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Visit to London by Mr Ito: Japanese Foreign Minister, and visits by his successor Mr Shintaro Abe

JAPAN

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November 1980

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10 DOWNING STREET

THE PRIME MINISTER

24 January 1986

Dear Mr. Abe,

I found our talk on Tuesday very interesting, and hope we shall have an opportunity to continue our discussion when I come to Tokyo for the Economic Summit in May. Meanwhile, may I thank you most warmly for the very beautiful picture which you so kindly sent me. I was delighted to have this, and it was a really generous thought on your part.

With best wishes,

Yours sincerely
Rajiv Gandhi

Mr. Shintaro Abe

SPW

SUBJECT cc Master.

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10 DOWNING STREET

From the Private Secretary

21 January 1986

**MEETING BETWEEN THE PRIME MINISTER
AND THE FOREIGN MINISTER OF JAPAN**

I enclose a record of the Prime Minister's meeting with Mr. Abe this morning.

I am copying this letter and enclosure to Rachel Lomax (H.M. Treasury), John Mogg (Department of Trade and Industry) and Michael Stark (Cabinet Office).

(Charles Powell)

Robert Culshaw, Esq.,
Foreign and Commonwealth Office.

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RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE FOREIGN
MINISTER OF JAPAN AT 10 DOWNING STREET ON TUESDAY 21 JANUARY
AT 1030 a.m.

Prime Minister

Sir William Harding

Mr. C.D. Powell

Mr. Abe

Japanese Ambassador

Mr. Nishiyama

The Prime Minister welcomed Mr. Abe to London and asked for her regards to be conveyed to Mr. Nakasone. Mr. Abe said that Mr. Nakasone looked forward to seeing the Prime Minister at the Economic Summit in Tokyo. He also wished to pass on the thanks and appreciation of the Japanese Government and people for the welcome given in the United Kingdom to Prince Hiro. The Prime Minister said that we had been delighted to have Prince Hiro, who had been a marvellous guest. Everyone who had come into contact with him had been impressed. We were pleased that Britain had been chosen for a part of his education.

SOUTH YEMEN

Mr. Abe thanked the Prime Minister for the United Kingdom's help in evacuating Japanese workers from South Yemen. The Prime Minister said that we had been pleased to help. This was Britain's traditional role.

JAPAN/SOVIET RELATIONS

The Prime Minister asked Mr. Abe to let her have an account of his recent meeting with the Soviet Foreign Minister.

Mr. Abe said that the meeting had been held after a ten year hiatus and had been made possible by the improved climate in East/West relations generally. The Soviet Union had been most reluctant to discuss outstanding territorial questions

with Japan, but agreement had now been reached to do so. It had also been agreed to seek an improved dialogue covering scientific, technical, cultural and economic relations.

Mr. Abe continued that there had been no real change in the Soviet Union's attitude on the territorial issue. Only the atmosphere had improved. The Soviet Union had tried to detach Japan from the general western position on the Strategic Defence Initiative and clearly aimed to erode western solidarity. Japan had declined a Soviet proposal to sign a long term economic agreement and had no intention of developing economic relations without some parallel progress in the political field and in particular on the territorial issue. Japan wished to manage its relations with the Soviet Union in coordination with other western countries. The Prime Minister said that Mr. Abe had put his finger on the main point of the new look in the Soviet union. The atmosphere had improved but the policy had not changed.

TOKYO ECONOMIC SUMMIT

The Prime Minister said that trade relations were bound to feature largely at the Tokyo Economic Summit. It would also be necessary to look again at the international debt position, particularly if oil prices were to fall, creating major problems for countries such as Mexico and Nigeria. She hoped that the Summit would go to the heart of international trade problems rather than simply considering procedural issues. If Japan was going to have to pay less for its oil the result would presumably be a further strengthening of its trade and payments surplus.

Mr. Abe said that he would convey the Prime Minister's views to Mr. Nakasone. In the Japanese Government's eyes the main subjects for discussion at the Summit would be international debt, the decline in the prices of basic commodities, trade imbalances and stagnation of the economic situation in some industrialised countries. The Summit's task would be to discuss ways to achieve sustained,

non-inflationary growth. All these issues should be very much to the forefront in May. Fortunately there had been a considerable strengthening in the value of the Yen in recent months. This would have a beneficial effect on trade relations in the long term. The Japanese Government was also making efforts to reduce Japan's trade surplus, for instance by reducing tariffs and implementing various action programmes. Their aim was to bring Japan's economy into harmony with the world economy.

The Prime Minister said that more was needed than a few small reductions in tariffs. That alone would not solve the problem. It would be necessary to get to grips with the real, fundamental problems which caused the imbalance. We were trying to ease the specific imbalance between the United Kingdom and Japan by the sale of aircraft. We hoped that the Japanese Government would give serious consideration to such purchases. She had written to Mr. Nakasone about this. Mr. Abe indicated that he was aware of the exchanges with Mr. Nakasone on this point.

TIN

The Prime Minister said that she had also been in touch with Mr. Nakasone on the subject of the International Tin Agreement. She was grateful for his recent letter. The matter had also been raised at the G5 meeting. She understood that Mr. Nakasone agreed with her on the importance of reaching a solution. It would be difficult to urge debtor countries to meet their obligations more widely if the industrialised countries failed to meet theirs. The situation now appeared to be that the United Kingdom, Japan, France and Holland were looking for a reasonable settlement. It would be necessary to maintain pressure on Germany to join in. She hoped that the two Governments could remain in close touch. Mr. Abe said that he had brought Japanese Government proposals to London which were at that moment being explained to the International Tin Council.

FALKLANDS FISHERIES

The Prime Minister said that she knew that contacts were in progress between British and Japanese officials on the subject of Falklands fisheries. It was vital that Japan should not increase its fishing effort above that of last year. Above all, it was important that a settlement of this problem should be reached while Mr. Abe was in London. We understood that he had full powers to reach an agreement. The issue would only get more difficult if it was allowed to drag on.

Mr. Abe said that Japan was ready to reach agreement to exercise self-restraint on the numbers of Japanese ships allowed to fish off the Falklands. He very much hoped that a solution would be found while he was in London.

The meeting ended at 1100.

EDP

CHARLES POWELL
21 January 1986

EL3AVE

PRIME MINISTER

MEETING WITH THE JAPANESE FOREIGN MINISTER

You are seeing Mr. Abe for half an hour tomorrow. It is a courtesy call. He is one of the thrusting young men of Japanese politics (62). He is mentioned as a possible successor to Mr. Nakasone.

The subjects to discuss are:

(i) The next Summit in Tokyo. The subjects are likely to be prospects for international economic growth, the need for structural adjustment, a new trade round and international debt. The Japanese don't want the focus to be on them: but we mustn't let them off the hook.

(ii) the need for Japan to do more about its trade surplus.

(iii) Tin

CDP.

Charles Powell

20 January 1986

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CCPC
BU



Foreign and Commonwealth Office

London SW1A 2AH

20 January 1986

Dear Charles

I enclose four copies of briefing for the call by Mr Shintaro Abe, the Japanese Foreign Minister, on the Prime Minister at 10.30 a.m. on 21 January.

Mr Abe will be accompanied by Mr Toshio Yamazaki, the Japanese Ambassador, Mr Takehiko Nishiyama, Director General of the Europe and Oceanic Affairs Bureau of the MFA and an interpreter Mr Koji Tsuruoka. Personality notes on Mr Abe, Mr Yakazaki and Mr Nishiyama are attached to the briefing.

Sir William Harding will attend the meeting from the Foreign and Commonwealth Office and Mr Peter Denison-Edson will act as interpreter on our side.

Yours ever

A handwritten signature in blue ink, appearing to read 'R N Culshaw'.

(R N Culshaw)
Private Secretary

C D Powell Esq
No.10 Downing Street

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PRIME MINISTER'S MEETING WITH MR SHINTARO ABE, FOREIGN MINISTER OF JAPAN: 21 JANUARY 1986

Our Objectives

1. (a) to agree with Japanese on the importance of a useful, workmanlike Summit;
- (b) to remind the Japanese of the serious political effect of their continuing trade imbalances and the need for further action by them;
- (c) to encourage the Japanese to increase their imports, to deregulate and liberalize where constraints work against market forces;
- (d) to encourage the Japanese to look favourably at aerospace products where the UK has an interest, and to go on investing in the UK;
- (e) to persuade the Japanese to take an active part in support of search for burden-sharing solution to ITC problems (eg NEWCO).

Arguments

2. (a) Important to continue with existing economic strategy as outlined in previous Summit communiques.
- (b) In both Japan and Britain's interests to help resist protectionist pressures and preserve the open-trading system. Continuing Japanese trade surpluses however increase political pressures in US and Europe towards protectionism.
- (c) More action is needed to encourage the Japanese to import and to liberalize the framework within which foreigners have to operate. Recognise reluctance to set specific import target but trading partners need reassurance; sharing forecast of expected growth in manufactured imports helpful to EC Governments and US in resisting protectionist pressures.



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- (d) Disappointed that All Nippon Airways chose Boeing not Airbus. Airbus Industries will continue their efforts in Japan. Britain has interest in other competitive aerospace products. Hope Japan will consider favourably, particularly where the Japanese government has direct role in decision (eg Tornado, Short Brothers Sherpa C23A). If Japan decides to go ahead with FSX project hope British companies can be involved;
- (e) ITC still dragging feet in search for solution. Deplorable that governments will not assume responsibility. Hope can count on Japan to play part, as major consumer, and important partner of ASEAN. NEWCO proposal offers prospect of sharing burden with ITC creditors.

Tactical Arguments

3. More detailed Trade and International points will be covered in the separate meetings on 21 January with the Secretaries of State for Foreign and Commonwealth Affairs, and Trade and Industry. The Prime Minister may however wish to hear Mr Abe's first hand impressions of the visit of Mr Shevardnadze to Tokyo from 15-19 January.

