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Treasury Chambers, Parliament Street, SWIP 3AG lasp on

Commitment to

PRIME MINISTER

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## ROLLS ROYCE: COLLABORATIVE AGREEMENT WITH JAPAN

I have seen a copy of Sir Kenneth Berrill's minute to you of 23rd January about the collaborative RB 432 project with the Japanese.

- 2. I agree with the recommendations that Rolls Royce should be authorised to carry out the initial stage. But given the doubts about the validity of the project we must continue to ensure that Rolls Royce, the Japanese Government, and Japanese industrial participants are left in no doubt that our decision whether or not eventually to proceed with full launch will depend solely on the strength of the economic case made out.
- 3. I am copying this minute to the other Members of MISC 22 and to Sir Robert Armstrong and Sir Kenneth Berrill.

11.

(G.H.) 24 January, 1980