

PRIME MINISTER

cc Mr Butler
Ambassador
Mr Coles
Mr Gray
Mr Donald
Mr Kydd

TOMORROW - MEDIA DAY

You have an extremely busy media day tomorrow:-

Visit to department store where we hope you will strongly promote British goods (0915-1000).

NHK (Japanese equivalent of BBC) television interview starting 1030 for 45 minutes.

Press Club speech followed by Press Conference (1500-1630)

Press Conference, here in the Palace, for British journalists, followed by short news interviews for BBC Radio and TV; ITN; and IRN from 1645.

Each occasion is dealt with in more detail in the annexes. I have tried to keep the amount of briefing down.

In this covering note I confine myself to a few points about each occasion.

Store visit

Here the objective is to give maximum visual support to a British promotion. It is vital on a day when bad new unemployment figures will come out that you should be seen on British as well as Japanese TV trying to drum up business and jobs - please perform for all you are worth in front of the cameras. (One selling point is that the store this year will buy twice the value of British goods it ..bought last year.)

./NHK

NHK interview

This will take place in the Sairan-no-ma on your floor in this Palace. The room is inevitably ornate and the colours predominantly white and gold with crimson drapery. Make-up will be available if required

You have seen the annex which sets out the detail. This remains valid. The panel, notwithstanding its eminence, will inevitably take a lot of interest in you as a person and political phenomenon. The occasion will afford you an opportunity to say some nice things about Japan which it is important to take as a counterweight to the main objective: to put the case to the Japanese public for the need to conduct their trade with the world prudently if they are to continue to enjoy the benefits of the open trading system.

Press Club speech

It has been distributed to the press. We expect a full house of 200 - mainly Japanese journalists ^{but, foreign media,} including the travelling British press, will be there. After the speech (which will be translated consecutively) there will be questions from the floor. Almost certainly they will go wider than the speech. I deal with difficult issues likely to arise in Annex 4.

British Press Conference and Broadcasts

It is important to give British correspondents and your travelling party an opportunity to talk to you on the record and I have arranged for them to leave the Press Club a little earlier to join your motorcade back here to the Palace.

I am laying on drinks in the Sairan-no-ma.

I would like this to be a fairly relaxed affair in which you give them, among other things, some impressions of your visit with plenty of illustrative anecdotes.

/Inevitably

Inevitably a number of more difficult issues will be on the correspondents' mind if they have not already been dealt with at the earlier "international" press conference. I set these out in the annex.

After the press conference I have arranged, subject to your agreement, for you to give the usual short news interviews to radio and TV in my marginally less ornate sitting room on the ground floor.

Content to give radio and TV interviews?

20 September 1982

BERNARD INGHAM

PRIME MINISTER'S VISIT TO TAKASHIMAYA DEPARTMENT STORE:
TUESDAY, 21 SEPTEMBER, 0915 HOURS

Takashimaya Department Store

Takashimaya (pronounced with even stress) have a chain of prestige department stores and are one of Britain's major customers for consumer goods in Japan. The company began as a drapery in 1831 and is now Japan's second largest department store. (Sales in 1981 amounted to ¥3.4 billion.)

This year's Takashimaya British promotion, supported by the British Overseas Trade Board, follows another held in 1980; and is a mix of direct buying from the UK, featuring the Covent Garden shops, and goods bought via local wholesalers, the standard route for UK imports. Total Takashimaya purchases of British goods this year will be about £6 million at FOB values, about double last year.

A supporting feature of the promotion is an exhibition of Lord Lichfield's photographs. Pipers of the Scots Guards from Hong Kong will add atmosphere. (Those concerned were not involved in action in the Falklands.)

The President of Takashimaya, Mr Shinichi Iida, is 70 and has spent 41 years with Takashimaya, becoming Chief Executive in 1960. He has been honoured by France and Italy. He is likely to speak through an interpreter.

Timetable for Visit

0915 Arrive main entrance Nihonbashi store. Met by Mr S Iida (President) who will be accompanied by his wife and introduce Mr Takeuchi (Vice President), Mr Hidaka (Managing Director), Mr Aya (Managing Director and Manager of Nihonbashi store) and Mrs Ishihara (Director in charge of public relations). One of five girls in traditional Japanese kinono will present to the Prime Minister a bunch of flowers (which she will not be

/expected

expected to carry round with her). Proceed to bank of elevators on ground floor opposite entrance. (No 3 elevator for main party; Nos 1 and 2 for others accompanying.)

