

PERSONAL AND CONFIDENTIAL



Foreign and Commonwealth Office

Prime Minister

London SW1A 2AH

John Whitehead, the No. 2 in Tokyo, who is very good, did not draft this with a view to your seeing it - but I think you should.

13 September 1982

A.J.C. ^{14.}/₉

Dear John,

Prime Minister's Visit to Japan

I enclose a copy of a teleletter from the Minister in Tokyo giving a picture of Japanese feelings about the forthcoming visit by the Prime Minister. In our view, this gives an accurate picture of the atmosphere in Japan and you may wish to be aware of it. Perhaps I could leave it to you to decide whether you would wish to show it to the Prime Minister.

Your ever
for Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

PERSONAL AND CONFIDENTIAL

TELELETTER

FROM J S WHITEHEAD TOKYO

DATED 26 AUGUST 1982

FOLLOWING PERSONAL FOR ELLIOTT, FED

PRIME MINISTER'S VISIT

1. IN MY TELNO 457 I REFERRED BRIEFLY TO SOME APPREHENSION ON THE JAPANESE SIDE ABOUT THE PRIME MINISTER'S VISIT. I THOUGHT IT MIGHT BE USEFUL IF I GAVE YOU RATHER MORE DETAIL ABOUT THIS, WHICH SHOULD BE HANDLED CLEARLY WITH SOME DISCRETION.

2. WHEN I CALLED ON MATSUNAGA, THE DEPUTY VICE MINISTER AT THE GAIMUSHO ON THE ECONOMIC SIDE (AND TIPPED TO BE THE NEXT VICE MINISTER), AT THE END OF LAST WEEK HE SAID ON A STRICTLY CONFIDENTIAL BASIS (PLEASE PROTECT) THAT THERE WAS THE IMPRESSION THAT MRS THATCHER HAD STRONG FEELINGS AGAINST JAPAN PARTICULARLY FOLLOWING THE FALKLANDS EPISODE. ACCORDING TO HIM SOME JAPANESE PEOPLE THOUGHT THAT THIS ATTITUDE WAS INFLUENCING THE BRITISH APPROACH TOWARDS ECONOMIC PROBLEMS AND INWARD INVESTMENT. THIS PROBLEM WAS BEING DISCUSSED NOT ONLY BY THE PRIME MINISTER BUT IN 'POLITICAL CIRCLES' AND THE BUREAUCRACY.

I REPLIED THAT THERE SEEMED TO BE NO GROUNDS FOR MAKING THIS LINK BECAUSE THE ECONOMIC PROBLEMS LONG PRE-DATED THE FALKLANDS EPISODE. IT WAS UNDENIABLE THAT JAPANESE ACTIONS DURING THE EPISODE HAD CAUSED CONSIDERABLE DISSATISFACTION TO BRITISH MINISTERS, PARTICULARLY THE JAPANESE VOTE ON THE SECURITY COUNCIL RESOLUTION WHICH HAD OBLIGED THE UK TO USE ITS VETO. IT WAS ALSO THE CASE THAT THE PRIME MINISTER NOT ONLY FELT THAT HER ACTIONS DURING THE EPISODE WERE ENTIRELY VINDICATED BUT RECOGNISED THAT HER HANDLING OF THE MATTER HAD SECURED CONSIDERABLE PERSONAL POLITICAL SUCCESS: IT WAS THEREFORE CLOSE TO HER HEART.

MATSUNAGA SAID THAT THE MAIN PROBLEM SEEMED TO BE THAT THE MINISTRIES WERE CONCERNED TO DEFEND THEIR POSITIONS AGAINST OUR REQUESTS ON ECONOMIC MATTERS AND WOULD REACT NEGATIVELY IF THEY THOUGHT THAT THEY WERE BEING ASKED TO GIVE ECONOMIC CONCESSIONS IN ORDER TO MAKE UP FOR WHAT JAPAN WAS THOUGHT TO HAVE FAILED TO DO ON THE FALKLANDS.

