

CP

Ref. A086/2146

MR FLESHER

---

You asked for a line to take on the report in today's Guardian by Richard Norton-Taylor, claiming that the Permanent Secretary at the Treasury "has told his officials to refuse to accept instructions which compromise their political neutrality and constitutional integrity".

2. The Treasury know of no reason why this story should have appeared at this time. Sir Peter Middleton has given no recent guidance of this kind to his officials. He recalls discussing these matters with senior staff around the time of the Westland affair (late January), with reference to Sir Robert Armstrong's Note for Guidance of 22 February 1985. What Sir Peter said then was consistent with what is reported now in the Norton-Taylor article, and indeed with the normal conventions. The Prime Minister could confirm this if it is raised in the House.

MS

M C STARK

22 July 1986

MCSABB