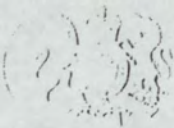
0920 Arrive at 8th floor. Scots guards pipers will be playing and stop just after party arrives. (The pipers have been brought from Hong Kong for the promotion. Their battalion was not involved in the Falklands.) Walk round the main part of the British promotion, including the Covent Garden shops and other direct imports. The route includes the area where Lord Lichfield's photographs will be on display and also passes a Scottish country dance team from St Andrews University (who will not be dancing). At the end of the route representatives of British companies displaying their wares on other floors will be assembled.

0935 Proceed to a room in the Takashimaya private office on 8th floor. Prime Minister, Mr Thatcher, Ambassador, Lady Cortazzi, and PPS seated on one side of a table, with Takashimaya representatives on the other. (Others in party to sit at the side.) Mr Iida will say a few words welcoming the Prime Minister and refer to Takashimaya's links with the UK, including the visit by the then Prince of Wales in 1922 (of which he will show photographs). Mr Iida will present a gift to Mrs Thatcher, so wrapped that it can be easily inspected. (The only photography during this part of the visit will be by a Takashimaya photographer and one representing the British Overseas Trade Board.)

0945 Return to elevators and go to 7th floor. Walk round area where some more regular imports from the UK will be on display. (Route also passes an area with traditional Japanese goods.) Descent by escalator to 6th floor to look at Ercol furniture display.

0955 Return by elevator from 6th floor to ground floor. Mr Iida will escort Prime Minister to the main entrance and take his leave.

- 2 -



Points to make

- (1) Grateful for Takashimaya's activity in promoting British products so positively. Japanese consumers are important for our exporters who depend heavily on department stores for sales. In what ways can we further expand sales of UK goods?
- (2) I noticed the extent of your direct imports, eg, from the Covent Garden stores. What is your policy for the future as between direct and indirect (ie, through wholesalers) buying?

PRIME MINISTERYOUR VISIT TO JAPAN: NHK-TV INTERVIEW IN TOKYO

You agreed to take part in a television discussion programme whilst in Tokyo subject to being satisfied with the other participants.

NHK is the Japanese equivalent to the BBC. The programme, which will run 45 minutes, will be recorded on the morning of Monday, 21 September, at the Akasaka Palace where you are staying. It will be broadcast that evening and will be conducted entirely in English. Sub-titles will be inserted after the recording. There will be no editing.

The programme will be entitled "Mrs Thatcher's Britain". It is proposed to cover the following themes:

- your impressions of Japan;
- the British economy and your handling of issues such as unemployment, labour/management problems, denationalisation and trade unions;
- crisis management and your style of leadership;
- bi-lateral relations;
- East/West relations;
- the Falklands;
- your view of Japan in the future.

Those taking part with you will be:

Hisanori Isomura - programme chairman.

Director General, NHK News. Aged 53. 29 years with NHK, most of which was spent in Europe and the US as special correspondent and bureau chief. By reputation one of Japan's best journalists. Nicknamed "The Walter Cronkite of Japan".

Professor Masataka Kohsaka.

Professor of International Politics at Kyoto University and director of Japan's Institute of International Strategic Studies. Born 8.5.34. Publications: The Balance of Power in Modern Europe, Detente Politics After World War 2, Economic Power in the Age of Mutual Interdependence. He is a regular and popular TV personality who has a relaxed and easy manner when conducting serious in-depth interviews. He is objective,

has a quick grasp of and profound interest in current international political affairs and specialises mainly in Soviet and defence questions. Politically he is reckoned to be far to the right. He was at Harvard from 1960-62 and became friendly with Reischauer, former US Ambassador to Japan, and is reputed to know Kissinger and Brezhinski well.

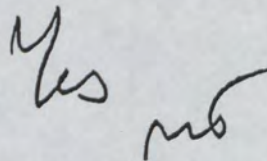
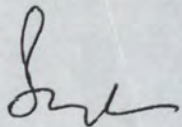
Shuzo Muramoto.

