - Personal Secretary
Mr Michael
Mr Heggs
Mr H B Thompson
Miss Teppett - Personal Secretary
Miss Rhodes
Mrs Furnell - Personal Secretary
Mr Northend
Mrs Fitch - Personal Secretary
Mr Eason
Mrs Z Butt - Personal Secretary
Miss A White
Miss J Osborn - Personal Secretary
Mr S J Dunn
Miss A Pitts
Miss Dyall
Mrs O Cahill
Mr D J Toye
Mr I Stewart
Miss K Booth
Miss J Jones - Personal Secretary
Mr J Yard
Mrs Lehane - Personal Secretary
Mr J A Pinder
Mrs P R Jackson - Personal Secretary
Mr Cleave
Mrs E Daniels - Personal Secretary
Mr A J O'Brien
Miss J Donovan - Personal Secretary
Mr J Boyce
Mr M G Oakley
Mr R Skelley
Mr I Spence
Mr K A Skinner
Mrs K Gish - Personal Secretary
Mr M Templeman
Mr T R Evans
Mr P A Clark
Mrs P Pentry
Mr A Craig
Mr P May
Mr R Deex
Mrs Tournoff
Mr A Dawson
Mr D Hunt

SECRET

Mr C Lester
Mr M D Reeves
Mr P Miles

CUSTOMS & EXCISE

LIST A

Mr B Unwin, Chairman

BANK OF ENGLAND TASK FORCE LIST

The Governor

The Deputy Governor

Mr George

Mr Walker

Mr Coleby

Mr Flemming

Mr Footman - in the Governor's Office

Mr Smout)

Mrs Nyman) - in the Deputy's Office

copy 1/1

Parliamentary Counsel Office:

Task Force Secret List

Draftsmen

J C Jenkins CB	(Parliamentary Counsel)
P J Davies	(Senior Assistant Parliamentary Counsel)
D W Saunders	(Parliamentary Counsel)
J R Jones	(Assistant Parliamentary Counsel)

Private Office

B A Shillito	(Grade 7)
W R Ewing	(EO)
Mrs V E Appleton	(AO)

Secretaries

Miss C L Dyer	(SPS)
Mrs M Law	(")
Miss D E Johnstone	(")
Mrs P Homewood	(")
Miss P Pettigrew	(")
Mrs J Sharma	(")
Mrs G Keen	(")

14 August 1987

FROM: SIR PETER MIDDLETON
DATE: 23 DECEMBER 1987

TO ALL ON THE TASK FORCE SECRET LIST

BUDGET SECRET: TASK FORCE SECRET

From today, the classification TASK FORCE SECRET will be dropped and replaced, for the duration of the Budget period, by "BUDGET SECRET: BUDGET LIST ONLY" or "BUDGET SECRET: TASK FORCE LIST", as appropriate. The latter classification replaces the "BUDGET SECRET" category which has been discontinued.

2. During the Budget period, the Task Force Secret list will be referred to as the Budget Secret: Task Force List. Only persons appearing thereon may be allowed access to papers bearing this new classification.
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5. Task Force Secret instructions should be retained as this classification will be reintroduced following the Budget.

PETER MIDDLETON

RESTRICTED

bf ASST 5/11
rup

FROM: R G MICHIE

DATE: 23 December 1987

ALL ON BUDGET LIST IN TREASURY

BUDGET SECURITY: BUDGET LIST

The revised Budget Security instructions are being distributed today under cover of ON(GENERAL)(87)114. I attach a copy of the "Budget List", the list of persons authorised to see and handle documents classified "Budget Secret; Budget List Only", referred to in the instructions.

2. As in previous years, the principle has been to keep the list as short as possible consistent with essential operational requirements. The list will be subject to review if necessary as the Budget season progresses, and there will in any event be a supplementary list of those who will need to see BLO material only towards the end of the Budget season. Any applications for additional names to be added to the list should be addressed to me in the first instance.