3. FUJIYAMA (FORMER AMBASSADOR TO LONDON) ALSO CALLED ON ME AT HIS OWN REQUEST AT THE END OF LAST WEEK TO GIVE ME VERY MUCH THE SAME MESSAGE AND TO PROVIDE RATHER FULLER CHAPTER AND VERSE. HE SAID THAT MR SUZUKI HAD HEARD FROM A NUMBER OF SOURCES IN RECENT WEEKS THAT MRS THATCHER WAS IN A MOOD HIGHLY CRITICAL OF THE JAPANESE. IN PARTICULAR SIR JULIAN RIDSDALE HAD SPOKEN DIRECTLY TO FUJIYAMA ABOUT MRS THATCHER'S CRITICISM WHICH SEEMED TO CONCERN NOT ONLY THEIR LACK OF RESPONSE OVER THE FALKLANDS, BUT ALSO TRADING PROBLEMS AND THE MANAGEMENT OF THE YEN WHICH KEPT IT ARTIFICIALLY LOW. FUJIYAMA ADDED THAT ESAKI, WHO HAD RECENTLY RETURNED FROM A VISIT TO SOUTH-EAST ASIA, HAD ALSO HEARD FROM LEE KUAN YEW IN SINGAPORE THAT MRS THATCHER WAS IN A MOOD CRITICAL OF THE JAPANESE. I RESPONDED IN A WAY WHICH WAS DESIGNED TO LESSEN THE JAPANESE FEELING ABOUT WHAT THEY ARE COMING TO SEE AS MRS THATCHER'S ANTI-JAPANESE ATTITUDES. AT THE SAME TIME MY PURPOSE WAS TO KEEP THEM SOMEWHAT ON THE HOOK IN AN ATTEMPT TO ENSURE THAT WE COULD GAIN ADVANTAGE FROM THEIR APPREHENSION. FUJIYAMA WAS DEVOID OF IDEAS ABOUT WAYS IN WHICH JAPANESE COULD ENSURE THAT THE VISIT WAS A MAJOR SUCCESS AND HE, LIKE MATSUNAGA EARLIER, REFERRED TO THE POSSIBILITY OF SOME REDUCTION IN THE TARIFF ON SCOTCH AND CONFECTIONERY.

4. I REPLIED THAT THIS WAS A PRIME MINISTERIAL VISIT AND ONLY THE SECOND BILATERAL VISIT TO JAPAN EVER BY A BRITISH PRIME MINISTER. IT WAS IMPORTANT TO KEEP OUR SIGHTS HIGH IF THIS WAS AT ALL POSSIBLE. MY HOPE WAS THAT THE VISIT WOULD LEAD TO NEW DEPARTURES IN ANGLO-JAPANESE RELATIONS, THAT THE POLITICAL MOOD WOULD BE SUBSTANTIALLY IMPROVED. I HAD ALSO HOPED THAT WE WOULD HAVE BEEN IN A POSITION TO ANNOUNCE A POSITIVE DECISION BY NISSAN TO INVEST IN THE UK BUT THAT DID NOT NOW SEEM TO BE A POSSIBILITY. THE SIGNING OF A TECHNOLOGY AGREEMENT, WHILE NOT IN THE SAME LEAGUE, WOULD NEVERTHELESS REPRESENT A USEFUL INCREMENTAL IMPROVEMENT IN OUR OVERALL ECONOMIC RELATIONS BY FACILITATING EXCHANGES OF VISITS IN AREAS WHERE THESE HAD NOT BEEN TAKING PLACE IN THE PAST. IF THE JAPANESE FELT FOR WHATEVER REASON THAT NONE OF THESE COULD BE ACHIEVED

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(FUJIYAMA PULLED A LONG FACE ABOUT THE POSSIBILITY OF MR SUZUKI ESTABLISHING HIMSELF AS A CREDIBLE PARTNER OF MRS THATCHER IN A POLITICAL DIALOGUE) THEN I SUPPOSED THAT WE SHOULD LOWER OUR SIGHTS AND AT LEAST GO FOR SOMETHING, IN WHICH CASE A REDUCTION IN ONE OR TWO TARIFFS WOULD BE BETTER THAN NOTHING.

