



Review Body on Top Salaries

FIRST REPORT

Ministers of the Crown and Members of Parliament

Chairman :

THE RT. HON. LORD BOYLE OF HANDSWORTH

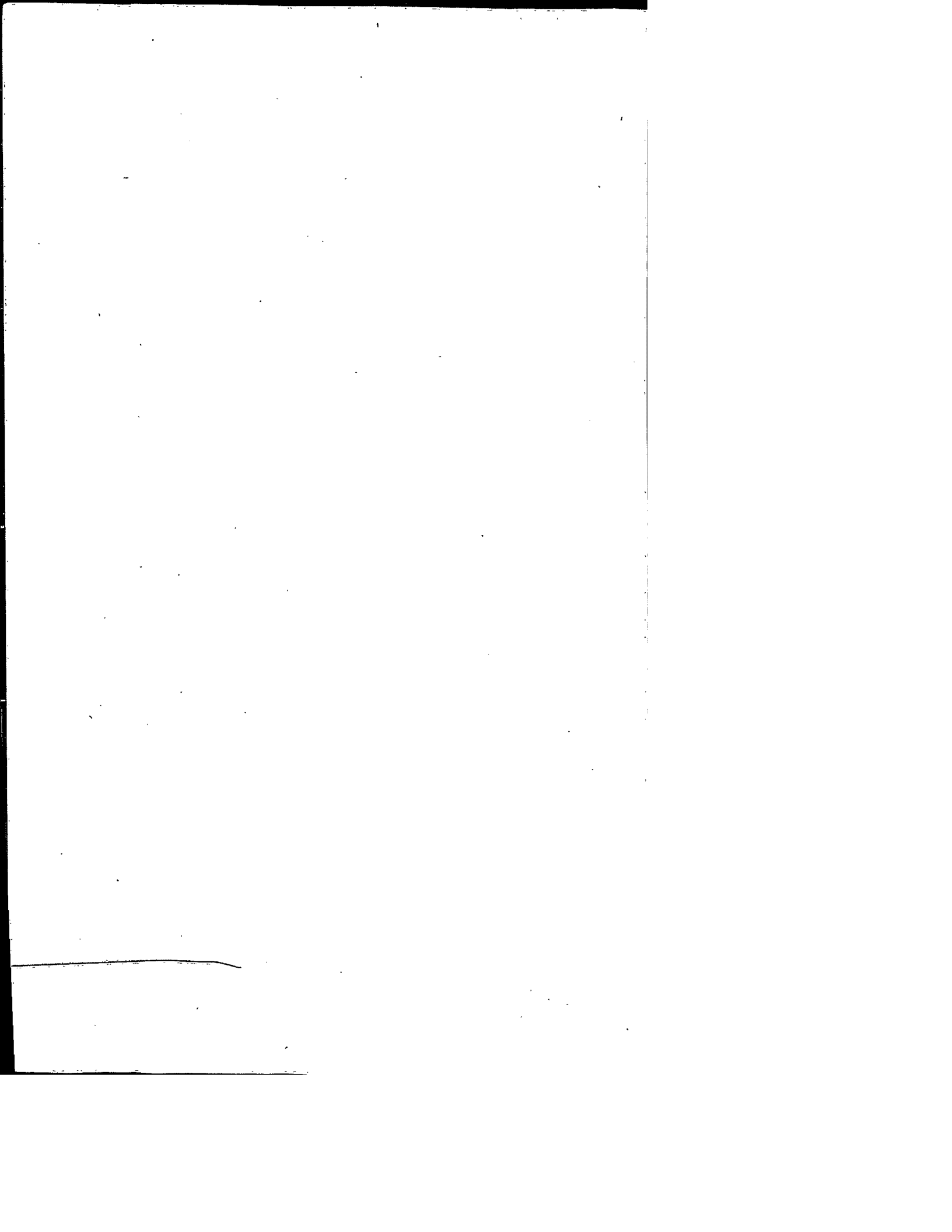
*Presented to Parliament by the Prime Minister
by Command of Her Majesty
December 1971*

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CORRECTIONS

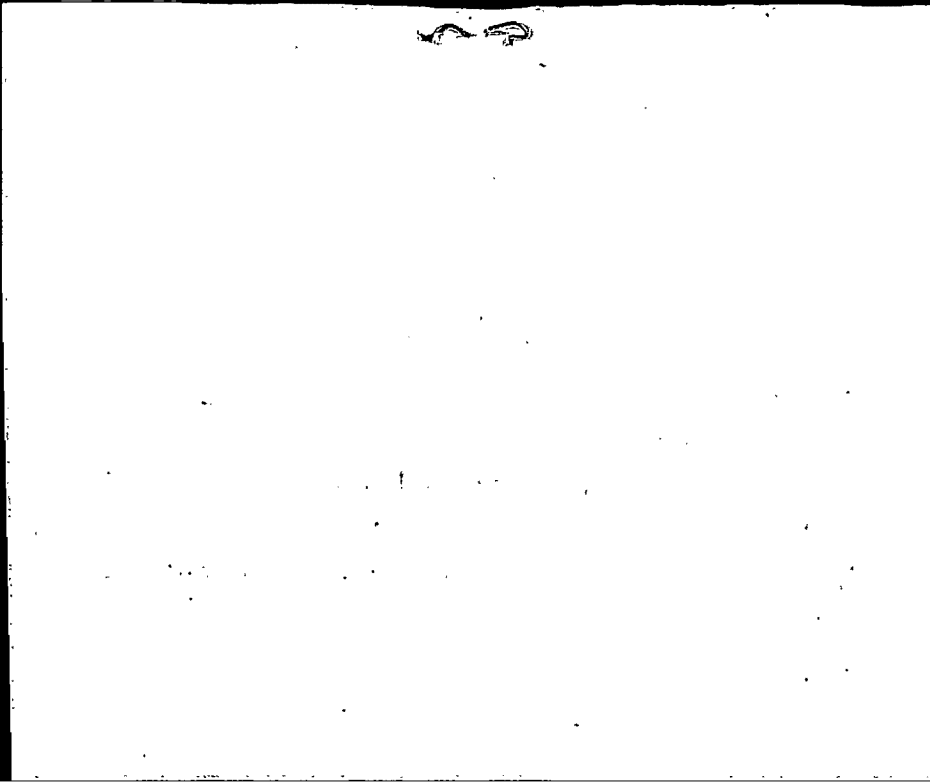
Chapter 10. Page 39. The penultimate paragraph numbered
" 123 " should be numbered " 122 "

Appendix H. Page 96, Paragraph 8, line 2. *For* " at least 12
months " *read* " four or more years ".

Appendix H. Page 96, Paragraph 10, line 5. *For* " four or more
years " *read* " at least 12 months ".

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LONDON: Her Majesty's Stationery Office





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TOP SALARIES REVIEW BODY

The Top Salaries Review Body was asked in May 1971 to review and recommend what changes are desirable in the emoluments, allowances and expenses of Ministers of the Crown and Members of the House of Commons including Mr. Speaker and other holders of remunerated offices in both Houses of Parliament, and the relevant pension arrangements.

The members of the Review Body are:

The Rt. Hon. Lord Boyle of Handsworth, *Chairman*

H. W. Atcherley

Lord Beeching

Sir George Coldstream, K.C.B., K.C.V.O., Q.C.

A. J. L. Lloyd, Q.C.

P. T. Menzies

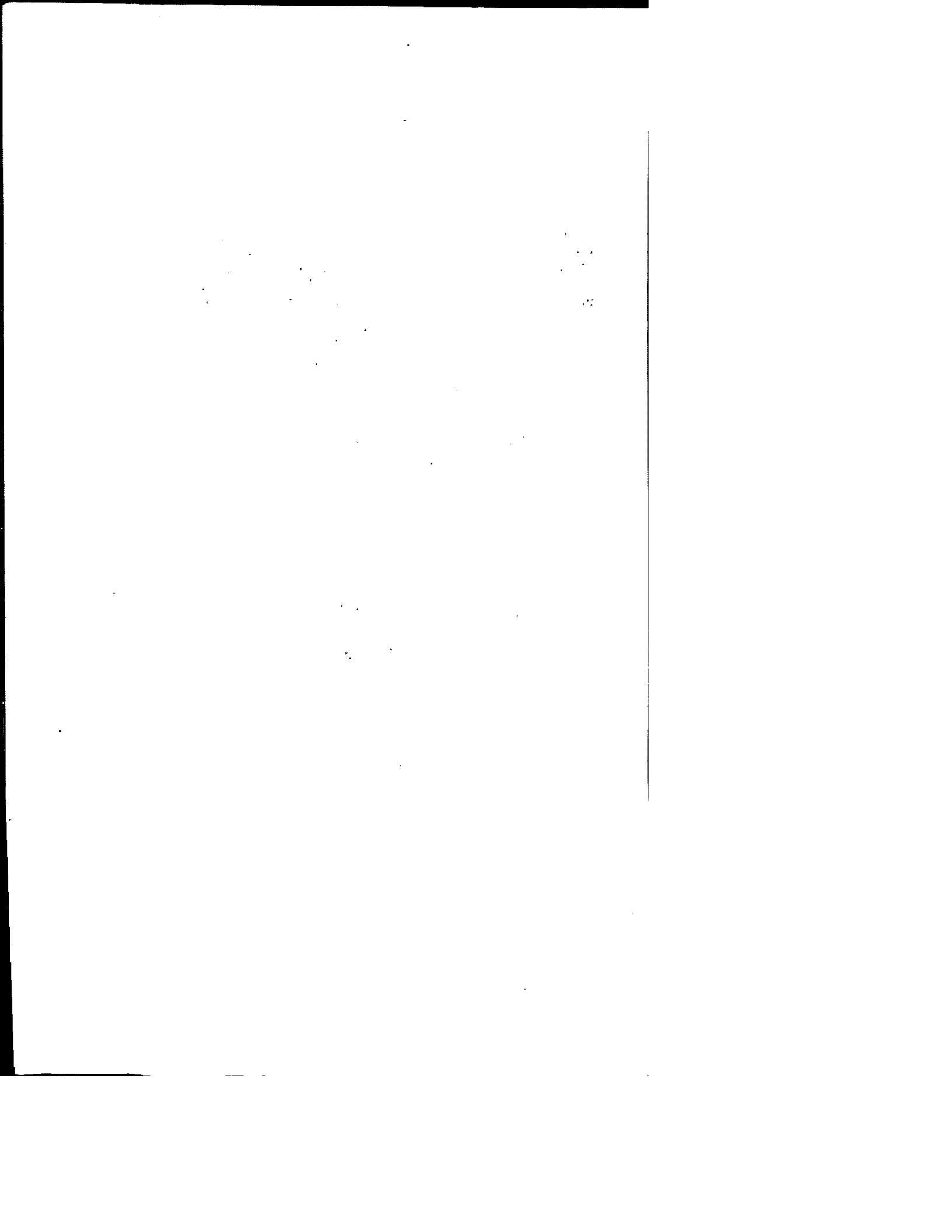
Lady Seear

Sir Mark Turner

Gerard Young, C.B.E., J.P.

Lady Seear was not appointed until October 1971 and did not take part in this review.

The secretariat is provided by the Office of Manpower Economics.



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REMUNERATION OF MINISTERS AND OTHER PAID OFFICE-HOLDERS

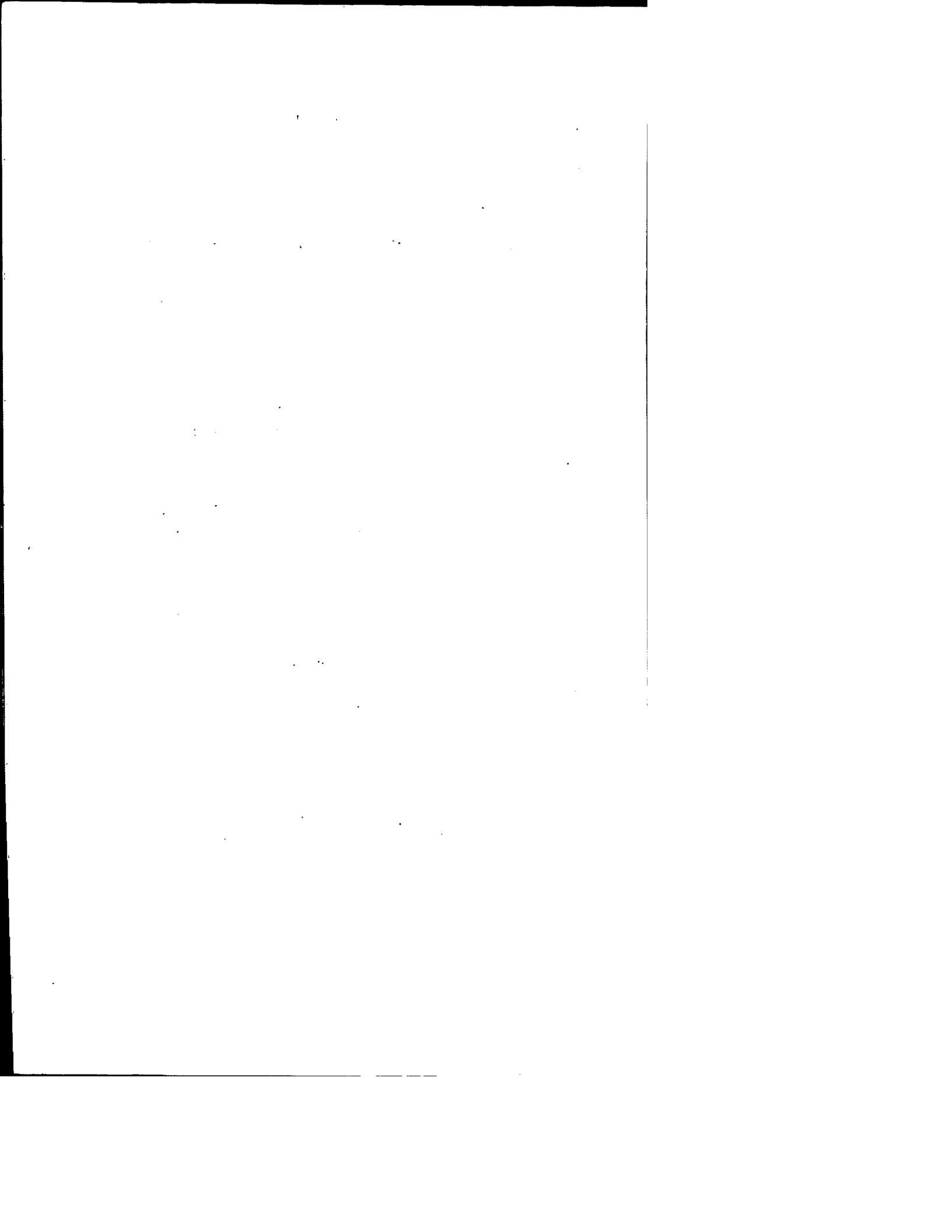
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REMUNERATION OF MEMBERS OF PARLIAMENT AND MINISTERS

INTRODUCTION

1. The remuneration of Members of Parliament and Ministers was last reviewed in 1964, by a committee under the chairmanship of Sir Geoffrey Lawrence.* As recommended by that committee, the salary of Members was increased from £1,750 to £3,250, by resolution of the House of Commons with effect from 16 October, 1964. At the same time the Parliamentary salary drawn by Ministers was increased from £750 to £1,250; but the Government of the day considered that it would not be appropriate, in the prevailing economic circumstances, to increase Ministerial salaries as such to the full extent recommended. The increases recommended for Ministers were therefore halved and the new salaries were not given effect until 1 April, 1965.

2. By 1969 the Government was again under pressure to take steps to increase Members' pay and, on 24 July, announced certain measures to improve the facilities available to Members; later in the same year an annual secretarial allowance was introduced for the first time. The Government explained that these improvements were intended to be of an interim nature and stated its intention to refer the whole question of Members' salaries to the National Board for Prices and Incomes during the next Parliament. Subsequently, during the debate on a Bill to set up a Commission for Industry and Manpower, the Secretary of State for Employment and Productivity announced that the Bill would provide for regular reviews of Members' and Ministers' pay by a special panel of the proposed Commission; but with the General Election of June 1970 this Bill elapsed.

3. Early in the life of the new Parliament there was sustained pressure from Members for a review. On 2 November, 1970, the Secretary of State for Employment announced the Government's decision to establish three Review Bodies, one of which was to deal with top salaries in the public service; subsequently, on 4 December, 1970, it was announced that the question of Members' and Ministers' salaries would be referred to this Review Body.

4. We are required to review and recommend what changes are desirable in the emoluments, allowances and expenses of Ministers of the Crown and Members of the House of Commons, including Mr. Speaker and other holders of remunerated offices in both Houses of Parliament, and the relevant pension arrangements. Our terms of reference are, therefore, slightly different from those of the Lawrence Committee in that they exclude any consideration of payments to Members of the House of Lords, other

* Report of the Committee on the Remuneration of Ministers and Members of Parliament, Cmnd. 2516, November 1964.

than paid office-holders, by way of expenses allowance or otherwise. Like the Lawrence Committee, we have included in our review the office of the Lord Chancellor, as this involves substantial ministerial and official duties (the latter arising from the Lord Chancellor's function as Speaker of the House of Lords), although the remuneration for this office is entirely attributable to its judicial and official aspects, and in his ministerial capacity the Lord Chancellor receives no salary at all. We have also interpreted the term 'remunerated offices' to include the Leader of the Opposition and the Chief Opposition Whip in both Houses.

5. Our principal methods of obtaining evidence have been as follows :

- (a) After preliminary consultation with an informal advisory group drawn from both main parties in the House of Commons, we sent a questionnaire to all Members requesting information on such matters as their expenses, hours of work and involvement in other occupations, together with their views on the various aspects of their remuneration; the results of our survey are given in Appendix A.
- (b) We invited written statements from Ministers and other office-holders in both Houses, both under the present and previous administrations.
- (c) We interviewed a total of 43 Members from both Houses of Parliament, including several Ministers and ex-Ministers and some office-holders.
- (d) We received a number of memoranda submitted by Parliamentary groups or by individual Members.

6. We also obtained, with the help of the Foreign and Commonwealth Office, information on the remuneration of Ministers and Parliamentary representatives in certain other countries. The Inland Revenue provided us with information on the levels of expense incurred by Members in connection with their Parliamentary duties. We held discussions with, and obtained other information from, members of the staff of the House of Commons, the Civil Service Department, the Board of Inland Revenue, and the Department of Health and Social Security. On the question of pensions we obtained advice from a firm of pension consultants. We took steps, by commissioning an attitude survey, to sample the opinions of the public on a number of relevant questions.

7. We wish to convey our sincere thanks to all those who have taken so much trouble to help us.

PART I

REMUNERATION OF MEMBERS OF THE HOUSE OF COMMONS

CHAPTER 1

THE PRESENT SITUATION

1. The present structure of MP's remuneration is complicated and we begin, therefore, with an explanation of its various components. Our public opinion survey showed that this is a matter on which there is widespread ignorance of the true position. Only a quarter of the public interviewed could state correctly the range (£000) in which an MP's salary actually falls, while a third thought that MPs were paid more than £4,000 (see Appendix B); the actual figure is £3,250. Moreover, it is widely believed that MPs have better facilities than they in fact have, and the extent to which they must meet expenses out of their salary is by no means generally appreciated.

2. To assist them in the performance of their Parliamentary duties, Members are provided with certain facilities; certain allowances are also provided to help in defraying some of the expenses which they necessarily incur. Within the House of Commons itself, free stationery, postage and telephone facilities are provided for use on Parliamentary business. In addition free first-class rail, air and sea vouchers are available within the United Kingdom for travel between Westminster and the Member's constituency, Westminster and home, and home and constituency. In addition, since April 1971, four free return vouchers per year have been available for the Member's wife (or husband) for travel between Westminster and the Member's constituency, and Westminster and home. Alternatively, a car mileage allowance, currently at the rate of 5p per mile, is payable. Since October 1969, Members have also been able to claim reimbursement of secretarial expenses of up to a maximum of £500 per year. Full details of facilities and allowances of Members of Parliament are given in Appendix C.

3. Beyond these, however, the MP must meet the expenses incurred in connection with his duties out of his own income; the only relief he can obtain is that, provided they meet the normal requirement under Schedule E of being wholly, exclusively and necessarily incurred in connection with his work, these expenses are deductible from his Parliamentary salary before it is assessed for tax. The categories of expense which the Inland Revenue normally recognises as tax-deductible are the following:

- (a) *Additional cost of living away from home when engaged in Parliamentary duties*: provincial Members of Parliament, i.e. those whose constituencies are outside the London boroughs, can claim for the additional cost of living either in London or in the constituency (but not both).

- (b) *Travelling expenses incurred in performance of Parliamentary duties* : e.g. costs of travel within the constituency and incidental travelling expenses such as taxi fares from a London terminus to Westminster.
- (c) *Office expenses* : any costs of office accommodation and secretarial assistance incurred over and above the secretarial allowance received.
- (d) *Incidental expenses* : such as the cost of hiring rooms to meet constituents, the cost of circulars to inform constituents of Parliamentary activities, expenditure in connection with all-party Parliamentary organisations, and payments to a local agent or party association in return for help in Parliamentary work; expenses incurred in connection with party political activities are not allowable.

4. The expenses so allowed as a deduction for tax, but which the MP must otherwise meet himself, amounted in 1969-70, on average for all Members, to £1,330.* The net expenses incurred by provincial Members were, however, nearly three times as high as those for London Members; and of provincial Members those most affected were Members representing rural as opposed to urban seats, whose larger constituencies often involve them in considerable travelling expenses.

5. The three major categories of tax-deductible expenses are; (i) additional accommodation costs (for provincial Members only), (ii) office expenses including secretarial assistance, and (iii) travelling expenses within the constituency. In 1969-70 for all Members the average additional cost of living away from home was £685; the average office expenses, after deduction of the secretarial allowance, were £288; and the average travelling expenses within the constituency were £245. The average of other expenses claimed was £112. Full details of expenses allowed for Members of Parliament are given in Appendix D.

6. The extent, therefore, to which Members of Parliament pay expenses of their work out of their salary is much higher than is generally the case in other occupations; indeed most salaried employees expect all their reasonable expenses to be met in full by the employer and not merely treated as deductible for tax. For this reason, amongst others, comparisons between the MP's salary and other salaries can be quite misleading. Taking into account the full secretarial allowance of £500, we estimate, on the basis of the latest figures available (for the tax year 1969-70) that the average net pay for the Member of Parliament, *i.e.* after meeting all necessary expenses but before tax, is a little under £2,000 per year; there will of course be considerable deviations from this average, both up and downwards. We are clear from evidence we have received, both written and oral, that there are individual MPs with considerable family responsibilities who are suffering financial hardship at the present time.

7. Before considering the views which have been presented to us on Members' remuneration, and the issues involved, we take note in the next chapter of some relevant features of the House of Commons, of the work of Members of Parliament and of the circumstances under which that work is carried out.

* The total expenses as shown in Appendix D less the average secretarial allowance for the sessional year.

CHAPTER 2

MEMBERS OF PARLIAMENT AND THEIR WORK

8. Members are drawn from a wide range of occupations. The occupational composition, at the time of entry, of the House of Commons has been estimated as follows:

TABLE A

Composition of the two major parties in the House of Commons by occupation (a)

	1951	1970
	(per cent)	(per cent)
<i>Professions</i>		
Legal	18.2	19.6
Medical	2.1	2.1
Central and Local Government	2.9	2.5
Armed Forces	5.5	3.9
Teaching	7.6	10.5
Other professions	1.8	7.8
<i>Business and others</i>		
Director	13.0	13.6
Management and others	10.6	7.3
Manual workers	15.7	12.0
<i>Miscellaneous</i>		
Journalist/publisher	7.5	9.2
Farmer	2.8	5.2
Housewife	0.5	0.3
Other	11.8	6.0

Source: Condensed from the British General Election of 1951, by D. E. Butler, and The British General Election of 1970; by D. E. Butler and M. Pinto-Duschinsky.

(a) Based on the first or 'formative' occupation.

9. As this table shows, there has been a distinct growth over the last 20 years or so in the number of Members drawn from professional backgrounds. The average age of Members entering Parliament in 1970 was 40, only a year less than it was in 1951. Just over half of the Members have been in Parliament for 10 years or less, while over a quarter have been Members for over 15 years. The average age of Members who retired at the time of the last election was 57, and their average length of service was 17 years.

10. Our survey (see Appendix A) has shown however that 70 per cent of Members other than office-holders pursue some other regular or occasional occupation; though in many cases the amount of time spent on the other occupation is quite small. Nearly 60 per cent of the Members concerned spend under 10 hours per week pursuing their other occupations while Parliament is sitting, and a further 29 per cent spend from 10 to 19 hours per week. Two-thirds of these Members earn over £1,000 per year

from their other occupations, over one-third more than £3,000, and one-fifth earn over £5,000, with the higher figures tending to be earned by Members with constituencies in or near London. As is to be expected, Members with other occupations spend less time both in attending the House and on other Parliamentary business. We found that involvement in an outside occupation was regarded by at least three out of four Members as beneficial to the work of Parliament by keeping Members in touch with other areas of life and providing expertise helpful to the work of Parliament. Only a small number of those pursuing other occupations felt that it was a disadvantage which was forced on them by financial necessity. Many Members, however, have been at pains to point out to us that the job of an MP is increasingly becoming full-time and that it becomes progressively more difficult to combine it satisfactorily with another regular occupation.

11. There can be little doubt that the present century has seen a remarkable change in the role of Members of Parliament, both in terms of what their constituents expect of them and in terms of the way in which it is interpreted by Members themselves. The advent of modern media of communications, particularly television, has sharpened the political awareness of the public, both in domestic matters and foreign affairs, and the electorate has become increasingly articulate with the spread of secondary and higher education. The electorate expects a much greater degree of application and professionalism from Parliamentarians than ever before. The increased intervention of the Government in the life of individuals has tended to make constituents more demanding, and a recent study has suggested that the average Member may now spend up to two hours per day answering correspondence from them and holds a 'surgery' in his constituency at least once a fortnight.*

12. It is clear from our interviews that a growing number of Members are not content simply to 'travel noisily' and to leave the business of Government entirely to the front benches. Politics and government are not the same, but most MPs are no longer prepared to accept too sharp a distinction between them.† They wish and feel that they ought to participate more fully in the process of policy-making and in influencing what the Government actually does. They ask more questions, they make greater demands for information and they are more active on Standing and Select Committees, which have increased in number, and the work of which has become more detailed and exacting.

13. We asked Members to estimate the hours which they spent per week in the House during the last session (excluding time spent on private work) and the hours they spent on Parliamentary business outside the House (excluding time spent travelling to and from their constituencies). Their answers are collated in the following table:

* Anthony Barker and Michael Rush. *The Member of Parliament and Information*, Allen and Unwin, 1970.