R. George Michie

R G MICHIE

RESTRICTED

BUDGET LIST

Chancellor's Office

1. Chancellor
2. Mr Allan (PPS)
3. Mr Taylor (PS)
4. Miss Wallace (APS)
5. Mr Hudson (Prin)
6. Mr Dight (EO)
7. Mr Lyons (AO)
8. Miss Murphy (AO)
9. Mr Williams (AO)
10. Mrs Spragg (Pers Sec)
11. Miss Deakin (Typist)
12. Mrs Modos (Pers Sec)
13. Mrs Harvey (Pers Sec)

Other Ministers

14. Chief Secretary
15. Miss Rutter (PS)
16. Financial Secretary
17. Mr Heywood (PS)
18. Economic Secretary
19. Mr Barnes (PS)
20. Paymaster General
21. Mr Judge (PS)

Permanent Secretaries

22. Sir Peter Middleton
23. Mr Sargent (PS)
24. Sir Geoffrey Littler

25. Mrs Miller (Pers Sec)
26. Mr Anson
27. Mrs Verlander (Pers Sec)
28. Sir T Burns
29. Mr King (PS)

Accountancy Adviser

30. Mr A Wilson

Deputy Secretaries

31. Mr Byatt
32. Mr Scholar

Special Advisers

33. Mr Cropper
34. Mr Tyrie
35. Mr Call

Fiscal Policy

36. Mr Culpin (US)
37. Mrs Healey (Pers Sec)
38. Miss Sinclair (AS)
39. Ms Nelson (Pers Sec)
40. Miss Hay (Prin)
41. Miss Wallis (AO)
42. Mr Michie (Prin) (Budget Security Officer)
43. Mr Rees (Budget Security assistance)
44. Mr Childs (AO)
45. Miss Evans (Prin)
46. Mrs Burnhams (SEO)
47. Mr Sparkes (HEO(D))
48. Mr Sedgwick (AO)

Other Treasury Officials

49. Mr Sedgwick (US-EA)
50. Mr Odling-Smee (US-MP)
51. Mr Bredenkamp (Scorecards)
52. Mr Davies (AS-MPl)

RESTRICTED

INLAND REVENUE BUDGET LIST

Mr Battishill	Miss St Quinton	Private Secretary
	Mr Bolland	Private Secretary
Mr Isaac	Mrs Newns	Personal Secretary
Mr Painter	Miss Nash	Personal Secretary
Mr Rogers		
	Miss Purkis	(AO) Private Office
	Mrs Hamlyn	(AO) Clerical Unit
Mr Beighton	Mrs Ashby	Personal Secretary
Mr Calder	Miss Davies	Personal Secretary
Mr Weeden	Miss Thurlow	Personal Secretary
Mr J Marshall	Mrs H Smith	Personal Secretary
Mr McManus	Miss M Johnson	Personal Secretary
Mr D Shaw	Central Division SEO	
Mr Lewis	Miss Miles	Personal Secretary
Mr Pitts	Mrs Cheeseman	Personal Secretary
Mr Johns	Mrs Scourfield	Personal Secretary
Mr Mace	Miss W Philpott	Personal Secretary
Mr Cayley	Mrs J Kumar	Personal Secretary
Mr R H Allen	Mrs Farquharson	Personal Secretary
Mr Glassberg	Miss Gatton	Personal Secretary
Mr Cleave	Mrs E Daniels	Personal Secretary
Mr J Yard	Mrs Lehane	Personal Secretary
Mr J Boyce (Manpower)	Miss K Newsome	Personal Secretary
Mr Ko (Statistics)		

RESTRICTED**CUSTOMS AND EXCISE**

1. Mr Unwin (Chairman)
2. Miss Massie (Private Secretary)
3. Mrs Ward (Assistant Private Secretary)
4. Mr Lusty (Chairman's Private Office)
5. Mrs King (Chairman's Private Office)
6. Mr Knox (Deputy Chairman)
7. Mrs Dibbens (Senior Personal Secretary)
8. Mr Jefferson Smith (Director, Internal Taxation)
9. Mr Allen (Departmental Planning Unit)
10. Mrs Christmas (Personal Secretary)
11. Ms French (Departmental Planning Unit)
12. Mrs Hamill (Departmental Planning Unit)
13. Mr Fisher (Departmental Planning Unit)
14. Mr Brennan (Departmental Planning Unit)

FROM: SIR PETER MIDDLETON
DATE: 23 DECEMBER 1987

TO ALL ON THE TASK FORCE SECRET LIST

BUDGET SECRET: TASK FORCE SECRET

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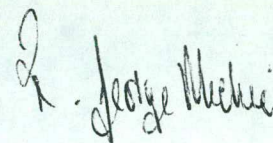
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PETER MIDDLETON

**RESTRICTED****FROM: R G MICHIE****DATE: 23 December 1987****ATTN. ON BUDGET LIST IN TREASURY****BUDGET SECURITY: BUDGET LIST**

The revised Budget Security instructions are being distributed today under cover of ON(GENERAL)(87)114. I attach a copy of the "Budget List", the list of persons authorised to see and handle documents classified "Budget Secret; Budget List Only", referred to in the instructions.

