2089 CONFIDENTIAL

10 DOWNING STREET

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FILE TITLE:	PUONS	SERIES
		JAPAN
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PART BEGINS: 25 APRIL 2001	PART ENDS:	CAB ONE:
	LABOUR ADMINISTRAT	TION
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PART

CLOSED

DATE CLOSED

7 JUNE 2001

Series: JAPAN

File Title: Relations

Part: 9

	Date	From	То	Subject	Class	Secret
-	26/04/2001	FCO	FA/APS	Prime Ministers telephone call with the new prime minister of Japan	С	0
	26/04/2001	Telegram/IN		Telno 134 Tokyo: New Cabinet: List of ministers	U	0
	26/04/2001	FA/APS	PM	Telephone call with new Japanese Prime Minister	R	0
	26/04/2001	Ch.Staff	FA/PS	Spring Time in Japan?	U	0
	27/04/2001	FA/PS	FCO	(T) Telephone call with the new Japanese Prime Minister	R	0
	27/04/2001	Japan/HMA	FA/PS	PM's telephone conversation with Koizumi, 27 April	U	0
	01/05/2001	FCO	FA/APS	Guest of Government Visit to Britain by the Crown Prince of Japan	U	0
	03/05/2001	FCO	FA/PS	japan: engaging with the new Government	С	0
1	04/05/2001	FA/PS	FCO	Japan: engaging with the new Government	С	0
	10/05/2001	FCO	FA/APS	Guest of government visit to Britain by the crown prince of japan	С	0
	11/05/2001	FCO	FA/APS	Japanese whaling: non-disclosure of message of 12/6	С	0
0	16/05/2001	Japan/HMA	FA/PS	Japan: Engaging with the New Government: Koizumi's Foreign Policy	U	0
	21/05/2001	FCO	FA/APS	Call on the Prime Minister by the Crown Prince of Japan	R	0
-	21/05/2001	FCO	FA/PS	Japan: Engaging the New Government	U	0
	22/05/2001	FA/PS	FCO	(M) Call by the Crown Prince of Japan, 22 May	R	0
	06/06/2001	Japan/Ambo	PM	Thanks for hospitality for Crown Prince	С	0

020-7465 6500

EMBASSY OF JAPAN

101-104 PICCADILLY LONDON

W1J 7JT

6th June 2001

Dear Prime Minister,

I should like to express my gratitude to you for your kindness and courtesy on the occasion of the recent visit of His Imperial Highness The Crown Prince of Japan to the United Kingdom.

I know that His Imperial Highness was grateful for the warm welcome He received from Her Majesty The Queen and the Royal Family and from Her Majesty's Government. His Imperial Highness has taken with him many happy memories which will always stay with him.

His Imperial Highness was especially grateful to you for so kindly receiving Him at Downing Street. He greatly enjoyed His meeting with you and was most appreciative of your consideration in making time to see Him in the midst of the election campaign. His Imperial Highness also greatly enjoyed the dinner so kindly hosted in His honour by The Lord Chancellor on behalf of Her Majesty's Government which enabled Him to meet so many of those who are closely involved in Anglo-Japanese relations.

I truly believe that this visit has been successful in celebrating the launch of Japan 2001 and furthering the firm foundation of goodwill and friendship between our two countries into the 21st century.

With my deepest appreciation and kindest regards,

yours sincouly,

Sadayuki Hayashi Ambassador

The Rt. Hon. Tony Blair, MP, Prime Minister, First Lord of the Treasury and Minister for the Civil Service, 10 Downing Street, London, SW1A 2AA.

RESTRICTED



10 DOWNING STREET LONDON SW1A 2AA

bcc: AW TL

From the Private Secretary

Though,

22 May 2001

CALL BY THE CROWN PRINCE OF JAPAN, 22 MAY

Crown Prince Naruhito was received by the Prime Minister at 10 Downing Street today. This was one of only two foreign affairs engagements the Prime Minister is undertaking during the election campaign (the other will be receiving the Swedish Prime Minister in his capacity as President of the European Union on his tour of capitals). Despite his shy demeanour, the Crown Prince was clearly delighted to be able to pay a first visit to Downing Street. He spoke warmly of his time at Oxford, with a touch of pride about his book on navigating the Thames, and was delighted with his contacts with the Queen and the Prince of Wales during this visit. Conversation did not flow particularly easily, but the Prime Minister asked after the Emperor and Empress, congratulated the Crown Prince on the expected arrival of their child, and was able to confirm to him:

- his support for and interest in the Japan 2001 Festival (Ambassador Hayashi emphasised that most of the events were in the regions, not London);
- his strong support for Japanese investment in Britain;
- his hopes for a revival of the Japanese economy;
- that he was looking forward to meeting Prime Minister Koizumi, ideally in London before the Genoa G8 Summit.

The Prime Minister was interested to hear about the Crown Prince's visit to a school in Hendon at which some 200 pupils were studying Japanese. He asked for more information about the extent of Japanese language studies in Britain – I should be grateful if you could let me have a brief note.

I am copying this letter to Stephen Gomersall (Tokyo), Bernadette Kelly (Department of Trade and Industry) and Richard Abel (Cabinet Office).

Your ever,

JOHN SAWERS

Sherard Cowper-Coles, FCO

134034 21st May 2001 Foreign & Commonwealth Office De or John of me London SW1A 2AH Japan: Engaging the New Government Thank you for your letter of 4 May about ways in which No 10 might engage the new Government of Japan. Stephen Gomersall has explored with the Japanese MFA and Koizumi's office the possibility of getting Koizumi to the UK before the Genoa Summit (20-22 July), and of issuing an invitation to his policy advisers. Koizumi has yet to decide on his foreign travel priorities, although he intends to meet Bush before Genoa. There is a window of opportunity from 30 June to around 5 July when the Diet will not be sitting, although Koizumi may not wish to visit Europe twice in one month. Inevitably, there will be competing pressures, so we recommend that the Prime Minister write now to Koizumi with an invitation to visit. I attach a draft. Tokyo have also been working on the question of getting Koizumi's advisers and the No 10 policy advisers together. This is not straightforward. Koizumi had

Tokyo have also been working on the question of getting Koizumi's advisers and the No 10 policy advisers together. This is not straightforward. Koizumi had no established ring of advisers before he came to office. On some issues (including foreign policy) he has had, up to now, little advice of his own. Now in office, much of the advice he is getting is from officials on the normal bureaucratic channels, although on the economy advice from officials is clearly being supplemented by Economics Minister Takenaka and Takenaka's academic network. Therefore we have included an invitation to Koizumi's advisers, outlining topics to flush out some names.

Separately, you will have seen Stephen Gomersall's letter of 16 May to you, recommending that you make contact with Koro Bessho, the new MFA Private Secretary in Koizumi's office.

for.

(Mark Sedwill)
Private Secretary

John Sawers 10 Downing Street

DRAFT LETTER FROM THE PRIME MINISTER TO THE JAPANESE PRIME MINISTER

I was delighted to be able to speak to you on the telephone so soon after your appointment as Prime Minister. I mentioned then how much I would welcome the opportunity to meet you soon. I understand that you may be travelling to Europe in early July or just before the G8 Summit in Genoa. I should like to invite you to visit the United Kingdom during either period.

There is a great deal for our Governments to discuss, both on international issues and on the domestic challenges facing our countries. We have recently had useful exchanges on missile defence and the Kyoto Protocol. I hope too that it will be possible for us to begin to look together at some of our domestic policy priorities. So I should also like to invite some of your key advisers to consider some of the issues – for example, social welfare, making the best use of IT, privatisation, financial reform, education, juvenile crime, homelessness and the public presentation of policy. I hope that these talks might lead to detailed exchanges of ideas and experiences.

My Policy Unit's job is to think creatively across the whole spectrum of domestic political challenges. They concentrate on the medium-term and look hard at best practice in other countries, always keeping in mind the role of government. Roger Liddle, one of my policy staff, visited Japan earlier this year, and was struck by the great scope for cooperation which exists.

I look forward to hearing from you, and very much hope that we shall be able to meet before Genoa.

[Miriam Shearman NEAPD, 2956]

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File File

Foreign & Commonwealth Office

London SW1A 2AH

21 May 2001

CLOSED UNDER THE
FREEDOM OF INFORMATION
ACT 2000

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Call on the Prime Minister by the Crown Prince of Japan

The Crown Prince of Japan is visiting the UK as a Guest of Government. He was last here in 1991. The Prime Minister will meet him at No 10 on Tuesday 22 May at 0940 for 15 minutes, including a photo call. I enclose the Crown Prince's CV, a list of suggested topics of conversation, and the outline programme for the Crown Prince's visit.

The highlights of the visit so far have included:

- attendance at the *Matsuri* (Japanese folk festival) in Hyde Park with the Prince of Wales, to celebrate the start of the Japan 2001 Festival, of which the Crown Prince and Prince of Wales are Joint Patrons;
- attendance at a concert at the Royal Festival Hall, accompanied by the Duke and Duchess of Gloucester;
- a visit to Hendon School, including a demonstration of a Japan-UK live website.