† We are deliberately drawing a contrast with an older view of the MP's functions strikingly expressed by Henry Fairlie in his book, *'The Life of Politics'*, Methuen, 1968; see especially pages 198 to 207 on *'The Life of the House of Commons'*.

TABLE B

Average hours per week spent on Parliamentary work

	Ministers.	Junior Ministers	Other office-holders	Other M Ps	Total all M Ps
Hours spent in the House ...	31	27	58	42	42
Hours spent outside the House:					
on behalf of constituents ...	12	10	9	11	11
preparatory work ...	23(a)	31(a)	3	7	7
visits ...	2	2	1	3	3
Total ...	68	70	71	63	63

(a) Includes work in Departments.

Source: OME Survey.

The average total of 63 hours reported as spent by Members on their Parliamentary work is much higher than the hours worked in most other occupations; but these figures are probably inflated to some extent by the heavy pressures arising in the last session from the passage of the Industrial Relations Bill. As might be expected, there is a fairly wide variation of hours reported, but 94 per cent of all Members said that they spent more than 40 hours per week on their Parliamentary work. It is of interest to note that the hours reported to be spent on constituency work are no shorter for Ministers than for Members generally.

14. The activities of Members of Parliament outside the House have increased, and inside the House also there has been a trend towards heavier and longer work, both on the floor and in committee, as the following table indicates:

TABLE C

Workload of Parliament

	Total number of hours of sitting per session		Total number of attendances at sittings of	
			Select Committees	Standing Committees
<i>Annual averages</i>				
1899-1909 ...	1,222			
1919-29 ...	1,116	<i>Yearly total</i>		
1929-39 ...	1,245	1936-37	1,377	3,352
1949-59 ...	1,268	1951-52	2,223	2,594
1959-64 ...	1,334	1961-62	2,202	4,317
<i>Yearly total</i>				
1964-65 ...	1,551		2,681	5,243
1965-66 ...	1,353	1965-66 } 1966-67 }	3,110	5,319
1966-67 ...	1,642		3,507	7,743
1967-68 ...	1,591		4,283	5,129
1968-69 ...	1,548		3,352	5,278
1969-70 ...	1,166		4,007	5,705
1970-71 ...	1,523			

Source: House of Commons Records.

After a busy year in 1964-65, and a drop in 1965-66, the workload as measured by hours of sitting per session, moved up to a new peak in 1966-67; the drop in 1969-70 is of course explained by the much shorter session ending with the election in 1970. At the same time the number of Members attending meetings of Select and Standing Committees has risen steadily during the last 10 years; and indeed in the longer-term perspective the change has been very marked. These are admittedly only crude measures of the workload, but they give some indication of the increasing pressure of Parliamentary business.

15. We now turn briefly to some of the circumstances under which this increasing workload is carried out. Although our terms of reference do not include facilities (in the sense of physical facilities), we have thought it relevant to take some account of them as part of the general context in which the question of remuneration must be considered. Office accommodation is extremely limited, with less than 150 single rooms available within the precincts of the Palace of Westminster, and desk accommodation for 83 Members' secretaries. Although there are other places available for writing both inside and outside the precincts, many Members are sharing cramped quarters with each other, and most have to work at a considerable distance from their secretaries. But this state of affairs will, it is hoped, be remedied when the new Parliamentary building is eventually constructed in Bridge Street.

16. We found that 97 per cent of Members employ a secretary or share in the employment of a secretary, generally for between 10 hours and 40 hours a week, with a median of 23 hours. The secretaries of provincial Members usually work in London, at or near Westminster, but those of London Members often work in the Member's constituency. Because of financial circumstances, Members frequently pay their secretaries salaries less than those paid to secretaries in other forms of employment, although good staff are often attracted by the interest of the job. The inability of Members to guarantee continuity of employment generally means that their secretaries are not covered by a superannuation scheme. A private organisation, Ashworth and Company, provides secretarial service on an agency basis within the precincts of the House, but accommodation limits the number of staff which can be employed, and it is used only by one in eight Members.

17. Allied to the problem of secretarial assistance is that of research assistance. At present the Library of the House of Commons provides a service which might better be described as an information service for Members. This service, which was started in 1946 with two graduate librarians, has now been expanded to a total staff of over 50 librarians and clerks, including 12 graduates. Further expansion is envisaged when the new Parliamentary building is constructed. The service at present provided is highly regarded, but many Members of Parliament feel a need for something more than this limited service, and we found in our survey that about one Member in ten employs or shares in the employment of a research assistant. As the expense of such an assistant is not at present recognised by the Inland Revenue as deductible from income before tax, it is not surprising that the majority are employed by Members with outside earnings of more than £1,000 per year.

18. Members are normally obliged to do a great deal of travelling. During the Parliamentary sessions, usually extending over about 34 weeks a year, the typical pattern of a provincial Member's life is to spend from Monday to Thursday in London and the weekend in his constituency, either travelling by day on Friday or Monday, or else overnight on Thursday and Sunday.* Many rural Members also travel extensively within their constituencies, the expenses of which they must pay themselves but which are deductible for tax. In addition 10 per cent of Members have reported that they incur other travelling expenses in respect of visits to gain information, outside their constituencies and sometimes overseas, which are neither recoverable nor deductible for tax.

19. With two places of work—Westminster and their constituency—Members face special problems of living accommodation. We found that almost nine out of ten provincial Members maintain accommodation in London. Three out of four do not treat London as their place of residence but have their main home elsewhere, in or outside their constituency in equal proportion, and claim tax relief for the higher additional cost of living in London. The type of accommodation varies widely, from the humble bed-sitting room in a London suburb to a town house in Westminster. Others use residential hotels and clubs. At times of year when accommodation is especially short it is not unknown for a Member to have to move from week to week.

20. These then are some of the factors in the Member of Parliament's situation to which we must have regard in considering his remuneration. We now consider the principal issues facing us in deciding what level of salary we should recommend, taking into account the views put to us by Members themselves, together with other evidence which we have collected.

* The total cost of providing free travel between Westminster, home and constituency in 1969-70 was £206,000, equivalent to £327 per Member.

CHAPTER 3

THE ISSUES.

21. In the eyes of the general public, M Ps appear to be free to decide without restraint the level of their remuneration, and when increases take place they are invariably the subject of strongly felt criticism. In practice, it is the Government of the day which determines the remuneration of Members, as well as that of Ministers, and it is naturally sensitive to popular opinion on the subject, particularly in periods of inflation when it may be urging restraint of incomes on the electorate. In these periods the politicians are generally among those who are considered to be least deserving of an increase in pay. As a Member said in a debate last year:

“We do not like discussing our own problems and difficulties because we know we are here to take care of the problems and grievances and to look after the living standards of our constituents. . . . There is never a best time, only the least objectionable time for considering the matter.”*

22. The result has been that remuneration has been reviewed at relatively infrequent intervals, about every 7 to 10 years, giving rise in the inflationary periods immediately after the first world war and since the second world war to considerable fluctuation in the real levels of payment. Compared in real terms, as distinct from monetary values, M Ps received considerably less remuneration during the greater part of the inter-war years and for a time after the second world war than they received before the first world war when payment for their services was first introduced, and it was not until 1964 that their level of reward was substantially increased. As a measure of the standard of living which their salary has represented during this time (while not implying that the pay of M Ps should be fixed in relation to that of a given grade of civil servant), it is interesting to note that the equivalently paid official (in approximate terms) in the Civil Service was, before the first world war, a Principal,† between the wars a Higher Executive Officer (two grades below a Principal), after the second world war a Senior Executive Officer (one grade below a Principal), and in 1964 a Principal again. The nearest equivalent grade now is a Senior Executive Officer. These comparisons are even less favourable to the M P if account is taken of the fact that the civil servant, within standard limits, is reimbursed for all expenses incurred in performance of his duties.

23. Since the M P's salary was raised to its present figures of £3,250 in October 1964 prices have risen by nearly 45 per cent, so that the real value of the salary has dropped to approximately £2,260. Expressing the effects of inflation in another way, a salary of equivalent value to that in October 1964 allowing for the intervening rise in prices, would now be about £4,675. If it were to be adjusted for the intervening rise in salaries

* Hansard, Vol. 801, columns 1715, 1716.

† One grade below an Assistant Secretary.

and average earnings, the equivalent would be approximately £5,400.* We quote these figures because they give some indication of the effects of submitting the M.P.'s salary to review so infrequently, and not because we believe that it should be adjusted automatically in relation to cost-of-living or wage and salary indices. This would in our view be doubly wrong; first, because M.P.s should not be treated differently from the general public by being given an automatic safeguard against the effects of inflation; secondly, by itself this would exclude any re-evaluation of the job in the light of new circumstances.

24. When a salary for M.P.s was first proposed in 1911, the arguments were largely concerned with the nature of the membership of the House of Commons. On the one side it was argued that without payment certain kinds of people would be excluded or that without adequate payment such people could only be Members by suffering undue financial hardship; on the other side it was said that payment would attract the wrong kind of people or that too large a payment would have the undesirable effect of producing a House exclusively composed of full-time professional Members. While the principle of remunerating the Member of Parliament is no longer seriously disputed, the question whether his job should be treated as full-time or part-time in determining the level of pay continues to be a matter of debate. The Lawrence Committee noted that this question had never received an authoritative answer in the various recommendations which had been made from time to time on the Member's salary, and it found Members' replies to the question to be inconclusive. The Committee itself preferred not to express any opinion on this, but took into account, first, that the House of Commons contained, and was likely to continue to contain a number of Members who did not have the opportunity of supplementing their Parliamentary salary by earnings outside the House; and secondly, that the possibility of making such earnings varied greatly from Member to Member.

25. We ourselves found that, while some three-quarters of Members considered that the existing degree of involvement in other occupations was beneficial to the work of the House, most Members felt strongly that the salary should be assessed on a full-time basis. Greater opportunity to carry on a second job exists for Members engaged in some occupations, such as the law and journalism, than in others, and for London Members than for provincial Members. Moreover, while only one out of eight Members has a part-time occupation which employs him for more than 20 hours a week, less than half this proportion, or only one out of sixteen Members, spends less than 40 hours per week on Parliamentary work, while the average for all Members shown in our survey is 63 hours. We have already drawn attention in the previous chapter to the increasing demands placed on M.P.s both in Parliament and in their constituencies. By any reasonable standard, therefore, most Members must be considered as working on a full-time basis, and we consider that the level of remuneration should be assessed accordingly.† Any attempt to differentiate between the pay of

* Increases to August 1971.

† Another important and interesting point is whether the job generally represents a 'life-time' or 'an in-and-out' career. The evidence we have on this point is not, however, conclusive.

Members on the basis of involvement in other occupations, earnings from other sources or amount of Parliamentary work undertaken (e.g. in committees), would in our view be neither practicable nor desirable.*

26. A view which has been not infrequently put to us in evidence is that the status and privileges of public service are themselves a reward which justify taking into account some 'element of self-sacrifice' in setting the salary level. We do not attach too much weight to this argument. Status and privilege are in part determined by the salary level, and MPs have suffered relatively in this respect. Further, it is at least open to question how far this assumed element of self-sacrifice contributes to the proper functioning of the democratic process; electors may feel freer to judge on the merits of performance if Members and Ministers are known to be getting a 'proper rate for the job'.

27. The difficulty of assessing a fair level of pay is compounded by the way in which the notion of the Member's payment has developed. It has come to be regarded as being composed of two parts, one being in the nature of a salary from which Members have to meet their living expenses, and the other being intended to meet the expenses of carrying out their Parliamentary duties. But these expenses have varied not only according to the nature of the Member's constituency, whether it is rural or urban and its distance from London, but also according to the way in which an individual Member sees his role and deals with his work.

28. In the year 1969-70, the expenses of MPs varied from less than £300 to more than £3,000. The effect upon total pay is that the more expense a Member incurs in carrying out his job (however reasonably) the less are his disposable earnings; this may mean also that the more work he does in visiting his constituency and dealing with his constituents' problems, the less money is left in his pocket.

29. It is true that Members have been provided increasingly with free facilities, for example travel and postage, and more recently with allowances, such as the secretarial allowance, so that the value of these facilities is now quite substantial, averaging about £1,000 or nearly one-third of the nominal salary. But the weight of expenses which must still be met from the salary is heavier than in 1964 despite these allowances, and apart from the question of increasing existing allowances, about four out of every five Members who responded to our questionnaire thought that there were other categories of expense which should be covered by allowances in cash or in kind. Some new Members have expressed surprise at the high level of expense which they have found it necessary to incur out of their salary.

30. One of the most basic questions we have to consider, therefore, is whether an MP's salary should be determined independently of his expenses. In other words, should the level of salary be determined on the basis that, in

* On the other hand some of us are inclined to feel that the time is approaching, and may already have arrived, when the House of Commons ought to consider the award of a strictly limited number of honoraria to the Chairmen of certain designated Select, and possibly Standing Committees. We have been impressed with evidence put before us that the Chairmanship of such committees involves the responsibility for a considerable volume of detailed preparatory work if these Committees are effectively to perform their proper sessional function.

general, reasonable expenses will be covered by allowances in cash or in kind and that the Member will not be expected to meet these out of his salary, provided they are within the allowed limits? There is no doubt that the present system of payment, whereby some expenses are met in cash or kind, while others are allowed, if at all, only as deductions from income before tax, falls unevenly in its effects on Members and gives rise to misconceptions in the public mind as to the level at which Members of Parliament are paid.

31. Our public opinion survey indicated that a substantial proportion of the public does not feel that the pay of M Ps should be increased (see Appendix B). The public attitude must be seen, however, against a background of widespread ignorance not only as to the actual level of salary, to which we referred earlier, but as to the time spent by M Ps on their work (considerably underestimated), and the extent to which they have had to meet expenses out of their own pocket. When people were informed of the actual details of remuneration and expenses, there was a significant shift in opinion, as shown below:

TABLE D

Attitude to pay before and after being informed of actual remuneration of Members of Parliament

	Before (per cent)	After (per cent)
Overpaid	36	15
Adequate	38	50
Underpaid	14	33
Don't know	12	2

Source: OME Survey.

32. The treatment of Member's expenses does not compare favourably with the practice in many foreign and Commonwealth countries which we examined (see Appendix E). In some cases subsistence or attendance allowances are paid to cover living expenses incurred in attending Parliamentary sessions in the capital, and general expenses allowances to cover other costs, particularly those in the constituency. While a secretarial allowance is paid in only one of the countries covered, in many countries each Member is provided with a secretary or service is available from a typing pool. In some instances, a proportion of between 40 and 45 per cent of the salary is tax-free in order to provide for expenses, and in two countries the salary is completely tax-free. The level of salary varies widely between the countries in our sample, the highest being £8,400 (Italy) and the lowest £2,500 (Irish Republic). If those countries in which the salaries are wholly tax-free are excluded, and the tax-free elements for expenses are deducted where appropriate, then the net pay before tax in the remaining countries falls into a band between £1,500 and £7,400, the average being £4,200, as compared with the British Member of Parliament's average net

pay before tax of a little under £2,000.* These comparisons help to throw some light on the inadequacy of the expense arrangements applying to MPs in this country.

33. We ourselves take the view that in general Members should not be expected to meet reasonable expenses out of their salary, and that correspondingly the level of salary should be set independently of the costs of meeting expenses. We recognise that this principle is not capable of perfect application; it would hardly be practicable to devise arrangements under which Members did not have to dip into their salaries to meet certain expenses, however reasonable they might be. *But as a general rule we believe that, in future, a clear separation should be observed between salary, on the one hand, and provision for expenses on the other; we take this, therefore, as a basic premise in approaching the question of the appropriate salary level. It should not normally be the responsibility of the individual Member to finance the facilities he needs to do his job.*

34. In seeking appropriate criteria by which to determine a fair salary for Members of Parliament it is relevant to consider also the extent to which two of the classic approaches to wage and salary determination—supply and demand and comparability—can reasonably be applied. Clearly no case can be made for increasing their pay on supply and demand grounds if the matter is looked at simply in a quantitative sense, since there is no shortage of would-be candidates. In our view a far more relevant consideration is that the salary should be sufficient not to deter people of ability and energy, particularly those with family responsibilities, who would not be able to call on other sources of income, and to ensure the adequate representation in the House of a wide range of social, occupational and industrial groups. Supply and demand also needs to be interpreted in a long term sense: it is the gradual erosion or building-up of an occupation's position in the pay structure which matters most, rather than temporary fluctuations, and if pay levels are allowed to fall away, there is a risk that in the long term at any rate the quality of new entrants will be adversely affected.

35. The Member's job is generally, and we think rightly, regarded as unique. Comparison is also complicated by the fact that Members are drawn from a wide variety of occupational backgrounds and, for many of them, membership of the House of Commons cannot be regarded as a life-time career. Some attempts have been made to draw comparisons with the Civil Service, in particular with the grade of Assistant Secretary. In our view no arguments of any substance have been produced on grounds of comparison as such. The heavy weight of support given by Members to linking their pay to that of the Civil Service stems mainly from a desire to remove the question of salary determination from the political arena and to provide protection against the erosion of their salaries through inflation. We do not feel that Members should have the benefit of any such built-in mechanism by which their salaries would be automatically adjusted. The question of remuneration should be examined periodically (and we would hope regularly) on its merits and in the light of the relevant circumstances at the time. It would in our view be quite wrong that

* It must be recognised that these comparisons are, for various reasons, subject to a considerable margin of error, particularly in view of differences in the cost of living.

negotiations on the pay of Civil Servants should have to take place in the knowledge that the outcome would also govern the pay of Members of Parliament. The question of future reviews of Members' salary is to which we shall return later in this report.

36. The determination of an appropriate level of remuneration for Members of Parliament must in the end be a matter of judgment based on all the factors we have discussed in this and earlier chapters: there is no formula which can be automatically applied to determine the appropriate level of remuneration for MPs. We are dealing with a situation which has not been basically examined for seven years, and something more is required than an updating exercise. We believe that the MP's job now calls for some degree of revaluation, both in terms of the growing volume of work, and the changing nature of that work, which we have described in Chapter 2. One effect of these changes is that the job of an MP has become increasingly full-time, and in our view it is essential that the level of remuneration should be adequate to provide for full-time Members without other sources of income. We consider that the minimum figure to which the salary of Members should forthwith be raised is £4,500. In the following chapters we present our proposals for increased allowances and facilities, and for improved pension arrangements for Members of Parliament; but for these proposals, particularly those relating to subsistence, secretarial and constituency travelling expenses, we should have recommended a considerably higher salary.

37. *Recommendation:* We recommend that the salary of Members of Parliament should be increased to £4,500 a year.

CHAPTER 4

ALLOWANCES AND FACILITIES

38. We have explained in the previous chapter our view that there is a need to increase the proportion of Members' expenses which are provided for or are reimbursed in cash or kind. As outlined in Chapter 1, the categories of expense which are at present not so treated fall within four broad groups, and we now examine each of these in turn.

Additional cost of living away from home when engaged on Parliamentary duties

39. The additional costs of living away from home, particularly for provincial Members who are not resident in London, are the largest item of expense incurred by most M.P.s. As indicated in Chapter 1, this expense, which arises from the fact that Members have two places of business, Westminster and their constituency, is currently allowed as a deduction from income before tax. The net effect under existing rates of taxation is, on average, to provide relief from tax to the extent of about 30 per cent of the expense incurred. It is clear from the evidence we have received that many Members find the costs of additional accommodation, especially in London, a considerable burden, and we are of the opinion that Members should not be expected to meet them entirely out of their salary.

40. We therefore attach at Appendix F our proposals for the payment of a subsistence allowance to provincial Members, and for a London supplemental payment to Members who live in the capital. This scheme is based on the practice currently in operation for members of the public services who are sent away from their main place of work. Briefly, an allowance based on a fixed daily scale would be paid to cover the reasonable additional cost to provincial Members of staying either in London (£5.25 per day) or their constituency (£5 per day),* when engaged on Parliamentary duties. Provincial Members would be regarded as living and working either in London or their constituency according to their choice, and would receive the subsistence allowance for the additional cost incurred in attending at their other place of work. Provincial Members would also receive the subsistence allowance for overnight absence from their normal constituency base when carrying out Parliamentary duties within their constituency. The allowance would be paid at the same time as the Member's salary against a certificate that the amount had actually and necessarily been expended. This allowance would not be subject to tax; however Members would not normally be able to claim a deduction from their income before tax for any excess subsistence expenses incurred above the scale. London Members, and those provincial Members who opt to be regarded as resident in London, would receive a London supplement of £175 per year as an

* Currently the scales applying to officers in grades with a national salary minimum not less than that of Assistant Secretary.

addition to their salary for the extra cost of living in London compared with other parts of the country; this addition to their salary would be subject to tax.

41. *Recommendation:* We recommend that a scheme should be introduced for the payment of a subsistence allowance and London Supplement. We further recommend that provision should be made for the scale of these payments to be adjusted in line with adjustments made from time to time in the appropriate Civil Service scales.

Travelling expenses

42. With regard to travelling expenses and the provision of free travelling facilities, there are three areas in which we consider that changes should be made:

(a) Within the constituency

The travelling expenses incurred by Members in the performance of their Parliamentary duties within their constituencies are another large item of expenditure, particularly for those representing rural constituencies, which are currently only allowed as a deduction from income before tax. The expenses incurred tend to vary considerably as between Members for London and urban constituencies, with comparatively small distances to travel, and Members for rural constituencies, who must often cover very large areas. Members for some rural constituencies stated that their mileage in the constituency could be, in an extreme case, as high as 30,000 miles a year. We consider that these travelling expenses should be reimbursed on a similar basis to those for journeys between Westminster and the constituency.

Members of Parliament, in the course of performing their Parliamentary duties, also frequently require to visit central and local Government offices dealing with their constituency areas. Sometimes these offices are outside the constituency boundaries, as for example in the case of many London constituencies. We think the expenses of such journeys should be reimbursed in the same way as the expenses of journeys within the constituency.

Recommendation: We recommend that the travelling expenses of journeys made by Members of Parliament in the performance of their Parliamentary duties within their constituencies, and to central and local Government authorities which are concerned with their constituency areas but are located outside their constituency boundaries, should be reimbursed on a basis similar to that now applying to journeys between Westminster and their constituencies.

(b) Travel within the United Kingdom and overseas

An increasing number of Members incur expenses in travelling outside their constituencies, both within the United Kingdom and overseas, to inform themselves on subjects of relevance to their work. These are generally not even deductible for tax. We consider that such travel should be encouraged where it can be shown to be of assistance

to Members in carrying out their duties effectively. We have in mind, for example, visits in connection with the sponsoring of a private Bill, to extend a Member's knowledge of an industry which is of special importance in his constituency, and, in the case of Opposition spokesmen, to examine matters of national interest in the sphere for which they are responsible.

Recommendation: We recommend the establishment of two funds to meet the costs of travel within the United Kingdom and overseas respectively, which might be administered by an all-party committee of the House of Commons, and to which individual Members could apply for assistance. The funds should be supported by annual subscriptions from the Exchequer, which we suggest should amount in the first instance to £10,000 and £20,000 respectively.

(c) Free travelling facilities for Members' wives or husbands

By the nature of their work most Members have to spend a great deal of time away from home. Where Members use their cars for travelling between Westminster and their constituency or home, their wives are able to accompany them at no extra expense, while in the case of those Members whose constituencies are at some distance from London, and who in consequence use air, rail or sea transport, the number of journeys where their wives can accompany them at no extra expense is limited to four, for which vouchers are provided. We think that these facilities should now be extended.

Recommendation: We recommend that free travelling facilities by air, rail or sea public transport should be provided for wives and husbands of Members for up to 10 return journeys a year in total between Westminster and the Member's constituency, or Westminster and home.

Secretarial expenses

43. Nearly all M.P.s employ or share in the employment of a secretary. The great majority consider the secretarial allowance of £500 a year to be inadequate in present circumstances. Secretarial and office costs, in excess of the secretarial allowance, represent another significant item of expense which is deductible from income before tax. Although there were a few Members, some with a very small postbag, who indicated that they could manage without a secretary or with only a small amount of part-time assistance, most stated that they needed full-time secretarial assistance and that this affected considerably the amount of time which they could give to non-administrative duties. The amount of assistance required depended on the amount of correspondence received, which varied considerably according to the nature of the Member's constituency. Some Members reported receiving as many as 150 letters a week, many of which required a great deal of attention. Members also pointed out that they had to pay for office equipment for their secretary out of their salary, since the present allowance could only be used for the direct cost of employing a secretary. Although some limited office accommodation and equipment is available in the House, Members have to provide all their own facilities in their constituencies. The

pay of secretaries has risen substantially since the secretarial allowance was first introduced in 1969, and we consider that it should now be increased, taking some account also of the expenses of providing office accommodation, stationery and equipment.

44. Many Members of Parliament also employ or share in the employment of a research assistant. The nature of their work is principally informative and is used to supplement the service available from the library of the House of Commons. In our view it is fundamental to the proper functioning of Parliament that Members should have adequate means of informing themselves. We mentioned in paragraph 42 above, with regard to travel outside a Member's constituency, some examples of the areas in which Members may need to seek information in order to perform their Parliamentary duties effectively. Other areas include the investigation of constituents' complaints, preparatory work in connection with membership of a Select or Standing Committee, and the gathering of background material relating to legislation before Parliament or matters under debate. We are aware that the Inland Revenue, in exercising their normal functions, must distinguish between research assistance which is necessary to the efficient performance of a Member's duties, and the expense of which might thus be allowed as a deduction before tax, and that which simply enables a Member to do his job better but would not be so allowable; in our view the types of research assistance which we have mentioned should be treated in the former category. Moreover, bearing in mind that the library service of the House of Commons is now fully extended and cannot be expanded to provide additional research assistance until the new Parliamentary building is constructed, as well as the limited extent to which secretarial help can be put to this purpose, we are satisfied that there is a case for allowing Members to offset the cost of employing a research assistant on work undertaken in the proper performance of a Member's duties against part of the secretarial allowance.

45. *Recommendation:* We recommend that the secretarial allowance should be increased to £1,000 a year, to meet both secretarial and general office expenses, of which up to £300 should be permitted to be used to meet costs incurred in employing a research assistant on work undertaken in the proper performance of a Member's Parliamentary duties.

Other expenses

46. Other expenses fall into two broad categories. First, there are some other items which are allowed by the Inland Revenue as a deduction from income before tax. Secondly, there are those which, although they may be considered reasonable by Members themselves, are not at present accepted by the Inland Revenue as being wholly, exclusively and necessarily incurred in the performance of their Parliamentary duties.

47. The former include such items as the cost of advertising and hiring rooms to meet constituents, while the latter include entertainment costs, subscriptions to associations, purchase of books and periodicals, and cost of taxis after late-night sittings. It is difficult to find common yardsticks for the reimbursement of such expenses, which depend upon

so many variables related to the circumstances of individual Members. We do not, therefore, make any specific recommendations on these items of expense, but we estimate that, if our recommendations are accepted, these items will, on average, be reduced to little more than £300.

