

SUBJECT  
cc Master



10 DOWNING STREET

From the Private Secretary

15 January, 1985

Dear Peter,

Call by the 2000 Group

The Prime Minister saw the British members of the 2000 Group for a discussion this evening of their forthcoming meeting. As a conclusion, the Prime Minister said that she would send a written message with the Group to Prime Minister Nakasone.

The message should contain some general remarks about our relations, both political and economic, and should refer to the importance which the Prime Minister herself attaches to the success of the 2000 Group. In short, a substantial message.

The British members of the Group leave on or about 1 February. I should be grateful therefore if I could have the draft for such a message by 23 January.

BF1

I am sending a copy of this letter to Callum McCarthy (Department of Trade and Industry).

Yours sincerely,

C. D. POWELL

P. F. Ricketts, Esq.,  
Foreign and Commonwealth Office

PRIME MINISTER

MEETING WITH THE 2000 GROUP

Mr. Nakasone urged you last June to support the 2000 Group: a forum for meetings of politicians, businessmen and academics to supplement official contacts. You agreed that it was a worthwhile project and said that the British Government would take an interest in it.

The inaugural conference of the Group will be held in Japan on 4/5 February. Sir Julian Ridsdale will bring some of the British members to meet you on Tuesday. The purpose is for you publicly to put your stamp of approval on the exercise.

Some briefing is attached. You might invite the members to summarise the main themes which they intend to raise with the Japanese; and ask them to convey a personal message of good wishes to Mr. Nakasone.

C.D.P.

11 January 1985

VC3ABG



Foreign and Commonwealth Office

London SW1A 2AH

10 January 1985

*Dear Charles,*

Call by the 2000 Group

In your letter of 3 January confirming the Prime Minister's agreement to see the British members of the 2000 Group on 15 January, you asked for briefing material by 11 January. We have consulted the DTI.

As the Prime Minister will recall, Mr Nakasone mentioned the 2000 Group initiative during his talks with her immediately after the London Summit in June. Since then the plans to establish a bilateral forum to foster non-Governmental contacts between Japan and the UK have taken on considerably more substance. An inaugural conference is to be held in Japan on 4-5 February, and is expected to decide on a pattern of future conferences alternating between the UK and Japan approximately annually. The agenda of the first conference is deliberately general, embracing UK/Japanese relations in all their aspects, political, economic, scientific and technological, and cultural. The name "2000 Group" has been agreed by both sides as indicating a forward-looking attitude but without specific reference to the problems of the next century.

/ I attach a complete list of those members of the British side who will be travelling to Japan for the February conference, and a separate list of the Japanese participants.  
/ Mr James Prior has become the leader of the British side, joining Lord Boardman, Sir Michael Wilford and Sir Julian Ridsdale as the senior patrons of the Group. Mr Richard Needham MP has acted as coordinator of the Group's activities, and Dr William Wallace of Chatham House has been largely responsible for drafting the papers which the British side will contribute and will act as rapporteur for the conference.

The primary purpose of the call on the Prime Minister is to receive Mrs Thatcher's blessing on the venture. The Japanese participants will similarly be calling on Mr Nakasone, who has taken a close personal interest and who will be giving a lunch for the Group at the end of the February conference. The Japanese attach importance to evidence of support for the initiative by the British Government, although for our part we have made it plain that, although the Government is contributing what it can and the concept has our enthusiastic support, we

/see



see the principal value of the regular conferences as being to bring together influential people from a variety of backgrounds and to broaden the scope of contact between the UK and Japan beyond the normal Governmental exchanges. The FCO has been represented in preparatory meetings of the Group in London and the British Ambassador in Tokyo will take part in the February conference. The FCO has also made a token contribution to the cost of travel for the British participants in the first conference.

I am sending a copy of this letter and enclosures to Callum McCarthy in the DTI.

