



Prime Minister

Pg. 10. J. Yarker (2)
MUS 30/11 A. Duguid
A. Walters

I have already
recorded your objection

to the increase proposed for Mr Bosworth.

Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

MUS 24/11

PRIME MINISTER

PAY OF NATIONALISED INDUSTRY BOARD MEMBERS: MR BOSWORTH
AND MR REID OF BRITISH RAIL

David Howell copied ^{TAM} to me his minute to you seeking clearance
of his paper E(81)111 in correspondence.

2. The paper makes proposals for salary increases for
Mr Bosworth and Mr Reid of BR. The increase in Mr Bosworth's
salary is linked to the proposal to reappoint him for another
term as Deputy Chairman. I am bound to wonder whether
there is an opportunity here for a new appointment. One of the
major problems we seem to face with British Rail is getting
the Board itself to accept the need for rapid and far-
reaching changes. In these circumstances we need to give
especially careful scrutiny to the position of long-standing
Board members such as Mr Bosworth. I hope this is something
we can keep in mind even if reappointment in this case is
appropriate - and on this I am prepared to accept David Howell's
judgement, albeit with slight hesitation.

3. If Mr Bosworth is to be reappointed, I would not wish
to object to his being offered a salary of £46,000, provided
that this is not accompanied by any further improvement in
his pension arrangements.

4. I am also prepared to accept that Mr Reid should be
given a salary of £35,045 in order to give him parity with
the Vice-Chairmen of BR.



5. Provided other colleagues are content, I do not think that we need to discuss these proposals at E.

6. I am copying this minute to David Howell, Janet Young and other members of E and to Sir Robert Armstrong.

Peter Jenkins

(G.H.)

23 November 1981

(Approved by the Chancellor of the Exchequer and signed in his absence)