2. As in previous years, the principle has been to keep the list as short as possible consistent with essential operational requirements. The list will be subject to review if necessary as the Budget season progresses, and there will in any event be a supplementary list of those who will need to see BLO material only towards the end of the Budget season. Any applications for additional names to be added to the list should be addressed to me in the first instance.

**R G MICHIE**

RESTRICTED**BUDGET LIST****Chancellor's Office**

1. Chancellor
2. Mr Allan (PPS)
3. Mr Taylor (PS)
4. Miss Wallace (APS)
5. Mr Hudson (Prin)
6. Mr Dight (EO)
7. Mr Lyons (AO)
8. Miss Murphy (AO)
9. Mr Williams (AO)
10. Mrs Spragg (Pers Sec)
11. Miss Deakin (Typist)
12. Mrs Modos (Pers Sec)
13. Mrs Harvey (Pers Sec)

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14. Chief Secretary
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20. Paymaster General
21. Mr Judge (PS)

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23. Mr Sargent (PS)
24. Sir Geoffrey Littler

25. Mrs Miller (Pers Sec)
26. Mr Anson
27. Mrs Verlander (Pers Sec)
28. Sir T Burns
29. Mr King (PS)

Accountancy Adviser

30. Mr A Wilson

Deputy Secretaries

31. Mr Byatt
32. Mr Scholar

Special Advisers

33. Mr Cropper
34. Mr Tyrie
35. Mr Call

Fiscal Policy

36. Mr Culpin (US)
37. Mrs Healey (Pers Sec)
38. Miss Sinclair (AS)
39. Ms Nelson (Pers Sec)
40. Miss Hay (Prin)
41. Miss Wallis (AO)
42. Mr Michie (Prin) (Budget Security Officer)
43. Mr Rees (Budget Security assistance)
44. Mr Childs (AO)
45. Miss Evans (Prin)
46. Mrs Burnhams (SEO)
47. Mr Sparkes (HEO(D))
48. Mr Sedgwick (AO)

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- 50. Mr Odling-Smee (US-MP)
- 51. Mr Bredenkamp (Scorecards)
- 52. Mr Davies (AS-MP1)

RESTRICTED

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	Mr Bolland	Private Secretary
Mr Isaac	Mrs Newns	Personal Secretary
Mr Painter	Miss Nash	Personal Secretary
Mr Rogers		
	Miss Purkis	(AO) Private Office
	Mrs Hamlyn	(AO) Clerical Unit
Mr Beighton	Mrs Ashby	Personal Secretary
Mr Calder	Miss Davies	Personal Secretary
Mr Weeden	Miss Thurlow	Personal Secretary
Mr J Marshall	Mrs H Smith	Personal Secretary
Mr McManus	Miss M Johnson	Personal Secretary
Mr D Shaw	Central Division SEO	
Mr Lewis	Miss Miles	Personal Secretary
Mr Pitts	Mrs Cheeseman	Personal Secretary
Mr Johns	Mrs Scourfield	Personal Secretary
Mr Mace	Miss W Philpott	Personal Secretary
Mr Cayley	Mrs J Kumar	Personal Secretary
Mr R H Allen	Mrs Farquharson	Personal Secretary
Mr Glassberg	Miss Gatton	Personal Secretary
Mr Cleave	Mrs E Daniels	Personal Secretary
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6. Mr Knox (Deputy Chairman)
7. Mrs Dibbens (Senior Personal Secretary)
8. Mr Jefferson Smith (Director, Internal Taxation)
9. Mr Allen (Departmental Planning Unit)
10. Mrs Christmas (Personal Secretary)
11. Ms French (Departmental Planning Unit)
12. Mrs Hamill (Departmental Planning Unit)
13. Mr Fisher (Departmental Planning Unit)
14. Mr Brennan (Departmental Planning Unit)

rup

FROM: ROBERT CULPIN
DATE: 21 January 1988

MR RIG ALLEN

Handwritten red scribble

cc Chancellor
Chief Secretary
Mr Michie

BUDGET SECURITY

I should, under the security instructions, record that I ran into Bruce Anderson in the street last night. He said that, on present prospects, the message of this week's column would be: fire Moore. He might add: replace Moore with Major; Howard for Chief Secretary.

