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AMENDED DISTRN 15/1/86.

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FM TOKYO
TO PRIORITY FCO
TELNO 044
OF 150137Z JANUARY 86

MIPT: VISIT OF THE JAPANESE FOREIGN MINISTER: 21 JANUARY:

MR ABE'S TALKS WITH MINISTERS

1. FOREIGN MINISTER ABE HAS BEEN BUSY SINCE THE BEGINNING OF THE YEAR. LAST WEEK HE WAS IN WASHINGTON FOR TALKS WITH SHULTZ AND OTHER MEMBERS OF THE REAGAN ADMINISTRATION, FOCUSSED ON THE BILATERAL TRADE IMBALANCE, EXPECTED TO EXCEED DOLLARS 50 BILLION IN 1986. ABE THEN JOINED PRIME MINISTER NAKASONE IN CANADA BEFORE HE RETURNS TO TOKYO FOR THE VISIT OF THE SOVIET FOREIGN MINISTER FROM 15-19 JANUARY. ABE WILL RECEIVE DELORS IN TOKYO ON 20 JANUARY AND DEPART FOR LONDON THAT EVENING.
2. ABE'S PROGRAMME SINCE THE NEW YEAR AND YOUR OWN VISIT TO THE MIDDLE EAST SHOULD ENSURE A USEFUL DISCUSSION OF EAST/WEST RELATIONS AND THE MAIN REGIONAL ISSUES ON THE AGENDA. ABE WILL NO DOUBT WISH TO GIVE YOU AN ACCOUNT OF HIS TALKS WITH SHEVARDNADZE WHOSE VISIT HERE IS BEING TREATED AS A MAJOR DIPLOMATIC EVENT. ABE HIMSELF HAS APPEARED MORE CAUTIOUS THAN NAKASONE ABOUT THE PROSPECTS FOR JAPAN/SOVIET RELATIONS. ON SDI, THE JAPANESE HAVE NOT ADVANCED BEYOND NAKASONE'S EXPRESSION OF 'UNDERSTANDING'. A FURTHER TECHNICAL DELEGATION WILL VISIT THE US SHORTLY BUT NO EARLY JAPANESE DECISION ON PARTICIPATION IS IN SIGHT. HERE TOO ABE HAS APPEARED MORE RESERVED THAN NAKASONE.
3. JAPAN/CHINA RELATIONS, KOREA AND THE PHILIPPINES ARE THE NATURAL FOCUS OF THE DISCUSSION OF ASIAN AFFAIRS. PRIME MINISTER NAKASONE'S OFFICIAL VISIT TO THE YASUKUNI SHRINE LAST AUGUST STILL RANKLES WITH THE CHINESE. SINO/JAPANESE TRADE RELATIONS HAVE ALSO DETERIORATED AS A RESULT OF JAPAN'S RAPIDLY INCREASING TRADE SURPLUS. JAPAN HAS USED HER CONTACTS WITH CHINA AND THE SOVIET UNION TO TRY AND HELP PROMOTE A DIALOGUE BETWEEN NORTH AND SOUTH KOREA. THE KOREAN PENINSULA WILL BE DISCUSSED WITH SHEVARDNADZE. IN RECENT MONTHS THE JAPANESE GOVERNMENT HAVE SHOWN INCREASING CONCERN AT THE WORSENING POLITICAL SITUATION IN THE PHILIPPINES. FOR HISTORICAL REASONS, THE JAPANESE ARE RELUCTANT OPENLY TO CRITICISE MARCOS. BUT THEY HAVE BEGUN IN PRIVATE TO URGE THE CASE FOR ECONOMIC AND POLITICAL REFORM.
4. FUJIO, CHAIRMAN OF THE POLICY AFFAIRS RESEARCH COMMITTEE OF THE LDP, IS CURRENTLY VISITING THE MIDDLE EAST AS AN UNOFFICIAL EMISSARY OF THE JAPANESE GOVERNMENT. FOLLOWING HIS VISIT TO TEHRAN, HE HAS BEEN QUOTED IN THE JAPANESE PRESS AS PERCEIVING HOPEFUL SIGNS IN IRANIAN DIPLOMACY. DOES ABE SHARE THIS ASSESSMENT AND, IF SO, HOW DOES HE THINK IT CAN BEST BE EXPLOITED?

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15.

5. ABE'S MAIN PREOCCUPATION ON THE ECONOMIC SIDE WILL BE THE JAPANESE CONCERN TO AVOID DISCUSSION OF 'THE JAPAN PROBLEM' DOMINATING THE SUMMIT. ABE'S TALKS WITH THE AMERICANS LAST WEEK, NAKASONE'S VISIT TO CANADA AND NAKASONE'S PROPOSED VISIT TO WASHINGTON IN MARCH, ALL HAVE THIS PURPOSE. ABE HAS PRESENTED HIS VISITS TO LONDON AND BONN AS AN OPPORTUNITY TO TAKE EUROPEAN VIEWS INTO ACCOUNT.

6. MY TELNO 27 DESCRIBED THE CURRENT STATE OF THE JAPANESE ECONOMY IN THE CONTEXT OF TAKESHITA'S VISIT. ABE HAS THE REPUTATION OF BEING KEENER ON THE STIMULATION OF DOMESTIC DEMAND THAN TAKESHITA. IT WOULD BE APPROPRIATE TO ASK HIM HOW HE SEES IN PARTICULAR THE SCOPE FOR STRUCTURAL CHANGE TO REDUCE JAPAN'S DEPENDENCE ON EXPORTS AS THE MAIN STIMULUS FOR GROWTH.

7. ABE WILL HAVE HEARD FROM DELORS JUST BEFORE HIS DEPARTURE THE LATEST EC THINKING ON THE TRADE PROBLEM. IN DISCUSSING THIS, YOU WILL BE AWARE THAT THE JAPANESE SEE US AS ONE OF THE HARDLINERS, PARTICULARLY ON IMPORT TARGETS. MINISTERS MAY WISH TO EMPHASISE THE EFFORTS THAT BRITISH EXPORTERS ALREADY MAKE HERE, AND REGRET JAPAN'S INABILITY SO FAR TO ACCEPT MUCH THAT IS ON OFFER, EG AIRCRAFT.

8. THE MFA HERE LEADS ON TIN. DEPENDING ON DEVELOPMENTS IN LONDON THIS WEEK, YOU MAY FIND IT NECESSARY TO RAISE THIS.

9. ON SQUID FISHING OFF THE FALKLANDS, PLEASE SEE MY TELNO 040. YOU MAY WISH TO REMIND ABE OF THE SEPARATE ISSUE OF JAPAN'S FAILURE TO APPLY THE PRINCIPLE OF SELF-DETERMINATION TO THE FALKLAND ISLANDS.

GIFFARD

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2
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