

CONFIDENTIAL

Prime Minister ^{of No}

To note

BT
27/10

Prime Minister

cc Press Office

BR FARES

Tom King wrote to you on 3 October about BR's initial proposals for a fares increase in January. You and he were agreed that a general increase closer to 5.5% than the 6.5%, plus 1% for London and the South East, should be the aim.

Tom King put this view to Mr Reid before the Board's meeting on 6 October and Mr Reid has now written to me to say that he has been able to guide the Board to the decision that there should be a general increase of 5.5% with an additional 1% increase in London and the South East fares. He was able to do this without revealing the Government's views on the original proposals.

I thought that you and colleagues would be glad to hear this news. My Department will keep in touch with BR about the timing of the public announcement of the increases.

I am sending copies of this minute to Nigel Lawson, John Biffen, Norman Tebbit and Peter Walker, and to Sir Robert Armstrong.

NICHOLAS RIDLEY

26 October 1983

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27 OCT 1952



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