

GR 600

CONFIDENTIAL

FM TOKYO 182315Z FEB 82

TO ROUTINE F C O

TELEGRAM NO 83 OF 18 FEBRUARY

RFI UKDEL NATO AND WASHINGTON

MF

YOUR TELNO 70: POLAND, UK MEASURES AND NON-UNDERMINING

1. DURING A CALL THIS MORNING ON KATO, DIRECTOR-GENERAL OF THE EUROPEAN AFFAIRS BUREAU IN THE JAPANESE MFA, WHITEHEAD REFERRED TO BRIDGES' CONVERSATION WITH TSUTSUMI, SAID THAT WE WOULD LIKE TO MAINTAIN CLOSE CONTACT WITH THE JAPANESE ON THESE MATTERS AND ASKED FOR ELUCIDATION OF THE JAPANESE ATTITUDE TO NON-UNDERMINING.
2. KATO SAID THAT AS REGARDS MEASURES GENERALLY AGAINST THE POLISH REGIME THE JAPANESE GOVERNMENT HAD ANNOUNCED YESTERDAY CERTAIN RESTRICTIONS ON THE MOVEMENT OF POLISH DIPLOMATS IN JAPAN AS WELL AS THE PROVISION OF US DOLLARS 500,000 OF HUMANITARIAN AID THROUGH THE RED CROSS. HE UNDERSTOOD THAT THE FEDERAL REPUBLIC WOULD PROBABLY ANNOUNCE A SERIES OF MEASURES TODAY. IT WAS LIKELY THAT THE JAPANESE GOVERNMENT WOULD ANNOUNCE IN DUE COURSE A SIMILAR SET OF MEASURES, ALTHOUGH HE EMPHASISED THAT HE COULD NOT SAY WHEN.
3. ON THE GENERAL PHILOSOPHY OF MEASURES KATO EMPHASISED THAT THE AMERICANS SAW THEIR ACTIONS AS A SIGNAL TO THE POLES AND THE RUSSIANS RATHER THAN AS A SET OF EFFECTIVE ECONOMIC SANCTIONS. THEY WERE THEREFORE ABLE TO AVOID REINSTATING A GRAIN EMBARGO. AS LONG AS THIS WAS THE CASE AND AS LONG AS THE EUROPEANS TOOK THE VIEW THAT THE NATURAL GAS PIPELINE PROJECT IN THE SOVIET UNION SHOULD CONTINUE TO MOVE AHEAD JAPAN WOULD DRAW THE CONCLUSION THAT SHE SHOULD NOT PREJUDICE HER OWN PARTICULAR ECONOMIC INTERESTS WITH THE SOVIET UNION, MOREOVER THERE WAS NO SPECIFIC LEGISLATION TO HAND UNDER WHICH SHE COULD EFFECTIVELY TAKE SUCH ACTION.
4. MORE SPECIFICALLY AS REGARDS NON-UNDERMINING THE JAPANESE GOVERNMENT WERE TAKING THE VIEW THAT THEY SHOULD REFRAIN FROM ANYTHING WHICH REPRESENTED A DIRECT REPLACEMENT OF FORMER AMERICAN INVOLVEMENT EG IT WOULD BE WRONG IN THE EVENT OF A CATERPILLAR CONTRACT FOR THE SUPPLY OF BULLDOZERS TO THE SOVIET UNION BEING CANCELLED FOR A JAPANESE COMPANY TO PROVIDE THOSE BULLDOZERS INSTEAD OF THE AMERICANS. BUT FROM KATO'S REPLIES TO SUBSEQUENT QUESTIONS THE JAPANESE DO NOT SEEM AT THIS STAGE PREPARED TO INTERPRET NON-UNDERMINING AS REFRAINING FROM INVOLVEMENT OR DISENGAGING FROM INVOLVEMENT IN ASPECTS OF A MAJOR PROJECT FROM WHICH THE AMERICANS HAD DISENGAGED, PROVIDING DIRECT SUBSTITUTION WAS NOT INVOLVED. THEY WERE EVEN LESS PREPARED TO PREJUDICE IMPORTANT ECONOMIC INTERESTS SIMPLY IN ORDER TO DEMONSTRATE SOLIDARITY WITH THE AMERICANS.

CONFIDENTIAL

5. ON THE SPECIFIC POINT ABOUT THE SUPPLY OF PIPELAYERS BY KOMATSU KATO TOOK THE LINE THAT THE CONTRACT PRE-DATED THE AMERICAN MEASURES AND WAS MAINLY BEING PAID FOR ON A CASH BASIS EVEN THOUGH THE WHOLE DEAL INVOLVED VERY CONSIDERABLY MORE THAN THE HUNDRED PIPELAYERS TO WHICH TSUTSUMI REFERRED (SEE OUR TELNO 65). KATO SAID THAT THE AMERICANS HAD BEEN PUTTING CONSIDERABLE PRESSURE ON THE JAPANESE GOVERNMENT TO DISCONTINUE THE DEAL, ALTHOUGH HE ASKED NOT TO BE QUOTED ON THIS. HE CONFIDED THAT MITI WERE NOW DISCUSSING THE MATTER WITH KOMATSU PRIMARILY WITH THE AIM OF SUBSTANTIALLY SLOWING DOWN THE DELIVERY OF PIPELAYERS BUT THEY HAD NO POWERS TO DIRECT THE COMPANY OVER THIS MATTER AND HE WAS NOT CERTAIN HOW AMENABLE KOMATSU WOULD BE TO GUIDANCE.

6. KATO AGREED THAT IT WOULD BE USEFUL TO STAY IN TOUCH ON THESE MATTERS. WE PROPOSE TO FOLLOW UP IN A FEW DAYS TIME. GRATEFUL FOR ANY FURTHER BACKGROUND WHICH YOU THINK MAY BE HELPFUL BEFORE THEN.

CORTAZZI

[THIS TELEGRAM WAS NOT ADVANCED]

POLAND SPECIAL
STANDARD

EESD
CSCE UNIT
NAD
SED
WED
ECD (E)
ESID
FED
CAD
SAD

UND
TRED
ERD
SEC D
OLA

CABINET OFFICE

ADDITIONAL DISTN.
POLAND SPECIAL

[COPIES SENT TO NO 10 DOWNING ST]

- 2 -

CONFIDENTIAL