The Lord Chancellor will host a dinner for him on behalf of the government at Lancaster House on 21 May the Lord Mayor is hosting a breakfast on 22 May.

The Japanese have three priorities for this visit to:

- strengthen contact between the Imperial and Royal Families;
- support the Japan 2001 Festival; and
- renew the Crown Prince's links with Oxford, where he studied in the 1980s.

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ACT 20X



We want the Crown Prince to feel welcome and at home here, and to see something of what has been happening in Britain since his last visit. We hope too that intense Japanese media interest in the visit will enable us to reflect both elements back to a wide public in Japan. So far the visit has gone well and both sides are on course to meet these objectives.

lous age

(Mark Sedwill)

Private Secretary

Michael Tatham Esq 10 Downing Street

RESTRICTED

HIS IMPERIAL HIGHNESS THE CROWN PRINCE NARUHITO OF JAPAN

Prince Naruhito, the eldest son of the Emperor and Empress of Japan, was born on 23 February 1960. His education included two years at Merton College, Oxford (1983-85) where he did research on commodity distribution and transportation in Europe, especially England, in the 18th century. In April 1989 the results of this research were published by Oxford University Press under the title "The Thames as Highway - A Study of Navigation and Traffic on the Upper Thames in the Eighteenth Century". He has been awarded an Honorary Fellowship at Merton College, and received the Degree of Doctor of Civil Law by Diploma from Oxford University.

While studying at Oxford the Crown Prince was in regular contact with the Royal Family. Lord and Lady Mansfield acted as the Crown Prince's guardians during that time.

In June 1993 the Crown Prince married Masako Owada, former diplomat and daughter of the Permanent Secretary of the Japanese Foreign Ministry. The couple are expecting their first child towards the end of this year.

The Crown Prince last paid an official visit to the UK in September 1991 at the start of the Japan Festival. The week-long programme included visits to Scotland, Wales and Northern Ireland.

The Crown Prince has not been abroad for seven years, apart from for two State occasions - a wedding and a funeral. The fact that he has agreed to come to the UK for the opening of Japan 2001 is an indication of what Britain and this visit mean to the Japanese, and to the Crown Prince personally.

The Crown Prince is a keen tennis player and enjoys mountain climbing. He is fond of music and plays the viola and the violin. His English is very good.

CALL ON THE PRIME MINISTER BY THE CROWN PRINCE OF JAPAN

TOPICS FOR CONVERSATION

- Best wishes to Crown Princess (expecting a baby, after years of trying and an earlier miscarriage, in November/December).
- His Imperial Highness's time at Oxford.
- This visit: *Matsuri* in Hyde Park; concert at Royal Festival Hall; Windsor.
- Youth links: Crown Prince's visit to Hendon School (IT links); Japan Exchange and Teaching (JET) programme (largest single employer of British graduates over 600 each year); the new UK-Japan Youth Exchange Scheme for working holidaymakers, which started in April.
- Japan 2001. Unlike the 1991 Festival in emphasising people-to-people links, and being more bottom-up than top-down. Evidence of how relationship has matured.
- New Government in Japan. Look forward to working with them. Hope to meet Prime Minister Koizumi soon - perhaps next month if he visits Europe.
- Election campaign.

GUEST OF GOVERNMENT VISIT: CROWN PRINCE OF JAPAN

OUTLINE PROGRAMME (as at 21 May 2001)

Friday 18 May

1625 Arrive at London Heathrow (JL401)

1645 Depart Airport for Windsor Castle

1715 Arrive Windsor Castle

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Saturday 19 May

Private engagements

2015 for 2030

Formal dinner

Overnight

Windsor Castle

Sunday 20 May

1000	Depart Windsor Castle for London
1230	Lunch at Ambassador's residence
1400	Meeting with Embassy staff
1500	Attend Japan 2001 Matsuri, Hyde Park
1620	Meet His Royal Highness The Prince of Wales, Red Cross Sports Area
	His Imperial Highness The Crown Prince and His Royal Highness The Prince of Wales will tour the Matsuri
1730	Leave the Japan in the Park Festival

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Arrive at Royal Festival Hall

Attend Japan 2001 Philharmonia Concert and Reception in the presence of Their Royal Highnesses The Duke and Duchess of Gloucester

Reception hosted by the Japan 2001 Committee in the Chelsfield Room, Royal Festival Hall

Leave Royal Festival Hall

Overnight Claridge's

Monday 21 May

0930	Visit Hendon School. Demonstration of Japan-UK live website; tour of "The Way We Are" photo exhibition; and Homestay UK project
1200	Reception and buffet lunch hosted by Japan-related organisations, Goldsmiths' Hall
1455	Visit British Museum

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1930 Arrive Lancaster House

1930 for Dinner hosted by Lord Chancellor at Lancaster House
2000

Tuesday 22 May

0800-0900 Breakfast hosted by Lord Mayor at Mansion House
 0940 Meeting with the Prime Minister, No 10 Downing Street
 1050 approx Depart for Oxford
 1200 Arrive Merton College. Received by the Warden, Prof Jessica Rawson.

MOTAMPORM ROMOGERA COSTOA

	Coffee/tea with the Warden and other members of the College, then escorted briefly to the guest accommodation in the Warden's Lodgings
1225	Depart Merton for Balliol College
1240	Arrive Master's Lodgings, Balliol. Received by Vice Chancellor, Dr Colin Lucas
1300	Lunch in the Master's Lodgings hosted by the Vice Chancellor
1430	Depart Balliol
1440	Visit to the Ashmolean Museum
1530	Depart Ashmolean Museum
1900	Drinks reception at Merton College
1930	Dinner at Merton hosted by the Warden
Overnight	Merton College, Warden's House

Wednesday 23 May

Private arrangements

Lunch at Trout Inn

Visit River and Rowing Museum, Henley

Leave Henley

Afternoon tea at the Waterside Inn

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GLOSED UNDER THE FREEDOM OF INFORMATION ACT 2000

Thursday 24 May

1130	Arrive Ambassador's residence
	Private lunch
1645	Depart Ambassador's residence
1715	Visit Kew Gardens and attend opening of Japanese Garden
1825	Reception in Temperate House
1845	Depart Kew
1945	Depart Heathrow (JL402)

CLOSED UNDER THE FREEDOM OF INFORMATION ACT 2000



By Fax

16 May 2001

qc: MT

Mr John Sawers No 10 Downing Street NO.608 P.1/1

Japan

British Embassy Tokyo

From the Ambassador
Sir Stephen Gomersall
No. 1, Ichibancho
Chiyoda-ku, Tokyo 102-8381
Office Tel. +813 5211 1100
Office Fax. +813 5211 1111

De av John.

JAPAN: ENGAGING WITH THE NEW GOVERNMENT: KOIZUMI'S FOREIGN POLICY STAFF

We have been looking for some time for a counterpart for you in the Japanese Prime Minister's office. This has become more important with the arrival of Koizumi. While this Embassy always stands ready to transact business on No 10's behalf, there will be times where, as with other Prime Ministerial/Presidential offices, it will help the smooth transaction of business if you can speak direct.

Until now, there has been no-one suitable in the Cabinet Secretariat (Cabinet Office equivalent) or in the Prime Minister's official residence (No 10 equivalent). But in the latest round of appointments, Koro Bessho, an MFA official and Head of the Policy Coordination Division in the MFA until the beginning of this month, has been appointed as the MFA Private Secretary in the Prime Minister's official residence. I have known Bessho for many years. He speaks excellent English, is frank, not at all protocolaire and, by instinct and background, very policy-minded. He is not your direct counterpart. Advice on foreign policy also comes into the Prime Minister from the Cabinet Secretariat. But I think you will be able to do business with him.

We have informally suggested to him that direct communication between you and him might, on occasion, be useful. He is very ready to speak to you. He can be contacted on (03) 3581 0101.

We will let you know if he is likely to accompany Koizumi on any visits to Europe, or to Genoa.

Your eres,

8Vu N Jain

pp Sir Stephen Gomersall

cc: Mr Nick Archer, Head, NEAPD, FCO Mr Peter Westmacott CMG LVO, DUS Wider World Ms Ros Marsden, Director Asia Pacific

Foreign & Commonwealth Office

10 May 2001

London SW1A 2AH

MT S. JS AW GR-ASia Se

Down Michael,

Guest of Government Visit to Britain by the Crown Prince of Japan

I wrote to you on 1 May about the visit to Britain by the Crown Prince of Japan.

The Foreign Secretary hopes that the Prime Minister might be able to meet the Crown Prince briefly to demonstrate the importance we attach to Japan.

