



CONFIDENTIAL

Prime Minister

*There will be a
new Cabinet Min
ister on Monday.*

Qa 05315

To: MR LANKESTER ✓

From: J R IBBS

*12
15/4*

British Rail

1. Following the short discussion at E Committee on 8 April, the CPRS has prepared a supplementary note which is intended to put the most recent paper by the Secretary of State for Transport (E(81)47) into context with the papers previously submitted and to draw attention to some of the underlying problems and possible options. I attach an advance copy of this paper (E(81)48).

2. In paragraph 7 of E(81)47, the Secretary of State says: "But I am content to wait for the prospect of the commercial business to be examined quickly by the CPRS in relation to the electrification report." Because of our heavy current commitments I believe we could only undertake such an assessment of the commercial business if we remitted much of the work to consultants. I do not foresee difficulty in obtaining suitable help of this kind if Ministers were to decide they would like an assessment made.

3. Personally I think the Department of Transport might be asked to provide an analysis of the viability of the commercial business, the efficiency improvements that should be achievable with and without electrification, the options which then emerge, and a statement of their preferred plan for this sector of BR's business.

4. I am sending a copy of this minute to Sir Robert Armstrong.

J.R.I.

10 April 1981

Att

CONFIDENTIAL