



Treasury Chambers, Parliament Street, SW1P 3AG

Mr Richard Allan
Private Secretary to the
Secretary of State for Transport
Department of Transport
2 Marsham Street
LONDON SW1 3EB

29 March 1985

Dear Richard

CHANNEL FIXED LINK

The Chancellor has asked the Economic Secretary to respond in his absence to your Minister's letter of 28 March to Sir Geoffrey Howe. Subject to any subsequent comments by the Chancellor, he has only some small suggestions to make concerning the draft statement on the fixed link. In making clear to promoters the opportunity that is theirs, the draft properly emphasizes the basic financial conditions which have to be fulfilled and avoids committing the Government to selecting any proposal at all. It would, though, he thinks be worth adding to the list in paragraph 6 of the factors the Government will take into account: ".....that environmental, social and employment effects 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."

As it is presently drafted, the statement could, he thinks, possibly give rise to some confusion on the nature of the decision that the Governments aim to make around the end of the year. In the British case it will, of course, be subject to approval by Parliament. In order to avoid the risk of seeming to anticipate its will, he has suggested that it might be better to say in paragraph 4 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." The type of decision mentioned later, in paragraph 6, would then be made clear.

As regards the steps to be taken if the Governments decide to proceed with a proposal for a promoter, he believes that we should preserve as much freedom of action as possible. He assumes there would need to be a hybrid Bill in any case

but he thinks we should wait until we see the promoters' proposals before we take a decision on whether or not there should be a public inquiry. He would be content that we should not be committed to holding one, but hopes that, as your Minister says, we can avoid taking a firm position.

He is content with the agreement reached with the French on immediate follow-up and hopes the Treasury officials will continue to be involved in the relevant aspects of the assessing proposals.

I am copying this letter to Andrew Turnbull at No.10 and the secretaries of other members of E(A), the Secretary of State for Defence, the Chief Whip and to Sir Robert Armstrong.

Yours ever
A M Ellis

A M ELLIS
Private Secretary