Handwritten signature 'Rc'

ROBERT CULPIN

RESTRICTED



FROM: S P JUDGE
DATE: 6 January 1987

MR MICHIE

cc Mr J M G Taylor

BUDGET SECURITY

We had a word about this this morning. Given that I expect to send out a few BUDGET SECRET minutes this year, I would be grateful if the following could be added to the TASKFORCE list:

Mrs K Byrne (AO)

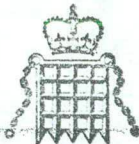
Miss V Dodd (Personal Secretary).

I will continue to register and store incoming papers myself, using extra assistance only to send out documents.

I gather that the Chief Secretary's office have made a similar request, and that the Economic Secretary's is about to.

S P JUDGE
Private Secretary

RESTRICTED



H.M. CUSTOMS AND EXCISE
KING'S BEAM HOUSE, MARK LANE
LONDON EC3R 7HE

28

Please Dial my Extension Direct:
Use Code (01)-382 followed by
Extension Number 5...023.

PS/Minister of State

From: P G WILMOTT
Date: 27 FEBRUARY 1987

cc PS/Chancellor
PS/Chief Secretary
PS/Economic Secretary
PS/Sir Peter Middleton
PS/Sir Terence Burns
Mr Scholar
Miss Evans
Mr Romanski
Mr Porteous

BUDGET SECURITY: CUSTOMS' LOCKED BAG

Your minute of 25 February pointed out a slip in Budget security procedures here, for which we apologise. Our staff making use of the locked bag have been reminded of the relevant part of our security instructions. I understand that the Treasury Budget Security Officer has performed a spot check on the document and that all copies have been accounted for.

P G WILMOTT

Internal distribution: CPS, Mr Knox, Mr Bone

RESTRICTED

1. Alex
2. PUP



FROM: S P Judge

DATE: 25 February 1987

PS/CUSTOMS AND EXCISE

cc PS/Chancellor
PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
PS/Sir Peter Middleton
PS/Sir Terence Burns
Mr Scholar
Miss Evans
Mr Romanski
Mr Porteous

BUDGET SECURITY: CUSTOMS' LOCKED BAG

I was a little disconcerted to receive today a note classified Budget Secret from Mr Knox's office, which arrived in a single envelope with a red label giving details of the contents. I spoke to our Post Room, who said that all the Treasury copies had arrived together in this state, with one receipt, in the locked bag to which they and you have keys. They then distributed them by hand within this building.

Paragraph 160(a) of the Treasury security instructions says that:

"Budget Secret documents must always be transmitted in double envelopes, even if only sent within the building and the inner envelope must bear a completed Budget Secret label. As the title will be shown on the label and may be seen by staff not authorised to handle the document, the title should be carefully chosen to avoid revealing any sensitive information".

The paragraph goes on to explain that recipients should not be surprised if Customs' documents are not accompanied by receipts, as bags are often used.

A couple of people here mentioned this to me, and so I thought I would pass the message on.

RESTRICTED

S P JUDGE
Private Secretary

Andrew
PWP

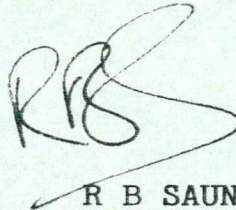
From: R B SAUNDERS

Date: 27 February 1987

MR TYRIE

cc PPS —
Mr Culpin

Sir Peter Middleton has seen your minute of 26 February. He is quite content for you to see Derek Hill.



