



10 DOWNING STREET

PRIME MINISTER

MPs Pay

1. Norman's statement yesterday was received very badly by the Parliamentary Party.
2. Norman had a very tough time at the 1922 Committee later.
3. Frankly, I thought that the display in the House immediately after Norman's statement, and the reaction of our own backbenchers at the 1922 was deplorable, but that is not really the point.

There is no way in which the Parliamentary Party will agree to the proposals put forward by the Government, though Norman stressed that it would be for the House itself to decide whether to support or reject the proposals.

4. The question for the Cabinet to decide is whether:-
 - (a) to proceed with the Cabinet proposals, knowing that the House, and a majority in the Parliamentary Party will reject them, or
 - (b) to amend the Cabinet proposals, so as to take account of backbench feeling. My impression is that full implementation of Boyle in two equal stages (now and in June 1980) plus linkage would be acceptable

Dictated to
Strasbourg 10.50
on 22/6

Party Memos File

5. It is difficult to overstate the intensity of backbench feeling on this subject, as evidenced by intensive soundings after Norman's statement.

We have a Two Line Whip today on the European Assembly (Salaries and Pensions) Bill and I will be spending the rest of the day in the House.

I will ring you at 9.30 pm today. I anticipate some reduction in the temperature, but not much!



Ian Gow

22.6.79.