

10 DOWNING STREET LONDON SW1A 2AA

THE PRIME MINISTER

10 July 1990

Vear Lord Tomb

Thank you very much for your letter of 5 July about Rolls Royce's efforts in the Japanese markets. I did not have an opportunity to raise the specific point with Mr Kaifu, but I did emphasise to him both the very warm welcome that we extend to Japanese investment in Britain and our appreciation of the efforts he has made to solve the various problems in our bilateral trade relations. I believe he attaches importance to Japan's relations with Britain, with which he has been personally involved for some years. I doubt he would display a bias against us. But we will continue to watch the aerospace market very closely, and if you have any particular fears that decisions may be taken in response to unfair political pressure, please let me know immediately.

Our sievely Margare Maleter

The Lord Tombs