

PRIME MINISTER

Mr Ridley wrote on 24 May informing colleagues that he would soon bring forward East Coast Main Line Electrification for Ministerial discussion; and trailing some of the issues involved.

The Chancellor replied on 31 May, suggesting that this question be absorbed into the Investment and Finance Review. Mr Ridley has responded urging a decision before the Recess.

The issues are certainly complex involving judgments about:

- allocation of costs
- the link with the Inter-City strategy
- savings on maintenance
- savings on fuel
- effects of "cascading" existing East Coast rolling stock to other lines.

Nevertheless I do not see the need to delay this until October or November which is what absorption into the IFR would involve.

Agree that while scrutiny of project should be vigorous, the issues should be decided, one way or the other by Recess?

AF

11 June 1984

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10 DOWNING STREET

From the Private Secretary

12 June 1984

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cc DOE CO
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DTI HMT
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Dear Dinah,

East Coast Main Line Electrification

The Prime Minister has seen your Secretary of State's minutes of 24 May and 8 June and the Chancellor's minute of 31 May. She agrees that your Secretary of State should bring forward his proposals on ECML as soon as possible with the aim of reaching a decision before the Recess. She has commented, however, that the issues to be resolved are important and complex - eg savings on fuel and on maintenance, the allocation of costs, the relationship with the Inter-City strategy, and the alternative uses of cascaded rolling stock - and in attempting to meet this timetable there must be no question of dealing with these issues superficially.

I am copying this letter to the Private Secretaries to members of E(NI) and to Richard Hatfield (Cabinet Office).

Yours sincerely

Andrew Turnbull

(Andrew Turnbull)

Miss Dinah Nichols,
Department of Transport

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Chancellor of the Duchy of Lancaster

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NSPM

AT 12/1

PRIME MINISTER

EAST COAST MAIN LINE ELECTRIFICATION

I have seen the Secretary of State for Transport's minute to you of 8 June. Surely it would be an impossible situation if we were to agree now to £x million - or £x hundred million - on this project; and were then to be told that British Rail had to be given an EFL to accommodate it; so that when we came to October we faced the same situation as we faced last October having to axe the EFLs to keep Public Expenditure within the prescribed limits?

There are two - not one - aspects to any capital investment project. First ought we to afford it - ie is it financially worth while? Second can we afford it - ie do we have the money? The first we may be able to answer now. The second we cannot answer except in the context of the Public Expenditure Survey.

I am copying this minute to other members of E(NI) and to Sir Robert Armstrong.

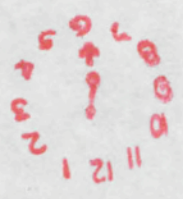
A. C.

12 June 1984

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BR Electrification



13 JUN 1984