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STEERING COMMITTEE

30TH MEETING

AGENDA

1. Minutes of the 29th Meeting - attached.
2. Anticipating the Boyle Report.
3. Any other business.

- Social Contracts

- Railways -

Supply days

Conservative Research Department,  
24 Old Queen Street, London, S.W.1.

CFP/SMW  
16.6.75

STEERING COMMITTEE

Minutes of the 30th Meeting held at 5.00 p.m. on Monday, 16th June, 1975 in the Leader's Room at the House of Commons.

Present: Mrs. Thatcher (In the Chair)

Mr. Whitelaw, Sir Keith Joseph,  
Mr. Maudling, Sir Geoffrey Howe,  
Mr. Gilmour, Lord Carrington,  
Mr. Prior, Mr. Peyton, Mr. Maude  
Mr. Atkins.

Mr. Patten, Mr. Ridley, Miss Bulloch  
(In attendance).

1. Anticipating the Boyle Report

Mrs. Thatcher said that she wanted to discuss first, what our attitude should be to the Boyle Report when it appeared, and second, the choice of a supply day subject for the following Monday. She asked Mr. Whitelaw for his view on the Boyle Report: he had handled the previous report when in Government.

Mr. Whitelaw said that he had tried unsuccessfully to give some guidance to the committee on that occasion. He thought they were likely to recommend an increase in Members' salaries to £7,500, and possibly increases in allowances as well. An increase to keep pace with the cost of living would, by itself, bring the figure to about this, but even so it would look terrifyingly large. Many of our own Members were desperately anxious for an increase since they and their families had been very hard hit by inflation. It would be very difficult to oppose any salary adjustment. He suggested that the best way might be to accept an increase slightly below the rise in the cost of living. It would be best to preserve a low profile, and to approach the Government behind the scenes before a decision was taken.

Mr. Atkins said that the Government already had the Report and was likely to publish it without comment, and give its own recommendations later. The Report was likely to recommend an increase in the secretarial allowance to £2,300; to raise the away from home living allowance to £1,500, and to raise the petrol allowance to that paid today to the Civil Service. The Committee were going more deeply into the question of pensions, and would not report on them until September or October. From soundings he had taken, the general view seemed to be that the increase would be in order so long as it kept within the rise in the cost of living.

In discussion, it was agreed that to say nothing on the recommendations would be tantamount to agreeing to them, but it would certainly be advisable to maintain a very low profile. It was to be hoped that the Committee, and the Government, would recommend increasing allowances rather than putting the whole increase on the salary.

It was suggested that a higher allowance might be proposed for a whole-time secretary: £2,300 was not enough, and would mean an unfair distinction between a secretary working for one Member, and one working for two, and getting up to £4,600.

/... One possibility

One possibility was that the Government would do as they had done in the case of the judges, and agree to the increases recommended, but pay them in stages. This would be an alternative to proposing that the amount should be lower. Another suggestion was that the amount should be less, but that either Members' salaries should be linked to a Civil Service scale (this had previously been rejected by the Boyle Committee) or that the reviews should be more frequent, perhaps every two years, instead of once in a Parliament, as at present.

While it might be extremely unpopular for Members to accept any increase in salaries at a time when restraint was being preached, it was recognised that in order to attract people of high calibre into public life, reasonable salaries and allowances should be paid. Mr. Speed, Mr. Madel and Mr. Newton would be asked to take soundings amongst the younger Members about their attitude to the likely Boyle Committee recommendations.

## 2. Subject for Supply Day on 23rd June

It had been proposed that there should be a debate on the social contract. The arguments for and against this were discussed. It was possible that the rail strike might start at the beginning of the next week, and this should be taken into account. Sir Geoffrey Howe and Mr. Prior had both made speeches within the previous few days setting out our criticisms of the contract; the subject had also been discussed in the economic debate before the recess.

Mrs. Thatcher said that the limits on employers' ability to pay wage increases in private industry, did not apply in the public sector: it was for this reason that cash limits were essential. Setting such limits in the public sector would in itself be a help to private employers.

It was suggested that a statutory policy would not give any better chance of success; it might also mean control over prices and this in turn would mean higher subsidies to nationalised industries. In any case, the miners would not accept statutory controls any more than they had accepted voluntary restraint. Purse strings were more powerful than law books as a means of control.

It was agreed that, when the Party did set out its views, it should speak with one voice and that the time was not quite opportune for a debate on the social contract.

Mr. Atkins said that Mrs. Oppenheim was anxious to debate prices. There were certain difficulties in debating this subject, because the question of subsidies would inevitably arise. Nevertheless, it was the main issue in the West Woolwich by-election. Housewives did not believe the 20-25 per cent figure for the increase in the Index of Retail Prices: they complained of increases of 100 per cent and more. There was considerable advantage in showing awareness and concern even if we could not propose any means of restraining prices in present circumstances. Not enough had been made of the fall in import prices, and of our failure to benefit from it because of the fall in the exchange rate of the pound. Mrs. Thatcher asked for as much information as possible on shopping basket prices.

It was suggested that nationalised industries should be the second subject for a half day debate on Monday. The industries' reports, their enormous losses, their price increases - in particular the 7p postal rate - all provided good ammunition. It should be possible to find out by a Parliamentary Question

what the proposed increase in railmen's pay would mean in fare increases, assuming that the cost were to be evenly spread over fares and freight rates. Failure among industries at present nationalised was the best argument against further nationalisation.

Sir Keith Joseph said it was not the management of the nationalised industries that should be attacked so much as their basic structure.

Ministers concerned with the nationalised industries - Mr. Benn and Mr. Varley, and Mr. Silkin with the Land Compensation Bill would be heavily committed in the House that week, and it would be a difficult time for them to debate nationalisation.

Other subjects suggested for debate included debt; local authorities and rates; education; postal ballots in union elections and the Bullock Report.

### 3. Other Matters

Sir Geoffrey Howe asked if it would be possible to see colleagues' speeches; there was at present no arrangement for circulating them. Mr. Atkins said that he kept a supply in his office, and Members could collect any copies that they wanted.

It was agreed that speeches made much more impact if they were orchestrated in such a way as to ram home a particular point through a concerted attack on the same subject within a few days. This had been done successfully the previous weekend, and the Party in West Woolwich had been very much heartened as a result.

The meeting adjourned at 6.15 p.m.