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DEPARTMENT OF TRANSPORT
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Miss Joan MacNaughton
Private Secretary to the
Lord President of the Council
Privy Council Office
68 Whitehall
LONDON SW1 2AT

13 December 1985

Dear Joan,

CHANNEL FIXED LINK: POSSIBLE CONFLICTS OF INTEREST

My Secretary of State received on 31 October submissions from potential promoters of a Channel Fixed Link. These proposals are currently being assessed by officials of this Department and other Departments concerned, with a view to the announcement of a decision by the end of January 1986.

It is for individual Departments to give guidance to their officials involved in the assessment of proposals on the possible conflicts of interest arising from shareholdings and, from dealings in shares of companies associated with one of the promoting groups or likely to be affected by the decision, such as port and ferry operators. There is a substantial number of such companies. A list of the relevant companies is enclosed. Guidance has been given in this Department, and we have seen the guidance issued in the Treasury. DTp officials concerned with the assessment have been told that they must not engage in, or be associated with, dealings in securities of the relevant companies at any time up to one month after the decision of the British and French Governments has been announced. They have been asked to notify their shareholdings to a confidential register of interests kept by the Department.

My Secretary of State has asked all Ministers in this Department to be guided by the same rules.

The assessment of CFL proposals has of course been the subject of collective Ministerial discussion, and will be so again. Other Ministers will no doubt be guided by the principle laid down in Questions of Procedure for

Ministers, viz that Ministers "must so order their affairs that no conflict arises or appears to arise between their private interests and public duties". Specific guidance on shareholdings is contained in paragraphs 72 and 73. Paragraph 73 says that Ministers should "scrupulously avoid speculative investments in securities about which they have, or may be thought to have, early or confidential information likely to affect the price of those securities."

Copies of this letter go to Nigel Wicks at No.10, to the private secretaries to all members of Cabinet, and to Michael Stark in Sir Robert Armstrong's office.

Yours,

Richard.

R A ALLAN
Private Secretary

CHANNEL FIXED LINK: COMPANIES INVOLVED

EUROROUTE

ALSTHOM
ASSOCIATED BRITISH PORTS
BANQUE PARIBAS
BARCLAYS BANK
BRITISH SHIPBUILDERS
BRITISH STEEL
BRITISH TELECOM
CGE
FEC
GTM ENTREPOSE
JOHN HOWARD
KLEINWORT BENSON
SOCIETE GENERALE
TRAFALGAR HOUSE
USINOR

CHANNEL EXPRESSWAY

SEA CONTAINERS/SEALINK BRITISH FERRIES LTD
CREDIT DU NORD

CHANNEL TUNNEL GROUP

BALFOUR BEATTY CONSTRUCTION LIMITED
COSTAIN UK LIMITED
TARMAC CONSTRUCTION LIMITED
TAYLOR WOODROW CONSTRUCTION LIMITED
GEORGE WIMPEY INTERNATIONAL LIMITED
NATIONAL WESTMINSTER BANK LIMITED
MIDLAND BANK PLC
GRANDADA GROUP PLC
BOUYGUES SA
DUMAZ SA
SOCIETE AUXILLIARIE D'ENTERPRISES SA
SOCIETE GENERALE D'ENTERPRISES SA
SPIE BATIGNOLLES SA
CREDIT LYONNAIS
BANQUE NATIONALE DE PARIS
BANQUE INDOSUEZ

EUROBRIDGE STUDIES GROUP

Claimed backers
BRITISH PETROLEUM
EUROPEAN BANKING GROUP
FENCHURCH GROUP
HOGG ROBINSON
ICI
JOHN LAING GROUP

PORTS AND SHIPPING LINES

EUROPEAN FERRIES PLC
ASSOCIATED BRITISH PORTS
MANN & SON HOLDINGS LTD/
HARWICK DOCK COMPANY
BRITTANY FERRIES
HOVERSPEED
A P MOELLER/MAERSK UK/NORFOLK
LINE/KENT LINE
P&) STEAM NAVIGATION CO.

ALL PRIVATE SECRETARIES
ALL MEMBERS OF THE POLICY UNIT
ALL MEMBERS OF PRESS OFFICE

CHANNEL FIXED LINK: POSSIBLE CONFLICTS OF INTEREST

I think we should all read carefully the letter attached from the Private Secretary at the Department of Transport about possible conflicts of interest arising from shareholdings and from dealings in shares of companies associated with one of the groups likely to be affected by the decision on the Channel Fixed Link.

We must all take care to avoid any suspicion of conflicts of interest and I should therefore like everyone to follow the guidance set out in the letter. If this is likely to cause anyone any difficulty, please come and see me.

N.L.W.

(N. L. WICKS)

13 December 1985

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