



10 DOWNING STREET

*From the Private Secretary*

31 May 1985

*Dear Richard.***AIRPORTS DECISIONS AND WHITE PAPER**

The Prime Minister has seen and was content with the draft statement attached to your Secretary of State's minute of 30 May. She is also content that a statement should be made on Wednesday 5 June.

I am copying this letter to David Morris (Lord Privy Seal's Office), Murdo Maclean (Chief Whip's Office), and Neil Kingham (Minister for Housing and Construction's Office).

*Yours sincerely**Andrew Turnbull***ANDREW TURNBULL**

Richard Allan, Esq.,  
Department of Transport



T.F. to see

CC NO!

Prime Minister

Prime Minister

Any comments?

No not ✓ 30/5

AIRPORTS DECISIONS AND WHITE PAPER

I am grateful to you and colleagues for the quick and helpful comments I have received on the draft White Paper on Airports Policy circulated with my minute of 16 May. The White Paper has been amended accordingly and I have also taken account of some drafting changes recommended by Counsel, whom my officials consulted in parallel. None of these raised policy issues.

The White Paper together with the Stansted and Heathrow decision letters will be ready for publication in the week following the Whitsun recess. The Leader of the House and the Chief Whip have now agreed that I should make a statement on Wednesday 5 June. I propose that David Trefgarne should make a statement in the Lords at the same time.

I said in my minute of 16 May that I would circulate a draft of the statement which I propose to make to the House on publication. This is now attached. I would be grateful if any comments could reach me by noon Monday 3 June. I also attach defensive briefing on procedural questions which are likely to be raised.

I will also be discussing with the Leader and the Chief Whip the date and type of motion for the debate on the Government's airports policy. We are committed to holding such a debate and we have promised the House that it would be able to vote on a substantive motion, if it so wishes.

(The debate on the Inspector's report in January was, for procedural and legal reasons, held on a motion to adjourn the House.) As you know, the planning decisions on the development of Stansted and Heathrow are not subject to the approval of Parliament. The motion for the forthcoming debate should not therefore mention these decisions specifically.

However, I am sure that opponents of the Stansted development, including those on our side of the House, will attempt to table amendments or alternative motions seeking to isolate and reject the planning decisions. We should therefore aim to draft a motion noting or approving the Government's airports policy as a whole behind which the various interests within the Party can unite. This is no easy task and I do not think it is possible to devise a magic formula. However I hope the package we have put together in the White Paper will command the support we need to get the decisions through. I will make use of the time between the announcement and the debate to try and persuade those who have doubts, and I would of course be grateful if you and other Ministerial colleagues could do likewise, if the opportunity arises.

I am sending copies of this minute and of the draft statement to members of the Cabinet, and to the Attorney General, the Chief Whip, the Paymaster General, the Financial Secretary, the Minister for Housing and Construction, the Parliamentary Under Secretary of State for the Armed Forces and Sir Robert Armstrong.

R. A. Allan.  
(Private Secretary)

for NICHOLAS RIDLEY

30 May 1985

(approved by the Secretary of State  
and signed in his absence.)

## CONFIDENTIAL

With permission, Mr Speaker, I should like to make a statement about the Government's policy for airports.

It is the responsibility of Government to ensure that sufficient capacity can be provided at UK Airports, where it is required, and in due time. Our policy of encouraging competition in the air requires that there should be enough capacity, available, (so far as is possible) to all airlines on equal terms. We cannot direct flights to airports they do not wish to use: airports must use the opportunities open to them to attract as many flights as they can through providing a cheap and efficient service, for the benefit of the passengers.

To make airport managements more responsive to their customers, and to further assist the growth of our most important and successful airline industry, the Government has decided to introduce legislation first to make every major airport into a limited Company. And second: to convert the BAA into a holding company and to privatise it with its 7 airport companies. I hope that Local Authorities will follow this lead and sell their companies too; but we do not intend to force them to do so. A system of regulation will be proposed to control the monopoly aspect of airports (including charges), to regulate traffic distribution when necessary, and to safeguard essential national interests.

Our Air transport industry is the envy of the world and a great success story. It has a turnover of £4 billion, employs 85,000 people and is growing; and earns £½ bn of foreign exchange. It is essential to the continuation

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of this success, and to the provision of more jobs, that there is sufficient airport capacity. Equally important, this must be done with minimum damage to the environment and to the lives of people living near airports.

It is with solving this dilemma - adequate capacity with minimum environmental damage - that first the Inspector at the Airports Enquiries, and more latterly the Government, has had to grapple. I would like to pay tribute again to Mr Graham Eyre QC for his thorough and comprehensive report. In announcing our decisions today, I want to stress that we have sought a solution which meets both objectives as far as is humanly possible.

The Government intends to do everything it can to increase flights to and from the Regional Airports. Traffic grew by 12% last year, and is expected to increase by one-third more by 1990.

We will continue to study, with representatives of Regional Airports, how to increase traffic still further. We will be ready to approve worthwhile investment in new facilities, and the improvement of road and rail links where they are justified. We will ensure that Regional Airports compete on fair terms with BAA airports. We recognise the importance of maintaining access for domestic flights to Heathrow and Gatwick.

