



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

Mike Pattison Esq
Private Secretary to
The Prime Minister
10 Downing Street
LONDON SW1

23 December 1981

Dear Mike

You sent me a copy of your letter of 17 December to John Halliday requesting briefing material for the New Year interviews the Prime Minister will be giving.

/ I attach notes on Department of Transport issues.

- Apologies for the delay in getting this across.

Alice Baker

ALICE BAKER
Private Secretary



GENERAL

Massive investment in transport is building a more efficient and better system for the future; helping to stimulate industrial recovery, improving the environment and creating jobs. Total (central and local) public spending on transport now running at over £2½ billion a year. In national interest to get best value for this by encouraging efficiency; continuing improvements in long-distance coach services and reductions in fares is just one benefit of our policies of increasing competition and involving the private sector. Opposed only to profligate, indiscriminate subsidies which merely encourage inefficiency and build nothing for the future.

DURING 1981:

ROADS - CONSTRUCTION

- £300 million of new road contracts let, which will help industry and economy and improve environment by taking traffic away from 40 communities.
- 50 miles of motorway and 90 miles of other main roads opened to traffic
- top priority to M25 London orbital motorway. Nearly $\frac{2}{3}$ of 120 mile route now open or under construction
- by end November '81, work started (or contracts let) on 46 of the 56 schemes listed to start in 1980 and 1981 in the Government's White Paper.

ROADS - MAINTENANCE

- £118m spend by central Government in 1981/82 on maintaining motorway and trunk road network. £517m spend on maintaining local roads by local authorities with Government assistance.



RAIL

- external finance limit (EFL) raised to £920m.
- investment ceiling maintained at £427m (same level in real terms as under previous Government)
- BR investing massive sums, eg in rolling stock (£100m pa), signalling (£60m - £70m pa)
- asked BR to submit programme of schemes for electrification, where returns will justify investment

BUSES

- Government grant-aids £127m of revenue support for bus services (England)
- Express services booming (and Fares much lower), following liberalisation in 1980 (licensing of express services was abolished)

ROAD SAFETY

- new measures to deal with drinking and driving (strengthened police powers)
- motorcycle safety (introduced tougher test, which all learners will have to take, and restricted size of learners' motorcycles)
- 'points system' introduced to make traffic law fairer for motorists and ease burden on courts.



LORRIES

- White Paper "Lorries, People and the Environment" proposed more efficient lorry designs meeting higher noise, pollution, safety and suspension design standards, together with bypass construction (see ROADS - CONSTRUCTION). Will help industry and improve quality of life.

PORTS

- special aid for restructuring of London and Liverpool ports, including improved payments for dock workers taking voluntary severance (up to £5,500 top-up of normal severance payment). Manpower substantially cut and Port of London rationalised with closure of Royal Docks without disruption.

PRIVATISATION

- 3 of British Rail's Scottish hotels sold to private investors
- BR hovercraft interests transferred to 'Hoverspeed UK Ltd' (a new private company formed with Hoverlloyd).
- Trunk road design (supervision work transferred from Department's Road Construction Units to private consultants)

DURING 1982 (and beyond)

ROADS - CONSTRUCTION

- $\frac{1}{4}$ of schemes in £800 million programme for next 2 years are bypasses: greatly improve quality of life
- £400 million worth of bypasses in longer-term programme
- provided funds for local authorities to start 35 bypasses in 1982
- continuing progress with M25 (most complete in 1985 and all by 1986) and rest of trunk road/motorway programme



RAIL

- BR to put forward programme of electrification projects

BUSES

- revenue support accepted by Government to increase to £260m in 1982-83 (from £217m in 1981/82)

PRIVATISATION

- National Freight Co (country's largest road haulier) to be sold to consortium of managers and employees
- legislation to permit private capital in National Bus Co and to transfer vehicle testing stations to private sector
- sale of shares in British Transport Docks Board.