I attach a copy of the programme, which has changed since my previous letter. The following slots are now available:

Sunday 20 May:

between 1100 and 1220, or 1700 and 1800

Monday 21 May:

between 1030 and 1100, or 1400 and 1440

Tuesday 22 May:

between 0915 and 1000

Thursday 24 May:

between 1400 and 1600

The Japanese would prefer a meeting to take place on Thursday 24 May. However, they understand the current heavy demands on the Prime Minister's time.

(Patrick Davies)
Private Secretary

Michael Tatham Esq 10 Downing Street

GUEST OF GOVERNMENT VISIT: CROWN PRINCE OF JAPAN

OUTLINE PROGRAMME (as at 8 May 2001)

Friday 18 May

1625

Arrive at London Heathrow (JL401) Depart Airport for Windsor Castle

CLOSED UNDER THE

FREEDOM OF INFORMATION

2015 for 2030

Overnight

Windsor Castle

Saturday 19 May

Windsor Castle

1800

Photo call in the Royal Library

2015 for

Formal dinner

2030

Overnight

Windsor Castle

Sunday 20 May

1000 Depart Windsor Castle for London

1230 Lunch at Ambassador's residence

1400 Meeting with Embassy staff

1500 Attend Japan 2001 Matsuri, Hyde Park

1930 Japan 2001 Concert and Reception at Royal Festival Hall

Overnight Claridge's

Monday 21 May

0930

Visit Hendon School

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1200	Reception and buffet lunch hosted by Japan-related organisations, Goldsmiths' Hall
1455	Visit British Museum
1630	Arrive St James's Palace
1650	Depart for Chelsea Flower Show, accompanied by Princess Alexandra Tea at the Show
1900	Return to Claridge's
1930 for 2000	Dinner hosted by Lord Chancellor at Lancaster House
Tuesday 22 M	<u>May</u>
0800-0900	Breakfast hosted by Lord Mayor at Mansion House
0000 0700	Dicaklast hosted by Lord Wayor at Mansion House
1050 approx	Depart for Oxford
1050 approx	Depart for Oxford Arrive Merton College. Received by the Warden, Prof Jessica Rawson. Coffee/tea with the Warden and other members of the College, then
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1050 approx 1200 1230 1240	Depart for Oxford Arrive Merton College. Received by the Warden, Prof Jessica Rawson. Coffee/tea with the Warden and other members of the College, then escorted briefly to the guest accommodation in the Warden's Lodgings Depart Merton for Balliol College Arrive Master's Lodgings, Balliol. Received by Vice Chancellor, Dr Colin Lucas

Overnight Merton College, Warden's House (Rest of delegation at Old Bank Hotel)

Depart Ashmolean Museum

Drinks reception at Merton

Dinner at Merton hosted by the Warden

Wednesday 23 May

1530

1900

1930

Thursday 24 May

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11 May 2001

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File. Anna
14/5

Foreign & Commonwealth Office

London SW1A 2AH

Dear Anna

<u>Japanese Whaling:</u> Non-Disclosure of Message of 12 June 2000

We have spoken about the application made to a District Court Washington DC for disclosure under the US Freedom of Information Act (FOIA) of the Prime Minister's letter of 12 June 2000 to the (then) Japanese Prime Minister (Mori). (This conveyed the joint message from the UK, US and New Zealand Governments asking Japan not to continue with her expanded whaling programme.) We explicitly asked the State Department last year to keep the message as a classified document.

Judge Ellen Huvelle will hear the case on 14 May. The State Department believe there is a good chance of success if we write to State requesting non-disclosure. I enclose a draft. This letter would be shown in confidence to Judge Huvelle in camera. It would not be disclosed to the plaintiffs. The State Department's lawyers have had a number of Freedom of Information Act cases before this judge and have found her to be a stickler for procedures but fair on the substance. On the substance in this case, State think she would "have ears to listen". The key element in her decision will be whether the request to withhold disclosure meets the criteria of the legislation allowing the non-disclosure of information provided in confidence from foreign governments. On the basis of the information we have provided, State believe the judge may well decide that these criteria are met in this case. State also tell us that the case is not attracting media interest.

Our Embassy in Tokyo believe that we should write in the terms suggested. Even if the disclosure were then allowed, we would be able to tell the Japanese Government that we had done our best to prevent it. But if we do not provide State with a written request for non-disclosure, the document will certainly be disclosed. If the Japanese complained to the US, the Americans would be able to say that it had been open to the UK Government to use the provisions of the FOIA to seek to prevent disclosure of a document which it had originally provided in confidence to the US Government; but that we had not done so.



I should be grateful for your agreement that we now write to the State Department, emphasising that our request for non-disclosure is itself made in confidence and is not to be passed to anyone except the judge.

If we do not succeed in preventing disclosure, we would ask Stephen Gomersall in Tokyo to forewarn the Japanese. We would also encourage the US to do the same.

(Patrick Davies)

Yours sincerely,

Ms Anna Wechsberg 10 Downing Street

FINAL DRAFT

11 May 2001

William H Taft, IV
The Legal Adviser
Office of the Legal Adviser
United States Department of State
WASHINGTON, D.C.
United States of America

REQUEST NOT TO DISCLOSE A UNITED KINGDOM DOCUMENT GIVEN IN CONFIDENCE TO THE GOVERNMENT OF THE UNITED STATES

I understand that a request has been made to the District Court in Washington, D.C. for disclosure of the text of the joint Heads of Government message to the Prime Minister of Japan dated 12 June 2000. As Legal Adviser to the Foreign and Commonwealth Office I have been asked to write to you on behalf of Her Majesty's Government to set out the reasons for our objection to such disclosure.

When the message issued it was agreed by the Governments concerned that it would remain confidential. Her Majesty's Government supplied the text of the letter in confidence to the Government of the United States. Although the UK Government has since made public the fact that a letter of this character was sent, the UK Government was careful not to release the letter itself, and thus the text of the joint message contained within it, to the public.

It is important to Her Majesty's Government that the text of the letter remain confidential.

Whaling is a sensitive and important issue. We wish to persuade Japan (as does the

Government of the United States of America) not to continue with her expanded whaling

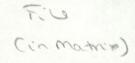
programme. There is a new government in Japan. We have an opportunity to pursue this UK interest at the July 2001 meeting of the International Whaling Commission (IWC 53), in London. Those in Japan who favour lethal whaling research are likely to exploit the release of this document as evidence of bad faith on the part of the Government of the United Kingdom and the Prime Minister (under whose name the letter was sent). They could argue that the UK Government had told the Embassy of Japan in London that it did not intend to issue publicly the text of the joint message to Prime Minister Mori (which is true); and that acquiescence in disclosure showed bad faith. The Japanese Government might infer that our motive in agreeing to the disclosure of the joint message was to place them under unfair pressure in the UK media before and during IWC 53 in London in July 2001.

The publicity accorded to such a disclosure could well be intensified because of the coincidence with two high-profile events: the festival *Japan 2001* which the Japanese Embassy
is currently mounting in the United Kingdom; and the official visit from 18 to 24 May of the
Crown Prince of Japan. We have no desire to provide additional ammunition for those in
Japan who wish to continue (and even to expand) their whaling programmes; to resist the
establishment of a South Pacific Whale Sanctuary; and to work for the end of the IWC's
moratorium on commercial whaling.

For the foregoing reasons, the Government of the United Kingdom requests that no part of the text of the joint message be disclosed.

We would kindly request that this letter also be kept in confidence.

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From the Private Secretary

4 May 2001

Dear Panick

JAPAN: ENGAGING WITH THE NEW GOVERNMENT

Thank you for your letter of 3 May and the ideas for engaging the new Japanese Government.

The first step is to try to get Koizumi here before the G8 Summit. We should also arrange early visits by his policy advisers, preferably at around the same time, with each having a tailored programme in Britain. Their work could perhaps be launched by the Prime Minister and Koizumi together, with specialist meetings taking place while the two leaders are in Genoa. Perhaps Stephen Gomersall could pursue this with Koizumi's people. If a letter from the Prime Minister would help (or a telephone call from me to one of Koizumi's advisers) please let me know.

I am copying this letter to Peter Unwin (DETR), Bernadette Kelly (DTI), Mike Wardle (DFEE), Chris Austin (DFID), Tom Scholar (HMT), Sir David Wright (BTI) and Richard Abel (Cabinet Office).

Jours 5000

JOHN SAWERS

10 2202 M. 3

Patrick Davies FCO

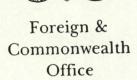
File. Come promo ser i for). 1, Johalter 2. Anna - You should not it to 18 this weekend. Roge has absorby comulted lete who seem been. But 13 certainly shouldn't write - if he's out in principles they's should please Peter. Check with his before wanting 13. (think in substance that it an excellent 4 idea. Anju views? Tes- pul to PM as Soon or you con. He's seig PM on Siday to disters the bullion, & Karumi is here helise, & Karumi is here





3 May 2001





London SW1A 2AH

Den John,

Japan: Engaging With The New Government

Summary

Ideas for engaging with Koizumi's Japan, and for the personal involvement of the Prime Minister.

