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CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

Ref. A07586

22nd February 1982

Mr Vereker.
OK?
kw
22 Feb
As Whitmore
Yes, file (1 copies to
Richard Behar a note
about this, yesterday)

Paragraphs (c) and (d) of Michael Scholar's letter of 18 February to Anthony Mayer commissioned a paper from your Department in consultation with the other Departments concerned about the options open to the British Railways Board had they been unable to accept the McCarthy Report, and the advice that the Government might offer to them. The immediate need for such a paper has, of course, been overtaken by events, but I understand that John Palmer has been in touch with the Secretariat about the preparation of a paper which would consider the options open to the Government if there were to be further industrial trouble on the railway in March or April. I gather that John Palmer also said that he should like to take up the offer of Cabinet Office assistance which I made to you when we spoke on 12 February, and which is reflected in Michael Scholar's letter.

I propose, therefore, that an Official Group on Railway Policy (MISC 72) should be set up under John Palmer's chairmanship. It has been suggested to me that the membership might be as follows:

- | | |
|------------------|--------------------------|
| Mr J M M Vereker | No 10 Policy Unit |
| Mrs A F Case | HM Treasury |
| Mr M Wake | Department of Employment |
| Mr D Morphet | Department of Energy |
| Mr G MacKenzie | CPRS |

I understand that Mr A T Baker of your Department might serve as one of the Secretaries; Bill Moyes would be the Cabinet Office Secretary.

I gather that John Palmer would like the first meeting of this group to be on Thursday. I should therefore be grateful if you and colleagues could let me know quickly whether you are content with these arrangements and with the Departmental representatives suggested above.

I am sending a copy of this letter to Douglas Wass, Ken Barnes, Donald Maitland, Robin Ibbs and Clive Whitmore.

RTA

Sir Peter Baldwin, KCB

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Transport

✓ *cejv*



DEPARTMENT OF ENERGY
THAMES HOUSE SOUTH
MILLBANK
LONDON SW1P 4QJ

01-211 4391

SIR DONALD MAITLAND GCMG OBE
PERMANENT UNDER-SECRETARY OF STATE

24 February 1982

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Dear Robert,

OFFICIAL GROUP ON RAILWAY POLICY (MISC 72)

I am content with the arrangements described in your letter of 22 February to Peter Baldwin.

wite
CAJ

Given that MISC 57 will continue to look after coal supply and endurance questions I doubt if we shall need to attend every meeting of MISC 72, but we certainly wish to keep in touch with its work.

Yours ever,

Donald

Sir Robert Armstrong KCB CVO
Cabinet Office
70 Whitehall
LONDON SW1

cc Sir Peter Baldwin, D/Transport
Sir Douglas Wass, Treasury
Sir K Barnes, D/Employment
Mr R Ibbs, CPRS
✓ Mr C Whitmore, No.10



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10 DOWNING STREET

From the Principal Private Secretary

23 February 1982

Dear Robert,

Thank you for sending me a copy of your letter of 22 February 1982 to Peter Baldwin about the establishment of MISC 72.

I am content with the proposed arrangements and confirm that the No 10 representative on the group will be John Vereker.

Yours etc,

Anne Whitman.

Sir Robert Armstrong KCB CVO

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KAH

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MBPM ✓
DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 4581 *MCS 24/2*

THE PERMANENT SECRETARY
SIR PETER BALDWIN, KCB

Sir Robert Armstrong KCB CVO
Cabinet Office
70 Whitehall
London
SW1A 2AS

23 February 1982

My dear Robert

OFFICIAL GROUP ON RAILWAY POLICY

Thank you for your letter of ^{7pm} 22 February.

I think that your suggestion that an Official Group on Railway Policy should be set up under John Palmer's Chairmanship is a very valuable and practical plan. On membership, I think we shall need someone from here; on policy the right man is Tony Baker (and we would offer Colin Thame in his place as joint secretary), and on finance we do need David Holmes.

I am sending copies of this letter to those who received copies of yours.

Yours ever

PB

PETER BALDWIN

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DEPARTMENT OF THE ARMY
WASHINGTON, D.C. 20315

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OFFICIAL EDITION ON EAST-WESTERN EDITION

The following information is being furnished to you for your information and to assist you in your work. It is not to be used for any other purpose. If you have any questions concerning this information, please contact the person named in the distribution list.

I am sending copies of this letter to those who received copies of yours.

PLEASE FORWARD

Transport
Railway

14A

SECRET

MR HOSKYNS

cc Mr Scholar
Mr Waters
Mr Duguid
Mr Ingham

Railway Policy

Those concerned with the handling of continuing developments on the BR/ASLEF fronts may wish to know that, as instructed by the Prime Minister, the Department of Transport have agreed that a group be set up to consider railway policy over the next few weeks, with a particular view to the handling of developments after the next McCarthy tribunal. It will cover all aspects of the problem i.e. including BR finances, except for coal which will remain in MISC 57. It will be an official Cabinet Office group under the chairmanship of a Department of Transport Under-Secretary, John Palmer. It will be called MISC 72, and I will be the Policy Unit's representative on it.

J. M. M. VEREKER

22 February 1982

SECRET