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| FILE TITLE:<br>PM'S VISIT TO JAPAN ' SEPT 1989  |   | SERIES<br>JAPAN   |
| 100 CONFERENCE TOKYO - POLICY                   |   |   |
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**British Embassy**  
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Telephone 265-5511

C D Powell Esq  
Private Secretary to  
the Prime Minister  
No. 10 Downing Street  
LONDON SW1

Your reference

Our reference

Date

10 November, 1989

*CP*

*Dear Charles,*

I enclose an album of photographs taken on the occasion of the Prime Minister's visit to the Fujitsu plant at Numazu. I have already sent a letter of thanks to the Manager of the Department concerned, and do not think it is absolutely necessary for the Prime Minister to send a further letter of thanks for this album. If she wishes to do so, however, it would be to Mr Yamamoto, as before.

*Yours ever  
Stephen*

S J Gomersall  
Economic Counsellor

1-465 6500

~~Mr. Ingham~~

CDP  
9/ki

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EMBASSY OF JAPAN

101-104 PICCADILLY

LONDON

W1V 9FN

7th November 1989

Dear Mr. Powell,

I am attaching the text of a briefing which I gave on my return from Tokyo to members of the Japanese Chamber of Commerce and Industry in the United Kingdom and representatives of the Press.

I leave to your discretion a decision on whether or not it should go to Mr. Ingham.

Yours sincerely,  
Kazuo Chiba

Kazuo Chiba  
Ambassador

Charles Powell, Esq.,  
Private Secretary (Overseas)  
to the Prime Minister,  
10, Downing Street,  
London, S.W.1.



AMBASSADOR CHIBA'S BRIEFING AT THE JAPANESE CHAMBER OF  
COMMERCE AND INDUSTRY IN THE UK, ON PRIME MINISTER THATCHER'S  
VISIT TO JAPAN AND MEDIA REACTIONS (SUMMARY)

Japanese Embassy, Monday 9th October 1989

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Intentions in calling a press briefing

First I must start by explaining very briefly that initially I had no intention of giving this briefing to you. When I was in Japan, as the President [of the Japanese Chamber of Commerce and Industry] told you, I was with Mrs Thatcher all the time. At that time, I knew the visit was going very well. I was privileged to hear the comments of Mrs Thatcher herself, and also of the various Japanese people who had the chance to talk to her.

Then, this Embassy started sending reports to Tokyo about the way the British mass media was reporting the visit, and after a couple of days it became very clear that there seemed to be a somewhat different picture conveyed by such reports compared with what I personally, and lots of others who were there, both British and Japanese, had experienced. So I thought I would perhaps first tell the Japanese community here (who after all can read the Japanese media because they are sent by satellite) about what actually happened so that they could get a clearer picture.

Then it occurred to me that the British media reporting was perhaps my fault. Perhaps I hadn't done enough in the past to prepare them, not only for Mrs Thatcher's visit, but for reporting on Japan in general. That's why I realised that if it was at all possible I would like to have as many British journalists today so that I could explain to them. I thought also that it would be better to have the Japanese Chamber of Commerce and Industry invite you. Since space is naturally at a premium in this great city, we offered the use of this room at the Embassy.

The importance of the press in a democracy

I think in a democracy, particularly in Britain which is the great fountainhead of parliamentary democracy, the people and the public recognise very well the importance of the press, and especially the freedom of the press, in order to ensure that the democratic form of government does not succumb to authoritarian pressures. We in Japan, too, have been blessed with such a form of government for the past - let us say - half century, with a hiatus of several years when the military were in the ascendant. So we do understand that, and I am sure the British have a deep sense of the freedom of the



press and the privileges of the press, but also the duties of the press.

In Japan, the press has endured much since the end of the War, as have the Japanese people. We had inflation, we had times of trouble, we had times of great labour unrest, we had much ideological strife in Japan. The Japanese press have gone through this and have more or less attained the state where, at least as far as I'm concerned, well-balanced reporting is considered to be the essence of journalism.

Now British journalism, which after all has a much longer history than that of Japan, knows its role very well, not only its freedom, which is indispensable, but also its role in educating the particular segment of the public to which it is oriented.

#### Rights of the British and Japanese press

This is the difference between the Japanese press and the British press. In Japan, the entire nation is the public, while here, there has evolved through the centuries this division into various intellectual groups. That's the main difference. To summarize:

- (a) I understand the freedom of the press. I understand the role of the press. I understand the differences between the Japanese and British press.
- (b) The greatest freedom of the press is the right to criticise, to criticise whomever it likes, whether foreign or domestic, high-born or low-born: there's no difference.

I would include also among such privileges the right to have prewritten articles and to have facts fit them later. I have no quarrel with that.

#### "Educating" the public

Except, I have a feeling that sometimes that sort of right clashes with the role of the press to educate the public. When I say "educate", I don't mean as a schoolteacher, someone "on high" lecturing to those "below". What I am trying to say is that since the British public has a very high standard of intelligence and education, the British press must have an even higher standard, so that it can convince the British public about what is right and what is in their interests, and of course what is not in their interests.

I'm sorry that I've been talking a bit too long about the



press but my motives will become apparent later on.

#### A world undergoing tremendous changes

The next thing I would like to talk to you about is that this world is undergoing a period of tremendous and rapid change. I'm not going to repeat to you what you can read in the papers every day. But you can see that what was unthinkable, one year ago, is now treated as an issue certainly, but not an extraordinarily strange issue.

Take the so-called reunification of Germany. One year ago, no-one in his right mind would even think about it. I didn't, I confess. This year, in January at a luncheon in the City, somebody who was neither British, German nor Japanese mentioned it, and there was a gasp of horror from the audience of very high-powered bankers and politicians. Today, the great newspapers and magazines of this country, and indeed all over the world, write about German reunification and its possibilities, its ramifications, and that sort of thing. This is only one example.

Next, Tiananmen. One year ago, all of us were more or less secure in the thought that the Chinese were engaged on a course of liberalisation. Now we know that this sort of thinking was too simple.

But we don't know what is waiting for the Chinese, let's say even one year from now. We don't know how the Germans are going to cope one year from now. We already know that the East Germans are, as journalists call it, "voting with their feet". But we never really anticipated that. And so on, and so on. Immense changes are going on.

#### Avoiding being prisoners of preconceived notions

In Japan, too, who thought one year ago that women would exercise such power in politics? Who would have thought that there was the distinct possibility that the next election would be fought with one party under the leadership of a woman? And the other parties also with women still lurking in the wings but treated much more seriously than in the past. Who would have thought that Japan would be well on the way to being the number one investor in this country? Who thought that the United States would become the number one debtor in the world? Who would have thought that all these great changes would occur? I didn't, I'm afraid. But it's a fact, and these changes are going to continue. So therefore, when we want to talk about something, or of somebody, we must not be prisoners of preconceived notions.

That is the point I wanted to make. Whether we are going to



talk about Japan, or the UK, or the UK-Japanese relationship, there is this prerequisite that we should always keep in mind this tremendous change.

#### Prime Minister Thatcher's visit to Japan

So now I come to Mrs Thatcher's visit to Japan.

She is definitely aware of these changes and she is definitely aware of how these changes might affect us.

Her visit to Japan was predicated on the realisation that in the 1990s there would be a whole new relationship. However, in that new world there will be some unchanging facts: namely, that the United States, a Europe in the process of unification, and Japan, will be the three major trading partners, and the three major pillars of the global economy. The vast areas of what used to be called the Communist world, or the Communist Empire, the even vaster area of the developing world, are with few exceptions (the Newly Industrialising Economies) in fact not going to play dominant roles in world economics. In fact, they will have to be helped along, otherwise, the three main pillars will suffer themselves, if they just carelessly let those two enormous regions go down the drain. This is what we must realise: that the three pillars must co-operate with each other. They must compete, obviously. But they must also co-operate. And they must not just co-operate at a low level; they must co-operate on a higher plane.

#### Putting the UK-Japan relationship on a higher plane

That is why Prime Minister Thatcher, when she was asked at the press conference in Tokyo, said in effect that she had two objectives as far as Japan was concerned. One, to elevate the UK-Japanese relationship to a much higher plane. And secondly, to try to find ways of solving the remaining bilateral issues between the two countries. This is Mrs Thatcher's premise in going to Japan. And she has told other audiences, and she has told me personally, that in the 1990s she feels that the UK has a role to play as a country very close to the United States, as a country which is a member of Europe in the process of unification. A member of it, but still with a great deal of special characteristics.

#### Britain as the interlocutor between Japan and Europe

I feel Mrs Thatcher thinks that the UK should become the interlocutor between Japan and Europe, as she is, according to her, the interlocutor, or at least one of the interlocutors, between Europe and America. I have a feeling that she has grasped rightly the essence of the 1990s. I



cannot say with certainty, but at least Mrs Thatcher is determined that the UK will play such a role. This, I feel, is something I must respect.

Now I'd just like to add here that when I appreciate the Prime Minister's ideas, I do so from a diplomat's point of view, having nothing to do with the domestic politics of this country.

Mrs Thatcher, during her visit, talked to our leaders mostly about shared values like democracy and freedom, and how we can ensure that these values will be even stronger in the 1990s. And that, of course, means co-operation between the three pillars, and not just in economics but in political affairs, is necessary.

#### Japan "an economic giant but a political midget"?

According to the world's journals, Japan is an economic giant and a political midget. I am aware that it is not just the British press which says that; even the Japanese press write in that way.

I don't know what a political midget is, but that is the way we are described. I have no quarrel with that, it is the freedom of the press, as I said earlier. But whether what they think and write is true or not, that is something else too. I have my own freedom to point that out to them. And I am afraid to say that already we are playing a very big political role in the world, although it is not perhaps very apparent. And it is not so because, after all, forty years ago we had lost the war.

We were considered to be in the dog-house (to use an Americanism), and we were also very hungry. We were also on the verge of the complete ruin of our economy. So no wonder we trod softly and tried to rebuild our economy. Once we were making progress in survival, we concentrated on the economy. So maybe it is our own fault that we have not shown our political role too much.

#### Discussions with Mrs Thatcher

But already it is there, and Mrs Thatcher did discuss that. She also discussed our relationship with the United States, with the Soviet Union, with China (and when I say "our" I don't mean Japanese, but both the British and Japanese relationship with those great countries). We also talked about the EEC, and of course, bilateral issues, such as Japanese investment in this country, the problems of whisky, seats on the Tokyo Stock Exchange, and so on.



### Cultural links

Cultural affairs are also important: in fact we have two big festivals in which we are co-operating, the UK 1990 festival in Japan in 1990, and the Japan Festival 1991 in Britain. (If I have time I would like to talk to you about that a little bit more, but not now.) We also talked about lots of other things, not just on a higher plane but also having new vistas folding out towards the 1990s. It is not necessary for me to repeat to you the vision which Mrs Thatcher told us, about the three pillars and so on; but it was in that sort of spirit that this visit was concluded.

### Sizing up Japan and its new leaders

She also did have a first-hand opportunity to size up Japan. As I told you, we are now in the midst of a great change both politically and economically. She had the personal chance to size up our leadership, especially the younger leaders, and to decide whether they are mere stopgaps or whether they have leadership qualities of their own. I have a feeling that Mrs Thatcher tended to the latter conclusion.

### From agreement to implementation

Once we had more or less reassured each other about agreement on general lines, the thing now is to implement the proposals on specific lines, and that is what Mrs Thatcher wanted to point out to us when she mentioned in her speech to the Japanese business leaders what she expected of Japan.

### "Japan-bashing" and protectionism

She did not indulge in Japan-bashing for its sake in my view, and in the view of many others, but she wanted Japan to be such so that in the 1990s the three pillars could work better against protectionism and for freedom, because protectionism is as dangerous an enemy as any hostile military force. And the mere fact that when one wants to talk about Japan one either, in attack, says that Japan belongs to an alien culture, and therefore she should not be treated like any other advanced democratic nation, or in defense, says that after all we are different cultures, we cannot be like Britain, we can't be like France, so please leave us alone. That is precisely what the Prime Minister said, that such excuses she could not accept.

### Appreciation of Mrs Thatcher's speech by the Japanese business community

So, therefore, her whole intention was very clear at least to the audience. I was sitting at the head table with Mrs



Thatcher who left to go to the podium to deliver her speech. When she had finished there was great applause, and the head table was occupied by the leaders of the Japanese economic world, really top people. These people all turned to each other and said, "Well done. Well said. Only she could say that." What she had said was that liberalisation of agriculture for instance, and the opening up of financial markets, reciprocity in such fields - (reciprocity has a rather strange meaning when the EC Commission uses it, so I will just explain to you that in my case the word "reciprocity" is as the dictionary defines it and nothing else) - is essential. She also said that the consumer should be given a greater break than the producer. She also said the prices of products for instance which are tied to each other, tied to the producers, must be changed. And the high-powered businessmen whom I have just mentioned did agree with her, because it is not the high-powered businessmen who are against such reforms or against such improvements and for protectionism. It is not. In fact Japan, like any other country, has a whole lot of interests, a whole lot of differing interest groups, and these overlap sometimes, clashing more often than not.

#### Business the dominant force today

The dominant force today in Japan is business, and they want changes, but since Japan is a democracy, they cannot pick up the telephone and decree changes. There are politicians, there is bureaucracy, there are a whole lot of other people, there are the farmers, small businessmen. Consequently, in Japan, like in any other country, we can't change right away - but we are trying to do it, and this the businessmen understood because they are for it. They appreciated Mrs Thatcher's speech because Mrs Thatcher put it in a very condensed and forceful shape so that everybody could understand. Of course, I say "everybody" in the sense that those who have any say in a democracy did understand.

#### A "dynamic and plain-speaking partnership"

So, what she was doing was what she had already had the former Secretary of State for Foreign Affairs, Sir Geoffrey Howe do, when he visited Japan at the beginning of Japan last year. Sir Geoffrey had said that our relationship should become a "dynamic and plain-speaking partnership". This is something which we really appreciated. This we already have with the United States, although perhaps the "plain-speaking" part is a bit more prominent than the "dynamic" part.



### Why Mrs Thatcher visited Japan

I think you all realise, as far as I could see, and as far as those people who were there when Mrs Thatcher visited could see that she was not there only for low-level purposes of bashing Japan or getting a few more quarts of whisky into Japan, or getting some more seats on the Tokyo Stock Exchange. No, she was there because she wanted to elevate the plane of our relationship to something befitting the 1990s, according to her vision.

### Surprise at British media coverage

That is the way I thought. So, when as I told you earlier that I got reports from this Embassy about the way the visit was being reported in the British media, and when I came back here myself and went through those stacks of newspapers - after all, I do read them. (I do read the tabloids too, professionally, I assure you.) I have been quite surprised that what was intended to be on a higher plane has been brought down to a very low level, and what was intended to give a new vista towards the 1990s was treated with the old cliches, like "Japan bashing", and with "backward-looking" views if you like. Now, respecting as I do the rights of the British journalists, and of course having had at least some firsthand knowledge of them, I did not feel any resentment at such reporting. I must say I did not even feel sadness. I felt surprise. Why did I feel surprise? Because although I did know all these aspects of journalism, which I accept, I thought that there must have been something more, something rubbing off from the visit itself onto these people. So that's why I was surprised. But anyway, I do realise that newspapers and broadcasting stations, including the BBC, are business propositions - they are not charitable institutions - they have to sell their newspapers or whatever to their clients.

### "Cast-iron" attitudes persisting

They have to think about the taste of their audience, just like a maker of ladies' garments must think about fashion, and also the various segments of society which appreciate one form of fashion rather than others. I do realise that Japan is far away; you cannot expect any British journalist to write about Japan any more than you can expect any Japanese journalist to be very knowledgeable about, let us say, people living in the Kalahari Desert. So therefore I am not criticising at all, but I was a bit surprised that such seemingly cast-iron attitudes still persist.

### British people denied the benefits of British journalistic tradition?



That's why I am here today to express my mild surprise, and also to express my view that when the UK-Japan relationship has such promise, and indeed, it is of crucial importance to both of us, why is it then that the British public cannot get the benefits of the best part of the British journalistic tradition? After all, as I said earlier, British journalists know very well that they have a role to play vis-a-vis the public to advance democracy in the sense that the rule of reason (and I'm not talking about the French Revolution type of "Reason", which most often decided to take people's heads away, instead of filling them with ideas). That's why I felt a bit of a surprise about journalism in this great country.

#### Integration and co-operation

Now I think I'm coming to the end of my allotted time. I will end now with a plea for people to consider that things are moving towards a different plane now and that our two countries share ultimately the same values in this world. We have to co-operate. The countries of the whole world are now connected to each other, just like the markets of London and Tokyo and New York are connected, operating 24 hours a day. An enormous amount of money is sloshing around because they are operating 24 hours a day. I think what we call integration and interdependence must be relied upon a little bit more. After all, I would like to think that Japan is not a marginal country. You might like that notion, you might not like it; that is your freedom. We Japanese should strive to make it more liked and it is due to our own shortcomings if it is not.

#### Japan is not going to disappear tomorrow

But, Japan is not going to disappear tomorrow. Indeed, if it did disappear there would be a tremendously adverse effect on economies all over the world. But I'm not going to go into that. We will have to be aware of each other.

#### The British lion has its tail high

The Japanese themselves must be more aware of the great potential of Britain. The Japanese themselves must divest themselves of their mistaken attitudes concerning this country as old and decrepit. It is not, in fact. I will not use the metaphor my distinguished predecessor used one and a half years ago when, in the Royal Albert Hall, he "awarded" gold medals in business achievement to the British economy. Instead I will say this: that the British lion has its tail high. After all, I am not in a position to award anything to anybody. Not more than, as one of your media organs said, "Mrs Thatcher was going to award fully-fledged membership in the Western democracies to Japan through her visit". I don't know where this gentleman got this idea; but I don't think you

easily award status to other countries. So therefore I would like to end my talk by thanking you for listening so patiently. If a little bit more education goes to British readers and listeners, it will go a long way.

[END]





FILE

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cc FCO +  
letter

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

27 September 1989

Dear Mr. Tsuchiya,

Thank you very much for your kind letter of welcome which I received on my recent visit to Japan. I greatly enjoyed my time there and the IDU Conference was also a great success. It is a pity that you could not be present.

I was most grateful to you for sending me the calender illustrated by your daughter. It is beautiful and I shall treasure it. Thank you also for the lovely bowl which I was very pleased to receive.

With every good wish,

Yours sincerely

Margaret Thatcher

Mr. Yoshihiko Tsuchiya

KIC

POINTS FOR MR. KAIFU

1. Thank for invitation. Tribute to past role in UK/Japan relations (UK/Japan 2000 Group).
2. Refer to IDU Conference and importance of Conservative/Centre Right parties co-ordinating closely.
3. Congratulate on performance of Japanese economy. Recognise much already done to meet concerns.
4. Need for further measures of structural



reform [taxation, agriculture, distribution, financial services].

5. Hope for assurance on Stock Exchange. Concert a line for press.

6. Need for assurances over whisky look-alikes, to avoid threat to genuine Scotch.

7. Refer to Opportunity Japan campaign to boost exports.

8. Wish to liberalise air services. Talks in October. Need progress on promotional fares at least.

9. Welcome for Japanese investment. Dispel any doubts about the permanence of membership of EC.

10. Determination to keep EC markets open post- 1992. Need to make a success of GATT round.



11. Support Cultural Festivals. (UK/Japan 1990:  
Japan Festival in UK in 1991.)

12. Hong Kong. Need to strengthen confidence.  
Hope for Japanese Ministerial visit and progress  
on separate Hong Kong/Japan Air Services Agreement.

13. Exchange views on China.

14. Vietnamese Boat People. Grateful for Japanese  
help so far. Reprocessing centre in Philippines  
needed very soon. Unless we get improved results  
from voluntary repatriation, may have to go

for compulsory repatriation.

15. East/West. Your views on Gorbachev and on arms control.

16. South Africa. Prospects.

17. Environment. Glad Japan supports framework Convention on global climate change. Hope she will make a major contribution to environmental research.



l27/9



# GUINNESS PLC

39 PORTMAN SQUARE - LONDON W1H 9HB - TELEPHONE 01 486 0288  
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④  
P. Minister

0001  
27/9.

26th September, 1989.

The Rt. Hon. Margaret Thatcher, MP.,  
The Prime Minister,  
10, Downing Street,  
LONDON SW1A 2AA

*The Prime Minister*

## SCOTCH WHISKY EXPORTS TO JAPAN

I am most grateful to you for having registered your concern with the Japanese Prime Minister about the threat to Scotch whisky exports from whisky "look-a-likes".

I know that as a consequence of your having raised this with Mr. Kaifu, the Japanese Government will take seriously the complaints our industry has been making for many months.

If I may, I will write again prior to your next visit to update you on progress and to tell you about business developments in the market.

Your support for British industry in this way is invaluable and thank you again for having pressed the Japanese on our behalf.

*Yours Sincerely,*  
*Anthony Tennant*

A.J. Tennant  
Chairman

CONFIDENTIAL  
FM TOKYO  
TO DESKBY 250830Z FCO  
TELNO 919  
OF 230325Z SEPTEMBER 1989

## PRIME MINISTER'S VISIT TO JAPAN, 19-22 SEPTEMBER

## SUMMARY

1. THE PRIME MINISTER'S VISIT TO JAPAN THIS WEEK CARRIED ANGLO/JAPANESE RELATIONS A SIGNIFICANT STEP FORWARD. A VISTA OF THE 1990S AS A 'DECADE OF UNPRECEDENTED PARTNERSHIP AND FRIENDSHIP BETWEEN BRITAIN AND JAPAN' HAS BEEN OPENED UP. THE JAPANESE WERE DELIGHTED AND RESPONDED TO THIS CALL IN FULL MEASURE. THE PROSPECT OF AN EARLY SOLUTION TO THE OUTSTANDING BILATERAL TRADE PROBLEMS AND THE INITIAL SUCCESS OF OUR LATEST EXPORT DRIVE COUPLED WITH SUBSTANTIAL JAPANESE MANUFACTURING INVESTMENT IN THE UNITED KINGDOM PROVIDED A FAVOURABLE CLIMATE IN WHICH TO DEVELOP OUR RELATIONS. THE KEY LONG TERM THEMES WERE THE NEED FOR FURTHER EFFORT BY THE JAPANESE TO OPEN THEIR ECONOMY AND THE IMPORTANCE OF DEVELOPING A CLOSER POLITICAL RELATIONSHIP BETWEEN BRITAIN AND JAPAN AS WE MOVE INTO THE 1990S. THE VISIT HAS PROVIDED A TOP-LEVEL IMPETUS TO OUR EFFORTS ON THESE AND OTHER FRONTS.

## DETAIL

2. THE PRIME MINISTER'S FIRST BILATERAL VISIT TO JAPAN SINCE 1982 TOOK PLACE IN A MARKEDLY DIFFERENT ATMOSPHERE, REFLECTING THE PROGRESS MADE IN RESOLVING MOST OF OUR STRICTLY BILATERAL TRADE PROBLEMS, IN ATTRACTING JAPANESE INVESTMENT TO BRITAIN AND IN DEVELOPING OUR WIDER RELATIONSHIP WITH A JAPAN WHICH IS BEING DRAWN BY ITS ECONOMIC SUCCESS MORE INTO THE MAINSTREAM OF INTERNATIONAL RELATIONS. IT ALSO REFLECTED THE RESPECT IN WHICH THE PRIME MINISTER PERSONALLY IS HELD HERE: MY DINNER IN HER HONOUR ACHIEVED AN EXCEPTIONAL TURN-OUT INCLUDING THREE FORMER PRIME MINISTERS, FIVE CABINET MINISTERS AND THE HEADS OF SOME TWENTY OF JAPAN'S LARGEST COMPANIES. THIS PERSONAL IMPACT WAS EVIDENT TOO IN THE TONE OF THE MEDIA REPORTING AND THE REACTIONS OF MEMBERS OF THE PUBLIC AT THE VARIOUS OUTSIDE EVENTS SUCH AS THE VISIT TO A TOKYO DEPARTMENT STORE.

3. THE KEY ELEMENTS OF THE PROGRAMME WERE HER SPEECH ON 20



SEPTEMBER TO 400 OF JAPAN'S TOP BUSINESS LEADERS AND HER BILATERAL TALKS WITH KAIFU. THE SPEECH URGED THE JAPANESE TO OPEN THEIR ECONOMY AS MUCH AS THE UNITED KINGDOM HAD OPENED ITS OWN, AND GAVE SOME SPECIFIC AREAS WHERE WE BELIEVED STRUCTURAL REFORMS WERE ESSENTIAL IF WE WERE TO CONTAIN PROTECTIONIST PRESSURES AND PRESERVE THE OPEN WORLD TRADING SYSTEM, FROM WHICH JAPAN DERIVED SO MUCH BENEFIT. THE PRIME MINISTER REITERATED THIS KEY MESSAGE IN HER MEETINGS WITH JAPANESE MINISTERS AND TO THE MEDIA.

4. SHE ALSO FOLLOWED UP THREE SPECIFIC AREAS WHERE BILATERAL PROBLEMS PERSIST. ON THE TOKYO STOCK EXCHANGE, SHE RECEIVED USEFUL ASSURANCES THAT A SUCCESSFUL CONCLUSION WOULD BE ACHIEVED (MY TELNO 869). ON WHISKY LOOK-ALIKES TOO, SHE WAS ASSURED THAT THE JAPANESE GOVERNMENT SAW THE NEED TO ENSURE THAT WHISKY AND 'NEW SPIRITS' WERE PERCEIVED AS DIFFERENT AND WOULD CONTINUE ITS EFFORTS TO ENSURE THAT THIS DID NOT BECOME A SERIOUS ISSUE. ON AIR SERVICES, THE PRIME MINISTER PRESSED FOR PROGRESS ON DEREGULATION AT THE OFFICIAL-LEVEL TALKS IN OCTOBER.

5. THE PRIME MINISTER'S VISITS TO JAGUAR JAPAN, LAURA ASHLEY AND A BANK DEALING ROOM WITH BT AND REUTER EQUIPMENT EARNED HER THE TITLE IN ONE NEWSPAPER OF THE 'IRON SALESWOMAN'. SHE DREW ATTENTION TO OUR OWN EFFORTS THROUGH THE OPPORTUNITY JAPAN CAMPAIGN TO ENCOURAGE BRITISH BUSINESSMEN TO TAKE ADVANTAGE OF THE OPPORTUNITIES IN THE JAPANESE MARKET AND INCREASE OUR EXPORTS. SHE ALSO STRESSED IN HER SPEECH TO BUSINESSMEN, IN HER VARIOUS TALKS AND BY VISITING THE FACTORY OF FUJITSU (WHICH RECENTLY ANNOUNCED A MAJOR INVESTMENT) OUR WARM WELCOME FOR JAPANESE MANUFACTURING INVESTMENT IN BRITAIN. ON BOTH COUNTS SHE RECEIVED PLEDGES OF CONTINUED SUPPORT AND ENCOURAGEMENT FROM THE JAPANESE GOVERNMENT.

6. THE TALKS WITH KAIFU AND NAKAYAMA COVERED A FAIRLY WIDE INTERNATIONAL AGENDA, INCLUDING EAST-WEST RELATIONS, CHINA/HONG KONG/VIETNAMESE BOAT PEOPLE AND CAMBODIA. NAKAYAMA RAISED THE ISSUE OF JAPAN'S DISPUTE WITH THE USSR OVER THE NORTHERN TERRITORIES, AND WHILE AVOIDING ANY COMMITMENT TO RAISE THIS WITH GORBACHEV, THE PRIME MINISTER SAID THAT WE SUBSCRIBED TO THE PRINCIPLE THAT NO-ONE SHOULD GAIN TERRITORY AS A RESULT OF WAR. ON CHINA, THE JAPANESE AGREED THAT THE TIEN AN MEN SQUARE EVENTS HAD BEEN A SHOCK AND SAID THAT THEY HAD MARKEDLY SLOWED THE PACE OF THEIR BILATERAL COOPERATION. THE JAPANESE DELEGATION RECENTLY IN BEIJING HAD FOUND THE CHINESE COMMITTED TO SUSTAINING THE POLICY OF REFORM AND OPENNESS TO THE



OUTSIDE WORLD BUT REFUSING TO ADMIT THAT ANYTHING UNTOWARD HAD OCCURRED IN JUNE. THE PRIME MINISTER ON A NUMBER OF OCCASIONS, PUBLICLY AND PRIVATELY, CALLED FOR ACTION TO HELP RESTORE CONFIDENCE IN HONG KONG AND SPECIFICALLY FOR CONTINUED JAPANESE INVESTMENT. KAIFU AGREED THAT THIS WAS VERY DESIRABLE. THE PRIME MINISTER ALSO RAISED THE PROSPECT OF RESORTING TO COMPULSORY REPATRIATION OF VBPS IF THE SITUATION IN HONG KONG DID NOT EASE AND URGED RAPID ACTION ON THE PROCESSING CENTRE IN THE PHILIPPINES.

7. AMONG AREAS FOR FUTURE ANGLO-JAPANESE COOPERATION, THE PRIME MINISTER PUT PARTICULAR EMPHASIS ON THE ENVIRONMENT. SHE HAD A SEPARATE MEETING WITH JAPANESE RESEARCHERS AND CALLED FOR A MAJOR SCIENTIFIC CONTRIBUTION FROM JAPAN. THIS WAS ALSO A CENTRAL THEME OF A JOINT TELEVISION BROADCAST WITH KAIFU JUST AFTER THEIR TALKS.

8. THE JAPANESE POLITICAL SITUATION WAS RARELY RAISED EXPLICITLY BUT FORMED A CONSTANT BACKDROP TO THE DISCUSSIONS. I BELIEVE THAT KAIFU AND THE LDP HAVE EVERY REASON TO BE GRATEFUL TO THE PRIME MINISTER (AND DURING HIS BILATERAL WITH HER TAKESHITA VIRTUALLY SAID AS MUCH). SHE OF COURSE AVOIDED ANY SUGGESTION OF INTERVENING IN JAPANESE AFFAIRS, BUT KAIFU WAS ABLE TO PRESENT THE TALKS AS HAVING BEEN POSITIVE AND FRIENDLY, AND THE PRIME MINISTER UNDERTOOK AT HIS REQUEST THE JOINT TV INTERVIEW. THE SUBSTANCE OF WHAT SHE SAID SHOULD ALSO HAVE BEEN WELCOME FOR ITS EMPHASIS ON FREE MARKETS, SOUND ECONOMIC AND DEFENCE POLICIES AND THE SUCCESS OF WESTERN DEMOCRATIC SOCIETIES. (THESE WERE ALSO KEY THEMES AT THE IDU CONFERENCE, WHICH SHE ATTENDED ON 21/22 SEPTEMBER AS LEADER OF THE CONSERVATIVE PARTY).

9. RUNNING THROUGH THE WHOLE OF THE BILATERAL VISIT WAS THE THEME WHICH THE PRIME MINISTER SUMMED UP AS FOLLOWS IN HER SPEECH AT THE DINNER ON 19 SEPTEMBER:-

' I WANT MY VISIT TO JAPAN THIS WEEK TO DEMONSTRATE BEYOND ALL DOUBT BRITAIN'S DETERMINATION TO HAVE THE BEST POSSIBLE RELATIONS WITH JAPAN AT EVERY LEVEL: TRADE, POLITICAL, CULTURAL, INVESTMENT. I HOPE AND I BELIEVE THAT DESIRE IS RECIPROCATED AND WE SHALL TOGETHER MAKE THE 1990S A DECADE OF UNPRECEDENTED PARTNERSHIP AND FRIENDSHIP BETWEEN BRITAIN AND JAPAN'.