R B SAUNDERS

Private Secretary

fmp

FROM: A G TYRIE
DATE: 6 MARCH 1987

MR ROMANSKI

→ cc PS/Chancellor -2nd
PS/Sir Peter Middleton
Mr Culpin
Mr Cropper
Mr Ross Goobey

Budget Security

At Prayers this morning the Chancellor instructed me to speak to Paul Potts of the Daily Express about the Alliance document "The Time has Come". This I have done. Mr Potts also asked me to telephone Derrick Hill, also of the Express, and I did this.

2. These conversations were very short and there was no mention whatever of Budget matters.

3. Can I apologise for not having obtained formal permission before making these calls?

M-May

A G TYRIE

pp

ppp

From: R B SAUNDERS

Date: 5 March 1987

MR ROMANSKI

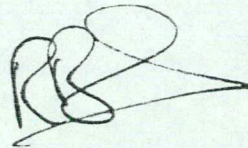
cc PPS —
Mr Scholar
Mr Rees

Mr Norgrove - No 10
(with copy of Budget
Security Instructions)

BUDGET SECURITY

Mr Allan will be sending a BLO minute to No 10 later today.
Could you accordingly add the following to the Budget list:

The Prime Minister
Mr Wicks
Mr Norgrove.



R B SAUNDERS
Private Secretary

P.P.

FROM: R I G ALLEN
DATE: 6 JANUARY 1988

SIR PETER MIDDLETON

cc PPS
PS/Chief Secretary
PS/Financial Secretary
PS/Paymaster General
PS/Economic Secretary
Mr Cropper
Mr Tyrie
Mr Call
Mr Bush
Mr Michie

BUDGET SECURITY: MINISTERS CONTACTS WITH THE PRESS

At this time of the year, it is customary for the Head of IDT to clear with you Ministerial contacts with the press which we have arranged in the Budget security period. This year, I think there are the following (some of which you already know about):

- The Chancellor is recording an interview on 18 January for a Channel 4 series on international debt.
- The Chancellor has agreed to speak at the FT Centenary Dinner on 11 February.
- The Chief Secretary will be giving his PEWP Press Conference on 19 January, and this will probably be followed by a series of TV/Radio interviews (yet to be arranged).

2. In addition, there are four other possibilities, all for the Chancellor and all yet to be approved by him:

- The proposed Channel 4 TV News Profile of the Chancellor (the producers have yet to react to the Chancellor's strictures on the terms of an interview, etc).
- A Graham Turner (Sunday Telegraph) profile of the Chancellor which you will be discussing with Turner tomorrow.

- An interview with Reggie Dale of the International Herald Tribune, held over from last October and now tentatively scheduled for 20 January.
- An interview in mid/late January by Reuters/PA focussing largely on the world economic scene and outlook.

3. I should be grateful for formal clearance for all these contacts. I shall clear with you any further contacts which IDT arranges.

4. If Ministers, their Private Offices or their advisers have any other contacts with journalists in the Budget security period, I leave it to them to clear and record them.

RAF

R I G ALLEN

From: S D H SARGENT

Date: 8 January 1988




MR R I G ALLEN

cc PPS
PS/Chief Secretary
PS/Financial Secretary
PS/Paymaster General
PS/Economic Secretary
Mr Cropper
Mr Tyrie
Mr Call
Mr Bush
Mr Michie

BUDGET SECURITY: MINISTERS' CONTACTS WITH THE PRESS

Sir Peter Middleton is content with the forthcoming contacts with the press described in your minute of 6 January.



S D H SARGENT
Private Secretary

PERSONAL



cc

PPS

Ps/Si P Middleton

Mr R J G Allen

Mr Michie

Alex

pyf

Treasury Chambers, Parliament Street, SW1P 3AG

Duncan Guy Esq
Personal Assistant to
The Hon Peter Brooke MP
Chairman of the Conservative Party
Conservative Central Office
Smith Square
LONDON SW1

12 January 1988

Dear Duncan

CONTACTS WITH THE PRESS

As you may know, there are rules restricting contacts between the press and Treasury Ministers and officials during the run-up to the Budget.

It has been agreed that the Paymaster can continue to see members of the Lobby on Party matters, subject to the following arrangements:

- i. that a record is kept by Central Office of all such contacts, with effect from the beginning of this week; and
- ii. that the Paymaster reports (via me) any Treasury points that are raised during these discussions.

