

File JR
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10 DOWNING STREET

From the Private Secretary

10 October 1984

Dear Callum,

SHEFFIELD FORGEMASTERS

The Prime Minister has seen your Secretary of State's minute of 9 October setting out the difficulties facing Sheffield Forgemasters. She has also noted the Chief Secretary's views as recorded in his letter to Mr. Lamont of the same date.

The Prime Minister believes that, as part of a rescue package, BSC should be able to offer a guarantee of £5 million of additional bank finance. She expects, however, that any additional breathing space this provides should be used to pursue a long-term financial reconstruction.

I am copying this letter to David Peretz (HM Treasury), Michael Reidy (Department of Energy), Richard Mottram (Ministry of Defence), John Graham (Scottish Office), David Normington (Department of Employment), and Richard Broadbent (Chief Secretary's Office).

Your sincerely

Andrew Turnbull

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