SHE REPEATED THIS THEME ON SEVERAL OCCASIONS DURING HER VISIT AND RECEIVED A POSITIVE RESPONSE FROM THE JAPANESE.

10. THE WAY AHEAD HAS NOW BEEN CLEARLY SIGNPOSTED. THE RELATIONSHIP WITH JAPAN MUST BE BROADENED AND THICKENED-UP IN ALL FIELDS AND IN ALL WAYS COMPATIBLE WITH OUR OWN NATIONAL INTEREST. WE MUST ENSURE THAT THERE ARE NO SLIPS IN THE LAST FEW MONTHS BEFORE THE LONG-RUNNING PROBLEM OF SEATS IN THE TOKYO STOCK EXCHANGE IS BROUGHT TO A SUCCESSFUL CONCLUSION: WE MUST KEEP THE JAPANESE UP TO THEIR PLEDGE TO ENSURE THAT THE 'NEW SPIRITS' ISSUE DOES NOT BECOME A SERIOUS PROBLEM AND IN SOME WAY UNDERMINE THE VERY SUBSTANTIAL BENEFITS WHICH THE SCOTCH WHISKY INDUSTRY IS ALREADY DERIVING FROM THIS YEAR'S LIQUOR TAX REFORM: WE MUST CONTINUE TO CHIP AWAY AT STRUCTURAL RIGIDITIES IN THE JAPANESE ECONOMY SO THAT JAPAN GIVES MORE SUBSTANTIAL HELP TO THE PRESERVATION AND DEVELOPMENT OF THE OPEN WORLD TRADING SYSTEM: AND IN THE MEANTIME WE MUST OBTAIN FURTHER JAPANESE SUPPORT FOR OUR EXPORT DRIVE, SPEARHEADED BY OPPORTUNITY JAPAN, SO THAT OUR TARGETS OF RAISING EXPORTS TO JAPAN TO #3 BILLION AND MAKING THIS COUNTRY OUR NINTH BEST EXPORT MARKET ARE ACHIEVED BY THE END OF NEXT YEAR. OTHER PROGRAMMES SUCH AS JAPANESE MANUFACTURING INVESTMENT IN BRITAIN, THE RAPID DEVELOPMENT OF JAPANESE TOURISM TO THE UK, AND THE CULTURAL FESTIVAL UK 90 MUST ALSO BE CARRIED FORWARD VIGOROUSLY. ABOVE ALL WE MUST PAY INCREASING ATTENTION TO THE POLITICAL RELATIONSHIP AT A TIME OF MORE RAPID CHANGE IN JAPAN THAN HAS BEEN SEEN FOR SOME TIME AND WHEN THE TENSIONS WITH THE UNITED STATES CLEARLY REQUIRE OTHER COUNTRIES IN THE WESTERN COMMUNITY TO PLAY THEIR PART IN BINDING THE JAPANESE IN POSITIVELY AND INTERNATIONALLY.

11. THE PRIME MINISTER'S VISIT DEMONSTRATED BEYOND DOUBT THAT THE ANGLO-JAPANESE RELATIONSHIP IS EVOLVING IN A VERY POSITIVE FASHION. HER VISIT, GIVEN THE STATE OF JAPANESE POLITICS COULD NOT HAVE BEEN MORE TIMELY. THE COMBINED EFFECT IS TO GIVE BRITISH INDUSTRY AND COMMERCE, IF THEY CHOOSE TO SEIZE IT, THE BEST OPPORTUNITY THEY HAVE HAD SO FAR IN THIS MARKET.

WHITEHEAD  
YYYY

DISTRIBUTION

176

MAIN 133

.JAPAN POLITICAL AND ECONOMIC  
 .(BACKGROUND)  
 LIMITED  
 FED  
 ECD(E)  
 ECD(I)  
 ERD  
 COMED  
 SEND  
 MAED  
 HD/CRD  
 NEWS  
 INFO  
 RMD  
 PLANNERS  
 SEAD  
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ECONOMIC ADVISERS  
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 MISS SPENCER  
 MR MCLAREN  
 MR GOULDEN

ADDITIONAL 43

JAPAN POLITICAL AND ECONOMIC

NNNN



1. Macroscopic assessment of the strategies for global warming

- socio-economic analysis -

What efforts are required to

- a. keep CO<sub>2</sub> emission at the present level
- b. reduce CO<sub>2</sub> emission by 1%/year (equivalent to Toronto declaration)

methodology

$$CO_2 = \frac{CO_2}{energy} \frac{energy}{GDP} GDP$$

↑            ↑

|            |

carbon intensity      macro-economic efficiency of energy  
of energy

tentative results

target level of GDP growth: 3%/year

|  | $\frac{CO_2}{energy}$          | $\frac{energy}{GDP}$           |   |
|--|--------------------------------|--------------------------------|---|
| case A. level frozen<br>(CO <sub>2</sub> :0%/year) | 1%                             | 2%                             | not easy<br>require a lot<br>of efforts |
|  | require<br>a lot of<br>efforts | OECD<br>after oil shock        |   |
| B. Toronto target<br>(CO <sub>2</sub> :-1%/year)   | 1%                             | 3%                             | difficult<br>require huge<br>efforts    |
|  |                                | Japan after<br>after oil shock |   |

2. Study on some of important measures in the long run

1) absorption of CO<sub>2</sub> from flue gas and its disposal into deep sea

problems: a. total cost

b. environmental impact

2) Improvement of the total energy system efficiency and system cost

key elements: a. cogeneration and small scale plants

b. innovative change in system structure

.. use of nuclear heat

CO<sub>2</sub> recycling

use of coproduction (methanol, electricity)

→ IES (Integrated Energy System) concept

Principal R&D Activities on Measures for Mitigating Global Warming

- Japan, 1989 -

1. Energy Conservation

- 1) higher thermal efficiency  
super heat pump  
cogeneration ( + heat storage )
- 2) higher thermo-electric conversion efficiency  
combined cycle ( + high efficiency coal gasification )
- 3) fuel cell
- 4) waste heat recovery in industry (ex. from slug in blast furnace )

2. Fuel Substitution

- 1) new energy R&D  
"Sun Shine Project" by MITI  
photovoltaic / geothermal
- 2) safer nuclear
- 3) recycling of CO<sub>2</sub> = heat/electricity converted to synfuel
- 4) nuclear fusion

3. Disposal of CO<sub>2</sub>

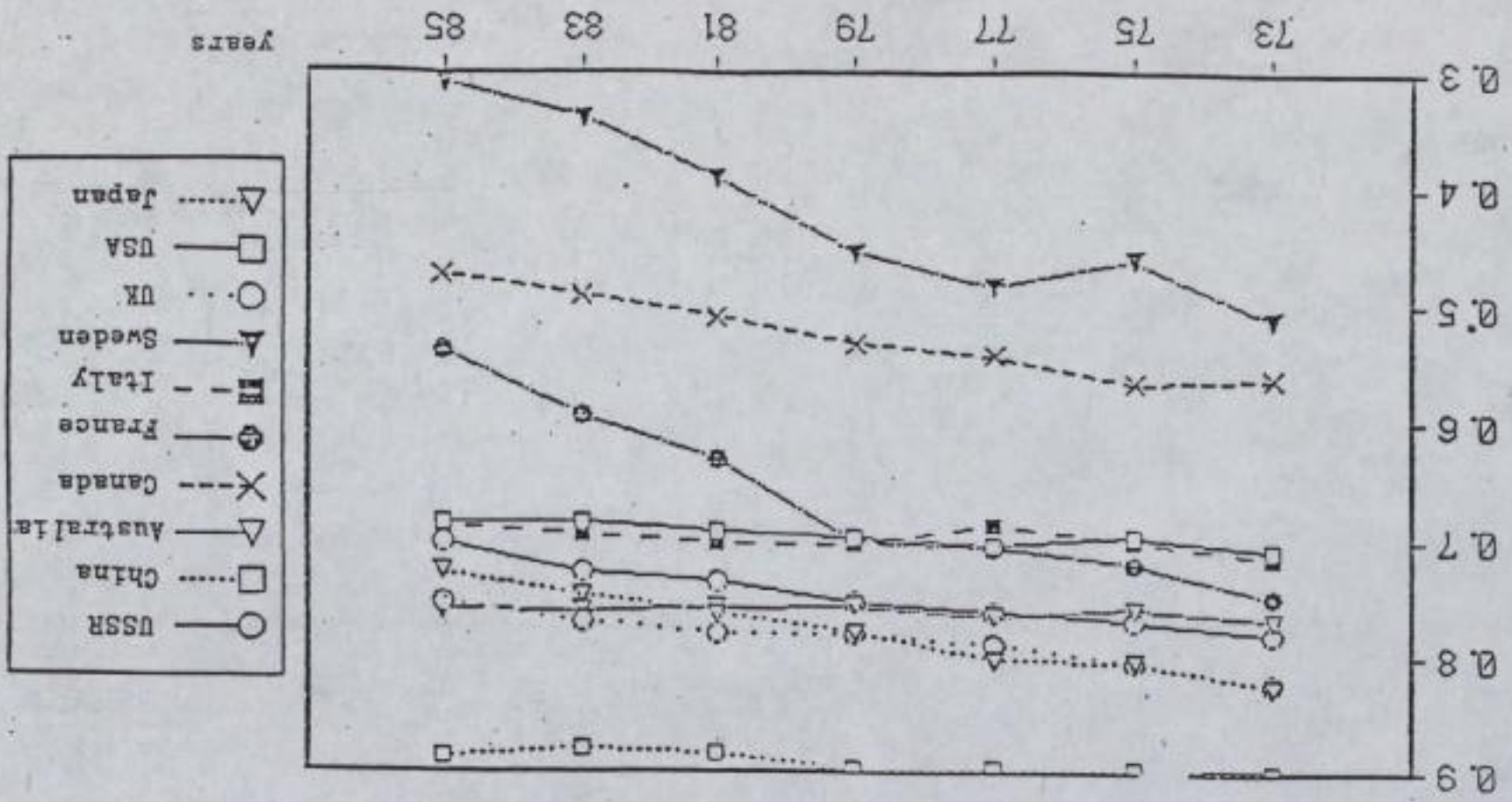
- 1) from flue gas  
absorption of CO<sub>2</sub> from flue gas by solvent ( ex. steam power plants )  
disposal of CO<sub>2</sub> into deep sea
- 2) pre-disposal of carbon from natural gas  
incomplete burning of natural gas ( disposal as solid carbon )
- 3) absorption of CO<sub>2</sub> in the air by photo-synthesis ( vegetation ? )

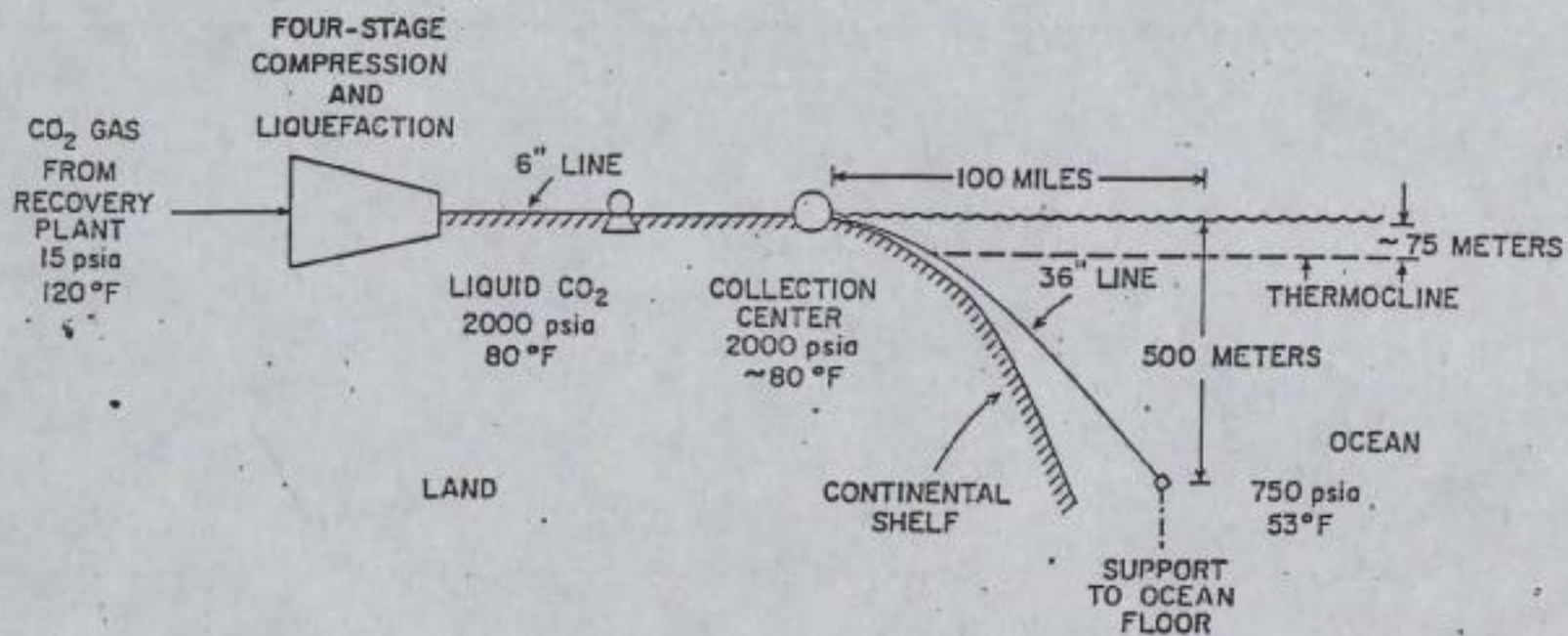
4. System technology

- toward the most economical reduction of CO<sub>2</sub> emission  
"Integrated Energy System" concept



CO<sub>2</sub>/energy (C-ton/ton oil-equivalent)





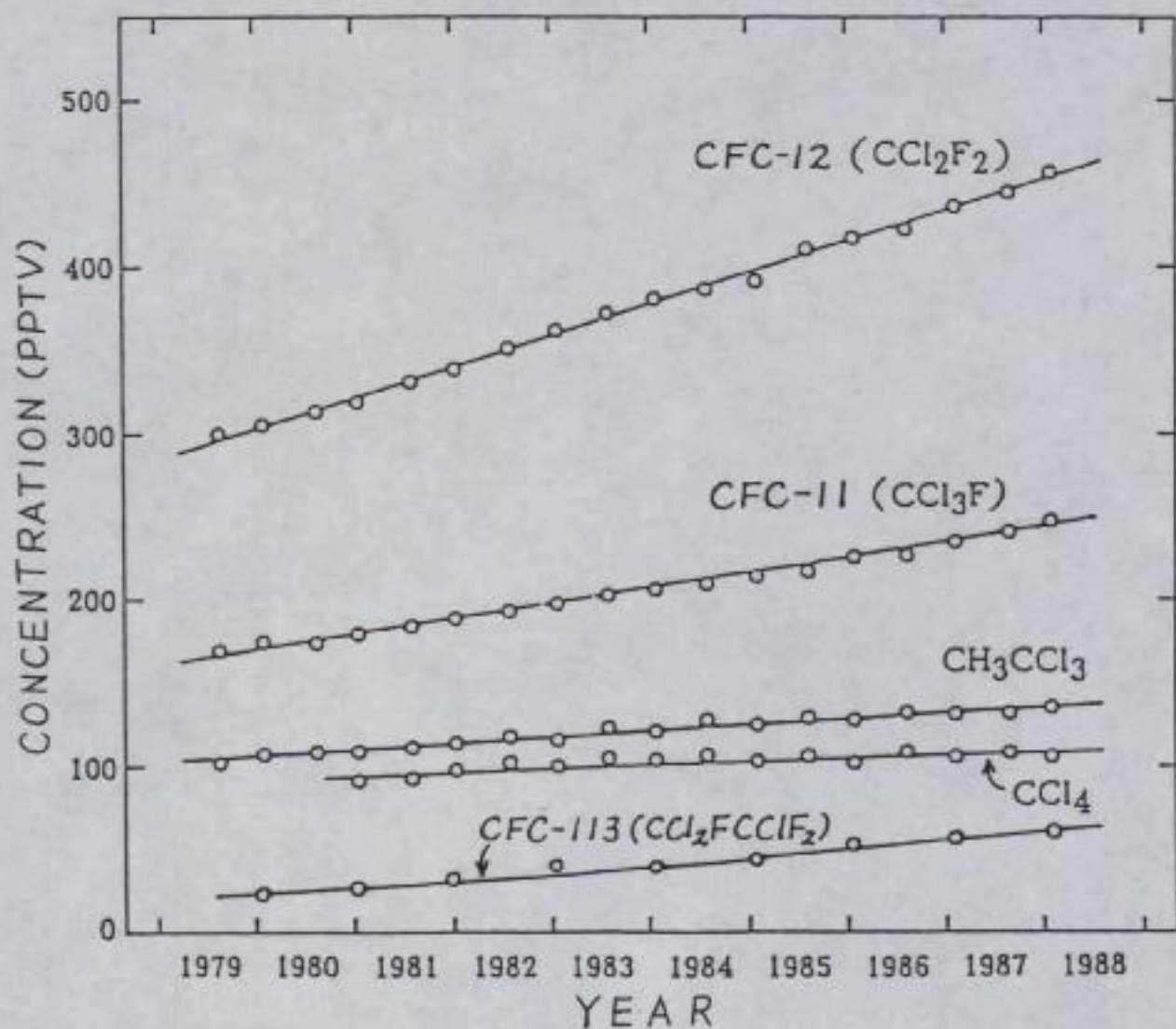
SCHMATIC DIAGRAM FOR OCEAN DISPOSAL SYSTEM.



ATMOSPHERIC CONCENTRATIONS OF  
CHLOROFLUOROCARBONS AND OTHER HALOCARBONS  
FOR THE TIME PERIOD 1979-1988

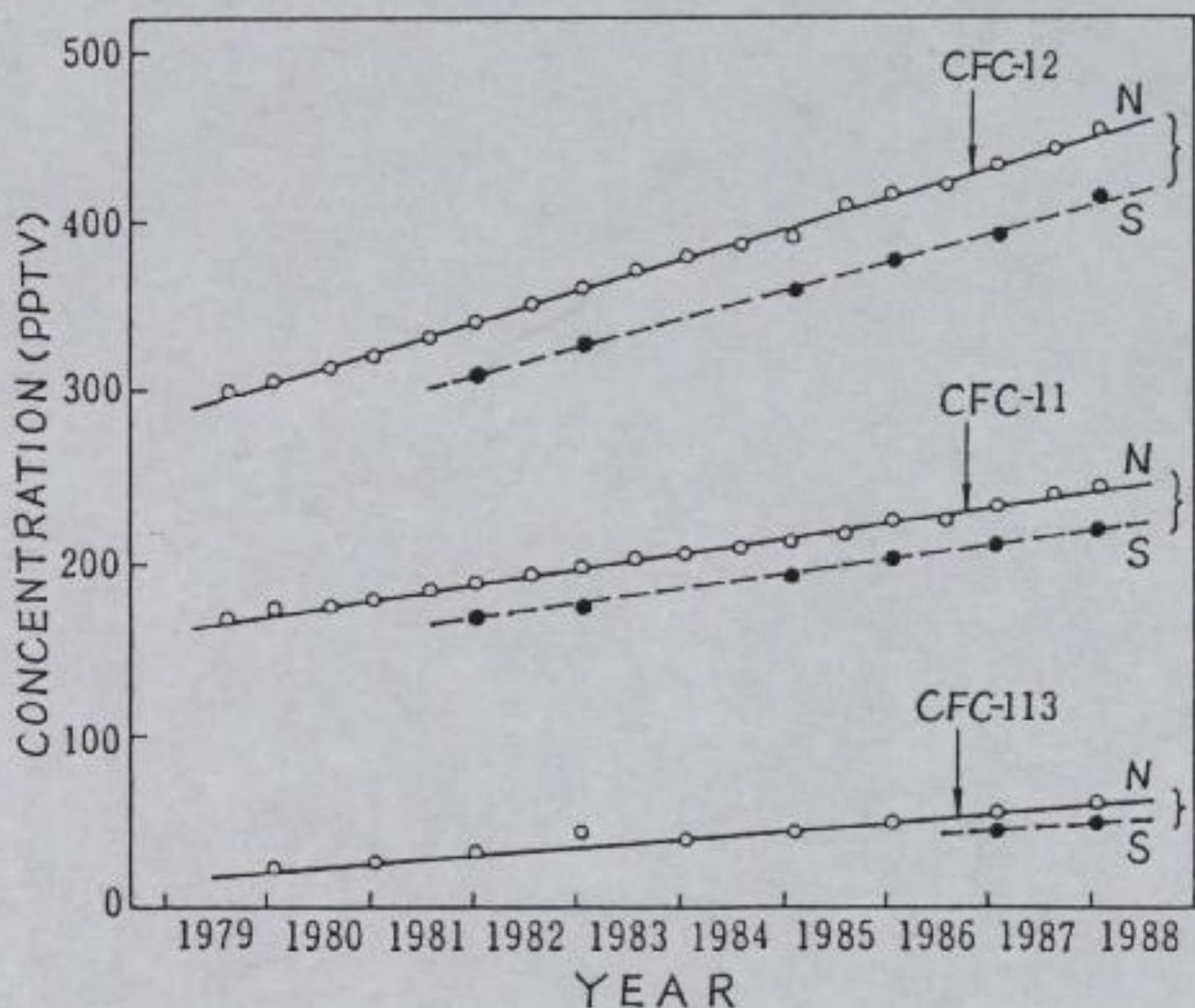
SEPTEMBER 19, 1989

TAKESHI TOMINAGA  
PROFESSOR OF CHEMISTRY  
FACULTY OF SCIENCE  
THE UNIVERSITY OF TOKYO



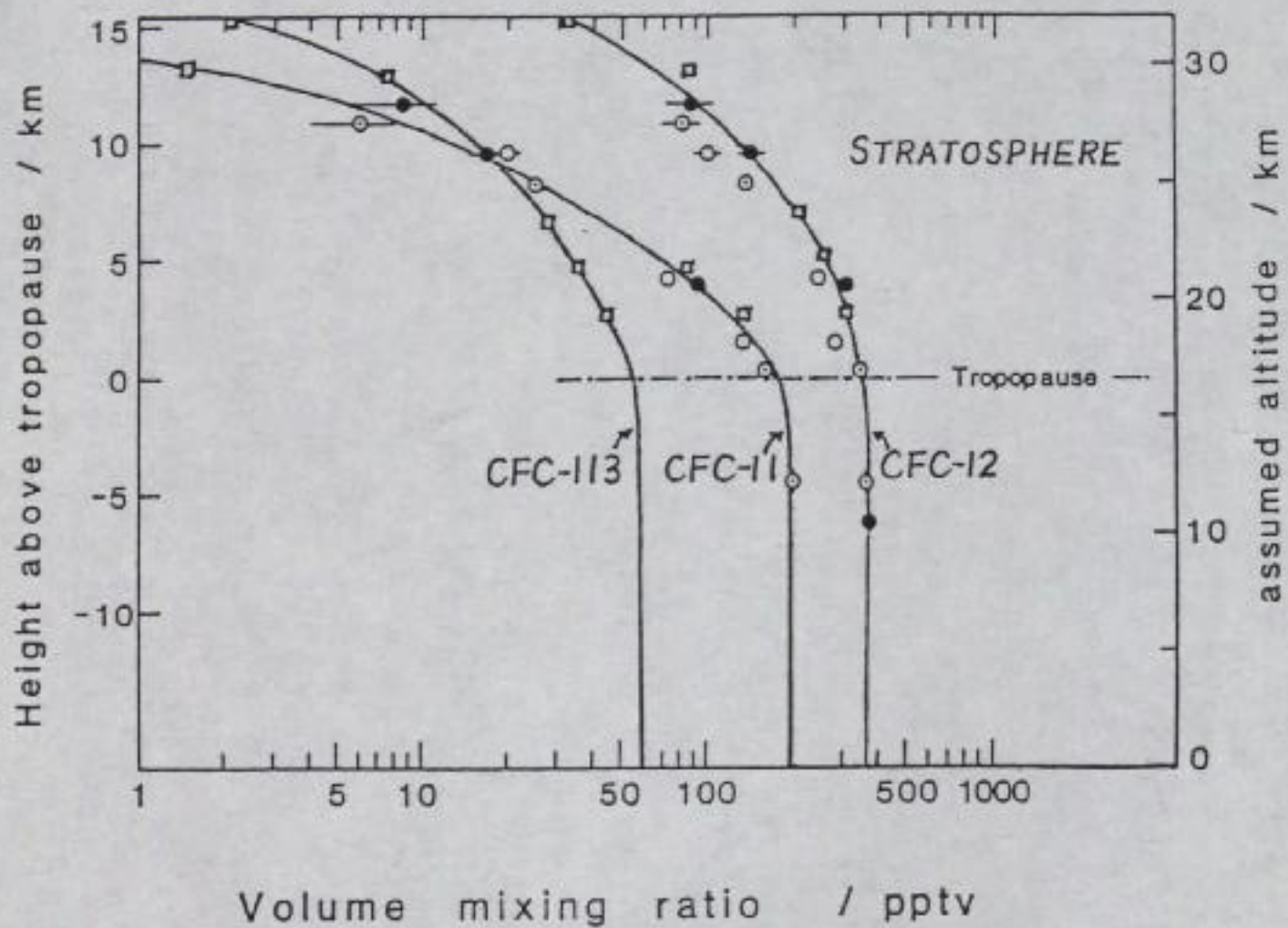
Surface level atmospheric concentrations of chlorofluorocarbons (CFCs) and other ozone-destroying halocarbons in the mid-latitude Northern hemisphere (Hokkaido, Japan, 40-45°N) for the time period 1979-1988, measured in parts per trillion ( $10^{-12}$ ) by volume (pptv).





Surface level atmospheric concentrations of CFCs in the Northern hemisphere (Hokkaido, Japan) and the Southern hemisphere (Antarctica) for the time period 1979-1988, measured in parts per trillion by volume (pptv).

{ N: Hokkaido, Japan, 40-45°N  
 { S: Syowa Station, Antarctica



Vertical profiles of CFCs vs. altitude over Japan (balloon sampling 1981-1988).



## Atmospheric Concentrations of Halocarbons in Japan in 1979-1986

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(Received September 5, 1986)

The average atmospheric concentrations of halocarbons in the mid-latitude Northern Hemisphere have been measured accurately for 7 years from 1979 to 1986. Atmospheric samples were collected in summer and winter in Hokkaido (40-45°N), and the halocarbons at 10-400 pptv (pptv=10<sup>-12</sup> v/v) concentrations were determined with 0.5% precision. The concentrations of halocarbons with long lifetimes have been increasing steadily (CCl<sub>2</sub>F<sub>2</sub>: 18 pptv/year, CCl<sub>3</sub>F: 8-9 pptv/year, CH<sub>3</sub>CCl<sub>3</sub>: 4 pptv/year, CCl<sub>4</sub>: 2 pptv/year); those of short-lived halocarbons (CHCl=CCl<sub>2</sub> and CCl<sub>2</sub>=CCl<sub>2</sub>) are low (<25 pptv) and show only seasonal variations.

A great concern has been shown for the change in the Earth's environment caused by increasing atmospheric concentrations of trace gases released by human activities. Among them, two groups of compounds should be watched most carefully: CO<sub>2</sub> which causes "greenhouse effect" as released in huge amounts,<sup>1)</sup> and halocarbons (halogenated hydrocarbons) with extremely long atmospheric lifetimes, which cause depletion of the stratospheric ozone.<sup>2)</sup>

Since the possibility of stratospheric ozone depletion by chlorofluoromethanes (CCl<sub>2</sub>F<sub>2</sub> and CCl<sub>3</sub>F) was pointed out in 1974,<sup>3)</sup> extensive efforts have been made to assess the effect in the future.<sup>2,4)</sup> The depletion of ozone in the middle and upper stratosphere has been detected recently.<sup>4)</sup>

Halocarbon concentrations in the atmosphere were measured since 1978 at ALE (Atmospheric Lifetime Experiment) stations in Ireland (52°N, 10°W); Oregon, USA (1980-, 45°N, 124°W); the Barbados (13°N, 59°W); American Samoa (14°S, 171°W); and Tasmania (41°S, 145°E), and the data observed up to 1981 have been published.<sup>5)</sup> However, such measurements had calibration problems,<sup>6)</sup> and no systematic measurement of the atmospheric concentrations has been attempted in Asia. Furthermore, reliable statistics of the world production and emission of halocarbons is hardly available.<sup>7)</sup> Since the comparison of models and measurements has shown some disagreements,<sup>4)</sup> accurate monitoring of the atmospheric halocarbon concentrations has become more and more important.

In view of such a situation, we started measuring the average atmospheric concentrations of halocarbons in 1979 by analyzing atmospheric samples collected in Hokkaido in summer and winter. The preparation of primary standards was improved, and calibration was repeated carefully. In this paper we wish to report definite atmospheric halocarbon concentrations based on carefully established calibration standards and the trends in their concentrations over the 7 years from 1979 to 1986.

## Experimental

**Analytical System and Calibration.** We have developed an extremely clean, all-metal analytical system for accurate measurement of ultratrace amounts of CCl<sub>2</sub>F<sub>2</sub>, CCl<sub>3</sub>F,

CH<sub>3</sub>CCl<sub>3</sub>, CCl<sub>4</sub>, CHCl=CCl<sub>2</sub>, and CCl<sub>2</sub>=CCl<sub>2</sub> at 10-400 pptv (pptv: parts per trillion by volume, 10<sup>-12</sup> v/v) concentration level in the atmosphere.<sup>8,9)</sup> A new technique of preparing primary calibration standards was developed for relatively unstable compounds, such as CH<sub>3</sub>CCl<sub>3</sub> and CCl<sub>4</sub>.<sup>10)</sup>

A portion of the atmospheric sample or the standard sample was introduced into an evacuated sample loop (50 ml) up to a pressure of about 1/3 atm and then transferred into a gas chromatograph. A Silicone OV-101 column was used as the preconcentration/separation column with the temperature programmed from -40 to 70°C. Each halocarbon thus separated was determined by means of an electron capture detector. Methane was mixed into the extremely pure nitrogen carrier gas flow as a make-up gas just before the detector in order to improve the S/N ratio.

The primary calibration standard for each compound was carefully prepared by three-step static dilution with highly purified zero air to a concentration close to the atmospheric concentration. Zero air saturated with water vapor at room temperature was introduced into the flask before the final dilution step so that the water-vapor pressure in the primary standards eventually became about 1 kPa. Several ambient air samples stored in large sample containers were calibrated for all components against each primary standard; they were then used as the secondary standards in routine analysis.

**Atmospheric Sampling.** All samples were collected by grab-sampling in highly evacuated, extremely clean, all-stainless steel canisters (of two-liter volume and equipped with a stainless-steel bellows valve). In the field, sample air was introduced into the canister up to the ambient pressure by simply opening the valve; no pump or compressor, which would inevitably cause contamination, was employed.

