



Prime Minister

For your 1200
meetingTreasury Chambers, Parliament Street, SW1P 3AG tomorrow.
01-233 3000

MUS 4/7

PRIME MINISTER

TOP SALARIES

I have seen the Lord Privy Seal's minute to you of 1 July. I entirely agree with all three points he makes.

2. In particular, I see serious risks in the Government putting down a motion which we cannot carry. On the other hand, it would be almost as damaging to put down a motion widely out of line with the figures now in circulation. Having regard to this and to discussion in Cabinet last Thursday, we could not in my opinion go higher than a gross increase of 7 per cent, presented as 4 per cent net of increased pension contributions. We shall need the advice of the Chief Whip as to whether we could carry a figure of 7 per cent or even a little lower.

3. As you know, I do not think the percentage increase in total Ministerial pay should exceed the total percentage increase for MPs. I should like to angle improvements in favour of junior Ministers, but such refinements are not feasible when the overall increase is so low. I therefore suggest that Ministers' salaries should be increased across the board by the same rate as we recommend for MPs.

4. Finally, in these circumstances we should accept the average increase of 6.9 per cent for Top Public Servants recommended in TSRB Report No 19, but we should not make good the existing abatement of 5 per cent during 1983-84, despite the DDRB precedent.

5. I am copying this minute to the Lord President, the Lord Privy Seal, the Chief Whip and Sir Robert Armstrong.

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4 July 1983