

SUBJECT

Subject: local Gov:
Relations: Pt 15.

FUE

10 DOWNING STREET

From the Private Secretary

12 July 1983

LONDON REGIONAL TRANSPORT AUTHORITY

The Prime Minister held a meeting this morning about the draft White Paper on transport in London which was attached to your Secretary of State's minute to the Prime Minister of 5 July. Your Secretary of State, the Secretary of State for the Environment, the Chief Secretary, and Mr. Ferdinand Mount were present.

Your Secretary of State said that he could accept as a matter of policy all the Prime Minister's points about the White Paper which were recorded in my letter to you of 11 July. But he thought it would be a mistake to include these explicitly in the White Paper, since to do so would provide the Government's opponents within the GLC with a powerful propaganda weapon. In discussion, the Prime Minister expressed doubts about the need to set up a new body with a remit to integrate and co-ordinate London's transport. It was agreed that great care would be needed in the drafting of the White Paper not to create the impression that a powerful new quango was being set up with wide powers to interfere with the operations of British Rail in London and the buses and underground systems. The Secretary of State for the Environment pointed to the difficulty which would arise if the new Authority was set up in the middle of a financial year, since he had no power to give Rate Support Grant for only part of a year.

Summing up the discussion, the Prime Minister asked your Secretary of State to arrange for his officials, together with Treasury officials and the No. 10 Policy Unit, to revise the draft White Paper to take account of the points made in discussion. On fare increases and the level of subsidy for the new Authority, the Prime Minister said that it was agreed that your Secretary of State's statement should be on the lines that the level of fares would depend on the efficiency of, and the cost savings achieved by, the new Authority. There would be a continuing subsidy, but also considerable savings and economies in the operations of the new Authority.

I am sending copies of this letter to the Private Secretaries to the Secretary of State for the Environment, the Chief Secretary and to Sir Robert Armstrong.

M. C. SCHOLAR

Miss Dinah Nichols,
Department of Transport.

RM