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From the Private Secretary

22 May 1979

Call on the Prime Minister by the Foreign Minister of Japan, Mr. Sonoda, on 21 May 1979

The Japanese Foreign Minister, Mr. Sonoda, accompanied by the Japanese Ambassador and an interpreter, called on the Prime Minister at 10 Downing Street on 21 May at 1715. The following are the main points which arose during a conversation which lasted for 40 minutes.

After conveying his Government's warm congratulations to the Prime Minister on her appointment, and a personal message of good wishes from Mr. Ohira, Mr. Sonoda recalled a speech which the Prime Minister had made during her last visit to Japan about the importance of revitalising the British economy and commented that the British people had evidently found her philosophy as persuasive as had her Japanese audience. Mr. Sonoda said that, ever since the days of the Anglo/Japanese Alliance, the Japanese people had felt a close affinity with the people of the United Kingdom; he recognised that, owing to wartime experiences, the British people had rather different feelings about the people of Japan. This made it all the more important to develop closer relations between the two countries, not only in economic matters but also on political issues including the Middle East.

Mr. Sonoda said that the Japanese Government attached the greatest importance to the forthcoming Economic Summit in Tokyo: it looked as if energy would be a major issue at the Summit and an important contribution would be expected from the U.K.. The Prime Minister said that the Tokyo Summit would be the first meeting at that level in which she had participated although she had, of course, studied the communiqués of earlier meetings in this series with interest. Her conclusion was that it was easier to analyse the problems facing the world than to solve them: did Mr. Sonoda think it likely that the Summit could come up with any new solutions? Mr. Sonoda agreed that it would be difficult for the Summit to achieve solutions to economic problems but expressed the hope that it might contribute to the clearer identification of what could be done in the way of greater mutual co-operation and

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detailed discussion, especially on energy. The Summit could also consider the possibility of setting up some kind of permanent machinery to promote this process. The Prime Minister commented that Mr. Sonoda evidently had a more optimistic approach than her own. There could be a risk of setting up yet more bureaucracy without achieving anything practical.

In a short discussion of the world oil situation, the Prime Minister said that problems over oil resulted inevitably from political problems in the Middle East, first between Egypt and Israel and then in Iran; this was why the Western powers were striving for a political settlement in the Middle East which might have the effect of reducing oil prices. Perhaps there could be some discussion of the Middle East situation at the Tokyo Summit.

At the Prime Minister's request, Mr. Sonoda made some comments on China's policies. He said that the Japanese Government regarded the Chinese regime as very stable and dismissed rumours that China was planning to inflict further "punishment" on Vietnam. It was necessary to promote co-operation between the United States, the U.K. and Japan in assisting China's modernisation programme. This would have the effect of decreasing tension in Asia and of integrating China into the international trading system. Mr. Sonoda said that Japan was now exporting large quantities of heavy machinery and other capital equipment to China, particularly for the development of China's mineral resources.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

B. G. CARTLEDGE

J. S. Wall, Esq., Foreign and Commonwealth Office.