Detail

Thank you for your letter to Sherard Cowper-Coles of 27 April reporting the Prime Minister's telephone conversation with the new Prime Minister of Japan, Junichiro Koizumi. We agree we should make a big effort with Koizumi and his new government.

Assuming Koizumi survives the Japanese Upper House elections in July, which looks increasingly likely, his arrival creates a real opportunity for Japan to change in ways which will benefit both Japan and the UK. High-level engagement by the UK will, at least in a small way, encourage Koizumi to do what is necessary. We have the following thoughts on how to build the right relationship.

Contacts

Stephen Gomersall is following up the Prime Minister's invitation to Koizumi to come to London before the Genoa Summit. We shall let you know the reaction. The impact of this would be greatly enhanced if the Prime Minister was able to suggest to Koizumi that he hoped to visit Japan again, perhaps early next year. This would be worthwhile anyway; the more so if a reforming administration is by then firmly in place.

Contacts should go wider. While we are realistic about the practicalities of Ministers visiting Japan very often, we believe we should try to establish with Japan something on the lines of our step-change programme with EU partners. The Prime Minister could usefully take the opportunity offered by Koizumi's arrival to encourage Cabinet colleagues to get alongside their Japanese counterparts, many of whom will come through London en route to third countries from time to time. For his part, the Foreign Secretary hopes to have an early bilateral with Ms Tanaka, perhaps in the margins of the G8 Foreign Ministers' Meeting at Portofino.

RESTRICTED



Substance

We have been working hard to strengthen political cooperation with Japan. The Action Agenda agreed by the Foreign Secretary in 1999 has provided a useful stimulus to closer cooperation across the board. Sir John Kerr agreed with his Japanese counterpart in March to work with the Japanese on:

- <u>science</u>, technology and the environment: David Sainsbury took forward collaboration on the human genome and on global climate change modelling when he visited Japan two weeks ago. We are also working together on Kyoto;
- e-commerce: Patricia Hewitt is working on a joint statement to set the framework for future cooperation on Information and Communications Technology;
- <u>educational cooperation through e-links</u> to link up both British and Japanese schools and teachers of English in Japan;
- wide-ranging <u>co-operation on foreign policy</u> issues, such as a Joint Conference on Indonesia;
- conflict prevention, including NGO capacity building; and
- <u>development assistance</u>: a UK/Japanese evaluation team recently visited three African countries.

The FCO and other Departments are taking forward these and other initiatives as valuable in their own right. But some also have the potential to be launched or endorsed at Prime Ministerial level.

What is striking about this list is the extent to which we are beginning to cooperate on the domestic agenda, where both countries can learn from each other, and where we have a real interest in helping Japan sort out its serious structural problems. The Foreign Secretary believes it would be worth doing more to engage respective advisers on these policy areas. You have seen Roger Liddle's perceptive account of his own visit to Japan from 5-9 March, in which he identified areas like social reform and structural adjustment as ones in which the Japanese need our know-how. The new Japanese government will stand or fall on its ability to make the reforms to which Koizumi is publicly committed.

It will not be easy to establish a mutually beneficial exchange of ideas. The Japanese have no PIU and very different ways of managing policy thinking within their system. But we can do much in this area with the Prime Minister's personal backing and that of Koizumi. Now is an ideal time to start. One way would be to invite Koizumi to send some of his people to London just before or after the Prime Minister's first meeting with him.

RESTRICTED



After the UK General Election, it would also be worthwhile re-energising the 21st Century Group, with new leaders on each side who enjoy the support and confidence of their respective Prime Ministers.

I am copying this letter to Peter Unwin (DETR), Bernadette Kelly (DTI), Mike Wardle (DfEE), Chris Austin (DFID), Tom Scholar (HMT), Sir David Wright (BTI) and Richard Abel (Cabinet Office).

(Patrick Davies)
Private Secretary

Your ever,

John Sawers 10 Downing Street

DRAFT LETTER FROM PRIME MINISTER TO PETER MANDELSON

I understand Roger Liddle has spoken to you about the Chairmanship of the UK-Japan 21st Century Group. As a member of the Group you are probably aware that David Howell is keen to step down. I wanted to write personally to ask you formally to consider taking up this position.

As you know, the Group was originally established by the British and Japanese Prime Ministers to strengthen bilateral non-governmental links. For a time it acted as a highly effective lobby amongst business and other leaders for closer ties with Japan, usefully complementing government's efforts in this. I hope that, with you as Chairman, it can do the same again. The Group needs younger members and to have more interaction with Government, by focusing its agenda on issues of current interest to both governments.

Prime Minister Koizumi has a strong attachment to Britain and I believe that we will be able to work well together. Many of the reforms he needs to make are in areas which we have tackled in the last four years. I am keen to make a big effort with him and his Government and believe that a re-energised 21st Century Group will help.

I will be seeing Koizumi when he visits London on 2 July and I would like to be able to tell him then that you have agreed to replace David Howell. I will also use the opportunity to tell him that I would like, in principle, to revive the custome of Prime Ministers seeing the whole Group when it meet; its annual gathering will be in Britain around March 2002. I shall encourage him to appoint a correspondingly high-calibre new Japanese Chairman.

I do hope that you can take this on. If so, I shall let David Howell know of your readiness and ask him to clear the ground for your appointment.

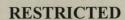
DRAFT LETTER FROM PRIME MINISTER TO LORD HOWELL

I understand that you are ready, after eleven years, to step down as Chairman of the UK-Japan 21st Century Group. This is sad news. I know how much you have put into the Group. It is thanks to your enthusiasm and energy that it has played such an important role in strengthening non-governmental links.

Yours will be a hard act to follow. I am keen that your successor should be someone who can take up the challenge of ensuring that the Group's efforts complement those of the Government, to develop closer ties with Japan across the whole range of shared interests and further strengthen the Group's link with the Prime Minister, which has always been integral to its identity. I have written to Peter Mandelson inviting him to consider the position and, I am delighted to say, he has responded positively. I believe he would be a very worthy successor and hope that the Group will welcome this proposal.

As you know, I will be seeing Prime Minister Koizumi when he visits London on 2 July. I would like to use that opportunity to inform him of your successor's identity and to encourage him to look for a good new Chairman for the Japanese Group, which I know has recently been the weak link.

I know I speak for many when I say that you will be sorely missed as Chairman of the 21st Century Group. But I hope that you will continue to be involved in the Group's activities and am grateful for all you have done.









London SW1A 2AH

Dea Joh,

Japan: Engaging With The New Government

JS Leisb Awall Ac

Summary

Ideas for engaging with Koizumi's Japan, and for the personal involvement of the Prime Minister.

Detail

Thank you for your letter to Sherard Cowper-Coles of 27 April reporting the Prime Minister's telephone conversation with the new Prime Minister of Japan, Junichiro Koizumi. We agree we should make a big effort with Koizumi and his new government.

Assuming Koizumi survives the Japanese Upper House elections in July, which looks increasingly likely, his arrival creates a real opportunity for Japan to change in ways which will benefit both Japan and the UK. High-level engagement by the UK will, at least in a small way, encourage Koizumi to do what is necessary. We have the following thoughts on how to build the right relationship.

Contacts

Stephen Gomersall is following up the Prime Minister's invitation to Koizumi to come to London before the Genoa Summit. We shall let you know the reaction. The impact of this would be greatly enhanced if the Prime Minister was able to suggest to Koizumi that he hoped to visit Japan again, perhaps early next year. This would be worthwhile anyway; the more so if a reforming administration is by then firmly in place.

Contacts should go wider. While we are realistic about the practicalities of Ministers visiting Japan very often, we believe we should try to establish with Japan something on the lines of our step-change programme with EU partners. The Prime Minister could usefully take the opportunity offered by Koizumi's arrival to encourage Cabinet colleagues to get alongside their Japanese counterparts, many of whom will come through London en route to third countries from time to time. For his part, the Foreign Secretary hopes to have an early bilateral with Ms Tanaka, perhaps in the margins of the G8 Foreign Ministers' Meeting at Portofino.



Substance

We have been working hard to strengthen political cooperation with Japan. The Action Agenda agreed by the Foreign Secretary in 1999 has provided a useful stimulus to closer cooperation across the board. Sir John Kerr agreed with his Japanese counterpart in March to work with the Japanese on:

- <u>science</u>, technology and the environment: David Sainsbury took forward collaboration on the human genome and on global climate change modelling when he visited Japan two weeks ago. We are also working together on Kyoto;
- <u>e-commerce:</u> Patricia Hewitt is working on a joint statement to set the framework for future cooperation on Information and Communications Technology;
- <u>educational cooperation through e-links</u> to link up both British and Japanese schools and teachers of English in Japan;
- wide-ranging <u>co-operation on foreign policy</u> issues, such as a Joint Conference on Indonesia;
- conflict prevention, including NGO capacity building; and
- <u>development assistance</u>: a UK/Japanese evaluation team recently visited three African countries.

