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10 DOWNING STREET

Econ PD. file Japan JV
Original on: VISA of
Japanese Minister for International
Trade and Industry: May 24.

From the Private Secretary

25 May 1979

Dear Sirs,

Call on the Prime Minister by the Japanese Minister for International Trade and Industry, Mr. Esaki, at 10 Downing Street on 25 May 1979

At the special request of the Secretary of State for Trade, the Prime Minister agreed to receive the Japanese Minister for International Trade and Industry, Mr. Esaki, for a brief courtesy call at No. 10 this morning at 1125 (Mr. Esaki arrived half an hour late). Mr. Esaki was accompanied by the Japanese Ambassador and an interpreter. The following is a summary of the main points which arose during a short discussion.

Mr. Esaki told the Prime Minister that he had valued his talks with the Secretaries of State for Trade, Industry and Energy. The Prime Minister asked Mr. Esaki whether he would be personally involved in the forthcoming Economic Summit in Tokyo at the end of June. Mr. Esaki said that he would and that he expected the conference to concentrate on energy issues. The Prime Minister told Mr. Esaki that, in her view, it was better that Economic Summit meetings should discuss a limited number of specific issues, rather than attempt a more generalised agenda. Mr. Esaki said that he agreed with this.

Mr. Esaki then stressed to the Prime Minister, at some length, the enthusiasm of the Japanese Government for intensified exchanges between Japan and the UK in the industrial field, referring in particular to co-operation between British Leyland and Honda - which he said was going ahead smoothly - and to collaboration with Rolls Royce on the manufacture of aircraft engines. Mr. Esaki said that, given the fortunate position of the UK with regard to energy supplies, the Prime Minister should be able to preside over a golden age for the UK economy; the Prime Minister commented that the UK would be fortunately placed on oil for a decade but not indefinitely. The Government now had a chance to set the British economy on a different course and they intended to succeed: investment in nuclear power, however, would have to be undertaken on a bigger scale than hitherto. Mr. Esaki paid tribute to the nuclear reactor which Japan had purchased from the UK, which was still operating very well: Japan would need the UK's co-operation in the nuclear field in the future and valued the arrangement for the reprocessing of nuclear waste at Windscale.

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-2-

Taking his leave, Mr. Esaki said that his Prime Minister, Mr. Ohira, had asked him to convey to Mrs. Thatcher his warm greetings: he was looking forward to exchanging views with the Prime Minister in Tokyo.

I am sending copies of this letter to Tom Harris (Department of Trade) and Martin Vile (Cabinet Office).

Yours ever,
Roger Carridge.

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

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