



*Writing  
to admin*

Treasury Chambers, Parliament Street, SW1P 3AG  
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PRIME MINISTER

NATIONALISED INDUSTRY BOARD SALARIES

Christopher Soames sent me a copy of his minute to you setting out new arrangements for taking decisions on nationalised industry board pay once these salaries have been removed from TSRB.

2. I am concerned that, whatever the mechanics for deciding on the appropriate level of these salaries, his proposals do not give adequate weight to Ministers' ultimate responsibility for deciding on the pay of Chairmen and Board Members and the need to defend decisions in this area publicly. For this purpose, not only will we need to have the sort of arrangements for collective consideration and discussion suggested in Christopher's minute to you but we must also equip ourselves with adequate information on which to reach what will inevitably be difficult decisions in many cases.

3. I suggest that this might be done by setting up some informal machinery for advice, separate and different from the TSRB. This might take the form of an advisory committee of a less formal kind with a membership more oriented towards business. We would not need to have a series of reports but simply to ask its advice as and when we needed it, including on individual cases eg, when a new chairman was being recruited from outside.

/Any necessary data



4. Any necessary data might be provided by the OME.
5. I have no objections to the other proposals in the paper about the treatment of other public boards.
6. I am copying this minute to members of E Committee, to the Secretary of State for Scotland, to Robin Ibbs and Sir Robert Armstrong.

(GH)

2 July 1980