



FCS/85/75

SECRETARY OF STATE FOR TRANSPORT

Channel Fixed Link (CFL)

1. Thank you for your letter of 28 March reporting on your meeting with your French colleagues on 20 March, and its successful conclusions on publication of the Guidelines, the timetable for decision-making and the scope of further work. I agree broadly with what you propose.
2. You ask for the agreement of colleagues to two specific points:
- (a) I think the wording in your draft statement to the House on the "prejudged" point hits just the right note. Clearly it would be irresponsible on the Government's part not to begin contingency work until a decision, whatever it might be, is taken: we cannot expect a successful promoter to maintain his financial and technical commitments in limbo while we get the governmental framework into position. Equally, the fact that such contingency work had been undertaken would not mean that it could not be dropped if the scheme came to nought (though I hope the use of scarce manpower can nevertheless be deployed as economically as possible);
- (b) the question of public consultation. This is more difficult. Naturally we must allow all sides of the question to be thoroughly aired and must take due account of what is said. On the other hand, we shall have trouble with the French and with the promoters if they think we are proposing consultation procedures which will drag on for years. The worst position of all would be one in which we started off confident of our ability to promote consultation in the way you suggest

/in



in your letter, only to find that we were forced at a later stage to concede a different and longer procedure. I think we shall need to consider very carefully assessments by John Wakeham of the views of our supporters, and by Patrick Jenkin on the legal position and the strength of public opinion, both in Kent and nationally. Assuming that these assessments are reassuring, however, I agree that your proposal on consultations would be the best way of maintaining momentum.

3. You mentioned the confidential discussions on national defence, security (including counter-terrorism and policing), blockades etc. My officials are in touch with other Whitehall Departments on these and will be putting suggestions to the Quai d'Orsay on how work should be taken forward bilaterally. The objective will be to entrust substantive work to the Departments most closely concerned (while ensuring that others interested are kept appropriately informed), and that progress on these matters is coordinated as necessary with other work following on from the publication of the guidelines. In particular, we must ensure that the promoters can be told in good time of any implications these confidential matters may have for the capital cost or operating profits of the CFL.

4. I am copying this minute to the Prime Minister, members of E(A), the Home Secretary (in view of his interest in counter-terrorism and policing), the Secretary of State for Defence, the Chief Whip and Sir Robert Armstrong.

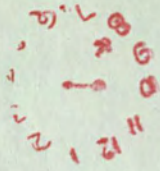
A handwritten signature in black ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office

1 April 1985

TRANSPORT: Channel Tunnel



01 APR 1985

CONFIDENTIAL



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Tim Flesher Esq
10 Downing Street
LONDON
SW1

2 April 1985

Dear Tim,

W
2/4

CHANNEL FIXED LINK

/ I attach a copy of the text of
/ the statement being made by my Secretary
of State today, and a copy of the final
version of the "Invitation to Promoters"
(the Guidelines) for your information.

I am also sending copies, under
cover of a copy of this letter, to private
secretaries to all members of E(A),
to the Secretary of State for Defence
and to Sir Robert Armstrong.

Copy destroyed.
See copy attached to
briefing dated 10 May 1985
S. Gray
22/5/2014

Yours ever

PP. H C S DERWENT
Private Secretary

CONFIDENTIAL

u Press

CHANNEL FIXED LINK

STATEMENT BY THE SECRETARY OF STATE FOR TRANSPORT

2 APRIL 1985

1. I WOULD LIKE TO MAKE A STATEMENT ABOUT THE CHANNEL FIXED LINK.

2. THE HOUSE WILL KNOW THAT IN NOVEMBER 1984, I MET THE FRENCH MINISTERS RESPONSIBLE FOR TRANSPORT TO DISCUSS THE POSSIBILITY OF A FIXED LINK ACROSS THE ENGLISH CHANNEL. AT THAT MEETING WE REAFFIRMED THE WILLINGNESS OF THE BRITISH AND FRENCH GOVERNMENTS TO TAKE WHATEVER STEPS MIGHT BE NECESSARY TO FACILITATE THE CONSTRUCTION OF A FIXED LINK BETWEEN THE UK AND FRANCE WITHIN THE FRAMEWORK OF THE EUROPEAN TRANSPORT NETWORK. WE AGREED THAT THIS PROJECT, FOR WHICH ESSENTIAL POLITICAL GUARANTEES WOULD BE PROVIDED, SHOULD BE FINANCED WITHOUT SUPPORT FROM PUBLIC FUNDS OR GOVERNMENT GUARANTEES AGAINST COMMERCIAL OR TECHNICAL RISKS AND ON THE BASIS OF CONDITIONS PREVAILING ON THE INTERNATIONAL FINANCIAL MARKETS.