President of Dai Ichi Kangyo Bank. Born February 1915. Tokyo University (Economics graduate), Dai-Ichi Kangyo bank manager in New York and London 1957-60. Member of US-Japan "Wise Men" group. Muramoto is interested in your economic policies. His views on economics tend to be international and liberal. As for the present state of the Japanese economy, he is against a Keynesian type fiscal stimulus, but favours micro-economic measures to help seriously affected sectors. In the longer term he is generally in favour of the recently recommended vigorous cutting of public expenditure and reducing the size of Government and as a banker he supports the decontrolling of interest rates, the gradual internationalisation of Japan's financial markets, and wider activities for banking.

All three speak English fluently.

The proposed participants for the programme seem quite satisfactory and should give you every opportunity to put across your views and impressions of your visit to a very large audience on the last night of your stay in Japan.

Content that we should proceed?



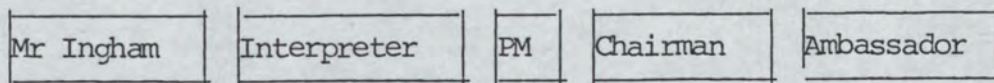
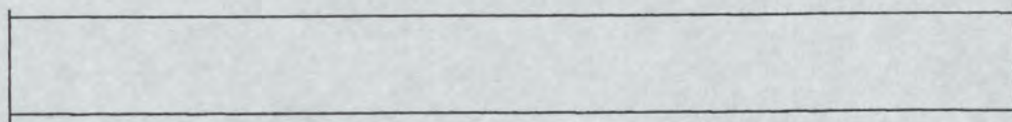
B. INGHAM

9 September 1982

PRIME MINISTER'S PRESS CONFERENCE AT THE JAPANESE PRESS CLUB

1. On arrival you will be met at the ground floor entrance to the Club by Mr Kasagi (Director General of the Club) and escorted in the lift to a small guest reception room on the 9th floor. You will there be introduced to the Chairman for the press conference, Mr Wakamatsu, Vice President of Tokai Television and formerly Managing Director of the Chunichi Shimbun. There will be a short pause there before you are escorted up a short flight of stairs to the press conference room on the 10th floor.

2. Mr. Kasagi will then lead the way to the top table, which will be arranged thus:



3. The Chairman will briefly introduce you (and we have emphasised it should be a short introduction). You then launch into your speech, which will be translated consecutively.

4. After the speech which, with interpretation, we hope will last about 45 minutes, the Chairman will thank you and throw the floor open to the media for questions. Those wishing to pose questions will be invited by the Chairman to come to the front of the room where 2 microphones will be positioned, announce their name and organisation, and speak.

5. There will be about 40 minutes for questions, during which copies of your speech in Japanese and English will be distributed. We shall record the whole session

6. Finally the Chairman will close by thanking you and giving you a small gift (a fountain pen), after which you (and

the top table guests) will be escorted to the lift and
thence direct to the ground floor.

SPEECH BY THE PRIME MINISTER TO THE
JAPANESE PRESS CLUB ON 21 SEPTEMBER

I am grateful for the opportunity to speak tonight

to the Japanese press.

A free and flourishing press is a powerful symbol of the democratic ideal.

Like you, we in Britain have a strong tradition of national newspapers.

More people read the national press in Japan and Britain than in other major industrialised countries.

In Japan, as in the United Kingdom the media are free of interference by government:

they criticise - or occasionally even praise - as they see fit.

Without the free transmission of information and comment there can be no guarantee of political freedom: and political freedom

/ brings

brings greater tolerance and understanding.

The same principle - the free exchange of ideas and information - should apply internationally, both within and between nations.

Britain and Japan have the means and the freedom to speak to each other.

We have much in common.

We are democracies.

We both have a Royal Family.

We are island peoples with a history of powerful continental neighbours.

We both have a maritime tradition, comparatively few raw materials and a need for overseas markets.

/ And yet,

And yet, despite the close contact we have developed in various fields over past decades, we still know too little of one another; and such knowledge as we have has not always led to full understanding.

The problems are obvious enough: in distance, we are almost half a world apart; we have different historical perspectives; different languages and cultures; and we face different domestic priorities.

/ As a

As a result, we have had rather different perceptions of the world.

And yet I believe our fundamental interests are identical.

These interests are threefold:

First, we both want a world of freedom and justice, for nations and individuals;

second, we both want to further the system of free trade and free exchange;

third, we both want to improve the quality of our lives: better social and educational opportunities, better working conditions, better application of new technologies to create jobs and wealth.

