



CONFIDENTIAL

1. ~~CDP~~

CE BC

2. B/LF for meeting with  
Mr Ridley before  
the Summit.

FCS/85/284

SECRETARY OF STATE FOR TRANSPORT

Channel Fixed Link: Liberalisation

1. Thank you for your letter of 24 October. I very much agree with you on the desirability of obtaining from the French some form of assurance that our lorry traffic through the CFL will not be impeded by quantitative restrictions. I share your disappointment at the lack of movement from them so far on this question, but, for the reasons set out in Sir John Fretwell's telno 909 from Paris (copies of which have been sent to your Department) the French Government may be unwilling to give us the specific guarantees we seek before their elections in March 1986.

2. Against this background, I welcome your plan to meet M. Auroux before the Anglo-French Summit on 18 November. Given the short-term but genuine political difficulties for the French Government, I think the prospects for a completely successful outcome to this meeting cannot be especially high, but it will at the least give you the opportunity to press for some form of generalised political commitment to the abolition of the quota system by the time the CFL begins operation. Such a commitment must clearly continue to be a minimum requirement for us; and I believe there is a reasonable chance that in due course the French may concede the point.

3. I also endorse your recommendation that if M. Auroux cannot offer an acceptable solution, the subject should be raised at the Anglo-French Summit on 18 November. This would be an opportunity for us to register at the highest level the importance we attach to the issue.

4. I am sending copies of this letter to the Prime Minister, to other members of E(A) and to Sir Robert Armstrong.

Foreign & Commonwealth Office  
4 November 1985

GEOFFREY HOWE

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TRANSPORT

CHANNEL TUNNEL

PT 3



1. *CDP*

2 *pa.*

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MR NORGROVE

25 October 1985

CHANNEL FIXED LINK - LIBERALISATION

You might like a little more background on the rail aspects of Nicholas Ridley's note to Geoffrey Howe on the liberalisation of lorry traffic through France, and the French quid pro quo of high-speed train access to London.

