



Foreign and Commonwealth Office
London SW1

7 August 1980

Mr Willis,

You wrote to Norman Fowler on 17 July commenting on his minute to the Prime Minister of 10 March about the British Rail Channel tunnel scheme. I have since seen his reply of 29 July.

It is clear that the immigration and customs facilities to be provided will be an important factor in any project. Not only are there implications for public sector manpower and finance but the nature of these arrangements may well affect the ability of any fixed channel link to realise its potential as a rapid and direct means of travel.

We shall maintain an interest in your proposals as they develop. In the meantime I would like to comment on your suggestion that the costs of immigration control might be passed on to the passengers themselves. I see objections of principle to this. Immigration control is eventually for the national benefit and so it can be argued that it is the taxpayer rather than the traveller who should pay the cost. It is true that the traveller makes a contribution if he has to pay for a visa but we have deliberately, by bilateral agreement, removed this impediment to free travel between ourselves and all the countries of Western Europe. A charge for immigration services levied on travellers, either

/directly

The Rt Hon William Whitelaw CH MC MP
Secretary of State for the Home Department
Queen Anne's Gate
London SW1

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directly or as an element in the fare, could be seen in some measure as an impediment to travel. It would be particularly unfortunate if such a charge were to be levied in a discriminatory way on travellers using the fastest link between Britain and the Continent.

More specifically, in the Community context, such a proposal might be considered a barrier to the free movement of labour and could be challenged in the European Court. The Commission and a number of our continental partners are already querying our system of immigration control at ports of entry, ^{as} shown for instance by the Commission's recent submission in the Pieck case (where the European Court has ruled against the present arrangements under which passports of Community nationals are endorsed with a limited leave to enter) and their continued failure to understand our lone opposition to a proposal which would make employment of illegal immigrants a criminal offence.

The whole drift of Community policy is towards relaxing barriers to travel between Member States as far as possible; the introduction of a travel tax or similar charge would therefore be damaging to our relations with the Community in a sensitive area of policy.

I am copying this letter to the Prime Minister, other members of the Cabinet, Norman Fowler and Sir Robert Armstrong.

*your
/am*

CONFIDENTIAL

- 8 AUG 1980





DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

✓ MAD
Transport.

The Rt Hon William Whitelaw MP
Secretary of State
Home Office
50 Queen Anne's Gate
LONDON
SW1H 9AG

29 JUL 1986

✓
Yes Willie ✓

Thank you for your letter of 17 July about the fixed Channel link proposals.

I am, of course, aware of the implications, particularly for manpower, for the Customs and Immigration services inherent in any fixed link scheme, and much work still needs to be done before accurate estimates can be made of likely requirements and facilities and hence costs.

I certainly intend that our overall assessment of financial, economic and social costs and benefits for any schemes submitted will include the relevant input in respect of frontier controls and this would naturally include staff and facility costs. To this end my officials will continue to keep in close contact with yours throughout the planning stages.

I am copying this letter to the Prime Minister, other members of the Cabinet and to Sir Robert Armstrong.

Yours
✓

Norman

NORMAN FOWLER

30 JUL 1960

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Prime Minister

Transport 4.

For information. New transport links
QUEEN ANNE'S GATE LONDON SW1H 9AT
mean more immigration staff, with
all expenses at present
met by AMG.

Dear Norman, MAP 21/vii 17 July 1980

I have seen a copy of your minute of 10th March to the Prime Minister and other papers about the proposals of a fixed channel link. We are putting a note about the immigration control implications to the House of Commons Transport Committee.

There seems to be general agreement to the idea that no public money should be involved in any project that is adopted. I think it is only right, however, to make it clear to colleagues that any scheme will need extra staff for immigration control purposes.