Severance arrangements

48. Some 80 per cent of Members answering the questionnaire felt that some form of short-term assistance should be provided for Members who lose their seats. At present, apart from the payment of a pension to Members who retire after the age of 65, no provision is made to alleviate the financial effects to Members of losing their seats or retiring at a general election. General elections occur with little notice: when they do, Members have little time or opportunity to make any arrangements for alternative employment, particularly when they are pre-occupied with conducting a campaign for their re-election. Because their Parliamentary salary ceases as from the date of dissolution, Members not retiring on a pension may suddenly find themselves without any regular source of income, and even where they have another occupation which they can readily turn to, it may be some time before the flow of income is resumed (*e.g.* in the case of teachers). The Member in this position is entitled neither to unemployment benefit, as he is classed as 'self-employed' for the purposes of the National Insurance Act, nor to any payment under the Redundancy Payments Act.

49. In view of the uncertainties attached to the tenure of a Parliamentary seat, which may arise from boundary changes as well as shifts in electoral favour, and at the same time, the widely different circumstances of Members in regard to opportunities to obtain alternative earnings, we feel that a severance payment should be available to all Members who lose their seat at a general election. We propose that this should take the form of a terminal grant equivalent to three months' salary payable immediately after polling day to those Members who wish to claim it. We also feel that Members should continue to be paid throughout the period of dissolution, even though for constitutional reasons they cease to be Members as soon as a dissolution takes place.* Any additional help needed in cases of special hardship would be a matter for the Members' Fund.

50. We also consider that the position of Members under the National Insurance Act should be re-examined. We recognise that, given the present limited structure of classes of insured persons under the Act, there might be difficulties in attempting to transfer Members to the 'employed' class. The opportunity for a solution may, however, lie in the re-structuring of the National Insurance Scheme, which will be required under the new Government pension policy.† This is intended to take into account the situations of groups, like Members of Parliament, who are self-employed for national insurance purposes but who are assessed for income tax under Schedule E (covering incomes from offices and employment). For Members

* We express this view without prejudice to the important constitutional point that Government Departments should give equal attention to matters raised with them by candidates, whether or not they were Members of the last Parliament.

† Strategy for pensions, Cmnd. 4755, September 1971.

of Parliament we suggest that provision might be made for the payment of the necessary 'employers contributions' from the Exchequer via the House of Commons Vote (following the precedent established in regard to the Members' pension scheme).

51. It is interesting to note that in our public attitude survey two-thirds of those interviewed thought that M Ps should be able to claim unemployment benefit and terminal payments.

52. *Recommendation:* We recommend that Members of Parliament should continue to be paid throughout the period of a dissolution and, in the event of losing their seat following a general election, should be entitled to claim a terminal grant equivalent to three months' salary. We further recommend that the status of Members of Parliament under the national insurance arrangements should in due course be reviewed with a view to enabling them to draw unemployment benefit when appropriate.

CHAPTER 5

MEMBERS' PENSIONS

General

53. The Members' pension scheme, which was introduced in 1965 following the recommendation of the Lawrence Committee, is a compulsory scheme based on a fund managed by trustees, who are appointed by the House of Commons, and into which equal cash contributions in respect of current service are made by Members and the Exchequer. The pension benefits accrue at one rate for the first 15 years of service and at a lower rate for a further 30 years, providing at current rates a pension of 60 per cent of present salary after 45 years' service. The qualifying age is 65. There are also other benefits, including pensions for widows and dependent children, and arrangements for contributions to be refunded or pension rights to be transferred in certain circumstances. Members who retired before October 1964 are not covered by the scheme, but those who were still serving at that time and had prior service were accorded back-service credit up to a maximum of 10 years; this is funded by a deficiency contribution paid by the Exchequer.

54. The Members' Fund, which was established in 1939, is likewise based on compulsory contributions by Members and a further contribution by the Exchequer, and is managed by the same trustees as the Members' Contributory Pension Fund. Grants are made at the discretion of the trustees to help reduce hardship experienced by ex-Members who are over 60 years old or suffering from ill health, and their widows and children. Since the introduction of the Members' pension scheme the need for such grants has been reduced, and it is anticipated that demands on the fund, and therefore the need to continue contributions, will eventually disappear. Fuller details of the Members' pension scheme and Members' Fund are given in Appendix G.

55. We have received a great deal of evidence on the subject of the Members' pension scheme and many suggestions for changes. The particular difficulties of devising a satisfactory scheme for MPs arise from the fact that their service is liable to be intermittent to a degree which is rarely experienced in other occupations. The present scheme is somewhat unusual in that both benefits and contributions are fixed in money terms, which require frequent review to prevent the erosion of their value in times of rapidly rising prices and need to be adjusted whenever pay is increased. Recently the Government has announced that its policy is to enable every individual to have the opportunity to save for a pension related to his earnings throughout his working life, and to ensure that a change of job does not lead to the loss of occupational pension rights.* In the light of these factors we now review the various aspects of the present Members' pension scheme, and consider what changes may be desirable.

* Strategy for pensions, Cmnd. 4755, September 1971.

Qualifying period

56. Since the life of a normal full Parliament is generally just over four years, the present qualifying period for MPs of 10 years usually requires service in at least three Parliaments, which in practice could well entail more than 12 years' service. This seems to us to be excessive. To reduce the qualifying period to five years would, however, similarly require service in two Parliaments and probably represent about eight years' service in practice. We think it would be reasonable if the qualifying period were reduced to correspond with the average life of a normal Parliament, *i.e.* four years' service.

57. *Recommendation:* We recommend that the qualifying period for a pension under the Members' pension scheme should be reduced to four years.

Reckonable service

58. The present requirement that the pension should be based only on completed whole years of service may be administratively convenient, but it can also have the effect of denying a Member credit for many months of service. We consider that completed days should be used as the basis of assessment.

59. *Recommendation:* We recommend that the basis for assessing reckonable service should be changed to completed days.

Retirement age

60. It has been represented to us that Parliamentary life places a heavy strain on Members and that they should be permitted to retire on full pension at an earlier age than 65, possibly on reaching 60 years. Another argument advanced in favour of lowering the retirement age is that it would encourage older Members to make way for new blood. A lowering of the normal retirement age would, however, enable Members to enjoy more favourable terms in this respect than those available under the National Insurance Act, as well as the great majority of occupational pension schemes. However, we see no objection to an early retirement option being available to those MPs who chose to retire from active life after reaching the age of 60, subject to an actuarial reduction being applied to the amount of pension payable, as is common in occupational pension schemes.

61. *Recommendation:* We recommend that an early retirement option from the age of 60 onwards should be provided on the basis of an actuarially reduced pension.

Retirement benefits

62. We have mentioned briefly in paragraph 55 above the major occupational drawbacks involved in fixing pension rights in fixed cash terms. Many occupational pension schemes, and all those within the public services, express pension benefits as a proportion of final salary, determined for example by averaging the remuneration paid over the last one to three years of service in accordance with Inland Revenue rules. This automatically ensures that pensions are related to levels of salary current at the time of retirement, and we believe that the present review of Members' remuneration

presents a convenient opportunity to amend the Members' pension scheme in this direction. Reviews of pay have been relatively infrequent, with the result that averaging of the remuneration paid over more than the last 12 months could cause considerable variation in the pensions payable. We suggest that it might be appropriate, therefore, for final salary to be determined by averaging over the last 12 months of service.

63. As explained above, there are at present two rates of accrual of pension entitlement. The effect of having two rates is that for long careers relatively lower benefits, and for shorter careers relatively higher benefits accrue, than for a normal straight-line scheme, such as generally applies in the public services. We believe that the principle of differential accrual rates can no longer be justified, and in our view a single rate of accrual should be introduced.

64. The present Inland Revenue rules limit the maximum pension payable to two-thirds of final salary on the basis of 40 years' service. In the private sector of industry, many occupational pension schemes for employees at a similar level of salary to that of M Ps are designed to provide benefits up to these maximum limits. On the other hand, in the public services, the benefits are generally limited to a pension of one-half of final salary after 40 years, although in addition a terminal grant of one-and-a-half times the final salary is payable, the net effect of which is a total maximum retirement benefit equivalent to a pension of two-thirds of final salary. We consider that the rate of accrual of pension rights should be such as to provide a pension of two-thirds of final salary after 40 years' service, *i.e.* 1/60th per year of service, with the right to commute a proportion sufficient to yield a lump sum of 3/80ths of final salary per year of service, in accordance with Inland Revenue rules. (The effect for a man aged 65 with 40 years' service would be to provide a cash payment of one-and-a-half times final salary and to reduce the pension payable to one-half of final salary.)

65. Under the Government's new pension policy, occupational pension schemes, after 1975, will be encouraged to maintain the value of pensions against inflation. Members' pensions are funded and the size of any future increase depends upon the surplus available. For Members' pensions to have their value maintained against inflation it would be necessary for the amount of the Exchequer support to be varied so that the surplus was adequate for this purpose. Legislation has recently been enacted for the review of public service pensions at biennial intervals and for automatic adjustments to cover rises in the cost of living.* We consider that the pensions of M Ps should be adjusted from time to time on a similar basis.

66. *Recommendation:* We recommend that the annual rate of accrual of pension rights should be changed to 1/60th of final salary averaged over the last 12 months of service, with an option to commute for cash a proportion sufficient to yield a lump sum of up to 3/80ths of final salary, for each year of service. Provision should be made to maintain the value of pensions against future rises in the cost of living, as in the case of other public service pensions.

* Pensions (Increase) Act, 1971.

Death-in-service benefit

67. Most occupational pension schemes in the public services provide for the payment of a lump sum when an employee dies in service in addition to a widow's pension. The present scheme for MPs provides for the payment of a pension to a widow of one-half of the pension paid or notionally payable to the deceased Member, but makes no provision for the payment of a lump sum benefit. We have received representations from the Trustees of the Members' Pension Fund both for the introduction of such a payment and for an increase in the proportion of pension payable to a widow to two-thirds. We are sympathetic to the case for some payment to assist the widow of a Member who dies in service to cope with the problems which arise immediately and to avoid immediate financial anxiety. A lump sum death benefit equivalent to 12 months' pay, as in the public services' schemes, would, we consider, be appropriate. We do not consider, however, that there should be any increase in the scale of the widow's pension.

68. *Recommendation:* We recommend that a lump sum equivalent to 12 months' salary should be paid in respect of Members who die in service.

Other pension matters

69. We have also been asked to consider the possibilities of extending the payment of pensions to MPs who retired prior to the commencement of the pension scheme in October 1964, of providing for full credit for all service prior to that date in place of the present limit of 10 years, and of granting pensions to Members retiring prematurely due to ill-health. We do not feel able, however, to modify the recommendations on these points of the Lawrence Committee. The inclusion of former Members would be contrary to normal pension practice, while the changed retirement benefits we are recommending will greatly enhance the pensions payable to those Members who have reckonable service prior to October 1964, the cost of which will have to be met by increased contributions from the Exchequer.

70. We also believe that it would be more appropriate for any cases of hardship among former Members who retired before October 1964, as well as cases arising from early retirement due to ill-health, to be met by grants from the Members' Fund, depending on the circumstances of individual cases. As we have indicated earlier the need for the fund will eventually disappear but it will no doubt continue to have an important function to perform for many years.

Contributions

71. The changes which we have recommended represent a considerable improvement in the benefits provided by the existing pension scheme, and will increase the total cost by approximately one-half. The question arises whether equal contributions in respect of current service should continue to be paid by Members and the Exchequer. In the majority of contributory pension schemes, the employer pays more than the employee. The principle that the employer should pay more than the employee is also accepted in the Government's recent proposals for the State reserve occupational pension

scheme, where the proportion paid by the employer has been fixed at five-eighths of the total contribution, the employee paying the remaining three-eighths.

72. While we accept that the Exchequer is being required to make a substantial deficiency contribution to pay for the back-service credits of existing Members, and will be required to make an additional contribution if our recommendations for changing the method of assessment of pension rights are accepted, we nevertheless feel that the apportionment of contributions in the future should be brought more into line with general practice. As new Members enter the scheme, other Members will be retiring, and the amount of deficiency contribution required should begin to fall away. The cost of all the recommendations which we have made has been estimated by the Government Actuary as equivalent to $13\frac{1}{2}$ per cent of salary. We consider that the proportion of this cost to be borne by Members should be three-eighths, which would involve a contribution of approximately 5 per cent of salary.

73. *Recommendation:* We recommend that in future Members of Parliament should contribute approximately three-eighths of the cost of their pension scheme, the remainder to be met by the Exchequer.

74. The changes which we have recommended involve a considerable restructuring of the pension arrangements for MPs; for convenience, we summarise the revised scheme which we propose in Appendix H.

PART II

REMUNERATION OF MINISTERS AND OTHER PAID OFFICE-HOLDERS

CHAPTER 6

PRESENT PAY STRUCTURE

75. Ministers received remuneration long before it was introduced for M Ps, and by modern standards the salaries paid a hundred or more years ago were much higher than they are today. For example, the salary received by a senior Minister between 1830 and 1914, a period of comparative stability of prices, was in real terms over three times that received by his counterpart today, who also pays a far higher rate of taxation. Since the introduction of a salary for Members of Parliament, the remuneration of Ministers has been reviewed at the same intervals, but it has been altered rather less frequently.

76. The present salaries, which have been paid to Ministers and office-holders since 1 April, 1965, stem from the report of the Lawrence Committee in 1964, and reflect only one half of the increases then recommended. Since 1937 the Prime Minister has been paid a higher salary than other Cabinet Ministers, and since 1947 part of his salary has been free of tax to allow for expenses. At present the Prime Minister's salary is £14,000 a year, of which £4,000 is free of tax. Ministers and paid office-holders, other than the Prime Minister, the Lord Chancellor, the Law Officers and certain other exceptions, fall for salary purposes into five groups, as follows:

	£
Cabinet Ministers (together with certain senior Ministers outside the Cabinet and certain Ministers of State) ...	8,500
Other senior Ministers (and some Ministers of State) ...	7,625
Other Ministers of State ...	5,625
Parliamentary Secretaries (and Under-Secretaries of State) ...	3,750
Government Whips ...	3,000

The exceptions include the Chief Government Whips who are paid £5,625 and £4,500 in the House of Commons and House of Lords respectively, and the Deputy Chief Whips, who are paid £3,300 in both Houses.

77. Although a Member of the Cabinet, the Lord Chancellor's salary has customarily been attributable to his other responsibilities as Head of the Judiciary, and as Speaker of the House of Lords. His present salary is £14,500, composed of a judicial element of £10,500, and £4,000 as Speaker of the House of Lords. The Law Officers originally received fees for

contentious business in addition to a salary, but these have now been abolished in favour of an inclusive salary. Their salaries are now as follows:

	£
Attorney-General	13,000
Solicitor-General	9,000
Lord Advocate	8,000
Solicitor-General for Scotland	5,625

78. The remaining office-holders are either concerned with the procedure and administration of the two Houses of Parliament or hold appointments as members of the official Opposition. In most instances their salary is directly related to one of the main classes of Minister. The present salaries are:

A. House of Commons

	£
Mr. Speaker	8,500
Chairman of Ways and Means	4,875
Deputy Chairman of Ways and Means	3,750
Leader of the Opposition	4,500
Chief Opposition Whip	3,750

B. House of Lords

Lord Chairman of Committees	4,875
Leader of the Opposition	2,000
Chief Opposition Whip	1,500

Like the Prime Minister, the Speaker has £4,000 of his salary tax free to meet expenses.

79. For the purposes of travelling and other expenses incurred on Ministerial business, a Minister of the Crown is treated in exactly the same way as the most senior civil servants. Certain Ministers are provided with houses at the public expense.* No rent is charged for this accommodation, and normal maintenance and other costs are borne by the State; but any domestic staff employed are the responsibility of the occupant.

80. Ministers and other paid office-holders who are Members of the House of Commons, are paid a Parliamentary salary of £1,250 in addition to their Ministerial salaries. This Parliamentary allowance was designed to cover the expenses of performing the Parliamentary duties which arise from the representation of a constituency. In addition, they are entitled to the secretarial allowance of up to £500 a year, and to all the facilities provided to Members of the House of Commons, including free travel between Westminster, constituency and home, or the payment of car mileage allowance in lieu. Ministers and office-holders in the House of Lords, although not eligible for the daily expenses allowance introduced in 1957, have been entitled since 1947, in common with other Peers, to reimbursement of their travelling expenses between their homes and Westminster for the purpose of attending the House of Lords. A full list of the present salaries for individual Ministers and office-holders is given in Appendix I.

* See Appendix I for details.

CHAPTER 7

THE ISSUES RELATING TO THE PAY OF MINISTERS AND OFFICE-HOLDERS

81. The problem of identifying basic principles which can be used in determining the level of remuneration is no less difficult in the case of Ministers than in that of Members of Parliament. If the problem is looked at in terms of supply and demand there is again no shortage of candidates. However, we have found some evidence, although less than is often asserted, of the refusal to accept junior Ministerial appointments, apparently on financial grounds. While too low a level of payment is unlikely to lead to a serious problem in filling Ministerial appointments in the short term, the effects could be damaging in the longer term if potential candidates feel either that the acceptance of a Ministerial post would involve them in financial hardship, or that they could secure a substantially better standard of living by pursuing some other occupation.

82. Strong feelings were expressed by many Ministers and ex-Ministers in both Houses on the low level of Ministerial remuneration. Nearly half of those who responded to our questionnaire commented to this effect. We have been urged by many of those giving evidence, either orally or in writing, to look with particular closeness at the position of Junior Ministers, who are said in many cases to find considerable difficulty in maintaining themselves and their families at the present level of remuneration, and in some cases to have suffered a sharp deterioration in their financial position as a result of accepting office. Although a Parliamentary Secretary receives a Ministerial salary of £3,750, his Parliamentary salary is reduced immediately on appointment by £2,000 to £1,250, and the Parliamentary expenses which he may claim as deductible for tax are limited to the latter amount. He is also debarred by virtue of holding Ministerial office from the pursuit of any other occupation. Moreover, on appointment, as Ministers are based in London, he can no longer claim a tax deduction for the cost of London accommodation.* Individual cases were cited of Junior Ministers whose income had been reduced by more than half on taking up appointment. It was felt that this state of affairs must lead to a lowering in the status of Ministers and the discouragement of able people from entering politics.

83. In Chapter 3 we drew attention to the effect of inflation on the salary of M.Ps. The effect on the salaries of Ministers and other office-holders has been similar. For example, allowing for the rise in prices since April 1965, the real value of a Cabinet Minister's salary of £8,500 has fallen by nearly 40 per cent, to about £5,200. The following table shows the current salaries paid to the main classes of Ministers and office-holders and their equivalent value up-dated to allow for the intervening rises in prices and salaries respectively:

* Some Ministers can be based in Cardiff and Edinburgh.

TABLE E
Current salaries of Ministers and their equivalent value
adjusted to August 1971

	Salary from 1 April, 1965	Salary adjusted for rise in	
		Cost of living	Salaries(a)
	£	£	£
Prime Minister	14,000	19,420	22,400
Cabinet Ministers	8,500	11,790	13,600
Other Senior Ministers	7,625	10,580	12,200
Other Ministers of State	5,625	7,800	9,000
Parliamentary Secretaries	3,750	5,200	6,000
Government Whips	3,000	4,160	4,800

Source: Civil Service Department, DE Gazette.

(a) Salaries index to October 1970 and monthly wages and salaries thereafter.

84. In our public attitude survey we found that there was a rough balance between those members of the public who considered the salary of a Cabinet Minister to be too high and those who thought it was about right or too low. However, only one in eight of the public interviewed was able to state correctly the range in which a Cabinet Minister's salary falls, and most considerably underestimated the salary level, reflecting the difficulty experienced by many people in estimating salaries well above their own level. When people were informed of the actual remuneration of Cabinet Ministers, there was, unlike the case of M.Ps, little change in their attitudes, as shown below:

TABLE F
Attitude to pay before and after being informed of actual remuneration

	Cabinet Ministers	
	Before	After
	(per cent)	(per cent)
Overpaid	41	42
Adequate	37	46
Underpaid	9	8
Don't know	13	3

Source: OME Survey.

85. In our examination of the practice in foreign and Commonwealth countries, we found that the salary paid to senior Ministers varies between £12,500 (Netherlands) and £3,500 (Irish Republic), with an average of

£7,000. We are not in a position to compare the responsibilities involved. A few countries pay an expenses allowance to Ministers, which varies between £580 and £830 a year, but it is fairly general practice for Ministers to be paid their full Parliamentary salary, where this is constitutionally possible.

86. It has been frequently put to us in evidence that Ministers should receive the same Parliamentary salary as ordinary Members of Parliament, so that they can claim their Parliamentary expenses up to the full limit available to Members of Parliament in general. Their duties as Members, it is said, do not become any less onerous when they are appointed Ministers. Some Ministers pointed out that the time available to deal with the general work falling to Members was reduced on becoming a Minister, and that this necessitated extra help and involved additional costs. Against this view it may be argued that appointment to a Ministerial post must certainly affect the representative role of a Member to some extent: his duties at Westminster become essentially Ministerial in character. Ministers cannot raise constituency matters in the House nor take part in Select Committees. There is, therefore, a case for saying that only that part of the Parliamentary salary which can be regarded as related to constituency duties should be paid to Ministers, or at least that some reduction in the level of Parliamentary salary should be made on these grounds. Indeed the concept applied by the Lawrence Committee, and earlier, in fixing the amount of Parliamentary salary for Ministers was that it should represent the average amount of expenses incurred in carrying out Parliamentary duties; in other words it was not intended to contain any element of remuneration beyond what was likely to be necessary to cover expenses. We think that this goes too far and that some element of remuneration should be allowed for the time spent by Ministers in attending to the interests of their constituents. Our survey of hours spent on Parliamentary work shows no significant difference between Ministers and other Members in regard to hours spent outside the House on behalf of constituents, although hours spent inside the House show a marked reduction, which is more than compensated by the hours spent on departmental and other work outside the House. Unfortunately this information is based on a small number of returns.

87. We have found the problem of determining the amount of Parliamentary salary which should be paid to Ministers to be one of the more difficult we have had to face. We are inclined to feel, however, that to pay Ministers the full Parliamentary salary payable to ordinary Members without abatement would be over generous and, after a great deal of consideration, we have reached the conclusion that an appropriate amount at the present time would be £3,000; but, in proposing this amount, we do not mean to imply that the same fraction of the full Parliamentary salary will always be appropriate in the future.

88. Although we have found support for the view that in setting Ministerial salaries some regard should be had to the levels of remuneration prevailing at the higher levels in industry and the professions, there would appear to be general acceptance that it is impracticable, in view of the special character of the Ministerial function, to draw precise comparisons

with these other occupations. The point was made to us on several occasions that there were considerable unquantifiable rewards arising from the nature of Ministerial office and that account should be taken of these.

89. The specific comparison or relationship most frequently raised with us is that between Ministers and senior civil servants. It is argued, for example, that the pay of a Departmental Minister should exceed, if only marginally, the pay of a Permanent Secretary (Permanent Secretaries in general receive £14,000 per year as compared with the £8,500 received by Cabinet Ministers). While only a small proportion of Ministers and ex-Ministers included in our survey, about one in five, suggested that Ministerial salaries should be firmly linked either in terms of amount or movement to Civil Service salaries at comparable levels of responsibility, a much higher proportion, about one in three, considered that Ministerial salaries should take some account of Civil Service levels of pay, generally to provide some lead over the salaries of the most senior civil servants with whom they normally dealt. Against this it can be argued that Ministers and top civil servants are two quite distinct occupational groups, with quite different roles and functions (albeit that they overlap), and that their pay should be determined independently of each other. It was conveyed to us that no difficulty or embarrassment had arisen from the fact that a Minister in charge of a Department received a smaller salary than his Permanent Secretary. We incline to the latter point of view, and we think that the salaries of these two groups are matters for separate consideration.

90. We have received evidence on the question of Ministers in the House of Lords. Our Parliamentary system is bicameral and the question of Ministerial remuneration cannot be properly considered without taking into account the circumstances applying in both Houses. It was pointed out that the Upper House, like the Lower, has also changed substantially in its composition and it was often not easy for some Peers to accept Ministerial appointments. A Peer accepting an appointment, for example as a Lord-in-Waiting (*i.e.* a Government Whip) at a salary of £3,000, was, like other Ministers or office-holders, debarred from pursuing any other occupation. There was some feeling that there should be no difference in the emoluments paid to Ministers at a given level in either House, but Ministers in the House of Lords, unlike their colleagues in the Commons, do not have constituency duties and therefore do not receive a Parliamentary salary. The view was also expressed that Ministers in the Lords should receive a special allowance to compensate for the loss of the Peer's expenses allowance for attendance. More generally, for Peers actively engaged in politics, there were often costs of having to live in London, and of obtaining secretarial help. Suggestions were made to us for a two-level attendance allowance and for the payment of a Parliamentary salary. Although we have felt it right to mention these various points concerning the House of Lords, only those directly relating to Ministerial remuneration fall within our terms of reference.

91. It has been suggested to us that, in formulating our recommendations on the remuneration of Ministers, we should start from the figures proposed by the Lawrence Committee, which in the event were reduced by the Government of the day. We have felt, however, that we should take an

entirely fresh view of this matter, starting from the situation as we now find it. Our recommendations have been formed in the light of all the evidence and arguments submitted to us, and we have decided to recommend total salary levels, taking account of the element of Parliamentary salary, which, while not attempting to compete directly with the very highest levels obtainable in industry and the professions—that in our view would not be realistic or desirable—fairly reflect the very heavy responsibilities carried by Ministers and the importance of their rôle in the life of the nation. Our detailed recommendations are set out in the next chapter.

CHAPTER 8

RECOMMENDATIONS ON THE REMUNERATION OF MINISTERS AND OFFICE-HOLDERS

Parliamentary salary

92. In the previous chapter we discussed among other points the question of the Parliamentary salary payable to Ministers and concluded that this should be sufficient to provide an element of remuneration, as well as covering expenses, in recognition of the general duties which a Minister continues to carry as a Member of Parliament, as distinct from his Ministerial duties. We explained that we had assessed the appropriate level of payment at £3,000.

93. *Recommendation:* We recommend that Ministers and other paid office-holders who are Members of the House of Commons should receive a Parliamentary salary of £3,000 a year.

94. Our recommendation takes into account the improved allowances recommended for MPs, including London supplement, from which Ministers in the House of Commons will also benefit.

The Prime Minister

95. The office of Prime Minister is, of course, unique in the Ministerial structure. Some might argue that his salary should, on principle, be higher than any other in the public area as a whole. We do not ourselves, in spite of the immense responsibilities involved, think that this follows, since quite different factors are involved in determining the pay for other key jobs in the public sector. We are in no doubt, however, that the present salary for this office is well below the appropriate level.

96. *Recommendation:* We recommend that the Prime Minister should be paid a salary of £20,000 a year, of which £5,000 should be allowed as a flat rate deduction for expenses free of tax.

