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Subject

10 DOWNING STREET

cc Master

From the Principal Private Secretary

25 March 1985

MINISTERS' AND MPs' PAY

The Prime Minister had a word with the Lord President, the Lord Privy Seal, the Chief Whip and the Paymaster General this morning about the figures of Ministers' and MPs pay, which were attached to your letter of 22 March.

In discussion, it was noted that between now and 1 January 1988 the pay of an MP overtook the ministerial salary of a Parliamentary Secretary and the differential between an MP and a Parliamentary Secretary was greatly diminished. A similar reduction of differentials was expected to take place in relation to other ministerial salaries.

Summing up the discussion, the Prime Minister said that there was a strong case for looking at this relationship again and also for reviewing the possibility that a Minister on leaving office might have similar arrangements for a terminal payment to those now applied to a Member of Parliament. However, the timing of the next Ministerial and Other Salaries Order would have to be given very careful consideration.

I am copying this letter to Janet Lewis-Jones (Lord President's Office), Rachel Lomax ( H M Treasury ), Murdo Maclean (Chief Whip's Office), and Alex Galloway (Paymaster General's Office).

E. E. R. BUTLER

SMH

David Morris Esq  
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