3. WE ALSO AGREED TO ESTABLISH A WORKING GROUP OF OFFICIALS OF BOTH GOVERNMENTS TO DRAW UP GUIDELINES TO POTENTIAL PROMOTERS, IN ORDER TO GIVE THEM A CLEAR UNDERSTANDING OF THE REQUIREMENTS OF THE TWO GOVERNMENTS ON, FOR EXAMPLE, SAFETY AND THE ENVIRONMENT, THE UNDERTAKINGS THE TWO GOVERNMENTS WOULD BE PREPARED TO GIVE, AND OF ANY CONSTRAINTS AFFECTING COMMERCIAL EXPLOITATION. AT THE MEETING ON 29 NOVEMBER BETWEEN MY RT HON FRIEND THE PRIME MINISTER AND THE FRENCH PRESIDENT, THESE DECISIONS WERE CONFIRMED, AND IT WAS DECIDED THAT OFFICIALS WOULD BE INSTRUCTED TO REPORT TO MINISTERS BY THE END OF FEBRUARY.

4. OFFICIALS DELIVERED THEIR REPORT ON 28 FEBRUARY, AND ON 20 MARCH WE HELD A FURTHER MEETING WITH THE FRENCH MINISTERS TO AGREE THE FINAL TEXTS OF THE GUIDELINES AND TO DECIDE CERTAIN FURTHER POINTS. IN PARTICULAR, WE AGREED THAT THE CLOSING DATE FOR PROPOSALS WOULD BE 31 OCTOBER, AND THAT THE TWO GOVERNMENTS

WOULD AIM TO REACH A DECISION AROUND THE END OF THE YEAR, ON WHICH PROPOSAL, IF ANY, THEY CONSIDER SHOULD BE ENABLED TO GO AHEAD. WE ALSO AGREED THAT WE SHOULD BEGIN CONTINGENCY WORK NOW ON THOSE ELEMENTS OF THE TREATY WHICH WOULD BE COMMON TO ANY FORM OF LINK CHOSEN.

5. I HAVE PLACED COPIES OF THE GUIDELINES - OR, TO GIVE THEM THEIR PROPER NAME, THE "INVITATION TO PROMOTERS" - IN THE VOTE OFFICE.

6. IN SAYING THIS, I DO NOT WANT HON MEMBERS TO THINK THAT WE HAVE PREJUDGED THE ISSUES. WHEN THEY HAVE HAD TIME TO STUDY THE GUIDELINES THEY WILL RECOGNISE MY CONCERN TO ENSURE THAT THERE IS ADEQUATE PUBLIC CONSULTATION, THAT ENVIRONMENTAL, SOCIAL AND EMPLOYMENT IMPACTS ARE FULLY APPRECIATED AND THAT THE FINANCIAL CONDITIONS ARE FULLY MET. ALL THESE MATTERS WILL BE CAREFULLY CONSIDERED BEFORE THE TWO GOVERNMENTS ARRIVE AT A DECISION.

7. MR SPEAKER, I CANNOT YET TELL WHETHER A FIXED LINK WILL BE BUILT ACROSS THE CHANNEL OR NOT. WHAT I CAN SAY IS THAT THE PRIVATE SECTOR NOW HAS A UNIQUE OPPORTUNITY. WE HAVE REACHED FULL AGREEMENT WITH THE FRENCH ON THE CONDITIONS WHICH THE PROMOTERS MUST MEET. I WISH THE PROMOTERS WELL IN THIS GREAT ENDEAVOUR.

[Mr. Tebbit]

the machine is operating normally. It operates today in the way that it usually does. The letters go in, are read optically, and come out the other end. As I understand it, that is the normal way of operation.