Ministers (other than the Prime Minister, the Lord Chancellor and the Law Officers)

97. In the present structure of Ministerial offices there are a number of levels at each of which the responsibilities carried are roughly comparable. These are, first, Cabinet Ministers, on whom rests the responsibility for major collective decisions of policy in conjunction with their colleagues, and who together give direction to the course of Government. Secondly, below the Cabinet, there are a number of Departmental offices filled by Ministers and by Ministers of State; most of the former and all the latter are subordinate to Secretaries of State of large Departments. Thirdly, there are Parliamentary Secretaries or Junior Ministers, whose prime responsibility lies in interpreting Departmental policy determined by the more senior Departmental Ministers, and whose office often represents an apprenticeship

to higher Ministerial office. Cabinet Ministers and Junior Ministers represent two well defined classes for which fixed salary levels are appropriate; in order, however, to allow for some flexibility, we have thought it best to propose a broad salary range for the intermediate levels, the limits of which are intended to correspond to the higher and lower levels of intermediate responsibility currently found, and within which the salaries for individual posts can be fixed as appropriate.

98. *Recommendation:* We recommend that Ministers, other than the Prime Minister, the Lord Chancellor and the Law Officers, should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
Cabinet Minister	8,500	13,000
Minister not in the Cabinet ...	7,625	} 9,500-7,500
Minister of State	5,625	
Parliamentary Secretary or Under-Secretary of State	3,750	5,500

The Lord Chancellor

99. The office of Lord Chancellor is unique in that it combines by long tradition the function of Head of the Judiciary with the ministerial duties of a Cabinet Minister. In addition to these functions the Lord Chancellor is also Speaker of the House of Lords. The major portion of the Lord Chancellor's salary is attributed to his position as Head of the Judiciary and the remainder to his Speakership. Thus it has been customary for the salary to be altered at the same time as the salaries of other members of the Higher Judiciary. Since 1965 the salaries of members of the Higher Judiciary have been capable of alteration by Order in Council subject to the affirmative resolution procedure, but alterations in the Lord Chancellor's salary still require legislation by Act of Parliament. It has been represented to us that the Lord Chancellor's salary should also be made capable of alteration by Order in Council. We cannot accept this proposal, however, because we think it would lay undue emphasis on the judicial as opposed to the ministerial nature of the office. We consider that in modern conditions the Lord Chancellor's functions are very largely ministerial in character, perhaps increasingly so having regard to the considerable additional administrative burdens placed on him by the recent reorganisation of the Courts' system. We think that the Lord Chancellor's salary should be dealt with by legislation along with other Ministers. Nevertheless we agree with the Lawrence Committee's view that the status and prestige of this constitutionally exceptional and highly important office should be reflected in the amount of his salary, which should take into account the levels of both ministerial and judicial salaries.

100. *Recommendation:* We recommend that the Lord Chancellor should be paid a total salary of £20,000 a year, of which £2,500 should be in recognition of his function as Speaker of the House of Lords. We further recommend that future changes in the salary of the Lord Chancellor should be enacted in common with those applying to other Ministers.

The Law Officers

101. The functions of the Law Officers, both in England and in Scotland, are described in some detail in the Lawrence Committee's report.* It may be sufficient for us to say here that we do not differ from the view of that Committee that these functions are of a specialised nature, that they are of a highly responsible and burdensome character, and that it is of great importance that they should be skilfully and conscientiously performed by lawyers of high standing in their profession. We also agree that the level of salary attaching to the offices should be sufficient to emphasise their importance in the eyes of the legal profession in both countries, and thus to attract lawyers of the right quality to Parliament.

102. We have had some evidence that the duties of the offices are increasing, particularly in the case of the Lord Advocate as a result of the large amount of 'consequential' legislation for Scotland. The special position of the Law Officers has been reflected in the high salaries paid to them relative to other Ministers, and the importance of recruiting to the offices lawyers of the necessary professional competence. There is at present a very considerable differential between the salaries paid to the English Law Officers and the Lord Advocate and to other senior Ministers. We believe that this situation is unsatisfactory, not because the Law Officers' salaries have been too high in relation to professional earnings at the English and Scots Bars, but because other ministerial salaries have been too low. We consider it is important that the Law Officers' salaries should not be too far out of line with current professional earnings, and we have had evidence that they are so at present, certainly in the case of the Solicitor-General for Scotland. We must have regard, however, to their relationship to the salaries of other Ministers and there appears to be no reason to suppose that the responsibilities of the Attorney-General, for example, are so significantly heavier than those of a Cabinet Minister as to justify the maintenance of the present differentials in the new salary structure we are proposing for other Ministers. The responsibilities of the Lord Advocate are less extensive than those of the Attorney-General. But we consider that the salary for this office should be not less than that of the Solicitor-General for England, and that the Solicitor-General for Scotland should have a relatively higher salary than has hitherto attached to that office.

103. *Recommendation:* We recommend that the Law Officers should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
Attorney-General	13,000	14,500
Solicitor-General	9,000	11,000
Lord Advocate... ..	8,000	11,000
Solicitor-General for Scotland ...	5,625	7,750

* Report of the Committee on the Remuneration of Ministers and Members of Parliament, Cmnd. 2516, November 1964; paragraphs 140 and 141.

Government Whips

104. We consider that the Government Chief Whip in the House of Commons should be paid at the highest level in the intermediate scale for Ministers. We are convinced that this is right bearing in mind his heavy responsibilities in respect of Parliamentary business and as political adviser to (although not a Member of) the Cabinet. The other Government Whips, carrying such offices as Junior Lords of the Treasury in the House of Commons and Lords-in-Waiting in the House of Lords, are required to perform a variety of duties concerned with ensuring the smooth running of business in both Houses of Parliament. In addition the Government Whips in the House of Lords have extra duties as Departmental spokesmen.

105. *Recommendation:* We recommend that the Government Whips should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
Chief Whip, House of Commons ...	5,625	9,500
Chief Whip, House of Lords ...	4,500	6,500
Deputy Chief Whips, both Houses ...	3,300	5,000
Other Government Whips, House of Lords	3,000	4,500
Other Government Whips, House of Commons	3,000	4,000

Opposition Leaders and Whips in both Houses

106. Our Parliamentary system requires a strong and effective Opposition, and its constitutional significance has been formally recognised since 1937 by the grant of a salary from public funds to its Leader. The changing style of politics in recent times has entailed a considerable growth in the responsibilities carried by, and the demands (many of them entailing considerable expense) made upon, the Leader of the Opposition. His role requires that, in consultation with his colleagues in the Shadow Cabinet, he must continually make decisions, both of a tactical and a longer-term nature, which may be as critical in their implications to the course of national politics as the decisions of those in Government office. For these reasons we are in no doubt that the salary of the Leader of the Opposition should be substantially increased.

107. From the evidence put to us we have little doubt that in the House of Commons a greater weight of responsibility falls on the Opposition Chief Whip than on any other member of the Opposition save the Leader of the Opposition himself. Other Opposition Whips in the House of Commons, however, must also apply themselves to their duties on a more or less full-time basis if the business of the House is to be carried out properly and effectively. We think that the Leader of the Opposition should be enabled to nominate two additional Whips to whom a salary should be paid.

108. *Recommendation*: We recommend that the Opposition Leaders and Whips in both Houses should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
<i>House of Commons</i>		
Leader of the Opposition ...	4,500	9,500
Opposition Chief Whip ...	3,750	7,500
Two other Opposition Whips ...	Nil	4,000
<i>House of Lords</i>		
Leader of the Opposition ...	2,000	3,500
Opposition Chief Whip ...	1,500	2,500

Mr. Speaker

109. It has been customary for Mr. Speaker to be paid a salary equivalent to that of a Cabinet Minister and to have a flat rate deduction for expenses as for the Prime Minister. We consider that this should continue.

110. *Recommendation*: We recommend that Mr. Speaker should be paid a salary of £13,000 a year, of which £4,000 should be allowed as a flat rate deduction for expenses free of tax.

Other Officers of both Houses

111. In the House of Commons, Mr. Speaker is assisted by the Chairman and the Deputy Chairman of Ways and Means. In the House of Lords, the Lord Chancellor, as Speaker, is assisted by the Lord Chairman of Committees, who carries out a very large part of the duties involved in the work of the House, both on the floor and in committee. The salary attached to this office has corresponded to that of the Chairman of Ways and Means in the House of Commons and we think that this should continue.

112. *Recommendation*: We recommend that the other officers of both Houses should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
<i>House of Commons</i>		
Chairman of Ways and Means ...	4,875	6,750
Deputy Chairman of Ways and Means ...	3,750	5,500
<i>House of Lords</i>		
Lord Chairman of Committees ...	4,875	6,750

CHAPTER 9

PENSION ARRANGEMENTS FOR MINISTERS

113. We turn now to the question of pension arrangements for Ministers and other paid office-holders. At present there are no pension arrangements other than for the Prime Minister, Mr. Speaker and the Lord Chancellor, for whom statutory pensions of fixed amounts are provided.

Ministers and paid office-holders other than those in receipt of statutory pensions

114. A Member on appointment as a Minister or as a paid office-holder continues to participate in the Members' pension scheme at the same level of contribution and benefit as an ordinary M P, but no additional pension cover is provided in relation to the higher level of remuneration he receives as a Minister or as an office-holder. Bearing in mind that Ministers and other paid office-holders in the House of Commons are unable to follow any other paid occupation while in office, we think that they should be given the opportunity to earn pension entitlement in respect of their higher total remuneration by means of an additional voluntary contribution to be augmented by the Exchequer. Ministers and other paid office-holders in the House of Lords should, we think, similarly be given the opportunity of acquiring entitlement to a pension related to their Ministerial earnings by voluntary contributions under these arrangements.

115. The necessary arrangements might take the form of a separate scheme, with an option to contract out for Ministers and office-holders who wished to do so; but if possible, it would clearly be an advantage for the arrangements to be combined with the Members' pension scheme, and for a similar scale of contribution and pension entitlement to be applied. Because the length and timing of periods in office, however, will vary considerably, depending on the course of the individual's career, it would seem appropriate that the rate at which pension entitlement accrues should be related to the amount of additional earnings over the full Parliamentary salary of an ordinary M P in the case of Members of the House of Commons, or the full Ministerial or official salary in the case of those in the House of Lords.

116. *Recommendation:* We recommend that optional pension arrangements should be provided for Ministers and other paid office-holders in both Houses of Parliament, under which pension rights additional to any accruing under the scheme for Members of the House of Commons may be purchased by voluntary contribution to be supplemented by the Exchequer.

Prime Minister, Mr. Speaker and the Lord Chancellor

117. The statutory pensions currently attached to the offices of the Prime Minister, Mr. Speaker and the Lord Chancellor are £4,000, £5,000 and £6,250 per year respectively. Holders of these offices are entitled to

these amounts on retirement irrespective of the length of time for which they held them. Contributions made to the Members' pension scheme are refunded on appointment. If our recommendations are accepted, then, in the future, under the new Government policy for the preservation of accrued pension rights the refunding of contributions will not be allowed after the relatively short qualifying period of four years has been served.

118. We consider that future holders of the office of Prime Minister and Mr. Speaker should be enabled to continue to participate in the Members' pension scheme, but that it would not be appropriate for them or the Lord Chancellor to have the option of participating in the supplementary pension arrangements which we have proposed for Ministers and office-holders in general. The statutory pensions attached to these offices, should we think now be increased to take account of the revised salaries which we have recommended, and in the case of the Lord Chancellor to bring the relationship which the pension bears to his salary more closely into line with the arrangements for the judiciary. We feel, however, that consideration should be given in the future to fixing these statutory pensions as a percentage of salary, thereby removing the need to reconsider their amount on each occasion that the salary is revised.

119. *Recommendation:* We recommend that statutory pensions of £7,500, £6,500 and £8,500 should be attached at the present time to the offices of the Prime Minister, Mr. Speaker and the Lord Chancellor respectively. We further recommend that future holders of the offices of Prime Minister and Mr. Speaker, who are in receipt of a Parliamentary salary as a Member of Parliament, should continue to participate in the Members' pension scheme, but that neither they nor the Lord Chancellor should be eligible, while holding these offices, to participate in the optional pension arrangements proposed for Ministers and office-holders generally.

PART III

CHAPTER 10

SUMMARY OF RECOMMENDATIONS

120. The long period of seven years which has elapsed since the last major review of the pay of Members of Parliament and Ministers has made it inevitable that we should find it necessary to recommend substantial changes, both by way of increased salaries and reimbursement of expenses. We have seen our task as being not merely up-dating existing levels of remuneration, but also as involving some element of revaluation in order to take account of changes in the work, particularly of M.Ps. So far as the M.P.'s salary is concerned, the increase which we are proposing is 38 per cent, which is equivalent to an annual compound rate of increase of 4.7 per cent since 1964, as compared with a rise in the cost of living over this period of 44 per cent and with a general rise in salaries of 67 per cent. We have limited the increase in the salary because we are also recommending important and much-needed changes in the treatment of expenses. It is an integral part of our proposals that so far as possible the expenses of M.Ps should be reimbursed as in other occupations. We estimate that as a result of our recommendations the average net pay of a Member of Parliament, *i.e.* after meeting all residual expenses but before tax, will be approximately £4,250 a year.

121. When the last review was carried out, the Government of the day did not see fit, because of the economic situation of the country, to implement in full the recommendations on Ministerial salaries. Indeed the history of the remuneration both of Ministers and of Members of Parliament is one of repeated compromise in the light of current economic circumstances. We recognise fully the concern of the Government to contain wage and salary increases, but having given full weight to this we are in no doubt that substantial changes are necessary. We have been conscious of the declared intention of the present Government to implement our proposals unless there are clear and compelling reasons for not doing so. We have regarded this as placing on us an added responsibility to keep our recommendations for increases and improvements to the absolute minimum which we consider to be necessary. *It is in our view of the highest importance that these recommendations, both as they affect salaries and allowances, should now be implemented as a whole and in full.*

123. We summarise below the main recommendations in our report:

Pay of Members of Parliament

(a) The salary of Members of Parliament should be increased to £4,500 a year. (Paragraph 37.)

Allowances and facilities

(b) A scheme should be introduced for the payment of a subsistence allowance and London Supplement. Provision should be made for the scale of these payments to be adjusted in line with adjustments made from time to time in the appropriate Civil Service scales. (Paragraph 41.)

(c) Travelling expenses of journeys made by Members of Parliament in the performance of their Parliamentary duties within their constituencies, and to central and local Government authorities which are concerned with their constituency areas but are located outside their constituency boundaries, should be reimbursed on a basis similar to that now applying to journeys between Westminster and their constituencies. (Paragraph 42 (a).)

(d) Two funds should be established to meet the costs of travel within the United Kingdom and overseas respectively, which might be administered by an all-party committee of the House of Commons, and to which individual Members could apply for assistance. The funds should be supported by annual subscriptions from the Exchequer, which we suggest should amount in the first instance to £10,000 and £20,000 respectively. (Paragraph 42 (b).)

(e) Free travelling facilities by air, rail or sea public transport should be provided for wives and husbands of Members for up to 10 return journeys a year in total between Westminster and the Member's constituency, or Westminster and home. (Paragraph 42 (c).)

(f) The secretarial allowance should be increased to £1,000 a year, to meet both secretarial and general office expenses of which up to £300 should be permitted to be used to meet costs incurred in employing a research assistant on work undertaken in the proper performance of a Member's Parliamentary duties. (Paragraph 45.)

Severance arrangements

(g) Members of Parliament should continue to be paid throughout the period of a dissolution and, in the event of losing their seat following a general election, should be entitled to claim a terminal grant equivalent to three months' salary. The status of Members of Parliament under the national insurance arrangements should in due course be reviewed with a view to enabling them to draw unemployment benefit when appropriate. (Paragraph 52.)

Members' pensions

(h) The qualifying period for a pension under the Members' pension scheme should be reduced to four years. (Paragraph 57.)

(i) The basis for assessing reckonable service should be changed to completed days. (Paragraph 59.)

(j) An early retirement option from the age of 60 onwards should be provided on the basis of an actuarially reduced pension. (Paragraph 61.)

(k) The annual rate of accrual of pension rights should be changed to 1/60th of final salary averaged over the last 12 months of service, with an option to commute for cash a proportion sufficient to yield a lump sum of up to 3/80ths of final salary, for each year of service. Provision should be made to maintain the value of pensions against future rises in the cost of living, as in the case of other public service pensions. (Paragraph 66.)

(l) A lump sum equivalent to 12 months' salary should be paid in respect of Members who die in service. (Paragraph 68.)

(m) In future Members of Parliament should contribute approximately three-eighths of the cost of their pension scheme, the remainder to be met by the Exchequer. (Paragraph 73.)

Parliamentary Salary of Ministers and other paid office-holders

(n) Ministers and other paid office-holders who are Members of the House of Commons should receive a Parliamentary salary of £3,000 a year. (Paragraph 93.)

Pay of Ministers and other paid office-holders

(o) The Prime Minister should be paid a salary of £20,000 a year, of which £5,000 should be allowed as a flat rate deduction for expenses free of tax. (Paragraph 96.)

(p) Ministers other than the Prime Minister, the Lord Chancellor and the Law Officers, should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
Cabinet Minister	8,500	13,000
Minister not in the Cabinet	7,625	} 9,500-7,500
Minister of State	5,625	
Parliamentary Secretary or Under-Secretary of State	3,750	5,500

(Paragraph 98.)

(q) The Lord Chancellor should be paid a total salary of £20,000 a year, of which £2,500 should be in recognition of his function as Speaker of the House of Lords. Future changes in the salary of the Lord Chancellor should be enacted in common with those applying to other Ministers. (Paragraph 100.)

(r) The Law Officers should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
Attorney-General	13,000	14,500
Solicitor-General	9,000	11,000
Lord Advocate	8,000	11,000
Solicitor-General for Scotland	5,625	7,750

(Paragraph 103.)

(s) The Government Whips should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
Chief Whip, House of Commons ...	5,625	9,500
Chief Whip, House of Lords ...	4,500	6,500
Deputy Chief Whips, both Houses ...	3,300	5,000
Other Government Whips, House of Lords	3,000	4,500
Other Government Whips, House of Commons	3,000	4,000

(Paragraph 105.)

(t) The Opposition Leaders and Whips in both Houses should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
<i>House of Commons</i>		
Leader of the Opposition	4,500	9,500
Opposition Chief Whips	3,750	7,500
Two other Opposition Whips ...	Nil	4,000
<i>House of Lords</i>		
Leader of the Opposition	2,000	3,500
Opposition Chief Whip	1,500	2,500

(Paragraph 108.)

(u) Mr. Speaker should be paid a salary of £13,000 a year, of which £4,000 should be allowed as a flat rate deduction for expenses free of tax. (Paragraph 110.)

(v) The other officers of both Houses should be paid the following salaries a year:

	<i>Present salary</i>	<i>Recommended salary</i>
	£	£
<i>House of Commons</i>		
Chairman of Ways and Means ...	4,875	6,750
Deputy Chairman of Ways and Means	3,750	5,500
<i>House of Lords</i>		
Lord Chairman of Committees ...	4,875	6,750

(Paragraph 112.)

Ministers' pensions

(w) Optional pensions arrangements should be provided for Ministers and other paid office-holders in both Houses of Parliament, under which pension rights additional to any accruing under the scheme for Members of the House of Commons may be purchased by voluntary contributions to be supplemented by the Exchequer. (Paragraph 116.)

(x) Statutory pensions of £7,500, £6,500 and £8,500 should be attached at the present time to the offices of the Prime Minister, Mr. Speaker and the Lord Chancellor respectively. Future holders of the offices of Prime Minister and Mr. Speaker, who are in receipt of a Parliamentary salary as a Member of Parliament, should continue to participate in the Members' pension scheme, but neither they nor the Lord Chancellor should be eligible, while holding these offices, to participate in the optional pension arrangements proposed for Ministers and office-holders generally. (Paragraph 119.)

Future reviews

123. We have commented earlier on the relative infrequency of reviews of the remuneration of Members of Parliament and Ministers in the past, and the difficulties to which this has given rise. It has been most strongly represented to us that reviews should be more frequent, or that some means should be found of ensuring automatic adjustment from time to time. For our part we consider that there should be a major comprehensive review at intervals of four years, *i.e.* corresponding roughly to once in the lifetime of each Parliament of normal length. However, we should not wish to exclude the possibility of an intermediate adjustment between major reviews.

BOYLE OF HANDSWORTH

H. W. ATCHERLEY

BEECHING

GEORGE COLDSTREAM

ANTHONY LLOYD

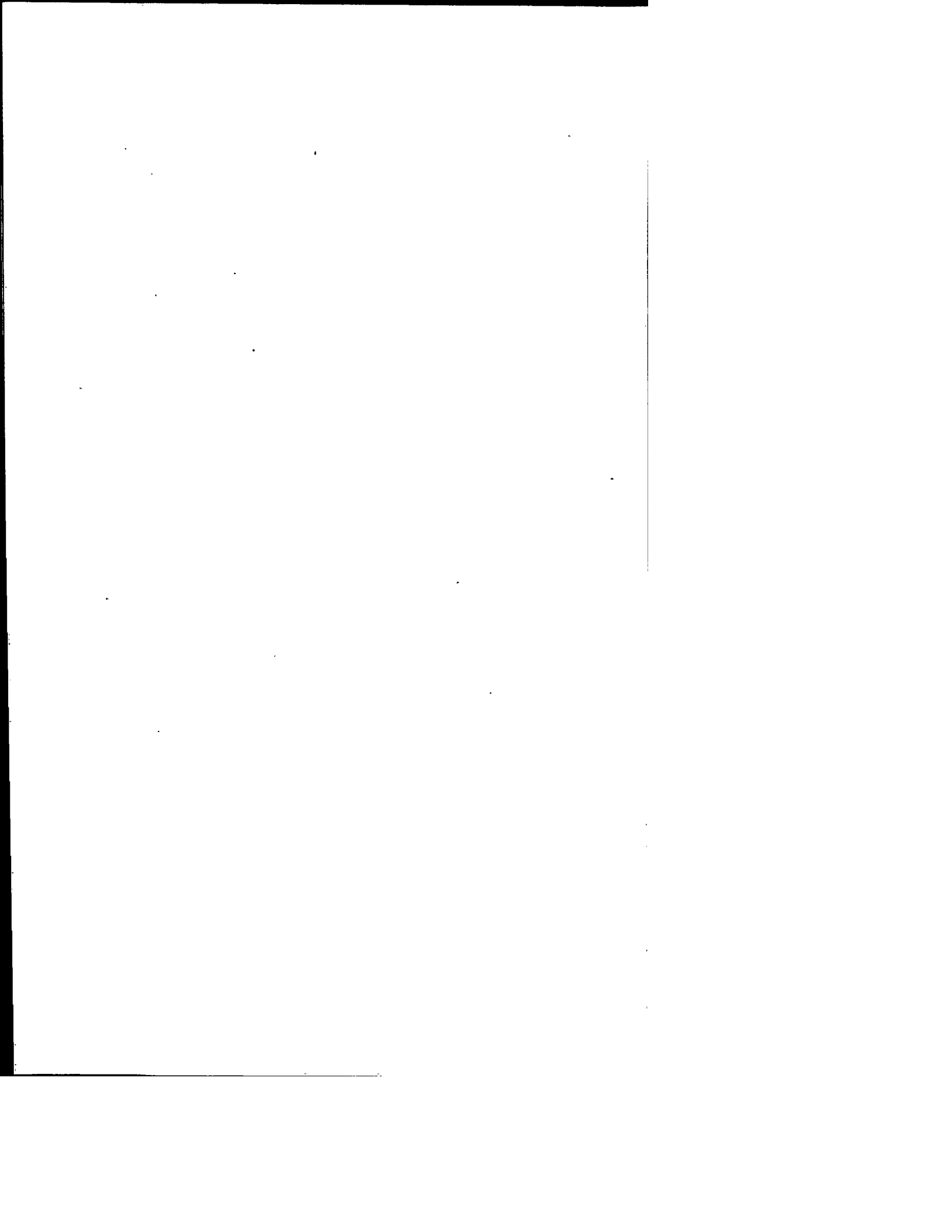
P. T. MENZIES

MARK TURNER

GERARD YOUNG

J. H. GALBRAITH, *Secretary,*
Director, Office of Manpower Economics.

9 November, 1971.



APPENDIX A

SURVEY OF THE CIRCUMSTANCES OF MEMBERS OF
PARLIAMENT AND OF THEIR VIEWS ON THEIR
REMUNERATION

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SURVEY OF THE CIRCUMSTANCES OF MEMBERS OF PARLIAMENT AND OF THEIR VIEWS ON THEIR REMUNERATION

Response to questionnaire

1. Questionnaires were sent to all M Ps on 1 July, 1971, for return by 19 July. The total number of M Ps allowing for four pending by-elections was 626 of whom 524, or 84 per cent, responded. The response from Ministers other than Junior Ministers was about average, but that from Junior Ministers and other office-holders was 100 per cent. Among other M Ps the response among former office-holders was rather higher than for the remainder.

2. All the questionnaires received were adequately completed. Some of the questions inviting comments and proposals were often left blank, but a substantial proportion offered one or more comments or suggestions to the majority of these questions. There was some understandable confusion about the different categories of expense covered by Questions 8, 9 and 10 and some answers included under the wrong head have been transferred in the analysis; moreover 19 London M Ps said that their residence for the purpose of tax returns of Parliamentary expenses was elsewhere than in London, although the Inland Revenue would not in fact allow this.

Tables

3. The tables given in this appendix cover all the specific questions in the survey. They are discussed where appropriate in the relevant chapters of the Report and are not therefore discussed in this appendix. A brief analysis, however, is given below of the answers to the questions inviting written comments and suggestions. The questionnaire as a whole is not reproduced, but the form of the questions may be understood from the tables or notes below.

Comments and proposals by Members

4. Question 8 which asked about the adequacy of expenses on Parliamentary business for which cash allowances, reimbursement or free facilities are provided in whole or in part (see Table 10) was followed by a further question asking what increases or improvements were considered necessary for the items listed. An increase in the secretarial allowance was proposed by 365 Members. Over half these Members asked either for the cost of a full-time secretary to be paid or for an increase of £1,000 or more, but one-third of the increases asked for were for £500 or less. Various proposals were made in regard to travel but the biggest demand was for an increase in the number of warrants for wives with about half wanting free travel between London, home and constituency. Nearly one-third of the proposals, however, were for increasing the number of warrants up to between seven and twelve per year from the present four.

5. For categories of expense on Parliamentary business deductible for tax only those which Members considered ought in principle to be covered by an allowance, reimbursed or provided in kind are shown in Table 13.

Members were also asked for their reasons for these proposals. The main reasons given were that, as was done in other occupations, expenses should not have to be met out of their salaries, but others felt that allowances would enable Members to obtain better facilities, and about 100 mentioned in particular that it would be more equitable in covering the extra costs for Members from non-London constituencies.