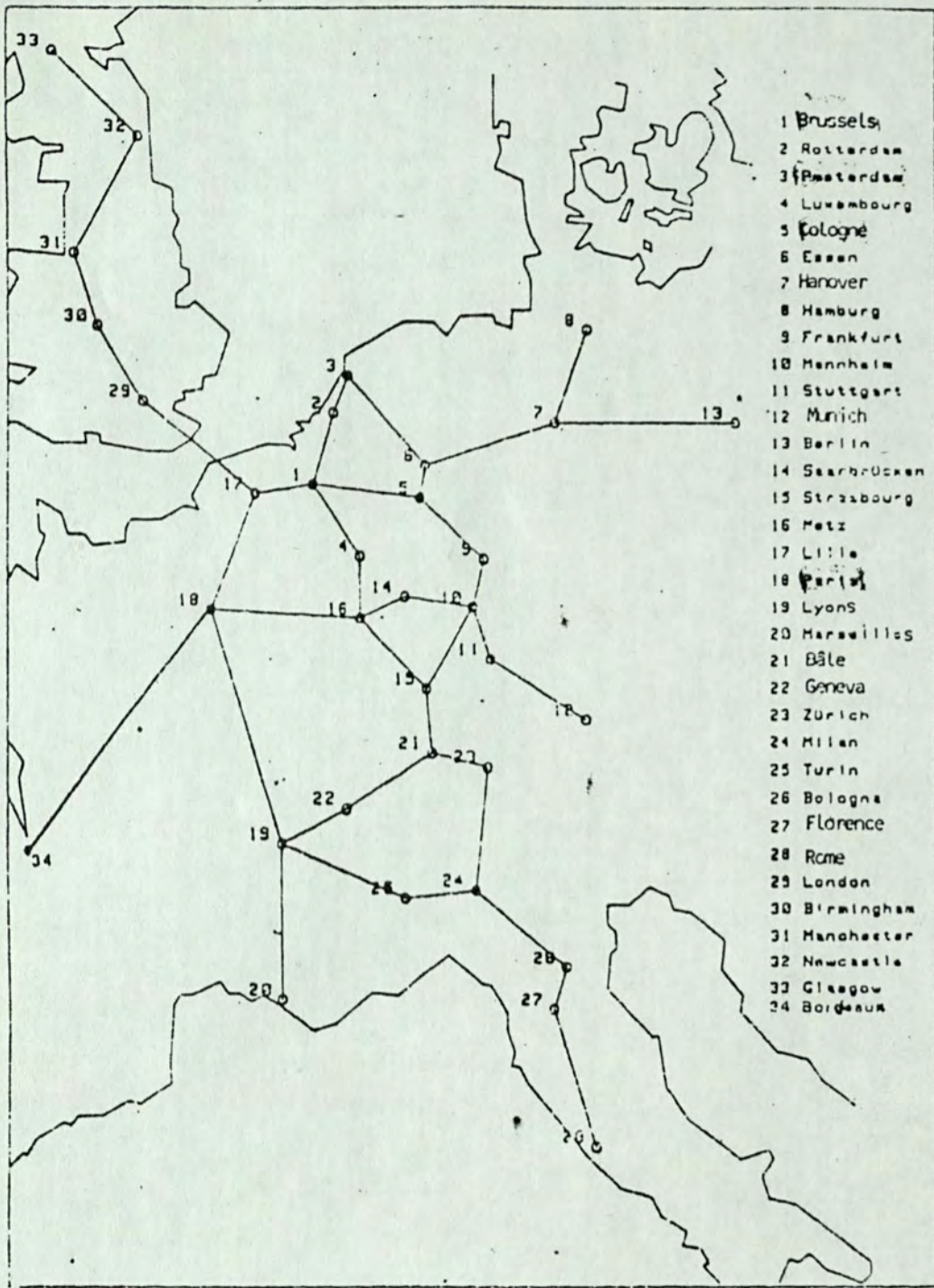
The vision which excites the French is a high-speed rail network linking the major cities of Europe (refer attached diagram.) For this, they would like BR to install new track and infrastructure compatible with SNCF's high-speed train, the TGV. But this is not essential. The gauge of BR's track is the same as that on the Continent. Trains can be made to accept different electricity supplies. The biggest problem is the incompatibility of BR's tunnel sizes and track curvature.

On any normal commercial basis BR will not be able to justify installing special track and infrastructure for high-speed trains. BR's hope lies in accepting the existing track and infrastructure and in jointly developing a new version of high-speed train capable of using the TGV network on the Continent and BR's track in the UK. This would still put Paris within a 3½ hour train journey from London.

*JW*

JOHN WYBREW

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Draft network established on the following basis:

- (a) North-South and East-West routes linking the Community's main towns and cities;
- (b) Present traffic flows and potential demand on these routes.

*cc: BG*



RESTRICTED

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Secretary of State for Trade and Industry

4 November 1985

The Rt Hon Nicholas Ridley MP  
Secretary of State for Transport  
Department of Transport  
2 Marsham Street  
LONDON  
SW1P 3EB

*NBR*

*R. Nich*

CHANNEL FIXED LINK : LIBERALISATION

Thank you for copying to me your letter of 24 October to Geoffrey Howe.

2 I very much agree with the line you propose to take which fits in with our wider liberalising objectives both bilaterally and in the Community. I take it that the reference in your letter to the liberalisation of quotas for our lorry traffic through the CFL is intended to apply to the removal of bilateral quotas on all cross-channel traffic, since we would not want to give ammunition to opponents of the CFL on the basis that ferry-borne lorry traffic would be unfairly disadvantaged.