My officials have already had some explanatory talks with British Rail about their tunnel scheme. Although one can make only the most tentative estimates at this stage, the indications are that at least 150 immigration staff would be needed to provide adequate controls at the 3 termini now being considered (West Brompton, Victoria and near the tunnel portal). There may, of course, be some reductions of staff at existing ports once the tunnel is open but the indications are that they would be small. The tunnel will generate extra traffic. Moreover, although the operating system may be efficient so far as British Rail resources are concerned, it requires more immigration officers for a given number of passengers than the system at, say, Heathrow or the channel ports.

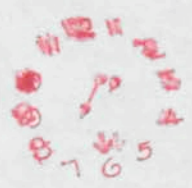
The Channel Tunnel is not the only scheme in the transport field with similar staffing implications. Stansted and the 4th terminal at Heathrow will also need more immigration officers - perhaps 520 between them. Similar considerations must apply as regards Customs Officers.

I would not suggest that immigration staffing considerations should be the determining factor in major projects of this kind but they do need to be taken into account in costings. At present they do not figure in the British Rail equation because the Government picks up the bill and provides the necessary staff. Perhaps we should look at ways of passing on such costs to the people who buy tickets to travel rather than leaving them for the taxpayer to meet.

I am sending copies of this letter to the Prime Minister and other members of Cabinet and to Sir Robert Armstrong.

The Rt. Hon. Norman Fowler, M.P.

11 8 JUL 1980



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Transports
file 1/10

SIR ROBERT ARMSTRONG

CHANNEL TUNNEL

I have spoken on the telephone to Mr. Fowler's Office and have put to them the points in paragraph 3 of your minute to me of 18 March on this subject. They undertook to brief the Minister accordingly.

M. O'D. B. ALEXANDER

19 March 1980

SP

HOUSE OF COMMONS

Wednesday 19 March 1980

The House met at half-past
Two o'clock

PRAYERS

[Mr. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

TRANSPORT

Dipped Headlights

1. **Mr. Knox** asked the Minister of Transport what representations he has received about the need to make the use of dipped headlights compulsory in built-up areas.

The Parliamentary Secretary to the Ministry of Transport (Mr. Kenneth Clarke): A number of representations have been received, mainly from the Night Safety Advisory Bureau, in favour of requiring the universal use of headlamps at night. There have also been representations against it.

Mr. Knox: Will my hon. Friend confirm that there is some evidence to show that dipped headlights are safer than side-lights in built-up areas? Will he consider introducing legislation to make the use of dipped headlights compulsory in those areas?

Mr. Clarke: Many people use dipped headlights at night. I do. However, it is a matter of individual judgment. At present, the Government cannot contemplate introducing any legislation to make the use of dipped headlights compulsory.

Mr. Temple-Morris: In his reasonable way, will my hon. Friend bear in mind that there are two sides to this argument? Does he accept that in inner urban areas a motorist finds it difficult to see pedestrians if he faces a stream of oncoming traffic that is using headlights?

Mr. Clarke: I know that there are two sides to the argument. However, the

decision should be left to the individual judgment of motorists. The Government could not successfully make the use of headlights compulsory.

Highway Surfaces (Condition)

2. **Mr. Hardy** asked the Minister of Transport what is his estimate of the cost of damage to vehicles or other property during 1980-81 as a result of unsatisfactory highway surfaces.

Mr. Kenneth Clarke: There is not yet any objective evidence to suggest that the condition of road surfaces generally is deteriorating seriously, or that the cost in real terms of wear and tear to vehicles and property is rising.

Mr. Hardy: Is the Minister aware that an increasing number of motorists show growing distress and face mounting bills as a result of those unsatisfactory roads? Will he make clear that responsibility for next year rests with this Administration and not with local authorities? It is unfair that local authorities should receive the brunt of such criticism.

Mr. Clarke: Many motorists criticise the standards of highway maintenance. An objective study, the national road condition survey, is being carried out to investigate the position. Responsibility rests with local authorities. They should make the best use of the resources that we make available. They must make their own decisions about priorities for road maintenance in their areas.

