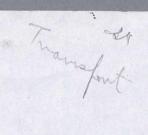
CONFIDENTIAL





10 DOWNING STREET

From the Private Secretary

2 October, 1979.

The Prime Minister has considered your Minister's minute of 27 September which proposed that he should make an early announcement about the reference of British Rail's London commuter services to the Monopolies and Mergers Commission. She has also seen Dennis Parsons' letter of 1 October which indicated that, in Mrs. Oppenheim's view, the announcement should either be made by Mr. Nott or - in his absence - by herself.

The Prime Minister agrees that it would be a very good idea to announce this reference before the British Rail Board announce further fares increases. She has noted Mrs. Oppenheim's view that the announcement should be made by a Trade Minister; but she feels that, since Mr. Fowler has a strong political interest in the reference to the Commission, and since he may be called upon to defend the British Rail fares increases, he should at least be associated with the announcement. The Prime Minister has suggested therefore that the reference should be announced jointly by Mr. Fowler and by Mr. Nott (or, if he is not back in time, by Mrs. Oppenheim).

I am sending copies of this letter to the Private Secretaries to members of the Cabinet, Murdo Maclean (Chief Whip's Office), Dennis Parsons (Department of Trade), and Martin Vile (Cabinet Office).

T. P. LANKESTER

Mrs. E.C. Flanagan, Department of Transport.

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Trade + 38p.M.