Sampling locations in Japan were extensively surveyed in 1979: in the main and southern parts of Japan, it was found difficult to avoid the influence of regionally polluted air from Japan or Korea.<sup>9)</sup> Thus we have collected well-mixed air free from local pollution (called averaged-concentration air, or background air) on a remote coast or point of land mainly in Hokkaido (but occasionally on the west coast of the Tohoku area) every summer (late July to early August) and winter (late January to early February) since 1979. Typical sampling locations are Wakkasakanai in Moor Sarobetsu-Genya (45°N, 142°E), Nosappu-misaki Point (43°N, 146°E), Setana in Oshima Peninsula (42°N, 140°E), and Nyudozaki Point (40°N, 140°E). Samples were collected against the wind blowing from the ocean.

While the weather conditions are relatively stable in winter (i.e., a high atmospheric pressure overlying Siberia and a low atmospheric pressure overlying the North-west Pacific



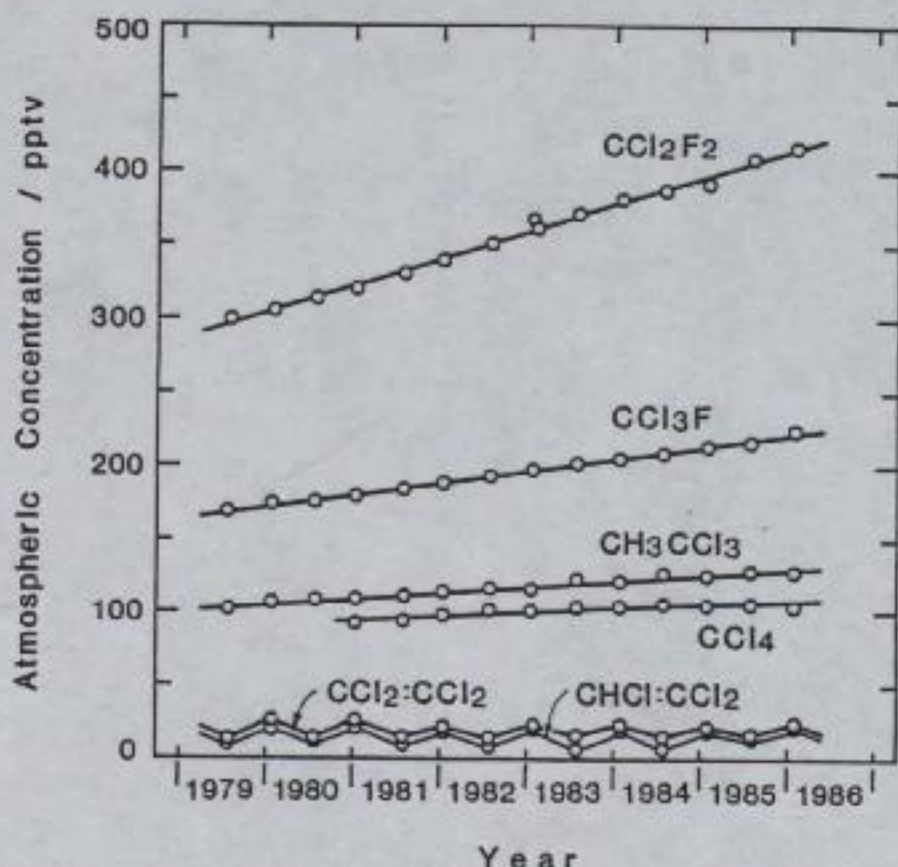


Fig. 1. Atmospheric concentrations of halocarbons in the mid-latitude Northern Hemisphere observed in Hokkaido (40–45°N) in 1979–1986. (pptv =  $10^{-12}$  v/v in dry air).

Ocean, causing strong west wind), they are changeable in summer according to the strength of the high atmospheric pressure over the Pacific Ocean. Thus, higher- or lower-latitude air was sometimes collected depending on the distribution of atmospheric pressure. All the collected samples were analyzed in our laboratory at the University of Tokyo within a few weeks of sampling.

#### Results and Discussion

**Analysis.** The primary standards for CCl<sub>2</sub>F<sub>2</sub>, CCl<sub>3</sub>F, CH<sub>3</sub>CCl<sub>3</sub>, and CCl<sub>4</sub> were carefully prepared in different ways and repeatedly, and the concentration of each compound in a secondary standard was determined one by one. The calibration values for these compounds were determined definitely.

The precision of the measurement was within 0.5% at 100 pptv concentration level. The constancy of the calibration was often checked by using the same vacuum-line system and by analyzing several stored ambient air samples which contained enough water vapor to keep most components unchanged.

**Trend of Halocarbon Concentrations Observed in Hokkaido.** The atmospheric concentrations of CCl<sub>2</sub>F<sub>2</sub>, CCl<sub>3</sub>F, CH<sub>3</sub>CCl<sub>3</sub>, CCl<sub>4</sub>, CHCl=CCl<sub>2</sub>, and CCl<sub>2</sub>=CCl<sub>2</sub> observed in Hokkaido since 1979 are shown in Fig. 1.

The concentrations of CCl<sub>2</sub>F<sub>2</sub>, CCl<sub>3</sub>F, and CH<sub>3</sub>CCl<sub>3</sub> have been increasing almost linearly during the present period except for small fluctuations depending on the year, possibly due to the meteorological conditions and the limited number of samples. It is not clear whether or not such 2–3-year trends really reflect the variation in emission in the corresponding period.

The observed concentrations of CCl<sub>2</sub>F<sub>2</sub> and CCl<sub>3</sub>F at the end of January, 1986, were 417 and 225 pptv respectively. Our data of CCl<sub>2</sub>F<sub>2</sub> and CCl<sub>3</sub>F concentrations in 1980 agree reasonably well (within a possible range of accuracy: 4–5%) with those of the ALE measurements.<sup>5</sup> The increments of the CCl<sub>2</sub>F<sub>2</sub> and CCl<sub>3</sub>F concentrations we observed in the 6.5-year period were about 117 pptv (i.e., 18 pptv/year) and 56 pptv (i.e., 8.6 pptv/year) respectively; these values correspond to annual increase rates of 6.0 and 5.1% of the 1979 concentrations, or to those of 4.4 and 3.8% of the 1986 concentrations.

While the Chemical Manufacturers Association (CMA) gave estimates of world production and emission for CCl<sub>2</sub>F<sub>2</sub> and CCl<sub>3</sub>F up to 1982, it then discontinued the world estimates because of the alleged difficulty in estimating the production in the USSR and in Eastern European countries. The CMA data on CCl<sub>2</sub>F<sub>2</sub> reported in 1981 were, however, revised upward in the



following year,<sup>71</sup> corresponding to the comments that the observed atmospheric concentrations were much higher than those expected from the 1981 CMA emission values.<sup>111</sup> The CMA attributed the revised amount mainly to unknown USSR emission.

In the 1980's, the world production of  $\text{CCl}_2\text{F}_2$  and  $\text{CCl}_3\text{F}$  appears to have been roughly constant, or to be gradually increasing.<sup>127</sup> Even if the current emission level is maintained constant in the future (a very conservative assumption), the atmospheric concentrations of  $\text{CCl}_2\text{F}_2$  and  $\text{CCl}_3\text{F}$  will keep increasing up to above 3000 and 1000 pptv respectively. If the emission of these halocarbons increases, as has been reported recently, the concentrations will become extremely high in the future<sup>128</sup> and a catastrophic change in the ozone layer can be anticipated.<sup>140</sup> The greenhouse effect is also predicted as a result of the strong IR absorption of halocarbons not overlapping with  $\text{CO}_2$  absorption bands.<sup>151</sup>

The atmospheric concentration of  $\text{CH}_2\text{Cl}_2$  has been increasing by about 4 pptv/year, reaching about 130 pptv in 1986. While the production and atmospheric release of  $\text{CH}_2\text{Cl}_2$  (about 500 kilotons/year) exceed those of  $\text{CCl}_2\text{F}_2$  and  $\text{CCl}_3\text{F}$ , the increment in its atmospheric concentration is smaller because  $\text{CH}_2\text{Cl}_2$  is decomposed, mainly by the reaction with OH in the troposphere, and so has only a 6–7 year lifetime.<sup>161</sup>

The atmospheric concentration of  $\text{CCl}_4$  increases rather slowly (about 2 pptv/year) because of its large accumulation in the atmosphere as a result of prolonged use since the 1920's, a smaller amount of release (about 100 kilotons/year) in recent years, and its lifetime of about 30 years.<sup>161</sup>

While our data on  $\text{CCl}_2\text{F}_2$  and  $\text{CCl}_3\text{F}$  concentrations for the 1979–1981 period are similar to the ALE data, the  $\text{CH}_2\text{Cl}_2$  and  $\text{CCl}_4$  values were both about 30% lower than the ALE's.<sup>51</sup> Such large discrepancies in the observed  $\text{CH}_2\text{Cl}_2$  and  $\text{CCl}_4$  concentrations may be attributed to the calibration difficulties in their data, as we have previously pointed out.<sup>6,101</sup> Our new calibration method has solved the problem by adding water vapor in the preparation of standards for  $\text{CH}_2\text{Cl}_2$  and  $\text{CCl}_4$ ; otherwise, these compounds are readily adsorbed on the vessel's inner wall in extremely pure, dry gases in primary standards, thus mistakenly leading to apparently low concentrations in the standards and, consequently, high atmospheric concentrations, as might be the case with the ALE measurements.

While the  $\text{CHCl}=\text{CCl}_2$  and  $\text{CCl}_2=\text{CCl}_2$  concentrations in Tokyo often exceed 1000 pptv, those observed in Hokkaido were below 25 pptv, according to their short lifetimes (of a few weeks to a few months) in the troposphere; also, they showed seasonal variation (i.e., they were high in winter and low in summer). This seasonal variation in concentrations may reflect the seasonal difference in the photochemical activity (i.e.,

the higher OH radical concentration and faster reaction rate in summer) or a difference in the longitudinal transport of air masses from Europe to Hokkaido in the mid-latitude Northern Hemisphere (i.e., faster in winter than in summer). Such an obvious seasonal variation in  $\text{CHCl}=\text{CCl}_2$  and  $\text{CCl}_2=\text{CCl}_2$  concentrations has not been reported before. By analyzing the seasonal variation coupled with meteorological data, useful information regarding the photochemical activity and/or the global circulation of air masses can be obtained.

In addition to the halocarbons mentioned above, we have also observed other halocarbons, such as  $\text{CCl}_2\text{F}_2\text{CCl}_2\text{F}_2$ ,  $\text{CCl}_2\text{FCCl}_2\text{F}_2$ , and  $\text{CHCl}_3$ , in the same analytical run,<sup>8,50</sup> although their concentrations have not been determined quantitatively (because of the low concentration, contamination, or instability).  $\text{CCl}_2\text{FCCl}_2\text{F}_2$  has recently been increasingly used for cleaning fine electronic parts, etc. The stainless steel bellows valves of our sample canisters (Nupro SS-4H) had also been washed with this solvent (a standard procedure for meeting NASA specifications). Since we noticed that the  $\text{CCl}_2\text{FCCl}_2\text{F}_2$  concentration increased gradually and slightly in stored samples, even in carefully prepared sample canisters, we discontinued the quantitative determination of the  $\text{CCl}_2\text{FCCl}_2\text{F}_2$  concentration. However, its concentration in freshly collected samples has also been increasing because of its long atmospheric lifetime exceeding several decades.

The contamination of underground water with  $\text{CHCl}=\text{CCl}_2$  and  $\text{CCl}_2=\text{CCl}_2$  released by the semiconductor industry or dry cleaning has recently been observed in the USA and Japan, and more stable chlorofluorocarbons (e.g.,  $\text{CCl}_2\text{FCCl}_2\text{F}_2$ ) have been proposed as substitutes for such unstable chlorocarbons. Although  $\text{CCl}_2\text{FCCl}_2\text{F}_2$  might be less toxic for human bodies if uptaken, it will instead contribute to the depletion of stratospheric ozone, as does  $\text{CCl}_2\text{F}_2$ . Accordingly, the use of halocarbons with extremely long lifetimes should be strictly checked for the protection of the Earth's atmosphere.

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## Vertical Profiles of $\text{CCl}_3\text{F}$ , $\text{CCl}_2\text{F}_2$ , and $\text{CH}_4$ in the Stratosphere and Troposphere over Japan as Observed by Balloon Grab-Sampling and by Gas-Chromatographic Analysis

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**Synopsis.** Stratospheric and tropospheric air samples were collected by means of a balloon-borne grab-sampler launched from Sanriku (39°N, 142°E) in the late summers of 1981, 1983, and 1984. The mixing ratios of  $\text{CCl}_3\text{F}$  and  $\text{CCl}_2\text{F}_2$  were determined precisely by using gas chromatography with ECD, and that of  $\text{CH}_4$  by gas chromatography with FID. The vertical profiles of these compounds are presented and compared with the model calculations.

Large amounts of chemical species have been released into the atmosphere from human activities; their atmospheric concentrations increase depending on the released amounts and tropospheric lifetimes. Among them, entirely man-made chlorofluoromethanes,  $\text{CCl}_3\text{F}$  and  $\text{CCl}_2\text{F}_2$ , both with extremely long lifetimes, are believed to have a severe impact on the Earth's environment; the stratospheric ozone is depleted by chlorine atoms released from these compounds in the stratosphere.<sup>1-3</sup> In this connection, we have been measuring the background concentrations of several halocarbons in the atmosphere in Hokkaido since 1979 and have observed that the  $\text{CCl}_3\text{F}$  and  $\text{CCl}_2\text{F}_2$  concentrations increase by 4-6% a year.<sup>4</sup>

We have also observed that the atmospheric concentration of methane increases gradually as well (about 1% a year); in the troposphere, it will cause an elevation of the surface temperature (i.e., a "greenhouse effect"),<sup>5</sup> and a depletion of the tropospheric OH radical concentration leading to prolonged lifetimes of many air pollutants susceptible to OH attack.<sup>6</sup>

In this paper we report the vertical profiles of  $\text{CCl}_3\text{F}$ ,  $\text{CCl}_2\text{F}_2$ , and  $\text{CH}_4$  over Japan obtained by the analysis of air samples collected by means of a balloon-borne large-volume grab-sampler. While the vertical distributions of these compounds have often been observed in the USA<sup>7,8</sup> and southern France,<sup>9</sup> no systematic measurements have been attempted to date in Asia.

### Experimental

**Stratospheric Air Sampling.** A balloon-borne grab-sampling system for collecting stratospheric whole air samples was developed; the details have been described elsewhere.<sup>10</sup>

Six 30-l sample cylinders were installed in a sealed large aluminum container called a "scientific gondola" (0.9 m in diameter, 1.3 m in height, and weighing 150 kg), together with a sampling manifold, a monitor circuit, and a valve-controller. A motor-driven stainless-steel bellows valve was installed between each sample cylinder and the sampling manifold; it was operated at the desired altitude by command signal from the ground station. The sampling manifold was connected to an outside air-intake tube (4-m-long flexible

tubing equipped with a glass-sealed end for ensuring a high vacuum and extremely clean conditions).

In order to avoid contamination by halocarbons from the components (cylinder, valve, manifold, etc.), all parts were cleaned thoroughly before they were assembled. The inside of the electropolished sample-cylinder was further passivated by silanization with hexamethyldisilazane, and then evacuated for several hours at 150 °C.

After launching, the scientific gondola was reeled down to 100 m below the control gondola/15000 m<sup>2</sup> balloon in order to avoid contamination from these systems and from the helium gas to be released from the balloon. Then, the end glass-seal was cut off and the 4-m intake tubing was extended downward. Sampling was performed when the balloon system was descending, and the inlet port was continuously flushed with ambient air. The sampling system was launched in the early morning on September 2nd, 1981, on August 28th, 1983, and on September 7th, 1984, from the Sanriku Balloon Center on the Pacific coast (39.16°N, 141.83°E). In the beginning, it flew east over the Pacific Ocean while ascending (at 300 m min<sup>-1</sup>) on the west wind in the troposphere; it then returned to the west at an altitude of about 28 km on the weak east wind in the stratosphere. After 2-4 h flight for degassing and returning to over Sanriku, it was made to descend at 50-100 m min<sup>-1</sup>; five stratospheric samples were collected in the meantime. Then the balloon was cut off, and one tropospheric sample was collected during descent by parachute. The scientific gondola alighted on the sea near Sanriku and was recovered within an hour.

**Analysis.** The sample cylinders were returned to the laboratory, and an aliquot of the atmospheric sample was introduced into an extremely clean, evacuated sample loop for precise and accurate analysis with the gas chromatographic system we had developed.<sup>11,12</sup> The halocarbons were determined with an ECD (electron capture detector), while methane was determined with an FID (flame ionization detector).

### Results and Discussion

Since the atmospheric pressure decreases with the altitude, the concentration is expressed in terms of the volume mixing ratio (molar ratio of each component to dry air, in units of pptv=10<sup>-12</sup> v/v or ppmv=10<sup>-6</sup> v/v).

The observed mixing ratios of  $\text{CCl}_3\text{F}$  and  $\text{CCl}_2\text{F}_2$  (1981, 1983, and 1984), and  $\text{CH}_4$  (1983 and 1984) are shown in Fig. 1, together with the observed concentrations on the surface (background concentrations observed in Hokkaido in August).<sup>4</sup>

While these compounds were distributed uniformly in the troposphere, the mixing ratios of halocarbons decreased rapidly in the stratosphere because of the slow transport into the stratosphere and the photodissociation by intense solar radiation with short wave-



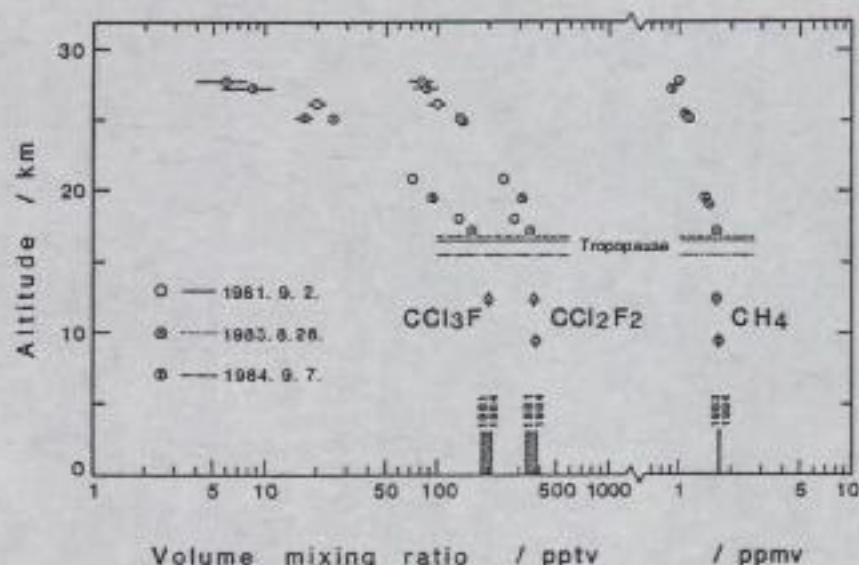


Fig. 1. Observed vertical distribution of halocarbons and methane in the stratosphere and troposphere over Sanriku ( $39^{\circ}\text{N}$ ,  $142^{\circ}\text{E}$ ) in summers of 1981, 1983, and 1984.

lengths (190–220 nm). As compared with  $\text{CCl}_2\text{F}_2$ ,  $\text{CCl}_3\text{F}$ , with a larger photodissociation cross-section, indicated a quicker decrease in the mixing ratio.

Since no removal process (sink) for  $\text{CCl}_3\text{F}$  and  $\text{CCl}_2\text{F}_2$  has been found in the troposphere (i.e., no photodissociation with sunlight ( $>280$  nm), no reaction with OH, no dissolution into rain or sea water, etc.), their tropospheric lifetimes have been confirmed to be extremely long, more than several hundred years.<sup>13)</sup> In the stratosphere, however, ultraviolet solar radiation not absorbed by stratospheric ozone can decompose  $\text{CCl}_3\text{F}$  (at about  $<230$  nm) and  $\text{CCl}_2\text{F}_2$  (at about  $<220$  nm) effectively, with maximum dissociation at altitudes of about 25 and 30 km respectively. The photodissociation of  $\text{CCl}_3\text{F}$  and  $\text{CCl}_2\text{F}_2$  ( $\text{CCl}_3\text{F} + h\nu \rightarrow \text{Cl} + \text{CCl}_2\text{F}$ , and  $\text{CCl}_2\text{F}_2 + h\nu \rightarrow \text{Cl} + \text{CClF}_2$ ) is followed by the release of all the Cl atoms in the molecule, and the released Cl joins the  $\text{ClO}_x$ -catalyzed decomposition of ozone ( $\text{Cl} + \text{O}_3 \rightarrow \text{ClO} + \text{O}_2$ , and  $\text{ClO} + \text{O} \rightarrow \text{Cl} + \text{O}_2$ ), leading to the depletion of the stratospheric ozone.<sup>1–3)</sup>

By contrast, methane is decomposed mainly in the troposphere by the reaction with the OH radical ( $\text{CH}_4 + \text{OH} \rightarrow \text{H}_2\text{O} + \text{CH}_3$ ), with a tropospheric lifetime of about 10 years.<sup>6)</sup> In the lower stratosphere, the observed mixing ratio of  $\text{CH}_4$  decreases only slowly due to the low OH and  $\text{O}(\text{D})$  concentrations, the small photodissociation cross-section with UV, and the upward diffusion to the upper stratosphere. As compared with the  $\text{CH}_4$  profile, it is obvious that  $\text{CCl}_3\text{F}$  and  $\text{CCl}_2\text{F}_2$  are decomposed effectively in the lower and mid stratospheres.

The vertical profiles of the stratospheric mixing ratios observed in this work (Fig. 1) agree reasonably well with those calculated on the basis of recent atmospheric models.<sup>14–17)</sup> A two-dimensional (2-D) atmospheric model calculation<sup>14)</sup> suggests, for summer at latitude  $38^{\circ}\text{N}$ , that the  $\text{CCl}_3\text{F}$  mixing ratio will drop to 1/10 and 1/100 (of the tropospheric value) at altitudes of about 25 and 28 km respectively, while the

$\text{CCl}_2\text{F}_2$  mixing ratio will fall to 1/10 at about 31 km. Our measurements at  $39^{\circ}\text{N}$  in summer indicate that the  $\text{CCl}_3\text{F}$  mixing ratio fell to 1/10 and 1/100 at altitudes of 25–26 km and 28–29 km, while that of  $\text{CCl}_2\text{F}_2$  fell to 1/10 at 30–31 km. The 2-D model calculation<sup>14)</sup> similarly suggests that the  $\text{CH}_4$  mixing ratio decreases to 1/2 (of the tropospheric value) at about 30 km; this is also in agreement with the value of 29–30 km in the observed profile (Fig. 1).

Meteorological conditions should be taken into consideration for a closer examination of the vertical distribution of these compounds in the stratosphere. The heights of the tropopause were about 16.5, 16.8, and 15.5 km respectively at the time of the flights in 1981, 1983, and 1984. The flights were made in more or less similar seasons and under similar weather conditions, because these factors were chosen to ensure the recovery of the sampler on the sea off Sanriku; the stable combination of a tropospheric west wind and a stratospheric east wind is possible only in early and late summer.

Since the tropopause moves upward or downward with the air, the observed mixing ratios were plotted against the height above the tropopause in Fig. 2; the tropopause height was normalized to 16.5 km. With such normalization, less scattered and more reasonable plots were obtained. The atmospheric pressure-temperature curves on the sampling day were very similar in 1981 and 1983, and a clear turning point corresponding to the tropopause was observed, whereas there was a gradual change in the temperature around the tropopause in 1984, indicating that the profile around the tropopause was affected by air mass motions. Our data are less scattered and indicate a slower fall-off in the lower stratosphere than those reported over the USA ( $41^{\circ}\text{N}$ )<sup>7)</sup> or southern France ( $44^{\circ}\text{N}$ ).<sup>9)</sup> Such a discrepancy of vertical profiles may be attributed to the difference in the dynamic processes in this altitude region (lower stratosphere) depending on



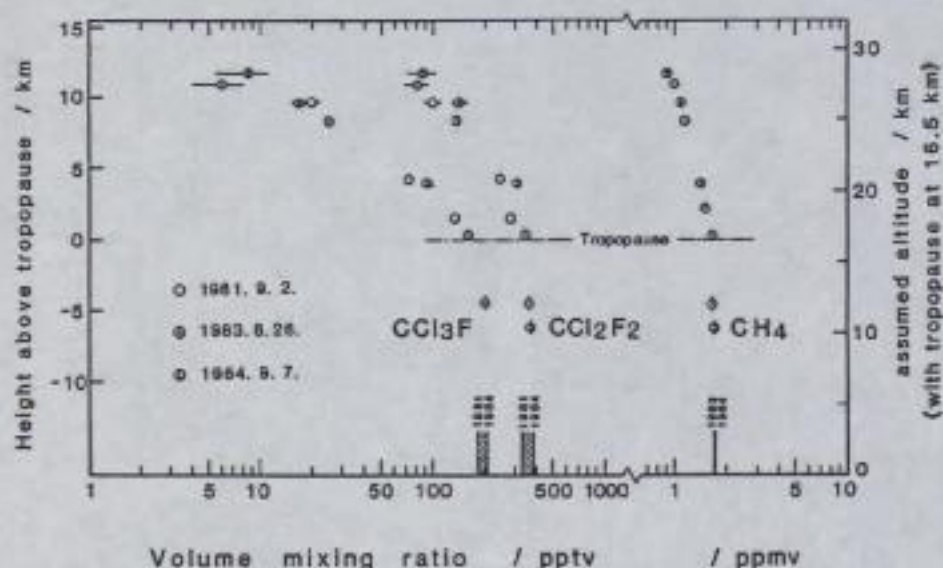


Fig. 2. Vertical distribution of halocarbons and methane vs. height above tropopause.

the latitude, season, and meteorological conditions.

The observed atmospheric concentrations of  $\text{CCl}_3\text{F}$  and  $\text{CCl}_2\text{F}_2$  on the surface increased by about 12 and 15% respectively in these 3 years (1981–1984).<sup>4)</sup> While the mixing ratios of these halocarbons in the stratosphere may also tend to increase slightly (Fig. 2), it is still difficult, in view of variable meteorological conditions, to indicate the trend in the stratosphere quantitatively on the basis of 3 years' data. A long-term monitoring is needed to determine unequivocally the trend of their stratospheric concentrations. Since stratospheric air samples from higher altitudes should be analyzed for a more detailed comparison with models, a balloon-borne liquid-helium-cooled cryogenic-sampler has been developed to collect sufficient amounts of samples at lower-pressure altitudes.<sup>10)</sup>

### Conclusion

The vertical profiles of  $\text{CCl}_3\text{F}$ ,  $\text{CCl}_2\text{F}_2$ , and  $\text{CH}_4$  were determined by the analysis of the air samples collected by means of a balloon-borne grab-sampler. The mixing ratios of halocarbons decreased sharply in the stratosphere, indicating the emission of large amounts of Cl atoms, which in turn cause the depletion of stratospheric ozone: this situation will persist for several tens to hundreds of years in view of the increasing tropospheric concentrations of halocarbons with extremely long lifetimes.


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## VISIT TO TOKYO UNIVERSITY

- 1515 Arrive at Administration Tower. Greeted by Professor Akito Arima, President of the University. Go up in the lift to the 8th floor and into Professor Arima's office (with Sir J Whitehead and Mr Powell only).
- 1518 Professor Arima introduces Mr Yoshikazu Hasegawa, Deputy Director-General, Science and Cultural Affairs, Ministry of Education, and Mr Toru Aoyagi, Secretary-General, Tokyo University.
- 1520 Discussion with Professor Arima
- 1530 Professors Taroh Matsuno (Meteorology), Takeshi Tominaga (Chemistry) and Yoichi Kaya (Energy Engineering) enter with the rest of the party and are introduced by Professor Arima.  
(Photo opportunity)
- 1535 The three professors describe and discuss their research.
- 1615 Depart



 MITSUI BANK

1730

Arrive at Mitsui Bank Main Entrance.  
Greeted by Mr Kenichi Suematsu, President,  
and Mr Mohri, Director, on pavement and  
shown to the main lobby where you will be  
introduced to the representatives of:

## a) Mitsui Bank:

Messrs Goro Koyama, Honorary Chairman;  
Kentaro Kawahara, Vice President;  
Kennosuke Katayama, Vice President;  
Mr Suzuki, Director

and

## b) Mitsui Trading Company:

Messrs Keiichi Sugita, Executive Managing  
Director and  
Eime Yamashita, Vice-Chairman

1732

Messrs Koyama and Suematsu will show you to  
a table by the main entrance and ask you to  
sign the visitors' book.

1735

Messrs Koyama and Suematsu will take you  
to the lift and show you to the Dealing  
Room on the 3rd floor.

Dealing Room (photo opportunity)

a) Mr Takafumi Abe, Director, Treasury Division, will explain in English the activities going on in the Room and the BT and Reuter equipment there.

b) You will be introduced to:

Dr George Newns, Representative Director  
(BT Japan)

Mr Steve Phillips, Manager (BT Japan), and

Mr Michael Salamon, Managing Director  
(Reuter Japan)

c) One-minute demonstration of Tokyo/  
London dealing.

1753

Messrs Suematsu and Mohri will take you back to the main lobby.

1755

Leave the Bank.



COMMERCIAL IN CONFIDENCE

MITSUI BANK

Background

1. Mitsui Bank, a member of the large Mitsui Group, was founded in 1876 as Japan's first commercial bank. It is the 7th largest and has branches worldwide, including one in London. It has recently announced plans to merge with the Taiyo Kobe Bank, the 8th largest city bank. The merger will create the second largest bank in the world, with assets of some £233 billion. Mr Suematsu, the current President of Mitsui, will be its first President (ie Chief Executive). The two banks complement each other in a number of ways. Taiyo Kobe is strongest in the Kobe/Osaka region, and has a substantial domestic branch network: Mitsui is Tokyo-based and relatively stronger overseas than at home. The merger gives them economies of scale in responding to the challenges of financial deregulation. It has led to some concern amongst the Bank's competitors, Japanese and foreign, that it will intensify competition in both home and international markets, and could spark off further defensive mergers amongst the smaller Japanese banks.

British interests

2. The trading arm of Mitsui, Mitsui & Company, are distributors for British Telecom's financial dealing room equipment. BT have 15% of the Japanese market for this equipment and are the leading foreign supplier in Japan.
3. The Mitsui Bank's main foreign exchange dealing room in Hibiya, Tokyo has used BT's equipment since April 1989. It has been developed to suit the Japanese language and allow dealers to make up to 200 simultaneous calls to local branches. The bank also subscribes to Reuters' financial information services.

COMMERCIAL IN CONFIDENCE

COMMERCIAL IN CONFIDENCE

BRITISH TELECOM

1. BT opened an office in Japan in 1982 and now have their own subsidiary company. Japan is the 5th most important source of foreign revenue for BT producing about £120 million per year. Their main business is:

- a) provision of international telephone services between UK and Japan;
- b) provision of private network facilities for major Japanese customers;
- c) supply of equipment to Japan including financial dealing room equipment and data communications equipment.

