

SECRET
APPOINTMENTS IN CONFIDENCE

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JF2205
Secretary of State for Industry

DEPARTMENT OF INDUSTRY
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10 December 1982

Michael Scholar Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear Michael,

You told me earlier today that the Prime Minister would be seeing Mr MacGregor on Monday, 13 December to discuss his personal future after the expiry of his present term as Chairman of the British Steel Corporation. You asked for our views on the suggestion that Mr MacGregor might then combine the chairmanship of BSC with the chairmanship of the NCB.

2 My Secretary of State sees two difficulties with this proposal:

- (i) The severely worsened UK and international market conditions for steel, the drastic management actions that BSC is having to take in consequence, and the Government's forthcoming decision on the future of the five main integrated works will together impose severe demands on any Chairman of the BSC. As you know, my Secretary of State believes that in these circumstances it would be highly desirable to retain Mr MacGregor as BSC Chairman; he also believes that the task at BSC would require Mr MacGregor's undivided attention.
- (ii) My Secretary of State also believes that there would be an incredulous public reaction to a dual appointment to BSC and NCB posts, partly on the grounds that no one could seriously expect even a superman to hold down both jobs satisfactorily, and partly because it would be taken as a serious admission of failure to find suitable British industrialists for posts of this importance.

3 I am sending a copy of this letter to Julian West (D/Energy).

*Yours sincerely,
Jonathan Spencer*

J P SPENCER
Private Secretary

PRIME MINISTER

Mr MacGregor : meeting on Monday

I understand that Mr. Lawson

(a) disagrees with point 2(i) in the Industry letter attached. He feels that Mr. MacGregor should move to NCB for the reasons he has already given.

(b) is "prepared to go along" with the argument at (ii) that it would be impossible to do both jobs at once, though he wouldn't put it in quite the same way as Mr. Jenkin; the public reaction is not the problem, the problem is that the job would be too big for one man.

In other words Mr. Lawson feels that Mr. MacGregor should go to the NCB and that someone should be found to do the BSC job (rather than staying where he is, and finding someone for the NCB)!

MUS

10 December 1982

BERNARD

1 A. Burnett
2 A. Selman
to write

nat. ind.

Mr Ron Melvin of British Steel phoned (tel no 735-7654). They are issuing the following short statement in response to inquiries from the media:

"Recent reports suggesting that Ian MacGregor might become Chairman of the National Coal Board are purely speculative. Mr MacGregor has discussed the matter with the Government but many factors have to be considered before any decision could be taken."

Further discussion with Mr Melvin revealed that this is not a written statement with any timing but a verbal response which he has agreed with Mr MacGregor.

I said only difference I could see in what he was saying and our briefing was that we said Mr MacGregor "was a contender" as opposed to "discussed the matter with the Government".

I don't think he expects you to come back to him. It was just a courtesy call to pass information on.

BETH

Press Office