

CONFIDENTIAL

PRIME MINISTER

Rolls Royce Engines for Iran

I am sorry to put these papers back to you but we shall have to decide, probably when you are in Sheffield, whether or not to refuse an export licence for Rolls Royce.

You asked whether the Industry Secretary had been consulted. He was at an earlier stage and I attach a copy of his letter of 22 April to the Defence Secretary. In essence, he confirms that Rolls Royce Diesel are facing a very difficult industrial situation but he does not feel able to judge the effect of granting this export licence on possible arms sales elsewhere. He is considering this further overnight. But on the assumption that Mr. Jenkin does not wish to press the case of Rolls Royce more strongly, are you content that we should refuse this export licence?

I shall of course bring to the attention of the Defence and Foreign Secretaries the points you have made in your minute attached.

*John in the bill -
Staw - (f) in
Plan B's letter - correct?
if so, how can we refuse
him?
Westland, A. & C.
table
K...
etc*

27 April 1983

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