

PRIME MINISTER

You expressed some concern at the proposal to pay Sir Austin Bide £65,000 a year as part-time Chairman of BL.

Briefly, the position is as follows. In 1980 Sir Austin Bide was paid £88,000 as full-time Chairman of Glaxo. In 1981, he became part-time Chairman, and his salary was revised downwards to £64,000. After his appointment to BL, he will devote about 40% of his time to Glaxo, and will continue to be paid £64,000 for that. The proposal is that he should be paid £65,000 for the other 60% of his time that he devotes to BL. Both BL and the Department of Industry feel this is a reasonable deal, and I understand the Treasury take the same view.

Formally the process of appointment and the terms and conditions involved are a matter for the BL Board. We could ask Patrick Jenkin to suggest to Michael Edwardes that the proposed salary for Sir Austin is excessive, but the Department of Industry tell me that Sir Michael had to work hard to persuade Sir Austin to take on the Chairmanship of BL, and they are worried that the deal might fall through if we tried to reopen the question of Sir Austin's salary.

In these circumstances, are you content for Patrick Jenkin to tell Sir Michael that we are happy for Sir Austin Bide to be appointed?

CM

2 August 1982

Agreed - but for a company  
being so much money it  
is a bit. And I wonder  
how such a chairman can  
possibly have grounds for  
asking the others who work  
for the company to hold down  
their own pay. MB





Ind. Polia

JL

cc Emp  
DOT  
CO  
CPRS.

10 DOWNING STREET

*From the Private Secretary*

4 August 1982

BL

The Prime Minister has seen your Secretary of State's recent minute. She agrees that he should speak to Sir Michael Edwardes on the lines suggested in paragraph 4 of his minute. She has, however, commented that the fee of £65,000 to be offered to Sir Austin Bide is very generous, and may make it more difficult for him to call on his workforce to exercise pay restraint.

I am copying this to Barnaby Shaw (Department of Employment), John Rhodes (Department of Trade), Richard Hatfield (Cabinet Office) and Gerry Spence (CPRS).

W. F. S. RICKETT

Jonathan Spencer, Esq.,  
Department of Industry.

RB