

CONFIDENTIAL

PRIME MINISTER

NISSAN: MEETING WITH THE SECRETARY OF STATE FOR INDUSTRY

This meeting has been arranged so that you can tell Mr. Jenkin about your meeting with Mr. Kawamata. Mr. Jenkin is coming by himself: both the officials who have been concerned with the negotiations are abroad. Nobody outside No. 10 has seen the record of your meeting with Mr. Kawamata.

I have not heard anything further from Mr. Kawamata since our return to London. The questions now are: what response should we make to Mr. Kawamata and how should we make it?

Mr. Kawamata's main proposition was that the Government should build and equip the factory for NISSAN and recover the cost through the rental charge. As you said at the time, the advance factory programme may be a way of providing a building, but it does not cover equipment. We may not have powers to equip the factory even if we wanted to. Of course the initial public expenditure cost of setting NISSAN up in this way would be very high.

On the question of how to respond to Mr. Kawamata, you will need to write to him but that is unlikely to be effective without some follow-up.

Perhaps your letter might propose that you send either one person or a small team out to Japan to carry forward discussions.

At this meeting you might ask Mr. Jenkin to consider what response to make to Mr. Kawamata and how to carry forward the discussions; and to advise when he has had a chance to think about it. If you agree, I will record the outcome of your meeting with Mr. Jenkin in a letter to his office, asking them to restrict the circulation of it to the minimum of senior officials who really need to be involved.

FERB

1 October 1982

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NOTE FOR THE RECORD

NISSAN

I spoke to Mr Goto on Monday 20 September about the next steps following the Prime Minister's conversation with Mr. Kawamata. I asked whether Mr. Kawamata would be communicating further with the Prime Minister after consulting the President and Management Council of Nissan or whether he was now expecting a reply from the Prime Minister. Mr. Goto said that Mr. Kawamata would not be able to report to the Management Council of Nissan until next Monday 27 September, when the President had returned from abroad. I said that the Prime Minister would not be able to carry the matter further forward until she returned to London on 29 September and so if Mr. Goto had any further relevant information to pass me following Mr. Kawamata's report to the Management Council, it would be useful if he could let me have this. Mr. Goto took my telephone number and agreed to get in touch. He also gave me his own address and telephone number which are:

Mitsuya Goto
General Manager Public Affairs
International Division
Nissan Motor Company

Tokyo 03 543 5523 x 2712

Later in the day Mr Hirahara said that he would be seeing the President of Nissan on Saturday 25 September before his own return to London and would let me know on my return to London whether President Ishihara had any further news.

F.R.B.

20 September 1982

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GR 130

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FM TOKYO 192300Z SEP 82

TO IMMEDIATE FCO

TELNO 561 OF 19 SEP 82.

FOLLOWING FOR SCHOLAR FROM BUTLER.

BEGINS:

PLEASE PASS TO FCO, DOI, TREASURY.

THE FOLLOWING IS THE TEXT OF THE PRESS STATEMENT ISSUED AFTER THE CALL ON THE PRIME MINISTER BY MR KAWAMATA, CHAIRMAN OF NISSAN.

QUOTE

THE PRIME MINISTER AND MR KAWAMATA DISCUSSED THE WORLD ECONOMIC SITUATION, THE WORLD AUTOMOBILE INDUSTRY SITUATION, AND THE CURRENT STATE OF THE JAPANESE AND BRITISH AUTOMOBILE INDUSTRIES.

THE QUESTION OF NISSAN INVESTMENT IN BRITAIN WAS DISCUSSED, AND THE PRIME MINISTER MADE IT CLEAR THAT SHE WOULD WELCOME IT.

THE DETAILS OF THE CONVERSATION ARE OF COURSE CONFIDENTIAL.

UNQUOTE

BOTH SIDES AGREED TO CONFINE THEMSELVES DIRECTLY TO THIS STATEMENT.

ENDS.

CORTAZZI

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