/ Perhaps

Perhaps I may expand on each of these three objectives.

IN DEFENCE OF FREEDOM AND JUSTICE

Freedom requires vigilance, for nations as for individuals.

It also means resolute commitment to the defence of international law and to the principle of self-determination.

If the world is not to slip gradually into violence and lawlessness, it may sometimes be necessary to defend these principles by force.

We in Britain have recently had to do this.

It is in the interests of every free people that aggression should be defeated.

Security depends on strong defences, to deter and resist attack.

And above all, it means the will to use them / when

when necessary.

Nevertheless, security can be achieved at a lower level of armaments provided the balance is maintained.

I doubt if anyone here would dispute these principles.

But they need to be applied to specific, and often fast moving situations, and to be defended by us all acting in concert.

Britain's major partnerships and alliances are with the European Community, NATO, and the Commonwealth.

/We

We have many ways of maintaining contact with Japan.

But I question whether we consult each other sufficiently.

Economic success brings power, and this in turn brings political obligations.

Japan's weight in world affairs has increased enormously.

We want to know more often, and in more areas of the world, what Japan thinks.

/The pressure

The pressure of events demands greater consultation amongst friends.

The flashpoints of world tension are as numerous now as at any time since 1945.

The Soviet Union has occupied and holds by force of arms the independent country of Afghanistan.

As it seeks to extend its empire to the South, it fears the erosion of Communist regimes in Eastern Europe.

Nowhere is this clearer than in Poland where the first signs of liberty have been ruthlessly suppressed.

But the flame of freedom cannot be snuffed out for ever.

/Though

Though politically and economically weak, the Soviet

Union still seeks to assert itself by military means.

Along the dividing line which, 37 years on, still separates the two halves of Europe the Soviet Union has increased its battle strength.

In both conventional and nuclear weapons it outnumbered the defences available to NATO.

And in Africa, Latin America and Asia, the Soviet Union and its proxies pursue her policies of destabilisation and subversion.

/Western

Western nations have not always resisted these pressures as strongly as they should.

That is why we in NATO committed ourselves to a real increase in our defence expenditure over the coming years.

We also took a decision to modernise NATO's intermediate range nuclear weapons systems in Europe, unless negotiations with the Soviet Union succeed in making the future deployment of such weapons unnecessary.

We are serious about the 'zero option': the elimination of all longer-range land-based missiles capable of striking targets in Europe.

So far, the Soviet attitude gives little hope for thinking that their intentions are as constructive or far-reaching as our own

/This

This is how it looks from Europe.

But you do not need me to remind you that the continuing Soviet threat to the free world has implications for Japan as well.

Economic strength generates not only political responsibilities but defence obligations too.

I know there is a lively discussion in Japan and elsewhere on the right level of your defence effort and expenditure, and I do not wish to be caught in the cross-fire.

But you will understand the concern of a fellow maritime nation that Japan should be capable of defending herself, her territory and her vital sea lanes and other approaches.

/The Middle East

The Middle East is also an area where Japan has a role

to play in support of our common interests.

Continuing instability in the Middle East

must be a serious matter to a country like

Japan which depends so heavily on imported

energy.

We in Britain are profoundly concerned about

the conflict between Iran and Iraq and the

continuing dispute between Israel and her Arab

neighbours.

And we warmly welcome the constructive and

imaginative approach to the Palestinians

recently announced by the American Government.

/We

We greatly value Japanese support for strategic

countries bordering on the Middle East which have experienced economic problems, including Turkey and Pakistan.

But again we would welcome closer Japanese involvement in consultations over the free world's strategy in this crucial region.

In Asia, we already work closely and effectively together.

The Commonwealth is a powerful force in the area, and we all work for the same objectives of political stability and economic development.

/Japan

Japan and Britain have supported the development of a strong and independent Association of South East Asian Nations.

We both welcome the ^{ASEAN} ~~Asian~~ efforts to promote the coalition in Cambodia which we believe is a healthy step towards solving the problems of that unhappy country.

We have worked together to re-settle the refugees who are the tragic victims of Vietnamese policies.

We both maintain considerable programmes of overseas aid.