I would be very grateful if you could arrange for this list to be kept, and sent over at convenient intervals - say the end of each week - manuscript format would be fine! On the second point, I would be grateful if you could tell me of any occasions where Treasury matters are raised: I can then remind the Paymaster to de-brief me.

I would be grateful for confirmation (by telephone - 270 4350) that these arrangements are practicable and acceptable.

Yours ever
Simon

S P JUDGE
Private Secretary



FROM: S P JUDGE
DATE: 22 January 1988

PS/SIR PETER MIDDLETON

cc PPS
PS/Chief Secretary
Mr Anson
Miss Peirson
Mr Culpin
Mr R I G Allen
Mr Michie
Mr Cropper
Mr Tyrie
Mr Call

BUDGET SECURITY: INTERVIEW ON CHANNEL 4's "WEEK IN POLITICS"

Sir Peter Middleton may like to know that the Paymaster General has been invited (via CCO) to take part, as Party Chairman in this programme - which will go out at 8.30pm next Wednesday. The programme - part of which is being filmed - will cover "social policies", including the NHS.

The Paymaster has discussed this with the Chancellor, who agreed that the Paymaster could undertake this engagement. I have since spoken to Mr Moore's office, who report that he is "delighted that the Paymaster is taking this on".

S P JUDGE
Private Secretary

RESTRICTED



FROM: J M G TAYLOR

DATE: 28 JANUARY 1988

A handwritten signature in black ink, appearing to be 'JMG' or similar, located to the right of the date.

MR MICHIE

cc Mr Culpin
Miss Hay

DOE: BUDGET SECURITY

As you are aware, the Chancellor has agreed with Mr Ridley that details of the Budget proposals raised at their meeting of 26 January should be discussed at official level in the Revenue and DOE. Mr Ridley originally nominated Mr Fletcher as DOE's representative, but his Private Office have subsequently informed me that after further consideration he has decided that Mr Paul Britton should take the lead.

2. Mr Paul Britton and Mr Alan Holmans will take part in consultations with the Revenue, and so will need to be put on the Budget Secret Task Force List as will Mr Ridley himself. Mr Fletcher should not now be added to the list.

A handwritten signature in black ink, appearing to be 'JMG', located below the main text.

J M G TAYLOR

S E C R E T



A

pay

FROM: P D P BARNES
 DATE: 26 January 1988

MR CULPIN

cc PS/Chancellor
 Mr Scholar
 Mr Michie

TASK FORCE LIST

I am most grateful to you for agreeing to the inclusion of Mr J Williams in the Task Force List.

2. I apologise for troubling you virtually by return of post with a further request, but I wondered whether you would also be prepared to add our typist, Miss L Duncan, to the Task Force List.

3. I had to deliberately not ask to include Miss Duncan on the list when I sent you the earlier minute because I did not at that stage think it would be necessary. This was partly, I am afraid, because I had not at that stage properly understood the classification which it would be necessary to give to certain documents. But it is also because, quite apart from any contribution which the Economic Secretary may make to the general Budget debate, it is now clear that at least two of the Customs Starters will be presentationally and administratively complex and are likely to require several exchanges of minutes and quite a few meetings. In my judgement, it would considerably slow down our ability to handle this work if we had to rely on the goodwill of other offices to lend us a typist when we needed one (I should note, perhaps, that both the other junior Ministers offices already have a Task Force List typist). So your agreement to Miss Duncan's being on the Task Force List would be of considerable help in the run up to the Budget.

P
B

P D P BARNES
 Private Secretary

S E C R E T

Mr Dight

RESTRICTED

FROM: P CHILDS

DATE: 1 February 1988

ALL ON BUDGET SECRET : TASK FORCE LIST

This note modifies paragraph 19(a) of the Treasury Budget Instructions attached to office notice (87) 114.

2. Budget Secret: Task Force List labels have now been printed and can be obtained from Treasury stationery store.
3. Those persons on the Budget Secret: Task Force List who are not in the Treasury can obtain the labels from me directly.

P. Childs

**P CHILDS
Ex 4921
Room 93/1
HM Treasury**

COVERING BUDGET SECRET: BLO

BUDGET SECRET
BUDGET LIST ONLY

NOT TO BE COPIED

REF NO. F 88/2
Copy No. 3 of 6



BUDGET

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

2 February 1988

Paul Gray Esq
10 Downing Street
Whitehall
SW1

SECRET

Dear Paul,

I attach an Aide Memoire on the Budget. You will have received a copy of the Budget Security Instructions, and I should stress that the Aide Memoire should not be shown to anyone other than the Prime Minister and yourself.