The FCO and other Departments are taking forward these and other initiatives as valuable in their own right. But some also have the potential to be launched or endorsed at Prime Ministerial level.

What is striking about this list is the extent to which we are beginning to cooperate on the domestic agenda, where both countries can learn from each other, and where we have a real interest in helping Japan sort out its serious structural problems. The Foreign Secretary believes it would be worth doing more to engage respective advisers on these policy areas. You have seen Roger Liddle's perceptive account of his own visit to Japan from 5-9 March, in which he identified areas like social reform and structural adjustment as ones in which the Japanese need our know-how. The new Japanese government will stand or fall on its ability to make the reforms to which Koizumi is publicly committed.

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I am copying this letter to Peter Unwin (DETR), Bernadette Kelly (DTI), Mike Wardle (DfEE), Chris Austin (DFID), Tom Scholar (HMT), Sir David Wright (BTI) and Richard Abel (Cabinet Office).

(Patrick Davies)
Private Secretary

Your ever, Panik

John Sawers 10 Downing Street Anji
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Kate
Foreign & Commonwealth

1 May 2001

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London SWIA 2AH

Campaign trial?

Dear Michael, M
Michael Her

Guest of Government Visit to Britain by the Crown Prince of Japan

Sherard Cowper-Coles wrote to you on 24 April about the visit to Britain by the Crown Prince of Japan.

The Foreign Secretary realises the Crown Prince's visit falls at a particularly busy period. But he hopes the Prime Minister might be able to meet the Crown Prince briefly, and perhaps offer him tea. A meeting would send a clear message to the Japanese of the Government's interest in its relationship with Japan.

I enclose the outline programme for the visit. The following slots are currently free:

Sunday 20 May: between 1230 and 1600 (possibly later,

depending on events at the Matsuri in Hyde

Park)

Monday 21 May: between 0900 and 1145; or

between 1500 and 1600

Thursday 24 May: between 1030 and 1200 (this would require a

helicopter journey from Highgrove to

London); or

between 1500 and 1630

The Crown Prince speaks fluent English. He studied at Oxford from 1983-85. His last official visit to the UK was in September 1991. He has not been abroad for seven years, apart from for one wedding and one funeral, an indication of what Britain and this visit - which Mr Koizumi mentioned to the Prime Minister - mean to the Japanese.

(Patrick Davies)
Private Secretary

Your ever,

Michael Tatham Esq 10 Downing Street

PROM49/2089/2

dated mas

GUEST OF GOVERNMENT VISIT: CROWN PRINCE OF JAPAN

OUTLINE PROGRAMME (as at 30 April 2001)

Friday 18 May

1625

Arrive at London Heathrow (JL401)

Depart Airport for Windsor Castle

Overnight

Windsor Castle

Saturday 19 May

Windsor Castle

Overnight

Windsor Castle

Sunday 20 May

am

Depart Windsor Castle for London

Attend Japan 2001 events

Hyde Park Matsuri; Concert and Reception at Royal Festival Hall

Overnight

Claridge's

Monday 21 May

Possible programme elements:

- (brief) Meeting with Prime Minister
- Meeting with Secretary of State
- Japan 2001 events
- Chelsea Flower Show preview

Confirmed:

- Reception/buffet lunch hosted by Japan Society and other Japan organisations (1200? Goldsmiths' Hall)
- Dinner hosted by Lord Chancellor at Lancaster House

Tuesday 22 May

0800-0930

Breakfast hosted by Lord Mayor at Mansion House

1030 approx Depart for Oxford

doctor

PREM 49/2089/2

Arrive OXFORD late morning

Arrive Merton College. Received by the Warden, Prof Jessica Rawson. Coffee/tea with the Warden and other members of the College, then escorted briefly to the guest accommodation in the Warden's Lodgings

1230	Depart Merton for Balliol College
1240	Arrive Master's Lodgings, Balliol. Received by Vice Chancellor, Dr Colin Lucas
1300	Lunch in the Master's Lodgings hosted by the Vice Chancellor
1430	Depart Balliol for Begbroke
1445	Visit to the University Science Park at Begbroke escorted by Prof Brian Cantor
1600	Depart Begbroke for Ashmolean Museum
1615	Visit Ashmolean Museum escorted by the Director, Dr Christopher Brown
1730	Depart the Ashmolean Museum for Merton College
1745	Rest and change
1900	Drinks reception at Merton
1930	Dinner at Merton hosted by the Warden
Overnight	Merton College, Warden's House (Rest of delegation at Old Bank Hotel)

Wednesday 23 May

0830	Breakfast at Merton
0930	Time at Merton - to include visit to the Merton Library, escorted by the Warden
1045	(Possible) Visit to the Bodleian Library escorted by Bodley's Deputy Librarian, Mr John Tuck



Thursday 24 May

Possible programme elements:

- Lunch?
- (brief) Meeting with Prime Minister
- Meeting with Secretary of State
- Japan 2001 events
- Kew Gardens (1730 en route to airport)

1945 Depart Heathrow (JL402)

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File BUSP JOH ALJO!

From the Private Secretary

27 April 2001

Her Therard.

TELEPHONE CALL WITH THE NEW JAPANESE PRIME MINISTER

The Prime Minister spoke to the new Prime Minister of Japan, Junichiro Koizumi, today. We had planned to set up the call anyway, but the Japanese got in their bid first. Even though Koizumi was speaking from a prepared script, and used an interpreter, there were flashes of his personality and his attachment to Britain came through very strongly.

<u>Koizumi</u> began by announcing that he had now assumed office as Prime Minister and thanked the Prime Minister for his message. Japan was facing a difficult situation. The revival of the Japanese economy was his first priority and he was intent on pursuing structural reform.

On the international front, Koizumi said he fully understood the degree of inter-dependence of countries and that it was essential for Japan to co-operate internationally to preserve peace and prosperity. In this regard, the relationship with the UK was especially important. The UK and Japan shared global interests and he wanted to tackle problems together.

The <u>Prime Minister</u> warmly congratulated Koizumi, saying that his assumption of office had generated enormous pleasure, delight and excitement all around the world. He wanted to speak frankly: there was a tremendous desire in the world for Japan to re-assert its political authority, and that enhanced the very strong welcome for Koizumi.

<u>Koizumi</u>, continuing with his script, welcomed the Japan 2001 Festival and stressed the importance of the visit of the Crown Prince. He also recalled the role he had played in his younger days as an MP in setting up the JET programme, and he was delighted that it still formed an important part of our bilateral relationship. The <u>Prime Minister</u> said UK-Japanese relations were very strong, and would be even more so with Koizumi's election. We were much looking forward to receiving the Crown Prince here next month.

<u>Koizumi</u> recalled his time studying in London. In his long years as a member of the Diet, his two years in Britain had had a big influence on him. He viewed the UK as his second home. This was his first international call as Prime Minister of Japan (and he apologised for speaking in Japanese in his eagerness to ensure accuracy in what he said). He paid a very nice tribute to Stephen Gomersall, who he said had acted as his interpreter during an early visit to Britain and whom he saw regularly. He commended Stephen's Japanese, which many in Japan thought was better than they spoke their own language. The <u>Prime Minister</u> said the LSE was a link between them as his wife had studied there.

<u>Koizumi</u> said he was closely watching the process of integration in the EU. He understood the UK's delicate position but he believed the UK played a central role in the EU/Japan relationship. The <u>Prime Minister</u> agreed that there were delicacies in our position within Europe. But it was essential for Britain to play a full part in the EU and he was determined to do so as Prime Minister.

<u>Koizumi</u> said he looked forward to the Genoa meeting in July but he would very much like to see the Prime Minister before then. He could not say what his travel schedule would be – he was feeling the pressure and responsibility of being Prime Minister. He hoped there would be a chance to get together. The <u>Prime Minister</u> said he would very much like that too: he had intended to issue an invitation for him to visit Britain during the call. It would be excellent to meet up before Genoa.

Comment

This was a warm and positive exchange. The Prime Minister wants us to make a big effort with Koizumi and his new Government. We should offer help with their policy development process where we can, and encourage Koizumi to come to London before the Genoa Summit, possibly on his way to Genoa. I should be grateful if Stephen Gomersall could follow this up quickly, and for early advice as to how best we can build the right relationship with Koizumi's government.

I am copying this letter to Tom Scholar (HM Treasury), Bernadette Kelly (DTI), David Wright (BTI), Richard Abel (Cabinet Office) and Stephen Gomersall (Tokyo).