3 I am copying this letter to the Prime Minister, members of E(A), Sir Geoffrey Howe and Sir Robert Armstrong.

*Law*  
*Law*

LEON BRITTAN

JF5ANE

TRANSPORT: Channel Tunnel: Pt 3





RESTRICTED

*CVS*  
*(2)*

*Prime Minister*

Qz.04679

*CBP*

MR POWELL

*29/x1*

*ms*

CHANNEL FIXED LINK: MOVEMENT OF GOODS

The Secretary of State for Transport wrote to the Foreign and Commonwealth Secretary on 24 October, with a copy to the Prime Minister. Our advice is quite simple. The United Kingdom needs a commitment from the French Government that our lorry traffic through the channel fixed link will not be restricted by quantitative restrictions.

I am sending a copy to Sir Robert Armstrong.

*D F Williamson*

D F WILLIAMSON

28 October 1985

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DEPARTMENT OF TRANSPORT  
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The Rt Hon Sir Geoffrey Howe QC MP  
Secretary of State for Foreign  
and Commonwealth Affairs  
Foreign and Commonwealth Office  
Downing Street  
LONDON SW1

1. ~~ESP~~ (see over)

2. pa

DRN

24/10

24 October 1985

Dear Geoffrey

CHANNEL FIXED LINK: LIBERALISATION

As you know, we have been pressing the French to agree that, once the CFL is open, all quota restrictions on lorries using the Link will be abolished. We have made clear that, given the large proportion of our trade which would be using the Link, it would be unacceptable to us for the French to restrict the flow of this trade.

I regret to say that so far there has been no acceptance on the French side of the principle of quota abolition. The French have raised a smokescreen of objections, claiming both that the abolition of quotas is unnecessary as quotas do not restrict traffic, and that liberalisation in the CFL context cannot be separated from liberalisation in the Community context and must, therefore, be dealt with as part of the Community arrangements. To back up their first argument, they have recently increased substantially the UK/France bilateral quota - indeed the increase is so large that the quota now no longer acts as any sort of restraint on traffic. It seems probable that their main objection to agreeing to the formal abolition of quotas in the CFL context is probably a fear not so much of UK competition as of opening the floodgates of Community liberalisation, which would in the short term anyway cause France - as a major transit country - genuine political and economic problems.

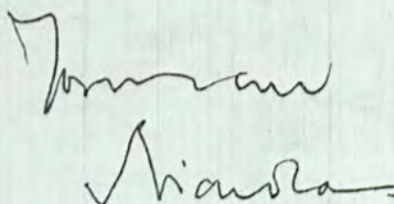
In theory, following the recent European Court judgement and the commitment to a genuine internal market by 1992 entered into by the Heads of State and Government at the Milan European Council, Community liberalisation should have been achieved by the time the CFL is open. I shall certainly be fighting hard to achieve complete road haulage liberalisation throughout the Community



well before then. But, given the obstruction to Community liberalisation by not only France but also Germany and Italy (who may well be joined by Spain and Portugal), early progress cannot be guaranteed. I therefore consider that we must continue to attempt to obtain from the French some form of formal assurance that our lorry traffic through the CFL will not be impeded by quantitative restrictions. I propose to ask the French Transport Minister to meet me before the Anglo-French Summit to discuss this question. If he is not prepared to offer acceptable terms, then I recommend the issue should be raised with President Mitterrand at the forthcoming Anglo-French Summit. We need to know where we stand with the French before we have to take decisions at the end of the year on the schemes which the promoters put forward for our consideration.

The French have also tried to bring into the equation the question of allowing high-speed trains to run through the Link to London. We have argued that this is a quite separate issue, and I have made clear that there can be no question of British Rail putting massive and uneconomic investment into the sort of new infrastructure which would be required to allow current French high-speed trains to operate on British Rail tracks. But I have indicated that I would support any commercially viable arrangement between the Railways on a fleet of high-speed trains specially adapted to CFL use. We shall have to insist on joint manufacture of such trains to ensure that the UK gets its share of production.

I would be grateful for any comments by Friday, 1 November. Copies of this letter go to the Prime Minister, other members of E(A) and to Sir Robert Armstrong.



NICHOLAS RIDLEY

