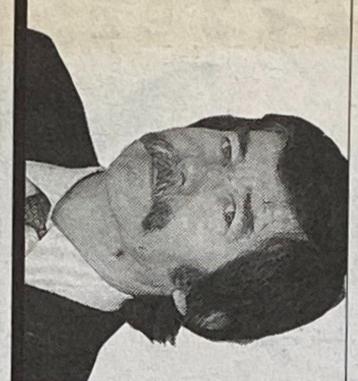
## We need the Japan lese, if you please

William Neegan my view



nese week's conference on 'Japaone Minister to address last could have rustled up at least it is by jobs and productivity, that New Labour, obsessed as investment, you would think have attached to inward British governments IVEN the importance investment: here to

by the pany at Auckland Castle, was the constituencies of the not a million miles away from Durham Development Comnomic Institute and County Prime Minister and the Secre-Stephen Byers. lary for Trade and Industry, The conference, organised Anglo-Japanese Eco-

The crisis in Kosovo means enough Cabinet and But this Government Blair has other prior-

> up? The Japanese ambassa-dor, for his part, saw fit to authorities they have just set serious about attracting overseas investment and nurturing the regional development dium-size car park. Are they junior Ministers to fill a me-

gian engineering and conside, as a result of 'restructuring' by Kvaerner, the Norwepublicised cutbacks on Clyde-Teesside, as well as the more was the latest blow to jobs on under way, the topical news Even as the conference got

with the headline 'Losers and negative in these matters, press, normally

struction company.

Gazette leading its front page face, the Teesside Evening accused of accentuating the managed to put on a brave

jobs to come from the expanmedium-term ones. sion at Teesside airport were immediate, whereas the new winners'. The problem was that the threat to jobs was

public subsidies one asso-James Callaghan. ciates with the Old Labour far as to offer the kind of Birmingham, even going BMW's inward investment in desperate to hang on The Government has been of Harold Wilson and

sion and the fear that Japanese companies will draw in could be in the circumstances sador was as reassuring as he their horns. nese investment, the ambas- namely the Japanese reces-But, with regard to Japa-

she could not sack leading policy in the Eighties, when aspect of British industrial him to South Wales instead. 'wet' Peter Walker but exiled central — indeed the central Margaret Thatcher felt that panies there only became a emphasis on attracting cominvestment in the North East was in the Seventies, the huge Although the first Japanese

monetarism and excessively potentially lethal dose of base had been battered by a The British manufacturing

other regions followed. ing inward investment, which barked on a policy of attractfiefdom in Wales and emhigh exchange rates. Walker his best to run a Keynesian

1es, als chips were down, multinationwould stay back home. But research and development to cut back on those operainvestment because, when the to rely too much on overseas man of ICI in the early Eightmere assembly plants and the that such operations would be There was also the danger tions farthest from home. John Harvey-Jones, chairwould always be inclined believed it was a mistake

and Munich.

ference that, although Japahigh level. grown so much during the now well below its peak, it had nese investment overseas was Lyons, pointed out at the conchief economist, Dr Gerard Eighties that it was still at a

But one Japanese speaker

The DKB International

sent a shiver through the aunies and even the precious place' for threatened compaanese manufacturers were dience when he said that the that there was 'no hiding capacity and debilitating debt now so bowed down by excess household names among Jap-

## manufactured in Tokyo and Munich e 'British' productivity miracle was

Japanese methods and labour ductivity, not only directly, stantially to improvements in practices contributed subseems to be agreed on is that one thing almost everybody British manufacturing proto other companies. but also by setting an example

it was manufactured in Tokyo a British productivity miracle, To the extent that there was

I was reminded, amid all the

seas in recent years.

should not be underestimated.

Nissan plant might not be

dem - boosting demand while restructuring - and supply-side problems in tanaddressing its demand and tained that Japan was at last term prospects for Japan that the medium to longer Lyons, however, main-

of economics should always its finest hour. New students off the mighty US economy, days, how for much of the for the US even as it was building up to Eighties people were writing alarm about Japan and praise beware of fashion and conventional wisdom. economy these

popular image of Durham down south is of an economy nese investment, which is now itself threatened. The relying too much on the cued, up to a point, by Japaof ailing coalfields being resamazing fact is that there are is far outweighed by US inlicity it has received, Japanese Durham; and, for all the pubsoever operating in County actually no coal mines what-'image' investment in the North East vestment. They should also be wary of of an economy. The

and larger economic blocs. But for the people on the inward investment from overanother. Why, even Japan, the ing to create jobs in one way or tiny areas all desperately tryworld economy consists ground at regional level, most publicised overseas investor, has seen an increase in There is much talk of larger the