

CONFIDENTIAL



10 DOWNING STREET

c. HO *Nathn VLS*
 FCO D/N
 HMT CSO, HMT
 D/IND *So*
 D/M *wo*
 MAFF *Transpov.*
 TRADE *Co.* Mr. Vereker

From the Private Secretary

16 February 1981

b.f. 26/2/81

New Arrangements for Determining the Salaries of
 Nationalised Industry Board Members

The Prime Minister has now considered the Lord President's minute of 23 January on the above subject, and also the minute of 3 February from the Chancellor of the Exchequer, the minute of 4 February from the Secretary of State for Energy, and the minute of 5 February from the Secretary of State for Trade.

The Prime Minister has noted Mr. Howell's and Mr. Biffen's view that the Lord President's proposals are too inflexible. She does not, however, accept the implication that the proposals should be modified; and unless other Ministers directly concerned have further substantial comments to make, she agrees that the new arrangements, as set out in the Lord President's minute, should be implemented from 1 April.

We await further advice on how the new arrangements should be announced.

I am sending copies of this letter to the Private Secretaries to members of E, the Secretaries of State for Scotland, Wales, and Transport, and to David Wright (Cabinet Office).

I. P. LANKESTER

Jim Buckley, Esq.,
 Lord President's Office.

CONFIDENTIAL

SP