Mr. Dave Nellist (Coventry, South-East): Is it not hypocritical for the Secretary of State to talk about the reliability of the service and its quality when the Post Office is closing Crown post offices and destroying local services, abrogating local and national agreements, and putting profit before public service? Should not the right hon. Gentleman have announced today that it was the responsibility of the management of the Post office to return to full consultation and negotiation with the UCW, before — if the angry mood of the Coventry postal workers is any guide — the dispute inevitably spreads?

Mr. Tebbit: I am sure that the hon. Gentleman will do his best to spread the dispute. But he should consider whether a refusal to operate the machinery effectively represents an ambition to put profit before service to the community. Many people would think so.

Mr. Bob McTaggart (Glasgow, Central): If the Secretary of State is concerned about giving a service to the community and preventing the hardship that is caused to many people through post office closures, will he use his good offices to instruct the Postmaster-General to cease the policy of sub post office closures? That policy is causing great hardship throughout the country.

Mr. Tebbit: The office of Postmaster-General was abolished even before the hon. Gentleman became a Member of Parliament. But the substantive point is that the proposed closures are subject to an extensive process of consultation. Not all the proposed closures are carried through, and I believe that the Post Office adopts an extremely responsible attitude towards its obligations in that respect.

Mr. Paddy Ashdown (Yeovil): On a point of order, Mr. Speaker. I apologise for delaying the House, but many Opposition Members were unable to hear the precise answer that the Secretary of State gave in response to the hon. Member for Islington, North (Mr. Corbyn). You will recall, Mr. Speaker, that the hon. Member for Islington, North asked whether the Secretary of State had given his permission for the chairman of the Post Office to circulate a letter. The Secretary of State either said he did, or he did not. We were unable to hear his reply. Could the Secretary of State clarify that point?

Mr. Tebbit: It may be for the convenience of the House if I make that point clear. I said that the chairman had no need or requirement to ask me for permission to circulate a letter. I did not give him permission to circulate. He did it entirely off his own bat.

English Channel (Fixed Link)

3.33 pm

The Secretary of State for Transport (Mr. Nicholas Ridley): I should like to make a statement about the Channel fixed link.

The House will know that in November 1984, I met the French Ministers responsible for transport to discuss the possibility of a fixed link across the English Channel. At that meeting we reaffirmed the willingness of the British and French Governments to take whatever steps might be necessary to facilitate the construction of a fixed link between the United Kingdom and France within the framework of the European transport network. We agreed that this project, for which essential political guarantees would be provided, should be financed without support from public funds or Government guarantees against commercial or technical risks and on the basis of conditions prevailing on the international financial markets.

We also agreed to establish a working group of officials of both Governments to draw up guidelines to potential promoters in order to give them a clear understanding of the requirements of the two Governments on, for example, safety and the environment, the undertakings that the two Governments would be prepared to give, and on any constraints affecting commercial exploitation. At the meeting on 29 November between my right hon. Friend the Prime Minister and the French President, these decisions were confirmed, and it was decided that officials would be instructed to report to Ministers by the end of February.

Officials delivered their report on 28 February, and on 20 March we held a further meeting with the French Ministers to agree the final texts of the guidelines and to decide certain further points. In particular, we agreed that the closing date for proposals would be 31 October 1985, and that the two Governments would aim to reach a decision around the end of the year, on which proposal, if any, they consider should be enabled to go ahead. We also agreed that we should begin contingency work now on those elements of the treaty which would be common to any form of link chosen.

I have placed copies of the guidelines—or, to give them their proper name, the "Invitation to Promoters"—in the Vote Office.

In saying this, I do not want hon. Members to think that we have prejudged the issues. When they have had time to study the guidelines, they will recognise my concern to ensure that there is adequate public consultation, that environmental, social and employment impacts are fully appreciated and that the financial conditions are fully met. All these matters will be carefully considered before the two Governments arrive at a decision.

I cannot yet tell whether a fixed link will be built across the Channel or not. What I can say is that the private sector now has a unique opportunity. We have reached full agreement with the French on the conditions which the promoters must meet. I wish the promoters well in this great endeavour.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): We welcome any suggestion of considerable investment in the infrastructure. Indeed, we have been asking the

Government for many years for precisely this sort of infrastructure development, with its impact on jobs and industry.

Will the Secretary of State give us some undertakings? From a quick examination of the guidelines, it would appear that certain difficulties might arise. Will he give us an assurance that safety will be a paramount consideration in any decisions that are taken? I refer to the safety of those using the Channel now and of those using it during construction.