2. BT have 11 full time employees in Japan of which 4 are British. Their Resident Director is Dr George News.

COMMERCIAL IN CONFIDENCE



COMMERCIAL IN CONFIDENCE

REUTERS

1. Reuters has been in Japan since 1872 following the establishment of the first cable link. Total earnings from Japan in 1988 were about £100 million. The provision of financial information is an important part of Reuters' business. They have more than 1,000 subscribers, including Mitsui Bank and most other major Japanese and foreign financial organisations.
2. Reuters Japan employs 364 staff including 23 expatriates. Mr Michael Salamon has been Reuters' Chief Representative in Japan since 1981.

COMMERCIAL IN CONFIDENCE

## RECEPTION WITH BRITISH ASSOCIATIONS

- 1805 Arrive at Tokyo Kaikan. Met at entrance by Mr Toshio Yamazaki, Chairman of the Japan-British Society, Mr Tony Hodge, President of the British Chamber of Commerce, and Mr Eiichi Takayama, President of Tokyo Kaikan.
- 1807 Guided to a lift and to the Rose Room (9th floor). Greeted at the entrance by:
- Mrs Kazuko Aso DBE, Vice-Chairman, Japan-British Society
- Mr William Madden, British Chamber of Commerce
- Mr H D Morgan, Cambridge and Oxford Society
- Mr A T Orton, Royal Air Force Association
- Mr Peter Billingham, Royal British Legion
- Mr D Kenrick, Royal Naval Association
- Dr R G Calderhead, The St Andrew Society of Yokohama and Tokyo
- Mr Michael Thacker, Royal Society of St George
- Mr Adrian Jenkyn MBE, Royal Society of St David
- Mr Arthur Hawtin, British Club
- 1812 Walk across the room to platform. Brief introduction in English by Mr Yamazaki. You say a few words.
- 1817 Leave platform and meet members of the societies.
- 1840 approx Leave Rose Room and Tokyo Kaikan.



## BRITISH ASSOCIATIONS

1. The Japan-British Society was founded in 1908 and currently has over 2,000 members of both nationalities. Its honorary patrons are Princess Chichibu and Prince Tomohito, and its Chairman is Mr T Yamazaki, former Ambassador to Britain. It organises a range of social functions and outings and has active sections for women and young people.

2. The British Chamber of Commerce in Japan was established in 1948 and now has 235 members, including some Japanese companies. The recent growth in the number of British financial services companies in Tokyo has been reflected in the Chamber's membership. The Chamber has two main Sub-Committees (Trade & Industry and Science & Technology) and has recently started a small Business Group. The Embassy works closely with the Chamber and sends representatives to the meetings of all the Chamber Committees. The current Chairman of the Executive Committee is Mr Tony Hodge, Director, National Westminster Bank.

3. The Royal British Legion, RAF Association and RN Association have small but active representation in Tokyo. They cater for the social and welfare needs of those British and Commonwealth residents who have served in the armed forces. Collectively, they raise upwards of £7,500 each year for charity.

4. The St Andrew's, St George's and St David's Societies act as focal points for the activities of the Scottish, English and Welsh communities of Tokyo respectively. They organise social events and raise funds for charity. The Royal Society of St George for example provides funds for charitable donations to English nationals in need, mostly children who have lost their English fathers by death, divorce or desertion.

5. The Tokyo British Club opened in May 1986. It has a pub-like establishment that serves as a meeting place and focal point of British and international activity. The membership stands at 340. It is particularly important to the many British nationals who work in a non-British environment and would otherwise feel quite isolated. A large proportion of the Japanese membership are people who previously worked or studied in the United Kingdom and wish to maintain their ties.

6. In general, the influx of younger people, particularly to work in the services sector, has made the British community larger and more active. The Japan-British Society and the Chamber have drawn particular benefit from this.



## AMBASSADOR'S DINNER

1915 approx                      Guests will probably begin to arrive.  
(Time on invitations is 1930). Greet  
them in Residence Hall.

1945 approx                      Prince Tomohito arrives. Go out to greet  
him at front door.

2000                                Dinner begins.

2100 approx                      Sir John Whitehead proposes a toast to the  
Emperor. Prince Tomohito proposes a toast  
to The Queen.

2104                                Sir John Whitehead welcomes his guests and  
introduces you.

2105                                You say a few words (consecutive interpretation).

2120                                Leave the table to mingle with guests over  
coffee.

2200 approx                      Guests begin to leave.

## EMBASSADOR'S DINNER: GUEST LIST

|                               |  |
|-------------------------------|--|
| HRH Prince Tomohito of Mikasa | Honorary Patron of Japan-British Society. Studied at Magdalen College, Oxford. Cousin of the Emperor.  |
| Mr Hajime Tamura              | Speaker of the House of Representatives. Met the Prime Minister when MITI Minister.  |
| Mr Yasuhiro Nakasone          | Former Prime Minister  |
| Mr Noboru Takeshita           | Former Prime Minister.   |
| Mr Sosuke Uno                 | Former Prime Minister.   |
| Mrs Mayumi Moriyama           | The first woman to become Chief Cabinet Secretary, and thus Government spokesman. Former Ministry of Labour official. Internationally minded. Will also attend Kaifu's dinner on 20 Sept.  |
| Mr Taro Nakayama              | Foreign Minister. Paediatrician turned politician. Scientific interests. East-West relations, regional issues, US-Japan relations are key issues (separate call on 20 Sept).   |
| Mr Ryutaro Hashimoto          | Finance Minister. One of rivals to inherit Takeshita faction. His main preoccupation is the revision of the consumption tax. TSE and new spirits could be raised with him. Also debt, strategy, IMF, aid issues. Former COI sponsored visitor to UK. |
| Mr Hikaru Matsunaga           | Minister of International Trade and Industry. Education Minister under Nakasone. Visited North Sea oil-fields 8 years ago. Structural reform and import policies are key issues (separate call on 21 Sept).  |
| Mr Setsu Shiga                | Director-General (Minister) for the Environment Agency. Newly appointed. Japanese have just held global environment conference in Tokyo (with UNEP).   |



Shiroshi Mitsuzuka

Chairman, Policy Affairs Research Council. Met the Prime Minister when Minister for International Trade and Industry. Foreign Minister under Uno. His main concern now is to achieve LDP consensus on revision of the consumption tax. Might eventually inherit Abe faction.

Mr Shunjiro Karasawa

Chairman, LDP Executive Council. Former Minister for Posts and Telecommunications. Nakasone faction.

Mr Yoshio Sakurauchi

Former Foreign Minister. Chairman of the Japan British Parliamentarians' League. To greet PM at Haneda.

Mr Motoo Shiina

Chairman of the Japan side of the 2000 Group. LDP Dietman. Internationally-minded with a special interest in foreign affairs and security.

Mr Satoshi Sumita

Governor of Bank of Japan. Visited UK in April this year. Issues: developments in foreign exchange markets, contribution of Japanese institutions to the City of London.

Mr Eishiro Saito

Chairman, Keidanren. Former Chairman of Nippon Steel. Keidanren is the voice of deregulation and agricultural reform in Japan. Free market principles, within constraints of close relations with government and LDP. Raise need for Japanese investment in Hong Kong.

Mr Takashi Ishihara

Chairman, Keizai Doyukai (Association of Corporate Executives). Independent and outspoken. Advocate of a more 'hands off' governmental role towards industry. Host of 20 Sept lunch. Nissan

Mr Bunpei Ohtsuki

Honorary President, Nikkeiren, Japan Employer's Federation, Director and Senior Adviser, Mitsubishi Mining and Cement. Labour relations expert. Appointed by Nakasone as Chairman of the Administrative Reform Council (deregulation, distribution).

Mr Rokuro Ishikawa

Chairman, Japan Chamber of Commerce. Speaks for small firms. Civil engineer by background. Also Chairman, Japan's largest construction firm, Kajima. Led a large business mission to London in June 1989.

Mr Minoru Nagaoka

President, Tokyo Stock Exchange. Ex-Ministry of Finance Vice Minister. Visited UK in May this year. Key issue: Tokyo Stock Exchange membership. He is very conscious of his need publicly not to anticipate the decision of his membership, but he may be prepared to give a private view of timing.

Mr Gaishi Hiraiwa KBE

Chairman of Tokyo Electric Power Company. Important links with BNFL/UK nuclear power industry. (Extra reprocessing contract with BNFL just announced by Japanese Government.) Also Chairman of UK90 Festival Advisory Committee.

Mr Yoshitoki Chino

President, Daiwa Securities Co. One of the "Big Four" securities companies with big presence in London. Served in London himself. Thank for £15 million Daiwa Foundation in the UK; Daiwa acting as adviser and local underwriter for Japanese portion of forthcoming water industry privatisation.

Mr Suoichiro Toyoda

President, Toyota Motor Co. Called on PM in London before announcement of Toyota's UK investment last April. Doctor of Engineering. Just announced that Toyota's world wide investment next year would amount to ¥420bn (£1.9bn) of which half would be R&D for new model development, and 40% for automation projects. Ask about plans for Derby (assembly) and Clwyd (engine) plants. Assessment of UK components industry?

Mr Shoichi Saba CBE

Advisor, Toshiba Corporation. President until forced to resign over Cocom circumvention by Toshiba subsidiary in 1987. Toshiba TV plant in Plymouth, endowment of Toshiba Gallery at V&A Museum. Told Mr Rifkind last week of possibility that they might build a semiconductor plant in UK with Motorola. (NB This is very Confidential and should not be mentioned in the hearing of other Japanese businessmen.)



Mr Tadahiro Sekimoto

President of NEC. Member of 2000 Group. Graduate in physics, several prizes for work in advanced electronics. Internationalist but a critic of Americans who blame Japan for what he sees as their own failures. NEC has plants in Livingston, Scotland (1 megabit DRAMs) and Telford (consumer electronics), both apparently doing well.

Mr Takuma Yamamoto

President Fujitsu Ltd. Graduate of electrical engineering, Tokyo University. Specialist in data processing and software. Company is Japan's largest computer manufacturer. Mr Yamamoto will be host at Numazu plant 20 Sept. Just announced a major semiconductor investment in Co Durham.

Mr Tadashi Kume

President, Honda Motor Co. At 56 President of Japan's fastest growing motor company. Still very much the designer/engineer turned-President. Loves racing cars and raced motorbikes in the UK in 1960s. Honda announced in July extension of relationship with Rover to include mutual shareholding with Honda UK, and their plan to manufacture their own cars at Swindon from 1991.

Mr Seiji Tsutsumi

Chairman, Seibu Saison Group. Department stores, hotels, travel. British promotion April 1990; links with Jaguar, Virgin Atlantic, Habitat, Liberty. Bought Intercontinental Hotels from Grand Metropolitan in 1988.

Mr Osamu Hashiguchi

President, Hiroshima Bank and British Honorary Consul in SW Japan. Hiroshima Bank one of the larger "regional" banks in Japan. Ex-Ministry of Finance official.

Mr Keizo Ichikawa

Chairman, Nishi Nihon Bank and Honorary Consul in Kyushu. Nishi Nihon Bank, large regional bank based in Fukuoka.

Mr Ryuichi Kato

Chairman, Tokai Bank and Honorary Consul in Nagoya. Tokai Bank the 6th largest city bank. Close links with Toyota. plans to set up branch in Derby.

Mr Keiji Shima

Chairman of NHK. Newly appointed. Lively. At heart of debate on public broadcasting and new media technologies.

Mr Akira Arai

President, Nihon Keizai Shimbun Japan's leading business daily newspaper (about 2 million circulation).

Mr Toshitada Nakae

President Asahi Shimbun. Newly appointed. Asahi newspaper is serious, slightly left of centre - second largest circulation after Yomiuri (about 5 million for morning edition)

Mr Shinya Ueda

President, Sankei Shimbun. Slightly right of centre daily newspaper.

Mr Hirohiko Oshima

President Chunichi/Tokyo Shimbun. Major daily newspaper, with home-base in Nagoya area.

Mr Anthony Hodge

Director, National Westminster Bank plc. Chairman, British Chamber of Commerce. Second time in Japan. Interested in problems of banking and securities companies in Japan; activities of British Chamber; problems of Japanese market.

Dr Bill Madden

President, ICI Japan Ltd. Just appointed Regional Executive Officer for the Asia Pacific Region. ICI giving top priority to Japan. Recent £60 million investment in polyester firm. Research establishment in Tsukuba. Vice-Chairman, British Chamber.

Mrs Kazuko Aso DBE

Daughter of former Prime Minister Yoshida. Mother-in-law of Prince Tomohito. Vice-Chairman of the Japan British Society. Her son is an LDP Dietman.

Mr Takakazu Kuriyama

Vice Minister (=PUS), MFA. Recently appointed: previously Political Director. Key role in foreign policy formulation.

Mr Kazuo Chiba

Japanese Ambassador to the Court of St James. Officially designated by Japanese Government to accompany the PM during her visit.



Mr Tadao Kato KBE

Adviser, Sumitomo Metals. Former Ambassador to the UK and former Chairman of the Japan side of the 2000 Group. Vice President of the Japan British Society.

Mr Toshio Yamazaki

Chairman, Japan/British Society and former Ambassador to the UK. Particularly active in Japan Festival 1991 in UK.

Mr Yukiharu Kodama

Vice Minister, MITI. Posted in London in the 1970s. Responsible for MITI's internal management. Expert in domestic industrial policy. Interesting on industrial restructuring. Mention UK hopes of aerospace sales and BNFL reprocessing.

Mr Naomichi Suzuki

Vice Minister, for International Affairs, MITI. Responsible for external trade policy. Leads on structural adjustment, particularly distribution, Japan/US and Japan/Asia.

Mr Junji Hayashi

Vice Minister Ministry of Transport. Key issues: our interest in promoting tourism, (MOT-sponsored mission to UK in 1990), need for early Hong Kong aviation separation talks, desirability of liberalising UK-Japan air regime, our hopes for aerospace sales in Japan.

Mr Makoto Utsumi

Vice Minister of Finance for International Affairs, Nigel Wicks' opposite number. Served in the United States. Deals mainly with debt and IFI issues and international aspects of financial liberalisation.

Mr Minoru Shioya

Vice-Minister, Ministry of Post and Telecommunications. IDU (Cable and Wireless Consortium) now up and running. Further liberalisation?

Mr Moritaka Nakamura

Vice-Minister, Science and Technology Agench. Agency takes the lead on UK-Japan scientific exchanges.

Dr Masaru Sugiura

Director-General, Agency for Industrial Science and Technology. Separate from S & T Agency and under MITI's wing. Sugiura previously Director of MITI's Electrotechnical Laboratory. COI visit to UK earlier this year.

Mr Michihiko Kunihiro

Deputy Foreign Minister for Economic Affairs. MFA's most subtle-minded veteran of economic and trade policy. Studied in US and at IISS, London and served in London Embassy 1973-5. Interesting on domestic political implications of international economic issues.

Mr Takehiro Togo

Director-General, European and Oceanic Affairs Bureau, MFA. Responsibilities cover East and West Europe and Australasia. Served in London in the 70s.

Mr Tetsuo Itoh

Director, Second West Europe Division, MFA. Responsible for policy towards the UK (and other West European countries).

Mr Yotaro Iida

Chairman, Mitsubishi Heavy Industries - Japan's largest defence contractor and big in nuclear power and ship-building industries. Close ties with UK firms in those sectors (Rolls-Royce, BNFL, British Aerospace etc).

Mr Akio Kondo

President, All Nippon Airways. Important for aircraft sales and tourism promotion. ANA has bought A320 Airbus (but not with V2500 engine): might in future buy V2500 engines, other Airbuses and other Rolls-Royce products. In July opened direct flights from Tokyo to Gatwick: looking to buy luxury hotel in London.

Professor Akita Arima

President, University of Tokyo. Host for meeting with environmental researchers. Himself a nuclear physicist.

Mr Haruo Tsuji

President, Sharp Corporation. Employ 1,000 people at Wrexham making VTRs, microwave ovens and electric typewriters. R&D centre planned in SE England.

Mr Akio Tanii

President, Matsushita Electric Corporation. Long-term investors in Wales, making TVs, microwaves, telephones and (through a subsidiary) typewriters.



Wednesday 20 September

0800 Leave Embassy

0810 Arrive Tokyo Station. Met by station-manager and conducted to Shinkansen platform ("bullet train").  
(Annex 5)

0824 Depart by Shinkansen

0907 Arrive at Mishima Station.  
Met by station-master and shown to waiting cars.

0930 Arrive at Fujitsu factory near Numazu.  
Met by Mr Yamamoto, President of Fujitsu.  
Briefing and tour of factory.  
(Annex 6)

1045 Leave Fujitsu

1116 Depart Mishima Station on Shinkansen

1216 Arrive Tokyo Station. Transfer to cars.

1230 Arrive at Tokyo Kaikan for lunch and speech to Economic Organisations.  
(Annex 7)

1415 Leave Tokyo Kaikan

1430 Arrive Embassy to receive 30-minute call by Mr Nakayama, Foreign Minister.  
(Annex 8)

1510 Leave Embassy

1530 Arrive Tokyu Department Store, Shibuya, to visit Laura Ashley shop and tea-room.  
(Annex 9)

1555 Leave Tokyu

1615 Return to Embassy

1650 Leave Embassy

1700 Arrive Government Guest House, Akasaka for talks with Mr Kaifu.  
(Annex 10)

1830 • Possible joint television broadcast.

1900 Working dinner with Mr Kaifu.

2130 approx Return to Embassy

LIST OF JAPANESE COMPANIES MANUFACTURING IN THE UK  
(IN CHRONOLOGICAL ORDER, AS OF 12 SEPTEMBER 1989)

1972

1. YKK FASTENERS (UK) LTD  
340 Whitehouse Industrial Estate  
RUNCORN  
Cheshire WA7 3BW  
Parent company: Yoshida Kogyo KK, Tokyo  
Product: Zip Fasteners
  
2. NITTAN (UK) LTD  
Hiple Street  
OLD WOKING  
Surrey GU22 9LQ  
Parent company: Nittan KK, Tokyo  
Product: Automatic Fire Alarm Equipment
  
3. TAKIRON (UK) LTD  
Pantglas Industrial Estate, Bedwas  
NEWPORT  
Gwent NP1 8DR  
Parent company: Takiron Co Ltd, Osaka  
Product: PVC Rigid Corrugated Sheeting and  
Rain Water Goods

1973

4. SONY (UK) LTD  
Kingsway Industrial Estate  
BRIDGEND  
Mid-Glamorgan CF31 3YH  
Parent company: Sony Corporation, Tokyo  
Product: Colour Television Sets and Components

1974

5. MATSUSHITA ELECTRIC (UK) LTD  
Pentwyn Industrial Estate  
CARDIFF, CF2 7XB  
Parent company: Matsushita Electric Industrial Co Ltd  
Osaka, and Matsushita Housing Products  
Co Ltd, Nara  
Product: Colour Television Sets, Microwave Ovens,  
Key Telephone Systems



1976

6. NSK BEARINGS (EUROPE) LTD  
78 Southwest Industrial Estate  
PETERLEE  
County Durham, SR8 2JD  
Parent company: Nippon Seiko KK, Tokyo  
Product: Ball Bearings

1977

7. DAIWA SPORTS LTD  
Netherton Industrial Estate  
WISHAW, Lanarkshire  
Scotland, ML2 OEY  
Parent company: Daiwa Seiko Inc, Tokyo  
Product: Fishing Rods
8. SONY BROADCAST LTD  
Belgrave House, Basing View  
BASINGSTOKE  
Hants, RG21 2LA  
Parent company: Sony Corporation, Tokyo  
Product: Industrial and External Electronic  
Broadcasting Equipment
9. POLYCHROME (BERWICK) LTD  
Tweedmouth Industrial Estate  
East Ord  
BERWICK ON TWEED  
TD15 2XF  
Parent company: Dainippon Ink and Chemicals Inc, Tokyo  
Product: Printing Plates

1978

10. TERASAKI EUROPE LTD  
80 Beardmore Way  
Doebank Industrial Estate  
GLASGOW  
Scotland  
Parent company: Terasaki Electric Co Ltd, Osaka  
Product: Air Circuit Breakers, Moulded Case Circuit  
Breakers, Switchgear, Compression Moulds

11. SEKISUI (UK) LTD  
Merthyr Industrial Park, Cardiff Road  
Troedyrhiw  
MERTHYR TYDFIL  
Mid Glamorgan, CF48 4DR  
Parent company: Sekisui Chemical Co Ltd, Osaka  
Product: Polyethelene, Polyethelene Foam

1979

12. SANSETSU (UK) LTD  
4 Denbigh Hall  
Bletchley  
MILTON KEYNES, MK3 7QT  
Parent company: Sansetsu Soko KK, Aichi  
Product: Air Bubble Cushioning
13. MITSUBISHI ELECTRIC (UK) LTD
- a) HADDINGTON  
East Lothian EH41 3ST  
Scotland  
Parent company: Mitsubishi Electric Corp, Tokyo  
Product: Colour Television Sets
  - b) LIVINGSTON  
West Lothian, EH54, 5DJ  
Scotland  
Parent company: Mitsubishi Electric Corp, Tokyo  
Product: Video Cassette Recorders

1980

14. AIWA (UK) LTD  
No 2, Pen-Y-Fan Industrial Estate  
Croespenmaen, Crumlin  
NEWPORT  
Gwent, NP1 4XX  
Parent company: Aiwa Co Ltd, Tokyo  
Product: Mini Hi-Fi Equipment, Tuners  
Compact Disc Players
15. HOYA LENS UK LTD  
10 Ash Road  
Wrexham Industrial Estate  
WREXHAM  
Clwyd, LL13 9UG  
Parent company: Hoya Corp, Tokyo  
Product: Optical Lenses



16. TAMURA KAKEN (UK) LTD  
Unit 3, "Wellingborough Road  
Sywell Airport  
SYWELL  
Northampton  
Parent company: Tamura Seisakusho Co Ltd, Tokyo  
Product: Screen Printing inks for Electronics Industry

1981

17. YUASA BATTERY (UK) LTD  
Unit 22, Rasan Industrial Estate  
EBBW VALE  
Gwent, NP3 5SD  
Parent company: Yuasa Battery Co Ltd, Osaka  
Product: Sealed Lead Acid Batteries for Electronics Industry
18. TOSHIBA CONSUMER PRODUCTS (UK) LTD
- a) Audio Visual Division  
Northolt Avenue, Ernsettle  
PLYMOUTH  
Devon, PL5 12TS  
Product: CTVs and VCRs
  - b) Home Appliances Division  
Porsham Close, Belliver  
PLYMOUTH  
Devon PL6 7BP  
Product: Microwave Ovens  
Parent company: Toshiba Corporation, Tokyo

1982

19. SANYO INDUSTRIES (UK) LTD  
Oulton Works, School Road  
LOWESTOFT  
Suffolk, NR33 9NA  
Parent company: Sanyo Electric Co Ltd, Osaka  
Product: CTVs, VTRs
20. NEC SEMICONDUCTORS (UK) LTD  
Carnegie Road, Deams West Industrial Estate  
LIVINGSTON  
West Lothian, EH45 8QX  
Parent company: NEC Corporation, Tokyo  
Product: Semiconductors

c-5

1983

21. MAXELL (UK) LTD  
Apley Park, Wellington  
TELFORD  
Shropshire, TF6 6DA  
Parent company: Hitachi Maxell Ltd, Osaka  
Product: VHS Video Tapes and Floppy Disks
22. RICOH PRODUCTS UK LTD  
Priories Hall  
TELFORD  
Shropshire TF2 9NL  
Parent company: Ricoh Co Ltd, Tokyo  
Product: Plain Paper Copiers and Associated Products

1984

23. HITACHI CONSUMER PRODUCTS (UK) LTD  
Hirwaun Industrial Estate  
ABERDARE  
Mid Glamorgan, CF44 9UY  
Parent company: Hitachi Ltd, Tokyo  
Product: CTVs
24. SHARP (UK) LTD  
Llay Industrial Park  
WREXHAM  
Clwyd  
Parent company: Sharp Corporation, Osaka  
Product: VTRs, Microwave Ovens, Electronic Typewriters
25. SEH EUROPE LTD  
1 Hutton Square  
Bruceford Industrial Park  
LIVINGSTON  
West Lothian EH54 9OJ  
Parent company: Shinetsu Handotai KK, Tokyo  
Product: Silicon Wafers
26. YAMAZAKI MACHINERY (UK) LTD  
Buckholt Drive  
Warndon Industrial Estate, Warndon  
WORCESTER, WR4 0AB  
Parent company: Yamazaki Mazak Corporation, Aichi  
Product: Numerically Controlled Machine Tools



27. ALPS ELECTRIC (UK) LTD  
Garamonde Drive  
Wymbush  
MILTON KEYNES, MK8 8LW  
Parent company: Alps Electric Co Ltd, Tokyo  
Product: Tuners, Modulators and Remote Controls for VCRs

28. NISSAN MOTOR MANUFACTURING (UK) LTD  
Washington Road  
SUNDERLAND  
Tyne & Wear, SR5 3NS  
Parent company: Nissan Motor Co Ltd, Tokyo  
Product: Automobiles

1985

29. SP TYRES (UK) LTD  
a) Fort Dunlop  
BIRMINGHAM  
West Midlands, B24 9QT  
b) Wear Industrial Estate  
WASHINGTON  
Tyne & Wear, NE37 1LJ  
Parent company: Sumitomo Rubber Industries Ltd, Hyogo  
Product: Car Tyres and Inner Tubes

30. TABUCHI ELECTRIC (UK) LTD  
Tabuchi House, Teeside Industrial Estate  
THORNABY  
Stock-on-Tees  
Cleveland, TS17 9LS  
Parent company: Tabuchi Electric Co Ltd, Osaka  
Product: Low Voltage Transformers, High Voltage  
Transformers and Microwave Ovens

31. BROTHER INDUSTRIES (UK) LTD  
Unit 12, Bridgewater Centre  
Wrexham Industrial Estate  
WREXHAM  
Clwyd, LL13 9QS  
Parent company: Brother Industries Ltd, Aichi  
Product: Electronic Typewriters, Printers and  
Microwave Ovens

- 0-7
32. HOSOKAWA MIKROPUL LTD  
Towerfield Road  
SHOEBURYNESS  
Essex, SS3 9QU  
Parent company: Hosokawa Micron Corporation, Osaka  
Product: Powder Processing Equipment, Dust Catching  
Equipment and Systems
33. BKL FITTINGS LTD  
Claybrook Drive  
Washford Industrial Estate  
REDDITCH  
Worcester B98 ODR  
Parent company: Nippon Benkan Kogyo Ltd, Tokyo  
Product: Pipe Fittings
34. DHK (UK) LTD  
Unit 12, Kingstown Industrial Estate  
CARLISLE  
Cumbria, CA3 0ET  
Parent company: JV of Daido Kogyo Co Ltd, Nagoya and  
Hayamizu Hatsujo Co Ltd, Toyama  
Product: Retractor Springs for Car Seat Belts
35. IKEDA-HOOVER TRIM MANUFACTURING (UK) LTD  
Factory No 14-15, Parsons Industrial Estate  
WASHINGTON  
Tyne & Wear  
Parent company: JV of Ikeda Bussan KK, Kanagawa and Hoover  
Corporation, UK  
Product: Car Seats for Nissan (UK)
36. KIBUN CO (UK) LTD  
Motherwell Food Park  
Bellshill Industrial Estate  
BELLSHILL  
Lanarkshire, ML4 3JA  
Parent company: Kibun, Tokyo  
Product: Frozen Fish Based Products



37. KOMATSU (UK) LTD  
Durham Road  
BIRTLEY  
Co Durham, DH3 2QX  
Parent company: Komatsu Ltd, Tokyo  
Product: 360 Degree Hydraulic Excavators and  
Wheeled Loaders

1986

38. TOMATIN DISTILLERY PLC  
Tomatin  
INVERNESS  
Scotland  
Parent company: Takara Shuzo Co Ltd, Kyoto  
Product: Scotch Whisky
39. TI NIHON RADIATOR LTD  
WASHINGTON  
Tyne & Wear  
Parent company: JV of Nihon Radiator Co Ltd, Tokyo and  
TI Industries Ltd, UK  
Product: Assembly of car exhaust systems
40. ORION ELECTRIC (UK) LTD  
Unit 3, Kenfig Industrial Estate  
Morgan  
PORT TALBOT  
West Glamorgan, SA13 2PE  
Parent company: Orion Electric Co Ltd, Fukui  
Product: VTRs
41. TEC EUROPE CO LTD  
Unit 16, Roman Way Industrial Estate  
Longride Road  
PRESTON  
Lancs  
Parent company: Tokyo Electric Co Ltd, Tokyo  
Product: Electronic Weighing Machines
42. FUJI SEAL UK LTD  
Gillingham Business Park  
GILLINGHAM  
Kent  
Parent company: Fuji Seal Ind Co Ltd, Osaka  
Product: Heat Shrink PVC Seals and Labels

43. KYUSHU MATSUSHITA ELECTRIC (UK) LTD  
Unit 7, Building A, Clepper Park  
NEWPORT  
Gwent  
Parent company: Kyushu Matsushita Electric Co Ltd, Fukuoka  
Product: Electronic Typewriters & Printers
44. AIM LTD  
Fairweather Green Mill  
Thomton Road  
BRADFORD  
West Yorkshire  
Parent company: JV of Asahi Chemical Ind Co Ltd, Tokyo and  
Illingworth Morris/Woolcombers, UK  
Product: Processing of Synthetic Raw Fibre Material
45. HARTMANN PRINTING INKS LTD  
Unit 3, Hamm Moor Lane, Addlestone  
WEYBRIDGE,  
Surrey, KT15 2SD  
Parent company: Dainippon Ink & Chemicals Inc, Tokyo  
Product: Printing Inks
46. LOMONDSIDE KNITWEAR LTD  
Lomond Industrial Estate  
ALEXANDRIA  
Dumbartonshire, Scotland  
Parent company: George Kataoka & Co Ltd, Tokyo  
Product: Knitwear Products
47. CANYON EUROPE LTD  
Hydepark Industrial Estate  
MALLUSK  
Co Antrim, Northern Ireland  
Parent company: Canyon Corporation, Tokyo  
Product: Plastic Trigger Type Mist Sprayers
48. MIZUNO (UK) LTD  
Unit 3, Nimrod Way  
Elgar Road  
READING  
Berks  
Parent company: Mizuno Corporation, Osaka  
Product: Golf Clubs
49. NEC TECHNOLOGIES UK  
Castle Farm Campus  
TELFORD  
Shropshire  
Parent company: NEC Corporation, Tokyo  
Product: Initially VTRs followed by CTVs and Office  
Equipment



7-10

50. AULT & WIBORG LTD  
Bond Avenue  
Bletchley  
MILTON KEYNES MK1 1JD  
Parent company: Dai-Nippon Ink & Chemicals, Tokyo  
Product: Printing ink for newspapers

1987

51. EPSON TELFORD LTD  
Hortonwood Industrial Estate  
TELFORD  
Shropshire  
Parent company: Seiko Epson Corporation, Nagano  
Product: Dot Matrix Printers
52. FUNAI AMSTRAD LTD  
Campfield Road  
SHOEBURYNESS  
Essex  
Parent company: JV of Funai Electric Co Ltd, Osaka and  
Amstrad Consumer Electronics Ltd, UK  
Product: VTRs, CTVs and VTR/CTV Combined Products
- 53: HONDA OF THE UK MANUFACTURING LTD  
SWINDON  
Wiltshire  
Parent company: Honda Motor Co Ltd, Tokyo  
Product: Car Engines
54. MORGAN TOCERA CO LTD  
WORCESTER  
Worcestershire  
Parent company: JV of Toshiba Ceramics Co Ltd, Tokyo and  
Morgan Crucible, UK  
Product: Refractories for Continuous Steel Making
55. OPTEC DAI-ICHI DENKO LTD  
BUCKLEY  
Clwyd  
Parent company: Optec Dai-Ichi Denko Co Ltd, Tokyo  
Product: Magnetic Wire and Wire Harnesses
56. ACCUROMM UK LTD  
MILTON KEYNES  
South East of England  
Parent company: JV of Fuji Seiko Ltd, Aichi, Sansetsu  
Warehouse Co Ltd, Aichi, Wataru Printing  
Co Ltd, Aichi and Jyuken Kogyo Co Ltd,  
Aichi  
Product: Precision Engineering Plastic Products