JOHN SAWERS

Sherard Cowper-Coles, FCO



To Chequer For AM Force before 12.00 call

27 April 2001

J Sawers Esq CMG Private Secretary to the Prime Minister

2. . 28 HLE-BUP

Dear John

British Embassy Tokyo

From the Ambassador Sir Stephen Gomersall No. 1, Ichibancho Chiyoda-ku, Tokyo 102-8381

Office Tel. +813 5211 1100 Office Fax. +813 5211 1111

PRIME MINISTER'S TELEPHONE CONVERSATION WITH KOIZUMI, 27 APRIL

- 1. You asked me to feed in points for the Prime Minister's call with Koizumi. The Department has briefed. A couple of thoughts from here.
- 2. The immediate objective is to establish the Prime Minister as a friendly, reliable and supportive interlocutor and a source of advice and ideas. Koizumi does not have a network of international contacts. He needs people to talk to.
- 3. The key messages, as I see it, are:
- We've got a lot to talk about. Let's use the 'phone.
- Let's find a time to meet and if possible before Genoa.
- We support your reform ambitions. We have a lot of experience. Why not get our advisers together.
 - We're both allies of the US. Both committed to UN and G8. Both face same global challenges. Already doing a lot together (Action Agenda). Can always do more: environment, WTO, international security, ODA. Personally committed to working with Japan.
 - Good year for UK/Japan. Japan 2001 Festival. Crown Prince visiting. Hope to see him myself. Your knowledge of UK an asset.
 - Japanese investment in UK welcomed and valued. Delighted by Nissan decision.

Stranen

Sir Stephen Gomersall

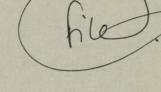
cc: PS
PS/PUS
Mr Westmacott

Ms Marsden Mr Archer

Foreign & Commonwealth Office

London SW1A 2AH

26 April 2001



Dear Michael,

Prime Minister's Telephone Call With The New Prime Minister of Japan

Summary

Key objective is for Koizumi to feel that he is building a personal relationship with the Prime Minister, and that the Prime Minister is interested in Japan, and in his reform programme.

Detail

The new Prime Minister of Japan, Junichiro Koizumi, will telephone the Prime Minister at 12.15 on 27 April. It is one of the first telephone calls which he will make to another Head of Government, and we understand that it was his personal wish to establish early telephone contact with the Prime Minister.

Koizumi's victory is a vote for change, and demonstrates the desire in Japan for reform. He is regarded as outspoken, uncompromising and (importantly) clean. In his Cabinet appointments, Koizumi has stuck to his pre-election promise to not be tied by the LDP factional system, a stifling feature of previous governments. Instead, he has appointed a varied team, including several women and non-Parliamentarians. His appointment of the forthright and highly popular Ms Makiko Tanaka as Foreign Minister shows that the is prepared to make appointments which go against the grain of traditional LDP thinking.

Koizumi has a strong fondness for the United Kingdom. He studied at the LSE in the 1960s, and was Chair of the UK/Japan Parliamentary League in the 1970s. He is particularly proud of his role in helping to set up the Japan Exchange and Teaching (JET) programme, which now employs over 1000 British graduates. His English may be a little rusty - and he may therefore use an interpreter for tomorrow's conversation.

The key objective for the call is for Koizumi and the Prime Minister to build a personal relationship, and for Koizumi to feel that the Prime Minister is a close ally to whom he can easily pick up the telephone.



The Prime Minister might make the following points:

- delighted to have you on board as a colleague, and look forward to meeting you at Genoa, if not before;
- interested to read about your reform programme wish you every success. (Koizumi may well refer to the way in which the Labour Party re-invented itself in the 1990s);
- I take a close personal interest in the UK's relationship with Japan, and in the UK/Japan Action Agenda for political cooperation. Look forward to working with you to strengthen the relationship even further: we face similar challenges domestically and internationally;
- glad to know about your links with the UK and your role in setting up the very successful JET programme, now the largest single employer of British graduates;
- looking forward to the Japan 2001 festival (running in the UK from May 2001 to March 2002) and to the visit of His Imperial Highness the Crown Prince for the opening weekend (19/20 May). Hope I will have the chance to meet him;
- hope to be able to welcome you back to the UK before long, and that I can visit Japan again after the General Election here. We should, anyway, speak on the telephone on a regular basis.

I enclose the latest reporting telegrams from Tokyo on Koizumi and his government.

(Patrick Davies)
Private Secretary

Your even,

Michael Tatham Esq 10 Downing Street TELEGRAM RETRIEVED FROM DATABASE 26 April 2001

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JAPAN: NEW LDP PRESIDENT KOIZUMI: PERSONALITY NOTE

TOKYO TELNO 121, MIPT, MIFT

SUBJECT: JAPAN: NEW LDP PRESIDENT KOIZUMI: PERSONALITY NOTE

1. MIPT refers. Key facts about the new LDP President Koizumi.

Born 1942 into a political family. Graduated from Keio University Faculty of Economics. Studied as an exchange student at LSE in the 1960s, but returned early to Japan due to the unexpected death of his father. First elected to the House of Representatives in 1972. He speaks good English and has claimed Sir Winston Churchill as the person he respects most. He served as Secretary-General of the cross party UK/Japan Parliamentary group in the 1970s. He is likely to be particularly keen to establish a relationship with the Prime Minister.

Has served as junior Minister for Finance and in the Cabinet as Minister for Health and Welfare and Minister for Posts and Telecommunications. This was his third attempt at the LDP leadership, having run before in 1995 and 1998. He is regarded as outspoken, charismatic, uncompromising and (importantly) clean. He has often called for political reform, including breaking down the factional structure of the LDP. His reputation as something of a maverick makes him popular with the general public (he claims to like rock music), but he is not liked by the bureaucracy. His standing in the LDP is mixed. As, until recently, a key member of one of the LDP's biggest factions, he is a mainstream party establishment figure, but his calls for shaking up the LDP have made him unpopular with some parts of the party. His relationship with the LDP's current coalition partners is also uncertain. He has shrewdly offset his relative lack of support in the LDP by appealing directly to the LDP rank and file and the wider public. He has said little on international affairs during the election campaign, but in the past has spoken against Japan becoming a permanent member of the Security Council.

GOMERSALL

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MY TELNO 134

BANK OF ENGLAND FOR BAILEY, LUND, THOMAS FSA FOR DORRINGTON HMT FOR CUNLIFFE, SHANKS

SUBJECT: JAPAN: KOIZUMI'S CABINET: CONTINUITY AND CHANGE

SUMMARY

- 1. Koizumi duly elected Prime Minister by Parliament. Announces his Ministerial team. An unusual mix. Several reappointments from previous Mori Cabinet bring continuity. But plenty of new blood: younger, more women and expertise from the private sector. Defeated opponents Hashimoto and Kamei snubbed. Koizumi has not ignored faction strength; but it has not dominated the appointments.
- 2. New Finance Minister Shiokawa an old hand, but little financial background. Makiko Tanaka very popular, raucous and irreverent appointed Foreign Minister. MFA aghast.
- 3. We are recommending messages to NEAPD.

DETAIL

- 4. Koizumi was elected Prime Minster by Parliament and announced his new Cabinet on 26 April. Full list in TUR. True to his word, he did not use LDP faction strengths as the key factor in distributing posts. Instead, his Cabinet has variety (including several women and non-Parliamentarians), some professional expertise (Takenaka as Economic and Fiscal Affairs Minister, Kawaguchi as Environment Minister, Toyama as Education Minister), some young faces (under 45), and a populist feel. But it is not entirely new several of Mori's appointees have kept their portfolios.
- 5. The most interesting appointment is Makiko Tanaka as Foreign Minister (the first woman ever to hold this post). The daughter of a former Prime Minister, she is raucous, irreverent, independent (LDP, but not a member of any faction), and hugely popular with the general public. She speaks English and travelled extensively with her father when he was Prime Minister. This should stand her in good stead on the international circuit. But the MFA are aghast. Kawashima (PUS equivalent) intervened unsuccessfully to prevent her appointment. Her relationship with officials will be a challenge.
- 6. Miyazawa's replacement as Finance Minister, Masajuro Shiokawa, has held several senior posts (Chief Cabinet Secretary, Education, Transport and Home affairs portfolios) but has no real form on

economic or financial issues. His appointment was a reward for ring Koizumi's leadership election campaign. Being close to Koizumi, he is expected to go along with Koizumi's reform agenda. At a press conference immediately after his appointment, Shiokawa ackowledged his inexperience in financial matters. He said Japan's economic recovery was clearly the priority. Asked about structural reform, he suggested there was scope for more efficient allocation of the budget. He praised US interest rate actions and hoped the US would make a strong contribution to improving the international economic outlook. The other two appointments on the economy are welcome. The able Yanagisawa stays as Financial Reconstruction Minister, and Keio University Economics Professor Takenaka becomes Economic and Fiscal Affairs Minister.

7. Koizumi has reaffirmed the coalition with partners, New Komeito and the Conservative Party - for the time being at least. Conservative leader Ogi retains the Construction and Transport portfolio, and Komeito's Sakaguchi stays as Health, Labour and Welfare Minister.