An increasing proportion of Japanese aid is now going to countries beyond Asia. Your aid

/transmitted

transmitted through United Nations and other international agencies continues to grow. This is a sign not only of the economic success of your country, of which we are all aware, but of your growing international involvement which we welcome.

It is good that Japan and Britain strive together, with the other countries of the free world, in defence of freedom and justice.

FREE TRADE

Let me now consider our second area of common concern, that of free trade and free exchange. The post-war liberal trading system has benefitted the whole free world, perhaps most especially Japan. We are

/ now

now living through a world recession.

You in Japan are suffering from its effects
as we are.

The deficits created by the oil price rises of
the last 8 years, coupled with expenditures which
have run ahead of output, are causing serious
problems for the world banking system.

Our economies are not able to expand to match
past performance or current expectations.

The temptation to interfere with the workings
of the free trade system is strong.

But to restrict imports by any means is to
invite retaliation against exports.

/We must

We must not allow ourselves to be divided
in that way.

We all face the same problems.

The responsibility for maintaining the open
trading system is a shared one.

Now more than ever we must work together for
a balanced and reciprocal expansion of
international trade.

The advantages which will flow from it will
be mutual and long-lasting.

/But

But we must be realistic. In the 1980s our economies will not grow at the rate of the past two decades.

The reasons are not far to seek: the great increase in energy prices looks like limiting for some time ahead the potential for rapid expansion of production and employment.

It is this prospect which makes especially serious the problems in the commercial relationship between Japan and her trading partners - not only the United Kingdom and the European Community, but also the United States and other members of the OECD. and of the GATT. The plain fact is that imbalanced patterns in our trade with Japan have persisted for at least a decade now. This cannot continue without threatening / the

the breakdown of the free trading system. I welcome the measures which your Government has taken during the past twelve months to dismantle some important barriers to trade. I hope that your market will become progressively more open to imports, especially of manufactured goods. What we are looking for are financial and economic policies which will lead to a steady increase in Japanese imports of manufactures. Your trading partners are watching the position closely, You will understand if I say that we are bound to judge by results.

Trade friction is rarely the fault of one party alone.

Japanese export successes come from the skill, flexibility and adaptability of Japanese industry. We must match your performance.

/ It

It is sometimes said in Japan that foreign companies could easily sell more here if only they would try harder. We have tried hard. We will try even harder. But the strenuous sales efforts in Japan by some UK industries who have been highly successful in other markets have resulted in meagre successes here. I will give you some examples of comparative results by our top exporters in important sectors for British industry. We sold in 1980 seventeen hundred million pounds worth of aerospace products worldwide: we sold only £30 million of these same products in Japan in the same period. In the vehicle components sector we sold over £170 million to the USA, over £280 million to Germany, but only £7 million

/ to

to Japan. These figures suggest that, for whatever reason, it is harder to penetrate the Japanese market than any other in the industrialised world. If so it is surely in our mutual interest, both economic and political, to correct the situation. Any barriers to a balanced expansion of trade which may remain must be dismantled.

THE QUALITY OF LIFE

I now deal with our third area - improving the quality of life. This means using the opportunities created by new technologies to create jobs and wealth, to extend our knowledge and widen our horizons. We must look beyond the immediate economic storms. Investment in the new processes / which

which we are now developing will ultimately create employment and improve living conditions, even though they may at first seem to have the opposite effect. That is the history of all industrial revolutions - and the new technologies, especially the new electronics, constitute a third industrial revolution.

/Japan has

Japan has shown how to tackle this new challenge.

She has been particularly successful in putting new technology to work, and in getting management and workforce to co-operate in reaping the benefits.- and unemployment in Japan is virtually the lowest in the world.

We should like to learn from your experience.

We too have a long and distinguished history in research and new technology from Newton's discovery of the force of gravity to the latest science of genetic engineering, from radar to nuclear energy, from jet engine to vertical takeoff, from television to carbon fibres, from penicillin to the new electronic scanner which can detect

presence of cancer.

I saw the prototype in Aberdeen University
two weeks ago.

We are superb scientists and inventors,
perhaps not always so good at turning these
abilities to industrial profit.

Some people fear it but over the years the
new technology has created new prosperity
for our people.

And it has brought millions of new jobs whose
existence could not have been predicted only a
short time ago.