Japanese Objectives

4. (a) to avoid discussion of the "Japanese problem" dominating the Summit;
- (b) to show that they are actively pursuing solutions to international trade problems while deflecting criticism that they alone are responsible;
- (c) to avoid any suggestion of legal liability over ITC problems. To avoid/minimise any financial contribution required (Japanese share could be 20% of total, UK share



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4%). For their Parliamentary reasons to bring 6th International Tin Agreement (ITA) definitively into force.

Our Response

5. (a) Must be able to refer to practical progress in achieving objectives defined at Bonn. Japan agreed to encourage import growth.
- (b) Welcome steps, since Bonn to improve market access and to tackle structural imbalance. Continuing effort needed. Japan's propensity to import manufactured goods still too low. UK companies working hard to get into Japanese market.
- (c) What is Japanese government's attitude? Convinced governments are legally liable as well as responsible for ITC's debts. Surely Japan concerned about precedent of default. Definitive entry into force of ITA would not produce sufficient income to pay debts. HMG could not support resumption of buffer stock operation.

Press Line

6. (a) The Prime Minister and Mr Abe noted with satisfaction the intensification of the friendly relations between Britain and Japan.
- (b) The main focus of discussion was the international economic situation in the run up to the Economic Summit to be held in Tokyo in May. The Prime Minister made clear her view that it would be necessary to refer to practical progress made in achieving objectives defined at Bonn. They also discussed the problems of the International Tin Council.



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Background

7. (1) Mr Abe's most recent visit to London was for the 1984 Economic Summit. He has participated in all the recent summits and the Prime Minister last met him in Bonn. He will visit West Germany on 22 January before returning to Tokyo.
- (2) Mr Abe is, with the Finance Minister, Mr Takeshita, a leading contender to succeed Nakasone if as required by his party rules the latter has to resign the party chairmanship in November. Mr Nakasone will probably call elections to both Houses of the Diet in early summer in the hope that a substantial victory would enable him to secure a change in the rules. Even if Mr Nakasone is successful this time, Mr Abe remains a probable future Prime Minister (detailed personality note attached).
- (3) Summit: Personal representatives have agreed that the main themes for the 1986 summit likely to be: outlook for international economic growth, particularly in the light of prospects for the US economy; need for further structural adjustment, especially in Europe; need for better balance in international trade and a new round of MTNs; international debt prospects. Japanese are likely to want political discussions to focus on Pacific and Atlantic-Pacific links.
- (4) Trade: Despite exports of over £1 billion to Japan our market share only 1.7%, less than our major European competitors. Estimated deficit with Japan in 1985 £3.1 billion (cf \$10.5 billion (EC), \$50 billion (US)). Action programme announced in July to improve market access over three years step in right direction. G5 agreement in September led yen to appreciate by 16% against dollar. Action to be reinforced by wider economic measures. October measures to boost domestic demand by 1.3% also



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modest step but imports generated likely to be for raw materials. Japanese reluctant to meet EC request for import target or forecast to enable her trading partners measure progress of market opening initiatives and judge their effectiveness in increasing Japan's import propensity. US also called for an "import vision". Japanese argue that estimate of future level of imports beyond their control in free economy. EC to pursue during Delors visit to Tokyo 20-24 January by asking Japan to share forecasts of expected growth in imports.

- (5) Aerospace: All Nippon Airways (ANA) recently selected Boeing 767s instead of Airbus as replacement for their existing fleet. The Prime Minister with Chancellor Kohl and M Fabius wrote to Mr Nakasone in support of Airbus. In a further letter to Mr Nakasone the Prime Minister accepted his explanation that ANA's decision had been made for good technical/commercial reasons but pointed out other competitive aerospace products in which Britain had an interest and where the Japanese Government would have a direct influence on any decision (Tornado, Short Brothers Sherpa C23A (military transport)). She also referred to the interest of British companies in participating in the FSX project (to produce a new fighter) should Japan chose this option instead of Tornado. We also have medium term prospects of selling Sea Harrier and the BAe 146 (for commuter services). Airbus Industries continuing their efforts in Japan. Strong position to win orders from ANA for A320s. Tough negotiations lie ahead final decisions not likely for some time.
- (6) Tin: Nakasone replied on 11 January to Prime Minister's message of 5 January acknowledging the desirability of "soft landing" but gave little indication of Japanese approach. Japan sheltered behind EC in resisting negotiations with ITC creditors. Known to be opposed to idea that governments are liable and should pay share of



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ITC's debts. Partly to conceal true position Japanese suggested that ITA should be brought into force definitively thereby requiring contributions from members and/or that a levy should be imposed on tin trade. Neither would yield sufficient revenue. UK would oppose. Mr Abe told H M Ambassador Tokyo on 17 January that he hoped to bring a concerted Japanese view on Tin to London.

- (7) Japan Soviet Relations: Shevardnadze's visit to Tokyo 15-19 January first meeting at Foreign Minister level for 8 years. Japanese regard visit as opening new phase in relations. No Soviet concessions on substance of Japan's claim for reversion of Northern islands (four islands occupied by the Soviet Union immediately before the end of the Pacific War) but reopening of negotiations on peace treaty and on territorial issue an important first step. Russians had little new to say on international issues though tone on SDI moderate. Japanese under no illusions and recognise that management of relations with Soviet Union could become more difficult now that Japanese public expectations on the Northern islands had been raised.

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ABE, SHINTARO

Minister for Foreign Affairs (since November 1982)

Born 1924. Graduated in politics from Tokyo University, then worked for the Mainichi newspaper. Was Private Secretary to former Prime Minister Kishi whose daughter he married. He has been a member of the House of Representatives for Yamaguchi Prefecture since 1958, with one short break.

Through his experience as a correspondent for the Mainichi and later as Parliamentary Vice Minister of Agriculture, he built up an extensive knowledge of agricultural affairs, and became Minister of Agriculture in the first Miki administration (1974-76). However he also has a reputation for of negotiation within the Diet and was appointed as the LDP's Diet Policy Chairman in Fukuda's first Cabinet (1976). Chief Cabinet Secretary 1977-78 and Chairman of the LDP Policy Affairs Research Council 1979-81. As Minister for International Trade and Industry 1981-82, he travelled extensively overseas and accompanied Suzuki to the Versailles Summit. He has also travelled a lot as Foreign Minister, with visits to Europe (including Romania and Bulgaria), the United States, China, Korea, the ASEAN countries and the Middle East.

He is heir apparent of the Fukuda faction (the third largest) and is one of the "new leaders" of the LDP. He was retained as Foreign Minister in December 1983 despite having made it clear that he wanted the job of Secretary General of the LDP. In the LDP Presidential election of



October 1984 he kept open for a long time the possibility that he might run. However he withdrew when it became clear that he could not win and Nakasone was the only candidate. In the subsequent reshuffle Abe was again against his will, retained as Foreign Minister, He is still seen as a likely future Prime Minister.

An activist politician he is generally popular with officials who have served him. But in discussion with foreigners he can appear rather arrogant and cold. He is married, with two sons. He is a 6th dan in kendo. (Japanese fencing). He does not speak English.



MR TOSHIO YAMAZAKI

Born in 1922, Mr Yamazaki graduated from the Faculty of Law, Tokyo University in 1944. In 1946 he entered the Ministry of Foreign Affairs. In 1955 he took up his first overseas appointment as Third, later Second Secretary at the Japanese Embassy in London.

In 1962, Mr Yamazaki became Director of the British Commonwealth Division in the Ministry of Foreign Affairs. In 1964 he was again posted abroad as First Secretary, later Counsellor (1966) in the Permanent Mission of Japan to the UN in New York. From 1967 until 1971 he served again in the Ministry of Foreign Affairs as Director of the Financial Affairs Division in the Minister's Secretariat and then (1970) as Deputy Director-General of the Treaties Bureau. He was then posted to Washington as Counsellor (1971) later Minister (1972) and subsequently given the rank of Envoy Extraordinary and Minister Plenipotentiary (1974) en poste. In the same year he returned to the Ministry of Foreign Affairs, being appointed Director-General of the American Affairs Bureau. In 1977 he became Counsellor of the Minister's Secretariat and in 1978 Deputy Vice-Minister for Administration. His Ambassadorial career began in 1980 with a posting to Egypt and then in 1982 to Indonesia. He became Ambassador to Britain in January 1985.

Mr Yamazaki has an impressive command of English; his wife's English is similarly excellent. They have two

/Children



children, both born in London: a son, 29, who after studying at Harvard joined the Japanese Foreign Service, and a daughter, 28, who is married to a Japanese diplomat and has a daughter herself. Mr Yamazaki enjoys golf.

FAR EASTERN DEPARTMENT
FOREIGN AND COMMONWEALTH OFFICE
JANUARY 1986

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NISHIYAMA, TAKEHIKO

Director-General, European and Oceanic Affairs Bureau
since February 1984.

Born 1933.

Graduated from Tokyo University Law Department and joined
the MFA in 1955. He has served as Minister in Paris and,
immediately before taking up his present post, as Consul-
General in San Francisco.

He is from the "French school" of Japanese diplomacy but
speaks good English. Appointed relatively young to his
present position.

Far Eastern Department
Foreign and Commonwealth Office
January 1986

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FM TOKYO

TO IMMEDIATE FCO

TELNO 61

OF 170800Z JANUARY 86

mf

MY TELNO 39: VISIT OF THE JAPANESE FOREIGN MINISTER

1. WHEN I CALLED ON MR ABE THIS AFTERNOON AT HIS INVITATION, HE SAID HOW MUCH HE WAS LOOKING FORWARD TO HIS TALKS WITH YOU ON 21 JANUARY AND TO HIS CALLS ON THE PRIME MINISTER AND MR BRITAN. HE WOULD BE GLAD OF THE OPPORTUNITY TO TELL YOU ABOUT HIS DISCUSSIONS THIS WEEK WITH THE SOVIET FOREIGN MINISTER AND TO HEAR YOUR IMPRESSIONS OF THE MIDDLE EAST. ECONOMIC PROBLEMS REQUIRED ATTENTION. HE WELCOMED THE INTENSIFICATION OF ANGLO-JAPANESE EXCHANGES GENERALLY.

