



10 DOWNING STREET

From the Private Secretary

10 May 1984

Dear Callum,

Sealink

Your Secretary of State spoke to the Chancellor of the Exchequer before Cabinet today about the sale of Sealink. He was concerned that excluding P&O as a bidder would be subject to severe criticism. P&O's position was different from that from European Ferries which had been the subject of an MMC ruling. Ministers would be vulnerable to criticism that P&O had been arbitrarily excluded without having had an opportunity to present its case. Your Secretary of State suggest that the proceeds from the Jaguar privatisation and other asset sales in prospect would be sufficient to allow the Sealink sale to be delayed, thereby allowing P&O's eligibility as a bidder to be reviewed. The Chancellor of the Exchequer acknowledged this point and it was agreed that it should be considered further by officials.

I am copying this letter to David Peretz (HM Treasury), Andrew Hudson (Financial Secretary's Office) and Dinah Nichols (Department of Transport).

Your sincerely
Andrew Turnbull

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Callum McCarthy Esq
Department of Trade and Industry

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