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PRIME MINISTER

21 November 1986

Docklands Light Railway - Eastward Extension

E(A) Monday 24 November

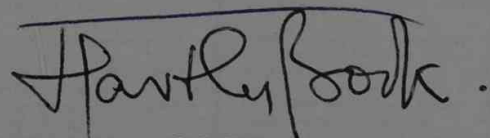
Nicholas Ridley provides three options (a) allow the Bill to be laid on the 27th November, (b) delay the Bill for one year, (c) have more talks with London Transport (LRT) and London Docks (LDDC).

Against immediate action - options (b) or (c) - we are being "railroaded" into action, the figures are a little speculative and certainly the private sector collaborator in the Western Extension (Travelstead) has proved difficult.

In favour of immediate action - option (a) - This option will boost the momentum of the docklands development and confidence for investors in the Eastern (Royal) docks. Also (and not mentioned in the Ridley papers) Docklands has a successful 'track' record which it can rightly pray in aid. Moreover, unlike the problem experienced with the Western Extension, the money for the Eastern Extension will not in the judgement of LDDC require any further public money.

Conclusion

The trade-off is between the promotion of a cause in which this Government can take pride, and protection of the taxpayer from the wiles of developers like Travelstead. We would back the LDDC and the vision of a rejuvenated Docklands (option (a)) but insist that the Eastern Extension of the Light Railway does not proceed until watertight financing arrangements have been secured.



HARTLEY BOOTH



JOHN WYBREW

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