Whatever decisions are taken, I hope that several important factors will be borne in mind. First, will the right hon. Gentleman give an assurance that the environmental impact of any decision on the fixed link will be a paramount consideration? Secondly, what will be the impact on the creation of new jobs — which is mentioned in the guidelines — and of unemployment? In 1980, 9,000 jobs were dependent on ferries at Dover alone. Will any consideration be given to what will happen in the Dover area if investment goes ahead in other regions? What impact will the fixed link have on the regions? What attempts will there be to improve the infrastructure?

We are told that British Rail must be responsible for its commercial investments. Are the Government prepared to consider helping either British Rail or those who will need to support a fixed rail link or road and rail link? Can we be assured that, before any final decision is taken, the House will have a full opportunity to debate every aspect of the project?

Mr. Ridley: The hon. Lady's welcome for this exciting and imaginative project seemed to descend into a lot of detailed points. However, I shall seek to answer them. First, of course, safety will be a paramount concern during the period both of construction and of any link. We shall make it a very important matter to satisfy ourselves that safety considerations have been fully taken into account before any proposal is accepted.

Secondly, any contender will be asked to put forward an environmental impact study of his proposals on the English side. The French will have a different procedure on their side. This will form a very important part of the considerations when deciding which proposal to accept.

Thirdly, traffic across the Channel is likely to double by the year 2,000. That will leave room for both a fixed link and a very large ferry industry. It will possibly be as large a ferry industry as it is now, despite the fixed link. However, that will depend upon the capacity of the link, and I cannot forecast what that will be until we receive the offers.

Fourthly, a considerable number of jobs will be created all over the country for fabricating the various parts of the link, whatever the link may be, but the form of link will have to be determined before it is possible to ascertain the full impact on employment throughout the country. As for British Rail, if it is in its interests to make any further investment as a result of any link, it will go through the normal appraisal techniques and, if it is commercially viable, it will be authorised. If it falls below commercial viability, it will be up to the promoters to assist British Rail to top up the funds available to it so that it can make any extra investment show a positive rate of return.

Finally, the guidelines propose that the Government should sponsor a hybrid Bill, which will enable the House to express its views. If the hon. Lady wishes to have a

further opportunity to debate the matter, I am sure that my hon. Friend the Leader of the House will listen to anything that the Opposition may have to say.

Several Hon. Members rose—

Mr. Speaker: Order. The House will have heard the last comment of the Minister. We shall undoubtedly return to this subject in due course. Therefore, I shall allow questions to continue until 5 o'clock, after which we must move on.

Mr. David Howell (Guildford): My right hon. Friend rightly speaks about a unique opportunity for the private sector, but does he accept that that also creates a dilemma? While the Government may not wish to indicate a preference for any particular form of fixed link until they can be absolutely sure that it can be financed privately, the promoters will have great difficulty in establishing whether it can be financed privately until they are sure what kind of fixed link the Government prefer. Could my right hon. Friend seek to try to break the deadlock by accelerating the Government's indication of what kind of fixed link they would prefer, so that the process can go forward?

Mr. Ridley: I am grateful to my right hon. Friend for his welcome. However, I believe that the promoters are broadly satisfied that they can go ahead and prepare their propositions, including the financial backing that will be needed, and that they have enough time in which to do so before 31 October. That will enable them to assemble their bids, including the financial aspect. It would be quite wrong to preclude any particular type of link or proposition in case we cut out a horse which might turn out to be the fastest horse in the race.

Mr. Bruce Millan (Glasgow, Govan): Is the Secretary of State aware that, whether this link is financed by private or public capital, it will nevertheless represent a massive expenditure largely for the benefit of the south-east of England? [HON. MEMBERS: "No."] Yes, largely for the benefit of the south-east of England. There is already an over concentration of population and economic activity on the south-east of England. Some Opposition Members are not enthusiastic, to say the least, about the proposal, however it is financed, particularly at a time when the Government are cutting regional aid.

Mr. Ridley: It is possible that a great deal of this capital will be footloose, international capital, which might not come to these islands at all if the project does not go ahead. Therefore, I do not believe that the right hon. Gentleman should view this project in terms of a denuding of capital which might otherwise be available for other projects. Secondly, I think that the right hon. Gentleman must concede that if there is to be a tunnel underneath the Channel, it has to start from Kent rather than from Glasgow.