57. EADIE BROTHERS & CO LTD  
PAISLEY  
Scotland  
Parent company: Kanai Jyuyo Kogyo Co Ltd, Osaka  
Product: Parts and Components for Textile Machinery  
(mainly Rings and Travellers for Spindles)
58. CITIZEN MANUFACTURING (UK) LTD  
Warren Road  
SCUNTHORPE  
South Humberside  
Parent company: Citizen Watch Co Ltd, Tokyo  
Product: Dot Matrix, Daisy Wheel, Laser Computer Printers
59. OKI ELECTRIC INDUSTRY  
CUMBERNAULD  
Scotland  
Parent company: Oki Electric Ind Co Ltd, Tokyo  
Product: Microline Printers
60. NISSAN-YAMATO LTD  
North East of England  
Parent company: JV of Nissan Motor Co Ltd, Tokyo and  
Yamato Kogyo KK, Kanagawa  
Product: Automotive parts
61. DIAPLASTICS (UK) LTD  
Waterton Industrial Estate  
BRIDGEND  
South Wales  
Parent company: JV of Mitsubishi Plastics Ind Ltd, Tokyo and  
Mitsubishi Corporation, Tokyo  
Product: Plastic Covers and Panels for TVs & Electronic  
Office Equipment
62. PROTEC EQUIPMENT  
Kelvin Industrial Estate  
EAST KILBRIDE  
Scotland  
Parent company: Nikko Group, Tokyo  
Product: Machinery for Processing Industrial Polymer Film
63. PREMIER PERCUSSION LTD  
LEICESTER  
East Midlands  
Parent company: Yamaha Corporation, Shizuoka  
Product: Musical Drums



64. TSUDA (UK) LTD  
WREXHAM  
Wales  
Parent company: Tsuda Plastic Industry Co Ltd, Osaka  
Product: Plastic Moulded Products
65. ELECTRONIC HARNESSSES UK LTD  
LLANTRISANT  
Mid Glamorgan  
Wales  
Parent company: JV of Sumitomo Electric Ind. Ltd, Osaka  
and Onamba Co Ltd, Osaka  
Product: Electrical Wiring Harnesses for Consumer and  
Business Electronics Industries
66. STAR MICRONICS MANUFACTURERS (UK) LTD  
Unit 4, Tafarnauback Industrial Estate  
TREDEGAR  
Gwent, NPS 3AA  
Parent company: Star Micronics Co Ltd, Shizuoka  
Product: Dot Matrix Printers
67. SMK UK LTD  
North East of England  
Parent company: SMK Corporation, Tokyo  
Product: Audio & Video Components
68. KIYOKUNI EUROPE LTD  
TELFORD  
Shropshire  
Parent company: Kiyokuni Sangyo Co Ltd, Tochigi  
Product: Components for Plain Paper Photocopiers
69. MITSUMI UK LTD  
JARROW  
South Tyneside  
North East of England  
Parent company: Mitsumi Electric Co Ltd, Tokyo  
Product: Tuners & Modulators for Audio & Video Equipment
70. ROSE BEARINGS LTD  
SAXILBY  
Lincoln, LN1 2LW  
Parent company: Minebea Co Ltd, Tokyo  
Product: Ball Bearings

71. JVC UK LTD  
Unit 11, Tennant Complex  
Tennant Avenue  
College Milton Industrial Estate  
EAST KILBRIDE  
Scotland  
Parent company: Victor Company of Japan Ltd, Tokyo  
Product: CTVs & Audio Equipment
72. KEY MED LTD  
ESSEX  
South East of England  
Parent company: Olympus Optical Co Ltd, Tokyo  
Product: Endoscopes
73. SAM THOMPSON GROUP  
LONDON  
South East of England  
Parent company: Chacott Ltd, Tokyo  
Product: Ballet Shoes
74. YAMAHA-KEMBLE MUSIC (UK) LTD  
Mount Avenue, Mount Farm  
Bletchley  
MILTON KEYNES MK1 1JE  
Parent company: Yamaha Corporation, Shizuoka  
Product: Pianos

1988

75. SANKO GOSEI UK LTD  
SKELMERSDALE  
North West of England  
Parent company: Sanko Gosei Ltd, Toyama  
Product: Moulding Tools and Plastic Moulded Products
76. OMRON ELECTRONICS UK LTD  
TELFORD  
Shropshire  
Parent company: Omron Tateishi Electronics Co Ltd, Kyoto  
Product: Printed Circuit Boards and Their Assemblies
77. UK-NSI CO LTD  
Site 6, North Moons Moat  
REDDITCH  
West Midlands  
Parent company: Nippon Seiki Co Ltd, Niigata  
Product: Dashboard Instruments & Other Automotive Components



78. MATSUSHITA ELECTRONIC COMPONENTS UK LTD  
PORT TALBOT  
Wales  
Parent company: Matsushita Electronic Components Co Ltd,  
Osaka  
Product: Transformers for Microwave Ovens, LC-Filters for  
Video Equipment
79. MATSUSHITA COMMUNICATION INDUSTRIAL LTD  
THATCHAM  
Berkshire, South East of England  
Parent company: Matsushita Communication Industrial Co Ltd,  
Kanagawa  
Product: Automobile Telephones
80. SANYO ELECTRIC UK MANUFACTURING LTD  
DURHAM  
North East of England  
Parent company: Sanyo Electric Co Ltd, Osaka  
Product: Microwave Ovens and Their Magnetrons
81. SHARP PRECISION MANUFACTURING LTD  
WREXHAM  
Wales  
Parent company: Sharp Precision Machinery Inc, Osaka  
Product: Moulding Tools and Plastic Moulded Products
82. ENPLAS UK LTD  
MILTON KEYNES  
Parent company: Daiichi Seiko Co Ltd, Saitama  
Product: Engineering Plastics
83. LUCAS YUASA BATTERIES LTD  
West Midlands  
Parent company: JV of Yuasa Battery Co Ltd, Osaka and  
Lucas, UK  
Product: Car Batteries

84. TENMA (UK) LTD  
Scotland  
Parent company: Tenma Corp, Chiba  
Product: Injection Moulding of Plastic Products
85. NISSAN KIZAI (EUROPE) LTD  
North West of England  
Parent company: Nissan Kizai Co Ltd, Saitama  
Product: Small Construction Machinery
86. MITUTOYO (UK) LTD  
West Midlands  
Telford  
Parent company: Mitutoyo Corp Ltd, Tokyo  
Product: Precision Measuring Instruments
87. KATO PRECISION (UK) LTD  
East Midlands  
Parent company: Kato Spring Works Co Ltd, Tokyo  
Product: Precision Springs for Electronic Equipment
88. EUROPEAN COMPONENTS CORPORATION  
770 Upper Newtownards Road  
Dundonald  
BELFAST BT16 OUL  
Northern Ireland  
Parent company: Takata Corporation, Tokyo  
Products: Seat Belts and Air Bags for Automobiles
89. SMC PNEUMATICS (UK) LTD  
South East of England  
Parent company: SMC Corporation, Tokyo  
Product: Pneumatic Control and Instrumentation Equipment
90. T P CONSUMABLES LTD  
Unit 5, Hortonwood 33  
TELFORD  
West Midlands  
Parent company: JV of Seiko Epson Corporation, Nagano and  
General Company Ltd, Osaka  
Product: Ribbon Cartridges for Printers and Typewriters



1989

91. CLARION SHOJI (UK) LTD  
Unit 1, Marshall Road, Hillmead  
SWINDON  
Wiltshire, SN5 7DW  
Parent company: Clarion Co Ltd, Tokyo  
Product: Car Audio Equipment
92. DUNDEE TEXTILES LTD  
DUNDEE  
Scotland  
Parent company: JV of Kurabo Industries Ltd, Osaka, Toyo  
Menka Kaisha Ltd, Osaka and Tootal Group  
plc, UK  
Product: Dyeing and Finishing of Textile Fabrics
93. MARUSAWA TELFORD LTD  
TELFORD  
West Midlands  
Parent company: JV of Marusawa Kiko, Tokyo and Sumitomo  
Corporation, Osaka  
Product: Precision Metal Shafts for Printers and Typewriters
94. MI KING LTD  
WASHINGTON  
North East of England  
Parent company: JV of Mitsui & Co Ltd, Tokyo and  
William King Ltd, UK  
Product: Processing Steel
95. TAMURA HINCHLEY LTD  
CUMBERNAULD  
Strathclyde, Scotland  
Parent company: JV of Tamura Seisakusho, Tokyo and  
Hinchley Ltd, UK  
Product: Transformers
96. TORAY TEXTILES EUROPE LTD  
a) BLUWELL  
Leonard Street, BLUWELL  
Nottingham NG6 8RS  
Parent company: Toray Industries Inc, Tokyo  
Product: Textile Dyeing  
b) HYDE  
Wharf Mill, Dukinfield Road  
HYDE, Cheshire SK14 4RS  
Parent company: Toray Industries Inc, Tokyo  
Product: Weaving

97. FUJITSU MICROELECTRONICS LTD  
Heighington Lane Industrial Estate  
NEWTON AYCLYFFE  
Sedgfield District,  
Country Durham,  
North East of England  
Parent company: Fujitsu Ltd, Tokyo  
Product: Semiconductors
98. IK PRECISION CO LTD  
TELFORD  
West Midlands  
Parent Company: JV of Inabata Co Ltd, Osaka and Precision  
Handling Devices, Osaka  
Product: Printer Components
99. SPECTROS ENGINEERING LTD  
MANCHESTER  
North West of England  
Parent company: Shimadzu Corporation, Kyoto  
Product: Analysis Equipment
100. TOYOTA MOTOR CORPORATION  
DERBYSHIRE  
East Midlands  
Parent company: Toyota Motor Corporation, Aichi  
Product: Passenger Vehicles
101. ZEON CHEMICAL EUROPE LTD  
SOUTH GLAMORGAN  
Wales  
Parent company: Nippon Zeon Co Ltd, Tokyo  
Product: Nitryl Rubber Products
102. ASAHI DIAMOND (UK) LTD  
CRAWLEY  
Sussex  
Parent Company: Asahi Diamond Industrial, Tokyo  
Product: Cutting Tools for Construction Industry
103. TERAOKA HERBERT CO LTD  
East Anglia  
Parent Company: JV of Teraoka Seiko Co Ltd, Tokyo  
and Herbert & Sons Ltd, the UK  
Product: POS Equipment
104. MATSUSHITA ELECTRIC MOTORS (UK) LTD  
LANTARNAM  
Wales  
Parent Company: Matsushita Electric Industrial Co  
Ltd, Osaka  
Product: Electric Motors for OA Equipment and Factory  
Automation Systems
105. MATSUSHITA ELECTRONIC MAGNETRON CORPORATION (UK) LTD  
LANTARNAM  
Wales  
Parent Company: Matsushita Electronic Instruments  
Corporation, Osaka  
Product: Magnetrons for microwave ovens



106. UNION CHEMICAR CO LTD  
Unit 7, Aldham Industrial Estate  
WOMBWELL  
Barnsley, S13 9HA  
Parent Company: Union Chemicar Co Ltd  
Product: Inked Ribbon Cartridges for Typewriters
107. LLANELLI HEATER SYSTEMS LTD  
Shildon  
DURHAM  
Parent Company: Calsonic Corporation  
Product: Automotive Heating Systems
108. TOYOTA MOTOR CORPORATION  
Deeside Industrial Park  
CLWYD  
Parent Company: Toyota Motor Corporation  
Product: 1800cc-class Automobile Engines
109. HASHIMOTO FORMING CO LTD  
Baldon Business Park  
SOUTH TYNESIDE  
Tyne & Wear  
Parent Company: Hashimoto Forming Co Ltd  
Product: Trims & Accessories for Cars
110. COOKSON FUKUDA LTD  
New York Industrial Estate  
NORTH TYNESIDE  
Tyne & Wear  
Parent Company: Cookson Group(50%), Fukuda Metal Foil(40%)  
and Nissho Iwai(10%)  
Product: Copper Foils for PCBs
111. MAKITA (UK) LTD  
TELFORD  
Shropshire  
Parent Company: Makita Electric Works Ltd  
Product: Electric Power Tools
112. SEIKO INSTRUMENTS (UK) LTD  
LIVINGSTON  
Scotland  
Parent Company: Seiko Instruments Inc  
Product: Mini Printers, Opto-Electronic Products

**4th IDU LEADERS CONFERENCE**  
**New Otani Hotel, Tokyo**  
**21st-23rd September 1989**

**Wednesday 20th September 1989**

20.00 Informal Meeting of Drafting Committee  
(Kumoi Room, Informal dinner for 30)

**Thursday 21st September 1989**

09.00 IDU Executive Committee Meeting (Fuyo Room)  
(Member-Party representatives only)

12.00 Meeting concludes

14.00 CDU (Hokuto Room)  
EDU (Unkai Room) - Executive Committee meetings  
PDU (Kumoi Room)

17.00 -18.00 Press Briefing (Ho-oh Room)

18.30 Reception hosted by Japanese Prime Minister  
(Ho-oh Room)

19.45 Leaders depart

20.00 Dinner hosted by Japanese Prime Minister  
Prime Minister's Residence (Member-Party Leaders  
only)

20.00 Final Communique Working Dinner, Unkai room  
for 30 (1 Representative per Member-Party only)

20.00 LDP hosted Buffet Dinner for remaining delegates  
(Blue Sky Lounge)



**Saturday 23rd September 1989**

- |       |  |
|-------|--|
| 09.00 | 3rd Conference session   |
| 11.45 | Conference Adjourns  |
| 12.00 | Press Conference (IDU Chairman and LDP officials)                    |
| 13.00 | Lunch, hosted by LDP Diet Members (Informal Buffet, Tsuru Room)      |
| 15.00 | Executive Committee meeting (Fuyo Room)<br>Presentation By Observers |
| 16.30 | Executive Committee meeting concludes                                |

**Sunday 24th September 1989**

**DELEGATES DEPART ACCORDING TO THE ESTABLISHED LIST**

**\*Note**

All activities take place in New Otani Hotel except for Party Leaders dinner.

TEXT OF THE VICE PRESIDENT'S REMARKS

FROM THE FLOOR

TO THE INTERNATIONAL DEMOCRAT UNION

TOKYO, JAPAN

SEPTEMBER 22, 1989



## LATIN AMERICA

IN MY LUNCHEON SPEECH, I WILL FOCUS ON BOTH THE OPPORTUNITIES AND DANGERS FACING DEMOCRACY. EASTERN EUROPE CERTAINLY IS ONE AREA IN WHICH RAPID CHANGE FOR THE BETTER IS OCCURRING; CENTRAL AMERICA IS THE OBVERSE CASE. I WILL DWELL IN MY REMARKS AT LUNCH ON WHAT WE CAN DO TO MAKE MORE DIFFICULT SANDINISTA FRAUD IN THE FEBRUARY, 1990 ELECTIONS. YET NICARAGUA IS ONLY ONE PART OF THE COMPLEX OF PROBLEMS AFFLICTING LATIN AMERICA.

THESE PROBLEMS IN OUR HEMISPHERE CONCERN US FOR TWO OBVIOUS REASONS:

FIRSTLY, IF THE PROBLEMS OF LATIN AMERICA BECOME EXACERBATED, THE UNITED STATES MIGHT FACE THE NEED -- FOR SECURITY REASONS -- TO ALLOCATE MORE OF OUR SCARCE MILITARY AND ECONOMIC RESOURCES TO OUR OWN NEIGHBORHOOD. THIS COULD, OVER TIME, LEAD TO A DIMINUTION OF OUR CAPACITY TO PLAY A STABILIZING ROLE ON THE EURASIAN PERIPHERY.

SECONDLY, PROBLEMS IN OUR NEIGHBORHOOD INEVITABLY AFFECT OUR OWN SOCIETY. WHETHER WE ARE TALKING ABOUT THE FLOW OF POVERTY-STRICKEN MIGRANTS OR OF TERRORIZED REFUGEES FROM WAR, OR THE MASSIVE INFLUX OF DRUGS, WE KNOW THAT LATIN AMERICA'S PROBLEMS QUICKLY BECOME OUR OWN.

THE LATIN AMERICAN DEMOCRACIES ARE BURDENED TODAY BY PROBLEMS DERIVED FROM UNDERDEVELOPMENT AND, IN SOME CASES, FROM REVERSAL OF PREVIOUS PROGRESS. THERE ARE FEW SIGNS OF THE HIGHLY DYNAMIC "TAKE OFFS" IN LATIN AMERICA THAT ONE SEES IN SOUTH KOREA, TAIWAN, AND THE ASEAN STATES. CONSEQUENTLY, WHILE SOME HIGH GROWTH ASIAN STATES SUCH AS SOUTH KOREA ARE REDUCING AND RETIRING THEIR EXTERNAL DEBT, MANY LATIN AMERICAN STATES CONTINUE TO BEAR HEAVY DEBT BURDENS.

TO MAKE MATTERS WORSE, SEVERAL DEMOCRATIC STATES OF LATIN AMERICA HAVE FALLEN PREY TO "SCAVENGERS" -- EXTREMISTS WHO EXPLOIT MISERY, SEEKING TO FOSTER MARXIST-LENNINIST REVOLUTIONS THROUGH USE OF TERRORISM AND INSURGENCY. YET THE THEORY OF THESE PEOPLE HAS PROVEN WRONG TIME AND AGAIN --



IT IS NOT THE GUERRILLA STATES OF CUBA AND NICARAGUA THAT ARE MAKING PROGRESS; IT IS THE MARKET ECONOMIES WITH DEMOCRATIC INSTITUTIONS.

IT IS IMPERATIVE THAT OUR PARTIES -- COLLECTIVELY AND SEPARATELY -- PROVIDE HELP TO OUR LATIN AMERICAN DEMOCRATIC FRIENDS. WE CAN HELP THEM, FIRST OF ALL, BY MAKING ECONOMIC POLICY REFORM POLITICALLY ACCEPTABLE. ONLY IF THE TRUTHS LEARNED FROM THE "ECONOMIC MIRACLES" OF EUROPE AND ASIA ARE WIDELY UNDERSTOOD WILL THERE BE HOPE FOR THE REGION. BUT IF THESE TRUTHS ARE COMPREHENDED -- AND YOUR PARTIES ARE IN A POSITION TO PUBLICIZE THEM -- THE FOUNDATION FOR A RAPID TAKE OFF WILL BE PRESENT. SOUND ECONOMIC POLICIES, COUPLED WITH RESTRUCTURED DEBT, NEW MONEY, AND TRADE OPPORTUNITIES, CAN ENGENDER RENEWED PROGRESS IN LATIN AMERICA. THESE ARE THE TOOLS OF THE U.S. BRADY PLAN AND OUR CARIBBEAN BASIN INITIATIVE. WE LOOK FOR THE COLLABORATION OF YOUR PARTIES, GOVERNMENTS AND BANKS IN CREATING AN "ECONOMIC MIRACLE" IN LATIN AMERICA.

WE MUST ALSO HANDLE THE PROBLEM OF THE "SCAVENGERS". IT IS VERY DIFFICULT FOR ECONOMIC RECOVERY TO OCCUR IN THE MIDST OF VIOLENCE. THE UNITED STATES CAN DO MUCH TO PROVIDE MILITARY AND ECONOMIC ASSISTANCE. NOT INFREQUENTLY, HOWEVER, THE ACTUAL OR SPURIOUS COMMISSION OF ABUSES BY RECIPIENT GOVERNMENTS RAISES QUESTIONS IN OUR PRESS AND CONGRESS. KNOWING THIS, THE TERRORISTS -- AS IN THE BRUTAL ASSASSINATION CAMPAIGN AGAINST MAYORS, CABINET AND SENIOR GOVERNMENT OFFICIALS IN EL SALVADOR -- ACTUALLY PLOT TO PROVOKE GOVERNMENT OVERREACTIONS. OUR PARTIES AND GOVERNMENTS CAN HELP SPUR JUDICIAL AND POLICE/MILITARY EDUCATION AND REFORM IN LATIN AMERICA. IN ADDITION, THE REGULAR EXPRESSION OF OUR COLLECTIVE CONCERN TO DEFEAT ANTI-DEMOCRATIC INSURGENCIES CAN DO MUCH TO REDUCE THE LEGITIMACY OF THOSE WHO FOCUS ONLY ON LATIN AMERICAN GOVERNMENT SHORTCOMINGS, NOT ON THEIR MARXIST, TERRORIST OPPONENTS.

THE PROBLEM OF VIOLENCE, OF COURSE, EXTENDS BEYOND THE POLITICAL REALM. ENTREPRENEURS OF CRIME -- DRUG LORDS -- HAVE EMERGED. SEVERAL NOW CHALLENGE OR EXERCISE STATE AUTHORITY.



THEY KILL JUDGES AND PRESIDENTIAL CANDIDATES AS IN COLOMBIA AND DOMINATE ONE GOVERNMENT AS IN PANAMA.

WE NEED TO MOVE QUICKLY TO PROVE THAT DEMOCRACIES CANNOT BE UNDONE BY INTERNATIONAL CRIMINALS. ALL THE POLITICAL, DIPLOMATIC AND ECONOMIC TOOLS AT OUR DISPOSAL SHOULD BE USED TO ISOLATE NORIEGA. IT IS OUR RESPONSIBILITY TO ENSURE THAT THE EMERGING CUBA-NICARAGUA-PANAMA ANTI-DEMOCRATIC AXIS CAN NOT BE PERMITTED TO CARRY ON ITS CHARADE OF STOLEN ELECTIONS, CLANDESTINE ARMS DEALING AND DOPE TRAFFICKING. OUR PARTIES MUST SUPPORT THE PANAMANIAN OPPOSITION. THERE MUST BE NO DOUBT OF OUR FIRM CONVICTION THAT NORIEGA MUST GO.

AND WE ALSO NEED TO REINFORCE THE EMBATTLED ANDEAN NATIONS OF COLOMBIA, PERU, AND BOLIVIA -- GOVERNMENTS STRUGGLING TO DEFEAT THE CURSE OF COCAINE AND "CRACK" THAT PLAGUES OUR AND MANY OF YOUR SOCIETIES. PRESIDENT BUSH HAS DOUBLED U.S. ASSISTANCE TO THE ANDEAN COUNTRIES, AND HAS CALLED FOR A SUMMIT WITH THEIR LEADERS. YET U.S. ASSISTANCE IS NOT SUFFICIENT. WHILE WE CAN HELP PROVIDE MEANS FOR DRUG INTERDICTION AND ERADICATION, THE PROBLEMS OF THE ANDEAN COUNTRIES WILL ONLY BE SOLVED BY

BROAD-BASED AGRICULTURAL AND INDUSTRIAL DEVELOPMENT -- CHANGES THAT WILL PROVIDE ALTERNATIVES FOR IMPOVERISHED FARMERS WHO NOW GROW COCA. YOUR PARTIES AND GOVERNMENTS CAN SUPPORT A JOINT ANTI-DRUG DEVELOPMENT EFFORT FOR THE ANDEAN STATES -- A PROGRAM, WHICH, WHILE EXPENSIVE, WILL BE CHEAPER THAN COPING WITH THE EFFECTS OF CRACK/COCAINE ADDICTION WITHIN OUR OWN COUNTRIES.

I HAVE MADE THIS RATHER LONG DISCOURSE BECAUSE I BELIEVE THAT LATIN AMERICA IS A REAL TEST CASE FOR DEMOCRACY. IF WE ARE SUCCESSFUL THERE IN COPING WITH THE TRIPLE MENANCES OF DEBT, INSURGENCY AND DRUGS, WE CAN BE CONFIDENT THAT WE INDEED ARE RIDING ON A DEMOCRATIC WAVE OF THE FUTURE.

THANK YOU.



REMARKS TO THE  
INTERNATIONAL DEMOCRATIC UNION

BY

DAN QUAYLE  
VICE PRESIDENT OF THE UNITED STATES

SEPTEMBER 22, 1989

TOKYO, JAPAN

It is a very great honor for me to represent President George Bush, and the Republican Party of the United States, at this -- the fourth IDU party leaders conference.

It's especially appropriate that this meeting is being held here in Tokyo. For the ideals of our organization are not exclusively American or western in origin. Rather, they are universally-valid ideals -- ideals that reflect the needs and aspirations of all men and women.

And so, after holding our first three meetings in London, Washington and Berlin, it is only fitting that we have come to this great Asian democracy to reaffirm our irrevocable commitment to the principles of the IDU: to free governments, to free markets, and to the free expression of information and ideas.

And just as our principles are tied to no specific region or culture, neither do they reflect the experiences of a particular generation. On the contrary, our parties span the generations. Some of us here today were born before the second World War. Others, like myself, belong to the postwar generation.

But regardless of when we were born, we see ourselves as part of a movement, part of a union. This is a union across borders and across oceans. But it is also a union across generations. And my generation -- the postwar generation -- is now stepping forward to shoulder its responsibility for advancing the principles of freedom and democracy into the future. In doing so, we pay tribute to our elders, who have so valiantly defended democracy against its enemies during this tumultuous century.

Four years ago, when he addressed the second IDU leaders conference back in Washington, then Vice President George Bush summed up our purpose. "We know," he said, "that building democracy is no easy task. Neither is helping to preserve democracy in regions that do not have established democratic institutions. The challenge facing us, the members of the IDU, is a challenge to stand for the values and institutions, the heritage and hope of democracy and freedom."

Today, the prospects for that heritage and hope are brighter than ever in many parts of the world.

But we must beware of growing complacent. It is too easy to ignore the fact, learned often through bitter experience, that freedom has enemies, that democracy has enemies, and that these enemies pose a threat not only to our own societies, but to the entire international order. Though there are many hopeful signs around us today, the threats remain. Indeed, some new threats have appeared.



Mr. Brand.  
S. Korea N. Korea  
Iraq Iran Egypt S. Africa  
Libya Syria S. Africa Libya

It is reliably estimated, for example, that up to fifteen more nations will have the ability to launch ballistic missiles by the end of the century. Some of these nations are not signatories to the nuclear non-proliferation treaty; some are actively engaged in chemical weapons research; and many of these nations are not democracies.

No doubt you have all thought about the various "accidental launch" and "madman" scenarios in which an erratic national leader acquires ballistic launchers and marries them with primitive nuclear, chemical or biological weapons of mass destruction. Such concerns are anything but hypothetical. Iran and Iraq have already engaged in a ballistic missile conflict; Iraq made active and extensive use of chemical weapons in its war with Iran; and Libya, among others, is working energetically to develop chemical weapons.

Moreover, despite a widely-held belief to the contrary, the fact is that the Soviet strategic threat remains formidable. The Soviet Union continues to supply arms, munitions and military equipment to oppressive regimes around the world. And since Gorbachev assumed power, the Soviet Union has provided the Stalinist-terrorist regime of North Korea new advanced attack weapons. This is the darker side of Soviet foreign policy.

These developments force us to consider many questions that we might prefer to ignore. They force us to see things as they really are, and not as we might wish them to be. They force us to pay increased attention to our own defense -- including our strategic defense. Surely the time is now for the free democracies of the world to unite behind the moral imperative of strategic defense. And surely the time is now for each free nation to shoulder its fair share of the burden of ensuring security and stability in a dangerous world.

But just as ours is a time of danger, it is also a time of renewed hope.

Changes are underway in the Soviet Union. Hopefully, Mr. Shevardnadze's conversations with the President will allow us to make progress on important strategic, conventional, and chemical arms control issues as well as on regional issues. We hope the changes in the Politburo this week will allow perestroika and glasnost to proceed -- and will lead to a move away from the darker side of recent Soviet foreign policy.

In Poland, we have just witnessed what was barely imaginable only a few months ago: the election of a non-communist prime minister to head a coalition government in which the Polish communist party will be in a minority. These developments -- still unfolding -- mark a new beginning in Poland. They hold promise for the transformation of Poland toward democracy and national self-determination.



Hungary, too, is on the path of democratic reform. The pattern is different, but the changes are just as fundamental, just as promising. As the communist party itself undertakes a profound reappraisal of its role in Hungary, the outlines of a multi-party system -- genuine political pluralism -- are taking form. The Hungarian economy, already the most open in Eastern Europe, is moving toward a free market, toward rejoining the world economy. And Hungary has dismantled the Iron Curtain along its borders.

These are historic times. What is at stake is not just movement toward economic and political liberalization in a few countries, but the prospect of ending the postwar division of Europe. Poland and Hungary are leading the way. They face enormous economic and political problems, which they will have to solve primarily through their own efforts.

But they need and deserve our support. We in the democratic world must help create the conditions that will enable the Poles and Hungarians to help themselves. We cannot solve all the problems that Poles and Hungarians face, but we in the IDU must be actively engaged. We need to hold out the promise of a peaceful transition to a democratic future for Central and Eastern Europe. And we need to back up that promise with practical assistance.

But it is not only in Eastern Europe that momentous events are occurring. Latin America, too, stands at a historic crossroads.

Burdened by debt, the drug crisis, and insurgency, a number of Latin American democracies are under severe test. We have all been heartened by the great progress toward democracy in Latin America in the 1980's; but the battle is by no means over.

Indeed, in Central America, as in Eastern Europe, brave citizens are fighting for a better life against the enemies of freedom. And in Central America, as in Eastern Europe, embattled democrats look to us for help.

Let us be clear about what has happened in Nicaragua since 1979. The Nicaraguan people had struggled for their freedom against the Somoza dictatorship, and thousands had given their lives in the name of democracy. But the Sandinistas betrayed their promises to the OAS and to their own people; they hijacked a democratic revolution and turned it against the Nicaraguan people.

This betrayal brought an inevitable reaction. Thousands of Nicaraguans took up arms to rid their country of this new dictatorship and to fulfill the original promises of the anti-Somoza revolution, while others joined in an unarmed



opposition. It was in response to growing pressure that the Sandinistas signed a Central American peace agreement -- known as Esquipulas II -- on August 7, 1987.

The Sandinistas have professed to accept the Esquipulas framework. They promised elections for February 1990, ended the onerous state of emergency, and ended prior censorship of the opposition newspaper. Still, repression has continued. Sandinista thugs have bullied the opposition. Political opponents have had their property seized, and the leader of the Catholic church has been vilified. Aid to the Salvadoran guerrillas has increased.

How should we in the IDU respond to repeated Sandinista violations of promises made at Esquipulas? We must present the Sandinista government with concrete demands and we must do what we can to assist in bringing about free and fair elections. In various ways, we must shine a bright spotlight on the process there, so as to bring the pressure of world opinion to bear in Nicaragua; but we can go beyond that in helping make the promise of free elections a reality.

We must demand that the Nicaraguan government act now -- not a week before the elections -- to establish the conditions necessary for genuine political pluralism. And we must act on our own, as well, to foster pluralism and democracy in Nicaragua.

