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NOTE FOR THE RECORD

PRIME MINISTER'S CONVERSATIONS AT A QUADRIpartite BREAKFAST AT THE FRENCH EMBASSY, TOKYO, ON 29 JUNE 1979 AND DURING THE PRIME MINISTER'S SUBSEQUENT CAR JOURNEY TO THE AKASAKA PALACE, TOKYO, WITH PRESIDENT CARTER

On the morning of 29 June, the Prime Minister attended a quadripartite breakfast (with President Giscard, President Carter and Chancellor Schmidt) at the French Embassy in Tokyo and subsequently travelled with President Carter from the Embassy to the Akasaka Palace for the Third Session of the Economic Summit. The following is a summary of some of the points which arose during these conversations.

Middle East

President Carter said that he had been surprised by the strength of the Saudi Arabian reaction to Camp David. Earlier contacts with the Saudis had convinced him that they would acquiesce in the Camp David Agreements. The US had put much effort into maintaining close links with the Saudis and in assisting them in the defence and intelligence fields. President Carter was deeply pessimistic about future relations ~~with~~ between the consumer countries and OPEC and about the possibility of OPEC blackmail. OPEC had, for example, told Premier Clark that they would withdraw all their deposits from Canada if the Canadian Government transferred their Embassy in Israel from Tel Aviv to Jerusalem. In the face of this threat, Mr. Clark had abandoned his intention of doing so.

President Carter had emphasised to Mr. Brezhnev, at the Vienna Summit, that the US had a particular and continuing interest in the Middle East and, in particular, in the Gulf region.

/ President Giscard

President Giscard revealed that he had refused to see Colonel Ghadaffi when the latter had informed him, at 24 hours' notice, that he wished to visit Paris.

All those present at the quadripartite breakfast had expressed concern over the possibility that Saudi Arabia and the Gulf States would decide to reduce their oil production to a level sufficient to meet their own needs.

President Carter said that Saudi Arabia had urged the United States to take this opportunity of pulling out of the Camp David process: President Giscard had predicted that Sadat would probably do that in any case.

SALT and East/West Relations

President Carter had clearly been very pleased with the atmosphere of his Summit talks in Vienna with President Brezhnev. He said that the Soviet Union had done virtually everything asked of them; the Chiefs of Staff of the two sides, for example, had met for the first time since Mr. Eisenhower's Presidency.

President Carter told the Prime Minister that the Soviet Union clearly wished for the maximum participation in SALT III, including China. President Carter had confirmed that a SS20 missile, with two stages and only one warhead, could reach the US from the Soviet Union. President Carter told the Prime Minister that the Soviet Union was prepared to reduce its production of the Backfire bomber to 30 per year.

x On MBFR, President Carter had expressed puzzlement ^{at} to the reasons for the present deadlock and had indicated that it was up to the Europeans to take the lead. The Russians, for their part, were giving the impression that there could be no negotiations on SALT III until SALT II had been ratified by the US Congress.

President Carter told the Prime Minister that Brezhnev wished to negotiate an agreement on "submarine havens". He did not elaborate but the Prime Minister had the impression that negotiations on this matter were likely to begin, if they had not already done so.

Iran

President Carter acknowledged that he had sent US Generals to Iran during the period immediately prior to the fall of the Shah but told the Prime Minister that the purpose of their mission had ^{not} been (as Mr. Lee Kuan Yew had alleged to the Prime Minister on another occasion) to persuade them to withdraw their support from the Shah; they had, on the contrary, tried to stiffen them. The Shah himself, however, had lost his nerve and his will and had been determined to abdicate.

CTB

In a short discussion of CTB and the problem of the National Seismic Stations, the Prime Minister had told President Carter that the Soviet proposal that the UK should accept 10 NSSs was quite futile. When President Carter asked her whether the UK could accept 4 or 5 Stations, the Prime Minister said that this would still be too many.

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