



From the  
Minister of State

DEPARTMENT OF INDUSTRY  
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The Hon Adam Butler MP

Ian Lloyd Esq MP  
House of Commons  
London SW1A 0AA

7 May 1980

*Regrs*

*Dear Ian,*

Keith Joseph has asked me to thank you for your letter of 17 April about your visit to Inmos at Colorado Springs.

It was greatly encouraging to learn of the impressions that you formed. It is, perhaps, not generally appreciated that the company's plans from the outset have envisaged that in the early stages development will be centred at the American base. The purpose, as doubtless you were told, is to secure the closest possible contacts between Inmos and the vanguard of research and development activity in this field in America. The choice of Colorado Springs seems to have been particularly well judged since the older growth centre of Silicon Valley has become very much overcrowded with companies making greater demands on local resources than can be sustained. In particular, the splendid surroundings of Colorado Springs have proved to be highly attractive to new recruits of the first rank in their particular disciplines.

Although the American end of the Inmos venture will take the lead at the outset the cross over point should come, in terms of employees, by the middle of 1982. Thereafter the British end should be well in the lead.

I note what you say about the difficulties that might attach to an involvement at this stage by GEC, and also to the difficulties that are presented by the choice of site for the first UK factory. I am sure you will understand that these are matters that the Government is giving the most careful consideration.

I am sending a copy of this letter to the Prime Minister.

*Yours in  
Adam.*

ADAM BUTLER

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