



10 DOWNING STREET

THE PRIME MINISTER

30 July 1979

*Parliament Members,
cc CDL*

Mr Richard,

When I wrote to you on 20 June, I was able to tell you the proposals the Government then intended to put to the House of Commons on Parliamentary pay following the Twelfth Report of your Review Body. You will know of the developments which have happened since; I am now writing formally to tell you of the Government's present position and to invite you to undertake further references in this field.

On reflection, we decided, in accordance with your views, that the first instalment of the recommended increase to be paid this summer should be 50 per cent. However, on the question of the length of the staging process we remained of the view that we had to have regard to the staging imposed on public service groups covered by the other review bodies, such as Doctors and Dentists, and we therefore decided to continue with the view that the balance of the recommended salaries should be paid in two equal stages in 1980 and 1981. It is an integral part of our proposals that so far as possible we should seek to restrict any further fall in the real value of the Parliamentary salary in this period. We therefore proposed to the House that the 1980 stage payment should be updated by the usual Review Body process, as had been the case for the other Review Body clients. I would be grateful if you would undertake this review. It is our intention to accept and implement the recommendations you make.

/Looking beyond

Looking beyond 1980, whilst we were very conscious of the advice you have given in relation to linkage, we also came to appreciate the force of the arguments put to us from all quarters of the House that the Members' salary should be related in some way to one or more analogues in the professional field. There is obviously a good deal to be thought about here and it is certainly our intention that, whatever emerges from this, the Members' salary should continue to be subject to substantive independent review from time to time. I would therefore be grateful if you would consider further some mechanism to establish such an analogue.

We accept your recommendation that there should be substantive biennial reviews of the salaries of Ministers and Office Holders. We should hope that the first of these could be in 1981. Nevertheless, since we have decided to stage the salaries recommended for these posts in the same way as those for Members, we would also be grateful if you would undertake an updating review of the salaries of Ministers and Office Holders for next summer.

I very much hope that you will agree to accept these further references on this subject and I would like to take this opportunity once again to thank you for the considerable work that I know underlies the various reports you have produced.

Yours sincerely
Margaret Thatcher

The Right Honourable Lord Boyle of Handsworth

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