



CONFIDENTIAL

Prime Minister

To note.

A.J.C. 15/11

PRIME MINISTER

JAPANESE MACHINE TOOLS

During your recent visit to Tokyo, Mr Suzuki agreed that there should be early talks between the United Kingdom and Japanese industries on the level of Japan's exports of numerically controlled machine tools to the United Kingdom.

Following discussions in Tokyo between Michael Franklin and MITI underlining the need for an effective inter-industry understanding on voluntary restraint, we have now heard that the Machine Tool Trades Association (MTTA) were reasonably satisfied with the outcome of their first round of talks on 29 October with the Japanese machine tool industry.

Under considerable pressure from MITI, the Japanese industry has agreed to hold further talks next month 'in order to consider measures appropriate to achieving the objective of an early reduction in exports' - and regular meetings thereafter. The actual size of the reduction in Japanese exports has still to be agreed but the Japanese industry is fully aware of the order of magnitude sought by the MTTA.

My Department and the Department of Industry will be maintaining close contact with the MTTA in preparation for the next round of talks to ensure that they keep up the pressure on the Japanese industry. Meanwhile, it is very important that we should preserve confidentiality on the state of these talks. The statement published jointly by the two Associations simply notes that discussions have taken place and that the Japanese industry now has a better understanding of the United Kingdom concern about imports of Japanese numerically controlled machine tools. Disclosure of the specific private agreement would make further progress extremely difficult.

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I am copying this to members of OD(E) Committee.

Department of Trade
1 Victoria Street
London, SW1H 0ET

15 November 1982

AP LORD COCKFIELD

[Approved by the Secretary
of State and signed in
his absence.]

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JULY 1983

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Japan *J*

17 November 1982

JAPANESE MACHINE TOOLS

The Prime Minister has noted the contents of your Secretary of State's minute of 15 November.

AJC

John Rhodes, Esq.,
Department of Trade.

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