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PRIME MINISTER

18 July 1985

BT 18/7  
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BRITISH STEEL CORPORATION

In 10 years, BSC has cost £7,000 million (EFLs). The money has been spent in the name of defending jobs and steel production.

Yet in 10 years the workforce has fallen from 210,000 to 64,000 - a fall of 70%. And output is well down.

The strategy of keeping the UK steel industry whole and gradually adding Phoenix investments in a rationalised (ie cut) private sector has failed.

So when backing Peter Warry's excellent alternative to Alphasteel nationalisation, why not press for a different policy? The way forward is to split up the Corporation, introducing new management, capital and opportunities.

Why not ask that the overseas companies, some of the investments in metal recovery and steel stockholding, and the investments in UK building, construction, civil engineering and chemicals be sold?

Sell Allied Steel and Wire, Darlington and Simpson Rolling Mills, and TWIL Ltd (all good profit makers).

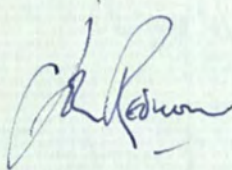


Develop a strategy to spin off plants and companies as freestanding private companies, preferably involving managers and employees as shareholders. Dowries should be considered.

Only getting all or part of these businesses out of Government hands will succeed in stemming the cash and job losses.

Scott Lithgow shows that loss makers can be privatised. National Freight shows how employee buy-outs can reverse years of losses and decline.

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