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EUROPEAN COUNCIL BRUSSELS

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CHANNEL FIXED LINK

Brief by the Foreign and Commonwealth Office

Objective

1. (If President Mitterrand raises the subject). To show continued British interest in the Channel fixed link without commitment on substance or the timing of the next step.

Points to Make

Present Position

2. I hope a mutually acceptable basis can be found for a suitable Channel link, assuming the two governments agree this to be in their common interest.

When we met in London last September we commissioned joint British/French studies on the Link.

I look forward to receiving the joint report on these studies soon.

/Finance/Private Sector

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Finance/Private Sector

We shall eventually want to elicit the views of the private sector because, as I emphasised last September, on our side any project would have to be financed by the market.

I understand that the position is the same on your side.

Guarantees

3. The question of Government guarantees presents some difficulty for us. I am glad to learn that proposals for dealing with this question are being actively considered.

EC Involvement

4. This could be looked at after the two Governments have arrived at their decision on the project.

Next Step

5. We agree that decisions should be arrived at as soon as possible. But the joint report will have to be examined thoroughly by Ministers first.

Future Timetable (If pressed)

6. A project such as this would naturally required Parliamentary discussion and approval. The legislative programme in the UK is heavily charged; but provided agreement is reached between the two Governments and with private interests involved in the early summer, legislation would be possible before the current Parliament ends in 1984.

/Background



BACKGROUND

7. After the Franco-British summit in September 1981, the Prime Minister, in her press conference with the French President, said that we were very keen that studies on this subject should go ahead; on our side we would wish the scheme to be financed privately; and we would be very happy if we could come to an agreement that would be acceptable to both sides on a suitable Channel link.
8. Since then, officials have been conducting joint studies to assess the feasibility of the project. These studies are almost complete but target date for production of the joint report has slipped to end March/early April. This is to allow the Anglo/French study group to consider a French paper on guarantees, and a British proposal that a guarantee problem might be avoided if a unitary body were responsible for promoting and operating the link.
9. The two Governments will then have to consider the joint report separately. The French are aware that we have difficulties over guarantees, both political and completion.

/10. President

10. President Mitterrand may urge upon the Prime Minister an early decision on the project. We agree early decision is required: time is short if we are to get legislation through this Parliament. However, there must be a thorough review of the joint report. The subject is too important for a hasty decision.

11. M. Mitterrand attaches great importance to this project as a symbol of good relations with the UK at a time when there are so many things on which we disagree, notably in the Community. At a time when other UK potential collaborative projects (Airbus, Rolls-Royce-SNECMA) are stalled, we shall have to proceed very carefully if we are to avoid wrong-footing ourselves tactically and running the risk of undermining our other interests with the French. We do not want to give the French the impression that we are losing interest in the project; but neither do we want to give any commitments on our final attitude or on the timescale for reaching it.

12. Question of EC involvement must await decision by the two Governments concerned. This is recognised by the Commission.

Foreign and Commonwealth Office

23 March 1982