6. For the remaining categories of expenses which are neither reimbursed nor deductible for tax the question on the expenses incurred (see Table 14) was followed by a question on what additional facilities should be provided at the House with the aim of reducing any of these expenses. Of 221 suggestions for improved facilities about 60 were for better office accommodation, 45 for research assistants and 26 for reduced charges for meals.

7. Comments were invited on the question of the effect of involvement in outside occupations on the work of the House (Table 19). The majority of those who thought it beneficial mentioned the advantages of keeping MPs informed and in touch with other activities and providing expert advice when required, but about 30 of these Members mentioned accompanying disadvantages in the effect on Parliamentary work. Of the 176 comments by those who considered it detrimental, 45 said that being an MP is a full-time job; others mentioned that the work of MPs suffered although some considered it a financial necessity.

8. Members were asked for any other proposals for revising the pension arrangements for Members, widows and dependants than those given in the question on pensions (see Table 21). Most of the other proposals for revising the pension arrangements, which totalled 350, were either for an increase in pension or a pension in line with a good outside scheme or for improvements in pensions for widows; but 38 Members proposed pensions payable at 60 and 15 mentioned the need for periodic review to take account of inflation.

9. Proposals were invited in regard to the question on short-term assistance (e.g. a terminal grant) on loss of seat (see Table 22). Of 240 proposals, 74 mentioned a terminal grant and 107 suggested extending the salary for a period, nearly half proposing three months; 33 thought the problem could be covered by unemployment benefit and/or redundancy payments (i.e. giving Ministers employed instead of self-employed status for National Insurance); 17 thought any grant should be means-tested or based on hardship, while 9 considered that better pension provision would help.

Proposals for determining remuneration of Members or office-holders

10. The final question (Question 17) invited comments on how the remuneration of an MP or of an office-holder should be determined, e.g. whether it should be linked to any particular occupational group, on the frequency or method of revision, or on any other aspect of remuneration and allowances of Members of Parliament. The answers to this question showed a widespread pre-occupation with the difficulty that Members feel they have to face in having to determine their own remuneration. This is reflected in the fact that over 200 wanted to have their pay linked to a

grade in the Civil Service (generally Assistant Secretary) or exceptionally another occupational group, against 43 who said that the pay of M Ps could not be linked with that of any other occupation. Moreover a further 112 Members mentioned the need for a regular pay review by an independent body; others mentioned specific periods for regular review, of which about 45 were for once in each Parliament and 30 were for every two years. A further 19 favoured regular adjustments to keep pace with the cost of living or outside incomes. Most of the remaining comments were repetitions of points made earlier in the questionnaire, except that the need for raising Ministerial, particularly Junior Ministerial, salaries was mentioned by 40 Members, most of whom were not office-holders.

TABLE 1

Members of Parliament: Response to Questionnaire

	Total number of M Ps	Number of M Ps returning questionnaires	Response rate
Minister	Number 34 (a)	Number 28	Per cent 82.4
Parliamentary Secretary or Under-Secretary	21	21	100.0
Other holder of a remunerated office ...	17 (a)	17	100.0
Total present office-holders... ..	72	66	91.7
Other M Ps:			
Former office-holder:			
Minister		51	
Parliamentary Secretary or Under-Secretary		44	
Other holder of a remunerated office...		20	
Total	131	115	87.8
Not former office-holders	423	343	81.1
Total other M Ps (not present office-holders)	554	458	82.7
All M Ps	626	524	83.7

Source: Question 1 and Dod's Parliamentary Companion.

(a) It is assumed that two of the three law officers who are M Ps classified themselves as Ministers and one as "other holder of remunerated office".

TABLE 2

Members of Parliament: Percentage distribution in ranges of age by office held

	Ranges of age					All ranges (100 per cent)
	Under 40	40-49	50-59	60-69	70 and over	
Minister	Per cent 7	Per cent 36	Per cent 54	Per cent 4	Per cent —	Number 28
Parliamentary Secretary or Under-Secretary	29	62	10	—	—	21
Other holder of remunerated office	6	29	47	18	—	17
Other M Ps (not present office-holders)	18	32	30	19	2	458
All M Ps	17	33	31	17	2	524

Source: Question 2.

TABLE 3

Members of Parliament: Percentage distribution in ranges of length of service by office held

	Years of service							All ranges (100 per cent)
	Under 6	6-10	11-15	16-20	21-25	26-29	30 and over	
Minister	Per cent 11	Per cent 25	Per cent 18	Per cent 39	Per cent 7	Per cent —	Per cent —	Number 28
Parliamentary Secretary or Under-Secretary	10	48	24	14	5	—	—	21
Other holder of remunerated office	18	35	12	12	18	6	—	17
Other M Ps (not present office-holders)	37	23	14	9	8	7	2	458
All M Ps	34	24	14	11	8	6	2	524

Source: Question 2.

Members of Parliament not present office-holders: Place of residence (a), and for those not resident in London for tax purposes, percentages maintaining accommodation in London and average annual net cost by distance of constituency from London and type of constituency

	Distance in miles of constituency from London						Type of constituency		
	Under 50	50-99	100-199	200-299	300-399	400 and over	London	Urban	Rural
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Place of residence (a):									
In London	61	27	27	27	25	14	74	28	22
Elsewhere in constituency ...	10	24	41	38	35	36	3 (c)	31	43
Elsewhere outside constituency	29	49	32	36	40	50	23 (c)	40	36
Total	100	100	100	100	100	100	100	100	100
(Number)	(103)	(45)	(140)	(101)	(20)	(44)	(73)	(223)	(157)
Accommodation in London:									
Do you maintain accommodation?									
Yes	79	91	92	85	93	82	83	86	89
No	21	9	8	15	7	18	17	14	11
Total	100	100	100	100	100	100	100	100	100
(Number)	(39)	(33)	(101)	(74)	(15)	(38)	(18) (c)	(160)	(122)
Average annual net cost (£) ...	983	873	797	801	707	598	1,107	722	857

(a) For the purpose of tax returns of Parliamentary expenses.

(b) Among former office-holders the percentage in London was higher—44 per cent.

(c) Since residence for tax purposes of London Members can only be in London, it appears that 26 per cent, or 19 M Ps, have misinterpreted the question.

Source: Q

Members of Parliament not present office-holders and not resident in London for tax purposes: Ranges of average net annual cost of accommodation or of hotel expenses in London

	Ranges of cost of accommodation in London (£)						All
	Under 250	250-499	500-999	1,000-1,499	1,500-1,999	2,000 and over	
Percentages	5	18	48	20	6	4	(
(Number)	(12)	(46)	(127)	(52)	(15)	(10))

Source: Q

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Members of Parliament: Composition of average hours spent since commencement of present Parliament on Parliamentary business

	Members replying	Average hours spent				To
		In the House	Outside the House on behalf of constituents	Outside the House on preparatory work for proceedings in Parliament	On visits on Parliamentary business	
Minister	Number	Number	Number	Number	Number	Nur
Parliamentary or Under-Secretary ...	10	31	12	23 (b)	2	6
Other holder of remunerated office ...	12	27	10	31 (b)	2	7
Other M Ps (not present office-holders)	15	58	9	3	1	7
	444	42	11	7	3	6
All Members	481	42	11	7	3	6

(a) Excluding periods on Parliamentary delegations and time spent on private work.

(b) Includes work in Departments.

Source: Q

Members of Parliament: Percentage distribution of total hours spent on Parliamentary work by office held

Office held	Ranges of average hours per week									
	Under 40	41-45	46-50	51-55	56-60	61-65	66-70	71-80	81-90	91 and over
Minister	Per cent 10	Per cent 10	Per cent 10	Per cent —	Per cent —	Per cent —	Per cent 10	Per cent 40	Per cent 20	Per cent —
Parliamentary or Under-Secretary ...	8	—	8	—	8	17	25	8	17	8
Other holder of remunerated office ...	—	7	7	—	20	—	7	33	7	20
Other M Ps (not present office-holders) ...	6	4	10	14	14	12	13	16	7	5
All Members	6	4	9	13	14	12	13	16	7	5

Source: Q

Members of Parliament: Days spent abroad during the present Parliament on delegations or other Parliamentary work overseas

Office held	Number of M Ps	Number of M Ps going abroad	Average (a) number
	Number	Number	Number
Present office-holders	66	14	22
Other M Ps	458	224	18
Total	524	238	18

(a) Based only on those going abroad.

Source: Ques

TABLE 9

Members of Parliament: Percentage of Members who employ a secretary
or use secretarial pool facilities

Assistance in Parliamentary duties	Office holders	Non-office holders	Total
	Per cent	Per cent	Per cent
(a) (i) Do you employ or share in the employment of a secretary?			
Yes	97	97	97
No	3	3	3
Total	100	100	100
(Number)	(66)	(458)	(524)
(ii) Average hours per week for which a secretary is employed on own Parliamentary work:			
Under 10 hours	5	6	6
10-19 hours	20	34	32
20-29 hours	39	30	31
30 hours or more	36	30	30
Total	100	100	100
(Number)	(64)	(438)	(502)
(b) Do you use secretarial pool facilities?			
Yes	6	14	13
No	94	86	87
Total	100	100	100
(Number)	(66)	(447)	(513)

Source: Question 7.

TABLE 10

Members of Parliament: Adequacy of expenses on Parliamentary business for which cash allowances, reimbursement or free facilities are provided in whole or in part

Category of expense	Adequate	Inadequate	Total
	Per cent	Per cent	Per cent (Number)
Secretarial costs	11	89	100 (517)
Travel for Members between London home and constituency... ..	62	38	100 (510)
Travel and subsistence for Members on delegations	44	56	100 (399)
Travel for wives	25	75	100 (484)
Postage facilities	90	10	100 (515)
Telephone calls from Westminster	92	8	100 (514)
Stationery	79	21	100 (512)

Source: Question 8.

TABLE 11

Members of Parliament: Percentages favouring or not favouring any of the categories at present allowed as a deduction for tax purposes to be covered by an allowance, reimbursed or provided in kind

	Yes	No
	Per cent	Per cent
Office held:		
Office-holders	64	36
Past office-holders	66	34
Other M Ps	83	17
Type of constituency:		
London	74	26
Urban	76	24
Rural	80	20
Distance of constituency:		
Under 50 miles	76	24
50-99 miles	75	25
100-199 miles	77	23
200-299 miles	81	19
300-399 miles	63	37
400 and over	83	17
Length of service:		
Under 6 years	91	9
6-10 years	77	23
11-15 years	63	38
16 and over	68	32
Total	77	23
(Number)	(381)	(42)

Source: Question 9.

TABLE 12

Members of Parliament: Percentages of Members who stated that they do or do not incur substantial expenses which are neither provided for in cash or in kind, nor allowed for tax purposes

	Yes	No
	Per cent	Per cent
Office held:		
Office-holders	79	21
Past office-holders	80	20
Other M Ps	84	16
Type of constituency:		
London	80	20
Urban	83	17
Rural	82	18
Distance of constituency:		
Under 50 miles	83	17
50-99 miles	87	13
100-199 miles	83	17
200-299 miles	79	21
300-399 miles	77	23
400 and over	86	14
Length of service:		
Under 6 years	84	16
6-10 years	86	14
11-15 years	80	20
16 and over	80	20
Total	83	17
(Number)	(420)	(89)

Source: Question 10.

TABLE 13

Members of Parliament: Expenses at present allowed only as a deduction from income for tax purposes which Members consider ought in principle to be covered by an allowance, reimbursed or provided in-kind

Category of expense	Members replying
	Number
Accommodation in London or elsewhere	258
Cost of travelling within the constituency	202
Office costs	151
Incidental expenses	83
Car hire	19
Meals	23
Advertising facilities	5
Travel outside the constituency	21
Other	24

Source: Question 9 (b).

Members of Parliament: Range of expenses incurred by Members on Parliamentary duties which are neither reimbursed nor deductible for

Category of expense	Ranges of expenses necessarily incurred (£)										All ranges (100 per cent)
	Not stated	Under 100	100-199	200-299	300-399	400-499	500-599	600-699	700-899	900 and over	
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Number
Entertainment	31	11	24	17	7	3	4	—	—	2	260
Donations to charity ...	22	34	23	12	3	4	1	—	—	1	92
Subscriptions to associations ...	17	41	29	7	3	2	—	—	—	—	58
Books and periodicals ...	29	36	25	11	—	—	—	—	—	—	56
Travel in the United Kingdom	28	14	30	21	5	—	2	—	—	—	43
Travel abroad	38	6	25	13	6	6	6	—	—	—	16
Wife's expenses	25	15	10	20	15	—	10	—	—	5	20
Research (b)	33	4	4	—	—	—	17	4	8	29	24
Other	41	13	19	11	6	2	3	1	1	3	162

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(a) Based only on those stating an amount and the average amount of expense incurred for all categories was £206.

Source: Questionnaire

(b) Only 9 per cent stated that they employed or shared in the employment of a research assistant.

Members of Parliament who are not Ministers or paid officers of the House: Other paid occupations

	Past office holders	Members who have not been office holders	Total
	Per cent	Per cent	Per cent
Members who pursue any other occupation (regular or occasional)	76	68	70
Members who do not pursue any other occupation ...	24	32	30
Total	100	100	100
(Number)	(115)	(339)	(454)

Source: Questionnaire

Members of Parliament who are Ministers or paid officers of the House: Percentages in ranges of hours per week spent and ranges of earned income in 1970-71 derived from other occupations by office held, age and distance of constituency

	Office held		Age (years)					Distance of constituency (miles)					
	Past office holders	Not been office holders	Under 40	40-49	50-59	60-69	70 and over	Under 50	50-99	100-199	200-299	300-399	400 and over
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Ranges of hours while the House is sitting: (a)													
Under 5 hours	37	26	30	20	31	37	100	23	22	26	33	29	58
5-9 hours ...	20	23	25	24	24	17	—	18	17	24	32	43	8
10-19 hours...	27	30	25	40	22	27	—	36	42	24	20	29	33
20-29 hours...	10	16	18	12	18	12	—	18	19	18	10	—	—
30 hours or more ...	6	4	4	4	6	8	—	6	—	7	4	—	—
Total ... (Number)...	100 (84)	100 (227)	100 (57)	100 (109)	100 (88)	100 (52)	100 (5)	100 (80)	100 (36)	100 (95)	100 (69)	100 (7)	100 (24)
Ranges of earned income: (b)													
Under £250 ...	15	10	14	9	9	12	50	9	—	11	20	—	17
£250-£499 ...	6	8	5	10	6	8	17	9	6	6	6	—	22
£500-£999 ...	16	14	14	17	15	12	—	12	9	15	19	43	9
£1,000-£2,999	29	28	38	23	24	38	17	27	31	28	23	43	48
£3,000-£4,999	14	19	17	19	19	15	—	20	23	17	19	14	—
£5,000 and over	19	21	12	22	27	15	17	23	31	23	14	—	4
Total ... (Number)...	100 (85)	100 (225)	100 (58)	100 (108)	100 (86)	100 (52)	100 (6)	100 (81)	100 (35)	100 (94)	100 (70)	100 (7)	100 (23)

Source: Question 11 (b)

(a) During the recess 18 per cent worked under 5 hours; 13 per cent between 5-9 hours; 18 per cent between 10-19 hours; 24 per cent between 20-29 hours and 26 per cent 30 hours or more.

(b) As defined for tax purposes after deduction of expenses.

TABLE 17

Members of Parliament: Percentage for and against some differential for Members undertaking special duties by office held, length of service and hours spent in the House

	Some differential	No differential	Members responding
	Per cent	Per cent	Number
Office held:			
Present office-holder	32	68	62
Past office-holder	41	59	115
Other M Ps (not present or past office-holders)	49	51	338
Length of service:			
Under 6 years	50	50	173
6-10 years	51	49	128
11-15 years	39	61	75
16 years and over	38	62	140
Total	45	55	516

Source: Question 12 (a).

TABLE 18

Members of Parliament: Special duties for which differential proposed for Members other than Ministers and remunerated office-holders

Duties	Members proposing
	Number
Opposition Whips	134
Chairmen's panel	113
Opposition spokesmen	104
Committee members	78
Chairmen of Committees	43
Other	27
Between full and part-time M Ps	13
Parliamentary Private Secretary	8
Jobs requiring full-time attendance	6

Source: Question 12 (b).

TABLE 19

**Members of Parliament: Effect of involvement in outside occupations
on the work of the House (a)**

	Effect of involvement in outside occupations on the work of the House	
	Beneficial	Detrimental
	Per cent	Per cent
Office held:		
Present Minister	100	—
Present Parliamentary or Under-Secretary	100	—
Present other paid office-holders... ..	94	6
Past office-holders	78	22
Other M Ps	70	30
Length of service:		
Under 6 years	62	38
6-10 years	74	26
11-15 years	83	17
16 and over	88	12
Total	75	25
(Number)	(377)	(125)
Members who pursue other paid occupations	81	19
Members who do not pursue other paid occupations	48	52
Hours spent in the House:		
Under 30 hours (or not stated)	93	7
31-40 hours	80	20
41-50 hours	66	34
51-60 hours	55	45
61 and over	75	25
Total	76	24
(Number)	(377)	(122)

Source: Question 13.

(a) The question asked was "It is sometimes claimed that involvement of Members of Parliament in outside occupations is desirable because:

(1) a cross section of Members currently involved in a wide range of part-time occupations outside the House is generally beneficial to the work of Parliament.

(2) it is important to have an adequate number of well-qualified Members to give expert scrutiny to legislation.

Do you consider that on balance the present extent of the involvement of M Ps in other work is beneficial or detrimental to the work of Parliament? "

TABLE 20

Members of Parliament: Refusal of Junior Ministerial appointments

"Have you ever declined to accept a Junior Ministerial appointment on the grounds of the inadequacy of the remuneration, the limitation of the tax allowances for expenses to the Parliamentary salary or the disallowance for tax purposes of London living expenses? "

Number answering "Yes"—26

Source: Question 14.

TABLE 21

Members of Parliament: Pension proposals

										All Members
										Per cent
(a) Should the minimum qualifying period for a pension be lower than 10 years?										
Yes	...	...	...	...	...	...	...	...	...	56
No	...	...	...	...	...	...	...	...	...	44
Total ...										100
(Number)										(512)
(b) Period proposed:										Number
1 year	...	...	...	...	...	...	...	...	...	23
2 years	...	...	...	...	...	...	...	...	...	4
3 years	...	...	...	...	...	...	...	...	...	5
4 years (or life of one Parliament)	...	...	...	...	...	...	...	...	...	31
5 years	...	...	...	...	...	...	...	...	...	117
6 years	...	...	...	...	...	...	...	...	...	14
7 years	...	...	...	...	...	...	...	...	...	24
8 years	...	...	...	...	...	...	...	...	...	39
9 years	...	...	...	...	...	...	...	...	...	12
Total ...										269
(c) After the minimum qualifying period should pensions be strictly proportional to the number of years of service?										Per cent
Yes	...	...	...	...	...	...	...	...	...	73
No	...	...	...	...	...	...	...	...	...	27
Total ...										100
(Number)										(489)
(d) Should there be a specific pension provision other than <i>ex gratia</i> grants on grounds of hardships from the Members' Fund for Members who left Parliament before October 1964?										
Yes	...	...	...	...	...	...	...	...	...	75
No	...	...	...	...	...	...	...	...	...	25
Total ...										100
(Number)										(480)

Source: Question 15.

TABLE 22

Members of Parliament: Short-term assistance (e.g. terminal grant) on loss of seat

										All Members
										Per cent
Short-term assistance for Members who lose their seats:										
Yes	...	...	...	...	...	...	...	...	...	82
No	...	...	...	...	...	...	...	...	...	18
Total ...										100
(Number)										(508)

Source: Question 16.

APPENDIX B

PUBLIC ATTITUDE SURVEY

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PUBLIC ATTITUDE SURVEY

Sample design

1. The information contained in this appendix is based on interviews with a sample of 2,020 electors, representative of the adult individuals in Great Britain entitled to vote in Parliamentary elections up to and including 15 February, 1972.

2. The sample was drawn in two stages:

First stage sampling points: 120 Parliamentary constituencies were selected with probability proportional to size of electorate from all Parliamentary constituencies within Great Britain, after stratification by type of constituency (Borough/County) and Labour/Conservative voting ratio in the 1970 general election.

Second stage sampling: Within each selected constituency, 29 names were selected from the electoral register by a fixed interval method from a randomly selected starting name and address.

3. Interviewers were allowed to contact named electors only; no substitution was allowed, and up to four recalls were made to establish contact with the named elector.

4. Analysis of contact and response.

	No.	Per cent
Selected electors	3,480	100.0
<i>Less:</i> Those who had died or moved away, not known at address, or premises demolished...	393	11.3
Total attempted interviews with named individuals ...	3,087	100.0
<i>Less:</i> Out, three or more calls made* ...	599	19.4
Refusal	383	12.4
Number of interviews	2,105	68.2
<i>Less:</i> Questionnaires excluded as incomplete, too late for analysis dead-line ...	85	—
Total sample	2,020	—

* This is slightly higher than average because of the August field work dates.

Sample composition

5. The sample composition was as follows:

	The sample Per cent	GB estimate* Per cent
<i>Sex</i>		
Male	47.0	47.6
Female	53.0	52.4
<i>Age</i>		
Under 25	12.4	11.3
25-34	18.0	16.1
35-44	16.4	17.3
45-54	19.1	18.4
55-64	16.0	17.8
65+	18.1	19.2
<i>Terminal education age</i>		
15 or under	75.6	74.0
16-18	19.2	18.7
19-23	3.8	3.9
24 or over	0.5	1.0
Still at school or college	0.9	0.8

* Source: NRS Jan-June 1971.

Definitions

6. The definitions used in the interview and analysis are those commonly used in survey research, and are defined as follows:

<i>Social class</i>	<i>Occupation of head of household</i>
Upper middle class...	Higher and intermediate managerial, administrative and professional occupations.
Lower middle class	Supervising or clerical, and junior managerial, administrative or professional occupations.
Skilled working class	Skilled manual workers.
Working class ...	Semi and unskilled manual workers, casual or lowest grade workers, State pensioners or widows.

Terminal education age: The age at which the respondent completed his or her *full-time* education.

Attitudes to pay of M P s and other occupations

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	Question: Do you think people in these jobs are on average overpaid or underpaid when you consider the job they do?								
	Doctor in general practice	Solicitor	School teacher in State secondary school	Junior hospital doctor	Headmaster of large comprehensive school	Elected Member of Parliament	Respondents' estimate of M P s gross salary		
							Up to £3,000	£3,001 to £4,000	Over £4,000
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Grossly overpaid ...	1	14	1	1	2	11	11	9	16
Rather overpaid ...	7	37	6	2	7	25	20	18	33
Paid about the right amount ...	47	26	31	9	49	38	41	47	37
Rather underpaid ...	31	2	44	49	28	13	19	19	10
Grossly underpaid...	4	*	11	29	3	1	2	2	1
Don't know/no answer	10	21	7	10	11	12	7	5	3
All respondents ...	100	100	100	100	100	100	100	100	100
(Number) ...	(2,020)	(2,020)	(2,020)	(2,020)	(2,020)	(2,020)	(389)	(558)	(682)

(a) " An M P is paid £3,250 a year before deduction of income tax. He is allowed to travel free between Westminster, his constituency, and home and may claim an allowance of £500 per year towards secretarial expenses. He is not paid a subsistence allowance nor is any free living accommodation provided for him near Westminster, so that most M P s spend £1,000 or more of their income on the expenses of doing their job "

* Less than $\frac{1}{2}$ per cent.

Attitudes to pay of MPs and to salary increases by Demographic Group

	<i>Question: Do you think people in these jobs are on average overpaid or underpaid when you consider the job they do?</i>						<i>Question: Do you think MPs pay should be increased or do you think it should stay the same?</i>			
	Grossly overpaid	Rather overpaid	Paid about the right amount	Rather underpaid	Grossly underpaid	Don't know/no answer	Increased	Stay the same	Don't know	Total
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Social class:										
Upper middle ...	8	13	42	25	3	9	53	45	2	100
Lower middle ...	6	19	45	20	1	9	38	56	4	100
Skilled working ...	14	30	35	9	1	10	26	70	4	100
Working ...	13	28	37	8	1	13	20	74	5	100
Terminal education age:										
Up to 15 ...	12	27	38	11	1	11	25	70	5	100
16-18 ...	10	21	40	19	1	9	41	55	2	100
19+ ...	6	11	42	27	7	7	56	42	3	100

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TABLE 3

Salary thought appropriate for M Ps by knowledge of pay

<i>Question: What do you think people in these professions/occupations should earn on average?</i>				
Respondents' estimate of M Ps gross salary				
	All:			
		Up to £3,000	£3,001-£4,000	Over £4,000
£	Per cent	Per cent	Per cent	Per cent
1,000 or less	2	3	1	2
1,001-1,500	2	4	1	1
1,501-2,000	7	17	5	4
2,001-3,000	19	40	18	13
3,001-4,000	26	18	46	22
4,001-5,000	16	8	17	24
5,001-7,000	8	2	5	17
7,001-9,000	3	1	2	6
9,001-11,000	1	*	*	4
11,001-20,000	1	1	—	4
Over 20,000	—	*	*	*
Don't know/no answer	15	6	5	3
Total	100 (2,020)	100 (389)	100 (558)	100 (682)
Median salary thought appropriate (£)	3,500	2,600	3,500	4,300

* Less than $\frac{1}{2}$ per cent.

TABLE 4

Relative standards of living thought appropriate

<i>Question: Bearing in mind the amount of work, responsibility, experience and training, do you think an M P should have a standard of living higher or lower than . . . or about the same?</i>						
	Doctor in general practice	Solicitor	Teacher at secondary school	Junior hospital doctor	Headmaster of large comprehensive school	Senior executive with nationalised industry (steel, coal)
A Member of Parliament should have a standard of living:	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Higher than	13	25	49	49	24	14
Lower than	28	18	10	14	17	32
About the same as... ..	56	50	37	33	55	47
Don't know/ no answer	3	7	4	4	4	7
Total	100 (2,020)	100 (2,020)	100 (2,020)	100 (2,020)	100 (2,020)	100 (2,020)

TABLE 5

List of Median salaries

Estimated current salary		Salary thought appropriate for the job	
£		£	
Solicitor	4,500	Doctor in general practice ...	4,100
Member of Parliament	3,800	Headmaster of a large comprehensive school	3,800
Doctor in general practice ...	3,700	Solicitor	3,700
Headmaster of a large comprehensive school	3,400	Member of Parliament	3,500
School teacher in State secondary school	1,800	School teacher in State secondary school	2,400
Junior hospital doctor	1,500	Junior hospital doctor	2,400

TABLE 6

Comparison of Parliamentary and outside earnings

	Question: If the average M P were working full-time at his career outside Parliament do you think he would earn . . . ?			
	All	M P considered		
		Overpaid	Paid about right	Underpaid
	Per cent	Per cent	Per cent	Per cent
Much more than he now earns as an M P	10	8	9	21
A little more than he now earns as an M P	20	15	21	33
About the same as he now earns as an M P	23	21	27	18
A little less than he now earns as an M P	27	31	28	19
Much less than he now earns as an M P	9	15	7	3
Don't know/no answer	11	10	8	6
Total	100	100	100	100
(Number)	(2,020)	(738)	(775)	(287)

TABLE 7

Knowledge of M Ps' expenses

Question: Do you think an M P has to pay for any of these items out of his own pocket?

