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PRIME MINISTERMEETING OF E(A), THURSDAY 30 JUNE

You may like to take a first look at the papers for next Thursday's E(A) over the weekend.

Two items are planned:

- (1) Exchequer contributions to BR and NFC pension funds.
(Papers in divider 1.)
- (2) Severn Crossing. (Papers in divider 2.)

BR and NFC Pension Funds

There is a single paper from Mr. Channon together with a Cabinet Office brief. Papers on this issue were circulated earlier this spring.

On merits, there is a clear case for taking action to reduce Exchequer contributions to the pension funds, and so secure worthwhile public expenditure savings of £30-40 million. But in 1980, the Transport Ministers of the day, Mr. Fowler and Mr. Clarke, gave pretty clear undertakings that the arrangements then introduced would not be changed. So the key issue is balancing the prospect of public expenditure savings against what was said in 1980.

Severn Crossing

You will recall that there was not time to discuss this item at the last meeting of E(A). You have already studied the papers on that occasion, but may like to flick through them again. It is a difficult issue and will be contentious. My attempt to suggest a compromise way through is in the note on the top of the papers.

Patricia A. Parker.

PAUL GRAY

24 June 1988

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