Channel Tunnel

3. **Mr. Spriggs** asked the Minister of Transport if he will make a statement on progress in planning the Channel tunnel.

11. **Mr. Whitehead** asked the Minister of Transport what recent discussions he has held concerning the Channel tunnel.

The Minister of Transport (Mr. Norman Fowler): I have been examining preliminary proposals by British and French railways for a single track rail-only Channel tunnel. More needs to be done before the full implications of the scheme can be judged and variations might offer different advantages. I await with interest the full proposals which are due to be put to me this summer.

The decision to have a tunnel or any other link across the Channel must firstly be for the French and ourselves, and would need suitable arrangements between the two Governments. The cost of any scheme would be very large and I should make clear now that the Government cannot contemplate finding expenditure on this scale from public funds. However, if a scheme is commercially sound, I see no reason why private risk capital should not be available.

I look forward to receiving any specific proposals, including those on which British Railways are working, which would attract genuine risk capital.

Mr. Spriggs: Will the right hon. Gentleman give an undertaking that work will commence on boring the Channel tunnel by 1981? Will he further undertake that, once that work has commenced, there will be continuity of operation until completion?

Mr. Fowler: I cannot give such an undertaking. British Railways have not put forward their final scheme. We hope that schemes will come forward that can then be examined. However, they must meet the criteria. No public expenditure is available. The schemes must, therefore, attract private capital.

Mr. John Wells: Will my right hon. Friend give an assurance that there will be no parliamentary delay? Will he ensure that a simple enabling Bill is brought forward at the earliest opportunity once the schemes have been prepared? My right hon. Friend has mentioned risk capital. Will he assure the House that EEC transport infrastructure funds would be acceptable?

Mr. Fowler: Legislation will be necessary to deal with the first point, and the House will want to consider that legislation.

Concerning the possible EEC regulation on infrastructure, we welcome the Commission's initiative in proposing infrastructure aid. The Channel tunnel would be a natural candidate. At this stage no such regulation exists.

Mr. Booth: Does the Minister accept that there is a strange contrast between his absolute refusal to consider transport

integration in a national context? His apparent willingness to consider it here in an international context? Does he agree that the proposal for the Channel tunnel, which is limited in scope compared with the previous proposal, offers an energy-efficient form that would facilitate freightliner services across Europe from this country? If it is of considerable public advantage, why make that development dependent upon it facilitating private profit? Finally, will the right hon. Gentleman lay before the House a green Paper so that we can debate the many implications that the proposal has for other forms of transport?

Mr. Fowler: It was the right hon. Gentleman's Government who ruled out public expenditure and cancelled the Channel project. It beggars belief for the right hon. Gentleman to come forward with such suggestions at this stage. The proposal is at an early stage, but, given the right scheme, there is a good opportunity for an enterprise that could be profitable and serve the national interest. I believe that the proposal would be widely welcomed by the public.

Mr. Costain: Does my right hon. Friend recall that in the previous proposal—

Mr. Snape: "Can I have a contract?"

Mr. Costain: Because it was a one-user project, certain guarantees had to be given to the effect that the interest would be met by the Government? Does my right hon. Friend's announcement preclude that guarantee?

Mr. Fowler: We are looking for genuine private risk capital, but I do not preclude consideration of guarantees in the wider area.

Mr. Ogden: Does the right hon. Gentleman agree that he is being a cautious Christian and that he has already seen a sufficient number of studies to decide on the project? We have British machinery for the boring, British Railways want to use the tunnel and there are interested freight and passenger users. The cost would be less than one Jumbo jet over the whole building period of the tunnel. Has the right hon. Gentleman given approval in principle? If we and others outside can find the money, will he allow us to go ahead?

Mr. Fowler: I thought that I had made it clear that, provided the details are right—and that is the whole point of what I am saying—there are good prospects for the tunnel. I know the hon. Gentleman's consistent interest in the subject over a long period, but I remind him that British Railways have not yet provided me with a complete scheme. He should interpret my statement as much more hopeful than any he received from his right hon. and hon. Friends.

