10 DOWNING STREET

15 October 1985

Year The Learnord

THE PRIME MINISTER

Thank you for your letter of 11 September.

I am grateful to you for writing about Bob Scholey. It was good of you to set out your views about his suitability for the job as Chairman of the British Steel Corporation in the way that you did. Let me also say how cheered I was to learn that Sheerness are now back to profitability. That is good news and I hope that business improves still further.

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11 September 1985

Rt.Hon. Mrs Margaret Thatcher, M.P.. Prime Minister 10 Downing Street London SWl

Dear Prims Mushin

I read in the press that you had appointed Sir Robert Haslam as the new Chairman of the National Coal Board.

This change obviously leaves a successor to be chosen for the British Steel Corporation. If you have not done so already I would most respectfully recommend for your consideration the appointment of Robert Scholey as Chairman of the British Steel Corporation. His total commitment to you and your policies are an unquestioned fact.

I know he was not chosen on the last two occasions when a successor was required due possibly to his outspokenness to civil servants.

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His performance to date has been outstanding, and any doubts about his ability to deal with bureaucrats must surely now be dispelled when one considers his success as President of Eurofer to which position he was elected by people with widely held views and conflicting interests.

He understands the need for a private steel industry. While running the British Steel Corporation he has still had time to take a great interest in Sheerness and, in fact, helped us with quotas which we needed desperately to keep going whilst we were restructuring.

He has a group of executives who are intensely loyal and a great credit to the corporation.

On a subject such as this I would normally have approached the Minister involved - but there have been a great many ministerial changes and I felt that, as in the past, you would not object to me writing direct.

You will be pleased to know that we at Sheerness seem to have weathered the storm and are now back to profitability, albeit modestly. The coming year will be the final proof, but if quotas are removed may still make our task very difficult. I had a meeting last week with Peter Morrison on this subject who I felt sure understood what our problems might be if quotas ceased.

May I add that my faith and confidence in you is as staunch as ever.

Yours truly

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Deputy Chairman, Sheerness Steel Co p.l.c.