



**DUPORT  
LIMITED**

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GROUP HEADQUARTERS  
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CHAIRMAN'S OFFICE

17th February, 1981

The Prime Minister,  
The House of Commons,  
Westminster,  
London, W.1.

Dear Prime Minister,

For the lack of about £7 million the Board of Duport will, tomorrow morning, have to ask the Trustees for its debenture stocks and the Midland Bank to appoint a receiver. A year ago the group balance sheet revealed shareholders' funds of over £67 million.

This incredible situation has been brought about because our steel interests (approximately 80 per cent. of our business) have been in competition with British Steel Corporation, to whom in recent weeks your Government has given £5.4 billion in respect of past losses and rationalisation costs and promised £750 million to cover expected trading losses in 1981/82. On a steel-making capacity basis our share of those figures would be more than £100 million and £15 million respectively.

Our steel operations, on which we have spent £33 million in the past 3 years, are among the most efficient in Europe - British Steel Corporation will confirm that. We made profits in May 1980. All our other businesses (which employ 3,700 people and include such familiar names as Vi-Spring and Slumberland beds, Swish curtain rails and Grovewood kitchen furniture) are expected to make profits in 1981/82. The whole group is acknowledged as being well run - the Bank of England will confirm this. We have followed successive Governments' exhortations to invest and to improve productivity.

British Steel Corporation - playing more than one role in this drama - have agreed that our steel assets (excluding Llanelli) have a value to Phoenix II (the planned private steel consortium company) of only £25 million. However, even this sum would enable Duport to survive. The stumbling block, and the only stumbling block, to survival is that the form of consideration offered to satisfy this value of £25 million is worth approximately £18 million because the related loan demanded by British Steel Corporation will not bear interest for two years.

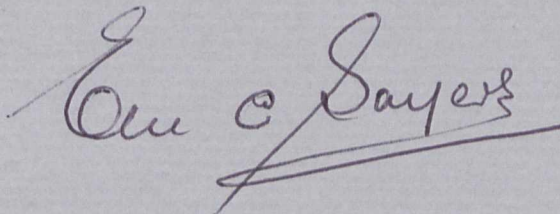
The Prime Minister,  
The House of Commons

We are not a lame duck begging assistance. We are the victim of a publicly-owned monopoly with virtually unlimited funds.

We are prepared to accept the closure and disposal of our steel operations if that is deemed to be in the public interest. But is it really the policy of your Government, which aspired to be champions of free trade and private enterprise, to "nationalise" Duport's steel interests without compensation?

I am making this direct appeal to you at the last moment to intervene immediately to prevent a wasteful and tragic occurrence over such a small financial gap.

Yours faithfully,

A handwritten signature in dark ink, reading "John C. Sayers". The signature is written in a cursive style and is underlined with a single horizontal line.