5. I ALSO GAVE LUNCH THIS WEEK TO YANAGIYA AND KATO OF THE GAIMUSHO AT WHICH THE LATTER MADE A SOMEWHAT INTEMPERATE OUTBURST NOT ONLY ABOUT THE BRITISH BEING SOMEWHAT IMPORTUNATE BUT ALSO UNGRATEFUL AND FORGETFUL OF JAPANESE ASSISTANCE OVER A WHOLE CATALOGUE OF ISSUES PRIMARILY OF A DECOLONISATION NATURE WHICH ENDED UP WITH JAPANESE ASSISTANCE TO ZIMBABWE. I REPLIED THAT IT SEEMED TO ME THAT THAT WAS RATHER EXTREME JAPANESE PERCEPTION OF EVENTS. THE BRITISH PERCEPTION WAS THAT THIS YEAR WE HAD, IN THE FACE OF LOCAL DIFFICULTIES, MADE A PARTICULAR EFFORT TO BE HELPFUL TO THE JAPANESE OVER THE NORTHERN TERRITORIES IN A WAY WHICH SINGLED US OUT FROM ALL OTHER EC COUNTRIES AND INDEED PLACED US SECOND ONLY BEHIND THE UNITED STATES. IN RETURN AND IN THE FACE OF EXTREME DIFFICULTIES FOLLOWING UNPROVOKED ARGENTINE AGTRESSION AGAINST BRITISH TERRITORY(AND CATEGORISED AS SUCH BY THE JAPANESE) WE HAD RECEIVED SCARCELY TOKEN SUPPORT FROM THE JAPANESE OVER ECONOMIC MEASURES WHICH WERE DESIGNED TO AVOID THE NEED FOR US TO HAVE TO FIGHT TO REMOVE ARGENTINE TROOPS FROM THE FALKLANDS AND THEREBY INCUR SUBSTANTIAL CASUALITIES. KATO MADE NO REPLY.

6. I HAVE SPREAD MYSELF IN THIS TELEGRAM IN ORDER TO GIVE YOU THE FEEL. IT COMES OF COURSE ON TOP OF HATAKEYAMA'S REPORT TO ME EARLIER [THIS] ABOUT MRS THATCHER'S CRITICISM REPORTED TO MR SUZUKI BY AN AMERICAN WHOM SHE SAW A FEW MONTHS AGO.

THE WAY IN WHICH THE TWO SIDES APPROACH THIS VISIT AND START IT WILL THEREFORE BE IMMENSELY IMPORTANT. IF MRS THATCHER STARTS TO CARP OR READ LECTURES TO THE JAPANESE THEY WILL RETREAT INTO THEIR LAIR, THE WHOLE TENOR OF THE EXCHANGES WILL BE AT A LOWER AND LESS IMAGINATIVE LEVEL AND PROBLEMS WILL BE DEALT WITH BITTILY. THIS WOULD BE A

VERY GREAT PITY NOT ONLY BECAUSE WE WOULD HAVE MISSED
THE BEST OPPORTUNITY FOR A LONG TIME TO RAISE THE
BRITISH PROFILE HERE BUT ALSO ON A MORE PERSONAL LEVEL
BECAUSE THE PRIME MINISTER POTENTIALLY HAS A VERY LARGE
NUMBER OF ADMIRERS IN THIS COUNTRY NOT ONLY FOR WHAT
SHE HAS BEEN SEEKING TO DO WITH THE BRITISH ECONOMY
BUT OVER THE FALKLANDS AS WELL. IT WILL NOT BE
POSSIBLE FOR MR SUZUKI TO MAKE THE LATTER POINT THE

FEELING ON BOTH COUNTS WILL BE THERE AS FAR AS MOST OF
THE OTHER JAPANESE POLITICIANS WHOM SHE WILL MEET
ARE CONCERNED.

SIGNED J S WHITEHEAD

NNNN

26/1849



FILE SW

10 DOWNING STREET

From the Private Secretary

14 September, 1982

Thank you for your letter of 13 September enclosing a copy of a teletype from the Minister in Tokyo about the Prime Minister's visit to Japan. This seemed to me to contain very clear advice about Mrs. Thatcher's forthcoming visit and I therefore decided to show it to her. The Prime Minister has noted the contents of the teletype.

ALCOLES

John Holmes, Esq.,
Foreign and Commonwealth Office

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