2. MR ABE TOOK THE INITIATIVE IN RAISING TIN AND SQUID FISHING OFF THE FALKLANDS. REFERRING TO THE PRIME MINISTER'S LETTER TO MR NAKASONE ABOUT TIN, MR ABE SAID THAT HE HOPED TO BE IN A POSITION TO BRING A CONCERTED JAPANESE GOVERNMENT POSITION TO LONDON.

3. ON SQUID, MR ABE SAID THAT THE JAPANESE GOVERNMENT WERE DOING THEIR BEST TO MEET OUR REQUIREMENTS ON SELF-RESTRAINT. HE HIMSELF HAD BEEN SURPRISED TO LEARN THE LEVEL OF JAPANESE FISHING IN FALKLANDS WATERS. IT WOULD HOWEVER BE DIFFICULT TO MEET OUR REQUEST TO LIMIT THE NUMBER OF JAPANESE VESSELS TO 45, PARTICULARLY AS JAPANESE FISHING BOATS HAD ALREADY SET SAIL. HIS OFFICIALS WOULD HOWEVER PUT FORWARD NEW PROPOSALS (SEE MY TELNOS 62 AND 63). WHICH HE HOPED WOULD PROVE ACCEPTABLE. HE STRESSED THAT THEY WERE THE RESULT OF STRENUOUS EFFORTS ON THE PART OF THE JAPANESE GOVERNMENT.

GIFFARD

INTERNATIONAL TIN AGREEMENT

FRAME EXTERNAL

- ERD
- SEAD
- S AM D
- PUSD
- WAD
- C AF D
- LEGAL ADVISERS
- FED
- SAD
- NAD
- UND
- SIR W HARDING
- MR DAVID THOMAS

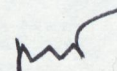
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- MR R THOMAS)MAFF
- MR D FRY)MAFF
- MR MOUNTFIELD)H M TREASURY
- MR M REDLEY)H M TREASURY
- MR B GUNN) BANK OF ENGLAND
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MIPT: VISIT OF THE JAPANESE FOREIGN MINISTER: 21 JANUARY: 

MR ABE'S TALKS WITH MINISTERS

1. FOREIGN MINISTER ABE HAS BEEN BUSY SINCE THE BEGINNING OF THE YEAR. LAST WEEK HE WAS IN WASHINGTON FOR TALKS WITH SHULTZ AND OTHER MEMBERS OF THE REAGAN ADMINISTRATION, FOCUSSED ON THE BILATERAL TRADE IMBALANCE, EXPECTED TO EXCEED DOLLARS 50 BILLION IN 1986. ABE THEN JOINED PRIME MINISTER NAKASONE IN CANADA BEFORE HE RETURNS TO TOKYO FOR THE VISIT OF THE SOVIET FOREIGN MINISTER FROM 15-19 JANUARY. ABE WILL RECEIVE DELORS IN TOKYO ON 20 JANUARY AND DEPART FOR LONDON THAT EVENING.
2. ABE'S PROGRAMME SINCE THE NEW YEAR AND YOUR OWN VISIT TO THE MIDDLE EAST SHOULD ENSURE A USEFUL DISCUSSION OF EAST/WEST RELATIONS AND THE MAIN REGIONAL ISSUES ON THE AGENDA. ABE WILL NO DOUBT WISH TO GIVE YOU AN ACCOUNT OF HIS TALKS WITH SHEVARDNADZE WHOSE VISIT HERE IS BEING TREATED AS A MAJOR DIPLOMATIC EVENT. ABE HIMSELF HAS APPEARED MORE CAUTIOUS THAN NAKASONE ABOUT THE PROSPECTS FOR JAPAN/SOVIET RELATIONS. ON SDI, THE JAPANESE HAVE NOT ADVANCED BEYOND NAKASONE'S EXPRESSION OF 'UNDERSTANDING'. A FURTHER TECHNICAL DELEGATION WILL VISIT THE US SHORTLY BUT NO EARLY JAPANESE DECISION ON PARTICIPATION IS IN SIGHT. HERE TOO ABE HAS APPEARED MORE RESERVED THAN NAKASONE.
3. JAPAN/CHINA RELATIONS, KOREA AND THE PHILIPPINES ARE THE NATURAL FOCUS OF THE DISCUSSION OF ASIAN AFFAIRS. PRIME MINISTER NAKASONE'S OFFICIAL VISIT TO THE YASUKUNI SHRINE LAST AUGUST STILL RANKLES WITH THE CHINESE. SINO/JAPANESE TRADE RELATIONS HAVE ALSO DETERIORATED AS A RESULT OF JAPAN'S RAPIDLY INCREASING TRADE SURPLUS. JAPAN HAS USED HER CONTACTS WITH CHINA AND THE SOVIET UNION TO TRY AND HELP PROMOTE A DIALOGUE BETWEEN NORTH AND SOUTH KOREA. THE KOREAN PENINSULA WILL BE DISCUSSED WITH SHEVARDNADZE. IN RECENT MONTHS THE JAPANESE GOVERNMENT HAVE SHOWN INCREASING CONCERN AT THE WORSENING POLITICAL SITUATION IN THE PHILIPPINES. FOR HISTORICAL REASONS, THE JAPANESE ARE RELUCTANT OPENLY TO CRITICISE MARCOS. BUT THEY HAVE BEGUN IN PRIVATE TO URGE THE CASE FOR ECONOMIC AND POLITICAL REFORM.
4. FUJIO, CHAIRMAN OF THE POLICY AFFAIRS RESEARCH COMMITTEE OF THE LDP, IS CURRENTLY VISITING THE MIDDLE EAST AS AN UNOFFICIAL EMISSARY OF THE JAPANESE GOVERNMENT. FOLLOWING HIS VISIT TO TEHRAN, HE HAS BEEN QUOTED IN THE JAPANESE PRESS AS PERCEIVING HOPEFUL SIGNS IN IRANIAN DIPLOMACY. DOES ABE SHARE THIS ASSESSMENT AND, IF SO, HOW DOES HE THINK IT CAN BEST BE EXPLOITED?

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5. ABE'S MAIN PREOCCUPATION ON THE ECONOMIC SIDE WILL BE THE JAPANESE CONCERN TO AVOID DISCUSSION OF 'THE JAPAN PROBLEM' DOMINATING THE SUMMIT. ABE'S TALKS WITH THE AMERICANS LAST WEEK, NAKASONE'S VISIT TO CANADA AND NAKASONE'S PROPOSED VISIT TO WASHINGTON IN MARCH, ALL HAVE THIS PURPOSE. ABE HAS PRESENTED HIS VISITS TO LONDON AND BONN AS AN OPPORTUNITY TO TAKE EUROPEAN VIEWS INTO ACCOUNT.

6. MY TELNO 27 DESCRIBED THE CURRENT STATE OF THE JAPANESE ECONOMY IN THE CONTEXT OF TAKESHITA'S VISIT. ABE HAS THE REPUTATION OF BEING KEENER ON THE STIMULATION OF DOMESTIC DEMAND THAN TAKESHITA. IT WOULD BE APPROPRIATE TO ASK HIM HOW HE SEES IN PARTICULAR THE SCOPE FOR STRUCTURAL CHANGE TO REDUCE JAPAN'S DEPENDENCE ON EXPORTS AS THE MAIN STIMULUS FOR GROWTH.

7. ABE WILL HAVE HEARD FROM DELORS JUST BEFORE HIS DEPARTURE THE LATEST EC THINKING ON THE TRADE PROBLEM. IN DISCUSSING THIS, YOU WILL BE AWARE THAT THE JAPANESE SEE US AS ONE OF THE HARDLINERS, PARTICULARLY ON IMPORT TARGETS. MINISTERS MAY WISH TO EMPHASISE THE EFFORTS THAT BRITISH EXPORTERS ALREADY MAKE HERE, AND REGRET JAPAN'S INABILITY SO FAR TO ACCEPT MUCH THAT IS ON OFFER, EG AIRCRAFT.

8. THE MFA HERE LEADS ON TIN. DEPENDING ON DEVELOPMENTS IN LONDON THIS WEEK, YOU MAY FIND IT NECESSARY TO RAISE THIS.

9. ON SQUID FISHING OFF THE FALKLANDS, PLEASE SEE MY TELNO 040. YOU MAY WISH TO REMIND ABE OF THE SEPARATE ISSUE OF JAPAN'S FAILURE TO APPLY THE PRINCIPLE OF SELF-DETERMINATION TO THE FALKLAND ISLANDS.

GIFFARD

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*Rie Aomita**You will see**him next**week**ADD 16/1*

VISIT OF THE JAPANESE FOREIGN MINISTER: 21 JANUARY:

MR ABE'S POLITICAL PROSPECTS

SUMMARY

1. FOREIGN MINISTER ABE IS A LEADING CONTENDER TO SUCCEED PRIME MINISTER NAKASONE IN NOVEMBER. HE HOPES THAT HIS MINISTERIAL EXPERIENCE AND GOOD CONTACTS WITH FOREIGN LEADERS WILL COMPENSATE FOR THE NUMERICAL WEAKNESS OF HIS SUPPORTERS IN THE PARTY.

DETAIL

2. ABE IS THE ACTING HEAD OF THE 72-MEMBER FUKUDA FACTION, THE THIRD LARGEST FACTION IN THE LIBERAL DEMOCRATIC PARTY. FORMER PRIME MINISTER FUKUDA (ABE'S FATHER-IN-LAW) STILL KEEPS A TIGHT REIN ON THE FACTION BUT HE HAS FORMALLY NOMINATED ABE AS HIS SUCCESSOR AND THE FACTION'S PRIME MINISTERIAL CANDIDATE. WHEREAS FINANCE MINISTER TAKESHITA CAN ONLY COUNT ON THE SUPPORT OF PART OF THE ALBEIT LARGER TANAKA FACTION, ABE HAS THE SOLID SUPPORT OF ALL HIS FACTION.

