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Salaries and Pensions of Euro MPs

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PRIME MINISTER

Cabinet: Parliamentary Affairs

There are several matters likely to be mentioned after the Chancellor of the Duchy has announced next week's business.

Telephone Tapping and the Interception of Mail

2. As you know, the Government were defeated in the Standing Committee on the British Telecommunications Bill when Mr John Gorst supported an Opposition clause seeking to impose statutory controls on telephone interception. The Home Secretary will seek to persuade the House to remove the clause during the Report Stage of the Bill next week. Mr Gorst has, however, secured the support of some 40 Government back-benchers for a motion arguing that statutory provision needs to be made.

3. There is no need for this subject to be discussed but if it is mentioned in the context of the Report Stage of the British Telecommunications Bill, you will want the Home Secretary briefly to explain the problem and the Chancellor of the Duchy and the Chief Whip to say what steps are being taken to ensure that the Government is able to win the necessary division.

Pay of Members of the European Parliament

4. An unfortunate problem has arisen over the pay of Members of the European Parliament (MEPs). It is summarised in a letter from the Chancellor of the Duchy to the Home Secretary of 24 March (copy attached). Briefly, the Government decided shortly after taking office that MEPs, who are paid out of the consolidated fund, should receive the same salary as Members of the Westminster Parliament, and this requirement was embodied in the European Assembly (Pay and Pensions) Act 1979. By an oversight, the necessary resolution was not put before the House of Commons last summer when (after a good deal of argument) the pay of Westminster MPs was increased from £10,725 to £11,750. Nevertheless, MEPs were paid the higher figure. The mistake was discovered by Parliamentary Counsel last month and, when brought to the notice of the Comptroller and Auditor General, the latter said that MEPs would have to revert to the lower salary unless the Government took immediate steps to put matters right.

I gather that  
the Business Manager  
want to raise  
this MS

5. The Home Secretary, who is responsible for the relevant legislation, can briefly explain the problem and tell the Cabinet that he thinks the Government should take early steps to table the necessary resolution giving legal authority to the payment of £11,750 with retrospective effect from 13 June 1980. The Chancellor of the Duchy can say when he proposes to find time for what will inevitably be an awkward debate. (Luckily there is statutory cover for giving the necessary resolution retrospective effect, but the opportunity will no doubt be taken to criticise the alleged extravagance of the European Assembly).

Canada: Reply to Report of Select Committee on Foreign Affairs

6. When OD Committee considered the handling of the Canadian Government's request for amendment of the British North America Act on 23 February, they invited the Foreign and Commonwealth Secretary, in consultation with the other Ministers concerned, to draft a reply to the report of the Foreign Affairs Committee setting out the main arguments in favour of accepting the Canadian request without amendment. An agreed draft reply is now ready and it had been proposed to publish it this week. The reply will make quite clear that the Government intends to accede to Mr Trudeau's request and the Chancellor of the Duchy feels that from both the Westminster and the Canadian point of view it would be better for the Government not to show its hand until the debate has been completed in both Houses of the Canadian Parliament.

7. The Chancellor of the Duchy can explain this and indicate that he favours publication of the reply at some point between the completion of the Canadian debates and the official receipt of the Canadian request by The Queen in London. The Lord Privy Seal can confirm that he agrees.

8. OD Committee also invited the Chancellor of the Duchy to consider the best way of handling the Canadian request in Parliament. He has been considering this and is having a further meeting with the Lord Privy Seal and the other business managers next week to discuss the possibility of a debate on the Government's reply to the Foreign Affairs Committee as a prelude to the Second Reading debate on the necessary United Kingdom legislation. You will not want the Cabinet to discuss these issues tomorrow but you may want to record the need for the Chancellor of the Duchy to bring early proposals to his colleagues.

- 9. Although the matter was considered by OD Committee in February, you may think that these problems of Parliamentary handling should now be considered by Cabinet rather than by OD; otherwise there is some risk of duplication of discussion between OD and the subsequent "Parliamentary Affairs" item on the Cabinet agenda.



ROBERT ARMSTRONG

*(Approved by Sir R. Armstrong  
and signed on his behalf)*

25 March 1981