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cc HWT
LPO
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SUBJECT.



10 DOWNING STREET

fcc Gow

Parliament
Members

cc Cab Off.

cc. Market etc.

From the Principal Private Secretary

10 June 1980

Dear Robin,

MPs' pay

The Prime Minister and the Chancellor of the Duchy of Lancaster discussed MPs' pay this afternoon in the Prime Minister's room in the House of Commons.

The Chancellor of the Duchy of Lancaster recounted the sequence of events which had led to the statements he had made in the House on 11 July 1979 and 4 March 1980 in which he had given an unequivocal assurance that whatever Lord Boyle recommended with regard to the updating of the second stage of the 1979 pay award for MPs would be implemented. He pointed out that there was also a similar commitment in the Prime Minister's letter of 30 July 1979 to Lord Boyle. He had not attempted a systematic assessment of opinion in the House about updating, but he believed that the Executive of the 1922 Committee, a reasonable number of Government backbenchers and the great majority of the Labour Party were in favour of the second stage being updated in full by whatever Boyle recommended.

The Prime Minister said that she accepted without question that the Government had given a commitment to the House in July of last year and March of this year to implement what Boyle recommended as regards updating. Nonetheless, it had to be borne in mind that it was the House of Commons and not the Government which finally decided how much MPs should be paid, and it was not impossible that the House would agree to a level of updating which was lower than that recommended by Boyle. She had seen Mr. Edward du Cann the previous evening and, in the light of their discussion, she thought that matters might be beginning to move towards an accommodation. It would not be possible, however, to settle on any figure before the Boyle Report was available. Ministers would have to consider Boyle's recommendations when they were to hand, then discuss them with Mr. du Cann and finally put them to Cabinet.

The Chancellor of the Duchy said that one option to be considered was that Cabinet Ministers might forgo the increase in their Ministerial salaries which Boyle was expected to recommend, though he acknowledged that it might be difficult to extend this treatment to the salaries of Junior Ministers as well. He and

/ the Chief Whip

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- 2 -

the Chief Whip had been invited to meet the Executive of the 1922 Committee on Thursday of this week to discuss MPs' pay and in listening to what they had to say, he would remind them that the decision on this matter was ultimately a matter for the House and was not something which Members could push on to the Government.

I am sending copies of this letter to John Wiggins (H.M. Treasury), Jim Buckley (Lord President's Office) and Murdo Maclean (Chief Whip's Office).

Yours ever,

Oliver Whiteman.

R.A. Birch, Esq.,
Chancellor of the Duchy of Lancaster's Office.

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