3. ABE STOOD AGAINST NAKASONE IN 1982 FOR THE PRESIDENCY OF THE PARTY BUT CAME A POOR THIRD IN THE FIRST ROUND VOTE AND BOWED OUT OF THE CONTEST. HE HAS HINTED AT HIS INTENTION TO STAND AGAIN THIS AUTUMN, WHILE STRESSING BOTH THAT HE WILL CONTINUE TO WORK CLOSELY WITH NAKASONE UNTIL AT LEAST AFTER THE SUMMIT AND THAT HE DOES NOT BELIEVE NAKASONE HIMSELF WILL STAND FOR A THIRD TERM. HE WOULD PREFER THE PARTY LEADER TO BE CHOSEN BY CONSENSUS BUT IS, LIKE TAKESHITA, PREPARED TO FIGHT AN ELECTION IF NEED BE.

4. HIS EXPERIENCE OF INTERNATIONAL AFFAIRS AND HIS CLOSE LINKS WITH THE US ADMINISTRATION (IN PARTICULAR WITH SHULTZ) WILL WEIGH IN HIS FAVOUR IF THE NEW LEADER IS CHOSEN BY INTER-FACTION NEGOTIATION. HIS MINISTERIAL EXPERIENCE IS LONGER THAN THAT OF TAKESHITA BUT LESS BROAD THAN THAT OF MIYAZAWA, THE CHAIRMAN OF THE EXECUTIVE COUNCIL OF THE LDP, AND THE OTHER MAIN CONTENDER. ABE MUST HOPE THAT THE ELDERS OF THE LDP AND THE PARTY'S BACKERS IN THE BUSINESS WORLD WILL CONCLUDE THAT HE IS THE MAN BEST QUALIFIED TO TACKLE JAPAN'S CONTINUING PROBLEMS WITH HER TRADING PARTNERS, ESPECIALLY THE AMERICANS.

5. THE CURRENT OPINION POLLS IDENTIFY ABE BY A TWO TO ONE MARGIN OVER HIS RIVALS AS THE MOST POPULAR CHOICE TO SUCCEED NAKASONE. HIS LONG MINISTERIAL SERVICE AND MANY VISITS ABROAD HAVE GIVEN HIM A HIGH PROFILE. ABE PRIDES HIMSELF AS THE ARCHITECT OF A NEW "CREATIVE"

Confidential

"CREATIVE" JAPANESE FOREIGN POLICY. BUT HE HAS HAD TO COMPETE WITH NAKASONE FOR THE CENTRE OF THE FOREIGN POLICY STAGE. WHILE NAKASONE HAS TAKEN THE LEAD ON US/JAPAN AND EAST/WEST RELATIONS, ABE HAS HAD TO CONTENT HIMSELF WITH AREAS SUCH AS THE MIDDLE EAST AND AFRICA WHERE HIS EFFORTS HAVE LESS POPULAR APPEAL.

6. PUBLIC POPULARITY IS HOWEVER NO GUARANTEE OF SUCCESS IN JAPANESE POLITICS. TO WIN THE LEADERSHIP, ABE WILL NEED TO EXPLOIT HIS EXPERIENCE AND POPULARITY IN THE INTRA-PARTY BARGAINING PROCESS. IF THE LEADER IS CHOSEN BY CONSENSUS, ABE'S HOPES APPEAR TO REST EITHER ON THE CLOSE COLLABORATION BETWEEN FUKUDA, AND FORMER PRIME MINISTER SUZUKI, THE MENTOR OF MIYAZAWA, OR ON HIS OWN PERSONAL LINKS WITH TAKESHITA, WHICH ARE STRONG DESPITE THEIR POLITICAL RIVALRY. THE SENIOR FACTION LEADERS CONTINUE TO EXERCISE CONSIDERABLE INFLUENCE. A FUKUDA/SUZUKI AXIS PROBABLY HOLDS OUT THE GREATER PROSPECT OF SUCCESS. BUT ABE CAN ONLY ENJOY THE JOINT PATRONAGE OF FUKUDA AND SUZUKI IF THE LATTER AGREES NOT TO PRESS MIYAZAWA'S CLAIMS.

7. IF THE LEADERSHIP IS DECIDED BY A VOTE OF ALL LDP MEMBERS OF THE DIET, ABE'S CHANCES WILL DEPEND ON HOW WELL HE DOES ON THE FIRST BALLOT. HE IS UNLIKELY TO COME TOP BUT NONE OF THE CONTENDERS IS LIKELY TO WIN THE REQUIRED SIMPLE MAJORITY FIRST TIME ROUND. PROVIDED ABE IS SECOND, HE MIGHT BE ABLE TO STRIKE A BARGAIN WITH THE THIRD PLACED CANDIDATE AND THEREBY SECURE THE LEADERSHIP ON A SECOND OR SUBSEQUENT VOTE. FOR THIS REASON, IN THE MONTHS TO COME ABE WILL BE UNWILLING TO BACK POLICIES WHICH MAY AGGRAVATE HIS RELATIONS WITH OTHER FACTION LEADERS ON WHOSE SUPPORT HE MAY NEED TO RELY. THIS HAS ALREADY HAPPENED, FOR EXAMPLE, OVER SQUID FISHING IN THE FALKLANDS WHERE ABE'S RELUCTANCE TO ACCEPT OUR CALL FOR SELF-RESTRAINT MAY BE PARTIALLY INFLUENCED BY HIS DESIRE NOT TO CROSS FORMER PRIME MINISTER SUZUKI, THE LEADER OF THE FISHING LOBBY.

8. PLEASE SEE MIFT.

GIFFARD

LIMITED
FED
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RES.D.
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PS/MR. RENTON
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SIR. W. HARDING
MR. BRAITHWAITE
MR. DEREK THOMAS
MR. WILSON

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PS/NO. 10. DOWNING ST.

PS/CHANCELLOR } TREASURY
MR. MATT HEWES }

PS/SQS } DTI
MR. HUTTON } VLE ST

CP

Mr Addison

I really do not think that we should impose on the Prime Minister at the weekend to meet the exigencies of the Japanese Liberal

CHARLES POWELL

The Treasury are pressing us to set aside some time in the diary for the Prime Minister to meet Mr Takashiti, the Japanese Finance Minister, when he is in London this weekend. He arrives at Heathrow at 0610 on Friday and leaves at 1900 on Sunday.

Party's selection process.

CDD 14/1

The justification for this apparently is that the Prime Minister is seeing Mr Abe on Tuesday 21 January. Mr Takashiti and Mr Abe are the front runners to succeed Mr Nakasone, and it would look odd if the Prime Minister were to be seen greeting the one and not the other.

Even if the idea were a good one in principle, the practical difficulties are great. The Prime Minister is touring the Eastern Region on Friday and will be travelling direct to Chequers in the evening. She returns to No 10 on Sunday afternoon, but this may be too late for Mr Takashiti. It might just be possible if she were to leave Chequers straight after her lunch with Rupert Murdoch and Woodrow Wyatt.

Before we pursue this, and put it to the Prime Minister, I would be grateful for your advice.

MSA

PWO ✓
CRB ✓

Inferred the PM will not be able to meet Mr. T.

MARK ADDISON

14 January 1986

MSA 14/1

PA

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file

SM



10 DOWNING STREET

From the Private Secretary

18 December 1985

POSSIBLE CALL BY FOREIGN MINISTER OF JAPAN

Thank you for your letter of 18 December about Mr. Abe's visit.

U The Prime Minister can see Mr. Abe at 1030 hours on 21 January for half an hour. She would prefer a very small meeting. I accept your offer of an interpreter.

(C.D. Powell)

R.N. Culshaw, Esq.,
Foreign and Commonwealth Office

RESTRICTED

SM

CCPC



Foreign and Commonwealth Office

London SW1A 2AH

18 December 1985

Dear Charles,

Possible Call by Foreign Minister of Japan: 21 January 1986

The Japanese Foreign Minister, Mr Shintaro Abe, is due to visit London early next year, almost certainly on 21 January. The Japanese Embassy have asked whether it would be possible for Mr Abe to call briefly on the Prime Minister.

The visit is however not yet formally agreed. Mr Abe is required to place his office at his Prime Minister's disposal for an end of year Cabinet reshuffle, and there are difficulties in the Diet which prevent Ministers from announcing their overseas travel plans. But in practice it is expected that Mr Abe will retain his job and will be a key figure at the Tokyo Economic Summit and in the run-up to it.

In view of the Summit, and of current discussions between Departments about trying to tackle the Japanese over the economic and commercial problems posed by their vast trade imbalances, Sir Geoffrey Howe believes that it would be most valuable if the Prime Minister /able to receive Mr Abe for perhaps half an hour on 21 January. Mr Abe is a former Minister of International Trade and Industry. He is one of the front runners to be the next Prime Minister of Japan, possibly taking office in 1986, if Mr Nakasone were unable to secure a change in his Party rules to allow him a third term as Party President and therefore Prime Minister.

I enclose a personality note on Mr Abe. We can provide an interpreter, who is recently returned from the Embassy in Tokyo.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

ABE, SHINTARO

Minister for Foreign Affairs (since November 1982)

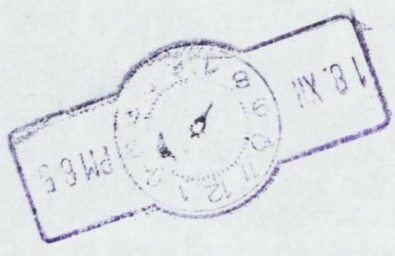
Born 1924. Graduated in politics from Tokyo University, then worked for the Mainichi newspaper. Was Private Secretary to former Prime Minister Kishi whose daughter he married. He has been a member of the House of Representatives for Yamaguchi Prefecture since 1958, with one short break.

Through his experience as a correspondent for the Mainichi and later as Parliamentary Vice Minister of Agriculture, he built up an extensive knowledge of agricultural affairs, and became Minister of Agriculture in the first Miki administration (1974-76). However he also has a reputation for of negotiation within the Diet and was appointed as the LDP's Diet Policy Chairman in Fukuda's first Cabinet (1976). Chief Cabinet Secretary 1977-78 and Chairman of the LDP Policy Affairs Research Council 1979-81. As Minister for International Trade and Industry 1981-82, he travelled extensively overseas and accompanied Suzuki to the Versailles Summit. He has also travelled a lot as Foreign Minister, with visits to Europe (including Romania and Bulgaria), the United States, China, Korea, the ASEAN countries and the Middle East.

