

APPENDIX 1.1
(referred to in paragraphs 1.1, 2.2, 5.1 and 7.1)

Conduct of the inquiry

1. On 21 December 1989 the Department of Trade and Industry sent to the Commission the following reference:

Whereas it appears to the Secretary of State that it is or may be the fact that arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a merger situation qualifying for investigation, as defined in section 64(8) of the Fair Trading Act 1973 ('the Act'), in that:

(a) enterprises carried on by or under the control of C Walker & Sons (Holdings) Limited (incorporated in the United Kingdom) will cease to be distinct from enterprises carried on by or under the control of British Steel plc, and

(b) the value of the assets which will be taken over exceeds £30 million:

Now, therefore, the Secretary of State, in the exercise of his powers under sections 69(2) and 75(1) of that Act, hereby refers the matter to the Monopolies and Mergers Commission for investigation and report within a period ending on 9 April 1990. In relation to the question whether a merger situation qualifying for investigation will be created if the arrangements herein referred to are carried into effect, the Commission shall exclude from consideration one of paragraphs (a) and (b) of section 64(1) of the Act if they find the other satisfied.

(Signed) H V B BROWN
*An Under Secretary of the
Department of Trade and Industry*

21 December 1989

2. On 8 January 1989 the Chairman of the Commission, acting under section 4 of the Fair Trading Act 1973 and Part II of Schedule 3 thereto, directed that the functions of the Commission in relation to the reference should be discharged through a group of five members with himself as Chairman. The composition of the Group is indicated in the list of members which prefaces this report.

3. A notice inviting evidence from third parties was placed in the Financial Times, The Economist and Metal Bulletin Monthly.

4. In addition, we sought evidence and views from other major steel stockholding companies, producers of steel products, the CBI, the TUC, trade associations and users of steel products.

5. We received written submissions from both British Steel and Walker and held two separate hearings with each company. We also held two days of hearings with other interested parties.

6. We consulted the European Commission and received a submission from it.

7. During the course of our inquiry members and staff of the Commission visited Walker steel stockholding depots at Warley and Wednesbury in the West Midlands.

8. Some of the evidence we obtained during the course of our inquiry was of a confidential nature and our report contains only such information as we consider necessary for an understanding of our conclusions.

9. We would like to thank all those who helped in our inquiry, and particularly British Steel and Walker.