

CONFIDENTIAL



BRITISH EMBASSY,  
TOKYO.

16 December 1983

F E R Butler Esq  
Private Secretary  
10 Downing Street

*M. file*

*Dear Robin,*

In our telegram number 667 we conveyed the text of Mr Kawamata's letter of 16 December to the Prime Minister. I now enclose the original of that letter.

*Yours ever,*

*J S Whitehead*

J S Whitehead

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# NISSAN MOTOR CO., LTD.

17-1, Ginza 6-chome, Chuo-ku  
Tokyo, Japan

Katsuji Kawamata  
Chairman

16th December, 1983

The Rt. Hon. Mrs. Margaret Thatcher, MP  
Prime Minister  
First Lord of the Treasury  
and Minister for the Civil Service  
10 Downing Street London SW1  
United Kingdom

Dear Madame Prime Minister,

It has been nearly five months since I wrote you a letter dated July 18, 1983. As you kindly recall, the letter was designed to frankly expound to you my way of thinking behind our two proposals which were deemed final ones at that time.

You are doubtless aware that a plan for a pilot plant was soon thereafter put through a series of negotiations between Under Secretary Mountfield and his colleagues versus our Mr. Kawai and feasibility study team, and with a result that they have recently arrived at a common understanding satisfactory to both parties.

While I suspect that you at Her Majesty's Government may harbour dissatisfaction over the prospect of not building up the production swiftly, I greatly appreciate your full understanding of the difficult situation in which we find ourselves.

After going through the ensuing intra-company procedure of consultations with our labour union, we were originally expected to sign the agreement in London and then to make a public announcement right before your Christmas holidays at the latest. Under the circumstances, however, it now appears quite difficult for both parties to seal the agreement before this year is out since it is actually taking more time than initially expected to make necessary coordinations with our union. While I am truly sorry for the delay, I would like you to kindly note that it is indeed indispensable and essential for our management and labour union to forge a complete consensus in successfully executing this project.

NISSAN MOTOR CO., LTD.

It really pains me to write an unpalatable letter like this to you after the five-month long interval. At this juncture, I would like to assure you that the aforementioned conclusion we have reached will in no way be put in jeopardy. I would be relieved if I could seek your gracious understanding regarding the situation at our end.

With the cold wintry season just around the corner, I certainly hope you will take good care of yourself.

With my best personal wishes for happy and prosperous 1984.

Respectfully yours,

*Katsuji Kawamata*  
Katsuji Kawamata

Anglo Japan relats.

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CONFIDENTIAL

DEDIP

FM TOKYO 160800Z DEC 83

TO IMMEDIATE F C O LDN

TELEGRAM NUMBER 668 OF 16/12/83

M I P T.

1. WHEN KAWAI HANDED OVER THIS LETTER HE SHOWED THE SAME DEGREE OF EMBARRASSMENT ABOUT THE COMPANY'S DELAY IN REACHING AGREEMENT WITH THE UNION AS WE HAD DETECTED WHEN HE CALLED ON US EARLIER THIS WEEK (OUR TELNO INDUS 597). HE AGREED WITH US THAT THE MOST SIGNIFICANT SENTENCE IN THE LETTER CAME AT THE END WITH KAWAMATA'S ASSURANCE THAT THE UNDERSTANDING REACHED BETWEEN KAWAI AND MOUNTFIELD SHOULD 'IN NO WAY BE PUT IN JEOPARDY'.

2. KAWAI WARNED US THAT THE COMPANY'S REGULAR END -OF -YEAR PRESS CONFERENCE WOULD TAKE PLACE ON 20 DECEMBER. THERE WOULD CERTAINLY BE QUESTIONS THEN ABOUT THE UK PROJECT. ALTHOUGH THE COMPANY COULD NOT PREDICT HOW THE PRESS CONFERENCE WOULD TURN OUT, THEY HOPED THAT IT WOULD BE POSSIBLE TO HANDLE QUESTIONS IN SUCH A WAY TO SAY AS LITTLE AS POSSIBLE ABOUT THE LIKELY OUTCOME OF THE CONTINUING TALKS WITH THE UNION AND PROSPECTS FOR THE PROJECT IN THE UK.

CORTAZZI

DD  
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CONFIDENTIAL

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TO IMMEDIATE FCO

TELNO 667 OF 16 DEC 83

PLEASE PASS FOLLOWING PERSONAL TO BUTLER, PRIVATE  
SECRETARY AT NO 10.

