



Prime Minister (1)

On the questions in para 8  
 agree a) that the government would  
 accept the view of the House, as at X?  
 b) the Lord Privy's assumption at  
 Y, that Ministers would stick  
 at 4%?

MR SCHOLAR

PARLIAMENTARY PAY AND ALLOWANCES

1. When the subject of MPs' pay and allowances is debated in the House, MCS 11/7  
 there will be two motions on the Order Paper on the particular question of  
 Members' salaries. The first is an abstract ('expression of opinion')  
 motion which can be freely amended; the second is an otherwise identical effective  
 motion ('Queen's recommendation signified') which is not amendable, but  
 is needed to increase pensionable pay. If the abstract motion is amended and  
 carried it is not binding on the Government, who can choose either to accept  
 or reject it. If the Government chooses to accept it, then for pension purposes  
 it becomes necessary to bring forward on a subsequent day a further effective  
motion which has been similarly amended.

2. Against this background, four different outcomes are theoretically possible,  
 when the Government's motions are debated:

- (a) The Government's proposal for a 4 per cent increase is carried  
 unamended;
- (b) an amendment to the abstract motion, implementing the full Plowden  
 recommendation of 31 per cent, is carried;
- (c) an amendment implementing an intermediate increase (between  
 4 per cent and 31 per cent) is carried;
- (d) the Government's motion and any selected amendments to it are  
defeated.



3. We do not yet know the nature of any amendments which may be tabled or which of these would be selected. But the Lord Privy Seal is most anxious that the Government's response to each of the possible contingencies is agreed beforehand, so that he can announce decisions on the night which, so far as possible, will bring matters to a conclusion.

4. In the event of outcome 2(a) there is no problem; the proposed 4 per cent increase for MPs and for Ministers will march together.

5. Outcome 2(b) poses two problems:

(a) Should the Government accept the vote of the House and pay the increase?

(b) Would any consequential change to the proposed 4 per cent increase in Ministers' pay be required?

If the Government decided to accept the vote of the House, it would be necessary for the Lord Privy Seal to indicate the Government's intention, in the light of the vote, to bring forward an amended effective motion which would increase pay for pension purposes by the same amount. As regards Ministers, the Lord Privy Seal assumes that, whatever the outcome of the vote on Members' salaries, it would not be the Government's intention to depart from its recommended 4 per cent increase.

*- We have to look at differentials, especially for Party Sec. other 7 States.*

6. The same considerations arise in the case of outcome 2(c) as in the previous paragraph. In practice, it is likely that, if an amendment proposing some intermediate increase were to be tabled and selected, it would be voted on after the rejection of any 'full Plowden' amendment and before the Government's own motion.

7. Outcome 2(d) is perhaps not likely, but its practical effect would be to leave Member's pay at its present level until such time as the Government chose to bring any further recommendations on the subject before the House.

*Col. P. H. ...*  
*676.*  
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8. In summary therefore the Lord Privy Seal would be most grateful if you could ascertain the Prime Minister's views on:

(a) How we should respond to a vote of the House in favour either of full Plowden or some intermediate increase above 4 per cent?

(b) What equivalent changes, if any, would be made as a consequence to the Government's proposals on Ministerial salaries?

9. I am copying this to the Private Secretaries to the Lord President, the Chancellor of the Exchequer, the Secretary of State for Employment and the Chief Whip; and to Sir Robert Armstrong and Sir George Engle.

*See Heyhoe*

D C R Heyhoe

11 July 1983

Privy Council Office  
68 Whitehall



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