

CONFIDENTIAL

Mr McLaren

PRIME MINISTER SUZUKI'S CONVERSATION OVER  
LUNCH AT NO. 10

1. Mr Kitajima (who interpreted for Mr Suzuki) has given me some details about what was discussed over lunch. During the drinks beforehand Mr Suzuki extended an 'official invitation' to the Prime Minister to visit Japan at some convenient date to be agreed through official channels. The Prime Minister thanked him and said that 'we' very much looked forward to going back to Japan at some point. She did not in so many words accept the invitation nor made any reference to dates, but the Japanese took her response to mean acceptance in principle.
2. Also over drinks the Prime Minister introduced Mr Suzuki to the representatives of industry who were present and apparently they all briefly set out their individual concerns and requests vis-à-vis Japan (on whisky, biscuits etc).
3. Over lunch Mr Suzuki set out in some detail his views about the promotion of industrial collaboration between Japan and Europe on 'the usual lines' (Mr Kitajima's comment): joint R&D, collaboration in third markets etc. Both the Prime Minister and Mr Baker (who was sitting to the other side of Mr Suzuki) agreed with the importance of this, and the latter went into some detail about what we hoped to achieve. Mr Suzuki also mentioned the large delegation to Europe which Mr Inayama, the President of the Keidanren would be leading in the autumn; the Prime Minister welcomed this.
4. The other subjects discussed by the two Prime Ministers over lunch were the Ottawa Summit, the new French Government, and the Suzuki Government's domestic policies. On Ottawa they discussed in general terms the subjects that would be raised there. The Prime Minister mentioned interest and apparently exchange rates but was of the view that North/South relations should not dominate discussion. Mr Suzuki asked about President Mitterrand; the Prime Minister said that she did not expect any major changes in French foreign policy under the new President but there would be some changes of domestic policy. The Japanese Prime Minister explained to her what he was trying to achieve in Japan through fiscal and administrative reforms.

/5.

CONFIDENTIAL

CONFIDENTIAL

5. Mr Kitajima said that he might be able to give me more detail about their discussion later today (but he could obviously not guarantee to do so).

6. The speeches by the two Prime Ministers were on standard lines. Our Prime Minister spoke about our common political values; her hopes for developing our relations with Japan; the importance of maintaining the free trade system, but the existence of some trading problems between us (she did not develop this point at any length); the Great Japan Exhibition; and the importance of visits in both directions by Ministers and MPs (she praised Sir J Ridsdale's role in this respect). Mr Suzuki talked about the principles of freedom, democracy and free trade learned from Europe and the UK in particular; he talked at some length about the Great Japan Exhibition; and in light-hearted terms about his interest in golf. Mr Suzuki said nothing about trade relations between Britain and Japan.

17 June 1981

Tesca Osman

pp S D M Jack

CONFIDENTIAL