

1030 AM B

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01-588 2851

41, BISHOPSGATE,
LONDON, EC2P 2AA.

Prime Minister

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

Agree to see
Nicko Henderson in
10th April, 1985
May to discuss Channel
Tunnel?

Dear Prime Minister,

CAP
1614
ms

I am writing to ask whether I can have a word with you some time, perhaps in May, about the Channel link. I am Chairman of the Channel Tunnel Group which will be submitting proposals in accordance with the recently-issued guidelines.

I am in touch with Ministers, Parliament and Whitehall generally, but I do want to have the chance to speak to you. As you know, you can rely on me not to take up more than the minimum of your time.

I realise that you do not want to commit yourself at this stage, and I am therefore concerned by the extent to which your views are being taken for granted and expressed publicly. The Times of the 3rd April, for example, reports that "Mrs Thatcher's closest colleagues are already pressing for the road option". (i.e. Euroroute).

When I was in Paris recently I was told in the Prime Minister's office, though not by him personally, that it was assumed in France that the British Prime Minister was in favour of Euroroute.

Perhaps I could clarify one point: the Channel Tunnel Group are examining the possibilities of a drive-through tunnel. So, the idea of driving should not be seen as the monopoly of Euroroute. It is too early to say whether or not it is practicable.

I attach a note setting out what the Channel Tunnel Group stands for.

Yours sincerely,

Nicho

Sir Nicholas Henderson

THE CHANNEL TUNNEL GROUP

The Channel Tunnel Group proposes to construct twin tunnels, each of seven metres in diameter, and a smaller service tunnel. This system will provide a privately operated, roll-on roll-off shuttle to run between the British and French coasts, with trains leaving every 5 minutes, giving a capacity of 3,600 vehicles per hour in each direction. This "rolling-road" would be operated to high standards of safety in such a way as to avoid any delay at either terminal for passengers who would, if they wished, remain in or near their vehicles for the transit. The ferry train will be brightly lit and air-conditioned.

There will also be through rail traffic to and from all parts of the U.K. to the Continent. Passenger services between London and Paris/Brussels would be expected to take about four hours (or three hours if a high speed service were introduced in France).

The Channel Tunnel Group are also examining the possibilities of a drive through tunnel in the light of the guidelines for a fixed link issued by the British and French Governments. If there is to be an all-weather drive through scheme that would be acceptable to drivers, the only practical method would be by tunnel; the Channel Tunnel Group have studied the ideas of a bridge or immersed tube but do not consider either of these practical in terms of construction or operation.

Before reaching their decision in favour of their bored tunnel project, the Channel Tunnel Group fully considered whether existing ferry services might not suffice if suitably developed to meet cross channel needs for freight and passengers. But the Channel Tunnel Group have been impressed by the following:

1. The great increase in traffic of all kinds between the U.K. and the Continent, some 9% per annum in the past decade, is the consequence partly of the U.K.'s membership of the European Community and the changed direction of our overseas trade. Since the early seventies our annual exports with the E.E.C. have increased by some 50%. The growth may not continue at quite this pace but it is a fair assumption that passenger and freight traffic will increase by another 50% by the end of the century.
2. The present cost of cross channel carriage whether for passengers or freight is very high and a disincentive to the freer movement of goods and people within the European Community. The facilities to be constructed by the Channel Tunnel Group will provide a reduction in the cost of cross channel carriage.
3. The tunnel will also be more convenient and immune to the vagaries of weather; the same cannot be said of any other scheme. Such a link may therefore encourage increased usage in the winter months.

The Channel Tunnel Group have it in mind that a fixed link between Britain and France should not require such a degree of traffic as would render uneconomic a continuing ferry service. They believe that the future needs of cross channel freight operators and passengers will be such as to require both a fixed link and ferries (in addition of course to air services); and that it would be against the national interest to be dependent upon a single means of transport. Tunnels of the kind proposed together with ferries would afford the necessary flexibility in services offered.

The Channel Tunnel Group are confident that their scheme is technically feasible. There is a continuous layer of "lower chalk" under the Channel between the U.K. and France which is impervious to water and ideal for tunnelling. The Channel Tunnel would be bored under the sea entirely in this chalk layer and would run about 40 metres below the sea bed. Construction time is expected to be 4.1/2 years.

The Group are also convinced that they will be able to finance the project entirely from private sources. There will be no need to depend financially on governments.

The Channel Tunnel Group is composed of five British construction companies, Balfour Beatty, Costain, George Wimpey, Tarmac and Taylor Woodrow as well as the National Westminster Bank which is the Group's Banker and Adviser. The Group have Flemings and Morgan Grenfell as Merchant Bank Advisers.

The Group are linking up with French partners and the project will belong to two owning companies operating under a joint Anglo French partnership.

Finally, the Channel Tunnel Group wish to put it on record that the three most recent reports regarding a fixed cross channel link concluded in favour of twin bored tunnels. These were the Parliamentary Select Committee on Transport of February 1981, the U.K. French Joint Study Group of June 1982 and the Franco British Channel Link Financing Group of May 1984. These three reports considered that such a scheme was the only one that was both technically feasible and financially viable.

01-588 2851.

41, BISHOPSGATE,
LONDON, EC2P 2AA.

C. D. Powell, Esq.,
Private Secretary to The Prime Minister,
10 Downing Street,
London, S.W.1.

CDP

22nd April, 1985

Dear Charles

Thank you for your letter of the 17th April. I look forward to seeing the Prime Minister at 10.30 a.m. on Monday, 13th May and will turn up at Downing Street.

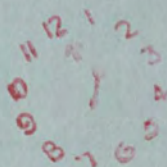
John Chen

Nicho

Sir Nicholas Henderson

Transport : Channel Tunnel A3

24 APR 1985





10 DOWNING STREET

From the Private Secretary

17 April 1985

Many thanks for your letter of 10 April.

BY The Prime Minister would be very happy to see you to talk about the Channel link. Can you manage 10.30 am on Monday 13 May?

(C.D. Powell)

Sir Nicholas Henderson, G.C.M.G.

SRW

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CF BU



BM

10 DOWNING STREET

From the Private Secretary

17 April 1985

Channel Link

The Prime Minister has agreed to see Sir Nicholas Henderson on 13 May. The purpose of his call is to tell her about the Channel Tunnel Group's proposals. I enclose a copy of his letter and note.

BF

I should be grateful for a brief by 1600 hours on 10 May.

I am copying this letter and enclosure to Colin Budd (Foreign and Commonwealth Office).

(C.D. Powell)

Richard Allan, Esq.,
Department of Transport

SRW



The Channel Tunnel Group

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PRESS RELEASE

FOR IMMEDIATE RELEASE

MONDAY FEBRUARY 11TH 1985

SIR NICHOLAS HENDERSON

JOINS CTG

The Channel Tunnel Group is pleased to announce today (11th Feb) that Sir Nicholas Henderson, GCMG has agreed to become the Chairman of the Group.

Sir Nicholas was Ambassador to France 1975/1979 and came out of retirement on re-appointment as Ambassador to Washington 1979/82 when he played a key role during the Falklands conflict. He is also a Director of Tarmac, Hambros, Foreign & Colonial Eurotrust and Mercantile & General Reinsurance (biographical details attached).

With the compliments of the Channel Tunnel Group -
28 Hammersmith Grove, London W6 7EN

For further information, please contact Donald Hunt :

Tel 01-846 3010 (office)

01-834 2853 (home)