

**FOREIGN
RELATIONS
OF THE
UNITED
STATES**

**1969–1976
VOLUME XIX**

Part 2

**JAPAN,
1969–1972**



**DEPARTMENT
OF
STATE**

Washington



Foreign Relations of the United States, 1969–1976

Volume XIX

Part 2

Japan, 1969–1972

Editor

David P. Nickles

General Editors

Edward C. Keefer

Adam M. Howard

DEPARTMENT OF STATE
OFFICE OF THE HISTORIAN
BUREAU OF PUBLIC AFFAIRS

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop IDCC, Washington, DC 20402-0001

Preface

The *Foreign Relations of the United States* series presents the official documentary historical record of major foreign policy decisions and significant diplomatic activity of the U.S. Government. The Historian of the Department of State is charged with the responsibility for the preparation of the *Foreign Relations* series. The staff of the Office of the Historian, Bureau of Public Affairs, under the direction of the General Editor of the *Foreign Relations* series, plans, researches, compiles, and edits the volumes in the series. Secretary of State Frank B. Kellogg first promulgated official regulations codifying specific standards for the selection and editing of documents for the series on March 26, 1925. These regulations, with minor modifications, guided the series through 1991.

Public Law 102-138, the Foreign Relations Authorization Act, established a new statutory charter for the preparation of the series which was signed by President George H.W. Bush on October 28, 1991. Section 198 of P.L. 102-138 added a new Title IV to the Department of State's Basic Authorities Act of 1956 (22 U.S.C. 4351, et seq.).

The statute requires that the *Foreign Relations* series be a thorough, accurate, and reliable record of major U.S. foreign policy decisions and significant U.S. diplomatic activity. The volumes of the series should include all records needed to provide comprehensive documentation of major foreign policy decisions and actions of the U.S. Government. The statute also confirms the editing principles established by Secretary Kellogg: The *Foreign Relations* series is guided by the principles of historical objectivity and accuracy; records should not be altered or deletions made without indicating in the published text that a deletion has been made; the published record should omit no facts that were of major importance in reaching a decision; and nothing should be omitted for the purposes of concealing a defect in policy. The statute also requires that the *Foreign Relations* series be published not more than 30 years after the events recorded.

Structure and Scope of the Foreign Relations Series

This volume is part of a subseries of volumes of the *Foreign Relations* series that documents the most important issues in the foreign policy of the administrations of Richard M. Nixon and Gerald R. Ford. The subseries presents a documentary record of major foreign policy decisions and actions of both Presidents. This volume, which documents U.S. policy toward Japan from 1969 until 1972, is Part 2 of a

larger volume that was to have included a compilation on U.S. bilateral relations with Korea and Japan.

*Focus of Research and Principles of Selection for Foreign Relations,
1969–1976, Volume XIX, Part 2*

The 1970s marked a rebalancing in the close relationship between the United States and Japan, as the two countries responded to the phenomenal growth of Japanese economic power and the necessity of a shift from Japanese dependence toward mutual interdependence. Although President Richard Nixon was well disposed toward Japan, the alliance would sustain a number of blows during his first term in office. This was partly because Japan was peripheral to the major foreign policy priorities of the Nixon administration when it entered office—most notably the effort to reduce U.S. involvement in the Vietnam War, the attempt to improve relations with the Soviet Union, and the desire to explore a less hostile relationship with Communist China. While pursuing these priorities, the administration showed a willingness to take allies for granted as it attempted to broker agreements with U.S. adversaries. Moreover, neither Nixon nor his chief foreign policy advisor, Henry Kissinger, was particularly interested in international economic issues, which were central to the U.S.-Japan relationship, but which they saw primarily through the prism of Cold War diplomacy and domestic politics. Add to this a contentious battle between the Japanese and U.S. textile industries, and it becomes easier to understand the difficult condition reached in U.S.-Japan relations during 1971, when the United States announced with little warning dramatic shifts in policy towards Communist China and the international economy. Following that period of instability, the remainder of this documentary compilation records the efforts of officials in both countries to adapt the relationship to changed political and economic circumstances.