The conditions for truly free and fair elections include a free press; numerous foreign observers; full opportunity for TV campaigning by all parties; full opportunity for political rallies and demonstrations, without interference from Sandinista-controlled mobs; permission for political observers at all polling places; cessation of politically motivated arrests; termination of all military and police repression; termination of all political control by the neighborhood watch committees; the full opportunity for all Nicaraguans, both at home and abroad, to vote; and various kinds of foreign assistance that can help neutralize the huge and unfair advantages of the Sandinistas.

Your parties can take concrete action -- both directly and by pressing your governments ~~to~~ by engaging in activities such as:

- a) monitoring the election registration process and the elections themselves;
- b) providing the Chamorro/Godoy democratic ticket with technical and political assistance, advice, and expertise; and

Choice

—

Mag



① /  
Least temptation

self denial



② Responsibility

—  
Load





- c) consideration, on a party level, of what other support can be provided to the Nicaraguan democratic forces in order to provide a "level playing field."

Unless we in the IDU continue to press our demands as hard and as persistently as we can, and to act to support the democratic process with concrete actions, Sandinista promises to bring democracy to Nicaragua will not be worth the paper they are written on.

Today, I have talked about two distinct struggles for democracy -- one in Eastern Europe, the other in Central America. Both struggles are taking place against the odds. Both struggles are far from over. And both struggles depend primarily on the wisdom and fortitude of local democratic forces.

But the established democracies, and the established democratic parties, can make a difference. Had the democratic parties in Europe not come to the aid of the Portuguese democrats back in 1975, the democratic transition in Portugal might well have failed.

Today, as well, our involvement -- or lack of involvement -- could well make the difference between success and failure in both Central America and Eastern Europe. The embattled democrats of Eastern Europe and Central America need more than symbolic displays of solidarity. We in the IDU must come to their assistance now.

Let us remember that by helping the democratic forces in Eastern Europe and Central America to help themselves, we will be acting to secure a better future not only for them, but for ourselves as well. Surely, our duty -- and our opportunity -- to foster freedom and democracy could not be clearer.

Thank you.

\* \* \*

Quayle - Cambodia

Hung - Sen

Non-Communist resistance

Ruch Sihanouk

Freud

K.C. Sivak

Parthé

Govindan in the

He

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Central p

Hébé

R. T. ...

Industry  
Overcapital

Unilateral

Concession

as counterpoint

as - other

Taiwan



file OTS

CONFIDENTIAL



C: Economic /  
Economic,  
Tucker

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

22 September 1989

I gather you have been in touch with the Foreign Office about the records of the Prime Minister's discussions in Tokyo regarding access to the Stock Exchange. I now enclose extracts from Charles Powell's records of the Prime Minister's meetings with Mr Kaifu and Mr Takeshita.

PAUL GRAY

Paul Tucker, Esq.  
Bank of England

CONFIDENTIAL



FILE SH

cc FCC

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

22 September 1989

Dear Mr Inukai,

I would like to thank you for presiding so efficiently over my Press Conference in Tokyo last week and also for another generous gift to mark my visit to the Press Centre.

I very much enjoyed meeting the Japanese press corps and answering their questions towards the end of what I regarded as a most enjoyable and valuable visit to Japan.

With every good wish,

Yours sincerely  
Margaret Thatcher

Mr. Yasuhiro Inukai  
Managing Director,  
Kyodo News Agency,  
Tokyo.

KK



HOUSE OF COUNCILLORS

DIET OF JAPAN

1-7-1 NAGATA-CHO,  
CHIYODA-KU, TOKYO 100

Sept. 21, 1989  
Tokyo

*Rz1/9  
in Tokyo*

H.E. Mrs. Margaret Thatcher  
Prime Minister  
The United Kingdom of Great Britain  
and Northern Ireland

Your Excellency,

I would like to say my heartfelt welcome to Your Excellency on the occasion of your official visit to Japan.

I came back to Japan on Sept. 17 after finishing my official visit to Austria and Finland at the invitation of the President of the parliament of each country. At the final stage of my journey, I stopped in London. Then, Sir Julian Ridsdale, President of the U.K.-Japan Parliamentary Friendship Association, kindly invited me to his home and I had a very enjoyable time there.

It was my strong hope to be able to welcome you on your visit to Japan for the 4th Leaders' Conference of IDU and as an official guest of the Japanese Government. However, it seems to be a little bit difficult for us to meet due to your tight schedule in Japan. I look forward to seeing you on another occasion.

Instead of meeting you, I take the liberty of sending a small personal memento with this letter. It is a calendar named "Flower Memory", which was illustrated by my daughter Momoko. It would be my pleasure if you keep it as a souvenir of Japan. *+ large ceramic patterned yellow bowl*

In conclusion, I wish the further prosperity of the Commonwealth and personal success in all your activities.

Sincerely Yours,

*Y. Tsuchiya*  
Yoshihiko Tsuchiya  
President

House of Councillors  
Japan

SUBJECT COATS  
MATTERfile  
a P  
Embassy  
DC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

21 September 1989

Dear Stephen,

PRIME MINISTER'S MEETING WITH VICE PRESIDENT QUAYLE

The Prime Minister had a talk with Vice President Quayle at the New Otani Hotel in Tokyo this evening. The Vice President was accompanied by Mr. Carnes Lord. The meeting lasted some 40 minutes. It was not exactly scintillating.

The Prime Minister said that she thought the holding of the IDU Conference at Tokyo at this juncture would be helpful to the LDP and to Mr. Kaifu personally. Vice President Quayle concurred.

The Prime Minister continued that she would be seeing Mr. Gorbachev on her way back to the UK. His speech to the Central Committee Plenum on Nationalities had been quite hard-line. He clearly felt strong enough to make major changes in the Politburo, although Ligachev was still there. Vice President Quayle agreed that the changes indicated that Mr. Gorbachev was very much in control. On the other hand, the whole Soviet Empire was crumbling around him.

Vice President Quayle said that Mr. Shevardnadze would be meeting President Bush within a matter of hours. He was apparently bearing a letter from Mr. Gorbachev containing fresh proposals on arms control, but it was not yet clear whether they would deal with START, CW or CFE. The Russians had insisted on setting up working groups to prepare for the Baker/Shevardnadze meeting. But this was only of limited usefulness since the Soviet members did not know what was in Mr. Gorbachev's message. The Prime Minister said that she expected arms control to feature quite largely in her own talks with Mr. Gorbachev. But she did not know precisely which aspect he had most in mind. We continued to have doubts about the veracity of Soviet statements on their stocks of chemical weapons. Vice President Quayle thought it quite likely that Mr. Gorbachev would make the proposals on a Chemical Weapons convention. He himself was very concerned about the difficulties of verifying any agreement. He undertook to keep the Prime Minister informed of any details he received of the meeting between President Bush and Mr. Shevardnadze.



Vice President Quayle continued that he hoped the Prime Minister would again raise regional issues with Mr. Gorbachev and in particular let him know how seriously concerned the Americans were about Central America. The fact was that Soviet Bloc countries were putting more money and arms into Central America this year than last, mostly through Cuba. The Prime Minister said that she was not at all optimistic that the elections in Nicaragua would be genuinely free. Unfortunately, the other Central American Presidents seemed to have let President Ortega off the hook. Vice President Quayle said that he hoped that the idea would declare its support for the candidature of Mrs. Chamorro. President Bush would be raising the whole issue of Central America with Mr. Shevardnadze and would speak very firmly.

Vice President Quayle referred to continuing Soviet support for communist regimes in Cambodia and Afghanistan. This was surely one area where the Soviet Union could cut back spending.

The Prime Minister asked if any decision had been reached on the date of a Summit between President Bush and President Gorbachev. Vice President Quayle clearly had no information on this, but suggested it would be a good idea if the President and Mr. Gorbachev could meet without it having to be a full scale Summit with all the expectations that went with that.

The Prime Minister asked how President Bush's thinking was developing on China. She was concerned by the evidence that the Japanese were hastening back to normal relations. While this would inevitably come about in due course, she thought it was still too early to get back on terms with the Chinese. Vice President Quayle said that he agreed. President Bush wanted a good relationship with China but recognised that it would take a long time to get back to where matters stood before the events of June. The Chinese were trying to give the impression that it was for the US to change its attitude rather than the other way around.

The Prime Minister asked if there had been any developments over hostages in Lebanon. Vice President Quayle said that he was convinced that Iran controlled those who were holding the hostages. He rather shared Cap Weinberger's view: there were no moderates in Iran, they had all been killed long ago.

I am copying this letter to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

*Yours sincerely,*  
*C. D. Powell*  
C. D. POWELL

J. S. Wall, Esq.,  
Foreign and Commonwealth Office.



SUBJECT CLOS

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CPE  
Embassy

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

21 September 1989

Dear Bob,

PRIME MINISTER'S MEETING WITH MR. TAKESHITA

The Prime Minister had a brief meeting with Mr. Takeshita at the British Embassy in Tokyo this morning.

The Prime Minister began by thanking Mr. Takeshita for everything he had done as Japan's Prime Minister to improve co-operation between Britain and Japan and to solve the liquor tax problem. He had acted boldly and decisively. He had also handed over a very strong economy to his successor and left Japan's international relationships in good order. Mr. Takeshita commended Mr. Kaifu to the Prime Minister. He had played an important role in getting the liquor tax reform through the Diet.

The Prime Minister asked how Mr. Takeshita saw the political future in Japan. Mr. Takeshita said people's confidence in the LDP had been weakening and had reached a low point at the time of the Upper House election. The media coverage of tax reform had also been unfortunate, giving a public picture of the government ramming through its measures. The Prime Minister's joint appearance with Mr. Kaifu on the television yesterday had been extremely valuable in helping to restore the LDP's standing.

Mr. Takeshita said that he had himself talked to the Chairman of the Tokyo Stock Exchange about provision of additional seats for British firms, and the Chairman had confirmed his positive attitude. Mr. Takeshita said that he felt personally responsible for this matter. The Prime Minister said that she had been given to understand by Mr. Kaifu that the outcome would be positive, although the consultation process must be allowed to run its course. Mr. Takeshita said that it would be counter-productive to give a definite date for entry of new members at this stage, but he was fully confident that a satisfactory solution would be reached. The Prime Minister said that, now the consultation process had started, it would be very bad for Anglo-Japanese relations if the result was not positive.



Mr. Takeshita said he understood the Prime Minister would be meeting Mr. Gorbachev on her way back to London. He assumed that she would continue to offer him encouragement and support. Unfortunately Japan's business community had been rather reticent in taking up opportunities offered by the Soviet reform programme. The Prime Minister gave her view of developments in the Soviet Union in familiar terms.

As the meeting ended, Mr. Takeshita said that he was very glad to hear that imports of Scotch whisky to Japan had risen very strongly both in quantity and value. He understood the reason that the rise in value had been greater than the rise in quantity was that far more people were now drinking Johnnie Walker Black Label than Red Label.

I am copying this letter to John Gieve (H.M. Treasury), Neil Thornton (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

*Yours sincerely,  
C. D. Powell*

C. D. Powell

R.N. Peirce, Esq.,  
Foreign and Commonwealth Office.

PRIME MINISTER

**YOUR PRESS CONFERENCE**

You are to give an international press conference in the Press Centre from 1500-1620 (taking account of consecutive translation).

You will be met at the Press Centre by Mr. Shimoda, Secretary-General of the National Press Club. You will have 15 minutes for briefing with us before the Press Conference starts.

I (and the Ambassador) will be on the platform with you but, according to custom, Mr. Inukai, Managing Director of Kyodo News Agency, will preside and call questions. I will keep an eye on the time.

An opening statement is attached. It is important you break it up to allow translation.

Press Conference Substance

I suspect that the Press Conference will break down into four parts.

1. how far you think you have got in opening up Japan to trade and your reasons for optimism about the Tokyo Stock Exchange; the British media will need convincing that things are looking up and the opening statement seeks to do that. They tend to regard your speech yesterday as an urgent ultimatum.
2. Your visit to Moscow: Mr. Gorbachev's reshuffle; arms control talks - are you expecting anything new? Will you address the Supreme Soviet? What do you expect to achieve in Moscow?
3. Your reactions to outside events: eg, explosion in Bagdad possibly Ferranti; Ford/Japan, and any other matters running about which we shall keep you posted, notably EC action on water and its effect on water privatisation.

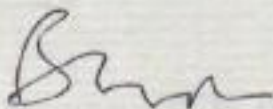


4. Japanese interest in your support for Kaifu: eg, why you agreed to last night's TV interview? Are you not interfering in their electoral process etc?

The important thing is to be positive about the Anglo/Japanese relationship: the enormous opportunities and the need in a changing world to stick together: and your confidence that trade issues will steadily but not dramatically be sorted out.

So far as Moscow is concerned, the key thing is to present the visit as a continuation of the close and valuable relationship with Mr. Gorbachev which both of you seek to refresh at regular intervals. No specific outcome is expected: the important thing is to keep each other up to date.

You are well rehearsed in the "other issues" part of the agenda.



BERNARD INGHAM

21 September 1989

PRIME MINISTER

PRESS CONFERENCE: BACKGROUND

If you are asked further about the Tokyo Stock Exchange issue, the form of words agreed with Mr. Kaifu is as follows: "On the Stock Exchange, we noted that the consultative process for further enlargement has started and we both feel confident - on the pattern of last time - that it will be brought to a successful conclusion sometime next year." It does not lie in the power of the Japanese Government to resolve the matter. But the assurances which you have received from Mr. Kaifu and Mr. Takeshita give you great confidence that a satisfactory solution will be reached next year when the consultative processes have been completed.

You may well be asked about the decision of the European Commission to take us to court over water. This is headline news in the British press. You will want to say that you find this approach astonishing and you wonder who else the Commission is taking to court. The fact is that all our drinking water is safe and a very heavy programme of investment is planned for the future, totalling more than £15 billion over the next 20 years, £5 billion of which will go to ensuring compliance with Community Directives. We shall of course defend our record vigourously before the European Court. The Commission's decision does not in any way affect the water privatisation programme.

THIS IS A COPY. THE ORIGINAL IS  
RETAINED UNDER SECTION 3 (4)  
OF THE PUBLIC RECORDS ACT

On Hurricane Hugo we have already announced £1 million in immediate emergency aid. HMS Alacrity is on the spot and providing practical assistance and we have sent up additional



help from Belize. You hope to be seeing Miss Charles in the margins of the IDU Conference and will be able to discuss Dominica's needs with her.

On your visit to the Soviet Union, I think you should say that it comes at a particularly important moment and you are very much looking forward to your discussion with Mr. Gorbachev. But you do not want to pre-empt them. Your first priority will be to get his assessment of developments in the Soviet Union. Arms control <sup>assessing</sup> ~~resources~~ are bound to be a major topic for discussion. If they ask whether you are addressing the Supreme Soviet, I suggest you say that it is an interesting idea, but a matter for Mr. Gorbachev, who presides over the Supreme Soviet, rather than for you.

C. D. POWELL

21 September 1989

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*DC*  
*Embassy*

10 DOWNING STREET

LONDON SW1A 2AA

21 September 1989

*From the Private Secretary**Dear Bob,*PRIME MINISTER'S MEETING WITH THE JAPANESE  
TRADE AND INDUSTRY MINISTER

The Prime Minister had a meeting this afternoon at the British Embassy in Tokyo with the Japanese Trade and Industry Minister. Mr. Matsunaga was accompanied by Mr. Suzuki (Vice Minister, MITI), the Japanese Ambassador and by Mr. Hatakeyama (Director General, International Trade Policy Bureau). HM Ambassador in Tokyo was also present.

The Prime Minister thanked Mr. Matsunaga for the Japanese Government's efforts to help the United Kingdom sell into the Japanese market. They had done a great deal. Mr. Matsunaga said he was happy to hear that the Opportunity Japan campaign was proving so successful. It had originally been proposed by Lord Young and had been very effectively implemented by the Ambassador and his staff.

The Prime Minister said that we very much welcomed Japanese investment in the United Kingdom, which provided an excellent springboard into the rest of the European Community market. Mr. Matsunaga said that the Japanese Government would continue to encourage Japanese investment in Britain.

The Prime Minister said that she knew the Japanese Government wanted to persuade the Japanese people to buy more imports. She wondered how they were going to implement that intention. Mr. Matsunaga said that Japanese housewives and consumers liked British goods which had an excellent reputation. The Japanese Government was also intending to take a number of specific policy measures to promote imports. These would include tax incentives for imports of manufactured goods, financial support for promotion of imports and the establishment of centres where imported goods could be displayed and retailers could inspect them. Taken together these measures should have a considerable effect. The Japanese Government wanted Japan to become a leading world importing nation. The Prime Minister said she was grateful for this assurance and welcomed the measures which she hoped would prove effective in practice.

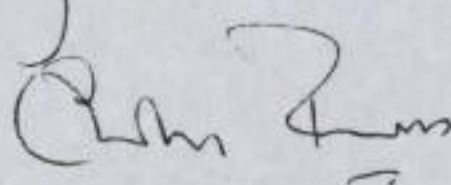
The Prime Minister asked whether Japanese society was becoming more consumer minded. Historically there had been a very high savings ratio, as high as 24 per cent by some



calculations. Mr. Matsunaga said that consumption as a proportion of disposable income was growing in Japan and the savings ratio was declining. In the past there had been a tradition of working very hard while young, in order to save for old age. This was still typical of the older generation but was changing among those born after 1950. They had not experienced real hardship and were spending much more. The Prime Minister said she was not advocating an end to saving. It was simply that we thought that the Japanese savings ratio had been too high, while our own was too low. Mr. Matsunaga said that Japan's ratio was down to 15 per cent.

The Prime Minister said that she pursued a number of specific points in our trade relations with Mr. Kaifu and she hoped there would be results. She urged the Japanese Government not to worry that the European market would become more closed after 1992. Mr. Matsunaga said that Japan respected the Prime Minister's efforts to uphold free trade and fight protectionism. In principle they welcomed the achievement of the single European market, but hoped that it would indeed remain open to the outside world. The Prime Minister said that the whole idea of the single market was to get barriers down within the Community, not erect them against the outside world. It would also be important to make a success of the GATT Uruguay Round. This must include agriculture on which the major countries had to move together. The agenda for trade negotiations was very full and it would not be easy to bring them to a successful completion. But future prosperity depended upon it. Mr. Matsunaga said that the Japanese Government looked to the Prime Minister to continue to display strong leadership in maintaining free trade. That offered the best prospect of success.

I am copying this letter to John Gieve (H M Treasury), Neil Thornton (Department of Trade and Industry), Andy Lebrecht (Ministry of Agriculture, Fisheries and Food) and Trevor Woolley (Cabinet Office).

*Yours sincerely,*  


C. D. POWELL

R. N. Pierce, Esq.,  
Foreign and Commonwealth Office



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10 DOWNING STREET

From the Private Secretary

20 September 1989

Dear Bob,

## PRIME MINISTER'S MEETING WITH THE JAPANESE FOREIGN MINISTER

The Prime Minister had a brief talk with the Japanese Foreign Minister at the British Ambassador's Residence in Tokyo this afternoon. Mr. Nakayama was accompanied by the Japanese Ambassador in London, Mr. Togo (Director General of European and Oceanic Affairs) and one other official. H.M. Ambassador Tokyo was also present.

Anglo-Japanese Relations

The Prime Minister said that the friendship and partnership between Britain and Japan were excellent. She had used her speech to the Economic Organisations to urge Japan to open its economy as much as the United Kingdom had opened its own. Unless we pressed forward with liberalisation of the world economy, there was a real danger of a relapse into protectionism.

China

The Prime Minister said that she would like to hear how the Japanese saw a number of the problems affecting the Pacific area. Events in China in June had been a shock, particularly for Hong Kong. Personally she had been surprised by the turn of events. In her various meetings with Deng Xiaoping he had always given the impression of being scarred by the experience of the cultural revolution and determined to avoid anything similar. People in Hong Kong were now very worried about their future. We all had to do everything possible to increase their confidence and to ensure that the Joint Declaration was honoured.

Mr. Nakayama said that Japan was well aware of the United Kingdom's particular concern about Hong Kong. This had been clear from the Prime Minister's speech the previous evening, as well as her speech to the Economic Organisations. Events in China had been a shock for Japan too and the pace of co-operation with China had been markedly slowed down. The Japanese Government had conveyed to the Chinese their hope that China would sustain its commitment to a policy of openness. They very much hoped that China would not alter its position towards Hong Kong. They were following the situation very closely.



Vietnamese Boat People

The Prime Minister raised the subject of Vietnamese Boat People. There were now more than 55,000 in Hong Kong. Although the rate of arrivals had slowed down a little, it remained a major problem. So far we had tried to persuade a number of those who were economic migrants rather than genuine refugees to accept voluntary repatriation. But unless the situation could be eased, we should have to resort to compulsory repatriation. She wondered how the boat people who had arrived in Japan were being dealt with.

Mr. Nakayama said that, at the Paris Conference on Cambodia, he had seen the Deputy Foreign Minister of Vietnam and demanded a systematic control of the outflow of refugees and migrants from Vietnam. Some of those arriving in Japan had been Chinese and they would be sent back, forcibly if necessary. Japan had a quota of 10,000 for genuine refugees from Vietnam and had so far settled 6,300. More recently, they had informed the United Nations High Commissioner for Refugees that they would accept a further 1,000 over three years. The Prime Minister said that it was urgent to establish the processing centre in the Philippines for refugees which had been agreed at the Geneva Conference.

Cambodia

The Prime Minister said that the outcome of the Paris Conference on Cambodia had been a disappointment. Presumably Hun Sen would simply carry on. Mr. Nakayama said that the question of Indo-China was very relevant to peace and security in the Pacific area as a whole and Japan hoped that a comprehensive agreement could still be achieved. The Prime Minister doubted whether this was a realistic aspiration in present circumstances.

Soviet Union

The Prime Minister said that she would be seeing Mr. Gorbachev on her way back to the United Kingdom. He clearly faced great difficulties, both over the economy and the nationalities. But she remained convinced that the right course was to continue to give support and encouragement to Mr. Gorbachev's policies. It would take time for economic reform to produce results in the form of an improved standard of living.

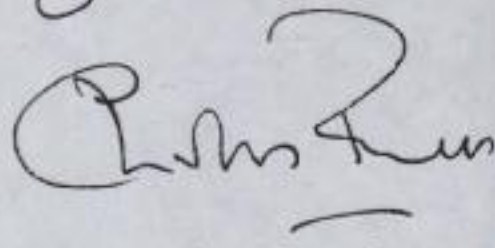
Mr. Nakayama said that he entirely shared the Prime Minister's view. Japan was grateful for the understanding shown for its position on the Northern Territories. He hoped the Prime Minister would impress on Mr. Gorbachev when she saw him that a settlement of this issue was vital for the conclusion of a peace treaty between the Soviet Union and Japan. He would himself be seeing Mr. Shevardnadze in New York. In response to the Prime Minister's question, he confirmed there had been no recent change in the Soviet position. The Prime Minister said that Mr. Gorbachev

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- 3 -

had a great many problems to cope with at present. She doubted it would be opportune for her to raise the problem with him in Moscow. But we certainly subscribed to the principle that no-one should gain territory as a result of war.

I am copying this letter to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

Yours sincerely,  


C. D. POWELL

R. N. Peirce, Esq.,  
Foreign and Commonwealth Office

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*file*

**Address by  
Keizai Doyukai Chairman Ishihara  
at the  
Luncheon Meeting in Honour of  
The Right Honourable Margaret Thatcher, P.C., M.P.,  
Prime Minister of The United Kingdom**

**Wednesday, September 20, 1989  
The Rose Room, Tokyo Kaikan**

Prime Minister, Distinguished Guests, Ladies and Gentlemen:

I am very grateful, Prime Minister, that you have kindly agreed to take time out of your tightly packed Japan schedule to join us here today at this meeting. I have the pleasant duty of offering you a warm welcome on behalf of Keizai Doyukai (the Japan Association of Corporate Executives), Keidanren (the Federation of Economic Organizations), the Japan Chamber of Commerce and Industry, the Japan Employers' Association and the Japan Trade Association.

In recent years relations between the United Kingdom and Japan have grown closer than ever in political, economic, and all

other fields of human endeavour. The bonds of trust and friendship between our two nations have now become firm and unshakeable.

With particular regard to economic relations, from the time that you assumed office, Prime Minister, there has been steady and sustained growth in both trade and investment. The value of Japanese direct investment in the U.K. has jumped by a factor of ten in the last three years, surpassing our direct investment elsewhere in the European Community. Japanese investments in such areas as colour television sets, VTRs, motorcars, office machines, components, and semiconductors have been matched by British investments in Japan, most notably in the pharmaceutical, chemical, financial and securities fields. It is fair to say that both our countries know their strengths, as can be seen by moves by leading corporations on both sides to seize opportunities and expand operations in the mutually hospitable environment. It is a salient feature of our current bilateral economic relations that the tangible achievements of our performance effectively function as a "productive cycle," inviting greater investment and reinforcing our ties still further.

Prime Minister, it is my personal conviction that this excellent bilateral record is greatly due to your efforts, and the success you have had at the helm of state in revitalizing the British economy over the past ten years. Those of us in Japan's private sector well



realize the benefits than can accrue from government encouragement of self-help, deregulation and privatization. You have valiantly worked to allow market principles stimulate Britain's industrial economy, and your unwaivering commitment, consistent policies, matchless leadership and diplomatic expertise have veritably won our sympathy, trust and admiration. I am personally indebted to you for your patience in waiting three long years while my company deliberated and then finally made a formal decision to set up business in the U.K. As I review the subsequent pattern of Japanese investment in Britain, I am impressed with the fact that Japanese corporate decisions have been prompted by the trust and tolerance you, Prime Minister, have extended to Japanese enterprises over the years.

We now face a future that will see further globalization of corporate operations, consolidation of international economic interdependence and, of course, the integration of the European Community in 1992. Amidst these changes, the United Kingdom and Japan stand together as they face and solve their own problems, and as they cooperate and contribute to the creation of an open and dynamic economic environment for the world.

At the same time, it is of vital importance for our two countries to further strengthen our friendly relationship in all its aspects, by

*in a new partnership.*

taking advantage of various opportunities including cultural exchanges such as UK 90 and Japan Festival 1991.

Prime Minister, your visit to Japan will undoubtedly prove to be another landmark in our ever prosperous relations.

Thank you.

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SUBJECT: ~~MAJOR~~  
MAJOR

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ccPC  
Embassy

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

20 September 1989

Dear Bob,

PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF JAPAN

The Prime Minister had a session of talks with the Japanese Prime Minister at the Akasaka Palace in Tokyo this afternoon, following which they did a joint television interview and went on to a working supper. The talks were very friendly and useful progress was made on the question of additional seats for British firms on the Tokyo Stock Exchange. The Prime Minister found Mr. Kaifu sincere, serious and well-intentioned, if rather lightweight.

Mr. Kaifu was accompanied during the talks and working supper by the Japanese Ambassador in London, Mr. Hayashi (Director-General of Economic Affairs, MFA), Mr. Togo (Director-General of European and Oceanic Affairs, MFA) and two other officials. All five of them took copious notes. H.M. Ambassador Tokyo was also present.

Introduction

Mr. Kaifu said that it was an honour to welcome the Prime Minister to Japan. She was the first Head of Government of the Summit Seven countries to visit Japan in his time as Prime Minister. It was a particular pleasure because he knew the United Kingdom well, indeed it was a favourite country for him. He had been a keen member of the UK-Japan 2000 Group.

The Prime Minister said that she thought her visit was timely. A great deal was happening in the world, which meant also there were great uncertainties. It was very important for the Summit Seven countries to keep in close touch, not just on economic issues but also the main political questions. There were also new problems to be faced, in particular the environment. She had read and admired Mr. Kaifu's speech of 11 September on this subject. She felt she was dealing with a friend, given Mr. Kaifu's long association with the UK-Japan 2000 Group, which had brought him at least twice to No.10 Downing Street.

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Mr. Kaifu said there was great respect in Japan for the Prime Minister's strong leadership. At the time of the miners' strike, there had been worries in Japan about what would happen to the United Kingdom, but the Prime Minister's strength and determination had prevailed. In a small way, he had been through a similar experience as Deputy Cabinet Secretary with a rail strike in Japan, and knew what it was like.

#### Anglo-Japanese relations

Mr. Kaifu said that Japan had consciously tried to emulate the United States and Britain, both in its democracy and in its free market economy. The results which had been accomplished were gratifying. He would like to see even closer co-operation in the future, in particular a pooling of efforts to deal with global issues such as the environment and aid for development.

The Prime Minister said that Japan was to be congratulated on its tremendous economic success. An immensely strong economy had been developed and Japan had demonstrated a unique capacity for developing new products. One of the main secrets of Japan's success had been her ability to turn scientific and technological advances to profitable commercial purposes. In addition, Japan's industrial management was quite outstanding and our experience of it in Britain had been wholly positive. We very much welcomed Japan's inward investment.

Mr. Kaifu said that he was gratified to hear the Prime Minister's high opinion of Japan. His country had benefited from the warm and thoughtful attitudes of more established members of the international community. His personal view was that one of the most important elements in Japan's success was its commitment to training engineers and technicians. Japan turned out more engineering graduates each year than the United States. Against this, not enough had been done to promote basic science and research. He was familiar with the success story of Japan's investment in Britain. The first investors had been very doubtful whether Japan's management would work in the United Kingdom, but their doubts had been wholly assuaged in practice. This was due to the British Government's policies of deregulation and incentives to enterprise.

#### Trade Relations

The Prime Minister said it might be as well to get straight down to some of the difficult trade issues. Once these were dealt with, it would be smiles all round. She believed that Japan and Britain had many of the same objectives. They both wanted to maintain an open world trading system. The pressures to protect particular industries or service sectors were growing. You could see the trend towards protectionism in the US Congress. You could see it in the European Community with the Common Agricultural Policy and the attempt to introduce strict reciprocity for banking and financial services. And you could see it in Japan in a number of the ways which she had mentioned in her speech earlier in the day to the Economic Organisations. But these pressures had to be resisted. She was convinced Britain had one of the most open markets in the world, and she would like to see Japan take further steps to open its market.



The Prime Minister continued she would not run through the whole gamut of issues but mention just a few. First, we were very grateful to Mr. Takeshita for dealing with the liquor tax question. Unfortunately there seemed to be some attempt now to undermine this through the sale of whisky look-alikes. She hoped the necessary action could be taken to prevent this. Second, there was the question of additional seats for British firms on the Tokyo Stock Exchange. Mr. Kaifu was the fourth Japanese Prime Minister with whom she found it necessary to raise this issue. It was a irritant in our relations and she hoped we could now bring it to a successful solution. Thirdly, there was the question of air services, where we wanted to see much more extensive deregulation, with greater flexibility over routes, capacity and fares. The UK-Japan 2000 Group had particularly asked her to raise this issue. Fourth, there were the other structural reforms which she had mentioned in her speech, including the distribution system. She hoped all these would be pursued with vigour.

