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TO PRIORITY FCO

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INFO ROUTINE WASHINGTON, CANBERRA, BONN

INFO SAVING PARIS, OTTAWA, UKREP BRUSSELS, ROME

JAPANESE VIEWS ON THE BONN SUMMIT

1. SUMMARY

MFA DEBRIEFING HAS CONCENTRATED ON THE HANDLING OF THE SDI AND A NEW GATT ROUND. THE JAPANESE REMAIN OPTIMISTIC THAT THE NEW ROUND WILL START IN 1986. THEY ARE PLEASED PROTRACTED DISCUSSION ON THIS PREVENTED MUCH DISCUSSION OF THE "JAPAN PROBLEM". BUT THIS COULD BE DIFFICULT FOR THEM AT THE TOKYO SUMMIT. NAKASONE SUPPORTS MITTERRAND OVER TOO MUCH BUREAUCRACY. THE JAPANESE SAY THEY WILL NOT TAKE THE INITIATIVE ON AUSTRALIAN PARTICIPATION.

2. DETAIL

ON POLITICAL ASPECTS, THE MFA HAD EXPECTED SDI TO BE MORE FULLY DISCUSSED AND TO HAVE TO EXPLAIN THEIR OWN POSITION IN MORE DETAIL. BUT AS WITH DISCUSSION OF "THE JAPAN PROBLEM", THEY HAD BEEN SAVED BY THE TIME OCCUPIED IN DISCUSSION OF THE NEW GATT ROUND. AS FOR THE CONTENTIOUS QUESTION OF A PASSAGE IN THE POLITICAL DECLARATION ON NEGOTIATIONS IN GENEVA, THE JAPANESE, LIKE THE FRENCH, HAD BRIEFED THE PRESS THAT IT DID NOT INCLUDE SDI.

3. THE PARAGRAPH COVERING KOREA HAD BEEN INSERTED AT THE WISH OF THE JAPANESE WHO FOUND THE ORIGINAL POLITICAL DECLARATION TOO HEAVILY SLANTED TOWARDS EUROPE. THE ROK WAS PLEASED WITH THIS AND HAD EXPRESSED THEIR APPRECIATION TO THE JAPANESE.

4. ON THE ECONOMIC SIDE, THE ABSENCE OF OUTRIGHT CRITICISM OF JAPAN HAS PLEASED THE JAPANESE. PUBLICLY THEY HAVE TAKEN THE LINE THAT THIS WAS A FAVOURABLE COMMENT ON THE 9 APRIL ECONOMIC MEASURES. THEY ALSO SAID THAT CRITICISM WAS AVOIDED BY EACH NATION OUTLINING ITS SPECIFIC PRIORITIES IN PARAGRAPH 6 OF THE ECONOMIC DECLARATION. PRIVATELY, HOWEVER, THE JAPANESE ACKNOWLEDGED THAT THE INTRANSIGENCE OF THE FRENCH OVER THE TIMING OF A NEW GATT ROUND MEANT THAT THERE WAS NOT SUFFICIENT OPPORTUNITY FOR THE SUMMIT TO LOOK HARD AT JAPANESE PERFORMANCE. IN SPITE OF THE DIFFICULTIES ON THE NEW ROUND, THE JAPANESE THOUGHT THAT THE FINAL WORDING REPRESENTED SOME PROGRESS OVER THAT AGREED AT THE OECD MINISTERIAL, EG THAT THE WORD "MOST" HAD BEEN SUBSTITUTED FOR "SOME" IN THE FIFTH SENTENCE OF PARA 10. THE FIRST JAPANESE PRIORITY NOW WAS TO AWAIT THE RESULTS OF THE MEETING IN STOCKHOLM IN EARLY JUNE. THEY RECOGNISED THAT THEY HAD TO CONCENTRATE ON CONSTRUCTIVE PREPARATORY MOVES IN THE HOPE THAT THE DOUBTERS COULD BE BROUGHT ROUND. THEY WERE STILL

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FAIRLY CONFIDENT THAT THE ROUND WOULD START IN 1986 (RECENT REPORTS HERE THAT MR ABE HAD SAID IT WOULD NOT START THEN WERE INCORRECT).

5. ON OTHER ECONOMIC POINTS, THE MFA SAID:

A) THEY SAW LITTLE PROSPECT OF PROGRESS ON MONETARY ISSUES BY CONVENING A SPECIAL MEETING. WORK SHOULD CONTINUE IN THE G10 AND G5 AND THEN AT THE MEETING OF THE IMF IN SEOUL.

B) PROGRESS HAD BEEN MADE OVER THE HANDLING OF DEVELOPING COUNTRIES, PARTICULARLY ON DEBT RESTRUCTURING. JAPAN WELCOMED THE FRENCH INITIATIVE ON FAMINE IN AFRICA.

C) AS FOR THE HANDLING OF THE "JAPAN PROBLEM" THE MFA WERE CONCERNED THAT THE ABSENCE OF REAL CRITICISM AT BONN MIGHT CAUSE OTHER MINISTRIES TO RELAX AND LOSE INTEREST IN PROMOTING IMPORTS. THEY ANTICIPATED A PROGRAMME OF TARIFF REDUCTIONS BY THE END OF JUNE AND THEN THE ACTION PROGRAMME FOR MEDIUM MEASURES BY THE END OF JULY. IF THERE WERE NO RESULTS, THE TOKYO SUMMIT COULD BE VERY DIFFICULT.

6. MANAGEMENT OF TOKYO SUMMIT

THERE ARE THREE POINTS WORTHY OF NOTE HERE:

A) MR NAKASONE SYMPATHISED WITH PRESIDENT MITTERRAND'S DISSATISFACTION WITH THE RUNNING OF THE BONN SUMMIT. HE BELIEVED THAT THERE SHOULD BE LESS BUREAUCRATIC INFLUENCE AT THE TOKYO SUMMIT AND HAD INSTRUCTED OFFICIALS TO LOOK INTO THIS.

B) ON AUSTRALIAN PARTICIPATION AT THE TOKYO SUMMIT (YOUR TELNO 240 TO CANBERRA), THE MFA SAID THAT AT A PRE-SUMMIT SHERPAS' MEETING, THEY HAD ASKED WALLIS ABOUT THE SUGGESTION MADE BY US AMBASSADOR MANSFIELD THAT AUSTRALIA SHOULD BE INCLUDED IN ANY FUTURE ECONOMIC SUMMITS (MY TELNO 257). WALLIS HAD REPLIED THAT HE KNEW NOTHING OF THE PROPOSAL. THE ISSUE WAS NOT RAISED IN BONN. THE PRESENT JAPANESE POSITION IS THAT THEY WILL TAKE NO INITIATIVE OVER THE MATTER AND WILL ONLY DISCUSS IT IF THEY ARE APPROACHED BY THE AUSTRALIANS.

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C) ON THE PERENNIAL PROBLEM OF ATTENDANCE BY THE MITI MINISTER AT SUMMITS, THE MFA SAID THAT MURATA HAD ONLY BEEN AT THE TABLE FOR 13 MINUTES WHEN HE HAD REPLACED TAKESHITA DURING A DISCUSSION ON THE ENVIRONMENT AND ON SCIENCE AND TECHNOLOGY. HE WAS NOT PRESENT WHEN TRADE ISSUES WERE DISCUSSED. MURATA HAD HOWEVER ATTENDED THE LUNCHEON AND DINNER OF FINANCE MINISTERS. THE MFA SAID THAT THEY WANTED TO AVOID THIS BEING A PROBLEM AT THE TOKYO SUMMIT. BUT THEY ARE NOT OPTIMISTIC.

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