COMMENT

8. What does this new Cabinet mean for Japan? As an indication of Koizumi's commitment to reform, it is good news. He has, to some extent, dumped the traditional system of appointments and brought in experience, expertise and some new faces. But in so doing he has made himself more unpopular with the Party elders and traditionalists who are still powerful. Hashimoto and Kamei, the leaders of two major factions, will not be happy. This will create pressures within the party and may impede the implementation of policies. Koizumi will need to rely on popular support to get things done. The combination of Koizumi and Tanaka - the two most popular national politicians - should deliver this support. It will certainly resurrect the LDP's chances in this summer's Upper House elections. But the question still remains whether Koizumi or the LDP machine will determine policy.

GOMERSALL

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TELEGRAM RETRIEVED FROM DATABASE 26 April 2001

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OF 250924Z APRIL 01
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INFO IMMEDIATE ASEAN POSTS, EU POSTS, DTI, CABINET OFFICE
INFO IMMEDIATE BANK OF ENGLAND

JAPAN: KOIZUMI: THE FIRST 24 HOURS

TOKYO TELNO 129

BANK OF ENGLAND FOR BAILEY, LUND, THOMAS FSA FOR DORRINGTON HMT FOR CUNLIFFE, SHANKS

SUBJECT: JAPAN: KOIZUMI: THE FIRST 24 HOURS

SUMMARY

- 1. Koizumi confirms the broad thrust of his policy plans, sticking to his commitments on reform. But little detail. An impressive start on key appointments: top LDP slots assigned without regard for factional strength (a first). Chief Cabinet Secretary Fukuda will keep his job. Remaining Cabinet line-up expected to emerge in the next 12 hours or so.
- 2. Koizumi's election has gone down well with the public. Polls give him a 56% approval rating (c.f. Mori 6%). Interest in politics is high. The markets are waiting for something concrete on policy.

DETAIL

- 3. Koizumi spent his first day as LDP President showing a bit more leg on policy, and starting to make appointments for his new team. Formal election as Prime Minister, appointment of Cabinet and swearing in by the Emperor tomorrow. He will deliver a full policy speech to Parliament on 7 May.
- 4. Policies so far:

ECONOMY

- Koizumi reiterated his pledge to tackle the economic recession with structural reform and fiscal consolidation;
- promised to deal with Japan's bad debts within 2-3 years, and cap bond issues at 30 trillion yen (approx US\$243 billion) per year.
- hinted he would be prepared to tolerate a further down-turn in the short term for the sake of a stronger economy in the longer term. The public are going along with this for now;
- recognised that consumer confidence/domestic demand will only recover if there are credible policies on social security, pensions and health care;

- on appointments, suggested that he would reappoint Yanagisawa as Misster for Financial Reconstruction. The markets are relatively quiet, awaiting the Cabinet appointments.

FOREIGN POLICY

- Promised to keep the US/Japan security relationship at the heart of Japan's foreign policy. He has not yet given any indication of travel plans but the US will be the top priority ahead of the G8 Genoa summit. He will not leave Japan during next week's holiday period.
- Undertook to promote friendly relations with Japan's neighbours. But this does not sit easily with his stated intention to make an official visit to Tokyo's Yasukuni Shrine (which commemorates Japan's war dead), a move which has already attracted criticism from China and Korea:
- Called for early amendment/clarification of Article 9 of the Constitution to permit Japan to develop a "normal" military and contribute more effectively to collective self-defence arrangements with the US.

DOMESTIC ISSUES

- Promised to look at further electoral reform;
- to widen the debate on amending the Constitution, including direct election of the Prime Minister;
- to shake up the LDP's faction system;
- to clean up public life (including slashing the MFA's secret budget, the misuse of which was at the heart of the recent embezzlement scandal).

APPOINTMENTS

5. The focus is now on the key Ministerial appointments. Koizumi has so far stuck to his promise of not basing appointments on LDP faction strengths. His Cabinet appointments will be a key test of his commitment to reform and his ability to stand up to the party hierarchy. He announced the three key LDP posts today: Taku Yamazaki (a close associate and former LDP policy chief) as Secretary-General, Taro Aso (Economy Minister and Presidential also ran) as Policy Research Council Chairman and Mitsuo Horiuchi (former MITI and Labour Minister and leader of a small faction) as General Affairs Council Chairman. Despite hints that he might ditch his coalition partners, he is so far keeping them in the fold, and may decide to reward them with Cabinet posts. Little else is clear. Makiko Tanaka (his key campaign aid and (often outrageous) daughter of former Prime Minister Tanaka) will certainly get something. There is a strong rumour that he might offer the Foreign Minister job to Sadako Ogata (former UNHCR). And he is considering bringing in business leaders.

COMMENT

6. Koizumi's victory has shifted the public mood from resignation and frustration to cautious optimism and a still suspicious, but renewed, interest in the political process. His ability to deliver on his reformist rhetoric will be severely tested. But unlike so many political leaders in Japan, Koizumi has public appeal, drive

- and clear ideas. The public is already warming to him. If he can us this effectively to implement his ideas, this will have been an important turning-point for Japan.
- 7. But there are many questions. Koizumi has few close colleagues. A reasonable number of Dietmen say they have never met him. The Americans here are dismayed they have had virtually no contact with him for some years. Characteristically he spent yesterday night alone, but for a couple of secretaries, in his tiny Diet office working the phones to make his first appointments. What he appears to lack is any strong or fixed body of policy advisors. The contrast to Bush could not be more stark.
- 8. I have known Koizumi since his days as Chairman of the UK/Japan Parliamentary Group in the 1970s, kept up with him in recent months and will be seeking an early call.

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TELEGRAM RETRIEVED FROM DATABASE 26 April 2001

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F TOKYO
TO DESKBY FCO
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OF 240920Z APRIL 01
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JAPAN: KOIZUMI WINS LDP LEADERSHIP ELECTION

TOKYO TELNO 121, MY 2 IFTS

BANK OF ENGLAND FOR BAILEY, LUND, THOMAS FSA FOR DORRINGTON HMT FOR CUNLIFFE, SHANKS

SUBJECT: JAPAN: KOIZUMI WINS LDP LEADERSHIP ELECTION

SUMMARY

- 1. Koizumi wins LDP leadership election. Election as Prime Minister by Parliament on 26 April a formality. As a reformist with popular support, he should be good news for Japan and the UK. Questions remain over how far he will be able to implement his policies. But the public mood is one of quiet excitement at the prospect of change.
- 2. Personality note and recommendation for message from the Prime Minister in my 2 IFTs.

DETAIL

3. Koizumi won an overwhelming victory in the LDP Presidential election today. With over 50% of the first round votes, there was no run-off. The total votes were as follows (Kamei won three local LDP votes but withdrew before the Parliamentary vote):

	Koizumi	Hashimoto	Aso
Local LDP votes	123	15	0
Parliamentary LDP	175	140	31
Total	298	155	31

- 4. Koizumi's win was clear once the local LDP branches (drawing on the opinions of some 2 million members) had given him their overwhelming support. Kamei's subsequent withdrawal from the contest and support for Koizumi clinched victory. Koizumi's election by Parliament as Prime Minster on 26 April will now be a formality. He will announce his Cabinet on 26 April.
- 5. Koizumi's victory is a vote for change. It should be welcome for Japan, the international community and the UK. He is a committed reformer and has promised during the leadership campaign to push ahead with significant reforms as Prime Minister. On the economy, he has said he will tackle Japan's extended recession and ballooning public debt with structural reform and fiscal consolidation. On domestic politics, he has promised to shake up entrenched traditions such as the LDP's faction and seniority system which contribute to political inertia and stagnation. On foreign

policy, he has pledged to improve relations with neighbouring comprise and strengthen the US/Japan security relationship.

But there is some question over how far Koizumi will be able to work the government, Diet, and party machine to realise his goals. In particular, Kamei's price for his faction's support is thought to be a promise from Koizumi to pursue a number of Kamei's goals, including Constitutional reform and further debate on Japan's role in collective self-defence. Koizumi will also have to decide how to handle the current coalition partners. He has hinted that he might ditch them in favour of elements of the opposition (mainly DPJ). Koizumi's popularity with the public (56% in a poll today supported him becoming Prime Minster) will help the LDP in the forthcoming Upper House elections. Today's vote coincided with the Queen's Birthday Party. Opposition Dietmen who attended were universally glum. Much of Koizumi's platform is identical to their own.

7. Koizumi will announce his Cabinet on 26 April. On appointments, he is keeping his cards very close to his chest. But he has said he will break with the LDP tradition of appointments based on factional strength. Instead he has hinted that he will bring in more younger members, women, and policy experience into the Cabinet. There is much speculation about who might be Foreign and Finance Ministers, but no hard information.

COMMENT

8. There has been much recent comment on Japan's capacity to disappoint. But this overwhelming vote of the LDP rank and file for change is something new. There is a sense of quiet excitement as no one really knows where the LDP is headed or how Koizumi will fare.

