

1. I think it would be better if we postponed the meeting.



Y SWYDDFA GYMREIG
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switsfwrdd)
01-233 6106 (Llinell Union)
Oddi wrth Ysgrifennydd Gwladol Cymru

WELSH OFFICE
GWYDYR HOUSE
WHITEHALL LONDON SW1A 2ER
Tel. 01-233 3000 (Switchboard)
01-233 6106 (Direct Line)
From The Secretary of State for Wales

The facts before us

are sketchy & largely
incomplete for -

24th November 1982

CONFIDENTIAL AND PERSONAL

Prime Minister (1)

Dear Prime Minister
I simply said that you
wished to keep the meeting small
others would

INMOS

As you know, I have taken a close interest in the progress of INMOS and probably know as much about the company as almost anyone in Government, and I have taken care to seek widespread advice both in North America and this country from those with the technical knowledge to judge the company's achievement and prospects. Furthermore we now have at Newport (completed ahead of time and under budget) one of the very best equipped facilities for the large-scale manufacture of chips that exists anywhere in the world. Into it has gone a considerable part of the money so far spent. If finance is available, it is all ready for a rapid build-up of production and of employment. If it continues to stand empty it will become an acute political embarrassment. The company also now proposes to transfer the assembly and "burn-in"/test facilities to Wales with further substantial job benefits.

For these reasons I thought that you would have believed it right and helpful that I should be present at the meeting that is to be held tomorrow to discuss INMOS; and I have to admit that I was totally taken by surprise and most disappointed by your reaction last night. I believe I have a legitimate interest. I will have, if I feel able, to defend any decision that is taken and will be at the centre of the battle that might follow. I don't think I am all that bad at defending the Government's record! Furthermore the information I have about the company really might help us to arrive at the right decision.

/...

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON SW1

turned down a request
from Mr Edwards.
Agree that he attend?

MLS 24/11



If you are not willing for me to be present, I hope you can spare the time for a very early meeting at which I can explain my views to you. It seems to me extremely important that I should do so before firm conclusions are reached and before the issue comes before colleagues for collective consideration. I feel sure you will agree that a decision which has such widespread strategic, technological, employment and political implications, and the fate of substantial public investment, is a matter that will have to be considered collectively.

John Owen

Nick



10 DOWNING STREET

Incl Pd
From the Private Secretary

of
cc Mr Verker
25 November 1982

BJK
Dear Jonathan,

INMOS

As I mentioned to you on the telephone, the Prime Minister has postponed the meeting planned for today on INMOS, because she considers that the papers which are before Ministers give an inadequate factual basis for a decision.

The Prime Minister would, accordingly, be grateful if your Secretary of State, in consultation with the Secretary of State for Wales, would draw up a paper which compares the detailed original financial and employment forecasts for INMOS with out-turn. The Prime Minister would like the breakdown between employment which was predicted would be generated in the UK and in the United States; she would like too an analysis of cost estimates against cost out-turns, estimated financial requirements against actual financial requirements, estimated production against out-turn and so on.

On the assumption that this paper can be ready before the weekend we have provisionally re-arranged today's meeting for Monday 29 November at 1715.

I am sending copies of this letter to Margaret O'Mara (HM Treasury), Adam Peat (Welsh Office) and to Dr. Nicholson (CPRS).

Yours sincerely,

Michael Scholar

Jonathan Spencer Esq
Department of Industry.

CONFIDENTIAL

WJSV

CONFIDENTIAL

Qa 06158

To: MR SCHOLAR

25 November 1982

From: JOHN SPARROW

INMOS

1. I have seen a copy of your minute of 25 November to Jonathan Spencer.

2. I quite agree that the Ministerial decision requires a more adequate factual basis than is currently available. Your minute does not however specifically ask for information about the future prospects of INMOS as envisaged in its business plan; it is in relation to that future that decisions need to be made. The past is relevant only as a guide to the future, and I would hope that Ministers also have before them information particularly on predicted profitability from now on, together with sufficient background material to enable the projection of profit to be properly appraised.

3. I am sending copies of this minute to the recipients of yours.

J.S.

Quite right
MCS

I have
supported

this request
with Bob.

MCS 25/11

CONFIDENTIAL

Inmas Ind. Pl. Pt 2

