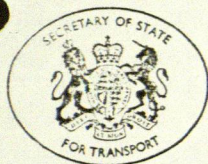


PERSONAL AND CONFIDENTIAL



DEPARTMENT OF TRANSPORT
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- 1. Chancellor
- 2. Mr Ridley

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
HM Treasury
Treasury Chambers
Parliament Street
LONDON SW1

25 February 1983

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FEM
PJC
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Dear Sir

Thank you for your note on potential election manifesto material. I enclose a two page summary.

Two points; first, although we have decided to go ahead with the removal of London Transport from the GLC I have not been able to say much about other transport (eg roads and traffic control) in London or the other metropolitan areas until we definitely decide about the metropolitan tier of local government.

Second, without knowing the "theme of the pudding" it is a bit difficult to find the right language for policy proposals. I imagine we are going to try and avoid the hack language of the past about packages and programmes and so on as far as possible as well as all the rhetoric about restoring "full employment" in the traditional 1944 sense. Instead I hope our aim will be to show our understanding of the much more flexible and informal patterns of life and work which are now emerging as the property owning democracy matures. I fear that the attached piece is still in traditional 'manifesto language', but I emphasise that it is very much first thoughts and requires complete redrafting to fit the style of the document.

DAVID HOWELL

PERSONAL AND CONFIDENTIAL



FIRST THOUGHTS ON TRANSPORT SECTION FOR MANIFESTO

i. The national motorway and trunk road network ^{will} ~~could~~ be completed in the next Parliament to high quality standards providing modern road links between industry and the ports and safer driving for motorists.

ii. The by-pass construction programme will also be pushed ahead to keep heavy traffic away from towns and villages, improve our surroundings and reduce road freight costs. Lorry controls - that is measures to control where they go, to make them quieter, cleaner and safer - will also be further extended, building on what we have done in this Parliament.

iii. In public transport the customer and the passenger come first. That is our starting point. We wholly reject the approach which puts the interests of the industry before the interests of its customers. The former would not exist without the latter.

A further relaxation in bus licensing is planned and private capital will be brought into the National Bus Company. Further changes are planned in the traditional public transport organisations inherited from the socialist past, including the re-organisation of undertakings into smaller units, more use of private enterprise bus services and more encouragement to 'unconventional' and more flexible forms of public transport wherever possible. Steady levels of subsidy and support for urban transport systems are certainly needed. But private operators will be further encouraged to provide these services, thus bringing the discipline and cost advantages of private enterprise to the public transport system.

iv. In London and the surrounding commuter areas a new small metropolitan authority will take over the control of London Transport and co-ordinate the bus services, the underground and the commuter railway part of British Rail. The opportunity will be taken to devolve London Transport into separate operating groups and to put more services out to private tender. Support will be concentrated as far as possible on comfort and good equipment and not wasted on excessive and ineffective fare

subsidies.

v. Transport in rural areas is of great importance and the traditional transport systems have failed to meet new needs. Far better use can be made of existing transport services eg by allowing more general public access to health, social services and school transport. Restrictions on the operation of mini-buses will be cleared away. Our aim is to simplify procedures for small private transport businesses and voluntary bodies to provide better ways for those without cars, especially the very elderly and disabled, to get around than were available in the past.

vi. The railways need a lot of ~~equipment~~^{improvements}. The structure of British Rail will be modernised and decentralised and maximum use of private enterprise in the service of railway customers encouraged. Many more support services must be contracted out to the private sector. Stations and passenger facilities must become brighter and more welcoming. Far better control of costs will be required, so as to provide the railways with the money for a high level of investment in a modern and reliable system, offering competitive and comfortable services.

vii. Ports should provide efficient services without any longer having to draw on the taxpayer. We are within reach of this, although the national dock labour scheme still creates problems. These will be tackled.

viii. The best way to cheaper, better transport is through increased efficiency and lower costs, not through ever larger transfers from the taxpayers or ratepayers pockets. Our policies will combine sensible and steady support for the nation's transport services with maximum incentives to innovation, experiment and quick response to people's new needs, radically changed with patterns and the demands of our very fast changing economy.

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