Mr. Kaifu said that he would deal with all these points frankly. He was pleased that the liquor tax issue had been resolved and that as a result sales of whisky had risen greatly. Official talks had been held on the problem presented by new spirits and he accepted that steps must be taken to ensure that whisky and new spirits were perceived as different, for instance in colour and appearance. The Japanese Government would continue its efforts on this score. He had familiarised himself with the subject of seats on the Tokyo Stock Exchange. The Government had no direct power on this matter: it was for the members of the Tokyo Stock Exchange themselves to decide. But he had talked to the President of the Stock Exchange and conveyed his personal wish that the Stock Exchange should address the issue and be as forthcoming as possible, so that he would be not only the fourth Japanese Prime Minister with whom Mrs. Thatcher had raised the issue, but also the last. The President of the Stock Exchange was well aware of the Prime Minister's interest. He recalled that on the previous occasion when membership had been enlarged, the consultations had taken about six months, following which a further six months had been necessary to complete the process of achieving membership. The President had assured him that the further enlargement of the Stock Exchange membership had his positive support, but he needed some more time. Mr. Kaifu continued that his personal expectation was that the matter would be brought to a positive conclusion. He was very confident about this. At the Prime Minister's suggestion, an agreed form of words was worked out for use with the press. This reads:

"On the Stock Exchange, we noted that the consultative process for further enlargement has started and we both feel confident - on the pattern of last time - that it will be brought to a successful conclusion sometime next year."

Turning to the problem of air fares, Mr. Kaifu said that fares from Tokyo to London had already been lowered by 12 per cent earlier this year to reduce the discrepancy between fares from Tokyo and those from London. There was to be a



further reduction soon. The Prime Minister said that a broader, deregulatory approach was needed. There would be discussions of air services between officials in October and she hoped that progress could be made then. We had similar problems with the number of European countries. She was raising these specific issues because of her fear that, unless they were satisfactorily resolved, the pressure for a cosy bilateral arrangements which would have the effect of restricting trade would grow.

Mr. Kaifu's visit to the US, Canada and Mexico

The Prime Minister invited Mr. Kaifu to tell her about his very successful visits to the United States, Canada and Mexico.

Mr. Kaifu said that he had decided to make an early visit to the United States, because it was the leader of the free world. No other country could substitute for that role and the responsibilities which went with it. He had wanted to assure President Bush that the basic direction of Japan's diplomacy remained unchanged and that there was strong mutual trust with the United States, as with all nations which upheld the values of freedom and democracy. He had found there were those in the United States who seemed to doubt whether Japan was a real democracy and saw his country as interested in nothing more than making money. He had done his best to counteract this view. He had also met Members of Congress and found them mostly concerned with trade issues and the structural impediments' initiative. He had made clear that Japan was ready to listen to US views on this, but that Japan would also have concerns of its own to raise, for instance the problem of the US deficit and the deficiencies of American management. His task was to improve the quality of life in Japan, not at the behest of the US but for Japan's own reasons. He very much agreed with the Prime Minister on the importance of deregulation and would shortly be making his views clear in a policy statement to Parliament.

Mr. Kaifu continued that he had also visited Mexico, as the first country to benefit under the new debt reduction initiative. He thought the whole question of debt highly important, with a bearing on the future prosperity of the entire world. The Prime Minister commented that President Salinas was very sound and deserved help.

Mr. Kaifu continued that he had had also held good discussions in Canada with Mr. Mulroney, who shared his concerns about consumption tax. The Prime Minister congratulated Mr. Kaifu on the success of his visits. Her only comment on the subject of debt was that it would be grossly unfair to those countries who had borrowed little and repaid their debts promptly to agree to write off the debts of those who were more profligate.



### Cultural Relations

Mr. Kaifu said that cultural relations between Britain and Japan were very important. He was grateful for the Prime Minister's support for the UK 90 Festival in Japan and the Japan Festival to be held in the UK in 1991. The Prime Minister said that she hoped both would be a great success. Mr. Kaifu said he understood that HRH The Prince of Wales was considering whether to become a Patron of the 1991 Japan Festival. He could confirm that the Crown Prince of Japan would do so.

### Japanese Politics

The Prime Minister said she would be interested to hear Mr. Kaifu's views of the future of Japanese politics and society and how they were changing. She believed it was very important in politics to take a long-term view and work towards it.

Mr. Kaifu said that it was a time of great change in Japan. The era of blind pursuit of affluence was over, and it was time to consider what Japan had lost in spiritual richness. Moreover, Japan had reached a point where people wanted genuine fairness and equality in society. This applied particularly to women: their contribution to Japan's society had to be more fully recognised. Another factor for change was that Japan was an ageing society. Each year one million people passed the age of 65. Birth rates had fallen and were now 1.6 per family. Mr. Takeshita had this problem of an ageing society in mind when he embarked on his tax reform. Japan had to consider what kind of vision and hope it could offer its senior citizens. He was also greatly concerned by the decline of the family in Japan, which he thought lay at the root of many of the problems, drugs, youth delinquency and violence. He wanted to revive the family and the role of parents.

The Prime Minister said she very much agreed with Mr. Kaifu on the importance of family. She thought that television had been a great disruptive influence on family life.

Before these themes could be developed more fully, the talks had to break for the joint television interview. You will receive a separate transcript of this.

Over dinner, the Prime Minister asked Mr. Kaifu about the likely date of an election in Japan. Mr. Kaifu said that he was anxious to establish his draft budget and set out his wider policies before approaching the electorate.

### China/Hong Kong

There was also a brief discussion of China and Hong Kong over dinner. Mr. Kaifu said that Mr. Ito had recently been in Peking with a parliamentary delegation and seen Deng Xiaoping and other senior officials. He had found them committed to continuing the policy of reform and openness to the outside world. The only blank spot had been their refusal to admit that anything untoward had happened in June. This was, of course, not acceptable. Mr. Kaifu agreed with the Prime Minister that it was very desirable to help restore confidence in Hong Kong. He believed that Japanese businessmen would continue, indeed increase, their investment in Hong Kong.

There was also a brief discussion of developments in the Soviet Union of no great moment. Mr. Kaifu did not raise the subject of the Northern Territories. Otherwise, conversation over dinner was cheerful but general and inconsequential.

I am copying this letter to John Gieve (H M Treasury), Neil Thornton (Department of Trade and Industry), Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

*Yours sincerely*  
*C. D. Powell*

C. D. POWELL

R. N. Peirce, Esq.,  
Foreign and Commonwealth Office



DATE : 19 September 1989

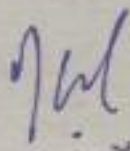
cc : Minister  
EC

Ambassador  
Mr C Powell

TOKYO STOCK EXCHANGE

1. I understand from the Treasury that the Chancellor has indicated that he would be willing to pursue the Tokyo Stock Exchange issue with Mr Hashimoto, the Minister of Finance, when he meets him at the IMF Annual Meetings in Washington later this week. Even if it was not necessary for him to pursue it, it might still be useful for him to know the outcome of the Prime Minister's discussion on this topic with Mr Kaifu on Wednesday.

2. If you agree, we will need to arrange for a short telegram to go to Washington on Thursday.



D G Raikes  
Financial Attache



OFFICE OF ARTS AND LIBRARIES  
Horse Guards Road  
London SW1P 3AL  
Telephone 01-270 5929

*From the Minister for the Arts*

C89/4245

RA.

Paul Gray Esq  
10 Downing Street  
LONDON SW1A 2AA

19 September 1989

*Dear Paul,*

I discussed with you today the opportunities the Prime Minister might have during her visit to Japan to mention Arts Sponsorship by Japanese companies. The Philharmonia has indicated that it would be very helpful if the Prime Minister were able to welcome the interest shown by the Japanese companies, and this would also add a personal note to the Prime Minister's meetings.

... I attach brief background notes on the Philharmonia's Japanese sponsors.

*Yours sincerely,*

*Antonia Tatham.*

ANTONIA TATHAM  
Assistant Private Secretary



MR. POWELL

VISIT TO FUJITSU

Very late in the day OAL have suggested the Prime Minister might want to commend Fujitsu on its sponsorship of the Philharmonia. I attach a note you might like to show the Prime Minister if there is time en route. It also gives details of sponsorship the Philharmonia are getting from other Japanese companies.

*JD*

*Duty Clerk*

*f* PAUL GRAY

19 September 1989

a:fujitsu/jd

## THE PHILHARMONIA: JAPANESE SPONSORSHIP

The Philharmonia is well supported by Japanese companies.

### i) FUJITSU

#### Background

Fujitsu's first sponsorship was of £150,000 for the 1988/89 season which included a Japanese tour in October 1988 and concerts in UK, Italy and Germany. Discussions are currently taking place about sponsorship for concerts in the 1989/90 season. Concerts feature young Japanese soloists.

#### Points to make

Welcome Fujitsu's sponsorship of The Philharmonia and in particular participation of young Japanese soloists. Illustrates genuine inter-cultural collaboration.

### ii) NISSAN

#### Background

Nissan (UK), sole distributors of Nissan cars in UK, have sponsored The Philharmonia with £400,000 for their 1985/86-1988/89 seasons and have just renewed for a further 4 years with £460,000 from the 1989/90 season. This sponsorship is handled independently of Nissan (Tokyo) but their Chairman is always invited to the concerts in Tokyo.

#### Points to make

Welcome renewal of Nissan (UK) sponsorship of The Philharmonia. This continuing support of UK cultural activities demonstrates mutual importance of such collaboration.

### iii) MITSUBISHI

#### Background

Mitsubishi are now in their fourth year of sponsorship of The Philharmonia of £20,000 a season.

### iv) KUMAGAI GUMI

#### Background

Kumagai Gumi started an on-going sponsorship of The Philharmonia in 1988/89 of £20,000 a season.

Office of Arts & Libraries  
September 1989.





Mr Powell

cc: Ambassador  
Mr Ingham  
Duty Clerk  
Mr Bateman  
Supt Butler

1. The bilateral with Mr Peacock has been fixed for 1200 to 1230 on Friday 22 September at the New Otani Hotel.

G H Fry  
Head of Chancery

19 September 1989

Charles  
JW has tentatively fixed this up but wants you to OK it before going firm. J



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

19 September 1989

The Prime Minister was very grateful for your kind letter of welcome which she received on her arrival at the Embassy. She has asked me to thank you most warmly and to wish Baring Securities (Japan) Limited continuing success in the future.

C. D. POWELL

Richard Greer, Esq.

*elo m*



# Baring Securities (Japan) Limited

10F Shin-Kasumigaseki Building  
3-2, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100, Japan

*19/9 in  
Tokyo*

19 September, 1989

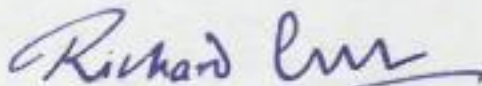
The Rt. Hon. Margaret Thatcher F. R. S., M.P.  
c/o British Embassy, Tokyo

Dear Prime Minister,

Welcome to Tokyo; I hope you had a comfortable flight over here. The members of Conservatives Abroad look forward to meeting you on Thursday, and we all wish you every success with your visit.

Baring Securities' growth in Japan and our high level of profitability would not have been possible without the assistance Michael Howard and yourself gave in obtaining our branch licence and later TSE membership. That is something greatly appreciated by everyone working in the company.

Yours sincerely,



Richard E. Greer  
Branch Manager

Mr Powell  
PS/Prime Minister

cc: Ambassador  
Minister  
Mr Alderson

JAPANESE INVESTMENT IN UK

1. Your brief says that there are 105 Japanese manufacturing investments in the UK. In fact, with a few recent announcements the total now stands at 112. This figure can be used publicly. I attach a copy of the full list.

*S J Gomersall*

S J Gomersall

19 September 1989



cc Australia

DSR 11C  
(Revised 5/87)

Relation

cc Mr Ingham  
Mr Porter  
Duty Clerk

Mr C Powell

SECURITY CLASSIFICATION

Top Secret

Secret

Confidential

Restricted

Unclassified

PRIVACY MARKING

In Confidence

BILATERAL WITH MR PEACOCK

1. I have agreed with Mr <sup>Stephen</sup> Brady, Foreign Policy adviser to Mr Peacock, that the meeting take place in the Prime Minister's suite at 1200 - 1230. Mr Peacock ~~will~~ will be accompanied by ~~the~~ Senator Robert Hill, Shadow Foreign Minister, and Mr Brady. One Australian TV crew and one still camera will be there for the first few minutes.

2. I was asked who would ~~be present~~ <sup>attend</sup> from our side and what British media might attend the beginning.

ETJ,



FILE 820

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

18 September 1989

**PRIME MINISTER'S VISIT TO JAPAN:  
SPEECHES**

I enclose copies of the Prime Minister's lesser speeches in Japan in the form which she has approved them. In practice I think she will make impromptu speeches but will generally follow the line set out in these texts.

(C. D. POWELL)

R. N. Peirce, Esq.,  
Foreign and Commonwealth Office.





Foreign and Commonwealth Office

London SW1A 2AH

18 October 1989

SEPTEMBER

*John Daminis*

Osaka Garden Festival

Charles Powell wrote to me on 8 September about Sir Julian Ridsdale's approaches to him on official participation at the Osaka Garden Festival. (I wrote to him on this subject on 26 June.) I am sorry that this letter comes after the party's departure for Tokyo; but you may think it worth faxing to them.

The brief for the Prime Minister's talks (my letter of 11 September) contains a defensive line on the Osaka Festival. But, given the persistence with which the Japanese are pursuing this, you should know a bit more of the background.

There is an important principle at stake here which Sir Julian Ridsdale has so far been unwilling to recognise. We have strongly supported changes to the Protocol of the International Exhibitions Bureau (BIE) aimed at reducing the number of officially recognised international exhibitions; garden festivals in particular have proliferated in recent years. In common with our EC partners, we decided not to participate as a Government in garden festivals; in our view, participation is more appropriate to the private sector.

We have repeatedly explained the position to the Japanese Government who, I think, now appreciate that our position reflects a point of principle and does not imply that we do not wish the Osaka Festival well. This is not likely, however, to prevent the Japanese from raising the issue with the Prime Minister during her visit to Japan.

The Japanese have also been lobbying hard elsewhere for official participation in Osaka. Since I wrote on 26 June the number of countries which have agreed to take part officially has risen to 50. Among our EC partners the Netherlands, Ireland, Belgium and Italy have broken ranks and will be in Osaka officially. But France and the FRG continue to share our opposition to official participation (even though the Germans will be having their own international garden festival in 1993). To reverse our line on Osaka now would undermine the action we have taken in the EC and in the BIE.

/There



There is certainly no evidence to support Sir Julian's contention that failure to provide official support for British participation at Osaka is having a disproportionately harmful effect on our standing in Japan. We have an excellent record of participating in major international exhibitions there (Osaka 1970, Okinawa 1976 and Tsukuba 1985). The Japanese did not take part officially at the Liverpool Garden Festival in 1984 nor did they appoint a Commissioner General.

The absence of official participation does not mean that the UK will not be represented at Osaka. Plans are proceeding for the construction of a private sector British Garden at the festival. The design (launched publicly on 15 August) looks attractive and will make a good contribution. The Japanese are pleased that Sir Julian has accepted the nomination as British Commissioner. We are considering whether we might be able to make a token contribution to the expenses of the British Garden Working Group. The Consulate General at Osaka stand ready to offer appropriate local support.

I am copying this letter to Andrew Lebrecht at the MAFF.

*Yours ever*

A handwritten signature in blue ink, appearing to read 'R N Peirce', with a long horizontal flourish extending to the right.

(R N Peirce)  
Private Secretary

Dominic Morris Esq  
PS/10 Downing Street





Treasury Chambers, Parliament Street, SW1P 3AG  
01-270 3000

18 September 1989

Charles Powell Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
LONDON  
SW1A 2AA

*Dear Charles*

**PRIME MINISTER'S VISIT TO JAPAN: TOKYO STOCK EXCHANGE**

The Prime Minister should be aware of a conversation which Nigel Wicks had with Makoto Utsumi, Japanese Vice Minister of Finance for International Affairs about the Tokyo Stock Exchange.

Utsumi said that his Prime Minister will be briefed to say to the Prime Minister that while he cannot give a commitment on a matter within the responsibility of the Tokyo Stock Exchange, he understands that the timetable of the TSE Committee investigating new membership will be the same as last time - informal agreement on new members within 6 months and a final announcement within 12. Kaifu has been briefed to go on to say that the TSE is well aware of the UK's aspirations for membership - by which it is understood is meant full membership - for two firms. Utsumi's private advice to Wicks was that if his Prime Minister did not volunteer this information in one intervention, Mrs Thatcher should ask questions which would elicit it.

I am sending a copy of this letter to Bob Peirce (FCO), Ben Slocock (DTI) and Paul Tucker (Bank).

*Yours sincerely*  
*Jonathan Taylor*

J M G TAYLOR  
Private Secretary

# Towards the Establishment of a New Creative Research Environment

## White Paper on Science & Technology 1988

*The 1988 White Paper on Science & Technology was compiled by the Science & Technology Agency and submitted to the Cabinet on Dec. 23, 1988.*

*Following is a summary of the main points.*

To establish a foundation for its own development and to fill a global role toward the 21st century commensurate with its status, Japan must continue striving to improve its levels of science and technology. Success or failure in this endeavour will depend primarily on how effectively Japan can strengthen and promote creative R&D, particularly in basic research.

Against this backdrop, the 1988 Science & Technology White Paper, entitled *Towards the Establishment of a New Creative Research Environment*, examines the present research environment and future tasks for promoting creative R&D in Japan, from a global perspective.

### Chapter 1

#### Fostering Environment for Creative R&D

Chapter 1 outlines the level of internationalisation of Japanese science and technology, and the promotion of basic research. Pointed out is the importance of retaining an international perspective when improving the research environment. Japan can thereby promote creative R&D not only for the nation's future but also to raise the level of Japan's international contribution.

#### Progress in International Cooperation

As science and technology become increasingly intertwined with economics, society, diplomacy etc., new rules of conduct and cooperation between

nations are being sought based on the recognition of the growing multipolarisation and interdependence in the scientific and technological community.

Furthermore, reflecting the trend towards large-scale projects and inter-

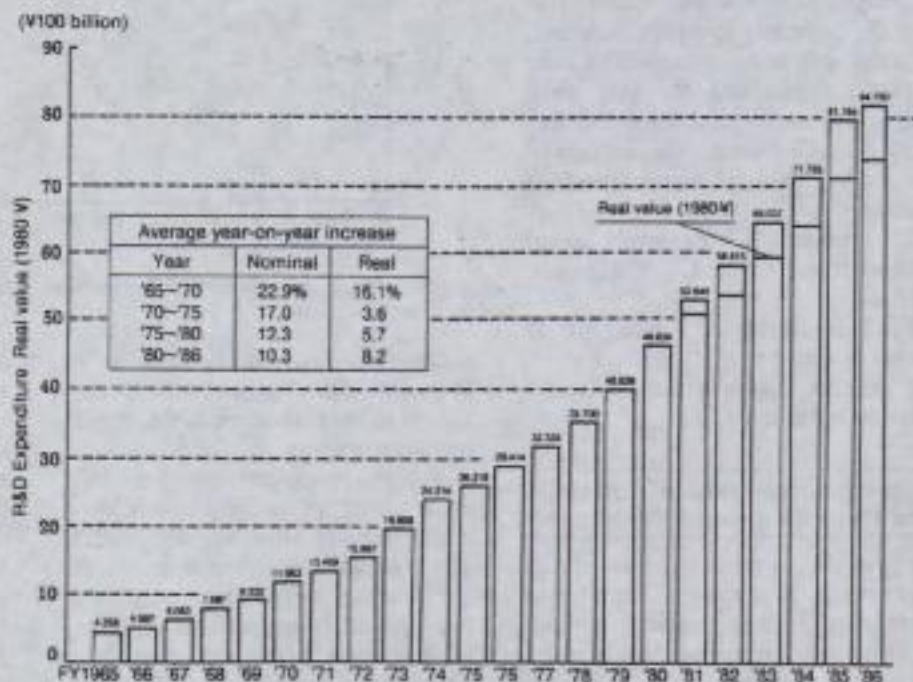


Fig. 1: Trends in R&D Expenditure in Japan



## SPECIAL FEATURES

dependency in science and technology, a number of cooperative projects on a global scale are now being undertaken, including the international space station project, nuclear fusion research, studies on global climatic change and the Human Frontier Science Program, while others are being proposed.

### Basic Research Expenditure; Research Level

Due largely to spending by the industrial sector, Japan's R&D expenditure has risen sharply to the point where Japan is now second only to the US in the free world as an investor in R&D (see Figs. 1, 2). Investment in basic research is also increasing steadily, reflecting Japan's policy of emphasising such research. During the period FY1977~86, annual spending on basic research more than doubled, rising at a rate of 8.9% (see Fig. 3). An international comparison is shown in Fig. 4.

As for levels of basic research compared with other nations, an August 1988 survey of 1,000 basic researchers in Japan revealed that in certain areas of basic research in such categories as matter/materials and information/electronics, Japan is seen as having overtaken the US and W. Europe, or at least to have attained equality (see Fig. 5). Generally speaking, however, a sizable gap is still perceived to exist between Japan and the US, while Japan lags somewhat behind Europe.

In simplified terms, the findings of the survey can be summarised as follows:

- i) Life science: US > Europe > Japan;
- ii) matter/materials: US > Japan = Europe;
- iii) information/electronics: US > Japan > Europe;
- iv) marine/Earth science: US > Europe > Japan.

### Strengthening Basic Research; the Need for a New Environment

For the sake of meeting its own long-term needs, it is essential that Japan strengthen its basic research by considering new approaches, while maintaining and developing its potential for applied R&D which has been

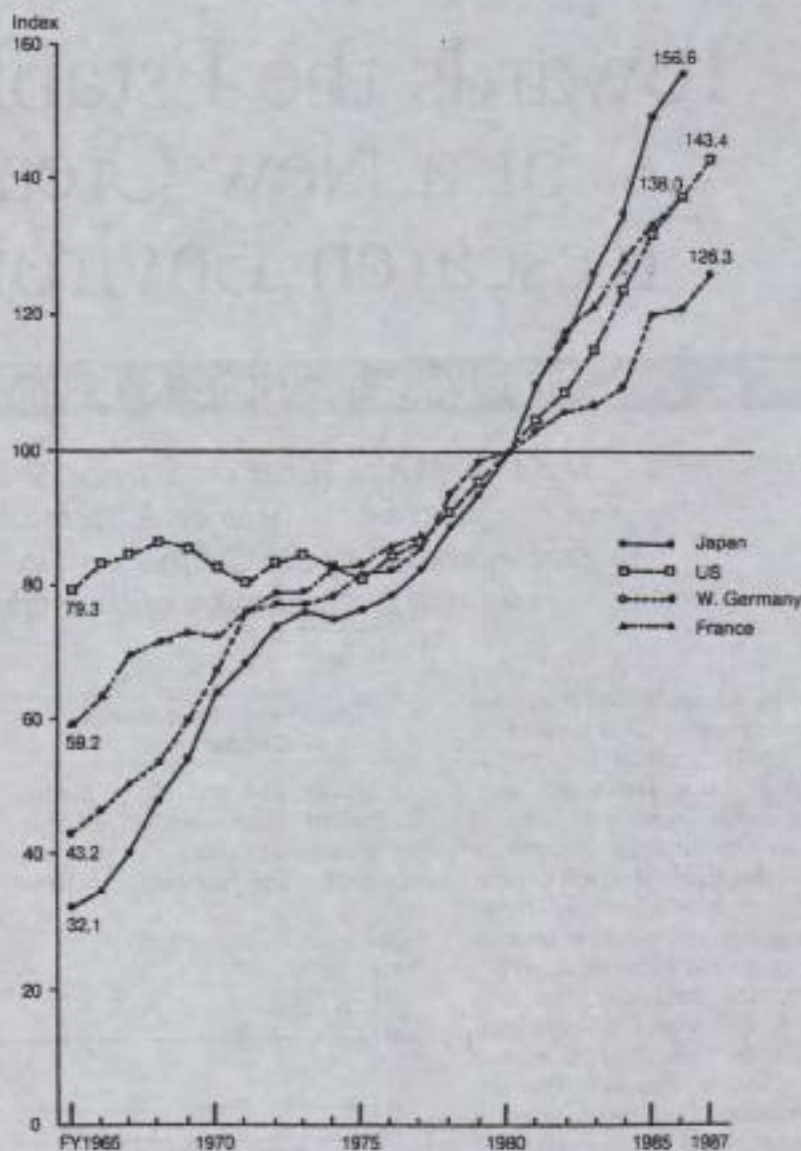


Fig. 2: Increase in R&D Expenditure in Major Countries (in real terms)

successfully fostered up to now. At the same time, Japan should contribute to the expansion of the world's intellectual assets.

Various conditions must be met in order to strengthen basic research and make it more effective, and the research environment must be improved.

Hitherto, Japan's industrial sector has stressed organisational efficiency with a view to catching up with advanced competitors of the West. Likewise, Japanese society has cus-

tomarily attached more importance to harmony than to creativity.

Basic research, however, will always rely heavily for its strength on the ability of individuals. In the future, therefore, while continuing to stress the traditional value of harmony, Japan must also give serious consideration to establishing systems which emphasise completely different values. In particular, changes are needed in areas of "software", notably research systems and research evaluation.



## SPECIAL FEATURES

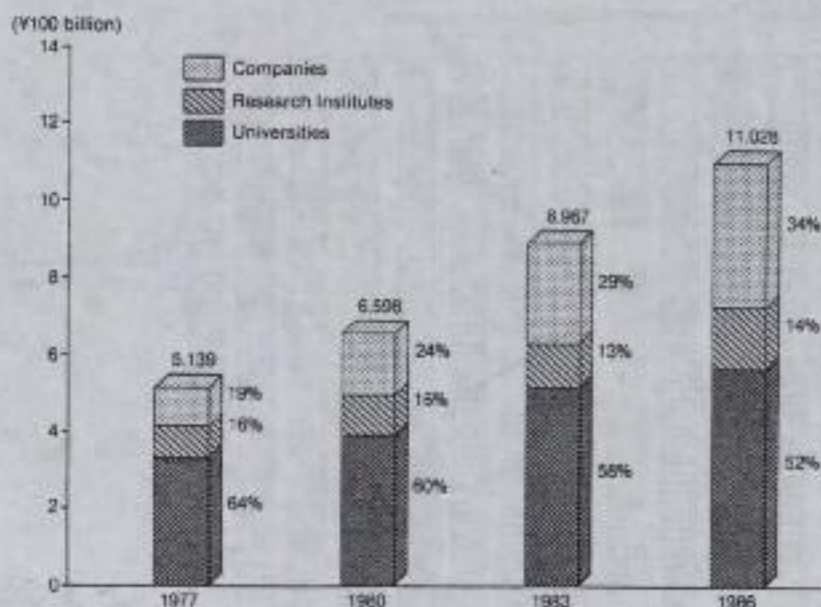


Fig. 3: Basic Research Expenditure by Sector in Japan

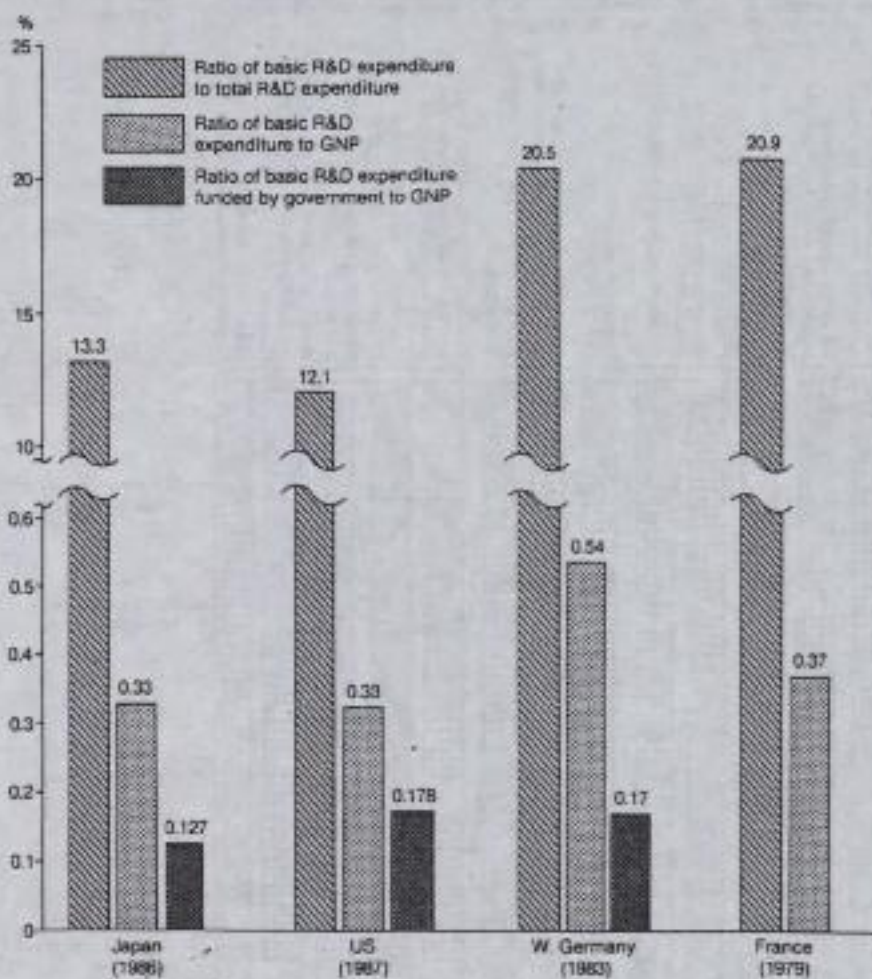


Fig. 4: Ratio of Basic R&D Expenditures of Major Nations

### International Perspective Needed in Improving Environment

There is a growing awareness that the shared responsibility for promoting science and technology should be shouldered by individual nations to degrees commensurate with their economic strength and level of science and technology.

Hitherto, science and technology have progressed on the basis of free exchange of research results and researchers. Japan is a country which has benefited much from this free exchange. It is thus an obligation of Japan's to establish an R&D system more open to the rest of the world than the one currently in place.

### Chapter 2

#### Establishing Creative Environment from Global Perspective

Chapter 2 looks at the present state of various aspects of Japan's research environment. It points out that, although considerable improvements have been made in "hardware" such as facilities and equipment, there is still room for improvement in such "software" aspects as research management.