Mr. Terence Higgins (Worthing): Will the criteria used by the Government to judge competing proposals include the rate of return on capital? What guarantee will the Government require from any promoters that they will have the resources to complete the project?

Mr. Ridley: The rate of return on capital will be a matter for the promoters. They will have to demonstrate to their financial backers that they have a viable project. The Government's concern would be to make sure that any

[Mr. Ridley]

investment in British Rail or in roads showed a positive rate of return, according to normal criteria. We shall also ensure that sufficient bonded guarantees of finance are made available to satisfy the two Governments that adequate finance is available for completion of the project.

Mr. Stephen Ross (Isle of Wight): We on this Bench welcome the statement by the Secretary of State, which is a change and a pleasure. We believe that this is an imaginative idea and that a link should have been built long ago. Will the Secretary of State confirm that all options are open—rail only, road-rail, bridge and tunnel—and will he please assure the House that once the bids are in there will be no delay on the part of the Government in reaching a decision?

Mr. Ridley: I am grateful to the hon Gentleman and delighted to be in a spirit of accord with him. All options are open—the ones that we know about and the ones that we have not yet heard about—provided that they meet the criteria and come in time. Secondly, the firm intention of the two Governments is to complete their consideration and reach a decision by the end of the year, if possible. The French are as keen as we are to do this.

Mr. Michael Howard (Folkstone and Hythe): Can my right hon. Friend tell the house a little more about the requirement in the guidelines for public consultation? Can he give an assurance that the effects on south-east Kent, in economic as well as in environmental terms, will be fully taken into account before any decision is reached? Can he also describe the machinery that he has in mind for achieving these objectives?

Mr. Ridley: I am grateful to my hon. and learned Friend. Paragraph 12.42 of the guidelines sets out all the procedures for parliamentary and public consultation:

"the more effective the informal consultation carried out by the promoters with local authorities, expert bodies and other interested parties in advance of the Bill's Committee hearings, the greater the likelihood of a smooth passage for those hearings."

That is the point. If the promoters can ascertain local views and go as far as possible towards meeting them, they will find it much easier to persuade the Committee of this House that the proposals are in order.

Mr. Roland Boyes (Houghton and Washington): Have not the Government's policies created a wide and ever growing gap between the poorer regions of the north and the south, and have not independent consultants' reports stated quite clearly that the building of a tunnel will put the poorer regions in an even more vulnerable position compared with the richer regions? Have the Government carried out independent inquiries into the effect on the north-east of England of the building of the tunnel? If not, does it not show conclusively that the Government do not give a damn about the massive and ever growing unemployment in the north-east?

Mr. Ridley: I refute entirely what the hon. Gentleman says.

Mr. Boyes: The right hon. Gentleman cannot do so.

Mr. Ridley: The right hon. Gentleman knows perfectly well that the north of England and Scotland have many more estuarial bridges and tunnels than the south of England. All that is happening is that another toll crossing

may be provided across the Channel. The building of the structure, whatever it may be, will create work for the industrial areas of this country. The improvement in our access to and trade with the continent will be of value to the whole country, if it proves to be possible to move goods more cheaply through the link than by ship.

Mr. Jonathan Aitken (Thanet, South): Before we all get trampled over in the enthusiastic rush to abolish the good old English Channel, will my right hon. Friend confirm that his document, "Invitation to promoters", which sounds suspiciously like a prospectus for a latterday South Sea Bubble, is a highly speculative, tentative and hypothetical affair? Will he be careful to ensure that the considerable investment now going into the Channel ports in terms of jobs and money will not be placed in jeopardy by the scheme?

Mr. Ridley: It will be for investors, including merchant banks of all sorts, to decide whether they wish to invest in any promoter's scheme and to submit a proposal to the Government for that purpose. It must be for them to make up their own minds whether they want to show the correct amount of money to justify one of the schemes going ahead. It would be wrong of me to give guidance either way.

