

PRIME MINISTER

BOARD MEMBERS' SALARIES: BRITISH SHIPBUILDERS AND BRITISH RAIL

There are two current proposals for increases for specific nationalised industries' Board Members' salaries, relating to Mr. Hares (British Shipbuilders) and Messrs. Reid and Bosworth (British Rail).

Mr. Ibbs has expressed some doubts to me about whether Mr. Bosworth is worth the increase proposed, given what Mr. Ibbs describes as his somewhat peripheral role in BR's main task - running the railway system efficiently.

In his two notes (attached), Mr. Vereker argues that you should intervene in these individual cases only where a particularly large increase or a particularly sensitive Chairman is concerned; he suggests that you intervene in none of the current cases.

Content to agree to Mr. Howell's (Flag A) and Mr. Jenkin's (Flag B) proposals, provided other colleagues are also satisfied with what is proposed?

MUS

20 November 1981

I do not agree with £50,000 for Mr. Bosworth. There is no reason why he should go higher than other chairmen. If he chooses to leave - so be it. Otherwise agreed. not