Percentage (based on all respondents—2,020) saying " Yes " to:	Per cent
Any of his secretary's salary	49
His accommodation expenses near Westminster	55
For any research carried out to help him to do his job... ..	35
Any postage and telephone calls to his constituents	38
His travel expenses from Westminster to his home and constituency	40

TABLE 8

Knowledge of facilities for MPs

Question: Which of these statements do you think is true and which is false?

		<i>Per cent</i>
M Ps are allowed the free use of a car on constituency business ...	True ...	46
	False ...	43
Typists and secretaries are available to deal with all M Ps correspondence ...	True ...	58
	False ...	31
Each M P has his own office ...	True ...	46
	False ...	42
Each M P has his own secretary ...	True ...	53
	False ...	37
M Ps are supplied with free meals ...	True ...	23
	False ...	61

TABLE 9

Number of weeks Parliament meets in a year

Question: How many weeks of the year do you think Parliament meets?

	<i>Per cent</i>		<i>Hours</i>	
20 weeks or less ...	8	Approximate medians for the time spent by M Ps on various activities:		
21-30 weeks ...	33		In the House on Parliamentary business	23
31-40 weeks ...	36		Outside the House as an M P ...	12
40 weeks or more ...	4		Other jobs outside Parliament (e.g. in business or profession) ...	15
Don't know/no answer	18			
Total (Number) ...	100 (2,020)			

TABLE 10

Proportion of MPs thought to have other jobs.

Question: How many MPs do you think have other jobs outside Parliament?

	<i>Per cent</i>
Most ...	39
About half ...	28
Few ...	14
Almost none ...	3
Don't know/no answer ...	15
Total (Number) ...	100 (2,020)

TABLE 11

Opinions on benefit of outside jobs

	M P s should not have jobs outside Parliament, so they concentrate on their job of representing their constituents	Working on a job outside Parliament gives an M P wider experience and helps him keep in touch with a changing world
	Per cent	Per cent
<i>Question: Do you agree or disagree with these statements?</i>		
Agree	64	52
Disagree	30	40
Don't know/no answer	6	8
	-----	-----
Total	100	100
(Number)	(2,020)	(2,020)
<i>Question: Which one is most important if you had to choose?</i>		
... ..	59	34

Attitudes to pay of Ministers and other occupations

	<i>Question: Do you think people in these jobs are on average overpaid or underpaid when you consider the job they do?</i>											
	Chairman of nationalised industry	Top Civil Servant in a Government Ministry	Managing director of a large company (like Marks & Spencer)	High Court Judge	Cabinet Minister in the Government	Social class				Terminal education age		
						Upper middle	Lower middle	Skilled working	Working	Up to 15	16-18	19+
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Grossly overpaid	31	13	17	6	15	7	11	16	18	16	11	5
Rather overpaid	30	28	27	13	26	14	22	29	31	28	22	17
Paid about the right amount	22	35	38	43	37	46	45	36	31	35	42	49
Rather underpaid	3	5	2	7	8	18	10	6	5	6	12	22
Grossly underpaid	1	1	1	1	1	2	1	1	1	1	2	1
Don't know/ no answer	13	18	15	30	13	13	11	12	14	14	11	6
All respondents (Number) ...	100 (2,020)	100 (2,020)	100 (2,020)	100 (2,020)	100 (2,020)	100 (230)	100 (420)	100 (711)	100 (654)	100 (1,521)	100 (386)	100 (88)

(a) " Most Cabinet Ministers in the Government are paid about £10,000 a year before deduction of income tax, but Ministers, like M Ps have part of this on doing their job as M Ps".

Relative standards of living thought appropriate

<i>Question: Bearing in mind the amount of work, responsibility, experience and training, do you think Minister should have a standard of living higher or lower than . . . or about the same?</i>						
	Chairman of the National Coal Board	The top Civil Servant in his Ministry	Managing Director of a large company like Shell	High Court Judge	University Professor	S
	Per cent	Per cent	Per cent	Per cent	Per cent	F
Cabinet Minister in the Government should have a standard of living:						
Higher than	22	38	21	16	23	
Lower than	20	13	25	26	19	
About the same as	50	41	46	48	52	
Don't know/no answer	7	7	8	10	6	
Total	100	100	100	100	100	
(Number)	(2,020)	(2,020)	(2,020)	(2,020)	(2,020)	(

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List of median salaries

	Estimated current salary	Salary thought appropriate for job	<i>Question: Do you think the pay of Cabinet Ministers in the Government should be increased, or do you think it should stay the same?</i>
	£	£	P
Managing Director of a large company (like Marks & Spencer)	10,800	7,200	Increased
Chairman of nationalised industry (like National Coal Board)	10,800	6,500	Stay the same
High Court Judge	7,800	6,100	Don't know/no answer
Cabinet Minister in the Government	7,200	5,500	
Top Civil Servant in a Government Ministry	6,300	4,800	
Total			Total
(Number)			(Number) (2

TABLE 15

Comparison of Ministerial and outside earnings

	<i>Question: If the average Cabinet Minister in the Government were working full-time at his career outside Parliament do you think he would earn . . . ?</i>			
	All	Ministers considered		
		Overpaid	Right	Underpaid
	Per cent	Per cent	Per cent	Per cent
Much more	11	7	12	25
A little more	16	13	18	25
About the same	27	25	31	21
A little less	24	30	22	17
Much less	11	17	9	7
Don't know/no answer	12	9	8	5
Total	100	100	100	100
(Number)	(2,020)	(823)	(753)	(182)

TABLE 16

Workload of Ministers

	<i>Question: How many hours a week do you think Cabinet Ministers in the Government work while . . . ?</i>	
	Parliament is meeting	Parliament is not meeting
	Per cent	Per cent
0-10 hours	5	21
11-20 hours	14	27
21-40 hours	32	22
41-60 hours	24	5
Over 60 hours	7	1
Don't know/no answer	18	23
Total	100	100
(Number)	(2,020)	(2,020)

APPENDIX C

FACILITIES FOR MEMBERS OF THE HOUSE OF COMMONS

The Palace of Westminster

1. The services, staff and accommodation of the part of the Palace occupied by the House of Commons are under the general oversight of the Select Committee on the House of Commons (Services) and its three sub-committees on Catering, Accommodation and Administration, and Library Services.

2. *Accommodation.* The office accommodation at present available to Members is as follows:

	<i>Inside precincts</i>	<i>Outside precincts</i>
172 single rooms (including Ministers' and other <i>ex-officio</i> rooms)	148	24
49 double rooms	38	11
11 treble rooms	4	7
29 desk rooms (containing three or more desks)	10	19

This accommodation provides 561 writing places and, in addition, there are about 200 unallocated writing places in the Library, Members' Lounge, and elsewhere. There are also 10 interview rooms, holding from 6 to 20 people. There is desk accommodation for 196 Members' secretaries, 83 within and 113 outside the precincts. When the New Parliamentary Building is built there will then be 450 single rooms for Members with accommodation for their secretaries nearby. The new building will also contain an assembly hall, holding at least 250 people, with simultaneous translation facilities, and also television and radio interview studios.

3. *Social amenities.* The Refreshment Department runs the Members' and Strangers' Dining Rooms and some smaller rooms on the Terrace level for private parties. There is also a Members' Cafeteria and a Tea Room, and drinks may be obtained in the Members' Smoking Room, the Strangers' Bar and one other bar. Members can relax in armchairs in the Members' Smoking Room, Members' Lounge, the Tea Room and the Library, apart from their own rooms, if they have one. There is a barber's shop and a changing room, equipped with a sun-ray lamp and three bathrooms and two showers. The only recreational facilities provided are for playing chess and three television rooms. Members may also use the rifle range under the Lords, the swimming bath in Great Smith Street and the squash courts in the ICI building at Millbank. The new building will eventually provide in addition, a swimming pool, a small gymnasium or exercise room, and a Members' lounge and some refreshment facilities.

Travel

4. *Rail.* Members are allowed first-class vouchers for journeys by the most direct route between Westminster and constituency, Westminster and home, and home and constituency, including sleepers where necessary. Their

spouses are allowed four first-class vouchers a year, including sleepers where necessary, between Westminster and constituency, and Westminster and home. The cost of a direct journey may be set against the cost of an indirect one. Season tickets between home and Westminster can be provided when the journey is made at least four times a week, but they have to be surrendered during the summer recess.

5. *Air.* Members are allowed first-class vouchers for journeys between Westminster and constituency, Westminster and home, and constituency and home, including the cost of the bus ticket from terminal to airport. Alternatively they may claim the cost of travel by charter or private aeroplane up to the maximum cost of travel by public air transport.

6. *Bus.* Bus fares between Westminster and constituency, Westminster and home, and home and constituency are reimbursed.

7. *Car.* An allowance of 5p per mile is payable for journeys by car between Westminster and constituency, Westminster and home, and home and constituency. It is also payable for a return journey from home to station or airport. There is limited free car parking at the Palace, and this will be increased when the new building is built.

8. *Subsistence.* No subsistence allowance is payable, except for Members travelling on Select Committee business or at the invitation of Government Departments when they receive the top grade Civil Service allowance.

Secretarial and clerical assistance

9. Members who engage their own secretaries may claim an allowance within a maximum of £500 a year for secretarial expenses incurred on Parliamentary business. Ashworth and Company, which were established towards the end of the last century, is a privately run organisation which is provided with accommodation in the Palace of Westminster. They provide a full secretarial service for Members of both Houses who wish to make use of them, including copy typing and transcribing Members' tapes at charges slightly reduced from those charged elsewhere.

Library and research

10. The Library provides official reference and research services for Members, in addition to its documentation and book-borrowing facilities. There are several Press cutting collections, and an International Affairs Section. Research staff are organised on a specialist basis (*e.g.* Economic Affairs, Statistics). In the new building the library, with increased staff, will provide three specialist research sections together with the bulk of the material needed for their research work.

Hospitality

11. No allowance is payable for hospitality.

Stationery, photocopying and office equipment

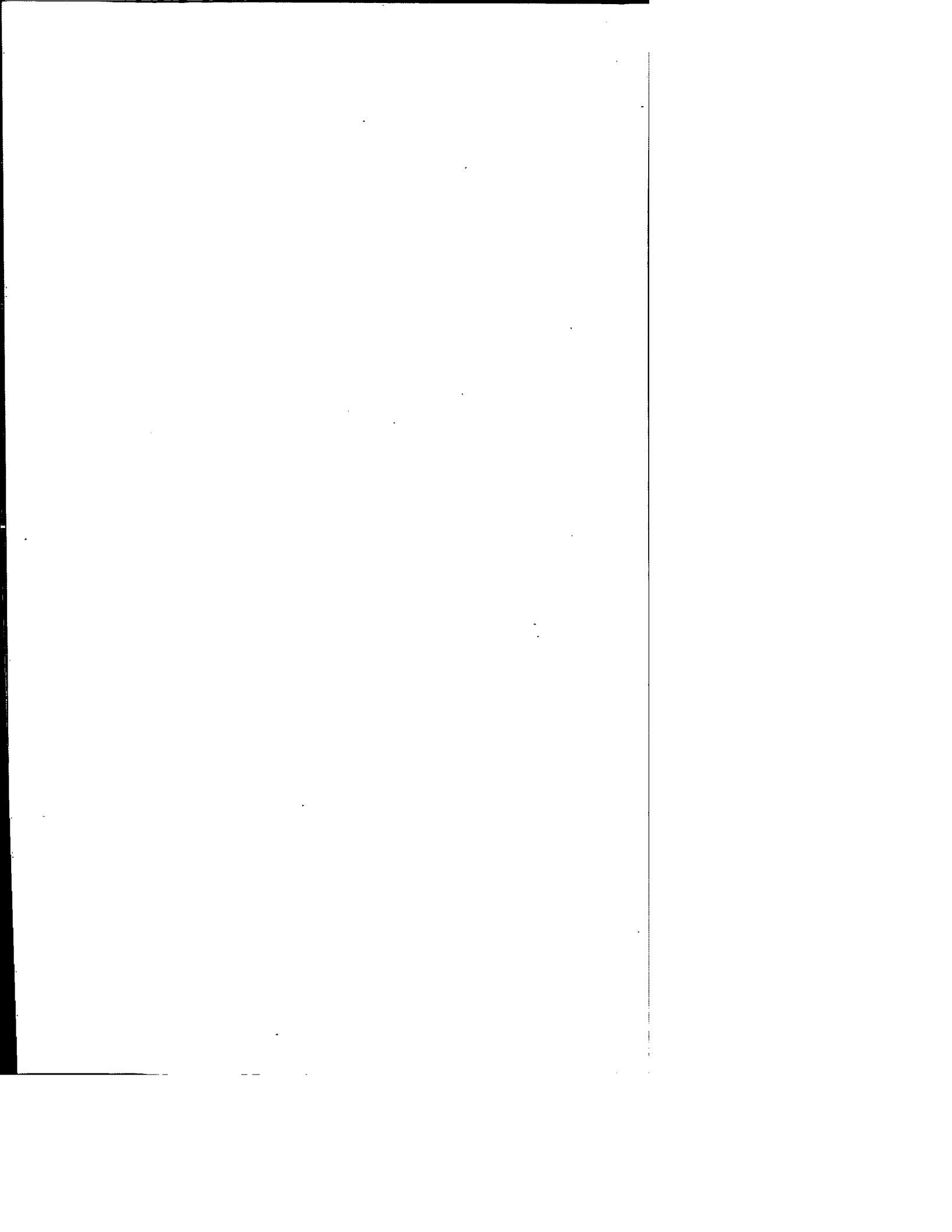
12. Stationery is provided free for the use of Members in the precincts of the House. Members requiring stationery for use away from the Palace of Westminster in connection with their Parliamentary duties may draw a free supply up to the value of £25 in any one year. A charge is made for supplies in excess of this free limit. Stationery is also provided in racks and on all desks throughout the House. There are nine photocopying machines provided for the use of Members and their secretaries. These are intended for the production of single copies of documents pertaining to Members' Parliamentary business. Should more than 12 copies of a single sheet be made there is a charge of 2p for each additional sheet. Members are provided with a four drawer filing cabinet, and 100 free file packets.

Postage and telephones

13. Postage on Parliamentary business within the United Kingdom is free, but "Official Paid" envelopes may not be used for circulars to constituents or other Members. Telephone calls on Parliamentary business within the United Kingdom can be made free from the call boxes in the House. In October 1972 an automatic telephone exchange will begin to operate in the Palace of Westminster.

Parliamentary and other publications

14. Members are entitled to one free copy of all House of Commons Papers, Command Papers, House of Lords Papers, Votes and Proceedings, Public Acts, Lords' Hansards, Commons Weekly and Bound Volume Hansards. They may draw up to six copies of the Commons Daily Hansard (on the day of issue), and additional copies of any Public Bill if required. Special arrangements are made to supply up to 70 extra copies of a Private Member's Bill when that Member wishes to hold a Press conference. Most non-Parliamentary Papers published by HMSO can be ordered through the Vote Office, as well as certain works of reference (at the discretion of the Controller, HMSO).



APPENDIX D

EXPENSES ALLOWED BY INLAND REVENUE FOR
TAX PURPOSES

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EXPENSES ALLOWED BY INLAND REVENUE FOR TAX PURPOSES

The analysis

1. The tables show analyses of the expenses of MPs and Ministers carried out by the Inland Revenue Department on behalf of the Office of Manpower Economics. Analysis of MPs' total expenses have been carried out on previous occasions. The present analysis is the first to give an itemised breakdown of these expenses; the tables show the averages of these items for both ordinary MPs and Ministers and, in addition for ordinary MPs, analyses of each item by ranges of amounts in the 1969-70 tax year (Ministers in this context include other office-holders).

Basis of estimates

2. Not all the expenses were agreed and in such cases the latest agreed figures for an earlier year are substituted. The analysis is based for MPs (excluding Ministers) in 1969-70 on agreed figures for that year for 328 Members and earlier figures (mainly for the previous year) for 160 Members and for Ministers 55 agreed figures for 1969-70 and 21 agreed figures for the previous year or earlier. Corresponding figures for 1968-69 are for MPs (excluding Ministers) 456 agreed and 86 earlier, and for Ministers 86 agreed and 3 earlier. Thus the estimates somewhat understate the expenses in the years shown, particularly in 1969-70, as expenses tend to rise from year to year. The expenses for earlier years have to be included, since in general the expenses that are last to be claimed and agreed are higher than average. The comparative figures shown for 1962-63, published by the Lawrence Committee, were on the same basis.

Tables

3. Tables 1 and 2 compare ranges of total expenses in 1969-70 for MPs and Ministers respectively with 1962-63. Table 3 gives ranges of each item of expenses for MPs (excluding Ministers) and Table 4 the averages of the items in 1969-70 compared with the previous year for both MPs (excluding Ministers) and Ministers. Table 5 gives a historical comparison back to 1941-42 of expenses of MPs at different points in the range together with the estimated averages.

Expenses allowed by inland revenue for tax purposes for income tax years

The following Tables shows analyses of the expenses of MPs and Ministers carried out by the Inland Revenue Department at the request of OME.

TABLE 1

Expenses (a) allowed for MPs (excluding Ministers): Ranges of cumulative expenses for tax years 1962-63 and 1969-70

Ranges of expenses	1962-63				1969-70 (before deduction of secretarial allowance)				1969-70 (after deduction of secretarial allowances (b))
	London	Urban	Rural	Total	London	Urban	Rural	Total	
Over £	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
100	100.0	100.0	—	100.0	—	—	—	—	100.0
200	94.3	99.6	100.0	99.4	100.0	100.0	100.0	100.0	99.6
300	91.4	98.8	99.6	98.6	96.9	99.6	99.6	99.4	99.4
400	85.7	97.1	99.2	97.3	93.8	99.1	99.6	99.0	98.4
500	74.3	96.7	98.8	96.1	93.8	99.1	99.6	99.0	96.5
600	54.3	93.3	98.8	93.2	87.5	96.9	98.7	97.1	94.5
700	37.1	86.3	96.3	87.6	71.9	95.1	98.7	95.3	92.0
800	22.9	77.5	92.5	80.8	56.3	94.2	98.3	93.6	89.3
900	17.1	67.9	85.9	72.9	50.0	91.5	97.4	91.6	85.0
1,000	14.3	51.7	73.9	59.5	40.6	87.4	96.1	88.5	80.5
1,100	5.8	41.7	61.4	48.4	31.3	83.9	94.4	85.5	75.2
1,200	5.8	33.8	52.3	40.5	21.9	79.8	91.0	81.4	68.2
1,300	2.9	26.3	43.6	32.8	18.8	72.6	89.7	77.3	62.5
1,400	2.9	20.8	37.4	27.3	9.4	63.2	83.3	69.3	55.3
1,500	—	14.2	30.7	20.9	6.2	55.2	76.0	61.9	48.0
1,600	—	8.3	25.3	15.7	3.1	51.1	70.0	57.0	43.6
1,700	—	6.7	20.7	12.8	3.1	45.3	61.4	50.2	37.9
1,800	—	0.4	1.7	1.0	—	40.4	54.1	44.3	22.8
1,900	—	—	—	—	—	35.4	51.2	40.6	28.5
2,000	—	—	—	—	—	30.5	43.8	34.8	25.8
2,100	—	—	—	—	—	23.8	39.5	29.7	21.7
2,200	—	—	—	—	—	19.7	36.5	26.4	19.3
2,300	—	—	—	—	—	17.0	30.9	22.5	16.8
2,400	—	—	—	—	—	15.2	27.0	19.9	13.3
2,500	—	—	—	—	—	13.0	24.9	17.8	9.8
2,600	—	—	—	—	—	11.2	18.9	14.1	8.0
2,700	—	—	—	—	—	7.6	15.9	11.1	6.8
2,800	—	—	—	—	—	4.5	12.9	8.2	5.1
2,900	—	—	—	—	—	3.6	11.2	7.0	2.9
3,000	—	—	—	—	—	3.6	7.7	5.3	1.4
3,100	—	—	—	—	—	1.8	5.2	3.3	0.6
3,200	—	—	—	—	—	0.4	3.0	1.6	—
3,300	—	—	—	—	—	0.4	1.7	1.4	—
3,400	—	—	—	—	—	—	0.8	0.4	—
3,500	—	—	—	—	—	—	0.4	0.2	—
Number	35	240	241	516	32	223	233	488	488
Average	£663	£1,072	£1,266	£1,132	£941	£1,694	£1,991	£1,788	£1,562

Source: Inland Revenue.

(a) Expenses for 1969-70 include those that have been agreed for that year, and figures for the latest available year for Members for whom 1969-70 figures are not yet agreed.

(b) Includes secretarial allowance from October 1969 only.

TABLE 2

Expenses (a) allowed for Ministers: Ranges of cumulative expenses
for tax years 1962-63 and 1969-70

Ranges of expenses	1962-63	1969-70 (before deduction of secretarial allowances)	1969-70 (after deduction of secretarial allowances) (b)
Over £	Per cent	Per cent	Per cent
0	—	—	—
100	—	—	—
200	—	—	—
300	100.0	—	100.0
400	98.9	100.0	97.4
500	96.6	97.3	92.1
600	96.6	94.6	90.8
700	92.1	91.9	89.5
800	87.6	87.3	80.3
900	85.4	86.5	67.1
1,000	75.3	79.7	48.7
1,100	60.7	64.9	36.8
1,200	51.7	55.4	21.1
1,300	4.5	37.8	1.3
1,400	—	27.0	—
1,500	—	6.8	—
1,600	—	2.7	—
1,700	—	1.4	—
Number	89	74	76
Average	£1,003	£1,183	£971

Source: Inland Revenue.

(a) See footnote (a) to Table 1.

(b) Includes secretarial allowance from October 1969 only.

Expenses (a) allowed for M P s (excluding Ministers) in tax year 1969-70

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Ranges of expense	Additional cost of living away from home			Stationery, postage, telephone, telegram and similar items	Secretarial and clerical assistance	Travelling expenses					Other necessary expenses	Total expenses (before deduction of secretarial allowance)	Amount (b) for secretarial allowance
	At Westminster	In constituency	Total			Details known			Details not known	Total			
						Parliamentary duties within the constituency	Between Westminster and constituency (excess over cash allowance)	Total					
£	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	
Nil	152	396	63	3	5	7	211	4	4	8	89	—	9
1-100	6	11	15	87	5	99	74	75	12	87	185	—	20
101-200	2	15	16	203	21	93	28	92	37	129	141	—	87
201-300	1	6	7	128	56	63	9	73	48	121	45	3	351
301-400	12	12	24	37	81	38	—	42	26	68	17	2	13
401-500	19	11	28	15	82	13	1	14	18	32	7	—	8
501-600	41	10	53	11	70	5	1	13	11	24	—	9	—
601-700	60	12	72	2	75	3	—	7	2	9	3	9	—
701-800	37	5	42	1	24	2	—	3	3	6	—	8	—
801-900	24	2	26	1	17	—	—	—	2	2	—	10	—
901-1,000	23	1	24	—	19	1	—	1	—	1	—	15	—
1,001-1,100	19	4	23	—	10	—	—	—	1	1	—	15	—
1,101-1,200	18	1	19	—	5	—	—	—	—	—	1	20	—
1,201-1,300	23	2	25	—	7	—	—	—	—	—	—	20	—
1,301-1,400	19	—	19	—	2	—	—	—	—	—	—	39	—
1,401-1,500	17	—	17	—	1	—	—	—	—	—	—	36	—
1,501-1,600	12	—	12	—	2	—	—	—	—	—	—	24	—
1,601-1,700	2	—	2	—	2	—	—	—	—	—	—	33	—
1,701-1,800	—	—	—	—	—	—	—	—	—	—	—	29	—
1,801-1,900	—	—	—	—	1	—	—	—	—	—	—	18	—
1,901-2,000	1	—	1	—	2	—	—	—	—	—	—	28	—
2,001-3,000	—	—	—	—	1	—	—	—	—	—	—	144	—
3,001-3,600	—	—	—	—	—	—	—	—	—	—	—	26	—
Total	488	488	488	488	488	324	324	324	164	488	488	488	488

(a) See footnote (a) to Table 1.
 (b) From October 1969 only.

Source: Inland Revenue

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M P s (excluding Ministers) and Ministers: Averages of Parliamentary expenses (a) allowed for tax years 1968-69 and 1969-70 (b)

Items of expense	M P s (excluding Ministers)						Ministers					
	1968-69			1969-70			1968-69			1969-70		
	Nos.	Average of those with items	Average all M P s	Nos.	Average of those with items	Average all M P s	Nos.	Average of those with items	Average all M P s	Nos.	Average of those with items	
1 (a). Additional cost of living at Westminster	341	£ 846	£ 583	336	£ 872	£ 601	—	£ —	£ —	—	£ —	
1 (b). Additional cost of living in constituency	94	434	82	92	447	84	68	212	164	60	225	
2. Stationery, postage and telephone, etc.	493	236	235	485	201	200	82	228	212	71	180	
3. Secretarial and clerical assistance	488	485	478	483	554	548	82	432	403	71	520	
4 (a). Travelling expenses within constituency (where details given)	314	211	134	314	195	125	49	171	95	48	178	
4 (b). Travelling expenses between Westminster and constituency (where details given)	125	80	20	134	79	22	8	42	4	7	53	
4 (a) + 4 (b)												
5. Total travelling expenses ...	488(c)	237	234	480(d)	249	245	80(e)	177	161	69(g)	204	
5. Other necessary expenses ...	403	131	107	399	136	112	73	120	100	64	134	
Before secretarial allowance ...	—	—	—	488	1,789	1,789	—	—	—	73(h)	1,195	
6. Total	495	1,720	1,720	—	—	—	88(f)	1,111	1,111	—	—	
After secretarial allowance ...	—	—	—	488	1,562	1,562	—	—	—	75(i)	980	

(a) See footnote (a) to Table 1.

(b) Includes secretarial allowance from October 1969 only.

(c) Includes 179 cases where breakdown into 4 (a) and 4 (b) is not known.

(d) Includes 163 cases where breakdown into 4 (a) and 4 (b) is not known.

(e) Includes 27 cases where breakdown into 4 (a) and 4 (b) is not known.

(f) Includes six cases where items 1-5 are not known.

(g) Includes 21 cases where breakdown into 4 (a) and 4 (b) is not known.

(h) Includes two cases where items 1-5 are not known.

(i) Includes four cases where items 1-5 are not known.

