

2

PRIME MINISTER

HONDA

Mr. Walker has asked that you should know of disquiet in Midlands car circles, which he reports to you as a local MP, about rumours that Honda may establish a new car manufacturing plant at Swindon. This disquiet would, according to Mr. Walker, be increased if the plant included a new foundry complex since this would draw work away from the Midlands. Honda would, no doubt, seek various Government financial aids for any new plant and this would, Mr. Walker says, give rise to complaints of unfair competition etc.

DTI tell me that Honda own a large unused old airfield site near Swindon. But they know of no immediate plans by the company to expand beyond thier present distribution depot there. DTI would not necessarily want to encourage any development.

I pass this on because Mr. Walker's office said that he wished you to know.

N.L.W.

N.L. WICKS
20 February 1986

MS.

ECL/70