



FILE CAJ

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

23 November 1986

JAPAN

The Prime Minister was surprised to see from Tokyo telegram number 1138 that the Japanese press are alleging that she made some direct criticism of Mr. Nakasone at her meeting with the Chairman of the Keidanren. The Prime Minister did not of course make any such criticism, indeed spoke in most flattering terms of Mr. Nakasone. I should be grateful if you would ensure that our Embassy put the record straight with the Japanese Government.

I am copying this letter to the Private Secretary to the Secretary of State for Trade and Industry.

C. D. POWELL

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

17

JAPAN: Political and Economic Background

~~HD/FBD~~
HD/BCD(E)
HD/TRED
MR GILLMORE
DR WILSON

MISS K WINDEYER OT2/DTI (Victoria St)

There was no criticism of Mr Nakasone - rather the opposite. mb

CONFIDENTIAL
FM TOKYO
TO IMMEDIATE FCO
TELNO 1138
OF 210755Z NOV 86

IMMEDIATE

YOUR TELNO 896: PRIME MINISTER'S MEETING WITH THE CHAIRMAN OF THE KEIDANREN

1. THE EVENING EDITIONS OF ALL MAJOR NEWSPAPERS ON 20 NOVEMBER CARRIED REPORTS OF MR SAITO'S CALL ON THE PRIME MINISTER. ALL THE MAIN DETAILS IN YOUR TUR WERE REPORTED WITHOUT THE SOURCE BEING IDENTIFIED (EXCEPT FOR ONE KYODO AGENCY REPORT, WHICH MENTIONED JAPANESE OFFICIALS). THE GENERAL IMPRESSION GIVEN BY THE COVERAGE IS OF A DIFFICULT MEETING WITH THE IMPLICATION IN SOME REPORTS OF DIRECT CRITICISM OF MR NAKASONE (THIS WAS THE HEADLINE IN THE TOKYO SHIMBUN).

2. REPORTS OF THE KEIDANREN MISSION'S TALKS IN PARIS AND BRUSSELS, ALTHOUGH LESS PROMINENT, HAVE SIMILARLY FOCUSED ON EUROPEAN CRITICISM OF JAPANESE SURPLUSES AND TRADE BARRIERS.

3. IN A CALL ON MURAOKA, DIRECTOR GENERAL OF THE INTERNATIONAL TRADE POLICY BUREAU IN MITI, TODAY I SOUGHT TO SET THE RECORD STRAIGHT ON THE WILDER REPORTS IN THE JAPANESE PRESS ABOUT THE PRIME MINISTER'S PERSONAL CRITICISM OF MR NAKASONE WHILE REITERATING THE POINTS ABOUT THE NEED FOR THE JAPANESE TO COME THROUGH WITH MEASURES WHICH WOULD HAVE A SUBSTANTIAL CORRECTIVE EFFECT ON THE DETERIORATING TRADE IMBALANCE BETWEEN THE UK AND JAPAN. I EMPHASIZED PARTICULARLY THE IMPORTANCE OF A FAVOURABLE DECISION ON AIRBUS AND THE LIQUOR TAX AND MORE GENERALLY THE NEED FOR STRUCTURAL REFORM OF PARTS OF JAPANESE INDUSTRY. THE PRIME MINISTER'S RESTLESSNESS WAS AN INDICATION OF THE EXTENT TO WHICH THIS PROBLEM HAD BECOME A POLITICAL ISSUE. BUT I POINTED OUT THAT THERE HAD BEEN NO PERSONAL ATTACK ON NAKASONE. MURAOKA CONFINED HIMSELF TO TAKING NOTE OF THESE POINTS AND THAT AIRBUS AND THE LIQUOR TAX WOULD BE HIGH ON MR CHANNON'S AGENDA IN HIS TALKS WITH TAMURA THE MITI MINISTER NEXT WEEK.

WHITEHEAD

YYYY

TYHPAN 8059

NNNN

CONFIDENTIAL

COFC



Foreign and Commonwealth Office

London SW1A 2AH

26 November 1986

CDP
26/xi

Dear Charles

Japan

Thank you for your letter of 23 November about Tokyo Telegram No 1138 and Japanese press accounts of the meeting between Mr Saito and the Prime Minister. The Tokyo telegram itself carried Sir John Whitehead's report of his immediate action with MITI to set the record straight.

We had in fact spoken to the Embassy in Tokyo on the telephone, since the Japanese Embassy here told us that they were concerned about the early Japanese press reports and were taking action to describe the talks at No 10 as very friendly and constructive.

We have again instructed the Ambassador to use the opportunities available, particularly those during Mr Channon's calls this week, to reinforce the record.

I am copying this letter to Timothy Walker (DTI).

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL



London SW1A 1AA



[Faint, illegible handwritten text]