Source: Inland Revenue

Expenses of M.Ps (excluding Ministers): Medians, quartiles, and deciles of expenses 1941-42 to 1969-70

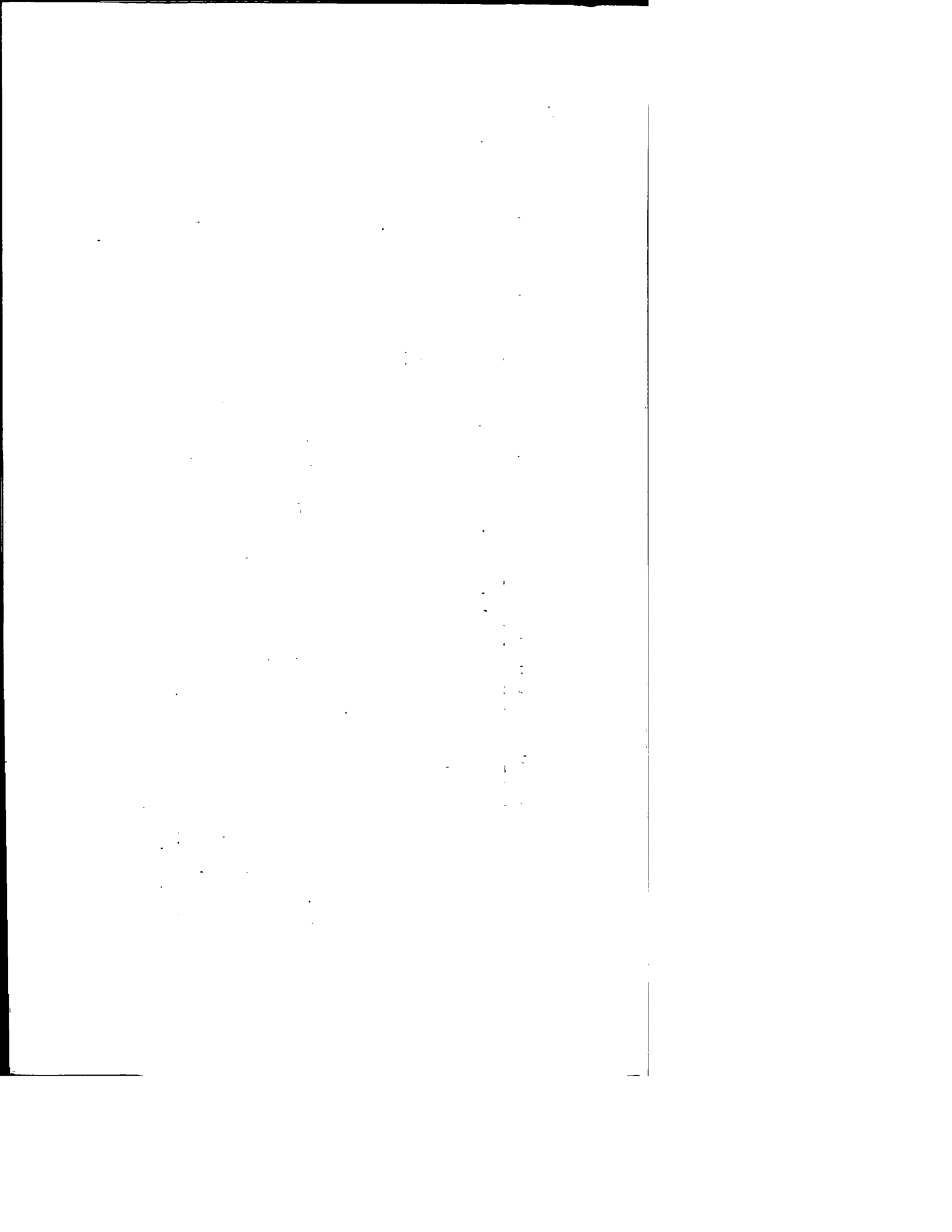
Tax years ending 5th April	Amount of expenses						Percentage change annual compound rate from previous period shown					
	Lowest decile	Lower quartile	Median	Upper quartile	Highest decile	Average	Lowest decile	Lower quartile	Median	Upper quartile	Highest decile	Co
	£	£	£	£	£	£	Per cent	Per cent	Per cent	Per cent	Per cent	(ca
1941-42	160	313	468	602	631	437	—	—	—	—	—	Pe
1945-46	253	405	552	620	638	495	12.1	6.7	4.2	0.7	0.3	
1952-53	422	581	788	993	1,029	751	7.6	5.3	5.2	7.0	7.1	
1960-61	640	826	1,030	1,406	1,705	1,093	5.3	4.5	3.4	4.4	6.5	
1961-62	646	850	1,064	1,417	1,712	1,115	0.9	2.9	3.3	0.8	0.4	
1962-63	651	875	1,086	1,431	1,716	1,132	0.8	2.9	2.1	1.0	0.2	
1968-69	886	1,252	1,623	2,192	2,678	1,720	5.3	6.2	6.9	7.4	7.7	
1969-70 (a)	968	1,328	1,704	2,235	2,729	1,788	9.3	6.1	5.0	2.0	1.9	
1969-70 (b)	778	1,104	1,477	2,017	2,495	1,562	-12.2	-11.8	-9.0	-8.0	-6.8	
Total 1945-46 to 1962-63 ...	—	—	—	—	—	—	5.7	4.6	4.1	5.0	6.0	
Total 1962-63 to 1969-70 (a)	—	—	—	—	—	—	5.8	6.1	6.7	6.6	6.9	
Total 1962-63 to 1969-70 (b)	—	—	—	—	—	—	2.6	3.4	4.5	5.0	5.5	

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(a) Before deduction of secretarial allowances.

(b) After deduction of secretarial allowances payable from October 1969.

Source: Inland Revenue and C.S.O. (Consumer Price Index)



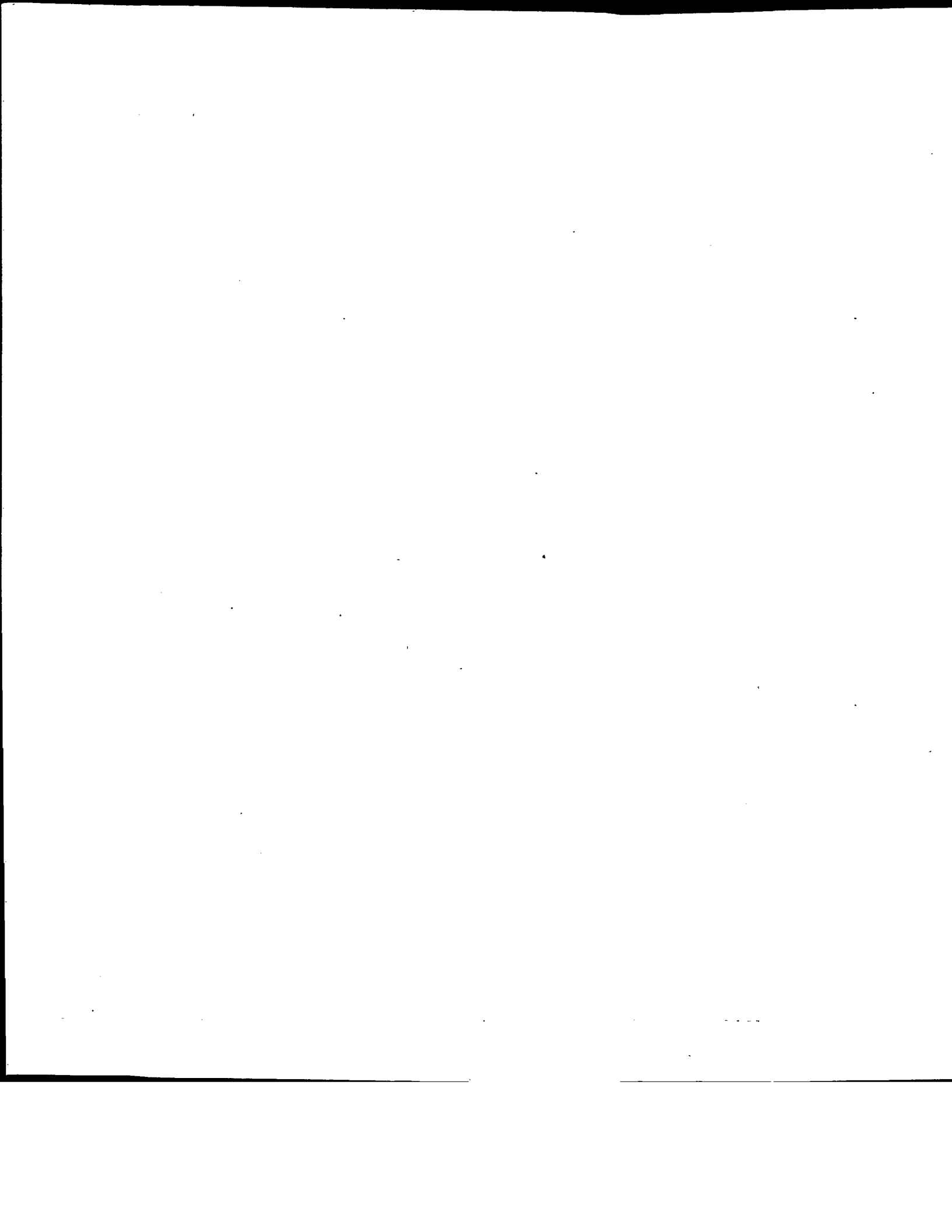
1. Foreign countries

PAY AND PRIVILEGES OF PARLIAM

(a) Annual payment to Senior Ministers	(b) Annual payment to M Ps and Officers of the House	(c) Special allowances	(d) Tax concessions	(e) Secretarial services
Belgium Ministers receive BF910,000 (£7,583) of which BF100,000 (£833) is representational allowance. The Prime Minister receives BF1,107,700 (£9,230) of which BF200,000 (£1,666) is representational allowance.	M Ps receive BF606,000 (£5,050).	There are no special allowances paid apart from the representational allowances paid to Ministers.	Half the M Ps salary is free of tax.	Secretarial services are supplied by the political parties who receive grants from Parliament for this purpose.
Denmark All Ministers receive Kr116,672 (£6,448) in addition to their annual salary as M Ps. Total therefore is Kr188,328 (£10,463). Prime Minister gets an additional allowance of Kr48,722 (£2,707). Minister of Foreign Affairs gets an additional Kr64,962 (£3,609).	Kr71,655 (£3,981). Following an election, M Ps who lose their seats continue to receive their basic salary for one year.	Those living in Copenhagen or within 45 kms. of its centre receive Kr7,130 (£396). Those living in Zealand outside the 45 kms. radius receive Kr10,880 (£605). Those living outside the above areas receive Kr21,018 (£1,168). These allowances are linked to the national wage-regulating cost of living index which governs salaries of almost all employees in Denmark.	Salaries are subject to tax. Allowances are tax-free.	Allowances for office staff paid to various Parliamentary groups depending on how many seats they hold in Parliament, e.g. between 1-7 members allowance is for 1 office worker, 8-14 members 2 office workers, 15-22 members 3 office workers. Amount paid per worker is Kr43,900 (£2,440). Claims may also be made for costs of legal or technical advice. Allowances may be spent as the Party group wish and not necessarily on office staff.
Finland Ministers receive Fmks68,965 (£6,896) per year plus 20 per cent of their Parliamentary salary, if they are also Members of Parliament.	Fmks37,044 (£3,704)	Ministers receive no special allowances even if they are Members of Parliament. M Ps who live over 30 kms. from Helsinki get Fmks28 (£2·80) per day. Those who live over 60 kms. from Helsinki get Fmks42 (£4·20) per day including weekends that Parliament is in session.	Salaries are taxable. Allowances are not.	Ministers have a private secretary who is part of the staff of their Ministry. Members of Parliament have no individual secretaries, but the various party groups receive a subsidy of Fmks100 (£10) per member per month with which to provide secretarial services for the groups.
France Senior Ministers receive F96,900 (£7,275). The Prime Minister receives F108,803 (£8,174).	M Ps receive F108,803 (£8,174) (inclusive of all allowances).	Ministers receive a <i>frais de representation</i> of F22,253 (£1,671). The Prime Minister receives F49,231 (£3,696). M Ps receive a Parliamentary allowance of 25 per cent of their basic salary. They also receive a residence allowance of 17 per cent of their basic annual salary. (The figure in the previous column is inclusive of these allowances.)	55 per cent of the total income is subject to tax.	The National Assembly has recently assumed the responsibility for obtaining the services of a Secretary when necessary and of charging the expenses to the individual Deputy. Members may also avail themselves of a typing pool for urgent matters.

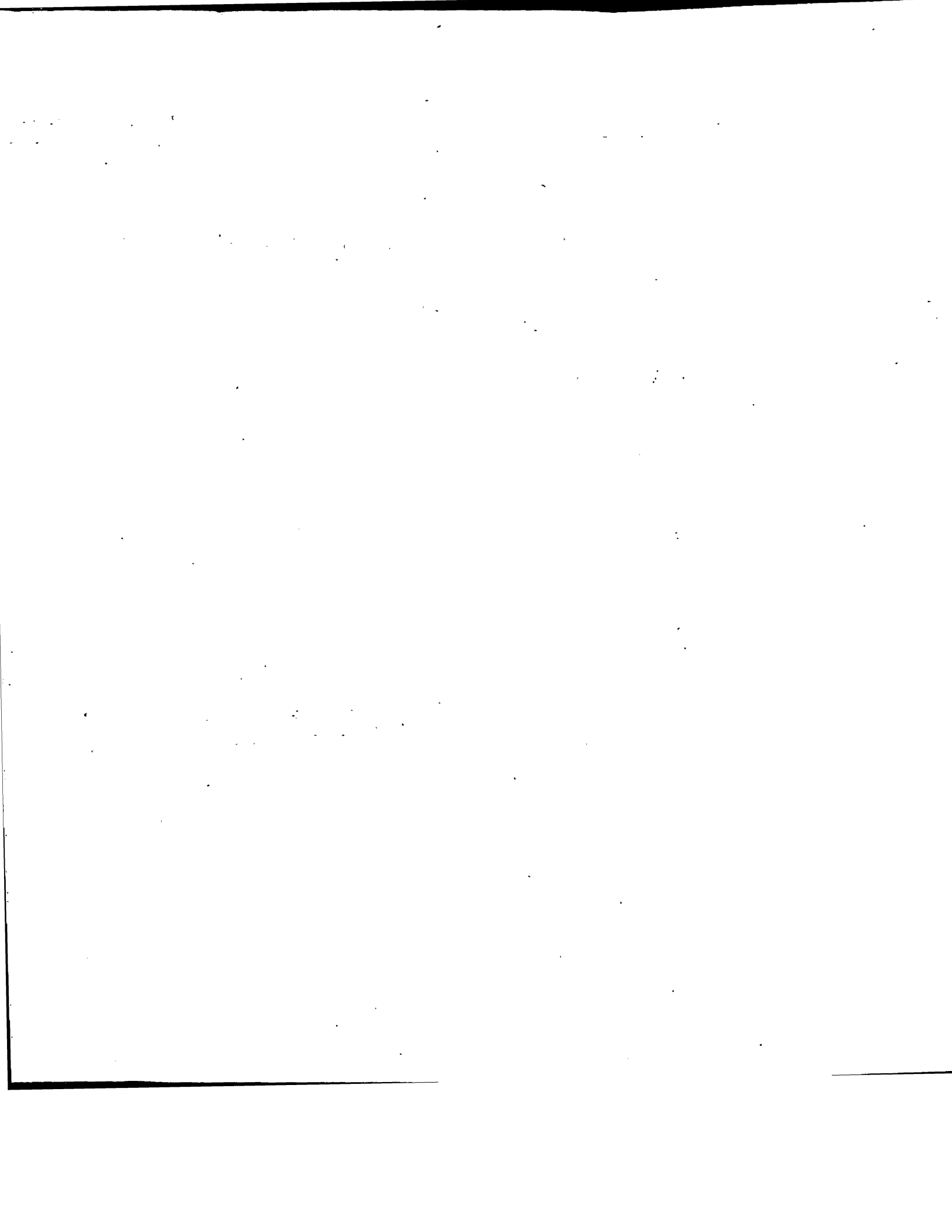
(a) Annual payment to Senior Ministers	(b) Annual payment to M Ps and Officers of the House	(c) Special allowances	(d) Tax concessions	(e) Secretarial services
<p>Federal Republic of Germany Ministers receive all the normal benefits of a Deputy, providing they are members of the Bundestag, with the exception of the DM1,000 per month living allowance. Their salaries amount to DM8,890 per month (£12,156 per year).</p>	<p>Deputies of the Bundestag receive DM2,970 per month (£4,080 per year). The President of the Bundestag receives three times this amount and the four Vice-Presidents one-and-a-half times this amount. It is normal practice for Deputies to make considerable contributions to Party funds from their salaries.</p>	<p>Deputies receive an allowance of DM1,000 (£114) per month to cover living costs while in Bonn on Parliamentary business. This is abated if a member fails to be present at a sitting of the House by DM100 (£11) if he fails to excuse himself first, and by DM60 (£7) if he is excused. If he fails to appear for a vote he loses DM50 (£6). Ministers receive a housing allowance of DM300 (£34) per month providing they do not live in officially provided accommodation. They also receive a monthly allowance of DM600 (£68) to cover representational duties with additional DM50 (£6) for each child.</p>	<p>All allowances are tax free. The salaries of Deputies of the Bundestag are also tax free but not those of Ministers.</p>	<p>Each Deputy receives an allowance of DM1,200 (£137) per month to cover office expenses, postage, stationery, secretarial help, etc. He is also entitled to claim up to DM1,850 (£211) per month to pay for the services of a "scientific assistant" (usually a student engaged on research but some Deputies club together and employ the services of a professor).</p>
<p>Irish Republic In addition to their salaries as Deputies or Senators the following supplements are paid: Taoiseach: £5,500 Ministers: £3,500 Chairman of the Dail: £3,500 Parliamentary Secretaries: £2,250 Chairman of the Senate: £2,000 Deputy Chairman of the Dail: £1,500 Deputy Chairman of the Senate: £1,000</p>	<p>Deputies receive £2,500 a year. Senators £1,500.</p>	<p>Members of both Houses living more than 10 miles from the Parliament House receive £3 a night when they are obliged to stay in Dublin for sittings of the House or the House Committee. In addition Members living within 10 miles of Parliament House receive £1.50 for each day they attend a sitting.</p>	<p>Allowances are all free of tax. Salaries and supplements are taxable with the exception of the first £1,000.</p>	<p>No provision for Deputies or Senators. Ministers have secretarial services provided by the State. The leader of the main Opposition party receives an allowance of £10,000 in respect of office staff and the leader of the second largest Opposition party receives an allowance of £5,000 for this purpose.</p>
<p>Italy In addition to their salary as M Ps Senior Ministers, including the Prime Minister, receive a gross annual payment of 6,247,500 lire (£4,165) per year. Ministers also receive a monthly net allowance of 24,387 lire (£16). Junior Ministers receive a gross annual payment of 6,073,750 lire (£4,049) in addition to their salary as M Ps.</p>	<p>M Ps receive a gross monthly salary of 1,055,386 lire a month (£8,443 per year). When tax and social insurance contributions are deducted this amounts to about £7,550 per year.</p>	<p>All Ministers and M Ps receive a subsistence allowance of 120,000 lire (£80) a month to cover their stay in Rome. Further monthly allowances are paid as follows: President of the Chamber of Deputies or of the Senate 743,785 lire (£496). Vice-President 499,053 lire (£333). Members of the President's Secretariat 486,032 lire (£324). Secretary 347,165 lire (£231). Presidents of Commissions 200,000 lire (£133). Vice-Presidents 50,000 lire (£33). An allowance of 5,000 lire (£3) is paid daily to members of special commissions of enquiry.</p>	<p>After deduction of social insurance contributions 4/10ths of the gross emoluments of all Members of Parliament and Ministers are subject to tax.</p>	<p>No provision is made for secretarial services except for members of the President's Secretariat and Presidents of Commissions.</p>

(a) Annual payment to Senior Ministers	(b) Annual payment to M Ps and Officers of the House	(c) Special allowances	(d) Tax concessions	(e) Secretarial services
<p>The Netherlands Ministers receive Dfls108,372 (£12,457) plus 6 per cent holiday allowance.</p>	<p>Members of the Second Chamber receive an annual salary of Dfls47,155 (£5,420). If, however, they derive income from any other business or employment, a pro-rata proportion of this, up to a maximum of Dfls17,525 (£2,014) is deducted from their salaries. Members of the First Chamber are unpaid.</p>	<p>Members of the Second Chamber receive annual allowances varying from Dfls5,575 (£641) to Dfls 11,150 (£1,282) depending upon the distance of the Member's residence from the capital to cover accommodation, administrative fees, postage and other expenses. Members of the First Chamber get a flat rate allowance of Dfls2,300 (£271.86) for incidental expenses but are also entitled to an accommodation allowance of Dfls59.25 (£7 for each night spent away from home on official business. In addition the latter receive a fee varying from Dfls55.75 (£6) to Dfls111.50 (£13) for attendance at Chamber and Committee meetings.</p>	<p>Ministers and M Ps do not enjoy any exemption from taxation.</p>	<p>No special provision is made.</p>
<p>Norway Ministers receive Kr98,991 (£5,765) per year. The Prime Minister receives Kr108,746 (£6,333).</p>	<p>M Ps receive Kr73,230 (£4,302).</p>	<p>Ministers receive a representational allowance of Kr10,000 (£582) per year. The Prime Minister receives Kr30,000 (£1,747) and the Foreign Minister Kr60,000 (£3,494). M Ps receive a daily Parliamentary allowance of Kr30.90 (£1.80) if they live in Oslo otherwise Kr61.80 (£3.60). This is payable during Sessions only (about 270 days).</p>	<p>All payments and allowances are subject to normal taxation.</p>	<p>Free typing facilities are provided by Parliament during sessions.</p>
<p>Sweden In addition to their salary as M Ps Ministers receive Kr8,873 per month (£8,520 per year). The Prime Minister and the Minister of Foreign Affairs receive an additional Kr9,755 per month (£9,173 per year).</p>	<p>M Ps receive Kr4,219 per month (£4,060 per year).</p>	<p>The Prime Minister has an entertainment allowance of about Kr10,000 (£800 per year). The Minister of Foreign Affairs has rather more. M Ps receive an accountable expense allowance of Kr3,600 (£290 per year).</p>	<p>M Ps receive a tax-free subsistence allowance during Sessions of between Kr750-Kr1,170 (£60-£94) per month depending on the distance between their constituencies and the capital.</p>	<p>Ministers receive all the necessary assistance from their Ministries. The expense allowance made to M Ps is designed to cover secretarial costs but in addition the Administration Section of the Parliament House has a pool of clerks and typists which Members can use. From 1 October 1971 Parliamentary groups will provide clerical/typing assistance free to members at the rate of one clerk/typist per 10 Members.</p>

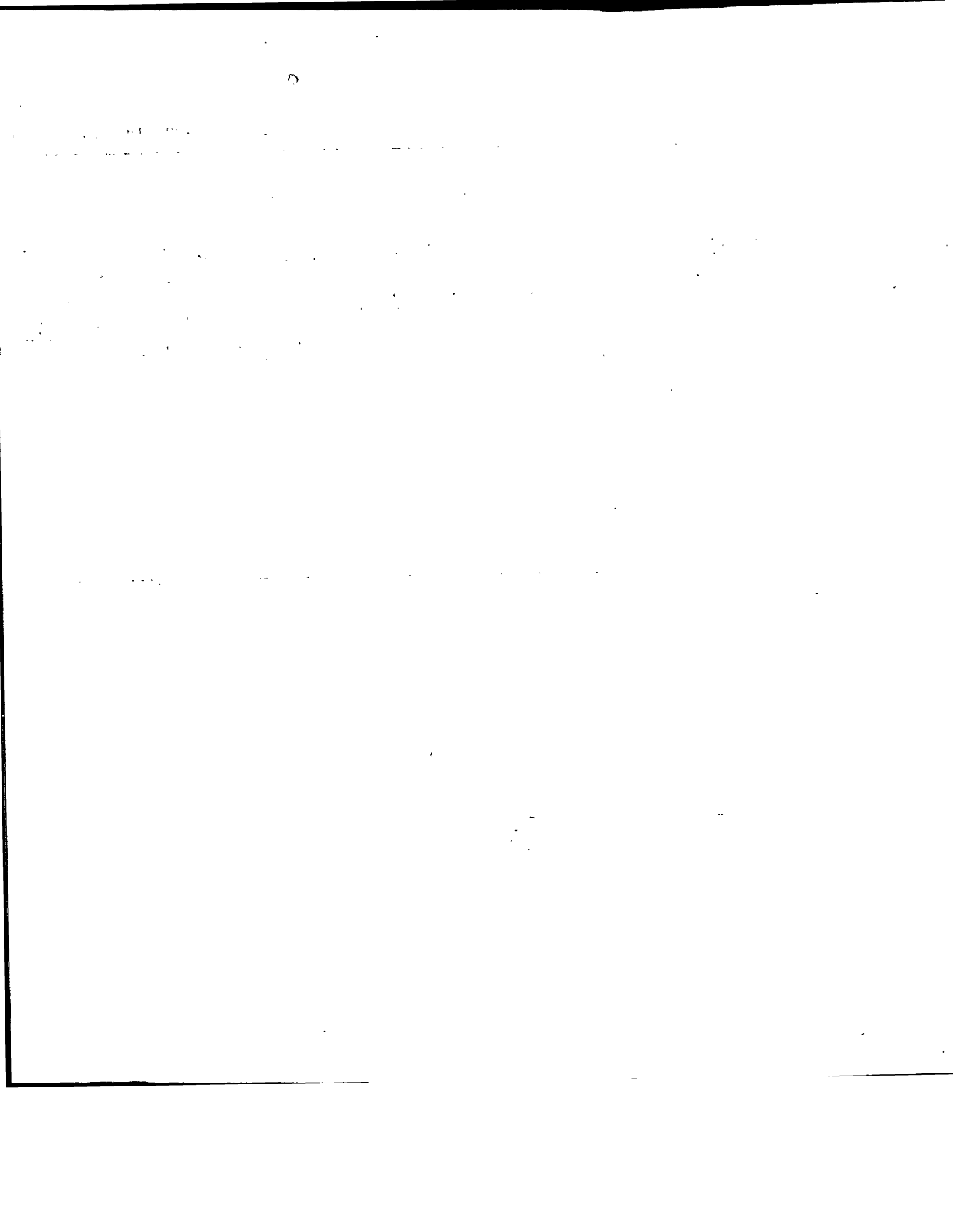


2. Commonwealth countries

(a) Annual payment to Senior Ministers	(b) Annual payment to M Ps and Officers of the House	(c) Special allowances	(d) Tax concessions	(e) Secretarial services
<p>Australia In addition to their salary as M Ps, Ministers receive the following additions: Prime Minister—\$21,250 (£9,930) Deputy Prime Minister—\$12,500 (£5,841) Treasurer—\$12,250 (£5,724) Senior Ministers—\$10,500 (£4,907) Ministers—\$7,500 (£3,505)</p>	<p>All M Ps receive a basic salary of \$9,500 (£4,439). The following receive in addition: Speaker—\$7,500 (£3,505) Chairman of Party—\$3,125 (£1,460) Leader of Opposition—\$10,500 (£4,906) Deputy Leader of Opposition—\$5,000 (£2,336) Leader of third party—\$1,000 (£467) Government Whip—\$1,500 (£701) Other Whips—\$1,250 (£584)</p>	<p>A Member representing a city constituency receives an Electorate allowance of \$2,750 (£1,285). A Member representing a country constituency receives an Electorate allowance of \$3,350 (£1,565) to offset the expenses in dealing with larger or more remote constituencies. Allowances ranging from \$15 (£7) a day for M Ps to \$24 (£11) for Ministers, \$30 (£14) for Senior Ministers and \$36 (£17) for the Prime Minister are payable to offset expenses when away from home to carry out official business. Ministers also receive an Expense of Office allowance as follows: Prime Minister—\$10,300 (£4,813) Deputy Prime Minister and Senior Ministers—\$4,600 (£2,160) Ministers—\$4,000 (£1,869) Leader of Opposition—\$4,600 (£2,150) Deputy Leader of Opposition—\$1,500 (£350) Leader of third party—\$500 (£234)</p>	<p>The Electoral allowance and the Expense of Office allowances are in effect tax free since, although the Member declares them as a source of income for tax purposes, he is allowed to offset them as necessary expenses in a balancing item.</p>	<p>Ministers have a personal staff establishment consisting of four to seven persons, i.e. private secretary, press secretary, one or two assistant private secretaries and typists. M Ps have a full-time secretary/typist for their constituency office. In addition a pool of secretaries is available at Parliament House.</p>
<p>Canada In addition to their salaries as M Ps Ministers receive the following: Prime Minister—\$25,000 (£10,288) Minister with Portfolio—\$15,000 (£6,173) Minister without Portfolio—\$7,500 (£3,086)</p>	<p>All M Ps receive a salary of \$18,000 (£7,407). In addition the following receive: Opposition Leader—\$15,000 (£6,173) Speaker—\$9,000 (£3,704) Deputy Speaker—\$6,000 (£2,469) Party Leader, Chief Whips, Parliamentary Secretaries—\$4,000 (£1,646)</p>	<p>A Sessional allowance of \$8,000 (£3,292) is paid to all Ministers and M Ps. An annual car allowance of \$2,000 (£823) is paid to Ministers including the Prime Minister and the Leader of the Opposition. The Speaker receives a car allowance of \$1,000 (£412). The Prime Minister, Leader of the Opposition and the Speaker are given rent-free houses.</p>	<p>The Sessional allowance and the car allowance are tax free.</p>	<p>Each M P is supplied with a secretary. They may also use the Secretarial pool at Parliament House. Ministers have a staff budget of \$90,000 (£37,037) a year and may appoint staff as follows: Executive Assistant up to \$18,000 (£7,407) 2 Special Assistants up to \$15,600 (£6,420) 1 PA up to \$10,000 (£4,115) and such other staff as his budget allows.</p>