He is heir apparent of the Fukuda faction (the third largest) and is one of the "new leaders" of the LDP. He was retained as Foreign Minister in December 1983 despite having made it clear that he wanted the job of Secretary General of the LDP. In the LDP Presidential election of the in October 1984 he kept open for a long time the possibility that he might run. However he withdrew when it became clear that he could not win and Nakasone was the only candidate. In the subsequent reshuffle Abe was again against his will, retained as Foreign Minister, He is still seen as a likely future Prime Minister.

An activist politician he is generally popular with officials who have served him. But in discussion with foreigners he can appear rather arrogant and cold. He is married, with two sons. He is a 6th dan in kendo. (Japanese fencing). He does not speak English.

CONFIDENTIAL





Japan

Foreign and Commonwealth Office

London SW1A 2AH

12 January 1981

Dear Michael,

Message from the Japanese Foreign Minister

I enclose a letter to the Prime Minister from Mr Ito, the Japanese Foreign Minister, thanking her for the hospitality extended to him during his visit in December.

The Prime Minister has recently sent a message to the Japanese Prime Minister following Mr Ito's visit (your letter of 23 December). We do not think that a reply to Mr Ito is required. We have written to the Japanese Embassy to acknowledge receipt of his letter.

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

SUBJECT

Japan.

PRIME MINISTER'S
PERSONAL MESSAGE

SERIAL No. *T1/81*

CONFIDENTIAL

GRS 380
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TO IMMEDIATE TOKYO
TELEGRAM NUMBER 3 OF 5 JANUARY
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LETTER TO JAPANESE PRIME MINISTER

1. PLEASE ARRANGE DELIVERY OF THE FOLLOWING MESSAGE FROM THE PRIME MINISTER IN REPLY TO MR SUZUKI'S LETTER OF 5 DECEMBER .. (COPIED TO YOU UNDER COVER OF MCLAREN'S LETTER OF 12 DECEMBER).

"DEAR PRIME MINISTER

THANK YOU FOR YOUR LETTER OF 5 DECEMBER. I WAS VERY PLEASED TO MEET MR ITO DURING HIS VISIT TO LONDON ON 10 DECEMBER AND VALUED MY DISCUSSION WITH HIM.

I FIRMLY SHARE YOUR BELIEF THAT BRITAIN AND EUROPE MUST WORK TOGETHER WITH JAPAN IN TACKLING THE MANY SERIOUS POLITICAL AND ECONOMIC ISSUES WHICH CONFRONT THE INDUSTRIALISED DEMOCRACIES. THE CLOSE CONTACTS BETWEEN OUR GOVERNMENTS IN RECENT MONTHS HAVE BEEN MOST WELCOME. THERE WILL BE A GOOD OPPORTUNITY TO CONTINUE THESE CONTACTS WHEN LORD CARRINGTON VISITS JAPAN IN THE SPRING.

IN RECENT WEEKS THE SITUATION IN POLAND HAS COMMANDED THE ATTENTION OF MY GOVERNMENT, AS OF MANY OTHERS. I KNOW THAT YOU SHARE OUR VIEW THAT THE POLES SHOULD BE LEFT TO SOLVE THEIR OWN PROBLEMS AND THAT A SOVIET INTERVENTION WOULD HAVE GRAVE CONSEQUENCES. THE NATO COUNTRIES ARE CONSIDERING THE APPROPRIATE RESPONSE SHOULD THE RUSSIANS INTERVENE, AND I BELIEVE IT IS USEFUL FOR OUR TWO GOVERNMENTS TO EXCHANGE VIEWS ON THESE MATTERS, AND ON THE QUESTION OF ECONOMIC AID TO POLAND. THE FOREIGN AND COMMONWEALTH OFFICE WILL CONTINUE TO KEEP IN TOUCH WITH YOUR OFFICIALS THROUGH YOUR EMBASSY IN LONDON AND THE BRITISH EMBASSY IN TOKYO.

/ AS

CONFIDENTIAL

CONFIDENTIAL

AS YOU SAY, IT IS ALSO IMPORTANT TO PUT OUR ECONOMIC RELATIONSHIP ON A HEALTHIER FOOTING. THE STATE OF RELATIONS ON THE SENSITIVE ISSUES OF TRADE INEVITABLY AFFECTS THE CLIMATE FOR THE WIDER RELATIONSHIP BETWEEN EUROPE AND JAPAN. THE STATEMENT ISSUED BY THE COUNCIL OF FOREIGN MINISTERS OF THE EUROPEAN COMMUNITY ON 25 NOVEMBER SETS OUT CLEARLY THE CONCERNS AND EXPECTATIONS OF ALL THE MEMBER STATES INCLUDING THE UNITED KINGDOM. INVESTMENT AND OTHER FORMS OF INDUSTRIAL CO-OPERATION CLEARLY HAVE AN IMPORTANT CONTRIBUTION TO MAKE AND I LOOK FORWARD TO STRENGTHENING OUR PARTNERSHIP IN THESE FIELDS.

I TOO LOOK FORWARD VERY MUCH TO SEEING YOU IN OTTAWA IN JULY.

MARGARET THATCHER''

CARRINGTON

STANDARD
F E D
E C D (E)
M E D
E E S D
S A D

COPIES TO:
MR A DUNNING
CREZ DOT



10 DOWNING STREET

From the Private Secretary

23 December 1980

RF sorted
to 'T'

Message to Mr. Suzuki

The Prime Minister has seen and approved the text enclosed with your letter to me of 22 December.

I am sending copies of this letter to John Wiggins (HM Treasury) and Stuart Hampson (Department of Trade).

M. O'D. B. ALEXANDER

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

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MINISTRY OF FOREIGN AFFAIRS
TOKYO, JAPAN

Prime Minister

②

of

Prime

December 22, 1980

MS

My dear Prime Minister,

I thank you very much for the warm welcome and hospitality you extended to me during my recent visit to your country.

It was my great honour and pleasure that I had an opportunity to exchange views with you personally on various important matters of our common concern. I found our talk very informative and fruitful, which, I believe, will serve as a valuable guideline for me in working for world peace and security and the strengthening of friendly relations between our two countries.

Since it is imperative for us, the industrialized democracies, to continue to work in close cooperation under the present international situation, I should like to reiterate my Government's intention to maintain as closest contacts as possible with your Government on various matters of our common concern.

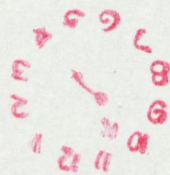
With kindest regards,

Yours sincerely,

Masayoshi Ito

Masayoshi Ito
Minister for Foreign Affairs
of Japan

The Right Honourable
Margaret Thatcher, M.P.
Prime Minister of
the United Kingdom of Great Britain
and Northern Ireland



12 JAN 1981

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister (D)

Agree with?

Yes not

Re: [unclear]

22 December 1980

Dear Michael,

Letter From The Japanese Prime Minister

As requested in your letter of 11 December, I enclose a draft reply to Mr Suzuki's message of 5 December to the Prime Minister in the form of a draft telegram to our Embassy in Tokyo.

It is important that we should take the Japanese along with us over Poland, as on major developments elsewhere. The draft places particular emphasis on this point. As the subject is mentioned in Mr Suzuki's message, it would also be appropriate for the Prime Minister to register concern at the state of trade relations with Japan.

I am copying this letter and enclosure to John Wiggins (HM Treasury) and Stuart Hampson (Department of Trade).

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

CONFIDENTIAL

File No.

Department FED

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OUTWARD

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(Security Class.) CONFIDENTIAL (Caveat/Privacy marking)

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[TEXT]

LETTER TO JAPANESE PRIME MINISTER

1. Please arrange delivery of the following message from the Prime Minister in reply to Mr Suzuki's letter of 5 December (copied to you under cover of McLaren's letter of 12 December).

'Dear Prime Minister

Thank you for your letter of 5 December. I was very pleased to meet Mr Ito during his visit to London on 10 December and valued my discussion with him.

I firmly share your belief that Britain and Europe must work together with Japan in tackling the many serious political and economic issues which confront the industrialised democracies. The close contacts between our governments in recent months have been most welcome. There will be a good opportunity to continue these contacts when Lord Carrington visits Japan next spring.

Copies to:-

No 10 Dowing St
A Dunning Esq,
CRE 2, DOT

CONFIDENTIAL

In recent weeks the situation in Poland has commanded the attention of my government, as of many others. I know that you share our view that the Poles should be left to solve their own problems and that a Soviet intervention would have grave consequences. The NATO countries are considering the appropriate response should the Russians intervene, and I believe it would be useful for our two governments to exchange views on these matters, and on the question of economic aid to Poland. The Foreign and Commonwealth Office will keep in touch with your officials through your Embassy in London and the British Embassy in Tokyo.

As you say, it is also important to put our economic relationship on a healthier footing. The state of relations on the sensitive issues of trade inevitably affects the climate for the wider relationship between Europe and Japan. The statement issued by the Council of Foreign Ministers of the European Community on 25 November sets out clearly the concerns and expectations of all the member states including the United Kingdom. Investment and other forms of industrial co-operation clearly have an important contribution to make and I look forward to strengthening our partnership in these fields.

I too look forward very much to seeing you in Ottawa next July.

Margaret Thatcher'

NOTHING TO BE WRITTEN IN THIS MARGIN

Japan

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10 DOWNING STREET

From the Private Secretary

11 December 1980

Dear Roderic,

Call by Mr. Ito

Further to my letter to you of 10 December about the Prime Minister's meeting with the Japanese Foreign Minister, I enclose a copy of a message from the Japanese Prime Minister which Mr. Ito left with the Prime Minister and which was inadvertently omitted from my letter under reference. There is not a great deal of substance in Mr. Suzuki's message but I should be grateful if you could let me have a draft reply in due course.

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under
5/12

I am sending copies of this letter and its enclosure to John Wiggins (HM Treasury) and Stuart Hampson (Department of Trade).

