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DEPARTMENT OF TRANSPORT
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Prime Minister

C D Powell Esq
Private Secretary
10 Downing Street
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15 November 1985

Dear Charles,

ANGLO-FRENCH SUMMIT: 18 NOVEMBER

There are two points which my Secretary of State would like to draw to the Prime Minister's attention before she sees President Mitterrand on Monday.

Channel Fixed Link

First, in the margins of yesterday's Transport Council, we were able to agree with the French two texts on the Channel Fixed Link. I enclose the English version of these (we hope to sort out a minor problem with the French texts on Monday morning). The first (A) is a statement for issue at the Summit on the timetable for decisions on the Fixed Link and other connected issues. This includes a square bracketed passage on a proposal from President Mitterrand that he and the Prime Minister should meet towards the end of January and that a decision on the project for the Channel Fixed Link should be announced after that meeting. We have told the French that the possibility of a further meeting between the Prime Minister and President Mitterrand is something on which a decision will have to be taken when the two meet at the Summit.

The second enclosed text (B) consists of confidential undertakings by the two Governments on the subject of road and rail links. This meets our requirement that bilateral quotas on lorry traffic should be set at levels which do not limit the volume of traffic. At French insistence, the text also includes a British undertaking on improving road infrastructure. This is in response to French pressure on us to make some commitment on allowing heavier lorries once the Link is open. The passage finally agreed by the French does not in fact include any such commitment. It is possible, however, that President Mitterrand will raise the question of heavier lorries with the Prime Minister.

We have not discussed yet with the French how these confidential undertakings can be given legal effect. Given the likelihood of a change of French Government after their March elections, however, we believe that it is important that we should incorporate these undertakings in the Treaty to be signed in February. This is a point which the Prime Minister may wish to make to President Mitterrand.

Community Shipping Policy

My Secretary of State considers that it would be worth the Prime Minister's while mentioning to M. Mitterrand our disappointment with the French line on shipping at yesterday's Transport Council. Together with the Dutch we had worked out a line which would have enabled us to make real progress on the question of opening up coastal trades - a key objective for our shipping industry. With this out of the way we could have stood a fair chance of getting the entire set of shipping policy proposals approved before the end of the year, when the arrival of Spain and Portugal is bound to set the process back a long way. It is still not too late to complete the work but the French will have to show a far greater sense of urgency than they are doing at the moment.

There was a suggestion that M. Lengagne, the Minister of the Sea, was waiting to hear from M. Mitterrand that his intended concessions were acceptable. Whether or not this is the case, it would do no harm, having regard to our mutual co-operation on the Channel Fixed Link, to encourage M. Mitterrand to give the shipping question a push.

Copies of this letter go to the Private Secretaries to the Foreign Secretary, the Chancellor of the Exchequer and Sir Robert Armstrong.

Yours,
Richard.

R A ALLAN
Private Secretary

DRAFT STATEMENT

CHANNEL FIXED LINK

The French and British Governments reaffirmed their willingness to set in hand a Channel Fixed Link between their two countries. They considered it to be an imaginative project which should bring great benefit to the trade links and economies of both countries.

The agreed deadlines have been and will be respected.

- April 1985: issue of the invitation to promoters for financing, constructing and operating a fixed link;
- 31 October 1985: deposit of promoters' proposals;
- December 1985: presentation to the two Governments of a joint report assessing the various proposals;
- the decision to be taken by the two Governments will be announced before the end of January 1986 /on the occasion of a meeting between Mrs Thatcher and Monsieur Mitterrand/.

The decision to be taken by the two countries will take into account the need of the two Governments to be satisfied on such essential matters as safety and protection of health and the environment.

The Treaty, which will set out the legal and economic regime of the project and the undertakings of the states, will be signed the following month.

The two Governments have stated their willingness to take complementary measures in parallel with the construction of the project to facilitate frontier crossing and to improve traffic conditions on either side of the fixed link.

Customs and immigration controls will be co-located so as to reduce delays for travellers and traffic. In the case of a rail link, appropriate methods for controls in relation to through trains will be devised with the same objective.

Regulatory, economic and technical obstacles to lorry and coach traffic will be abolished progressively and in any case by the entry into operation of the fixed link.

Plans for improvements to the road networks giving access to the fixed link will be established and set in hand in parallel to the construction of the link.

The two governments will encourage the railway administrations of the two countries to take the maximum advantage, consistent with their commercial interests, of any rail element in the fixed link, in the framework of the development of the European network.