



10 DOWNING STREET

THE PRIME MINISTER

29 June 1984

Dear Mr. Siddler,

Thank you for your letter of 14 June about European Ferries' proposal to acquire Sealink.

I understand that after giving careful consideration to your suggestions, Norman Tebbit remains of the view that European Ferries should not be released from its undertaking not to acquire Sealink. He has written giving you his reasons, which concern the issues of competition identified in the Monopolies and Mergers Commission report.

Yours sincerely
Margaret Thatcher

K. Siddler, Esq.

JS

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Secretary of State for Trade and Industry

GR pl type to PM: a AS
signature AF 28/2

DEPARTMENT OF TRADE AND INDUSTRY
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28 June 1984

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Andrew,

Thank you for your letter of 14 June enclosing one to the Prime Minister from Mr Keith Siddle, Chairman of European Ferries plc.

Mr Siddle wished to be allowed to purchase Sealink as a whole subject to an undertaking to sell off the ferries subsequently. As you will have seen from his letter of 19 June to the Secretary of State for Transport; the Secretary of State does not consider this a desirable option. Any such undertaking would be unenforceable, and would risk a situation in which the buyer of Sealink appeared to get a better price for the ports than was reflected in the price for Sealink as a whole. It would be regarded as a tortuous approach to privatisation.

The Secretary of State for Transport does not wish to alter the timing of the privatisation at present, so bids for separate parts of Sealink cannot be considered. The Secretary of State has therefore written to Mr Siddle giving him the reasons for rejecting his proposal; I attach a copy of his letter, together with a draft reply for the Prime Minister to send to Mr Siddle.

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Yours ever,
Ruth

RUTH THOMPSON
Private Secretary

PS I am sending a copy of this letter to Dinah Nichols at the Department of Transport.

Enc

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DRAFT REPLY FOR THE PRIME MINISTER TO SEND TO

K Siddle Esq
Chairman
European Ferries plc
Enterprise House
Avebury Avenue
Tonbridge
Kent TN9 1TH

Thank you for your letter of 14 June about European Ferries' proposal to acquire Sealink.

I understand that after giving careful consideration to your suggestions, Norman Tebbit remains of the view that European Ferries should not be released from its undertaking not to acquire Sealink. He has written giving you his reasons, which concern the issues of competition identified in the Monopolies and Mergers Commission report.

File
MR. K. SIDDLER

28/6

OSJ

14 June 1984

I enclose a copy of a letter which the Prime Minister has received from Mr. K. Siddle of European Ferries plc.

I should be grateful if you would let me have a draft reply for the Prime Minister's signature, to reach this office by Thursday, 28 June.

I am copying this letter and its enclosure to Dinah Nichols (Department of Transport).

Andrew Turnbull

Miss Ruth Thompson,
Department of Trade and Industry.

OSJ

800 Ack'd on 14/6

European Ferries Plc

Enterprise House, Avebury Avenue
Tonbridge, Kent TN9 1TH
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PRIVATE AND CONFIDENTIAL

14th June, 1984.

The Rt. Hon. Mrs. M. H. Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London, S.W.1.

Dear Prime Minister,

We were extremely disappointed not to have been allowed to consider a bid for Sealink U.K.

We have put to the Secretary of State for Trade and Industry one of a number of possible revised proposals which he is at present considering. This proposal is that, if allowed to acquire Sealink U.K., we would be prepared to divest ourselves of all the shipping operations and to retain only the ports. This should remove any possible objections concerning our increasing our market share in our ferry operations through acquisition. We have also said that we would be prepared to consider giving any appropriate undertakings to safeguard use of the ports by other parties.

You have often said that you want successful U.K. business enterprises to be recognised and rewarded, and to build a society in which they can flourish. I believe that European Ferries has shown itself to be a very successful and enterprising U.K. company over the years and I hope very much that you and the Secretary of State will find our revised proposal acceptable. We shall then be able to show the same degree of successful enterprise in our port operations as our ferry operations.

We would seriously consider any alternative proposals but we believe that the initiative for these should come from Government circles. Is it not time that constructive initiatives were taken by the relevant Governmental authorities which still seem to be imbued with the philosophy "What cannot be achieved" rather than "What can be achieved"?

Yours sincerely,

K. Siddle,
Chairman.