Yours ever

Richard Alexander

Roderic Lyne, Esq.,
Foreign and Commonwealth Office.

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SUBJECT.



file

Japan

10 DOWNING STREET

From the Private Secretary

10 December 1980

see Minister's note.

VISIT BY THE JAPANESE FOREIGN MINISTER

The Japanese Foreign Minister, Mr. Ito, called on the Prime Minister this morning. He was accompanied by the Japanese Ambassador and by Mr. Katori. Sir E. Youde was also present.

After an exchange of courtesies, during the course of which the Prime Minister and Mr. Ito agreed on the need for Europe, North America and Japan, to concert their policies on the major international issues, there was a brief discussion of the IEA meeting which took place yesterday. Mr. Ito described the outcome of the meeting in regard to short term measures as satisfactory. He agreed with the Prime Minister that any further increase in the price of oil would be very damaging. He said that he believed the moderate oil producing countries were well aware of this. He added that Japan was very anxious to see a comprehensive solution achieved to the problems of the Middle East. Failing this, there might well be a major crisis.

Mr. Ito asked the Prime Minister how she viewed the prospect of a Reagan Administration in Washington. The Prime Minister said she was optimistic. She thought that Mr. Reagan would give a clear lead in foreign and domestic affairs and that the policies of his Administration would be reasonable and consistent. In this sense there would be an advance on the situation which had obtained in the last four years. As an example of the kind of inconsistency which had characterised President Carter's Administration, the Prime Minister mentioned the human rights question. No-one believed more strongly than she did in human rights but she was conscious that it had taken the Western nations hundreds of years to obtain them. To expect others to acquire them overnight was to fly in the face of experience. President Carter had misread the significance of the human rights issue in foreign policy, most notably in the case of Iran. The test which should be applied was whether an existing government was more or less likely to accept human rights than the most likely alternative government. It was essential in this area to be realistic rather than idealistic.

In response to a further question from Mr. Ito, the Prime Minister said that she thought there was still a possibility of Soviet intervention in Poland. The Soviet Government were aware

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that what was happening in Poland was something totally new. It was not a question of the replacement of one government by another within the same system. We were watching the growth of a new source of power in Poland. In these circumstances the role of future Polish governments seemed likely to be to regulate relations between a number of centres of power in the country. This was a situation which no Communist state had faced before. Arguably it meant the end of Communism. The Russians therefore faced a major decision. Their experience in Afghanistan would, of course, be relevant. The international reaction to their invasion of that country might make them think twice about going into Poland. Another factor would be whether or not Solidarity would be able to agree to consolidate its gains now and to refrain from pushing things too far. As regards the West's reaction, the Prime Minister said no precise decisions had been taken. Consultations were still continuing but bilateral contacts had indicated agreement that there would probably have to be an end to détente. The Madrid meeting, for instance, could not continue. It would also be difficult for the disarmament talks to continue. Whether or not trade sanctions would be applied was still for determination. It was clear that if the Soviet Union did invade, governments would have to consult quicker than the case after the invasion of Afghanistan.

M. O'D. B. ALEXANDER

Roderic Lyne, Esq.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

8 December 1980

Dear Michael,

Visit of Japanese Foreign Minister, 9-10 December

The Prime Minister has agreed to receive the Japanese Foreign Minister for a short courtesy call at 9.30am on Wednesday 10 December. Mr Ito will be accompanied by Mr Fujiyama (the Japanese Ambassador), Mr Katori (Deputy Foreign Minister) and an interpreter (Mr Kitajima). Sir Edward Youde will also attend.

Mr Ito will have arrived the previous evening from Paris where he will have attended the International Energy Agency Ministerial Meeting and called on the French President and Prime Minister. He will be having talks with Lord Carrington at 11.30am on 10 December followed by lunch and will be leaving that afternoon for Brussels (where he will have talks with the Commission as well as the Belgian Government) and then The Hague, Bonn and Cairo.

This will be Mr Ito's first visit to London since his appointment as Foreign Minister in July and the first by a member of the Suzuki Government. I enclose a biographical note. You will see that he was Acting Prime Minister for a while following Mr Ohira's death in June (when he exchanged messages with Mrs Thatcher), and has just been in Peking, where he led a team of Japanese Ministers for Ministerial consultations with the Chinese (during which the Chinese reportedly indicated a further slowing down of their economic plans).

Since the call will be short there will be little time for substantive discussion. The Prime Minister might begin by emphasising the importance we attach to working closely with the Japanese on major international questions (eg the Arab/Israel dispute - the Japanese publicly associated themselves with the European initiative earlier this year). The Japanese are anxious to be involved in the West's discussions of major issues; in reply to their enquiries about recent press reports we have told them that no proposal for a Quadripartite Heads of Government meeting has been put to us. The Japanese are also concerned

/about



about the uneven European performance in applying restrictions on trade with the Soviet Union; they have allowed their Exim Bank to grant only a very few credits since the invasion of Afghanistan. The Prime Minister could welcome Japan's contribution to Western interests through aid to key states (eg Pakistan) and their plans for a gradual increase in their defence expenditure (by a planned 9.7% next year). But it would be advisable not to press too hard on defence, which remains a politically sensitive issue in Japan.

The Prime Minister will also wish to take the opportunity to underline the continuing need for the Japanese car industry to restrain its exports to Britain, and to suggest that more Japanese investment in the UK and industrial collaboration would help to create a healthier bilateral economic relationship. The growing imbalance in trade with Japan is causing serious concern, not just in the UK but throughout the European Community: Mr Ito should be left in no doubt that the EC is absolutely united on this issue. If Mr Ito refers specifically to Rolls Royce's collaboration with Japanese companies on the RJ500 aeroengine, the Prime Minister may wish to say we favour industrial cooperation in principle but HMG have not yet been asked to approve or fund this project.

Trade problems apart, relations between Japan and the UK are very good. Lord Carrington is looking forward to paying his postponed visit to Japan in April. We have told the Japanese that we hope that a Member or Members of the Japanese Imperial Family - perhaps the Crown Prince and Princess - will visit the UK in October 1981 to inaugurate the Royal Academy's Great Japanese Exhibition.

In so far as time allows, the Prime Minister could usefully give Mr Ito a brief account of the way in which the Government are tackling our economic problems.

I enclose a background note on UK/Japan trade relations and EC/Japan relations and a fact sheet on Japan.

yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
No 10 Downing Street
LONDON SW1



MASAYOSHI ITO

Foreign Minister (since July 1980)

Born 1914. A long career in the Ministry of Agriculture and Forestry (MAF) (where he rose to be Director of the Fisheries Agency and then Administrative Vice-Minister) before entering politics. Elected to the Diet 5 times. Appointed Chief Cabinet Secretary in November 1979. Following Mr Ohira's death on 12 June, he became acting Prime Minister as provided for in the Constitution.

A member of the Ohira (now Suzuki) faction and a friend of Mr Ohira since they both served as young government officials in Manchuria, he remained one of Mr Ohira's closest political confidants. Known for his frankness and said to have been popular among his juniors during his time in the MAF.

Performance so far as Foreign Minister uneven. Some off-the-cuff remarks later contradicted or qualified by his officials. On defence issues a dove in a hawkish Cabinet. Unlikely to serve for very long as Foreign Minister but has considerable influence with Prime Minister Suzuki.

As Foreign Minister he has already visited Thailand, Burma, Pakistan, India, China and the USA. Visited China from 3 to 5 December as leader of a team of Japanese Ministers.

A major handicap is his lack of English. Interests include rugby.



VISIT OF THE JAPANESE FOREIGN MINISTER, 10 DECEMBER 1980

ESSENTIAL FACTS

Trade and Industry

1. The trade imbalance continues to worsen: likely to be up from £884m in 1979 to over £1,000m this year (UK exports to Japan, January to October 1980 £503m, down 2% from same period in 1979; imports £1,447m, up 13%; deficit £994m, up 24%). Prospects not good with the expensive pound and slower Japanese imports of manufactures. Some remaining formal barriers to UK exports (eg tariffs and taxes on whisky) but now few in number. Main long term problem is self-contained nature of Japanese society and industry. We continue to make a special effort in this difficult market.

2. The future lies in industrial cooperation and inward investment. The Japanese attach particular importance to RJ500 collaboration project; HMG has yet to be asked by Rolls Royce to approve or fund. The major electronics firm NEC announced plans to make microchips in Scotland during Mr Younger's visit to Tokyo in September.

Car Imports

3. Still the most sensitive bilateral issue. The Japanese car industry's 'prudence' in its exports to the UK has been interpreted to involve a share of 9-11% of the UK market. It reached 12.3% in the period January to 20 November and will exceed 11% for 1980 as a whole despite reassuring talks between the British and Japanese industries (SMMT and JAMA) in September. Mr Nott recently wrote expressing concern to Mr Tanaka (Minister of International Trade and Industry) and suggesting that the Japanese share in 1980 and 1981 taken together should revert

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to 'historic levels' (ie 9-11%). Mr Tanaka's reply is encouraging but non-specific. It is important that JAMA give an early indication that they accept this formula for 1980-81 (the two industries will have contacts on 8-9 December and at a higher level in January).

Defence Sales

4. Japanese purchases of British defence equipment could help to reduce trade imbalance. Past sales include Rolls Royce marine engines, Ferranti avionics, tank gun barrels and ammunition. The most important prospects are the Spey marine gas turbine engine and the FH70 howitzer (decision due shortly). The Japanese decision not to buy British Aerospace's Rapier ground-to-air missile has been extensively and over dramatically reported in the 'Times'. This was disappointing but their preference for the less efficient Japanese TANSAM was not unexpected.

EC/Japan Relations

5. Recently Japanese have worked closely with the Nine on political issues. We wish to encourage this but it will take time before all European countries regard the Japanese as automatic partners.

