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THE PRIME MINISTER

13 October, 1981

Dear Sir Robert.

Thank you for your letter of 30 September which was awaiting me on my return from Australia and Pakistan. I appreciate that the Government's decisions on salary increases for nationalised industry board members will have been a disappointment to many Chairmen. However, we made it clear when the new arrangements for determining board pay were being discussed with you that general economic circumstances would have to be one of the factors taken into account and at present the need for pay restraint must in our view take priority. Nevertheless, we have been prepared to authorise significant increases where there is a particularly strong case for these.

I agree that it would be helpful to have discussion of these matters. Unfortunately the pressures on my time over the coming weeks really make it impossible for me to see you myself, and so I have arranged for one of my Treasury colleagues to be in touch with you to fix such a meeting.

Yours sincerely
Margaret Thatcher

Sir Robert Marshall, K.C.B., M.B.E.

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