

MR TURNBULL

28 November 1984

BRITISH STEEL

Two thirds of BSC's manpower lies outside the strip products group. Some efforts are being made to privatise small bits of this but little urgency is apparent. You could start by asking for a status report on their current disposal negotiations and their future plans, particularly for the overseas and non-Phoenix businesses.

The attached photocopy from the 1983/4 accounts lists those parts of the business that have been formed into limited companies. At the time of the last election Patrick Jenkin set out a clear strategy designed to cut BSC's activities down by disposals. (See Annex). What progress is DTI making?

Allied Steel & Wire (Phoenix 1) is now profitable and BSC's 50% holding could be placed for, say, £10 million. Their merchant bank advice is likely to be to wait for a better track record; bitter experience suggest this is unwise.

Problems at Sheffield Forgemasters (Phoenix 3) seem to have been staved off for a year but possibly only for that long.

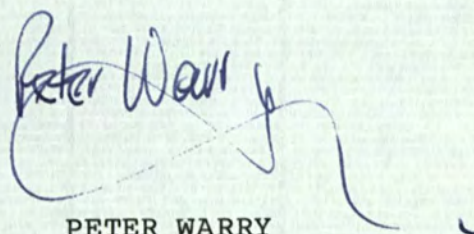
Negotiations on Phoenix 2 (Engineering Steels) are still continuing. The bill for this quasi-nationalisation was to be £81 million, but bigger, better and more expensive projects are now being considered. The alternative is closures (some in the Yorkshire coal fields) which are claimed to be even more expensive. A decision is needed soon.

On the Strip Products Group BSC are now considering that if it is impossible to close Ravenscraig then Llanwern could be almost as good.



E.R.

Finally, in the light of the uncertain future for BSC, what approval for capital expenditure has DTI given it?

A handwritten signature in blue ink that reads "Peter Warry". The signature is written in a cursive style with a long, sweeping tail that extends to the right.

PETER WARRY



## Subsidiary companies and investments

This list shows as at 31st March 1984:

- (i) all subsidiary companies of British Steel Corporation except for those which are inactive or are in course of liquidation;  
(ii) all companies in which the Corporation holds 10 per cent or more of the equity capital.

The first part of the statement sets out United Kingdom companies by activities, and the second part the overseas companies on a geographical basis.

Shares in companies marked 'a' are owned directly by British Steel Corporation; and, in companies not so marked, are owned by a subsidiary or subsidiaries of British Steel Corporation. The percentage holdings shown below represent the ultimate interest of British Steel Corporation.

Companies marked 'b' are treated as related companies for accounting purposes (see general note IV).

The accounts of companies marked 'c' are not audited by Coopers & Lybrand.

### UNITED KINGDOM COMPANIES

Unless otherwise stated, all companies are registered in England.

NAME OF COMPANY	EQUITY PERCENTAGE
<b>Holding companies</b>	
British Steel Corporation (International) Limited a	100
British Steel Corporation (U.K.) Limited a	100
British Steel Corporation (Investments) Limited a	100
British Steel Corporation Liaison Services Limited a	100
Brierley Hill Investments Limited a	100
Stanton and Staveley (Overseas) Limited	100
Stewarts and Lloyds (Overseas) Limited (registered in Scotland)	100
T. A. Holdings Limited	100
The Lancashire Steel Corporation (Overseas) Limited (also 100% of Preference Shares)	100
<b>Steel producing, further steel processing and allied activities</b>	
Afon Tinplate Company Limited abc	40
Air Products Llanwern Limited abc	50
Allied Steel and Wire (Holdings) Limited ab (also 68% of Preference Shares)	50
Alloy Steel Rods Limited a	100
Bridon Limited ac	10
British Bright Bar Limited b (also floating rate subordinated loan notes 1993 held 43%)	40
British Steel Service Centres Limited a	100
British Tubes Stockholding Limited a	100
Catena Limited ab	50
Coil Plant Sales Limited b	49
Cold Drawn Tubes Limited ab	25
Clyde Shaw Limited ab (also 100% of Preference Shares)	50
Cromdane Steels Limited b	50
Darlington & Simpson Rolling Mills Limited abc	50
Eurovalve Limited bc	50
Firth Brown Fox Limited ac	50
Grundy Auto Products Limited ab	49
Hadfields Holdings Limited a	38
Hadfields Limited	38
London Works Steel Company Limited	100