6. Growing concern in the Community about the imbalance in trade (\$7 billion in 1979, possibly \$10 billion in 1980) and the threat from Japanese imports. Mr Ito issued a tough statement (Annex A) on 18 November which acknowledged the problem but suggested that the cause lay in Europe. The 25 November Foreign Affairs Council then issued a statement in response (Annex B) emphasising the need for action by Japan, in particular on export restraint as a pre-condition for a wide-ranging EC-Japan dialogue. Mr Ito during his visit will not wish to go beyond general points (trade is normally for the Ministry of International Trade and Industry who are taking a tougher line on the EC statement than the Foreign Ministry).

JAPAN: FACT SHEET

Demography

Area 143,750 sq miles, 32% populated (UK: 94,500, 45%).
Population (1979): 115.9 million (Tokyo 8.5m, Osaka 2.7m, Yokohama 2.6m).
Density per sq mile: 798 (UK: 594).
Average persons per room: 0.9 (UK: 0.6).
Life expectancy (1976): 74.75, 1947:52.
Birth rate (1977): 15.5 (UK 11.8).
School leavers entering higher education 34.3% (UK: 21.8%).
Televisions per 1000 people: 235 (UK: 320).
Cars per 1000: 164 (UK: 255).

Economy

GNP (1979): US\$1011.6 billion, 18% foreign trade and 28.3% public sector (UK: 32% and 34.7%).
Growth rate of GNP: 1979 6.0% 1970-79 average 5.4%.
GNP per capita (1979): US\$8728 (UK: US\$6998).
International Reserves (April 1980): US\$18246 million.
Unemployment (Nov 1980): 2.0%.
Inflation (Nov 1980): 7.9%.
Imported Energy: 88% of total energy requirement (met by oil 84%, coal 12%, LNG 4%).
Nuclear: 2% of total energy.

Trade

	1979 (\$ billion)	1978 (\$ b)	% change
Total Exports	101.0	95.6	+5.8
Total Imports	99.1	71.0	+40.0
Current Account Balance	-8.4	+16.5	-151.0
Overall Balance	-16.7	+8.2	-302.0

Main export markets 1979: USA 25.8%, South Korea 6.1%, Taiwan 4.2%, FRG 4.1% (UK 3.0%).

UK/Japan Trade

	1979 (£ million)	1978 (£ m)
Exports to Japan	606	542
Imports from Japan	1490	1283
Trade Balance	-884	-741
Invisible Balance		+100 (est) (1976 £125m)

Budget

Government Expenditure 1979/80: 39,700 billion yen (US\$181.1 billion) of which education 10.8%, social services 19.1%, defence 5.3% (current strength of Self Defence Forces 240,000), support for industry 8.1%, overseas aid 2.5%. (1979 aid disbursements:

/USS

US\$2638 million (IBRD estimate), 0.26% of GNP - UK 0.52%, DAC average (1978) 0.32%

Diet (Results of Elections held on 22 June)

Party strengths: Liberal Democratic - Lower House 284, Upper House 135;
Japan Socialist - 107, 47;
Komeito - 33, 26
Democratic Socialist - 32, 12
Japan Communist - 29, 12
New Liberal Club - 12, 2
others - 14, 17;
vacancies 0, 1

FAR EASTERN DEPARTMENT
FOREIGN AND COMMONWEALTH OFFICE

November 1980.

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ANNEX A

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UKREP BRUSSELS TELNO 4968: EC/JAPAN

FOLLOWING IS ADVANCE TEXT OF STATEMENT BY THE MINISTER
OF FOREIGN AFFAIRS, MR ITO, ON EC/JAPAN ECONOMIC RELATIONS
EMBARGOED UNTIL 6PM (0900Z) MONDAY, 17 NOVEMBER.

BEGINS:-

1. THE GOVERNMENT OF JAPAN WELCOMES THE INCREASINGLY CLOSE RELATIONS BETWEEN JAPAN AND THE EUROPEAN COMMUNITIES WHICH ARE RECENTLY WITNESSED IN BOTH POLITICAL AND ECONOMIC FIELDS. IT IS THE INTENTION OF THE GOVERNMENT OF JAPAN TO FURTHER PROMOTE SUCH CLOSE RELATIONS FROM THE PERSPECTIVE OF CONSOLIDATING THE COOPERATION BETWEEN INDUSTRIALIZED COUNTRIES SHARING THE COMMON BASIC PHILOSOPHY OF RESPECT FOR FREEDOM AND DEMOCRACY. THE GOVERNMENT OF JAPAN BELIEVES THAT, IN PROMOTING THE CLOSE COOPERATION, THE GUIDING PRINCIPLE IN TRADE RELATIONS SHOULD BE THE DETERMINATION TO MAINTAIN AND IMPROVE THE OPEN AND MULTILATERAL WORLD TRADING SYSTEM AND TO AVOID PROTECTIONIST MEASURES AS STATED IN THE NEW DECLARATION ON TRADE POLICY ADOPTED BY THE GOVERNMENTS OF THE MEMBER COUNTRIES OF THE ORGANIZATION OF ECONOMIC COOPERATION AND DEVELOPMENT.

2. ON THE OTHER HAND, THE GOVERNMENT OF JAPAN RECOGNIZES THAT CONCERN PRESENTLY EXISTS IN THE EUROPEAN COMMUNITIES THAT AGAINST THE BACKGROUND OF CURRENT ECONOMIC DIFFICULTIES, DEVELOPMENTS WITHIN THE EUROPEAN COMMUNITIES WHICH THREATEN THE PRINCIPLE OF FREE TRADE MAY POSSIBLY BE INTENSIFIED DUE TO THE TRADE IMBALANCE WITH JAPAN AND THE RAPID INCREASE OF IMPORTS FROM JAPAN IN SOME SECTORS DURING THIS YEAR.

3. THE GOVERNMENT OF JAPAN MAINTAINS THE BASIC POSITION THAT THE TRADE BALANCE SHOULD BE VIEWED ON A GLOBAL BASIS AND THAT INVISIBLE TRADE AND OTHER ACCOUNTS SHOULD BE CONSIDERED WHEN DISCUSSING BALANCE OF PAYMENTS PROBLEMS. THE GOVERNMENT OF JAPAN IS ALSO OF THE VIEW THAT THE ALLEGATION ATTRIBUTING THE PRESENT ECONOMIC DIFFICULTIES FACING THE EUROPEAN COMMUNITIES TO THE INCREASE IN JAPAN'S EXPORTS TO THE EUROPEAN COMMUNITIES IS NOT WELL FOUNDED.

14. THE GOVERNMENT

RESTRICTED

4. THE GOVERNMENT OF JAPAN MAINTAINS THE VIEW THAT THE TRADE IMBALANCE BETWEEN JAPAN AND THE EUROPEAN COMMUNITIES SHOULD BE IMPROVED BASICALLY BY INCREASING EXPORTS FROM THE EUROPEAN COMMUNITIES TO JAPAN AND THAT GREATER EFFORTS ON THE PART OF ENTREPRENEURS IN THE EUROPEAN COMMUNITIES ARE THE PRIMARY REQUIREMENTS FOR MEETING THIS END. IF ENTREPRENEURS IN THE EUROPEAN COMMUNITIES EXPERIENCE ANY DIFFICULTIES IN PENETRATING THE JAPANESE MARKET, THE GOVERNEMENT OF JAPAN CONSIDERS IT USEFUL TO STUDY, TOGETHER WITH THE COMMISSION OF THE EUROPEAN COMMUNITIES, THE SPECIFIC CASES AS THEY OCCUR.

ON THE OTHER HAND, IN VIEW OF THE CURRENT SITUATION OF THE WORLD ECONOMY, THE GOVERNEMENT OF JAPAN HAS NO INTENTION TO TAKE POLICIES SPECIFICALLY AIMED AT REDUCING RAPIDLY ITS CURRENT ACCOUNT DEFICITS. RATHER THE GOVERNMENT OF JAPAN HAS BEEN ENDEAVOURING TO MANAGE THE ECONOMY WITH DUE ATTENTION TO THE ESTABLISHMENT OF HARMONIOUS EXTERNAL ECONOMIC RELATIONS AND WILL CONTINUE TO TAKE, IN THE MEDIUM AND LONG TERM AS WELL, THE POLICY OF BASICALLY PURSUING A GROWTH PATTERN CENTERING UPON DOMESTIC DEMAND. FURTHERMORE, THE GOVERNMENT OF JAPAN WILL CONTINUE TO ADVISE PRIVATE ENTERPRISES NOT TO EXPORT SPECIFIC GOODS TO THE MARKET OF ANY REGION IN A TORRENTIAL MANNER.

5. THE GOVERNMENT OF JAPAN BASICALLY APPRECIATES THE NEW INITIATIVE BEING TAKEN BY THE COMMISSION OF THE EUROPEAN COMMUNITIES ON TRADE POLICY TOWARD JAPAN FOR IMPROVING THE ECONOMIC RELATIONS BETWEEN JAPAN AND THE EUROPEAN COMMUNITIES TO BE MORE OPEN. IF THE COMMISSION OF THE EUROPEAN COMMUNITIES WILL MAKE A CONCRETE PROPOSAL IN THIS REGARD, THE GOVERNMENT OF JAPAN IS PREPARED TO STUDY IT.

6. THE GOVERNMENT OF JAPAN WISHES IN FUTURE TO EXPAND ITS COOPERATION WITH THE EUROPEAN COMMUNITIES IN FIELDS SUCH AS INDUSTRIAL COOPERATION AND NORTH-SOUTH DIALOGUE AS WELL AS IN THE FIELD OF TRADE, THEREBY CONSTRUCTING A BROADER RELATIONSHIP BETWEEN JAPAN AND THE EUROPEAN COMMUNITIES.'

FCO PLEASE PASS SAVING ADDRESSEES

FCO COPY TO:
FCO-MCLAREN (FED), FITZHERBERT (EID(E))
DOI-GENT (IC(A))
DOT-DUNNING FOSTER (CRE2)
CORTAZZI

FRAME EXTERNAL
ECD(E)
FED
SIR E YOUNG
MR DONALD

[REPEATED AS
REQUESTED]

COPIES TO
MR GENT (IC(A))
DEPT OF INDUSTRY
MR DUNNING FOSTER
CRE2 DOT

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RELATIONS WITH JAPAN (Council statement)

The Council expresses its serious concern at the present state of trade between Japan and the Community and its likely future development.

