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To: The Foreign Minister

From: Ambassador Yoshida

Prime Minister's Visit to China (First Summit Meeting) (A)

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Concerning Outgoing Telegram No. 2612

After the courtesy call described in the initial outgoing telegram, in Anhui Hall, the Great Hall of the People, there took place over the course of two hours the first summit meeting, as follows. (Those attending from the other side were as reported in outgoing telegram No. 2611.)

1. Premier Hua started by saying that, as decided previously, he wanted to make international problems the theme of the meeting. Then, saying that he would like to ask his guest to speak first, in line with Chinese courtesy and custom, he encouraged Prime Minister Ohira to speak.

2. In response, the Prime Minister spoke as follows:

(1) I would like to talk of how we view our country's foreign policy and international situation. First, relations between Japan and the United States, in political belief and in social and economic system alike, are better than they have ever been in the history of our bilateral relations. Our country wishes to cherish and maintain more than anything relations between Japan and the United States as a friendly country with a close relationship. Postwar Japan's security, recovery, and achievement of an independent economy are due to the great aid and cooperation of the United States. However, on account of the Vietnam War, the dollar's fall, and such, the United States lacks its former vigor. The thinking is that Japan, dependent on the United States, has reached a period in which it must cooperate as a partner of the United States. At the same time, economic friction is taking place, but Japan's position is one of, resolving this friction, our proceeding in cooperating with the United States. We must have the United States, as a world leader, contribute as a reliable force for stability. Last year we worked to resolve the economic friction between Japan and the United States. This year, in regard to the Iran problem, we are now struggling with what we can and cannot do to bring it as soon as possible to a peaceful settlement.

(2) Seven years have passed since the normalization of relations between Japan and China. We succeeded in concluding a treaty of peace and friendship and working agreements. We are most pleased that trade has steadily grown, people-to-people exchanges have become lively, and overall trust has deepened. We would like this visit to China, too, to make relations between Japan and China even better and broader.

(3) Vice Premier Gu Mu requested appropriate cooperation in regard to part of your country's modernization plan. Our government reviewed it and at last arrived at a definite plan. As we have already informed Vice Premier Gu Mu, we would like to cooperate on six of the eight projects and to have the implementing authorities hammer out the details.

(4) As for government loans, talks on a bilateral basis are advancing between our two countries. As we discussed in the car on the way from the airport, in regard to the issue of developing the oil in Bohai, we are most pleased that the talks between Japan and China have been brought to a close. The long-term trade agreement has been concluded and bank loans have been made. Our thinking, then, is that we would like to undertake economic cooperation not only between governments but via the private sector as well.

(5) When I previously visited China and met the late Premier Zhou, he said that relations of friendship and cooperation between our two countries had to benefit not the stability and prosperity of our two countries alone but that of the region. Japan and China's having a relationship of friendship and cooperation has become a major condition for the stability of the Asian region.

(6) A peninsula is always something like a powder keg. For example, like the Balkan, Korean, and Indochinese peninsulas, they became the seeds of conflict. What our two countries undertake or do not undertake has a political influence. In this sense, I will speak first of the problem of the Korean Peninsula. The problem of the Korean Peninsula's unification is for the Korean people alone. The reality, unfortunately, is a situation of confrontation between two authorities. Some years ago, we had hoped that the North-South talks would bear fruit. At present, unfortunately, there is nothing to see for it. There is a need to create a good environment for North-South talks. Your country has close relations with the North. Japan has relations with the South. The United States, your country, Japan, and the Soviet Union must think what to do and what not to do for the sake of the peninsula's stability. I would like to hear your country's judgment on this point.

(7) As for the Indochinese Peninsula, tension continues there. Cambodia, too, is in an extremely difficult situation. We have delicate relations, but I would like to hear the opinion of your country, which has influence in this region.

(8) Japan has been developing relatively good relations with the five countries of the Association of Southeast Asian Nations (ASEAN). The entire Pacific region is in a terribly difficult situation, but we are thinking about the functional strengthening of resources and trade as such. New Zealand, Canada, the United States, Mexico, and other countries have a common awareness on resource and trade relations and are maintaining close relations. Also, there are many independent countries in Oceania.

(9) As for relations between Japan and the Soviet Union, there is no change in Japan's basic policy of resolving the territorial issue and concluding a peace treaty.

It is regrettable that settlement of the territorial issue is not in sight. However, working relations in such areas as the economy, trade, and culture are steadily growing and pose no fundamental problem. Recently, the Soviet Union has strengthened its military forces in the Northern Territories. This is of great concern to our country. It is unclear why that should happen at this time, but the Soviet Union's behavior is a threat to peace.

(10) The world economy is in a difficult situation. Expanding the entire economy is in the interest both of Japan and of the world. Japan, too, for its part, is therefore aiming to carry out cooperation as an advanced country. Constraints have emerged in the problems of resources and oil, and currencies are also in a difficult situation.

(11) Premier Hua, you visited four countries in Western Europe. Following your visit, how do you view the situation? Also, I would like to hear your view on the Sino-Soviet talks taking place in Moscow.

3. In response, Premier Hua spoke as follows:

(1) Prime Minister Ohira, I thank you for your detailed explanation regarding Japan's foreign policy. As for China's view regarding the development of the world situation, I think that you are aware of it, as Vice Premier Deng told you on his way back to China from his visit to the United States. Vice Premier Deng said that the international situation, seen on the whole, is not benign but is heading toward turmoil and disorder. At present, nine months since then, the situation is truly even more tumultuous and tense.