Several Hon. Members rose—

Mr. Speaker: I shall call one more hon. Member from either side on this question, and then we shall move on.

Mr. Alan Clark: Is my right hon. Friend aware that there is disappointment that his guarded statement at the beginning has deteriorated? He now appears to be expressing approval of the proposal and believes that it will be in the national interest. Will my right hon. Friend accept that there is a strong political element involved in the project, whose purpose is to tie us more closely to the European Community? Will he deny published reports that he has been under strong pressure from interests in the Community urgently to approve the proposal?

Mr. Fowler: I assure my hon. Friend that I am under no pressure. My hon. Friend should see the matter in this way: there has been a growth of traffic across the Channel, which is likely to increase. Providing we get the right Scheme, a Channel tunnel would be the sensible way of meeting that public demand.

Mr. Whitehead: Will the Minister accept that, had the Channel tunnel existed, I should not have had to rely only on the airlines and would have been here five minutes earlier to congratulate him on his excellent statement? Will he confirm that nothing in the various studies he has so far seen seriously contradicts the cost estimates put forward by British Rail and SNCF at 1978 prices?

Mr. Fowler: I congratulate the hon. Gentleman. I know the problems that he had in getting here. None of the reports that I have contradict the impression that the British Railways scheme, under the assessment that they are mak-

ing, is viable. However, I emphasise that we shall look at all schemes. I am asking Sir Alec Cairncross to widen his remit to take in a study of all schemes submitted to me.

High-Speed Rolling Stock

5. **Mr. David Watkins** asked the Minister of Transport whether any proposals have been put to him by the British Railways Board for further investment in main line high-speed rolling stock.

Mr. Fowler: I have not received any proposals since those referred to in my reply of 23 January to my hon. Friend the Member for Sheffield, Halam (Mr. Osborn).

Mr. Watkins: Is the right hon. Gentleman aware that on the East Coast main line between London, the North-East of England, and Scotland, many Inter-City trains are seriously overcrowded and the position is constantly worsening? Will he accept that that demonstrates an urgent need for additional rolling stock?

Mr. Fowler: I am aware of the complaints of overcrowding on that line. However, approval has been given for 95 high-speed trains, and 60 of these are already in service.

Mr. Adley: Is my right hon. Friend aware that, regarding investment in high-speed rolling stock, electrification or the Channel tunnel, British Railways feel increasingly that they could obtain funds other than Government funds were they not restrained by current legislation? Is my right hon. Friend considering discussions with the chairman of British Railways to change the financial relationship between the Government and British Railways over profitable new investment?

Mr. Fowler: I am starting discussions with the chairman of British Railways, and am prepared to consider that point.

Mr. Flannery: Is the Minister aware that, although the trials and building of the high-speed rolling stock took place in the Derby area, the line from Sheffield to St. Pancras is steadily deteriorating and a diversion is necessary on the main line from Edinburgh to complete the journey in 3½ hours? Will he take action? Is he aware that South Yorkshire believes that it is considered a non-viable area

because it does not have a proper rail connection?

Mr. Fowler: I do not accept that generalisation. We have recently approved four high-speed trains on the East Coast main line. I am prepared further to consider the position of Sheffield.

Mr. Gummer: I understand that my right hon. Friend is to visit my constituency in the autumn. When he does so will he note the great need for high-speed anything on the line to Norwich? When he considers these proposals, will he bear in mind the bad journey that he will experience on his way to Diss?

Mr. Fowler: I am not sure that I regard that as the best way to persuade me to visit my hon. Friend's constituency. I shall certainly look at transport provision, including rail provision, in the East of England.

"Towards a Commuters' Charter"

8. **Mr. Haselhurst** asked the Minister of Transport what analysis he has made of the British Railways Board's publication "Towards a Commuters' Charter"; and if he will make a statement.

