

CONFIDENTIAL

PRIME MINISTER

CANARY WHARF

The latest deadline for agreement on the Canary Wharf contract expired today. It turns out that the newspaper reports this morning were partly right.

As you know, Credit Suisse First Boston and Morgan Stanley have reduced their role in the project to the point where they would undertake to occupy a certain square footage of the new buildings and to provide the finance associated with that. First Boston has become the main promoter and financier.

The Master Building Agreement is ready, but the consortium cannot raise the necessary finance. The latest development is that a Canadian developer has emerged with a suggestion that he might take a major stake. Credit Suisse First Boston and Morgan Stanley would withdraw altogether and First Boston's stake would be reduced to ten per cent.

When last I heard, discussions were continuing in DoE and in the Department of Transport and it looked as though Mr. Ridley and Mr. Channon would, with the greatest reluctance, agree to a further extension of a week provided the consortium were prepared to meet the costs of the deal (which would arise mainly on the transport side). But the position was still unclear and Mr. Ridley is likely to report tomorrow.

Rosehaugh Stanhope and Trafalgar House have both expressed a strong interest in stepping in if the present deal falls through.

I should add that the DoE private office themselves seem to be in some uncertainty about what is going on so the details of this may not be entirely accurate.

Suzanne,

(DAVID NORGROVE)

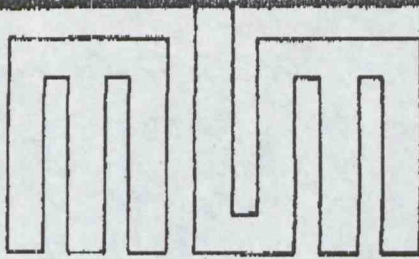
7 July 1987

CONFIDENTIAL

**With the Compliments of**  
**The Lord McAlpine of West Green**

**40 Bernard Street,  
London, WC1N 1LG**





# Mowlem

John Mowlem and Company PLC  
Registered Office  
Westgate House Ealing Road Brentford  
Middlesex TW8 0QZ United Kingdom  
Telephone 01-858 9111 Telex  
International tel + 44 1 858 9111 24414



By Appointment  
To Her Majesty The Queen  
Building Contractors  
John Mowlem & Company PLC  
Brentford

222 1135

FACSIMILE TRANSMISSION

FAX NO: 01 847 5146

GROUP 3

TO: Sir Robert McAlpine & Sons

FAX NO: \_\_\_\_\_

ATTENTION: Lord McAlpine of West Green

DATE: 10th July, 1987.

SUBJECT: Canary Wharf

REMARKS: Letter from Trafalgar House

*pa*

*( We have already dealt with this )*

FROM: Philip Beck

EXT: 3218

(No. of pages to follow: 1 )





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# TRAFALGAR HOUSE

PUBLIC LIMITED COMPANY

1 BERKELEY STREET · LONDON W1A 1BY  
 TELEPHONE 01 499 9020 · CABLES · TRAFULOENT  
 TELEX 921341 · FACSIMILE 01 493 5484

FROM THE CHAIRMAN'S OFFICE

NB/SAL/TH/104

The Rt. Hon. Margaret Thatcher, PC, MP,  
 Prime Minister,  
 10 Downing Street,  
 London,  
 SW1A 2HB.

BY HAND

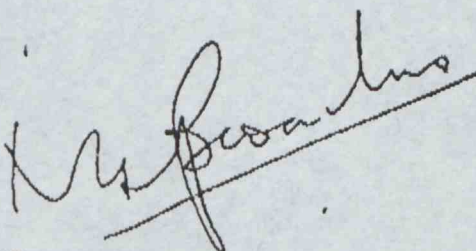
9th July 1987

*Dear Prime Minister,*

Canary Wharf - London's Docklands

Over the last few weeks there has been much speculation regarding the likelihood, or otherwise, of the Canary Wharf development scheme proceeding. I'm given to understand that negotiations with the proposed developers are at crisis stage. The purpose of this letter is to assure you that a British group could be put together in a very short time to take over the whole of the development and construction of Canary Wharf, either in its present form (subject to viability) or in a suitably amended form.

Please rest assured that we have no desire whatever to disturb a happy conclusion to what's going on at present - it's just that, as we regard the project as one of national importance, we felt you should know there's a British alternative in case of need. You already know of my sustained commitment to the LDDC since my involvement there.

*Yours sincerely,*  


Copies : The Rt. Hon. Nicholas Ridley PC  
 The Rt. Hon. The Lord Young of Graffham PC  
 C.J. Benson Esq. FRICS

REG. POL — Inner Cities