

O/O  
Miss Pan



C.M.A.

Prime Minister

MU 1/7

MS

PRIME MINISTER

In the light of discussions to date I rehearse below those factors which I feel now have added importance.

The most important factor is timing. It is vital that we reach a solution to this problem before the House rises for the summer recess. This means that the matter must be finally resolved when the debate takes place, either confirming the Government motion or else a successful amendment to it.

Secondly, I see very serious risks in the Government putting down a Motion which it cannot carry. This will be widely regarded as a defeat for the Government. Furthermore critics will relate that defeat to your own parliamentary reply of 12 May.

h Finally, on the substance of what we might successfully propose to the House, we should note that the first 3 per cent of any suggested increase for Members' pay will be required to finance the new pension scheme.

I am copying this to the Lord President, the Chancellor of the Exchequer and the Chief Whip.

W. J. B.

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1 July 1983

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