#### Systems for Creative R&D; Research Personnel

##### Improving Research Systems

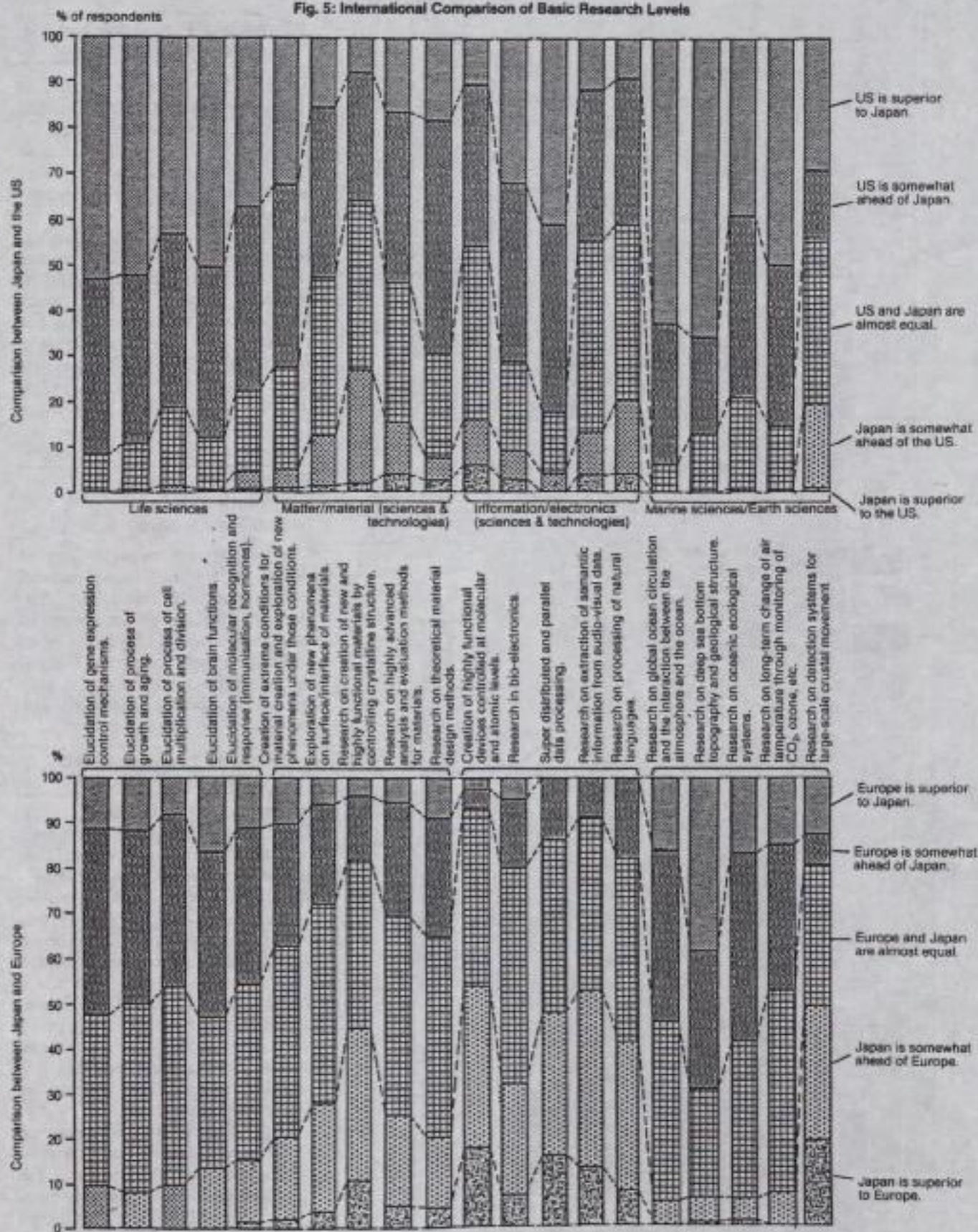
There is a strong need to secure both research personnel and research funds as foundation stones for strengthening basic research. An even stronger need exists, however, in industry, universities and government, for improved organisation, systems and research environment. Put simply, there is a strong need to create an advanced organisational structure ideally suited to basic research. Basic research emphasises original ideas. For this, it is necessary to stress individuals more than organisations.

Under these circumstances, national research institutes are currently reassessing and revamping their research organisations, along the guidelines given in Report No. 13 of the Council for Science & Technology.



## SPECIAL FEATURES

Fig. 5: International Comparison of Basic Research Levels





## SPECIAL FEATURES

In the industrial sector also, new emphasis is now being placed on basic research which has the potential to generate its own seeds of innovation. According to a corporate survey conducted by the Science & Technology Agency in June 1988, more than 70% of private corporations place emphasis on basic research. Evidence of this is the growing trend in recent years of building basic research institutes.

In strengthening and promoting basic research, important areas requiring managerial improvements are shown in Fig. 6.

### Cooperation Between Industry, Universities, Government; Researcher Exchange

Recently R&D has become more sophisticated and complex, and has expanded outwards to boundary regions and interdisciplinarity. To support such creative R&D, it is necessary to promote exchange of researchers and to tackle problems of science by adopting an interdisciplinary and interindustrial approach.

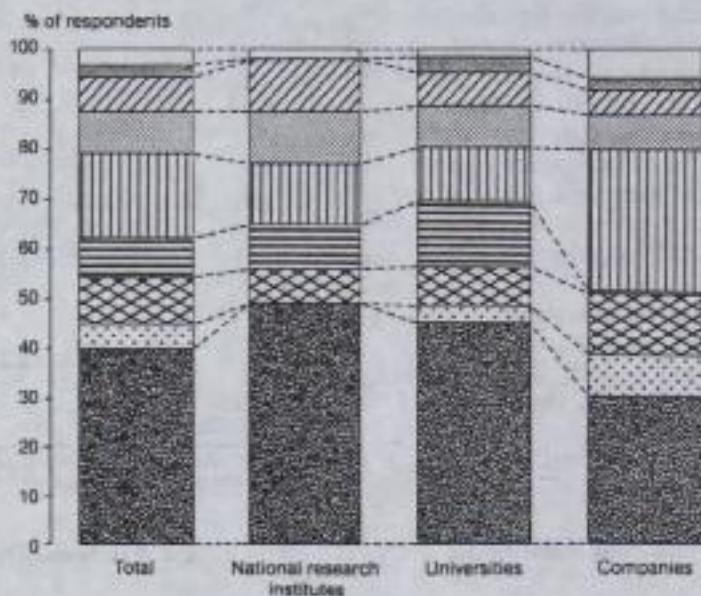
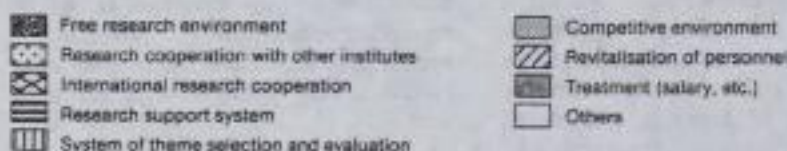


Fig. 6: Important Issues for Improvement of Basic Research Management

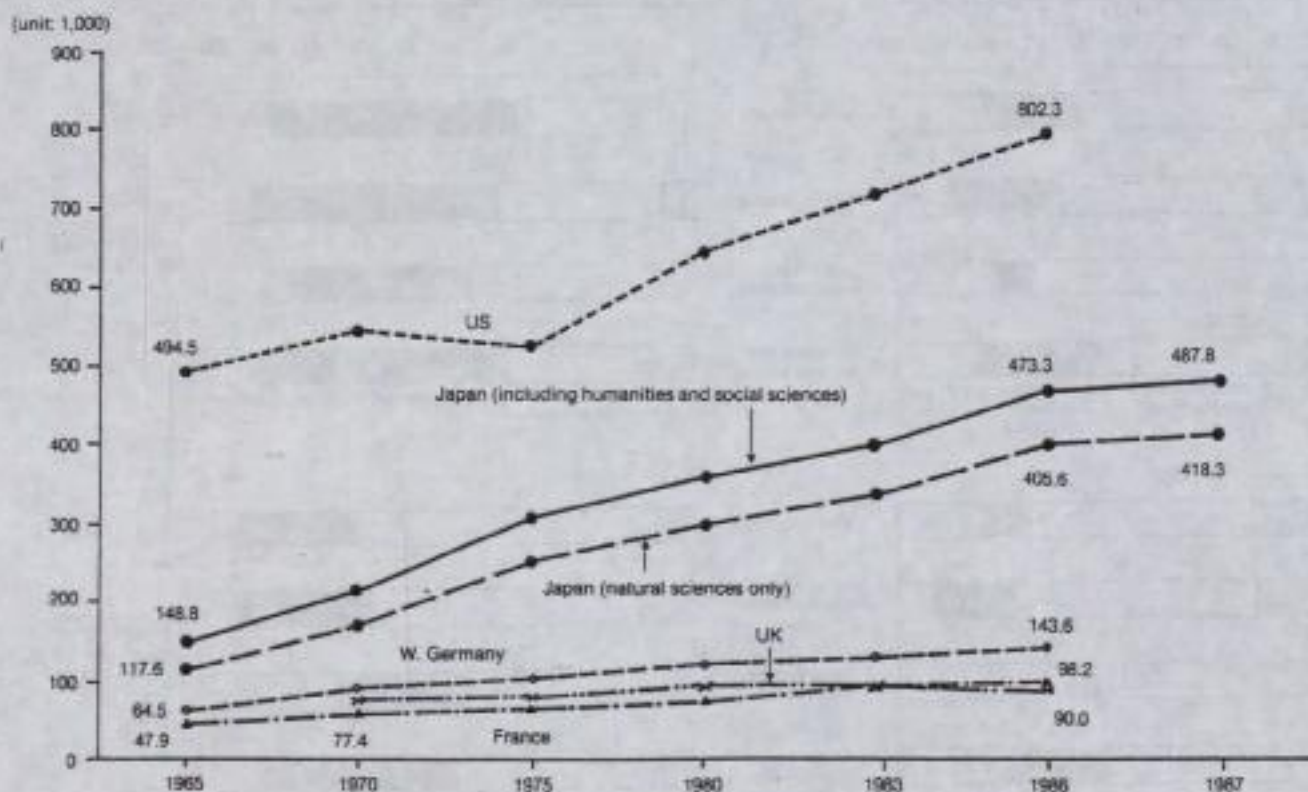


Fig. 7: Trends in Numbers of Researchers in Major Nations



## SPECIAL FEATURES

While exchanges involving foreign researchers are tending to increase in all areas, closer examination shows that there is still an imbalance between the number of Japanese researchers being sent abroad and the number of foreign researchers visiting Japan.

Under these circumstances, in addition to governmental systems for accepting foreign researchers which had been in place for some time, the government has recently taken steps to establish and substantiate new fellowship systems to increase the number of visiting foreign researchers.

### Structure of Research Personnel

The number of researchers in Japan has grown steadily since 1965. For example, from 1965~87, the number of natural science researchers grew 3.6 fold (see Fig. 7). This growth rate far exceeds that recorded in any other country.

Closer examination reveals two par-

ticularly noteworthy features of Japan's researcher community. First, there has been a large increase in the number of comparatively young researchers in

the industrial sector. And second, more than 60% (261,000) of all researchers in Japan are employed by private enterprises.

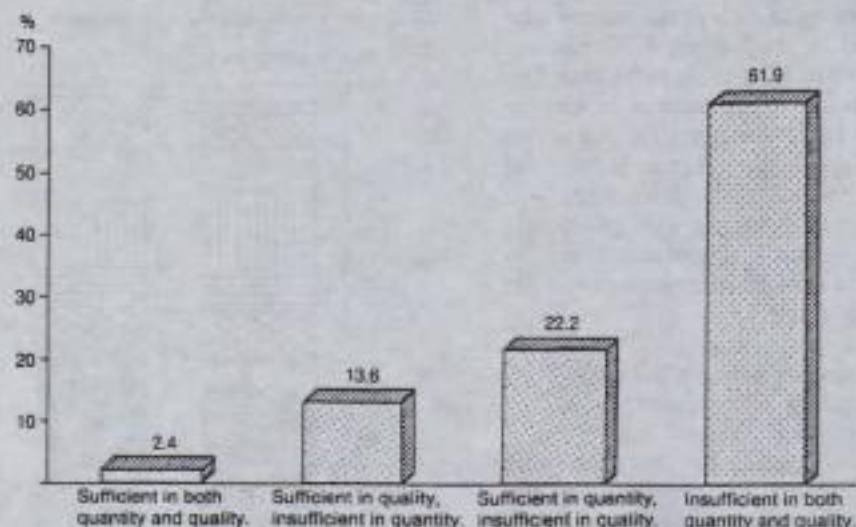


Fig. 8: Sufficiency of Research Personnel at Companies

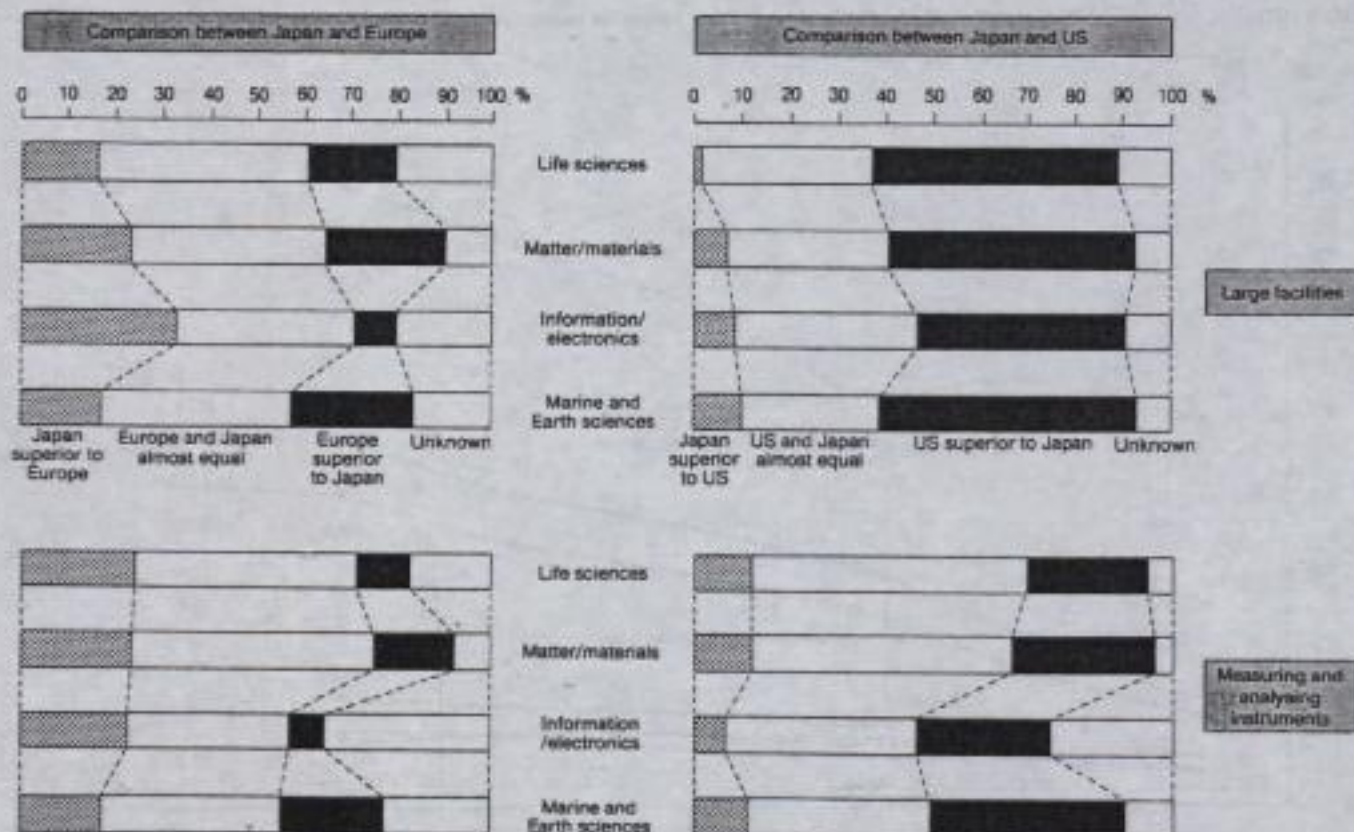


Fig. 9: Levels of Research Facilities & Equipment in Japan



## SPECIAL FEATURES

### Securing, Training Creative Researchers

Although the absolute number of researchers is growing steadily, the trend toward strengthening advanced R&D (particularly in basic research) has led to increasing emphasis on individual researchers' originality. Consequently, a shortage has become evident of quality research personnel (see Fig. 8).

In the future, it will be necessary for each sector to secure people of outstanding talent and provide them with appropriate training. The practice is now becoming widespread of hiring talented researchers not only through the conventional channel of recruiting new graduates, but also from different sources. Greater importance is also being placed on the personal qualities and character of each job applicant.

### Upgrading R&D Facilities, Equipment

Recently there has emerged a strong tendency to revert to basic principles and phenomena in R&D. Under these circumstances, a key to the success of R&D will be upgrading facilities and equipment and making them more efficient. Establishing or installing such facilities and equipment in itself undoubtedly constitutes an important aspect of R&D, and the facilities and equipment that a country possesses are an important indicator of its level of R&D.

A rough international comparison of R&D facilities and equipment indicates that recent advances in Japan have brought this country onto a par with Europe in terms of quality. Compared with the US, however, a considerable gap still exists both in quantity and quality (see Fig. 9). In particular, Japan is seriously lagging in such support functions as facilities for supplying, among other things, materials for use in laboratory tests.

At universities and national research institutes, it is important to make facilities and equipment available to outside users in an appropriate manner. Hitherto, the government has furnished large-scale research facilities and equipment which the private sector could not be expected to provide, and usage of these has been promoted in various ways. Henceforth, however, still greater efforts will be made toward creating in Japan several "centres of excellence", that is, R&D centres which meet international standards of excellence with key facilities and equipment available for use by the rest of the world.

### Dissemination of Scientific, Technological Information

**Publication, Circulation of Results**  
The importance of promoting free exchange of researchers and publication and circulation of research results is pointed out in OECD recommendations and in a report by Japan's

Council for Science & Technology. It is generally believed that any academic field will inevitably benefit from the free dissemination and discussion of research results.

The ratio of research articles originating from Japan to those published in the world as a whole has risen significantly in recent years (see Fig. 10). In the future, however, Japan will strengthen still further its international contribution in this vital area by publishing research articles of high quality in international publications.

To make data base activities more efficient, organisations engaged in the dissemination of information need to cooperate and coordinate their efforts. The Japan Information Centre for Science & Technology (JICST) launched the scientific and technological information network STN International in November 1987, establishing links with leading data bases in the US and W. Germany. Also, at the National Centre for Science Information System, efforts are being made to establish links with information clearing houses in the US through the National Science Foundation.

It is essential that further efforts be made to harmonise international efforts to free the flow of information through such activities. Japan must also make its academic societies more internationally orientated, and host important international conferences.

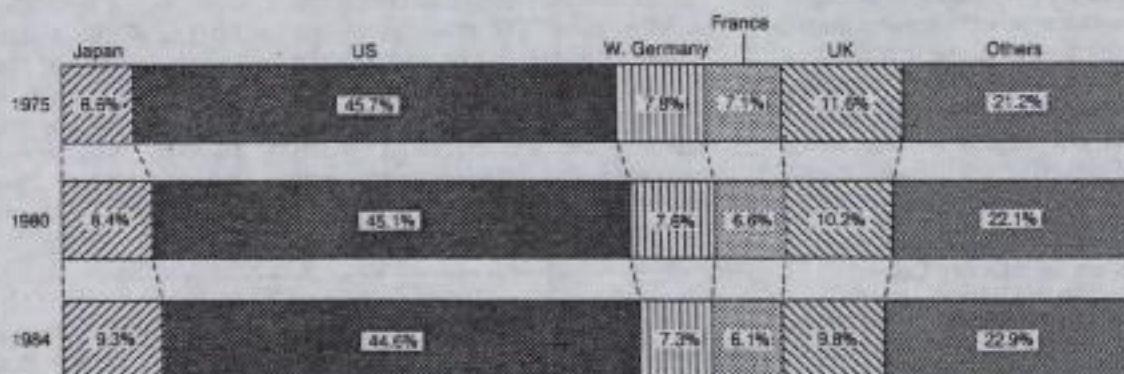


Fig. 10: Component Ratio for Number of Research Papers from OECD Members



## Chapter 3

## Future Tasks, Prospects

Environmental Improvements  
for Promoting Leading R&D

Japan has the distinction of being a world leader in applied R&D. Nonetheless, Japan must continue striving to attain a still higher level of technological development in order to build a future for Japan based on its own scientific and technological foundation.

In addition, Japan must strive to attain a higher level of basic research in order to fill its international responsibility. In this basic research, an important role must be played by the government.

To improve existing management systems for basic research, emphasis should be shifted from organisation-orientated management to management which focuses on individual talents.

To cope with the emerging shortages of research personnel, both in quantity and quality, and in recognition of the fact that much is expected of individual talents in promoting leading R&D, it is essential that efforts be made to secure outstanding personnel from different sectors, and to reinforce their training.

Basic research today is sophisticated, and its success will depend to a great degree on the quality of available facilities and equipment. In light of this, Japan must make efforts to upgrade its R&D facilities and equipment.

It will also be necessary to strengthen activities relating to information dissemination so that research results are circulated smoothly, to promote data base activities, and to facilitate the spread and usage of sophisticated means of gathering and disseminating information.

Toward a Research-Oriented  
Nation with Doors Open  
to the World

With the rise in the level of Japan's scientific and technological research, the country has reached the point where its impact on the world stage is

FY 1989 Science &  
Technology Budget

The FY1989 budget for scientific and technological R&D has been set by the government at ¥1,814.8 billion, up 5.8% from the previous year's expenditure. Of this, the General Account budget amounts to ¥862.1 billion (up 4.8%), and the Special Account budget (including the Special Account for National Schools, the Special Account for Power Development Promotion Measures, and the Special Account for Coal, Oil and Alternative Energy Measures) amounts to ¥952.7 billion (up 6.7%).

The government's general expenditure budget (that which remains of the General Account after deduction of national debt expenses and distribution of local allocation taxes) has been raised by a modest 3.3%. Comparatively, the 5.8% rise in the science and technology budget is sizable.

The five main recipients of funds from the government are, in order: the Ministry of Education, Science & Culture; the Science & Technology Agency; the Ministry of International Trade & Industry; the Defence Agency; and the Ministry of Agriculture, Forestry & Fisheries.

The Ministry of Education, which will receive 47% of the total science and technology budget, has been given a 5.1% raise. The majority of the ministry's budget will be used to cover R&D expenses incurred by national universities and to subsidise R&D at private universities. Subsidies specifically for advancing scientific research will be increased to ¥52.6 billion from ¥48.9 billion in FY1988.

The Science & Technology Agency, which receives 26% of the total budget, has been given a 6% raise. The STA funds a broad range of research covering nuclear power, space and ocean development, among others. Notable increases in appropriations for FY1989 include the Special Coordination Fund for Promoting Science & Technology (¥10.1 billion; up 9.8%), and more funds for the Exploratory Research for Advanced Technology program (¥4.56 billion; up 19.4%). There are three notable new additions for FY1989: the Human Frontier Science Program (¥1.46 billion), a promotion service for international research exchange to be set up by the Research Development Corporation of Japan (¥441 million), and a fund of ¥106 million which will be used to foster a liberal environment for young scientists to pursue creative basic research at the Institute of Physical & Chemical Research.

The Ministry of International Trade & Industry, which receives 13% of the total budget, has been given a 5.6% raise. Among the research projects funded by MITI are the National R&D Program (Large-Scale Projects), the R&D Project of Basic Technologies for Future Industries, New Energy & Industrial Technology Development, and the R&D Project for Energy Conservation Technology. It also shares responsibility with the STA for promoting the Human Frontier Science Program, and has earmarked ¥932 million for this purpose. □

significant. Because of this, Japan must formulate policies for science and technology which will harmonise with its international relations.

Towards this end, Japan must

establish various systems and organisations, and upgrade research facilities and equipment so as to promote smooth exchanges with other countries. In particular, it is essential to



## SPECIAL FEATURES

### Science & Technology Budget for FY1989

| Category   | (Unit: million yen) |                  |                                |
|--|---------------------|------------------|--------------------------------|
|  | FY1988              | FY1989           | Change from preceding year (%) |
| Science & technology expenses in General Account | 822,463             | 862,081          | 4.8                            |
| Science & technology expenses in Special Account | 893,282             | 952,745          | 6.7                            |
| <b>Total science &amp; technology budget</b>     | <b>1,715,745</b>    | <b>1,814,827</b> | <b>5.8</b>                     |
| Reference  |                     |                  |                                |
| Total General Account                            | 56,699,714          | 60,414,194       | 6.6                            |
| General expenditure                              | 32,982,107          | 34,080,487       | 3.3                            |

Note: General expenditure is obtained by deducting appropriations for servicing national debt, grants allocated to local government and money placed in Social Capital Development Account of Industrial Investment Special Account.

### FY1989 Science & Technology Budget by Ministry/Agency

| Ministries and Agencies                       | General Account R&D |                               | Special Account R&D |                               | Total budget for science & technology |                               |
|---|---------------------|-------------------------------|---------------------|-------------------------------|---------------------------------------|-------------------------------|
|   | (Unit: million yen) |                               |                     |                               |                                       |                               |
|   |                     | Change from previous year (%) |                     | Change from previous year (%) |                                       | Change from previous year (%) |
| Diet  | 533                 | 3.0                           | —                   | —                             | 533                                   | 3.0                           |
| Science Council of Japan                      | 867                 | △ 4.0                         | —                   | —                             | 867                                   | △ 4.0                         |
| National Police Agency                        | 1,020               | 4.9                           | —                   | —                             | 1,020                                 | 4.9                           |
| Hokkaido Development Agency                   | 147                 | 3.1                           | —                   | —                             | 147                                   | 3.1                           |
| Defense Agency                                | 93,068              | 12.5                          | —                   | —                             | 93,068                                | 12.5                          |
| Economic Planning Agency                      | 764                 | 6.7                           | —                   | —                             | 764                                   | 6.7                           |
| Science & Technology Agency                   | 355,442             | 4.4                           | 111,181             | 11.4                          | 466,623                               | 6.0                           |
| Environment Agency                            | 7,882               | 1.7                           | —                   | —                             | 7,882                                 | 1.7                           |
| Ministry of Justice                           | 871                 | 2.6                           | —                   | —                             | 871                                   | 2.6                           |
| Ministry of Foreign Affairs                   | 6,408               | △ 0.1                         | —                   | —                             | 6,408                                 | △ 0.1                         |
| Ministry of Finance                           | 348                 | 3.3                           | 738                 | 15.2                          | 1,087                                 | 11.1                          |
| Ministry of Education, Science & Culture      | 196,805             | 2.8                           | 657,517             | 5.7                           | 854,322                               | 5.1                           |
| Ministry of Health & Welfare                  | 37,531              | 12.2                          | 10,838              | 2.1                           | 48,370                                | 9.8                           |
| Ministry of Agriculture, Forestry & Fisheries | 64,279              | 2.0                           | 3,400               | △ 5.6                         | 67,679                                | 1.8                           |
| Ministry of International Trade & Industry    | 69,427              | 1.5                           | 164,213             | 7.4                           | 233,640                               | 5.8                           |
| Ministry of Transport                         | 15,387              | 12.2                          | 913                 | △ 0.3                         | 16,300                                | 11.4                          |
| Ministry of Posts & Telecommunications        | 4,447               | 3.8                           | 26,000              | 0.0                           | 30,447                                | 0.5                           |
| Ministry of Labour                            | 612                 | 1.8                           | 3,945               | 27.0                          | 4,557                                 | 22.9                          |
| Ministry of Construction                      | 5,689               | 4.2                           | —                   | —                             | 5,689                                 | 4.2                           |
| Ministry of Home Affairs                      | 555                 | 2.2                           | —                   | —                             | 555                                   | 2.2                           |
| <b>Total</b>                                  | <b>862,081</b>      | <b>4.8</b>                    | <b>952,745</b>      | <b>6.7</b>                    | <b>1,814,827</b>                      | <b>5.8</b>                    |

**Notes:**

1. Concerning the budget in the Industrial Investment Special Account under the control of the Ministry of Finance:
  - i) Included in the budget for the Science & Technology Agency for expenses for the Japan Information Centre for Science & Technology: ¥4.4 billion;
  - ii) Included in the budget for the Ministry of Health & Welfare for investment and loan expenses relating to pharmaceutical technology R&D from the Funds for Relief of Adverse Drug Reactions and Research Development: ¥2.4 billion;
  - iii) Included in the budget for the Ministry of Agriculture, Forestry & Fisheries, expenses for organisations promoting R&D of specific biotechnology-related industries: ¥3.4 billion;
  - iv) Included in the budget for the Ministry of International Trade & Industry for expenses of the New Energy & Industrial Technology Development Organisation: ¥2.2 billion;
  - v) Included in the budgets for both the Ministry of International Trade & Industry, and the Ministry of Posts & Telecommunications for expenses of the Basic Technology Research Promotion Centre: ¥26 billion (note: only counted once in total).
2. Tabulated by the Science & Technology Agency.
3. Totals have been rounded off.

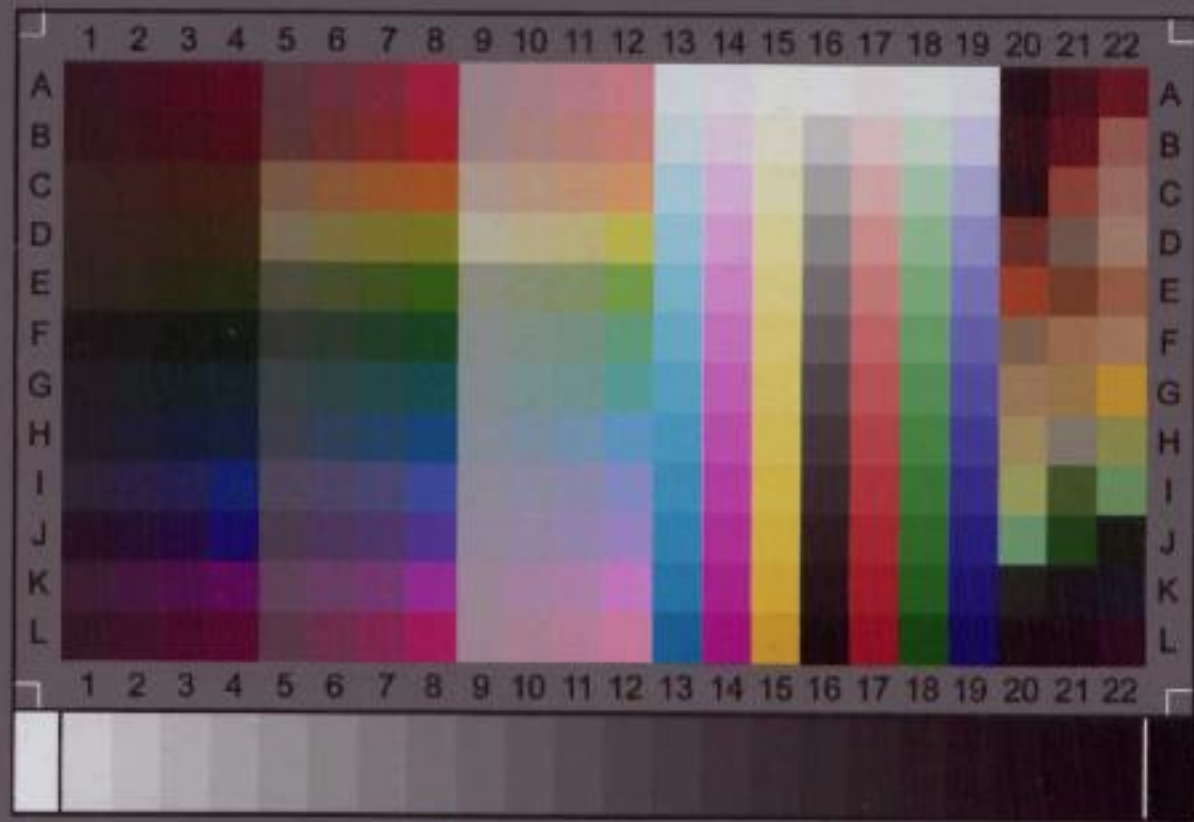
establish research facilities that meet international standards of excellence (i.e. "centres of excellence") with doors open to the rest of the world.

In view of current international

trends, Japan should develop policy measures aimed at promoting competition and cooperation. To this end, Japan, as one of the world's centres of science and technology, should strive

to serve its own long-term needs while assuming its share of international responsibility. □





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