Mr. Robert MacLennan (Caithness and Sutherland): Does the Minister recognise that not all Scottish opinion will be as insular as that expressed by the right hon. Member for Glasgow, Govan (Mr. Millan), that among the possible beneficiaries of such a scheme would be British Steel's Scottish plants, and that employment in the developing parts of Britain could be greatly assisted by at least one of the projects put forward? Why is the right hon. Gentleman proposing that the scheme should lapse in October?

Mr. Ridley: I am grateful to the hon. Gentleman for pointing out that there could be large benefits for the steel and other industries located all over Britain and for taking a much more sensible view than the right hon. Member for Glasgow, Govan (Mr. Millan).

The 31 October is the last date for the receipt of propositions, and all known contenders have so far agreed that that date gives them sufficient time to prepare their offers. If there were any strong plea for a delay to enable somebody else to come in, we would consider that.

Mr. Roger Gale (Thanet, North): I welcome my right hon. Friend's insistence that any fixed link should be financed through free enterprise, but will he give the House an undertaking that his Department will make the necessary investment in the infrastructure in north-east Kent before the building of any such link, because without it, far from benefiting, that area is likely to be devastated.

Mr. Ridley: I am grateful to my hon. Friend for welcoming the project. We shall have to consider the implications for Kent's infrastructure. My hon. Friend mentions north-east Kent, but I suspect that south-east Kent will be affected as well. That will be part of the assessment that will have to be made when we receive any particular proposal.

Sir David Price (Eastleigh): As a member of the Select Committee which looked at the issue in the previous Parliament, may I ask my right hon. Friend two quick questions? Is he aware that not a single promoter who

appeared before us was willing to put up the money without a basic Government guarantee? Is there to be one? [HON. MEMBERS: "No."] Good.

Secondly, will my right hon. Friend bear in mind that the bridgers, in their evidence to us, were pushing the state of their art far beyond its ability to span the Channel?

Mr. Ridley: I have made it clear in the statement and in the guidelines that there will be no Government guarantees of a financial or economic nature. They will be confined to political guarantees, in the case of cancellation for political reasons, by one or the other Government. That is spelt out in the guidelines.

Secondly, I do not want to comment on any particular scheme, be it bridge, bored tunnel or tube, without seeing the full details of what is finally put forward. I do not want to prejudge the decision in any way.

Mr. Kenneth Warren (Hastings and Rye): I welcome the prospect of the promotion of a fixed link across the Channel, but to what physical extent will national law apply each side of the Channel?

Secondly, may I reinforce the wish of my hon. Friend the Member for Thanet, North (Mr. Gale) to see the road and rail infrastructure brought up to a standard commensurate with the Channel tunnel when, as he well knows, in south-east England it is already running far behind current demand?

Mr. Ridley: I am grateful to my hon. Friend. He will find the question of national law dealt with in the guidelines, but we may have to extend other jurisdiction to the centre of the Channel, as he will read. We must see what proposals come forward from the promoters before we can decide what is necessary on infrastructure, but I assure my hon. Friend that that will be taken into account carefully at the time of receiving propositions.

Mr. Den Dover (Chorley): Will my right hon. Friend confirm that British Rail will be able to sign an arm's length agreement with the successful promoter and that that will in no way count against any public sector borrowing requirement?

Mr. Ridley: Yes, I can confirm that. British Rail can enter into any agreement that it wishes, but if any investment which it is called upon to finance does not show a positive rate of return, it will be for the promoter to help it with its contribution so that it does show a positive rate of return.

Mr. Toby Jessel (Twickenham): If a Channel link were built, would not our trade pattern become so geared to it and so dependent on it, probably far more than any other country, that we would be vulnerable to a threat of closure at the other end? Can my right hon. Friend be certain that no French Government in the future, perhaps to further their bargaining position on some completely different matter, would ever make such a threat?

Mr. Ridley: We shall be seeking to sign a treaty with the French about that. The predictions seem to be that a sizeable ferry industry will remain, which will provide an alternative method of getting goods and people across the Channel. I believe that the French will wish to sign a treaty with us, which I hope will be an added protection for the real danger which my hon. Friend rightly mentions.

Sir John Osborn (Sheffield, Hallam): Does not the capacity of the final link have its own environmental,

social and employment implications? Is my right hon. Friend satisfied that we have the equipment of Association Trans-Manche, the French agency involved? Will he consider the speeding up of Customs, because whatever link there is will be useless unless we do something on that front as well?

