

# CONFIDENTIAL

## RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE JAPANESE FOREIGN MINISTER AT 1445 ON MONDAY 20 SEPTEMBER IN TOKYO

### Present:

Prime Minister	Mr. Sakurauchi
Sir Hugh Cortazzi	H.E. Mr. Hirahara
Mr. Alan Donald	Mr. Y. Kato
Mr. A.J. Coles	Mr. Hatano
Mr. B. Ingham	
	Mr. Takashima
	Mr. Matsumoto
	Mr. Antatsu

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Mr. Sakurauchi said it had been a pleasure to visit London recently. He was most grateful for the warm welcome given to him by Mr. Pym. The Prime Minister said that the Foreign Secretary had been glad to receive Mr. Sakurauchi, who would always be welcome. We wanted more political consultation with Japan. Mr. Suzuki had been right to say earlier in the day that we should use diplomatic channels for this. But these must be supplemented by regular meetings at Ministerial level to consider some of the larger problems. Mr. Sakurauchi commented that we had very good Ambassadors on both sides. Sir Hugh Cortazzi was an excellent speaker of Japanese and he had been able to have very frank conversations with him.

The Prime Minister asked Mr. Sakurauchi to describe the Japanese position on President Reagan's recent initiative relating to the Middle East. The Fez Summit had adopted a rather different proposal. Unless there were some movement on the problem next year we should be entering an election period in the United States which always brought the danger of a lack of movement. A further question which arose was the action which should be taken about the terrible massacre in the Lebanon. We were still not clear as to the facts.

/ Mr. Sakurauchi

# CONFIDENTIAL



CONFIDENTIAL

- 2 -

Mr. Sakurauchi said that the Middle East presented the most important diplomatic problem at present. The position of Japan was rather different from that of the United States. Japan wanted a comprehensive peace settlement, believed that it was necessary to recognise the right of self-determination of the Palestinians and considered that that involved the establishment of a Palestinian state. The Reagan initiative provided for self-determination but went no further. Nevertheless, Japan warmly welcomed the Reagan initiative. If it were implemented it would certainly be a step forward. A peace settlement required recognition of Israel's right to exist and self-determination for the Palestinians. As regards the Lebanon, it was very important that the voices of the world condemned this shocking deed. Japan was currently President of the Security Council.

The Prime Minister said that the United Kingdom, together with its European partners, had recognised the Palestinians' right of self-determination. The possibility could not be excluded that the Palestinians might choose to have their own state. On the other hand they might not. There was also the question of who should take part in exercising the right of self-determination. Did this embrace just the Palestinians on the West Bank and in Gaza or did it embrace the Palestine Diaspora? A Palestinian state would cause difficulties for Israel and the United States who feared that it might come under Soviet influence. She knew that King Hussein was willing that such a state should be federated with Jordan if this was considered desirable. A worrying aspect of the situation was that we continued to talk in generalities but never got down to precise steps. The Ten had tried to after Venice but had found that the details had not been thought through. We were unfortunately making no progress on the fundamental Palestinian problem. Each time we tried to, a new crisis prevented us. We were trying to influence our American friends and persuade them to address the fundamental problem of Palestine.

There was then a brief exchange on the question of the despatch of a fact-finding mission to the Middle East (though the Japanese interpreter used the word "observers"). The Prime Minister took the view that there might be merit in the United Nations sending a team to the Lebanon to elucidate the facts.

CONFIDENTIAL

/ Mr. Sakurauchi



CONFIDENTIAL

- 3 -

Mr. Sakurauchi said that he understood the United Kingdom's position on President Reagan's initiative. As to the Fez Summit, the fact that the Arab states had adopted a unified position for the first time was a step forward. But for the massacre in the Lebanon, things might now be brighter.

The Prime Minister said she would be interested to hear the Foreign Minister's views on South East Asia. We supported the ASEAN Group of states and were impressed by the progress made by their organisation. One problem of general interest was relevant to this region. The industrial efficiency of some of the newly developing countries, coupled with their lower wage rates, meant that there was a new pattern of world trade which exacerbated other problems. Some of these countries were able to undercut the advanced industrialised countries on such items as steel and shipbuilding. We had to try to adapt to these changes, but there was no doubt that they caused additional problems.

Mr. Sakurauchi said that Japan was very happy to see the ASEAN countries collaborating closely with each other. Their technological progress was impressive. When he had attended the meeting of ASEAN Foreign Ministers recently he was glad to observe that they were strongly committed to maintaining free trade. Their thinking was in line with that of the industrialised countries. The Prime Minister commented that she often explained to people in Britain that we had exported capital equipment to countries such as the ASEAN countries and it would be ironic if we could not now buy the fruits of their production process.

Mr. Sakurauchi observed that the United Kingdom had recently reached an interim agreement with some other countries on the Sea-bed Mining Provisions of the Law of the Sea Convention. Japan felt very strongly that a comprehensive Convention was necessary. The Prime Minister said that the rules in the Convention relating to deep-sea mining posed certain difficulties for us but she undertook to examine the latest position in the near future.

Mr. Sakurauchi also raised the question of the International Science Exhibition which Japan was planning to mount in 1985. The

CONFIDENTIAL

/ Prime Minister



The Prime Minister said that she hoped that before she left Tokyo she would be able to announce a positive decision about British participation.

A.S.C.

20 September 1982