NAME OF COMPANY	EQUITY PERCENTAGE
Marton Steels Limited	38
Offshore Castings Limited abc	50
Railway & Ring Rolled Products Limited a	100
Round Oak Steel Works Limited	100
Seamless Tubes Limited a	75
Sheffield Forgemasters Holdings plc bc (also 13% conv. sub. unsecured loan stock held 50%)	50
Sheffield Forgemasters Limited bc	50
Stanton and Staveley Limited a	100
The Templeborough Rolling Mills Limited abc	50
The Victaulic Company plc b (also 50% of Preference Shares)	30
TWIL Limited bc (also 25% of Preference Shares)	20
Whitehead (Narrow Strip) Limited a	100
<b>Metal recovery and slag processing</b>	
Appleby Slag Company Limited abc	33
Appleby Slag Reduction Limited abc	33
Colvilles Clugston Shanks (Holdings) Limited abc (registered in Scotland)	33
Heckett (BSC) Limited abc	51
Hobbs Cornelly Limited abc	50
Llanwern Slag Limited bc	51
Margam Slag Company Limited bc	25
Scrap Processors Limited bc	51
Scunthorpe Slag Limited abc	40
Teesside Slag Limited abc	50
<b>Building, construction and civil engineering</b>	
Midland Rollmakers Limited bc	50
PED (Overseas Projects) Limited	100
Pipework Engineering (PED) Limited a	100
Pipework Support Technologies Limited	100
RGC Offshore plc a	91
Redpath Offshore Design Associates Limited ab	50
S. & L.T. Developments Limited ac	50
Sarclad International Limited a	10
Vacmetal (U.K.) Limited ac	45
<b>Chemicals and chemical by-products</b>	
Benzole Producers Limited ac (also 41% of Preference Shares)	26
Coated Electrodes Holdings Limited ab	48
Staveley Chemicals Limited ab (also floating rate unsecured debentures 1999 held 45%)	45
<b>Selling and other companies</b>	
British Steel Corporation (Exports) Limited a	100
British Steel Corporation (Tubes) Exports Limited a	100
British Steel Corporation (Overseas Services) Limited	100
British Steel Corporation (Industry) Limited a	100
British Steel Corporation (Property) Limited a	100
British Steel Corporation (Spain) Limited	100
British Steel Corporation Liaison Services (India) Limited	100
BSC Brokers Limited a	100
BSC Pension Fund Trustee Limited ac	100
Flixborough Wharf Limited ab	25
Round Oak Properties Limited a (also 73% of Preference Shares)	73
Stanton and Staveley (Exports) Limited	100
Workington Welfare Hall Limited a	50



## Subsidiary companies and investments

NAME OF COMPANY	EQUITY PERCENTAGE	NAME OF COMPANY	EQUITY PERCENTAGE
<b>Companies registered under the industrial and provident societies acts, housing companies and statutory undertakings</b>		<b>Hong Kong</b>	
Appleby-Frodingham Cottage Trust Limited a	33	British Steel Corporation (Hong Kong) Limited b	50
Corby (Northants) and District Water Company a	100	<b>India</b>	
Ickles Cottage Trust Limited a	33	Stewarts and Lloyds of India Limited bc	40
The Stanton Housing Company Limited	100	<b>New Zealand</b>	
The Stocksbridge Railway Company a (also 100% of Preference Shares)	100	British Steel Corporation (N.Z.) Limited	100
Stocksbridge Works Cottage Trust Limited a	33	<b>Nigeria</b>	
Swinden Housing Association Limited a	99	Dorman Long and Amalgamated Engineering Limited	40
Workington Cottage Trust Limited a	33	<b>Norway</b>	
		BSC Norge A/S	100
<b>OVERSEAS COMPANIES</b>		<b>South Africa</b>	
Each company is incorporated in the country under which it appears. The year end of subsidiaries marked with an asterisk is 31st December 1983.		The British Steel Corporation of South Africa (Proprietary) Limited a	100
<b>Argentina</b>		British Steel Corporation (South African Sales) (Proprietary) Limited	100
Ostrimet Sociedad Anonima	40	Genrec Pipework Engineering Developments (Pty) Limited b	40
<b>Canada</b>		<b>Sweden</b>	
British Steel Canada Inc.	100	British Steel Corporation Svenska AB	100
Canped Pipework & Mechanical Contractors Inc.	100	<b>Switzerland</b>	
HM Long Inc.	100	Concast Holdings AG bc	22
IPSCO Inc. bc	10	Concast Service Union AG bc	16
Sidbec-Normines Inc. bc	42	<b>U.S.A.</b>	
Slater Steel Industries Limited	51	British Steel Corporation Inc.	100
Slater Steel International Inc.	51	Steel Consultants Inc.	100
SPL - Stanton Pipes Investments Limited	100	Slater Steel Inc.	51
Stanton Pipes Limited	100	<b>Zimbabwe</b>	
Stanton Pipes Holdings Limited	100	Lancashire Steel (Private) Limited c	100
Stanton Foundry Limited	100	Salwire Manufacturers (Private) Limited c	100
Tipton Mechanical Contractors Inc.	100	Salwire Fencing (Private) Limited c	100
<b>Eire</b>		The Zimbabwe Iron and Steel Company Limited c	16
British Steel Corporation (Ireland) Limited	100		
Stewarts and Lloyds of Ireland Limited	100		
<b>Netherlands Antilles</b>			
KDMP Company NV	100		
<b>France</b>			
British Steel Corporation (France) SARL	100		
BSC Stainless SARL	100		
<b>Germany</b>			
Walter Blume GmbH*	100		
British Steel Corporation (Deutschland) GmbH	100		
BSC Stainless GmbH	100		
Minerale Handelsgesellschaft TEBU GmbH*	70		
<b>Holland</b>			
Cindu Chemicals BV*	70		
Slater Steel Holdings BV	51		