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DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

Prime Minister ①

Agreed me

Content with draft

Statement? It could be

3 March 1982

toughened up, with e.g. a  
reference to asset disposal;

but in reflection, that

would draw attention to it  
- which you may think it better  
to avoid.

MCS 3/3

Michael Scholar Esq  
Private Secretary to  
the Prime Minister  
10 Downing Street  
LONDON  
SW1

Dear Michael,

Thank you for your letter of 2 March recording yesterday afternoon's meeting between the Prime Minister, my Secretary of State and the Chief Secretary about British Rail.

I attach a question and proposed answer on the decision to increase BR's temporary borrowing limit. It has been agreed between my Secretary of State and the Chief Secretary. The question is down for answer tomorrow. I would be grateful for your confirmation that the Prime Minister is content with the proposed answer.

I am copying this to Terry Mathews and to David Wright.

Yours,

Anthony Mayer

R A J MAYER  
Private Secretary

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To ask the Secretary of State for Transport: What effect the recent strikes on British Rail have had on the Board's financial position, what action does the Government propose to take, and if he will make a statement.

The Board estimate that the immediate net loss of revenue caused by the strike has been some £75m. It would be quite wrong to meet this loss at the taxpayers' expense. But it is bound to take time for the British Railways Board to make all the necessary adjustments to deal with the problem it presents. I have accordingly increased the Board's temporary borrowing limit from £110m to £150m. It is likely that the external financing limit for 1981/82 will now be exceeded. To the extent that this occurs, there will be a corresponding reduction in the external financing limit already announced for 1982/83.

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Ingham

10 DOWNING STREET

*From the Private Secretary*

4 March 1982

British Rail : Temporary Borrowing Limit

Many thanks for your letter of 3 March to which was attached a draft Question and Answer on the decision to increase British Rail's temporary borrowing limit.

The Prime Minister is content with this draft.

I am copying this letter to Terry Mathews (Chief Secretary's Office) and David Wright (Cabinet Office).

M. C. SCHOLAR

Anthony Mayer, Esq.,  
Department of Transport.

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