

T.M.

NO

e.B.I



JF 3076
Secretary of State for Industry

DEPARTMENT OF INDUSTRY
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23 March 1983

The Rt Hon Leon Brittan QC MP
Chief Secretary
HM Treasury
Treasury Chambers
Parliament Street
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mf

Prime Minister ²

BSC's EFL up from

£365m to £575m, to be
announced on 29
28 March.

MUS 23/3

Dear Leon,

BRITISH STEEL'S EFL FOR 1982/83

We met on 13 December 1982 to consider the financial implications of the decision which I announced to the House on 20 December, and in particular BSC's EFL in 1982/83 and 1983/84. You said that in view of BSC's latest projections for 1982/83, and taking account of some expenditure being transferred from 1983/84 to 1982/83, you would be prepared to accept an increase in the 1982/83 EFL to £600 million.

2 Discussions on BSC's new Corporate Plan, in which Treasury officials are involved, are continuing, as are negotiations with the European Commission on BSC's financing needs, and I am not yet in a position to make an announcement about 1983/84 and later years. I shall therefore be announcing a revised EFL for 1982/83 as a separate item before the end of this month.

3 I thought you might wish to see the enclosed written PQ and Answer which I hope to give on 28 March.

4 I am copying this letter to other members of E(NI).

Your ever
Patrick

Encl



DRAFT

Q. To ask the Secretary of State for Industry if he is yet in a position to announce a revised external financing limit for the British Steel Corporation for 1982/83.

A. On 11 June 1982 I announced an external financing limit for 1982/83 of £365 million. Following a re-consideration of the Corporation's financial needs, to which I referred in my statement to the House on 20 December 1982, the limit has been revised to £575 million.

I expect to announce the EFL for 1983/84 in a few weeks time, together with the Government's other decisions on the BSC Corporate Plan.

Next End: Steel P-72



20 MAR 1985