Mr. Fowler: I am anxious to see an improvement in commuter services. I therefore welcome the commuters' charter, especially since it helps define the service improvements that the customer wants. I also attach great importance to the inquiry by the Monopolies and Mergers Commission on the efficiency and quality of service of British Rail's London commuter services.

Mr. Haselhurst: Is my right hon. Friend aware that he could make a major contribution to improving commuter services, particularly between London and the North-East, if, in concert with his right hon. Friend the Secretary of State for the Environment, he allowed British Railways to pull down Liverpool Street Station, brick by brick, and redevelop it?

Mr. Fowler: I shall certainly discuss that rather drastic proposal with the chairman of the British Railways Board. As for the general issue of improving commuter services, particularly those in my hon. Friend's constituency, I emphasise again the importance that I place on the

examination of those services by the Monopolies and Mergers Commission.

Mr. Snape: Does the right hon. Gentleman agree that no other railway in the world moves as many commuters in a day as does Southern Region? Will he take this opportunity to dissociate himself from the silly comments of his right hon. Friend the Minister for Consumer Affairs in connection with the investigation of commuter services, especially since the right hon. Lady usually rides around in a Rolls-Royce and not a commuter train?

Mr. Fowler: I back entirely what my right hon. Friend said about the importance of the Monopolies and Mergers Commission's investigation into the efficiency and quality of commuter services. I agree with the hon. Gentleman's first remarks, but the efficiency and quality of commuter services has not been investigated in this way before. I think that it is in the interests of commuters, and that, after all, is what we are about in transport policy.

Mr. Higgins: Is my right hon. Friend aware that there are probably far more people in favour of improving commuter services than there are in favour of the Channel tunnel? Will he therefore make clear that, when he says that public funds are not to be used on the Channel tunnel, he is referring also to public funds under the control of British Rail which could be used for commuter services and other purposes?

Mr. Fowler: My right hon. Friend takes me back one stage. I do not complain about that, but I do not agree with the division that he is making. Clearly the impact on commuter services is a matter which we shall study when we look in detail at the Channel tunnel schemes that are put forward. I disagree when my right hon. Friend says that the Channel tunnel will not be of great benefit. I believe that it will be of benefit both to the public and to the railway industry.

Mr. Prescott: Will the right hon. Gentleman give a commitment that if the inquiry into commuter services in the South-East establishes that there is a lack of investment in that area he will raise public money and provide the appropriate investment for those services?

cc Euro Pol (Budget) P16



Ref: A01709

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MR. ALEXANDER

Channel Tunnel

In his minute of 10th March the Minister of Transport sought the Prime Minister's agreement to a draft Parliamentary statement, to be made on 19th March, about the Government's attitude to the construction of a Channel Tunnel. Mr. Pattison's letter of 13th March conveyed the Prime Minister's approval of the statement, which is indeed unexceptionable; but since the minute itself refers to the possibility of Community support the Prime Minister may find it helpful to have this note on the Tunnel's possible relationship to our net contribution problem.

2. The Commission of the European Community are interested in this question: the Channel Tunnel was identified as potentially eligible for Community finance in the Green Paper on transport infrastructure they issued last November, and Commissioner Burke gave support to the idea at a news conference in London earlier this week to publicise a study of the project prepared by consultants at the request of the Commission. The Commission's recent paper on supplementary receipts for the United Kingdom mentioned expenditure on transport infrastructure and measures designed to link the United Kingdom more closely to the rest of the Community as possible candidates for extra Community spending in the context of an overall solution to our Budget problem.

3. In fact, while it is likely that aid for a Channel Tunnel would appeal to our partners on communautaire grounds, it can have no direct relevance to our budget problem for two reasons. First, the timescale of the project, once approved, is such that no significant benefit could accrue to the United Kingdom from Community funds for several years. Second, since it is not the intention to provide any Government finance, any contribution from the Community to the cost of the Tunnel could not be in substitution for planned Government expenditure. Thus while Community support for a private venture might produce a resource gain, it could not of itself have the desired effect of reducing our net Budget contribution or the PSBR.