Yours
Alex

A C S ALLAN

SECRET

BUDGET SECRET
BUDGET LIST ONLY

NOT TO BE COPIED

**BUDGET SECRET
BUDGET LIST ONLY**

NOT TO BE COPIED

AIDE MEMOIRE ON BUDGET

Income tax

Basic personal allowances increased by twice the amount indicated by indexation (to £2,600 for single person and £4,100 for married man). Basic rate cut to 25p. Higher rate threshold raised to £20,000 of taxable income. All higher rates above 40p abolished, leaving a single higher rate of 40p.

CGT

As with new US system, gains to be added to income and taxed at IT rates (25 per cent/40 per cent). Helps basic rate taxpayers with small gains, and for higher rate taxpayers removes most of bias against income and in favour of capital gains. CGT (and CT on companies' gains) to be rebased to 1982 (when indexation began), thus ending taxation of paper gains.

Mortgage interest relief

One portion of mortgage interest relief to be allowed per residence, thus stopping cohabiting unmarried couples claiming two lots of relief; ends tax penalty on marriage. Relief on new home improvement loans to be abolished; widely abused, and predominantly used for improvements such as double glazing which could reasonably be met out of income or savings. In all cases, change will apply only to new mortgages/loans.

Maintenance and covenants

System substantially simplified. For maintenance payments, stop taxing recipients and stop giving unlimited relief to donors. Take new covenants (**except** for those to charities) out of tax system altogether. To compensate for ending of tax relief on covenants to students, make offsetting reduction in parental contribution to grants. No change for any existing covenants or maintenance payments.

**BUDGET SECRET
BUDGET LIST ONLY**

NOT TO BE COPIED

Car benefits

Car scales (which determine amount of taxable benefit from company car) to be doubled; this will raise taxable benefit from about a quarter of true value of benefit to about a half.

Corporation tax

Small companies CT rate to be reduced to 25p in line with basic rate of income tax.

Inheritance tax

IHT threshold to be raised from £90,000 to £107,000, with a single rate of 40 per cent (compared with present 30%/40%/50%/60% scale). Large numbers of small estates taken out of tax altogether, and substantial benefits to family businesses. Taken with other changes, means no direct tax rate in excess of 40 per cent.

Excise duties

Broadly uprated in line with inflation, but with some variations: eg. duty differential between leaded and unleaded petrol to be increased to 10p.

VAT

No change.

Other proposals

- (i) Forestry to be exempted from taxation in future (produces revenue yield: offset by increased grants for forestry).
- (ii) Some relief to stimulate private rented sector: probably an extension of Business Expansion Scheme.
- (iii) Some administrative reforms of assessment system for Lloyd's.
- (iv) Action on company residence and migration to prevent potentially substantial tax loss.

Independent taxation

From 1990-91, husband and wife to be taxed separately. Each will have their own tax allowance, own CGT annual exemption etc. Ends married women's tax grievances. Married man's allowance replaced by new married couples' allowance, normally given to the husband. Transitional provisions will ensure no losers - and many will gain (especially pensioners).

Some other changes in allowances: unmarried couples with children living together will be restricted to one Additional Personal Allowance; some minor personal allowances to be scrapped: housekeeper's allowance, dependant relative's allowance, and sons' and daughters' services allowance.

BUDGET SECRET
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ANNEX

APPROXIMATE COSTS (*)

	£ billion	
	<u>1988-89</u>	<u>1989-90</u>
Increased personal allowances	-0.7	-0.9
25p basic rate	-2.5	-3.1
Increased higher rate threshold	-0.2	-0.4
Abolition of rates above 40p	-0.8	-1.7
CGT changes	nil	-0.3
Abolition of relief on improvement loans	+0.1	+0.2
Covenants/maintenance reforms	-	+0.1
Increased car scales	+0.3	+0.4
Inheritance tax reform	-0.1	-0.3
Other changes	+0.1	-
TOTAL	<u>-3.8</u>	<u>-6.0</u>

* Net of indexation/revalorisation.

Independent taxation will cost £0.6 billion in 1990-91.

