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Foreign and Commonwealth Office

London SW1A 2AH

19 January, 1983

*Dear John,*

New Japanese Economic Measures

On 13 January the Japanese Government announced a new package of economic measures covering the tariff reductions announced just before Christmas (which the Japanese Foreign Minister discussed with the Prime Minister earlier this month), relaxation of import restrictions, improvement of testing and certification procedures, import promotion, industrial cooperation and government procurement. In addition Prime Minister Nakasone issued a strong and direct public statement (copy enclosed) calling on the Japanese to welcome foreign goods and avoid excessive exports.

The Foreign and Commonwealth Secretary thinks that it would be useful if he were to send a message to Mr Abe, on the lines of the attached draft, welcoming the measures in principle while at the same time seeking to nail the Japanese down on their future programme of work on trade problems. This would serve both to give encouragement to the Japanese to continue their efforts, and to make clear that these will be judged by results.

In view of her close interest in the subject, Mr Pym thought that the Prime Minister might like to see the draft message before it issues.

I am copying this letter to John Rhodes (Department of Trade).

*Yours ever*  
*J E Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
Private Secretary  
10 Downing Street

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STATEMENT OF PRIME MINISTER NAKASONE

ON

THE PROMOTION OF EXTERNAL ECONOMIC MEASURES

January 13, 1983

Today, the world economy is confronted with acute difficulties, with simultaneous economic stagnation worsening in many parts of the world and with increasing unemployment, there is rising protectionism. The continuation of the free trading system which has sustained the post-war economic development of the world has become endangered. If we fail to respond commensurately to these challenges, we will be faced with the danger that the very basis of the stability and prosperity of the democratic, free world economies will be undermined. In the face of these difficulties, Japan, which together with the United States and Europe carries an important responsibility in sustaining the world economy, must make an active and leading contribution befitting its international position.

Under these circumstances, Japan had taken a series of measures to accelerate the opening of her market, such as unilateral reduction of tariffs and simplification of import testing procedures. These measures have been designed with the overall aim of firmly maintaining the free trading system and contributing to the revitalization of the world economy through achieving an expansion of trade on a balanced basis. In addition to these previous measures, we have decided on a new set of actions including the substantial reduction of tariffs on items of interest to our trading partners, an across-the-board review of standards, certification systems, etc, which may lead to the amendment of laws, and the improvement and strengthening of the system for settling trade-related grievances.

/In parallel with such



In parallel with such market-opening measures, we will continue to work towards the steady recovery of our economy based primarily on the expansion of domestic private demand. At the same time, for the development of our harmonious external economic relations, it is essential that we further increase manufactured imports and avoid the excessive concentration of exports of certain products.

I underline the crucial importance of these earnest efforts on the part of both the Government and people of Japan to ensure that these measures prove truly effective and fruitful. I realize that the accelerated opening of our market entails difficulties, but I appeal anew to the broad spectrum of the Japanese people to lend their understanding and cooperation in maintaining firmly the posture of welcoming foreign manufactured goods and investment without discrimination. We need to continue to cultivate the image of a "Japan which is open to the world".

I also hope that our trading partners, on their part, fully appreciate these ongoing and continuing efforts of Japan and cooperate with us for the maintenance and strengthening of the free trading system.

We have encountered many difficulties in the past, but we have surmounted them with wisdom and determination and have built the prosperity of today. I am convinced that we can certainly overcome the current challenge if we place our faith in the vigor of the societies of the free world and join our hands together to tackle the problems before us.



Classification and Category

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FRAME EXTERNAL  
FRAME INDUSTRIAL

Priority

PRIORITY

ZCZC 1 ZCZC  
 GRS 2 GRS  
 CLASS 3 CONFIDENTIAL  
 CAVEATS 4 FRAME EXTERNAL!INDUSTRIAL  
 DESKBY 5  
 FM FCO 6 FM FCO  
 PRE/ADD 7 TO PRIORITY TOKYO  
 TEL NO 8 TELEGRAM NUMBER  
 9 INFO ROUTINE UKREP BRUSSELS, WASHINGTON  
 10 INFO SAVING PARIS, BONN, COPENHAGEN, ROME, ATHENS, LUXEMBOURG,  
 11 THE HAGUE, DUBLIN, BRUSSELS,  
 12 YOUR TELNO 23: JAPANESE ECONOMIC MEASURES  
 13 1. Please pass the following message from the Secretary of State  
 14 to Mr Abe:-  
 15 Begins:  
 16 "When you were in London earlier this month, we had a full  
 17 discussion of bilateral trading questions, in the course of which  
 18 you explained your intention to take further steps to improve  
 19 access to the Japanese market. I was interested, therefore, to  
 20 see the details of these measures and to read Mr Nakasone's  
 21 statement about them. I took particular note of the emphasis  
 22 which he laid on the need further to increase manufactured imports  
 23 and avoid the excessive concentration of exports on certain  
 24 products. These were welcome words, particularly since they were  
 25 clearly set against the background of the importance for Japan to

NNNN ends telegram	BLANK	Catchword recognise
File number	Dept ECD(E)	Distribution Frame External Frame Industrial ECD(E) FED
Drafted by (Block capitals) Ms E I Young		
Telephone number 233-3319		
Authorised for despatch		
Comcen reference	Time of despatch	

CONFIDENTIAL  
FRAME INDUSTRIAL

PRIORITY

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1 <<<<  
2 recognise its responsibility to sustain both the world economy and  
3 the free trading system. They reflect very closely the views  
4 Mrs Thatcher expressed to Mr Suzuki when she was in Japan in  
5 September. We were therefore pleased to see that early in his  
6 new Administration Mr Nakasone has taken the initiative in giving  
7 a personal lead in these two directions. We much look forward to  
8 seeing effective results stemming from these measures and from the  
9 appeal which Mr Nakasone has made to the Japanese people to support  
10 the government's initiative."

11 Ends

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13 PYM

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Catchword



19 JAN 1983  
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Japan.



10 DOWNING STREET

John

John Rhodes says  
re your letter of 19 Jan  
on new Japanese  
econ. measures.

Both DOT + FCO are  
content with the  
drafts.

Petis  
26/11

Please then have  
~~last draft typed.~~  
the draft to the  
P.R. typed.  
100/20/1



Foreign and Commonwealth Office

London SW1A 2AH

25 January 1983

*Dear John,*

New Japanese Economic Measures

Thank you for your letter of 19 January enclosing the Department of Trade's proposed draft reply for the Prime Minister to send to Mr Esaki. We are content with the draft which indeed complements the Foreign Secretary's proposed message to Mr Abe.

I am copying this letter to John Rhodes (Dept of Trade).

*Yours ever*

*John Holmes*

(J E Holmes)  
Private Secretary

A J Coles Esq  
10 Downing Street



Foreign and Commonwealth Office

London, SW1A 1AA



26 JAN 1983



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10 DOWNING STREET

*From the Private Secretary*

19 January 1983

NEW JAPANESE ECONOMIC MEASURES

Your letter of today's date encloses a draft of a message which the Foreign and Commonwealth Secretary proposes to send to the Japanese Foreign Minister. John Rhodes' letter of 18 January, a copy of which I enclose, proposes a draft letter from the Prime Minister to Mr. Asaki about the same subject. I should be grateful to know whether both you and the Department of Trade find both drafts acceptable.

I am copying this letter to John Rhodes.

A. J. COLES

John Holmes, Esq.,  
Foreign and Commonwealth Office