The Nixon administration achieved the two principal goals it set for itself regarding Japan. First, it reached an agreement on the future status of Okinawa, which required placating both the Joint Chiefs of Staff, concerned that Okinawa not return to Japanese control at the expense of the U.S. ability to meet its political and military obligations in East Asia, and Japanese opinion, which contained powerful currents of anti-militarist, anti-nuclear, and anti-U.S. sentiments. As would be expected, the most important U.S. documentation on Okinawa reversion was produced by those parts of the U.S. Government that specialized in issues of national security and foreign policy. Second, with considerable effort, the administration reduced Japan's contribution to the growth of foreign textile imports into the United States. This issue proved difficult to resolve in part because the textile industry was politically influential in both countries, and both industries felt increasingly

threatened by other low cost textile producers. Much of the U.S. documentation about the textile dispute, as well as other economic issues that affected U.S.-Japan relations, was produced by or reflected the concerns of U.S. agencies such as the Departments of Commerce and the Treasury that were primarily concerned with domestic and international economic issues, although those parts of the bureaucracy primarily focused on foreign policy were also involved.

The preferred foreign policy methods of the Nixon administration likewise shaped the documentation selected for this volume. The Nixon administration's fondness for back-channel negotiations was sometimes matched on the Japanese side. Consequently, key initiatives in the conduct of foreign policy on both sides during this period were not always understood even by relevant cabinet secretaries, let alone their bureaucracies, and the story of U.S.-Japanese relations cannot be adequately told without access to records produced for the President by his aides. An additional tactic favored by Nixon and Kissinger was "linkage," whereby concessions in one area could be used to gain advantages in another. Through the adoption of these two practices, the United States and Japan secretly linked policies that otherwise appeared disconnected. While such an approach possessed advantages, it could also mean that government bureaucracies and the public had not been persuaded into accepting the views of top leaders. Kissinger noted the problem of trying to convince bureaucrats to support policies that "must seem pretty ridiculous to them" because the policies only made sense in the context of secret agreements about which the bureaucrats had been kept ignorant. (Footnote 3, Document 39) This volume thus considers diplomacy across multiple issue areas—diplomatic, military, and economic—and on two levels: relatively typical negotiations within and between the governmental bureaucracies of Japan and the United States, and occasional secret bargaining between the highest political authorities on both sides.

Editorial Methodology

The documents are presented chronologically according to Washington time. Memoranda of conversation are placed according to the time and date of the conversation, rather than the date the memorandum was drafted.

Editorial treatment of the documents published in the *Foreign Relations* series follows Office style guidelines, supplemented by guidance from the General Editor and the chief technical editor. The original document is reproduced as exactly as possible, including marginalia or other notations, which are described in the footnotes. Texts are transcribed and printed according to accepted conventions for the publication of historical documents in the limitations of modern typography. A heading has been supplied by the editors for each document in-

cluded in the volume. Spelling, capitalization, and punctuation are retained as found in the original text, except that obvious typographical errors are silently corrected. Other mistakes and omissions in the documents are corrected by bracketed insertions: a correction is set in italic type; an addition in roman type. Words or phrases underlined in the source text are printed in italics. Abbreviations and contractions are preserved as found in the original text, and a list of abbreviations is included in the front matter of each volume.

Bracketed insertions are also used to indicate omitted text that deals with an unrelated subject (in roman type) or that remains classified after declassification review (in italic type). The amount and, where possible, the nature of the material not declassified has been noted by indicating the number of lines or pages of text that were omitted. Entire documents withheld for declassification purposes have been accounted for and are listed by headings, source notes, and number of pages not declassified in their chronological place. All brackets that appear in the original document are so identified by footnotes. All ellipses are in the original documents.

The first footnote to each document indicates the source of the document, original classification, distribution, and drafting information. This note also provides the background of important documents and policies and indicates whether the President or his major policy advisers read the document.