(2) As a concrete manifestation of this, with the problem between Israel and the Arabs unresolved, the problem between the United States and Iran is emerging and showing signs of expanding. Problems are also arising in Saudi Arabia. When turmoil develops in the oil-producing regions of the Middle East and the Persian Gulf, the threat to Western Europe's oil imports grows large. With no sign of a relaxation in tensions in relations between the United States and Iran, US embassies in such countries as Libya and Pakistan have been set on fire. China is greatly concerned by the development of the situation in this region. The four Western European countries that I recently visited are also uneasy about the region.

(3) Concerning the Indochina problem, Vietnam is carrying out a dry-season offensive against Cambodia. This is not simply a Cambodian problem. It is a threat to the five countries of ASEAN, particularly for Thailand and Malaysia. Behind it is the Soviet Union's global strategy.

(4) The Soviet Union is strengthening its armaments, including the deployment of SS20 missiles, against Western Europe. I think that the countries of Western Europe, therefore, should strengthen their defenses to deal with this threat. The countries of Western Europe see that the source of such tension lies in the Soviet Union's meddling in the Middle East. That becomes a setup for going around and encircling Europe. It seems that the Soviet Union is thinking of winning without fighting. The Soviet Union's going on the offensive against the "soft underbelly" of the Middle East, with its oil-producing countries, is an attempt to go around Western Europe.

(5) Vietnam's invasion of Cambodia, too, frankly would not have been possible without the support of the Soviet Union. Article six of the Soviet treaty in reality has the character of a military alliance. Vietnam, without the guarantee of this treaty, would not have made such a headlong advance. If Vietnam takes control of Laos and Cambodia and moves into ASEAN, it will be able to control Atlantic and Pacific routes, and the Malacca Strait in particular. The Soviet Union's gaining control of that strait would be a threat both to China and to the United States and Japan as well. It would also be an aid to Soviet security in Asia.

(6) A certain international institute in its outlook for the 1980s has forecast 1985 as a dangerous time, and we are also paying attention to it. There are some grounds to this forecast. For example, in 1985 the Soviet Union may have superiority in nuclear weapons compared to the United States.

Among Japanese researchers there are some who are saying something similar.

(7) Our view is that there is a possibility of a third world war taking place in the 1980s but that it can be put off with the cooperation of the whole world.

There are now three "hot spots." Those are the Middle East, Indochina, and Africa. Visiting Western Europe, I realized that the Middle East is the hottest of the "hot spots" and that we will have to keep an eye on what happens there.

There is no sign that the disorder in Iran, which is the second country in oil production, can be calmed soon. In Saudi Arabia, too, contradictions are occurring.

(8) Concerning the Korean Peninsula problem, Vice Premier Deng has already spoken of it to Prime Minister Ohira. The recent killing of Park Chung Hee is evidence that South Korea's social and political crises are growing worse. North Korea is showing self-restraint in regard to such an event in South Korea. Thus, it is evident that the crisis on the Korean Peninsula is not one of the North advancing south.

When this event occurred in South Korea, President Kim Il Sung announced the slogan of unity, cooperation, and reunification and has proposed holding talks anywhere and with anyone.

Some American friends worry about the North advancing south, but there is no need for such concern. President Kim Il Sung is seeking the peaceful reunification of Korea with the slogan of independent and peaceful reunification. What we know is that he is saying that Korea even after reunification will continue an independent, neutral and non-allied policy. We have expressed our approval to President Kim Il Sung. Our hope would be for China and Japan to encourage South Korea's democratization. How do you think of that? We would like to discuss this point with our American friends as well. As you have said, Prime Minister Ohira, we would like to create a good environment, encourage North-South talks, and encourage the reunification of the North and South. This would be a plus for China and Japan, as well as for the peace and stability of the Asia-Pacific region.

(9) Concerning the Indochina problem, Vice Premier Deng spoke to Prime Minister Ohira in Japan concerning self-defensive counterattack and limiting it. The problem of Indochina is not only a problem of Vietnam but one linked to Vietnamese and Soviet hegemonist expansion and invasion. Thinking that China doing nothing was wrong and wondering what to do, we decided in the end on a limited self-defensive counterattack. Had we not limited it, advancing south after the capture of Lang Son would have been easy. If not for self-defensive counterattack, Cambodian resistance forces would long since have been eliminated and Vietnam would have made a move on Thailand and Malaysia.

(10) Vietnam has 200,000 troops in Cambodia and is now conducting a dry-season offensive. However, Cambodia's people's war has the support of the people, so it will not be easy for Vietnam to thoroughly eliminate the resistance forces.

(11) The ASEAN countries oppose Vietnam's invasion of Cambodia and demand the withdrawal of those troops. Their position is clear. In the UN General Assembly, ASEAN's proposal passed. The situation is still not ripe for carrying out a political settlement. China supports Democratic Kampuchea's fight and supports the ASEAN countries. If Vietnam were to invade Thailand, China would stand on the side of Thailand.

(12) The Cambodian people have been suffering since Vietnam invaded. Many countries, including various ones in Western Europe, have talked about Cambodian refugee relief. I, too, while visiting Europe, along with expressing approval there and speaking of our desire to cooperate, said that we would welcome any refugees who would like to come to China.

Also, in regard to the relief route, I proposed sending relief through Thailand, as sending it through Vietnam or Heng Samrin would put it in their hands. The European countries expressed approval for my proposal. The United States for a time sought to normalize relations with Vietnam but has postponed it, having seen Cambodia's invasion by Vietnam. We approve of this. Japan, too, has frozen aid to Vietnam, and we approve of this as well.

4. At this point, with the time for the reception drawing near, we decided to continue on the 6th and brought today's meeting to a close.

(End)