

ADVANCE COPIES

IMMEDIATE

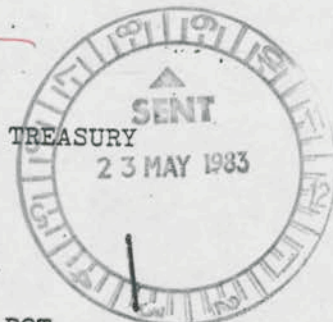
ECONOMIC SUMMIT

+34

PS
PS/MR HURD
PS/MR RIFKIND
PS/LD BELSTEAD
PS/MR RAISON
PS/PUS
MR EVANS
MR HANNAY
MR THOMAS
MR HAYES

PS/NO 10 DOWNING STREET

PS/CHANCELLOR OF THE)
EXCHEQUER)
MR LITTLER)
MR BOTTRILL)



SIR R ARMSTRONG
CABINET OFFICE

MR J CAINES)
MR E. BESTON) DOT

HD/ERD (2)
HD/ECD (4)
HD/ES & SD (2)
HD/NAD
HD/WED
HD/FED
HD/NEWS D
HD/ESID (2)
RESIDENT CLERK

MR MCMAHON BANK OF ENGLAND

MR BUIST ODA

MS BOYS DEPT OF ENERGY
MISS DICKSON DEPT OF ENERGY

CONFIDENTIAL

FM TOKYO 230720Z MAY 83

TO IMMEDIATEF C O

TELEGRAM NO 275 OF 23 MAY

RFI PRIORITY WASHINGTON, BONN, PARIS AND UKREP BRUSSELS.

WILLIAMSBURG SUMMITT.

1. THE JAPANESE PRIME MINISTER INVITED THE AMBASSADORS OF THE SUMMIT COUNTRIES TO LUNCH TODAY.

2. MR NAKASONE STRESSED THE IMPORTANCE WHICH HE ATTACHES TO MEETING INDIVIDUALLY THE VARIOUS HEADS OF GOVERNMENT. THE FORTHCOMING SUMMIT WAS A CRUCIAL ONE. HE HAD HEARD FROM ASIAN COUNTRIES AND FROM KOREA, WHICH HE HAD VISITED, OF THE EXTENT OF THEIR EXPECTATIONS FROM THE SUMMIT. THE SUCCESS OF THE SUMMIT WOULD BE A SIGN OF THE MATURITY OF WESTERN DEMOCRACY.

3. THE U S AMBASSADOR (FORMER SENATOR MANSFIELD) STRESSED PRESIDENT REAGAN'S DESIRE FOR AN INFORMED AND PRODUCTIVE SUMMIT. HE NOTED THAT THE RECENT IEA AND OECD MEETINGS HAD RESOLVED SOME OF THE MORE IMPORTANT PROBLEMS. WESTERN ECONOMIES WERE BEGINNING TO RECOVER, BUT THE PROBLEM OF UNEMPLOYMENT WAS VERY SERIOUS AND INEVITABLY LED TO PROTECTIONIST PRESSURES. MANSFIELD ENDED ON AN UNHELPFUL NOTE BY STRESSING THAT ASIA WAS BADLY UNDER-REPRESENTED AT THE SUMMIT. HE HOPED THAT ASIA AND THE PACIFIC WOULD BE BETTER REPRESENTED IN FUTURE, REMARKING THAT "THE PACIFIC IS THE AREA OF THE FUTURE".

4. PICKING UP MANSFIELD'S POINT ABOUT UNEMPLOYMENT, I THANKED MR NAKASONE FOR HIS EFFORTS TO INCREASE JAPANESE

4. PICKING UP MANSFIELD'S POINT ABOUT UNEMPLOYMENT, I THANKED MR NAKASONE FOR HIS EFFORTS TO INCREASE JAPANESE IMPORTS OF MANUFACTURES AND SAID THAT WE WERE LOOKING EXPECTANTLY FOR THE RESULTS TO COME THROUGH. THE ITALIAN AND FRENCH AMBASSADORS BOTH STRESSED THE IMPORTANCE OF STABILITY IN EXCHANGE RATES.

5. MR NAKASONE, WHO SPOKE IN JAPANESE, SHOWED HIMSELF CONFIDENT AND IN COMMAND OF THE SITUATION. I AM SURE THAT THE PRIME MINISTER WILL FIND HIM A MUCH MORE INTERESTING AND AGREEABLE INTERLOCUTOR THAN MR SUZUKI.

6. IN A WIDE-RANGING CONVERSATION OVER LUNCH WITH MR NAKASONE I EMPHASIZED THE IMPORTANCE WHICH WE ATTACH TO EFFECTIVE INDUSTRIAL COLLABORATION AND OUR REGRET THAT NISSAN HAD STILL NOT MADE UP ITS MIND ABOUT INVESTMENT. MR NAKASONE NOTED THE CONTINUING OPPOSITION OF THE NISSAN UNION, WHICH WAS PREVENTING A DECISION BY MR KAWAMATA DESPITE MR ISHIHARA'S SUPPORT FOR THE PROJECT.

7. MR NAKASONE EXPRESSED HIS ADMIRATION FOR MRS THATCHER PERSONALLY AND FOR HER POLICIES. ON HIS VISIT TO SOUTH EAST ASIA HE HAD CLEARLY BEEN PARTICULARLY IMPRESSED BY LEE KUAN YEW, BUT ALSO BY MAHATHIR.

CORTAZZI

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