

PRIME MINISTERStatement on Pay of MPs and Ministers

Nick Sanders has telephoned a report on Mr St. John Stevas' statement this afternoon. His reception was noisy and discontented. It was of course the Government's decisions on staging which attracted the strongest criticism, as we had expected it would. Condemnation from the Opposition benches was virtually total, and there were also strong representations made from the Government side. Nicholas Winterton described the Government's decision as "deplorable and disgraceful". The only serious attempt to calm things down came from Mr. Callaghan who spoke in moderate terms. Nonetheless he complained that he would have preferred to be consulted on what the Government's decisions were rather than be told about them, and he suggested that Mr. St. John Stevas should come back to the House after a further discussion in Cabinet and say that the Government would now adopt the Boyle recommendations on staging. I understand that Mr. St. John Stevas rode the storm well and, in response to Mr. Callaghan's suggestion, said that Cabinet had reached its view on staging and would not change its mind.

There was also quite a lot of argument about linkage, and we think that Mr. St. John Stevas may have foreclosed the option of the Government putting down a motion proposing an alternative to linkage, though we cannot be certain of this until we see the precise terms of his answer on this point in Hansard.

A good deal of criticism was expressed when the Leader of the House revealed that members of the Government would be expected to vote in the debate in accordance with the Government's proposals, while Government backbenchers would have a free vote.

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There was no discussion of your personal decision about your own salary, though Mr. St. John Stevas' announcement of it was received noisily.

Mr. St. John Stevas made it clear that although the Government's position was firm, he would be holding consultations with all parts of the House between now and the debate.

*JMS.*

21 June 1979