One of the main themes of the Versailles Summit
was the need for the 7 leading industrialised
countries to take the lead in stressing the
positive features of technological change.

/A greater

A greater exchange of information between Britain and Japan is an important element in fulfilling this aim.

Industrial collaboration between us has advanced rapidly over the past few years.

Two days ago I saw the advanced robot production facilities of Fujitsu-Fanuc, who are now in collaboration with the British '600 group'.

The leaders of both concerns assure me that co-operation has already brought substantial benefits to both parties.

Another example: the British computer company ICL has developed an association with Fujitsu.

/This has

This has increased joint sales in third markets and has given us access to one another's research into the next generation of computers.

And again, our largest car manufacturer, British Leyland, is collaborating with the Honda Motor Company.

They are now jointly designing a new passenger limousine, for sale in both Japan and in Europe.

Britain has always welcomed inward investment by foreign companies.

Already some 30 Japanese manufacturers are producing goods in a wide range of industries in the UK, with consequent benefit for our own industries.

/These

These companies know that Britain is one of the most stable countries in the world, that it provides access to the whole European Community, that it has sound economic policies which are bringing down inflation (from 20 per cent to 8 per cent) and are reducing interest rates, that in the private sector the record of labour relations is good and that unlike many of our competitors we have the great advantage of secure energy supplies.

/These

These manifold attractions are increased still further by the long-term policies on which we have embarked - to restore sound money and free our economy from artificial restrictions.

We are pursuing those policies rigorously.

They are beginning to show results.

We shall continue to pursue them.

They were not designed for temporary use.

They are policies for a decade.

How many other countries can offer all the advantages which I have described?

/I have

I have talked a lot about trade and investment.

But there is another form of international exchange: that of people, culture and ideas.

There has been a boom of Japanese culture in Britain during the past year, crowned by the triumphant success of the Great Japan Exhibition in London: my Japanese friends have told me that no such exhibition has been mounted before abroad or in Japan.

It was accompanied by a host of other Japanese cultural events, and a whole series of television broadcasts which brought knowledge of the virtues of present-day Japan to the widest possible audience.

/In Britain

In Britain today Japan has become a by-word for
effort, ingenuity, excellence and success.
Your art and design have long excited our
interest and admiration.
You have a sense of tradition, a taste for
beauty, a pride in loyalty and a habit of
harmony.

Throughout history we in Britain have always been an
outward looking people, seeking discovery and
adventure.

A people with tolerance, integrity, steadfastness
and courage.

/A people

A people to whom liberty and justice are as important
as the air we breathe.

Rightly we have the reputation of being
staunch and true friends.

Building on the qualities of our two
peoples let us achieve closer co-operation
and deeper friendship.

BRITISH PRESS CONFERENCE AND RADIO AND TV

Your Press Conference for British correspondents and your travelling media party will be in the same room as the NHK interview. We are expecting 30 to be present.

If you agree to give interviews to British radio and TV we shall not allow them to record your Press Conference.

They will be given drinks on arrival and will sit in a semi-circle in front of you at one end of the room.

This is the occasion for you to give the flavour of your visit - to characterise its achievements as you see them - and briefly to set the tone of your approach to China

I want you to be as relaxed as possible because some critical, not to say anxious eyes, are upon you after your operation. You should be seen to be enjoying yourself doing a job - selling Britain and British goods and winning jobs.

It is all the more important to appear positive on the day when bad new unemployment figures will appear, though not publicly before your Press Conference or radio and TV interviews. I should add that this is also the day before the 22 September Day of Action. It will be a day on which most of the press will not be printing; all the more reason to be seen promoting business on TV.

The main awkward issues that could turn up are:-

Protectionism

Just how serious do you think is the risk of a collapse of the free trading system? And what can you do about it if Japan won't budge?

/Day of Action

Day of Action (possibly linked with the threat of a miners' strike)

I have told the media you will not be commenting on the Day of Action but you might get over the point somewhat tangentially - a point that will strike a real chord with many correspondents - that any disruption at home does not help you in trying to promote British goods and work in our factories.

Lebanon - here we wait upon events and John Coles is arranging to keep you up-to-date.

Hong Kong/China - you will need to be firm in resisting attempts to draw you into comment before you have seen the Chinese leaders. We do not want to build up expectations. You should be very firm and say you prefer to leave comment until after you have seen the Chinese leadership.