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4. It might accordingly be worth your sending the Minister of Transport's Office a second letter, cautioning Mr. Fowler against giving any impression, in answer to supplementaries, that Community finance for a Channel Tunnel can make any substantive contribution to a solution of our Budget problem at the March European Council. He could do this by making it clear, if he was asked about this in supplementaries, that any Community financial support for a Channel Tunnel was unlikely to be forthcoming in time to help with the solution of our immediate Budget problem.

(Robert Armstrong)

18th March 1980

PRIME MINISTER

told Mr Fowler's office by telephone that he should ^{Transpnd} answer during Questions; also told CDL's office and Chief Whip's office. PA

Channel Tunnel

MJS

Last week Mr. Fowler sent you a draft statement on the Channel Tunnel (Flag A). You approved it.

He would now like to make the statement tomorrow, following his Questions; and has written to secure agreement to this course of action (Flag B).

Although I would not want to press objections too far, his statement is not very dramatic and may be a bit of a damp squib. What is more, I am not sure Mr. Fowler is equipped to deal with all the possible supplementaries which could arise about our relationship with France and Community matters more generally. It would be unfortunate if he put his foot in it at this delicate stage in our negotiations with the EEC. In my view, he could perfectly well give the information in response to a question he has from Leslie Spriggs at Q3. Notwithstanding these doubts, are you content for Mr. Fowler to make an oral statement tomorrow?

MJS

I don't see that there is anything to make a statement about? (but it be done by written answer or in reply to an oral question. The relevant information could be compressed into 3 sentences. Otherwise I fear a great anti-chinese note)

18 March 1980



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Nick Sanders Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

18 March 1980

Dear Nick

The Prime Minister agreed last week the general line of the statement Mr Fowler proposes to make tomorrow, Wednesday 19 March, about the Channel Tunnel. At that stage Mr Fowler thought it would be reasonable to take the opportunity of Question 3 on the Order paper and simply make the statement in the course of Questions.

After talking to the Leader of the House today however, he thinks it would be more appropriate to make a statement at the end of Questions. The Channel Tunnel is an important issue, in which there is increasing interest both in the House and outside and the Minister's statement represents a significant change from the previous Administration's approach. There might be criticism if he did not make an oral statement on such an important issue part from possible complaints that he was using up a large part of Question Time on one issue when there were a number of important questions on the Order Paper.

I am copying this letter to the Private Secretaries to the Leader of the House of Commons, the Leader of the House of Lords, the Paymaster General, and the Chief Whips. We will circulate final text of the statement tomorrow in the normal way.

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Yours

Genie

MRS E C FLANAGAN
Private Secretary

110 MAR 1960





Secretary of State for Industry

Transport MAP

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB
TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

17 March 1980

The Rt Hon Norman Fowler MP
Minister of Transport
Department of Transport
2 Marsham Street
London SW1

Jan Norman

Thank you for copying to me your letter of 10 March to the Prime Minister on the Government attitude towards construction of the Channel Tunnel.

I agree that at this stage we are not in a position to take a firm view. As you suggest, we need to examine further the various alternatives open to us while at the same time emphasising the limits of the Government role. I think your draft statement makes these points quite clear.

I am copying this letter to Cabinet colleagues and Sir Robert Armstrong.

Jan

Kerr

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VLS.



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10 DOWNING STREET

From the Private Secretary

13 March 1980

Transport

The Prime Minister has seen the Minister of Transport's minute of 10 March about proposals for a fixed Channel link. (As you know from previous exchanges, the Prime Minister will want to ensure that the bridge option is not discarded prematurely.)