It finds that the penetration of European Community products on the Japanese market remains inadequate.

It further considers that Japanese competition by its nature and the extent of the effort behind it and by its concentration on a small number of particularly sensitive sectors leads to an imbalance which places a strain on the normal development of international trade. The Commission, in conjunction with the Member States, should undertake a detailed analysis of the concentration of Japanese exports to the Community, and, more generally, of the industrial and commercial strategy of Japan.

The Council therefore agreed on the need for a wide-ranging dialogue between the Community and Japan based on a common strategy.

Fundamental to this approach should be the concept that Japan should not attempt to deal with the balance of payments deficit caused by recent oil price increases by an exaggerated export drive, and that it should as a matter of urgency increase its imports of Community products.

In order to promote this dialogue certain developments are essential. These should be :

- (i) in the sectors where a continued increase in Japanese exports to the European Community would lead to difficulties there needs to be effective moderation designed to produce early and tangible results. This should apply towards the European Community as a whole and not only to certain markets ;
- (ii) the yen should reflect the fundamental strength of the Japanese economy ;
- (iii) there should be no new measures on the part of the Japanese authorities to restrict imports. Indeed, there should be a clear commitment on the part of the Japanese Government to a substantial and early increase in the imports of Community products. The Japanese authorities should facilitate opportunities for European investment and banking in Japan ;
- (iv) in relation to imports, regard should be paid by the Japanese authorities to avoid measures or policies which give other major trading partners more favourable treatment than is given to the Community ;
- (v) on the European side further progress must be made in getting European industries to develop positive strategies to deal with Japanese competition, including not only restructuring in Europe but also by greater involvement in the Japanese market.

To the extent that tangible progress in these areas is made, certain possibilities in relation to liberalisation on both sides could be explored.

In addition, there should be discussions - including in particular discussions between the businessmen and firms concerned - on industrial cooperation, including conditions for investment both in Japan and the Community, facilities for joint ventures and the transfer of technology.

On this basis and in the light of further studies carried out in conjunction with Member States, of both general and specific problems, the Commission will pursue its forthcoming discussions with the Japanese authorities. It will do this in close contact with Member States, in particular the 113 Committee and will report back to the Council before the end of February 1981.

The Council will be informed continuously about the results of the dialogue. The Council will give the Commission at any particular time and in the light of the results of these efforts the necessary directives for the negotiations.

With regard to the seventh paragraph of the above statement which reads as follows:

"To the extent that tangible progress in these areas is made, certain possibilities in relation to liberalization on both sides could be explored."

the Council agreed to publish the following statement in its minutes:

"In particular the possibilities which have been outlined in respect of TV sets and tubes could play a part in securing the launching of this process."

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8 DEC 1980

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Foreign and Commonwealth Office

London SW1A 2AH

8 December 1980

*plw brief**plw**Dear Michael,*Visit of Japanese Foreign Minister

I have written to you separately to suggest points which the Prime Minister might raise when Mr Ito calls on her on 10 December. The omission of Nissan is deliberate. While the Prime Minister may wish to talk in general terms about Japanese investment, we would advise against mentioning Nissan's prospective involvement here. Mr Ito may not have been informed of the project at this stage, and some at least of the accompanying officials will certainly not be aware of it.

If Mr Ito himself raises Nissan, the Prime Minister may wish to say that the Government is in principle in favour of Japanese inward investment in the UK and that Nissan's ideas for a British operation are being examined by her officials. The Government has not yet formed a final view but hopes to do so shortly.

yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
No 10 Downing Street
LONDON SW1

SUBJECT

OFFICE OF THE PRIME MINISTER
TOKYO



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 235 B/80

(Translation)

cc: Master
Ops

December 5, 1980

My dear Prime Minister,

Since I assumed the office of Prime Minister in June last succeeding the late Mr. Masayoshi Ohira, I have been watching the world situation with increasing concern and now wish briefly to inform you of my views.

The first year of the 1980's has witnessed an accumulation of international political issues threatening the peace and stability of the world, such as the Afghanistan problem, the hostages in Iran, and the Iran-Iraq conflict, while the problems of the international economy, including energy and the North-South problem, are becoming increasingly serious.

Under these difficult circumstances, I believe that there is a growing awareness among the responsible leaders of the world of the need for the courage to face the challenge and for further cooperation and closer consultation among their countries. I am glad to note in this connexion that dialogue between Japan and Europe has become closer this year, and am sending to your country our Minister for Foreign Affairs, Mr. Masayoshi Ito, in the belief that he will be able

The Right Honourable
Margaret Thatcher
Prime Minister of
the United Kingdom of
Great Britain and
Northern Ireland

able to promote better understanding between Japan and Europe and their concerted action to cope with various international problems.

It is a fact that some problems have arisen, including trade, between Japan and Europe as their relations are developed in various fields. In view of the importance of Japanese-European relations to the international economy, I deem it most undesirable that they should remain as they are. I believe that they should be developed on a solid foundation, in order that cooperation and sharing the responsibility between Japan and Europe may contribute to the peace and stability of the world.

I have been deeply impressed by the strong leadership you have demonstrated in administering your country and respect the positive role your Government have played in the cause of international peace, as exemplified in the settlement of the Rhodesian question. It is reassuring for me to have a colleague like you, who have such faith and courage. I am confident that with your cooperation, relations between Japan and your country and the solidarity of the advanced countries of the West will be further strengthened.

I am looking forward to seeing you in Ottawa next July.

Yours sincerely,

Zenko Suzuki
Prime Minister of Japan

拝啓

一九八〇年代最初の年は激動の裡に過ぎ去ろうとしております。アフガニスタン問題、イラン人質問題、イラン・イラク紛争を始めとして世界の平和と安定を脅かす国際政治問題が山積したままであり、エネルギー問題・南北問題の如き、国際経済問題も依然として深刻さを増しております。

このような厳しい情勢の下で、国際社会にあつて責任ある地位を占める国々の指導者の間に、今こそかかる挑戦に立ち向う勇氣を持たなければならぬとの認識が強まるとともに、これら諸国間の一層の協調とより緊密な協議が図られるようになりました。かかる背景の下に、日欧対話が、本年に入つてから特に強化されつつあります。今回伊東外務大臣を貴国へ派遣することとしたのも日欧双方が夫々相手側をよりよく理解し、共に手をたずさえて諸問題に対処する必要があるとの確信に基づくものであります。

近年、日欧関係が各般の分野に渉り発展するにつれ、貿易関係を始め若干の問題が発生していることも事実であります。私はこの様な環境に日欧関係を置いておくことは、日欧関係の国際経済面に占める重要性にかんがみ決して好ましいことではなく、日欧関係が強固な基盤の上に一層の発展をとげ、日欧が西側の一員としてその責任を分かち合いつつ協力を進め、世界の平和と安定の為に貢献せねばならないと考えております。

私は、これまで、貴首相が貴国の政治運営において示された強力なリーダーシップに強い感銘を受けるとともに、ローデシア問題の解決等、貴国政府が国際平和の為に果された積極的な役割に深い尊敬の念を抱いております。今後の諸困難に対処するに当り、貴首相のような信念と勇気を有する盟友を持つことは私にとつても心強い限りであり、貴首相との協力により、日英関係及び西側先進諸国の団結がより一層強化されることを確信している次第であります。

貴首相と明年七月オタワでお目にかかれることを楽しみにしております。

敬具

昭和五十五年十二月五日

日本国内閣総理大臣

鈴木善幸

グレート・ブリテン及び

北部アイルランド連合王国首相

マーガレット・サッチャー閣下

2 December 1980

Thank you for your letter of 27 November, about the visit to London of the Japanese Foreign Minister.

As I told you on the telephone, the Prime Minister will see him at 9.30 a.m. on Wednesday, 10 December.

You told me that he was likely to be accompanied by the Japanese Ambassador and one or two other officials. You intend to field Sir Edward Youde, and if the Japanese team does not include a suitable interpreter, you will arrange for one to be provided.

I am sending a copy of this letter to Stuart Hampson (Department of Trade).

M. A. PATTISON

CS

R. M. J. Lyne, Esq.,
Foreign and Commonwealth Office.

rio

CONFIDENTIAL



M. Alexander
9.30-1000 on
Wednesday 10th
es. 28th

Foreign and Commonwealth Office

London SW1A 2AH

27 November 1980

Prime Minister

Dear Michael,

Agree to see Mr Ito on the
morning of Wednesday 10 December?
Yes Mr

Paul

Visit to London by the Japanese Foreign Minister

The Japanese Embassy have requested a brief call by their Foreign Minister, Mr Ito, on the Prime Minister on 10 December. Mr Ito will be in London until early afternoon that day, after attending the IEA Ministerial meeting in Paris on 9 December. Lord Carrington will be having talks with him in the morning and giving him lunch.

Lord Carrington hopes that the Prime Minister will be able to find time to see Mr Ito. It will be his first visit to London and the first by any member of the present Japanese government. In recent months the Japanese have shown a welcome desire to work closely with the Nine over the response to the Soviet invasion of Afghanistan, Iran and the Middle East. A brief call on the Prime Minister would offer an opportunity to demonstrate our interest in closer contacts on international issues, and at the same time to register concern about the present trend in our economic relations with Japan. We also hope that the Japanese Prime Minister will receive Lord Carrington in April.

As Mr Ito will be visiting Europe at a time when trade relations with Japan are under active consideration in the Community and elsewhere, I am copying this letter to Stuart Hampson (Department of Trade).

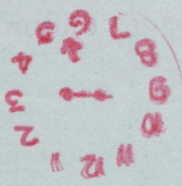
yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing St

UNITED STATES DEPARTMENT OF JUSTICE

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28 NOV 1930



Inches 1 2 3

Centimetres 1 2 3 4 5 6 7 8

Colour Chart #13

Blue Cyan Green Yellow



A 1 2 3 4 5 6 M 8 9 10 11 12 13 14 15 B 17 18 19

Grey Scale #13