*Yours ever,*

*Peter Ricketts*

(P F Ricketts)  
Private Secretary

C D Powell Esq  
10 Downing Street

2000 GROUP: BRITISH PARTICIPANTS

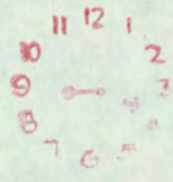
Mr James Prior, MP	GEC
Mr Con Allday	BNFL
Sir Terence Beckett	CBI
Mr Brian Beedham	"The Economist"
<u>Professor Alan Budd</u>	<u>Economist</u>
Admiral Sir James Eberle	Chatham House
Mr Richard Needham, MP	
Sir Peter Parker	Former Chairman, British Rail
Sir Julian Ridsdale, MP	Chairman, Anglo-Japanese Parl'y Group
<u>Lord Sandon</u>	Nat West ( <u>vice</u> Lord Boardman)
Mr John Smith, MP	Former S/S for Trade
Professor Keith Thurley	LSE
<u>Dr William Wallace</u>	Chatham House
Sir Michael Wilford	Formerly Ambassador to Japan
Mr Nicholas Wolfers	Samuel Montagu

MEMBERS 2000 GROUP  
Japanese side

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Tadao KATO (Chairman)	Advisor to the President, Sumitomo Metal Industries Ltd.
Nubotoshi HAGIHARA	Writer and Historian
Takashi HOSOMI	President, the Overseas Economic Co-operation Fund
Toshiki KAIFU	Member of the House of Representatives Vice Secretary-General of the Liberal Democratic Party
Masataka KOSAKA	Professor of International Politics, University of Kyoto
Isamu MIYAZAKI	Chairman, Daiwa Securities Research Institute
Takashi MUKAIBO	Acting Chairman, Japan Atomic Energy Commission
Keizo SAJI	Chairman of the Board and President, Suntory Ltd.
Tadahiro SEKIMOTO	President, Nippon Electric Co. Ltd
Motoo SHIINA	Member of the House of Representatives, Vice-Chairman of the Policy Research Commission, Liberal Democratic Party
Atsushi SHIMOKOBE	President, National Institute for Research Advancement
Shoichiro TOYODA	President, Toyota Motor Corporation
Yasushi WATANABE	President, The Bank of Tokyo Ltd.
Tadashi YAMAMOTO	Director of The Japan Centre for International Exchange

10 JAN 1985





MEETING WITH 2000 GROUP, 15 JANUARY

UK/JAPAN TRADE RELATIONS

1. UK and EC have large and increasing imbalance in visible trade with Japan (UK 1983 £2.6bn, likely to be £2.8bn 1984). UK exports are improving (up around 18% in 1984) but not making major impact on overall trade flow. Problem of imports in sensitive sectors remains. Prime Minister Nakasone's message on need to promote imports not getting through to levels at which purchasing decisions effectively taken.
2. Japanese have introduced import liberalisation measures (eg reduced tariffs on particular goods) but little practical effect. US pressing hard for more liberalisation measures in particular sectors, as are EC. Recent Reagan/Nakasone meeting good for Japanese - were not hit as hard as they feared with threats of protectionism. Problem for US, as for EC, is to prevent Japanese procrastinating on market liberalisation. Major task is to tackle Japan's low propensity to import, both in industrial and consumer sectors.
3. On services, Japan beginning to liberalise and we welcome progress on finance. Again need to ensure changes not tailored to US demands to exclusion of UK and EC.
4. Direct new investment from overseas judged to be of net overall benefit to the UK economy is welcomed. Overseas companies investing in UK treated as equals with indigenous companies. Japanese investment, although still relatively small (£45m in UK, 5500 jobs, £250m in EC, 25,000 jobs) can play an important role in reducing trade frictions. Japanese appear to respond positively to investment opportunities particularly in sectors where imports are sensitive (eg cars, machine tools). HMG proposes to hold two seminars in 1985 in Tokyo and Osaka on the benefits investments in Britain can bring - shows continued commitment to attracting Japanese manufacturing investment to UK.