Editorial notes and additional annotation summarize pertinent material not printed in the volume, indicate the location of additional documentary sources, provide references to important related documents printed in other volumes, describe key events, and provide summaries of and citations to public statements that supplement and elucidate the printed documents. Information derived from memoirs and other first hand accounts has been used when appropriate to supplement or explicate the official record.

Advisory Committee on Historical Diplomatic Documentation

The Advisory Committee on Historical Diplomatic Documentation, established under the *Foreign Relations* statute, reviews records, advises, and makes recommendations concerning the *Foreign Relations* series. The Advisory Committee monitors the overall compilation and editorial process of the series and advises on all aspects of the preparation and declassification of the series. The Advisory Committee does not necessarily review the contents of individual volumes in the series, but it makes recommendations on issues that come to its attention and reviews volumes, as it deems necessary to fulfill its advisory and statutory obligations.

Presidential Records and Materials Preservation Act Review

Under the terms of the Presidential Records and Materials Preservation Act (PMRPA) of 1974 (44 U.S.C. 2111 note), the National Archives and Records Administration (NARA) has custody of the Nixon Presidential historical materials. The PRMPA and implementing public access regulations require NARA to review for additional restrictions in order to ensure the protection of the privacy rights of former Nixon White House officials, since these officials were not given the opportunity to separate their personal materials from public papers. Thus, the PRMPA and implementing public access regulations require NARA formally to notify the Nixon Estate and former Nixon White House staff members that the agency is scheduling for public release Nixon White House historical materials. The Nixon Estate and former White House staff members have 30 days to contest the release of Nixon historical materials in which they were a participant or are mentioned. Further, the PRMPA and implementing regulations require NARA to segregate and return to the creator of files private and personal materials. All *Foreign Relations* volumes that include materials from NARA's Nixon Presidential Materials Project are processed and released in accordance with the PRMPA.

Nixon White House Tapes

Access to the Nixon White House tape recordings is governed by the terms of the Presidential Records and Materials Preservation Act and an access agreement with the Office of Presidential Libraries of the National Archives and Records Administration and the Nixon Estate. In February 1971, President Nixon initiated a voice-activated taping system in the Oval Office of the White House, and, subsequently, in the President's Office in the Executive Office Building, Camp David, the Cabinet Room, and White House and Camp David telephones. The audiotapes include conversations of President Nixon with his Assistant for National Security Affairs, Henry Kissinger, other White House aides, Secretary of State Rogers, other Cabinet officers, Members of Congress, and key foreign officials. The clarity of the voices on the tape recordings is often very poor, but the editor made every effort to verify the accuracy of the transcripts produced here. Through the use of digital audio and other advances in technology, the Office of the Historian has been able to enhance the tape recordings and produce significantly more accurate transcripts. The result is that some transcripts printed here may differ from transcripts of the same conversations printed in previous *Foreign Relations* volumes. Even more accurate transcripts, however, cannot substitute for listening to the recordings. Readers are urged to consult the recordings themselves for a full appreciation of those aspects of the conversations that cannot be captured in a tran-

script, such as the speakers' inflections and emphases that may convey nuances of meaning, as well as the larger context of the discussion.

Declassification Review

The Office of Information Programs and Services, Bureau of Administration, conducted the declassification review for the Department of State of the documents published in this volume. The review was conducted in accordance with the standards set forth in Executive Order 12958, as amended, on Classified National Security Information and applicable laws.

The principle guiding declassification review is to release all information, subject only to the current requirements of national security as embodied in law and regulation. Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State, other concerned agencies of the U.S. Government, and the appropriate foreign governments regarding specific documents of those governments. The declassification review of this volume, which began in 2003 and was completed in 2017, resulted in the decision to withhold 1 document in full, excise a paragraph or more in 3 documents, and make minor excisions of less than a paragraph in 4 documents.

The Office of the Historian is confident, on the basis of the research conducted in preparing this volume, and as a result of the declassification review process described above, that the documentation and editorial notes presented here provide an accurate and comprehensive account of the Nixon administration's policy toward Japan from 1969 until 1972.

