



Prime Minister (2) ✓ JV

To note

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

8 September 1982

Dear Michael,

Mr Howell thinks the Prime Minister may like to know of three announcements about railways that he is making tomorrow. The first is approval to British Rail's proposal to close the passenger service between Sanderstead and Elmers End in South London. This is a peak hour shuttle service which has less than 100 regular users, requires a subsidy of about £70,000 a year, and will soon need renewal expenditure of over £500,000 a year, for an area relatively well served by other public transport. The decision will produce the usual flurry of accusations that this is the start of a major closure programme; but of course there is nothing in that.

At the same time, Mr Howell wishes to promote a more informed public debate about the possibilities of converting redundant railways lines into roads of varying standards, and he will therefore announce that he intends to commission independent consulting engineers to make a study, using the line to be closed as a test case, of the costs of conversion to roads of varying standards.

The third decision which Mr Howell is announcing is that he has authorised the Railways Board to proceed, when they are able to do so, with building a first tranche of lightweight diesel rail cars. These vehicles have bus-bodies built by British Leyland, and should provide the most cost effective form of replacement for local services. The Board will go ahead with these proposals when they are satisfied that it is right to do so in the light of the resolution of the current pay and productivity issues.

But equally important for the longer term is that as part of this Mr Howell has secured agreement between British Rail and Metro-Cammell that the latter will now be given an opportunity to tender for development of a new diesel vehicle for local commuter services, where BR's previous design, as they now accept, is much too extravagant. This entry of Metro-Cammell into supply to BR is a very important first step in developing private sector supply of rolling stock for the railways, in competition with the railways own workshops. However, no publicity will be given to this step at this stage.

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I am copying this to the Private Secretaries to the  
Chancellor of the Exchequer, the Secretaries of State for  
Industry and Environment, and to Sir Robert Armstrong.

Yours.

Anthony Mayer

R A J MAYER  
Private Secretary

08 SEP 1982

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