NISSAN

1. KAWAH, SENIOR MANAGING DIRECTOR AND HEAD OF THE UK PROJECT TEAM IN NISSAN, CALLED ON WHITEHEAD THIS AFTERNOON TO PASS A PERSONAL MESSAGE FROM KAWAMATA TO THE PRIME MINISTER. THIS FOLLOWS KAWAH'S STATEMENT TO US ON 14 DECEMBER (OUR TEL INDUS 597) THAT KAWAMATA WISHED TO LET THE PRIME MINISTER KNOW PERSONALLY WHY IT HAD NOT BEEN POSSIBLE FOR NISSAN TO COMPLETE CONSULATIONS WITH THE UNION IN TIME FOR AN ANNOUNCEMENT BEFORE PARLIAMENT RISES ON 22 DECEMBER.
2. BECASUE OF KAWAMATA'S WISH THAT THE PRIME MINISTER SHOULD RECEIVE AN EXPLANATION OF THE DELAY AS SOON AS POSSIBLE, KAWAH SAID THAT HE WAS AUTHORISED TO LET US HAVE A SIGHT OF THE LETTER.

3. TEXT IS AS FOLLOWS:

DEAR MADAME PRIME MINISTER,

IT HAS BEEN NEARLY FIVE MONTHS SINCE I WROTE YOU A LETTER DATED JULY 18, 1983. AS YOU KINDLY RECALL, THE LETTER WAS DESIGNED TO FRANKLY EXPOUND TO YOU MY WAY OF THINKING BEHIND OUR TWO PROPOSALS WHICH WERE DEEMED FINAL ONES AT THAT TIME.

YOU ARE DOUBTLESS AWARE THAT A PLAN FOR A PILOT PLANT WAS SOON THEREAFTER PUT THROUGH A SERIES OF NEGOTIATIONS BETWEEN UNDER SECRETARY MOUNTFIELD AND HIS COLLEAGUES VERSUS OUR MR. KAWAI AND FEASIBILITY STUDY TEAM, AND WITH A RESULT THAT THEY HAVE RECENTLY ARRIVED AT A COMMON UNDERSTANDING SATISFACTORY TO BOTH PARTIES.

WHILE I SUSPECT THAT YOU AT HER MAJESTY'S GOVERNMENT MAY HARBOUR DISSATISFACTION OVER THE PROSPECT OF NOT BUILDING UP THE PRODUCTION SWIFTLY, I GREATLY APPRECIATE YOUR FULL UNDERSTANDING OF THE DIFFICULT SITUATION IN WHICH WE FIND OURSELVES.

AFTER GOING THROUGH THE ENSUING INTRA-COMPANY PROCEDURE OF CONSULTATIONS WITH OUR LABOUR UNION, WE WERE ORIGINALLY EXPECTED TO SIGN THE AGREEMENT IN LONDON AND THEN TO MAKE A PUBLIC ANNOUNCEMENT RIGHT BEFORE YOUR CHRISTMAS HOLIDAYS AT THE LATEST. UNDER THE CIRCUMSTANCES, HOWEVER, IT NOW APPEARS QUITE DIFFICULT FOR BOTH PARTIES TO SEAL THE AGREEMENT BEFORE THIS YEAR IS OUT SINCE IT IS ACTUALLY TAKING MORE TIME THAN INITIALLY EXPECTED TO MAKE NECESSARY COORDINATIONS WITH OUR UNION. WHILE I AM TRULY SORRY FOR THE DELAY, I WOULD LIKE YOU TO KINDLY NOTE THAT IT IS INDEED INDISPENSABLE AND ESSENTIAL FOR OUR MANAGEMENT AND LABOUR UNION TO FORGE A COMPLETE CONSENSUS IN SUCCESSFULLY EXECUTING THIS PROJECT.

IT REALLY PAINS ME TO WRITE AN UNPALATABLE LETTER LIKE THIS TO YOU AFTER THE FIVE-MONTH LONG INTERVAL. AT THIS JUNCTURE, I WOULD LIKE TO ASSURE YOU THAT THE AFOREMENTIONED CONCLUSION WE HAVE REACHED WILL IN NO WAY BE PUT IN JEOPARDY. I WOULD BE RELIEVED IF I COULD SEEK YOUR GRACIOUS UNDERSTANDING REGARDING THE SITUATION AT OUR END.

WITH THE COLD WINTRY SEASON JUST AROUND THE CORNER, I CERTAINLY HOPE YOU WILL TAKE GOOD CARE OF YOURSELF.

WITH MY BEST PERSONAL WISHES FOR HAPPY AND PROSPEROUS 1984.

RESPECTFULLY YOURS,

KATSUJI KAWAMATA

4. SEALED ORIGINAL OF LETTER FOLLOWS BY CLASSIFIED BAG LEAVING HERE ON 19 DECEMBER.

5. FCO PLEASE PASS ONE COPY PERSONAL TO MOUNTFIELD, VEHICLES DIVISION, DTI.

CORTAZZI

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