

SUSPECTED LEAK

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

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

1. If no questions about leaks are raised:

Nothing.

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

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

and then at the end of the Budget speech -

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

3. If pressed -

"I will of course keep the House informed."

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

"There is prima facie evidence of an unauthorised disclosure of secret information. Until now it has been impossible to pursue this without serious risk of compounding the problem. I can now say that I have referred the matter through the Attorney General to the Director of Public Prosecutions with a view to a possible police investigation."

On Wednesday, 14th March

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

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

A. for Priority Written Reply:

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

A. Chancellor of the Exchequer:

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

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

BUDGET - SECRET

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

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

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

SPEAKING NOTE

Before the Chancellor informs us of his proposals, I should tell the Cabinet that he has had to prepare its presentation against the background of a comprehensive and ^{largely} accurate report of his proposals in The Guardian newspaper ten days ago.

This is at first sight a more serious leak of Budget information than has ever occurred previously, and it is being treated correspondingly seriously. It has been referred to the Attorney General and the Director of Public Prosecutions with a view to a possible police investigation.

I must ask the Cabinet to treat the information about this apparent leak with as much secrecy as the Chancellor's proposals. The likelihood that this leak has taken place has so far not attracted much attention. // If it became known before the Budget Speech has been delivered it would make far more difficult the Chancellor's task in presenting the Budget. Unless it becomes necessary, the likelihood of a police investigation will not be announced until tomorrow lest it should overshadow the first impact of the Chancellor's exciting and imaginative Budget.