



*ce J.V. (2)*  
Prime Minister

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

1 February 1983

*MUS 2/2*

The Rt. Hon. Patrick Jenkin MP  
Secretary of State for Industry

*Patrick Jenkin*

*ms*

**BS BOARD SALARIES: 1982-83**

Thank you for your letter of 26 January.

I am glad that you are willing to agree to a figure of £4,000 pa for the non-executive directors. I quite accept that we can consider higher levels than this if it is necessary to secure particular individuals.

As to Mr Griffin, I am unhappy about giving Board members increases which are not justified on merits. We cannot allow the principle of relating increases to responsibilities and performance to be undermined simply to take account of the feelings of those concerned. Mr Griffin has not carried the full duties of a deputy chairman since the appointment of Mr Richardson. Moreover as I expect we shall be looking for a zero increase for the BS workforce this year, it might be salutary if a Board member were to be similarly treated. In an industry in as difficult a trading position as BS this does not seem to me to be an unreasonable or "humiliating" line to take.

However, given the relatively small size of the increase and the fact that Mr Griffin's appointment comes to an end very soon, I do not think it is worth prolonging discussion about this case unduly. Thus if, despite the points made above, you still consider that Mr Griffin should have a 4 per cent increase, I am prepared to accept your judgement.

I am copying this letter to other members of E(NI).

GEOFFREY HOWE

*Geoffrey Howe*

F 2 FEB 1983

