

*Transport**Am*

Secretary of State for Transport

CHANNEL LINK

I was pleased to see from your minute of 27 October and 9 November to the Prime Minister that the discussions which you and your officials are holding with your French opposite numbers have got off to a good start.

I appreciate that once work begins on the examination of the more likely options, the questions of guarantees and financing will require close co-operation between your Department and the Treasury. This is only right. But I suggest that FCO officials will also need to be closely involved, given the effects in France caused by our withdrawal from the previous project, the possible involvement of European Community finances or guarantees this time round, and the international legal aspects.

There is the additional point that M. Fiterman is the leading Communist Minister in the new French Administration. We will need to take particular care in our bilateral discussions with him and his Ministry.

I am sending copies of this minute to the Prime Minister, the Chancellor of the Exchequer and to the Secretaries of State for Trade and the Environment.

18 November 1981

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