(a) Annual payment to Senior Ministers	(b) Annual payment to M Ps and Officers of the House	(c) Special allowances	(d) Tax concessions	(e) Secretarial services
<p>New Zealand Ministers with portfolio receive an annual salary of \$12,600 (£5,888) a year. The Prime Minister receives \$19,040 (£8,897) and his Deputy Prime Minister \$14,000 (£6,542).</p>	<p>M Ps receive \$6,832 (£3,192) a year. Other officers receive annual salaries as follows: Speaker—\$11,200 (£5,233) Chairman of Committees—\$8,630 (£4,033) Leader of Opposition—\$11,760 (£5,495) Deputy Leader of Opposition \$7,672 (£3,585) Chief Whips—\$7,392 (£3,454) Other Whips—\$7,186 (£3,349)</p>	<p>Senior Ministers receive an allowance of \$1,500 (£701) a year. Junior Ministers \$1,275 (£596). They also receive a House allowance of \$600 (£280), a year when they are not provided with a house at public expense. The Prime Minister receives \$4,000 (£1,869) and his Deputy \$1,625 (£759). M Ps receive Expense allowance ranging from \$1,340 (£626) a year to \$2,750 (£1,285) a year depending on the location of their constituencies. There is also a Sessional allowance of \$3 (£1.40) a day and a Night allowance of \$8 (£4) per night.</p>	<p>All salaries and allowances are free of income tax with the exception of the House allowance of \$600 (£280) a year. Where a residence is provided a taxable item of \$600 is debited to the salary of the Minister.</p>	<p>Sessional typing pools are provided. There are also two Research Units which provide information and service to Members.</p>



APPENDIX F

PROPOSED SCHEME FOR PAYMENT OF SUBSISTENCE ALLOWANCE AND LONDON SUPPLEMENT TO MEMBERS OF PARLIAMENT

[The arrangements set out below are intended only as an outline, details will need to be determined by the appropriate authorities]

General

1. Subsistence allowance would be intended to meet the cost of accommodation, meals, tips and other incidental expenses necessarily incurred when Members were away from home and engaged on Parliamentary duties. It would not be intended to cover the entire cost of living away from home but only the extra cost which a Member would have to incur on being away from his place of residence.

Place of residence and work

2. A Member of Parliament would be regarded as carrying out the duties of his office in two places—at Westminster and in his constituency. A London Member would be regarded as able to carry out both his Westminster duties and his constituency duties from a home in London, so that even if his home were away from London he would not be entitled to payment of subsistence allowance for living away from home when carrying out his Parliamentary duties. A provincial Member having to take additional accommodation in London or his constituency, would be required to nominate either Westminster or his constituency as his place of residence and usual place of work, and would then be eligible to receive payment of subsistence allowance in respect of the additional cost necessarily incurred in attending at his other place of work; *provided that, if he had nominated his constituency as his place of residence, he was not in receipt of a free railway season ticket or of car mileage allowance to cover the expenses of journeys between his home and London, while Parliament was in session.*

3. Provincial Members would also be eligible to receive payment of subsistence allowance in respect of additional costs necessarily incurred for overnight absence from their normal constituency base, when carrying out Parliamentary duties within their constituency, if otherwise they would be involved in an unreasonably lengthy return journey. It would not be regarded as unreasonable if a Member were able to return home by usual mode of transport by midnight.

Subsistence allowance

4. Subsistence allowance would be paid for overnight absence at the following daily rates*:

<i>London</i>	<i>Elsewhere</i>
£5.25	£5.00

* These suggested rates correspond with the regular visitor rates for Officers of Class A (1) in the Civil Service *i.e.* Officers in grades with a minimum salary not less than that of an Assistant Secretary.

5. Subsistence allowance would not be taxable, and would be payable subject to periodic certification that the amount claimed had actually and necessarily been expended for the purpose provided.

London Supplement

6. A London Member would be eligible to receive the addition of London Supplement of £175* per year to his salary to cover the higher cost of living in London as compared with the rest of the country. London Supplement would also be payable to a provincial Member who had nominated London as his place of residence, but would not be payable to a Minister or other paid office-holder who was supplied with an official residence.

* This suggested amount corresponds to that paid to Civil Servants as London Weighting.

APPENDIX G

PRESENT PENSION SCHEME AND MEMBERS' FUND

I. House of Commons Members' Contributory Pension Scheme

1. *Establishment.* The scheme was introduced following the report of the Lawrence Committee in 1964. It became effective from 16 October, 1964, and is governed by the Ministerial Salaries and Members' Pensions Act 1965.

2. *Membership of the scheme* is compulsory. All persons who became Members of the House of Commons on 16 October, 1964, or become Members thereafter are required to participate in the scheme, with the exception of past and present Prime Ministers, Speakers of the House of Commons and Lord Chancellors who are provided with ex-officio pensions from public funds.

3. *Qualification and reckonable service.* The normal minimum pensionable age is 65. Members with 10 or more years' reckonable service qualify for benefit both for themselves and for their dependants. Members must also give notice that they will not seek re-election; however, if a Member does decide to seek re-election his pension is suspended from nomination day. All service after 16 October, 1964, when the pension scheme was introduced, is reckonable and service immediately prior to this date up to a maximum of 10 years is also reckonable free of cost. Subject to these conditions and provided contributions are not withdrawn, all broken periods of service are reckonable. Benefits are, however, related to completed years of service only.

4. *Members' pensions.* The initial annual amount of a Member's pension was at the rate of £60 for each of the first 15 years of reckonable service and £24 for each year of reckonable service from 16 to 45 years. These rates were increased by one-fifth in 1971 as an interim measure of pensions increase in the light of an actuarial surplus.

5. *Widows' pension.* The widow of a Member or former Member who has completed 10 or more years' reckonable service receives a pension at the rate of one-half of her late husband's actual pension or of his accrued pension rights on the day of his death. Widows' pensions are payable for life but cease in the event of remarriage. No pension is payable if at the date of her husband's death the widow was cohabiting with another pension; it also ceases if she later cohabits with another person.

6. *Children's pensions.* A pension is payable in respect of each dependent child under the age of 16, up to a maximum of four, of a deceased Member or former Member who had completed 10 or more years' reckonable service, at the rate of one-eighth of the Member's pension or pension entitlement. If no widow's pension is payable, the children's pension is increased by a further one-eighth for each child subject to a maximum of one-half the Member's pension or pension entitlement. Payment continues for each child up to his 22nd birthday or the date on which he ceases full-time education, whichever is the earlier.

7. *Incapacitated widower of a woman Member.* A pension similar to the widow's pension is payable to the widower of a woman Member of former Member if he was dependent upon her at the time of her death and was incapable by reason of age or bodily or mental infirmity of earning his own living.

8. *Refund of contributions.* The contributions paid by a Member, who is not in receipt of a pension, are refundable with interest accumulated at the rate of 3 per cent per year if he dies before receiving a pension and if there is no contingent liability for a widow's, dependent widower's or children's pension; if he had ceased to be a Member, has attained age 65 and gives notice to the Trustees requesting the refund; if five years have elapsed since he ceased to be a Member and he gives notice to the Trustees requesting the refund; or if he becomes Prime Minister, Speaker of the House of Commons or Lord Chancellor. Alternatively, if a Member's pension, having commenced, ceases either on his death or because he is appointed Prime Minister, Speaker or Lord Chancellor, and the amount he has received in pension is less than the total of his contributions accumulated with interest, a lump sum payment may be due. Members, who withdraw their contributions and are subsequently re-elected, may repay the refund with interest to reinstate the earlier period of reckonable service.

9. *Members' contributions.* Members contribute at a fixed rate of £150 per year from their Parliamentary salary in respect of all periods as a Member after 16 October, 1964. The whole annual contribution is an allowable deduction for income tax and surtax purposes.

10. *Exchequer contributions.* The Exchequer contributes to the fund in the following two ways:

- (a) an amount equal to the total contributed by Members;
- (b) an additional sum, at present set at £132,000 per year for 25 years to 1989, to meet the cost of crediting back service before 16 October, 1964.

11. *Transferability.* Powers are provided to receive into the Members' Pension Fund transfer value payments from other superannuation schemes or funds when a Member enters the fund, and for transfer value payments to be paid to such schemes or funds when a Member ceases to be a Member of the House.

12. *Trustees.* The Pension Scheme is under the control and management of seven Trustees appointed by Order of the House of Commons, six of whom are Members, and the seventh, the Custodian Trustee, is the Public Trustee or a Trust Corporation.

13. *Actuarial provisions.* The Government Actuary performs the functions of actuary to the fund which embraces a quinquennial assessment of the general financial position of the fund (which has to include the adequacy of the initial deficiency contribution), and the calculation of transfer value payments to other schemes and of credit given for similar payments when received from other schemes. After each quinquennial assessment the Government Actuary publishes a report which is laid before

the House of Commons. The report includes a valuation of the assets and liabilities of the fund and an assessment of the adequacy of the contribution rate in relation to the benefits, and makes recommendations about the future operation of the scheme.

II. House of Commons Members' Fund

14. The Members' Fund was set up on 28 July, 1939, by the House of Commons Members' Fund Act 1939. It is a quasi-benevolent fund, not a pension scheme, and it is administered by six trustees who are Members of Parliament appointed from all political parties. The fund is governed by the 1939 Act and further Acts which were passed in 1948, 1957 and 1962. Its income is derived from a statutory deduction from every Member's salary of £24 a year, an Exchequer grant of up to £22,000 a year and dividends from investments. Grants from the fund are made to ex-Members and their widows and children in cases of special hardship. The usual qualifications and grants are as follows:

Qualifications

- (i) The Member has completed 10 years' service (save in very special circumstances) and
- (ii) is over 60 years of age or is permanently medically unfit for work.

Grants to Members

Up to £600 a year provided the total income of the applicant, with the grant, does not exceed £850 a year.

Grants to Widows

Up to £360 a year provided the total income of the applicant, with the grant, does not exceed £610 a year.

Having regard to length of service and need, the Trustees may make larger payments not exceeding £1,080 to Members and £540 to widows subject to total income limits of £1,330 and £790 respectively.

Grants to children up to and including 15 years of age

Where both parents are dead:

- one child: £100 a year,
- two or more: £75 a year each.

Where one parent is living:

- one child: £50 a year,
- two or more: £50 for the eldest and £30 for the others.

In order to arrive at the private income of the applicant all assets are valued, receipts from investments being assessed at the gross value before income tax has been deducted; property is also assessed on a yearly income basis.

15. Since the introduction in 1965 of the House of Commons Members' Contributory Pension Scheme, which included provision for up to 10 years' service prior to 16 October, 1964 to reckon for pension purposes entirely at the Exchequer's expense, the extent of the Members' Fund's activity has gradually declined. Consequently the ceiling figure of £22,000 to the

Exchequer's subvention has not been fully taken up since 1968-69 and forward estimates have been based on the assumption of a continuing rundown from the £15,000 drawn in 1969-70. The Members' Fund now concentrates its attention on former M Ps (or their dependants) who are not otherwise eligible for pensions from the contributory pension scheme or whose benefits from the latter scheme may be somewhat less than their expectations from the Members' Fund (subject, of course, to the normal total income limits), as well as providing exceptional grants in cases of special hardship and assisting any former M P in difficulty over the age of 60 but before reaching the qualifying age of 65 for his contributory pension.

APPENDIX H

OUTLINE OF REVISED PARLIAMENTARY PENSION SCHEME

1. *Establishment.* The revised scheme should begin as from the day on which the salaries of the Members of the new House of Commons elected in 1970 are increased.

2. *Membership of the scheme.* All persons who were Members of the House of Commons or were Ministers or other paid office-holders on the inception of the scheme, and all persons who become Members, Ministers or paid office-holders thereafter should participate in the scheme. Participation should be compulsory in respect of service as a Member of the House of Commons, but optional by contracting out on taking office, in respect of service as a Minister or paid office-holder.

3. *Qualification and reckonable service.* The normal minimum pensionable age should be 65, but an early retirement option should be available from 60 onwards on an actuarially reduced pension basis. Members of the scheme with four or more years reckonable service should qualify for benefit. A pension should cease to be payable to any former member of the scheme who re-enters the House as a Member of Parliament, or is appointed a Minister or paid office-holder. All service after 16 October, 1964, should be reckonable, and service immediately prior to this date up to a maximum of 10 years should continue to be reckonable without extra contribution by the Member. Service in respect of which a Member's contributions have been refunded (see paragraph 12 below), or in respect of which the Member's accrued pension rights have been transferred to another scheme, should not be reckonable. Service should be reckonable on the basis of completed days.

4. *Pensions for Members of Parliament.* The pension payable to Members of Parliament should be 1/60th of final salary, averaged over the last 12 months of service, for each year of reckonable service.

5. *Pensions for Ministers and other paid office-holders.* In addition to their continuing membership of the Member of Parliament's pension scheme Ministers and other paid office-holders should receive an additional pension on the basis of 1/60th of the final salary (averaged over the last 12 months of service) payable to a Member of the House of Commons at the date of retirement multiplied by the ratio which the difference between the Minister's or office-holder's total emoluments (including his Parliamentary salary) and the full salary paid to a Member of Parliament bears to the latter for each year of Ministerial or official service. In the case of Ministers and other paid office-holders who are not Members of the House of Commons the pension should be 1/60th of the final salary (averaged over the last 12 months of service) payable to a Member of the House of Commons at the date of retirement, multiplied by the ratio which his Ministerial or official salary bears to the full salary paid to a Member of Parliament for each year of Ministerial or official service.

6. *Commutation.* There should be provision for an option to commute for cash up to that proportion of any pension payable which is sufficient to yield a lump sum equivalent to 3/80ths of final salary appropriately adjusted where necessary to take account of additional earnings in respect of Ministerial and official service, for each year of reckonable service.

7. *Pensions increase.* There should be provision for the future value of pensions paid to be maintained for rises in the cost of living by biennial review.

8. *Widows' pension.* The widow (or dependent widower) of a member or former member of the scheme who had completed at least 12 months' reckonable service should receive a pension at the rate of one-half of her late husband's actual pension or of his accrued pension rights on the day of his death. Widows should not be given the option to commute any portion. Widows' pensions should be payable for life but should cease on re-marriage or co-habitation.

9. *Children's pension.* A pension should be payable in respect of each dependent child under the age of 16, up to a maximum of four, of a deceased member of the scheme, who had completed four or more years reckonable service at the rate of one-eighth of the member's pension or pension entitlement. If no widow's pension is payable, the children's pension should be increased by a further one-eighth for each child, subject to a maximum of one-half the member's pension or pension entitlement. Payment should continue for each child up to his 22nd birthday or the date on which he ceases full-time education, whichever is the earlier.

10. *Death-in-service benefit.* A lump sum equivalent to 12 months' pay or the aggregate of contributions the member has paid, accumulated with interest at 3 per cent per annum, whichever is the greater, should be payable to the legal personal representative of a serving member of the scheme who has completed four or more years reckonable service on the date of his death.

11. *Contributions.* Contributions payable by members of the scheme should be limited to a maximum of three-eighths of the total cost, the Exchequer making up the deficiency.

12. *Refund of contributions on ceasing to be a member of the scheme.* Members of the scheme who have not completed four years reckonable service or attained the age of 26 should be entitled on ceasing to be a member of the scheme to a refund of their contributions accumulated with interest at 3 per cent a year. Those members of the scheme who have completed four or more years reckonable service on ceasing to be members of the scheme should qualify for preserved pension rights and not be eligible for a refund of contributions.

13. *Death-after-retirement benefit.* On the death of a former member who retired from the scheme at or after the normal retiring age, if no widow, dependent widower or children survive him, there should be payable to his legal personal representative the balance of a lump sum equivalent to 12 months' pay at the rate which the former member was receiving prior to retirement, or the former member's contributions, accumulated with interest at 3 per cent per annum, whichever is the greater, after deducting the total of pension payments, if any, received since retirement.

APPENDIX I

CURRENT MINISTERIAL AND OTHER OFFICIAL SALARIES

	<i>Salary</i> £
Members of the Cabinet (d)	
Prime Minister and First Lord of the Treasury, and Minister for the Civil Service (a) (b)	14,000 (c)
Lord Chancellor (£4,000 as Speaker of the House of Lords, £10,500 as the Head of Judiciary) (a) (b)	14,500
Secretary of State for the Home Department (a)	} 8,500
Secretary of State for Foreign and Commonwealth Affairs (a)	
Chancellor of the Exchequer (a)	
Lord President of the Council	
Secretary of State for Defence and Minister of Aviation Supply	
Secretary of State for Social Services	
Chancellor of the Duchy of Lancaster (a)	
Secretary of State for Employment	
Secretary of State for Education and Science	
Secretary of State for Scotland (a)	
Lord Privy Seal	
Secretary of State for the Environment	
Secretary of State for Wales	
Minister of Agriculture, Fisheries and Food	} 8,500
Secretary of State for Trade and Industry and President of the Board of Trade	
Ministers not in the Cabinet (d)	
Minister of Posts and Telecommunications	} 8,500
Minister for Trade	
Minister for Aerospace	
Minister for Overseas Development	
Minister for Housing and Construction	
Minister for Transport Industries	} 7,625
Paymaster-General	
Chief Secretary of the Treasury	} 7,625
Minister for Industry	
Minister for Local Government and Development	
Minister of State for Foreign and Commonwealth Affairs	
Minister of State for Defence	
Minister of State for Defence Procurement	} 7,625
Minister without Portfolio	

	<i>Salary</i> £
Ministers not in the Cabinet (d)	
Financial Secretary to the Treasury	} 5,625
Ministers of State, Home Office (2)	
Minister of State, Treasury	
Minister of State, Department of Health and Social Security	
Minister of State, Department of Employment	
Minister of State, Scottish Office	
Minister of State, Welsh Office	

Law Officers (d)	
Attorney-General, England	13,000
Solicitor-General, England	9,000
Lord Advocate, Scotland	8,000
Solicitor-General for Scotland	5,625

Junior Ministers (d)	
Parliamentary Secretary, Ministry of Agriculture, Fisheries and Food	} 3,750
Under-Secretary of State for Defence for the Royal Navy ...	
Under-Secretary of State for Defence for the Royal Air Force	
Under-Secretary of State for Defence for the Army	
Under-Secretaries of State, Department of Education and Science (2)	
Under-Secretaries of State, Department of Employment (2) ...	
Under-Secretaries of State, Department of the Environment (4)	
Under-Secretaries of State, Foreign and Commonwealth Office (3)	
Under-Secretaries of State, Department of Health and Social Security (2)	
Under-Secretary of State, Home Office	
Under-Secretaries of State, Scottish Office (3)	
Under-Secretaries of State, Department of Trade and Industry (3)	

Government Whips in the House of Commons (d)	
Parliamentary Secretary, Treasury (Chief Whip) (a)	5,625
Treasurer of Her Majesty's Household (Deputy Chief Whip) ...	3,300
Comptroller of Her Majesty's Household	} 3,000
Vice-Chamberlain of Her Majesty's Household	
Junior Lords of the Treasury (5)	
Assistant Government Whips (5)	

	<i>Salary</i>
	£
Government Whips in the House of Lords	
Captain of the Honourable Corps of Gentlemen-at-Arms (Chief Whip)	4,500
Captain of the Queen's Bodyguard of the Yeomen of the Guard (Deputy Chief Whip)	3,300
Lords in Waiting (3)	3,000
Officers of the House of Commons (d)	
Mr. Speaker (a) (b)	8,500(c)
Chairman of Ways and Means	4,875
Deputy Chairman of Ways and Means	3,750
Leader of the Opposition	4,500
Opposition Chief Whip	3,750
Officers of the House of Lords	
Lord Chairman of Committees	4,875
Leader of the Opposition	2,000
Chief Opposition Whip	1,500

Notes:

(a) Free residence.

(b) Pensionable office. The Prime Minister's pension is £4,000 a year, Mr. Speaker's is £5,000 a year and the Lord Chancellor's £6,250 a year.

(c) Flat-rate deduction for expenses. The Prime Minister and Mr. Speaker have flat-rate deductions of £4,000 a year for expenses free of tax.

(d) Ministers and other paid office-holders who are Members of the House of Commons receive a Parliamentary Salary of £1,250 a year in addition to their Ministerial or official salary.

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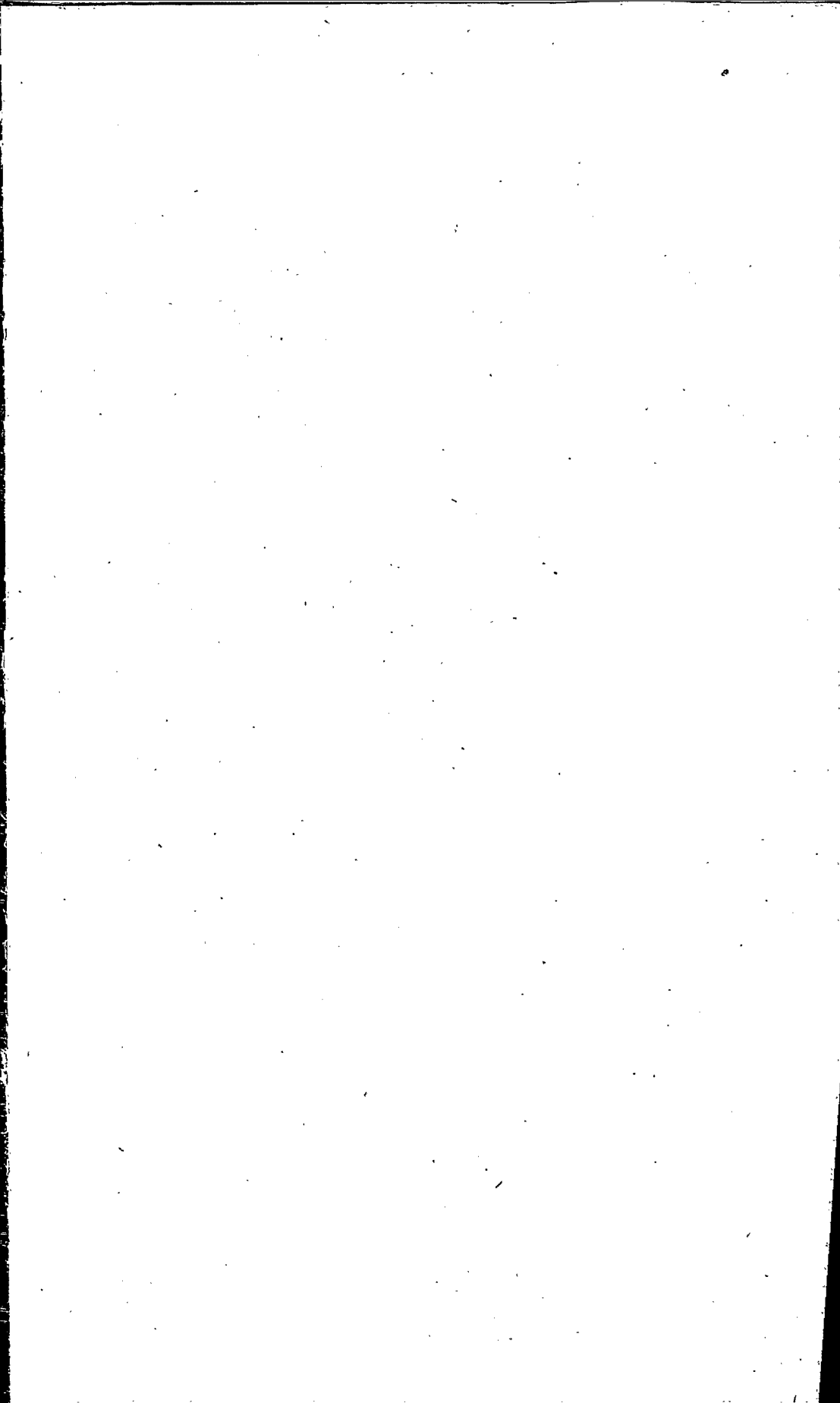
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