



Prime Minister

This is for information only at present. It is to be hoped that it can be resolved within the Treasury, through options (i) or (ii) below.

Ref. A083/2955

MR BUTLER

Membership of Lloyds

I have just learnt that Mr John Moore, the new Financial Secretary to the Treasury, is a member of Lloyds. As Financial Secretary he is to deal with taxation matters.

FRB 20.10

2. The rules on this matter (paragraph 74 of Questions of Procedure for Ministers) state unambiguously that a Minister holding office as a Minister in the Treasury dealing with taxation should not be a member of Lloyds or, if already a member of Lloyds on appointment, should suspend his underwriting so long as he holds that office.

3. Mr Moore has accordingly been advised to suspend his underwriting so long as he holds office as Financial Secretary to the Treasury (as he was dealing with some taxation matters as Economic Secretary, he should probably have been given this advice before; but that is water over the dam).

4. Mr Moore's reaction to this advice has been one of very considerable concern. He says that he cannot afford to give up the income which he derives from his membership of Lloyds. I have said that I do not see how the rule could be bent in his favour: it could clearly be potentially embarrassing for the Minister dealing with taxation to be an active member of Lloyds at a time when taxation matters in Lloyds are causing a good deal of difficulty.

5. There seem to be three options, if it is accepted that a special dispensation from the rule cannot be considered:

- (i) To insist that Mr Moore suspend underwriting and persuade him to continue as Financial Secretary dealing with taxation matters.
- (ii) To arrange for the Minister of State or the Economic Secretary to deal with taxation matters.



- (iii) To exchange Mr Moore with some other Minister of State in another Department, so that his continuing membership of Lloyds ceases to be a potential embarrassment.

Clearly the first of these three options would be the best if it is available; that depends on Mr Moore.

6. Another reason for not considering a special dispensation is that we have insisted that the Chief Secretary to the Treasury should suspend underwriting at Lloyds so long as he holds that office.

7. It is possible that Mr Moore may wish to appeal to the Prime Minister on this matter. I have made it clear to the Treasury that I could not recommend special dispensation in this instance.

RA

ROBERT ARMSTRONG

20 October 1983

Mr. Hayhoe is also a member of Lloyds. He was allowed to continue underwriting while he was Minister of State, Civil Service Department. That dispensation has not been reviewed since he became Minister of State, Treasury. It will now have to be, since Mr Hayhoe deals with some taxation matters.

RA 20.x.



huc

RH

10 DOWNING STREET

*From the Principal Private Secretary*

SIR ROBERT ARMSTRONG

MEMBERSHIP OF LLOYDS

The Prime Minister has seen your minute of 20 October (A083/2955) about Mr. John Moore's and Mr. Barney Hayhoe's membership of Lloyds. The Prime Minister has noted your minute, but hopes that the problems can be sorted out within the Treasury by one of the first two options in paragraph 5 of your letter (although I understand that the Chancellor of the Exchequer takes the view that all Treasury Ministers deal with taxation by virtue of their membership of the Treasury).

I should add that I told Mr. Kerr, who telephoned me about this matter this evening, that I think it would be very difficult for the Prime Minister to waive the requirements in the latest version of Rules of Procedure for Ministers, since they were negotiated with Lloyds at the instance of Lloyds.

F.R.B.

20 October, 1983