Even after taking account of all these efforts to attract traffic to the Regions and away from the South East, the Government, after careful evaluation, have concluded that it is necessary to provide capacity in the South East for between 72 and 79 mppa by 1995. This is consistent with the Inspector's planning figure of 75 mppa. We intend to

achieve that figure as follows:-

First) My Rt Hon Friend the Secretary of State for the Environment recently announced approval of the STOLport in London's Docklands. This will provide 1 mppa.

Second) The Government has decided to invite Luton Borough Council to come forward with proposals (which would be subject to the necessary planning procedures) to increase the capacity of Luton Airport from its present throughput of 2 mppa to 5 mppa.

Third) Gatwick Airport is expected by that time to be capable on present plans of handling 21 to 23 mppa. We have no plans for a second runway at Gatwick.

Fourth) The capacity at Heathrow in 1995, when all 4 terminals will be in full operation, is expected to be 38-42 mppa. It is very possible that this will be adequate to handle as big a through-put of passengers as runway capacity will allow. The Government has decided to accept the Inspector's recommendation that Air Transport Movements at Heathrow should not be artificially constrained, and will ask the House to accept the abandonment of the proposed limit of 275,000 air transport movements a year. Even with this, and with all foreseeable technological improvements to the full use of runways it seems likely that runway capacity, not terminal capacity, will be the limiting factor at Heathrow for some years ahead. Nevertheless, it seems prudent to ask the BAA to pursue with the Thames Water Authority the possibility of moving the Perry Oaks Sludge Works elsewhere. Only if (and when) this <sup>can be</sup> has been done, and in the light of traffic forecasts at that time, would it seem sensible to see whether extra

Why more if  
not going ahead  
with T5?

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terminal capacity should be provided and if so how much. My Rt Hon Friend the Secretary of State for the Environment has turned down Uttlesford DC's application for planning permission for Terminal 5; and no terminal can be built there in the future without planning permission. We are setting up a study of improved surface access to Heathrow.

Is this  
joke  
needed?

DP

Fifth) Stansted. Any Hon Member who has been doing his arithmetic will now know that to achieve our objective of meeting demand in the South East significant extra capacity will be needed if the growth of our successful aviation industry is not to be stifled. My Rt Hon Friend the Secretary of State for the Environment and I have therefore decided to accept the Inspector's recommendation to the extent of granting the BAA outline planning permission for development at Stansted. The Inspector recommended initial permission for 15 mppa, rising later to 25 mppa at Stansted. Although we have granted permission for the 15 mppa recommended by the Inspector, we have decided to impose a condition limiting the first phase of development to 7-8 mppa. The initial development will thus amount to less than one-third of what the Inspector recommended ultimately. As an additional safeguard and subject to Parliament giving me the necessary powers, I will impose an initial limit on Air Transport Movements there equivalent to 7-8 mppa. Any further increases in traffic at Stansted would be subject to control by Parliament, by means of an Affirmative Resolution. As a result, further growth of traffic at Stansted can only take place when it is seen to be necessary,

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with Parliament having the decisive role. We have rejected the possibility of the construction of a second runway at Stansted.

The Decision letters on the Planning application and the White Paper, all of which are now available in the Vote Office, set out the arguments for these decisions at length and with clarity. When they have read them, I hope that hon and Rt Hon Members will feel that our responsibilities to all the many important and often divergent interests concerned have been adequately discharged.



DEFENSIVE BRIEFING ON PROCEDURAL MATTERS

Q1 Parliament should be allowed to express its views before not after the decisions are taken

A full debate on the Inspector's Report was held on 30 January and I have borne in mind all the views expressed in that debate.

Q2 The decisions should be submitted to Parliament for approval

Under legislation enacted by Parliament (the Planning Acts) planning decisions which are not taken by local authorities are taken by the Secretary of State for the Environment and, when the application is made by a statutory undertaker, by the appropriate Minister. Where a public inquiry has been held the decisions are based on the Inspector's Report and all other material factors, following a careful and well-understood quasi-judicial process. They are not subject to Parliament's approval.

Q3 Will there be another debate and a vote on a substantive motion to enable the House to approve or reject the decisions?

The Government has undertaken to provide an opportunity for the House to debate and, if it so wishes, to vote on the Government's airports policy. My Rt hon Friend will be making arrangements for such a debate to take place as soon as hon Members have had a chance to study the Government's policy proposals.

Q4 What if the House rejects the planning decisions?

A planning permission has a validity in terms of planning law which a vote in the House could not affect.

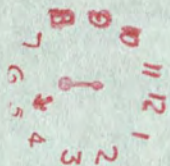
Q5 Can a planning permission be withdrawn?

My Rt hon Friend the Secretary of State for the Environment has the power to revoke or modify a permission where he considers he should, subject in certain circumstances to the payment of compensation by the local planning authority.

Q6 Should not Parliament have the last word on whether such a major development should be permitted? The Government should proceed by Special Development Order as was done in the case of Windscale

These proposals have been the subject of the most detailed and exhaustive investigation in public and Parliament; the Inspector's Report was published in advance of the decisions and Parliament has had an opportunity to debate the issues fully. To change procedures at this stage would cause considerable further delay and a number of related matters (roads, compulsory purchase orders, etc) cannot be dealt with under an SDO. Moreover, when the Government announced its proposals in 1979, there was strong support in Parliament and outside for the use of normal planning procedures including a wide-ranging public Inquiry.

AEROSPACE: Future of BA: Pt 4: .....



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