The Prime Minister is content that your Minister should make a Statement on the lines proposed, offering encouragement to the concept, but making it clear that Government financial support is not contemplated. She would, therefore, be content with the text enclosed with Mr. Fowler's minute.

You will no doubt clear the timing and form of the Statement in the usual way in due course.

I am sending copies of this letter to the Private Secretaries to other members of Cabinet and to David Wright (Cabinet Office).

M. A. PATTISON

Mrs. E. C. Flanagan,
Department of Transport.

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PRIME MINISTER

Mr. Fowler proposes to announce Government encouragement for further private sector work on a Channel tunnel.

Other Ministers (notably the Chancellor) are likely to want to comment. I bring this to your attention now because Mr. Fowler is coming in tomorrow for a general talk with you. You will perhaps wish to await comments from colleagues before agreeing to the statement. You might also want to ensure that the bridge option is given a fair run - this was drawn to your attention recently.

11 March 1980

PRIME MINISTER

You will have seen that there has been increasing press interest recently in the Channel Tunnel. I have now completed my initial examination of British Rail's scheme for a single bore rail Tunnel and I will need to make a statement on this when I next face oral questions on 19 March. I think it would be right to give some indication at the same time of the Government's general attitude to the construction of a fixed Channel link.

/ I attach a draft of the statement that I would propose to make. It is clear that we must keep options entirely open. There can be no question in current circumstances of public money. A decision to go ahead with the French could at the right time be a powerful indication of improving relations with the French and the Community generally and there is also the real possibility of Community support for a fixed link. But this is clearly not the right time.

On the other hand I see no advantage in adopting the Labour Government's negative stance and ruling out all possibility of a link being built. If private capital can be attracted - and I believe it could to the right project - it seems to me entirely right that we should do what we can as Government to create the right climate for a successful link to be built. The statement makes it clear that there is no prospect of any public money and that the Government's role is therefore restricted to the necessary task of treaty arrangements

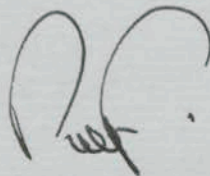
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and so on. But it also says that within those limitations the Government will consider proposals sympathetically. We thus have a positive stance, but no commitment.

You will see that the statement says relatively little about the British Rail project itself. The work Sir Alec Cairncross and my Department have done on the scheme so far raises questions about the economic return if the scheme is restricted to classic rail traffic. If a car ferry operation were added there would probably be a better return and the scheme might attract private capital. But this would be a more controversial scheme.

British Rail's definitive proposals are due to reach me in July and the various private groups who are working on alternative schemes are likely to submit them soon. I hope you will agree that this preliminary statement, with its firm emphasis on private interests, will provide the right framework against which to consider them.

I am copying this minute to Cabinet colleagues and to Sir Robert Armstrong.



NORMAN FOWLER
10 March 1980

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DRAFT STATEMENT ON CHANNEL TUNNEL

As the House knows, I have been examining with the assistance of Sir Alec Cairncross preliminary proposals by the British and French Railways for a single bore rail-only Channel Tunnel. There are also a number of other schemes for fixed channel links on which the House may want to have my general views at this stage.

I have no reason to doubt the technical feasibility of the British Rail scheme. But more needs to be done to provide a basis for judging its full implications and it may be that variants of the scheme could offer different advantages. I therefore await with interest the full proposals which the Railways Board are due to put to me this summer.

On the general question, the decision to have a link across the Channel must be for the French and ourselves in the first place. We would need treaty arrangements between the two Governments. There would also be wider European implications. But for any of the possible schemes the construction costs would be very large and I should make it clear now that the Government cannot contemplate finding expenditure on this scale from public funds. However, if a scheme is commercially sound, I see no reason why private risk capital should not be available.

I shall be interested to learn of proposals in this form including those on which British Rail are working. I will be prepared to consider them in the context of necessary consultations with the European and domestic interests concerned.

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ON APRIL TWENTY-NINE LAST, I WAS ADVISED BY THE
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