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From: Michael Tatham Date: 26 April 2001

PRIME MINISTER

19:55

cc: Jonathan Powell

John Sawers Jeremy Heywood

Tim Livesey

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- He studied at the LSE and will be naturally inclined to establish a close relationship with you.
- He has the kind of personal qualities and political credentials that might finally generate some serious political and economic reform in Japan. He has a particular interest in pensions and welfare reform. His initial cabinet appointments (new faces and several women) have been a breath of fresh air.

So you should go out of your way to be welcoming. It would be good to invite him to visit London before or (preferably) after the Genoa G8 Summit in July; and to make clear your own commitment to reform and your interest in having a close dialogue with him on this.

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MICHAEL TATHAM

RESTRICTED

19:55

RESTRICTED

-2-

KOIZUMI SPEAKING NOTE

- Congratulations on your election as LDP President and as Prime Minister. A striking degree of support from your party's grass-roots.
- Your cabinet appointments have sent a clear message that you are serious about reform and not just playing by the rules of political patronage.
- We want a Japan which recaptures its economic dynamism. Japan makes an important contribution to the UK economy. We want it to prosper.
- Look forward to radical measures to clean up banking sector and get economy moving. With the US economy slowing down, this is important for all of us.
- Would welcome a close dialogue with you on political and economic reform. Have much to learn from each other. Would be delighted to welcome you to London if that were possible before or after Genoa G8 Summit in July.
- We would like to see Japan more engaged internationally especially as China becomes more active.
- UK/Japan relations in good shape. But hope we can reinvigorate the bilateral relationship together. Looking forward to Crown Prince Hiro's visit to UK next month.

DOB



19:55

RESTRICTED JAPAN: NEW LDP PRESIDENT KOIZUMI: PERSONALITY NOTE From: TOKYO

TO DESKBY 241100Z FCO **TELNO 130** OF 240922Z APRIL 01 INFO IMMEDIATE G8 POSTS, SEOUL, PEKING, HM TREASURY, ASEAN POSTS INFO IMMEDIATE EU POSTS, DTI, CABINET OFFICE, BANK OF ENGLAND

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Born 1942 into a political family. Graduated from Keio University Faculty of Economics. Studied as an exchange student at LSE in the 1960s, but returned early to Japan due to the unexpected death of his father. First elected to the House of Representatives in 1972. He speaks good English and has claimed Sir Winston Churchill as the person he respects most. He served as Secretary-General of the cross party UK/Japan Parliamentary group in the 1970s. He is likely to be particularly keen to establish a relationship with the Prime Minister.

Has served as junior Minister for Finance and in the Cabinet as Minister for Health and Welfare and Minister for Posts and Telecommunications. This was his third attempt at the LDP leadership, having run before in 1995 and 1998. He is regarded as outspoken, charismatic, uncompromising and (importantly) clean. He has often called for political reform, including breaking down the factional structure of the LDP. His reputation as something of a maverick makes him popular with the general public (he claims to like rock music), but he is not liked by the bureaucracy. His standing in the LDP is mixed. As, until recently, a key member of one of the LDP's biggest factions, he is a mainstream party establishment figure, but his calls for shaking up the LDP have made him unpopular with some parts of the party. His relationship with the LDP's current coalition partners is also uncertain. He has shrewdly offset his relative lack of support in the LDP by appealing directly to the LDP rank and file and the wider public. He has said little on international affairs during the election campaign, but in the past has spoken against Japan becoming a permanent member of the Security Council.

GOMERSALL

Sent by TOKYO on 24-04-2001 09:22 Received by No10 on 24-04-2001 11:05

1704

Ref: BO.969

19:55

JOHN SAWERS

Jonathan Powell CC Jeremy Heywood Michael Tatham Richard Abel

SPRING TIME IN JAPAN?

Koizumi clearly is something different - an advocate of reform, an active father and taste for rock music: none of these are usual in the Japanese political establishment. Nor did the establishment choose him. He was selected by the grass roots where there is also a mood for change and a wish for real leadership. So this might just be what we have waited for for 10 years. (Or it might be a flop, the conservative establishment may yet pull him down.)

- 2. Leadership is needed. The crisis in Japan over the last 10 years has been moral and political as much as economic. When the bubble burst in the early 90s the ordinary Japanese realised that they had been systematically cheated by banks, securities companies, corporations and politicians. Since then 7 different Prime Ministers have tried to revive the economy with deficit spending (up to 9% of GNP in some years). They have failed because the banking system is buried under a mountain of bad loans (not to mention bad management); and neither consumers nor small businessmen believe in the future enough to spend or invest.
- 3. This is a real loss to the world economy: the dynamism and inventiveness of Japanese companies made a big contribution in the 70s and 80s. An active and outward looking Japan would be a real asset. The last 10 years have been wasted.

Koizumi's task is: 4.

- to restore leadership and confidence in Japan (rather as Reagan did in America);
- to clean up the banking system; and
- cleaning up politics would help too.

Our relationship with Japan needs a second wind. Koizumi studied here and is a natural partner. He also contributed personally in the 80s by backing a major exchange programme that sends UK graduates to

teach English in Japan. We could collaborate more actively on:

Climate change: the Japanese are key players.

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My messages for Koizumi would be:

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Robert Cooper.

ROBERT COOPER

26 April 2001

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(Provisional Translation)

Profile of Prime Minister Junichiro Koizumi

Junichiro KOIZUMI

Born: January 8, 1942, Yokosuka city, Kanagawa Prefecture

Member of the House of Representatives

Constituency: Kanagawa Prefecture 11 (Yokosuka city and Miura city)

Education

1967 Graduated from the Faculty of Economics, Kejo University

Political Career

1970 Secretary to Mr. Takeo Fukuda, Member of House of Representatives

1972 Elected as Member of House of Representatives

(Thereafter elected in ten consecutive elections)

1979 Parliamentary Vice-Minister for Finance

1980 Chairman of Finance Committee, Liberal Democratic Party (LDP)

1986 Chairman, Committee of Finance, House of Representatives

1987 Chief Deputy Chairman, Diet Affairs Committee, LDP

1988 Minister of Health and Welfare

(Takeshita Reshuffled Cabinet and Uno Cabinet)

1989 Chairman, National Organization Committee, LDP

Chairman, Research Commission on Fundamental Policies for Medical Care, LDP

1991 Chief Deputy Secretary-General, LDP

1992 Minister of Posts and Telecommunications

(Miyazawa Reshuffled Cabinet)

1996 Minister of Health and Welfare (Second Hashimoto Cabinet)

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(Second Hashimoto Reshuffled Cabinet)

Ran for President of LDP in 1995 and 1998

2001 President, LDP

Prime Minister

Family

Mother and two sons

(Divorced in 1982)

Date:

From: Michael Tatham

26 April 2001

cc:

Jonathan Powell

John Sawers

Jeremy Heywood

Tim Livesey

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26 April 2001

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INFO IMMEDIATE BANK OF ENGLAND

COMCEN PLEASE ADVANCE TO MARSDEN, DIRECTOR ASIA

BANK OF ENGLAND FOR BAILEY, LUND, THOMAS

FSA FOR DORRINGTON

HMT FOR CUNLIFFE, SHANKS

SUBJECT: JAPAN: NEW CABINET: LIST OF MINISTERS

PRIME MINISTER KOIZUMI ANNOUNCED HIS CABINET ON 26 APRIL. THE FULL LIST IS BELOW (PARTY AFFILIATION AND AGE IN BRACKETS). COMMENT

FOLLOWS.

(LDP, 59) MR JUNICHIRO KOIZUMI PRIME MINISTER

57) (LDP, MS MAKIKO TANAKA FOREIGN MINISTER

(LDP, 79) MR MASAJURO SHIOKAWA FINANCE MINISTER 61) (LDP, MR TAKEO HIRANUMA

MINISTER FOR ECONOMY, TRADE AND INDUSTRY (LDP, 73)

MS MAYUMI MORIYAMA JUSTICE MINISTER (PR.SECTOR, 62)

MINISTER FOR EDUCATION, MS ATSUKO TOYAMA CULTURE, SPORTS, SCIENCE

AND TECHNOLOGY MR CHIKARA SAKAGUCHI MINISTER FOR HEALTH,

LABOUR AND WELFARE

(LDP, 60) MR TSUTOMU TAKEBE MINISTER FOR

AGRICULTURE, FORESTRY

AND FISHERIES

(LDP, 65) MINISTER FOR PUBLIC MR TORANOSUKE KATAYAMA

MANAGEMENT, HOME AFFAIRS,

POSTS AND TELECOMMUNICATIONS

(CONSERVATIVE, 67) MS CHIKAGE OGI MINISTER FOR LAND,

INFRASTRUCTURE AND

TRANSPORT, AND HOKKAIDO

DEVELOPMENT

SECTOR, 59) ENVIRONMENT MINISTER MS YORIKO KAWAGUCHI (PR.

70WH → NO.10-DUTY CLERK

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COMERSALL

26/04/01 09:17

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TYLNAN 4920



Ref: BO.969

JOHN SAWERS

cc Jonathan Powell
Jeremy Heywood
Michael Tatham
Richard Abel

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