

Prime Minister

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10 May 1985

CHANNEL LINK - MEETING WITH SIR NICHOLAS HENDERSON

A successful fusion of British and French contributions is important both at Government level, and within the consortium undertaking the construction and operation of the Link. At times recently, it has looked as if the two Governments could be placed in the invidious and unhelpful position of having to choose between promoting consortia either made up predominantly of British interests or of French interests. Fortunately, Sir Nicholas Henderson and his Channel Tunnel Group (CTG) have led the way in seeking a genuine, well-balanced fusion of British and French industrial and commercial interests.

You might like to open the discussion by congratulating Sir Nicholas on having just concluded (it is hoped by 10 May 1985) a formal co-operation agreement with a substantial group of French companies. His reading of whether the French Government see a need to encourage this sort of Anglo-French co-operation within promoting groups would be of interest.

CTG's success in attracting French partners is perhaps a reflection of the fact that the business world sees them as serious contenders, if not favourites. Technically and operationally, their twin-bore tunnel scheme is well-defined and sound. But what attracts the money men is the capacity to transport much the same volume of road traffic as Euroroute or

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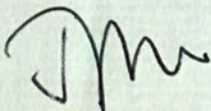
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a drive-through tunnel (also in the CTG stable), for less than half the capital cost. Against this, the concept of a merry-go-round of trains (not operated by BR or SNCF) forming as it were a moving motorway, has yet to excite the imagination of the public.

Sir Nicholas will want to explain to you why he believes that the moving-motorway concept should appeal as much to users as any drive-through scheme - not least through lower tariffs. You might like to ask him whether he has plans to capture the public imagination in a publicity campaign.

You could make sure that CTG are under no illusions as to the 100% private-sector funding of the venture, with BR not involved at taxpayers' expense or guarantee. You may want to be re-assured that the twin-bore tunnel scheme will not be vulnerable to disruption by the British or French Rail unions - the transportation system in the Link being entirely separate and operated by the promoter.

Whilst your encouragement will no doubt be valued by Sir Nicholas and his colleagues, he must not, of course, expect any advice or support which is not equally available to his competitors.



JOHN WYBREW

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