Mr. Ridley: I agree with my hon. Friend that the capacity of the link has consequences for the environment as well as for the infrastructure. We are asking the promoters to assess the effects so that we can take them into account in coming to a decision. I agree that Customs are important, and we are already in touch with them to make sure that we can facilitate the passage of goods and people in the quickest way possible.

Mr. Robert Adley (Christchurch): Does my right hon. Friend recall the sad political circumstances which surrounded the fact that the late Mr. Anthony Crosland was obliged to cancel the previous tunnel? Will he please take on board the importance of, as far as possible, getting all-party support for the project, bearing in mind that there are people in all parties who do not want it? In view of the obvious and understandable concern about regional policy, will he please do everything that he can to see that that aspect is high on his list of factors when he comes to make his decision? Finally, what will happen if we want one thing and the French want another?

Mr. Ridley: I have been encouraged by the wide support so far this afternoon for the principle that I have set forth in the statement. That bodes well for the House being prepared to give a good proposal a fair wind. My hon. Friend asks what will happen if there is a difference of opinion between ourselves and the French, but that is a hypothetical question and we must wait and see what develops. However, it is necessary for the French as well as ourselves to agree before anything can go ahead.

Dr. Jeremy Bray (Motherwell, South): Does the Minister expect the promoters to take into account the employment effects either during construction or subsequently in the operation of the fixed link? If not, will the Minister do so?

Mr. Ridley: Yes; the guidelines require the promoters to estimate the employment effects both during and after construction, and they will be a relevant factor in coming to a decision.

Mr. Richard Tracey (Surbiton): Does my right hon. Friend share my amazement that, in the light of their recent statements, the Opposition do not appear to be happy at the prospect of improving the infrastructure? Does he agree that that may be because the Government are insisting on the use of private rather than taxpayers' money to finance this project?

Mr. Ridley: I think that the Opposition are a little uneasy about the fact that it does not cost the taxpayer anything if the project goes ahead, whereas their view often seems to be that the taxpayer must be made to pay more. Therefore, I am sure that my hon. Friends will be delighted if we can have the benefit of this great addition to our infrastructure without great additions to our taxes.

Mr. Nicholas Winterton (Macclesfield): May I say that, coming from the north-west, I am fully behind the project. I hope that will please my right hon. Friend. May I remind him that the promoters have already spent many

[Mr. Nicholas Winterton]

millions of pounds on putting propositions to the Government, and can I therefore reinforce the request made by my right hon. Friend the Member for Guildford (Mr. Howell) that the Government might give some indication before 31 October of the sort of tunnel that they want? That would at least remove the necessity of making expensive proposals which will not even be considered.

Mr. Ridley: My hon. Friend has raised a serious point, and I have considered it carefully. I do not believe that any very expensive work will be necessary for the promoters before 31 October. We have so structured it that, if expensive testing work is necessary, that can be done only after a decision has been taken. Equally, I am sure that he would agree with me that it would be unfair to any group of promoters who wished to put forward a scheme if we were to rule out such a scheme before they had time even to put it forward.

Mr. Teddy Taylor (Southend, East): As the unanimous decision of the five banks' review was that there was no way in which this could be financed from private funds without external guarantees, can my right hon. Friend give us an assurance that there will be no question of national guarantees by the back door through the EEC? Can he give a clear assurance that, if no proposal comes forward by the end of the year, he will finally bury this silly and outmoded white elephant?

Mr. Ridley: Perhaps the new factor in the situation is that, despite what the banks said in the report, to which my hon. Friend has referred, miraculously they now find that they think they can finance the scheme without access to public funds or public guarantees. It may be that my hon. Friend will see something in that transformation. I am happy to give him the undertaking for which he asks. There will be no EEC funds or guarantees for the link, because that would merely be public money channelled through another route.

BILLS PRESENTED

HORSES AND PONIES

Mr. David Amess, supported by Mr. Harry Greenway, Mr. Greg Knight, and Mr. Gerald Bermingham, presented a Bill to protect horses and ponies against abandonment by their owners; to provide for a statutory code of practice on the tethering of horses and ponies; to oblige owners to arrange for a humane method of identification for their animals; and for purposes connected therewith: And the same was read the First time; and ordered to be read a Second time upon Friday 26 April and to be printed. [Bill 118.]