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cc: Lud.

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10 DOWNING STREET

THE PRIME MINISTER

24 February 1981

Dear Sirs,

Thank you for your letter of 9 February about Duport's Llanelli Steelworks which was signed by several hundred of the Llanelli workforce.

I have read what you have to say with great care and I can assure you that I am fully aware of the background to the recent difficulties experienced by Duport. I have discussed these many times with the Ministers concerned. Obviously I deeply regret the position in which the Llanelli workforce now find themselves.

I acknowledge all the efforts which the Llanelli management and workforce have put in to make the works competitive. I wish that the rest of British industry could tell a similar story of cooperation.

But the losses at Llanelli have been so great that the Duport Group as a whole can no longer sustain them. Other steel-makers throughout Europe are facing similar difficulties.

I have read with concern what you say about subsidised competition from BSC causing the present difficulties. The Government are giving this issue full and serious consideration in their evaluation of BSC's Corporate Plan but it seems to us that competition from BSC is not the main cause of Llanelli's difficulties.

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I know that Sir Keith Joseph has explored fully the scope for Duport joining a new company to manufacture engineering steels. Various detailed ideas have been explored but none of these, I am sorry to say, has produced a workable solution which would include the steelworks at Llanelli.

I realise that this letter will come as a disappointment to you and to your families. I am very sorry that in the present circumstances of the steel industry I have not been able to help.

Yours sincerely,

(sgd) Margaret Thatcher

The Secretary,
Joint Works Committee,
Duport Steelworks.