



CCPC/G1
DEPARTMENT OF TRANSPORT
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CONFIDENTIAL

28 July '87

Charles Powell Esq
Private Secretary
10 Downing Street

Dear Charles,

CDD
2/72

CHANNEL TUNNEL RATIFICATION CEREMONY

As you know we regard the text of the joint announcement proposed by the French as highly unsatisfactory. It would be far better for both sides to say nothing about high speed rail services at this stage rather than to issue a half-hearted statement which draws attention to the possible problems. Far from helping Eurotunnel the French proposal is in our view actually damaging.

The French position is very disappointing, though this is not the first time that they have apparently gone back on their word on this issue. My Secretary of State agreed with his counterpart M. Douffiagues that the railways (BR and SNCF) should be set the task of reaching agreement on the vital element of receipt sharing in time to allow the two governments to make a positive commitment to the high speed rail option to coincide with the Treaty Ratification. We understand that this agreement has been reached and for our part we have, with the approval of the Chief Secretary, moved rapidly on BR's investment proposals in order to be in a position to make that firm commitment. Eurotunnel tell us as they have repeatedly told the French that they need that commitment from the two governments by mid-August at the latest if the Tunnel is not to founder.

I attach two possible versions of a statement for incorporation in the relevant part of the Prime Minister's speech. The unilateral version (A) would greatly upset the French but they should be made to believe that the PM will certainly use it if they refuse to agree to something like version B.

We can consider later today, when we have some reactions from the French to this message, whether we would wish to go so far as to recommend version A.

If the Prime Minister does not mention high speed trains at all it is almost certain that French Ministers will talk to the press (as they have before) in the negative terms of the draft communique. We must seek to avoid this.

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If the French continue to resist the sort of announcement which Eurotunnel need, we hope that the Prime Minister will make the point firmly in private to both the President and M. Chiract that French shilly shallying is posing a real threat to the Channel Tunnel project.

I am copying this to Robert Culshaw (FCO) and Alex Allen (Treasury).

Yours,
/ Jon.

J CUNLIFFE
Private Secretary



VERSION A

"As a result of agreements concluded between Eurotunnel and the railways and between the railways themselves, the British Government now stands ready to approve British Rail's investment in high speed train services through the Tunnel. Many details of the high speed project remain to be settled but I believe that this will be a major step forward for the exporters, for business travellers and for tourists. This will also be a vital step toward the development of a Europe-wide network of high speed trains."

VERSION B

"We are also now able to announce our joint commitment to establish high speed train services between Paris and London through the Tunnel. Many details of the high speed project remain to be settled but I believe that this will be a major step forward for the exporters, for business travellers and for tourists. This will also be a vital step toward the development of a Europe-wide network of high speed trains."