



PM/82/36

PRIME MINISTERChannel Fixed Link

1. I should like to comment on the line proposed by David Howell in his minute of 12 May about the handling of this subject in your forthcoming discussions with M. Mauroy and President Mitterrand.
2. As forecast in Peter Carrington's minute of 17 March on the same subject, British/French relations are moving into a particularly sensitive period: not only are there the problems of the mandate and of agricultural pricing in the Community, but there is also our need to maintain French support for our Falklands policy. In these circumstances it would be wise to avoid adding any further strain to the relationship. Our main concern, as Douglas Hurd argued at E Committee, is that we should not in any way mislead the French. But the Ambassador in Paris has commented that if we are moving into a Community crisis, there will be a tendency in France to assume that a negative decision on the Fixed Link reflects a more general drifting apart of the UK from its EC partners. Sir J Fretwell also points out that M. Mauroy himself has taken a close personal interest in the Fixed Link since last September's Summit and has campaigned for its acceptance in the northern region (which is his political base): termination would be a bitter blow to him.
3. I hope that you can agree to David Howell's suggestion that it may be wisest to consider playing matters slowly. We do not want another showdown now. I would see this tactic essentially as a way of keeping the French in play and out of mischief, pending agreement on a common response to the conclusions of the Joint Study Group. If the French need the benefit of further studies involving other Ministries than Transport in order to achieve this, I would think a few months delay would be a small price to pay for the political benefit of reaching a joint position consistent with that of the Government.

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4. I am also copying this minute to the Chancellor of the Exchequer, the Secretary of State for Transport and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'FP', with a horizontal line underneath.

(FRANCIS PYM)

Foreign and Commonwealth Office

14 May 1982

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~~Prime Minister~~ (2)

A weak response to the predictable French reaction.

I have no doubt that if this is raised at the weekend, you will deploy our interest in the bridge/road link, so that we cannot be accused of going

Prime Minister

FIXED CHANNEL LINK

As agreed at E Committee on 4 May we have in cold on the consultation with the Foreign and Commonwealth Office tested ^{whole idea} the likely French reactions on the decision reached on the of a link. Fixed Channel Link.

MUS 12/5

Their officials left ours in no doubt that the French Government would react most strongly against any authoritative statement that, having taken the initiative in this round of studies, the British Government have now decided against a rail tunnel.

They are likely to take their stand on the findings of the Anglo-French joint study group of officials that a rail link would be "in the broad interests of both countries". (This group was set up as a result of your last summit meeting with President Mitterand.)

I understand that M. Mauroy (who has publicly supported the tunnel) and possibly President Mitterand may press you at the weekend to continue discussions on the unresolved financial and legal problems until the Autumn in the light of your hope expressed last September that the study of a Fixed Channel Link would achieve a positive result.

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They remain, it appears, not interested in a roadlink of the Euroroute type, which colleagues preferred at E Committee. They feel it technically over-ambitious, would cause severe navigation problems, and would lead to employment problems in ports on both sides of the Channel. In the light of this, and of the need to avoid French expressions of bad faith, it may be wisest to consider playing matters rather more slowly, listen to the French, let them digest ^{our} a road link preference further and not give a firm response to their hopes until both sides have had time to reflect.

Our eventual objective must be to secure an agreed common statement with them on the conclusions of the joint study group. There are wider diplomatic and economic considerations raised by a Channel link and in view of the lengthy history, I think we would be wisest to keep the matter under discussion, at least for the time being.

I am copying this minute to Francis Pym, Geoffrey Howe, and Sir Robert Armstrong.

DH.

DAVID HOWELL
12 May 1982

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10 DOWNING STREET

From the Private Secretary

18 May 1982

CHANNEL FIXED LINK

The Prime Minister saw the minute of 12 May from your Secretary of State and also the minute of 14 May by the Foreign and Commonwealth Secretary.

The question of the Channel fixed link did not arise during the Prime Minister's talks yesterday with President Mitterrand. There was, however, a brief exchange about the matter during her talks with M. Mauroy in Edinburgh last Saturday. I enclose the relevant extract from the record of conversation.

I am sending a copy of this letter to Brian Fall (Foreign and Commonwealth Office), John Kerr (H.M. Treasury) and David Wright (Cabinet Office).

A. J. COLES

Anthony Mayer, Esq.,
Department of Transport.

Taking up the subject of the Channel-Link, M. Mauroy said that he had a particular interest in the matter. As Mayor of Lille he had always had a dream which he wished to turn into reality. The issue was certainly not ready for final decision now. But the press were full of the fact that there would be no link. He hoped that we could take the line publicly that, while the matter was not right for decision yet, studies would continue. We should say that our experts were continuing their consideration of the matter and that in due time a decision would be taken. The Prime Minister said that she too harboured a dream of a fixed link. But she did not think finances would be available for a rail link alone. She did not know whether it would be possible to have a road link as well but that would have more appeal. The requisite private financing would not be forthcoming for a rail link, because of the likely inadequate return on investment. But she was happy to continue with studies.