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ACSA

FROM: A C S ALLAN

DATE: 12 February 1988

MR MICHIE

BUDGET SECURITY

At last night's Financial Times centenary dinner, those near me at my table included Ian Barry-Jones (the Night Editor of the FT) and Max Hastings (Daily Telegraph). We had no discussion about the Budget.

ACSA

A C S ALLAN

- 1. ~~Alex~~
- 2. ~~Jonathan~~
- 3. ~~Moua~~
- 4. ~~Tony D~~

RESTRICTED

From: S D H SARGENT
 Date: 23 February 1988

MR PERETZ

*I understand A Turnbull
 has been similarly honoured.*

cc Mr Hudson
 Mr Michie
 Mr Rees

AMH

BUDGET SECURITY

Sir Peter Middleton has agreed that your name should be added to the Budget List with immediate effect.

Se

S D H SARGENT
 Private Secretary

RESTRICTED



FROM: A C S ALLAN
DATE: 24 FEBRUARY 1988

MR MICHIE

cc Mr Culpin

BUDGET SECURITY: TASK FORCE LIST

It would greatly help us if the two AAs in our office (Mr Davis and Mr Romano) could be put on the Task Force List. More and more papers are classified "Budget Secret: Task Force List", and at present all copy and distribution has to be done by our AOs. Last year, both AAs were permitted to handle papers classified "Budget Secret".

A C S ALLAN

1. ~~Mr Childs~~

Please note;

2. ~~Mr Allan~~

Tony D ←

Messrs Davis and Romano added to TFL ; sorry for the delay.

2 George Michie
3/3/88

SDH
From: S D H SARGENT

Date: 3 March 1988

MR MICHIE

cc Dame A Mueller
Mr Hudson
Mr ReesBUDGET SECURITY

Sir Peter Middleton would be grateful if you would add the names of Dame Anne Mueller and her Private Secretary Martin Wheatley to the Budget List with immediate effect. I should be grateful if Mr Hudson would ensure that Dame Anne Mueller is sent a copy of the next draft of the Budget Speech.

*SDH**Alex**OK, (provided I remember)**Any particular reason?**AMH*

S D H SARGENT

Private Secretary



FROM: B O DYER
 DATE: 11 March 1988

pro

01-270 4520

MR MICHIE - FP

cc PPS
 PS/Sir P Middleton

BUDGET SECURITY LIST

I should be grateful if you could arrange for my name to be added to the Budget Security List from noon on Monday 14 March so that I can check, among other things, that the material we are presenting or lodging in the House on Budget Day is in the form required.

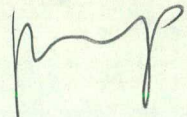
I think it only prudent that members of my staff are also added to this List on the morning of Budget Day. As you know, 1150 collated sets of the Budget Snapshot, Budget in Brief and associated Press Notices need to be dispatched to the Deliverer of the Vote, House of Commons, and to the Printed Papers Clerk, House of Lords, for release to Members immediately the Chancellor sits down. This may need to be undertaken by hand if the demonstration on Tuesday prevents the use of a van. In addition, of course, that morning we shall need to parcel up and prepare the documentation covering the presentation of a number of Budget related papers (eg FSBR).

Following is a list of Parliamentary Section staff:

Mr Richard Savage
 Mr Colin Hutson
 Mr Ian Sears
 Mr Bob Berwick
 Mr Mohammad Khan
 Miss Lorraine Best

B. O. Dyer


B O DYER



From: S D H SARGENT

Date: 14 March 1988

MR MICHIE

cc APS/Chancellor 

BUDGET SECURITY

Sir Peter Middleton agreed to the addition of Monica Jelley to the Budget List from last Friday, as proposed in Miss Wallace's minute of 11 March.



S D H SARGENT

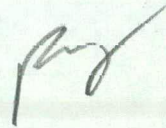
Private Secretary

From: S D H SARGENT

Date: 14 March 1988

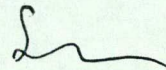
MR B DYER

cc ~~PPS~~
Mr Michie
Mr Rees



BUDGET SECURITY LIST

Sir Peter Middleton is content with the additions to the Budget List proposed in your minute of 11 March to Mr Michie.



S D H SARGENT
Private Secretary