Acknowledgments

The editor wishes to acknowledge the assistance of officials at the Nixon Presidential Materials Project of the National Archives and Records Administration (Archives II), at College Park, Maryland. The editor also wishes to express gratitude to the Richard Nixon Estate for allowing access to the Nixon presidential recordings and the Richard Nixon Library & Birthplace for facilitating that access. Thanks are due to the Historical Staff of the Central Intelligence Agency, who were helpful in arranging full access to files. John Haynes of the Library of Congress was responsible for expediting access to the Kissinger Papers. The editor was able to use the Kissinger Papers, including the transcripts of telephone conversations, with the kind permission of Henry Kissinger. The editors would like to thank Sandy Meagher for her valuable assistance in expediting the use of files of the Department of Defense and David Keegan for shepherding the volume through the Department of State declassification process.

David P. Nickles collected, selected documentation, and edited the volume under the supervision of Erin R. Mahan, Edward C. Keefer, and Adam M. Howard. Steven E. Phillips also collected documents. Chris Tudda coordinated the declassification review under the supervision of Susan C. Weetman and Carl Ashley, Chiefs of the Declassification Division. Kristin Ahlberg, Aaron W. Marrs, and Heather McDaniel did the copy and technical editing under the supervision of Mandy Chalou, Chief of the Editing and Publishing Division.

Adam M. Howard

Acting Historian

Bureau of Public Affairs

June 2018

Contents

Preface	III
Sources	XIII
Abbreviations and Terms	XIX
Persons	XXIII
Japan, 1969–1972	
January–November 1969: The Decision for Okinawa Reversion	1
December 1969–March 1971: Relations After the First Nixon-Sato Summit	116
April–October 1971: Change and Reassessment	194
November 1971–December 1972: Toward a New Equilibrium	361

Sources

Sources for the Foreign Relations Series

The *Foreign Relations* statute requires that the published record in the *Foreign Relations* series include all records needed to provide comprehensive documentation of major U.S. foreign policy decisions and significant U.S. diplomatic activity. It further requires that government agencies, departments, and other entities of the U.S. Government engaged in foreign policy formulation, execution, or support cooperate with the Department of State historians by providing full and complete access to records pertinent to foreign policy decisions and actions and by providing copies of selected records. Most of the sources consulted in the preparation of this volume have been declassified and are available for review at the National Archives and Records Administration.

The editors of the *Foreign Relations* series have complete access to all the retired records and papers of the Department of State: the central files of the Department; the special decentralized files ("lot files") of the Department at the bureau, office, and division levels; the files of the Department's Executive Secretariat, which contain the records of international conferences and high-level official visits, correspondence with foreign leaders by the President and Secretary of State, and the memoranda of conversations between the President and the Secretary of State and foreign officials; and the files of overseas diplomatic posts. All of the Department's indexed central files for 1969–1972 have been permanently transferred to the National Archives and Records Administration (Archives II) at College Park, Maryland. Almost all the Department's decentralized office (or lot) files covering this period, which the National Archives deems worthy of permanent retention, have been transferred or are in the process of being transferred from the Department's custody to Archives II.

The editors of the *Foreign Relations* series also have full access to the papers of President Nixon and other White House foreign policy records. Presidential papers maintained and preserved at the Nixon Presidential Library and Museum in Yorba Linda, California, include some of the most significant foreign affairs-related documentation from the Department of State and other Federal agencies including the National Security Council (NSC), the Central Intelligence Agency, the Department of Defense, and the Joint Chiefs of Staff. In addition, Dr. Henry Kissinger has approved access to his papers at the Library of Congress.

Department of State historians also have full access to records of the Department of Defense, particularly the records of the Joint Chiefs of Staff and the Secretaries of defense and their major assistants. The Central Intelligence Agency has provided full access to its files.

Sources for Foreign Relations, 1969–1976, Volume XIX, Part 2

The Nixon Presidential Materials, at the Nixon Presidential Library in Yorba Linda, California, are the single most important source of documentation for those interested in U.S.-Japanese relations during the first Nixon administration.

Another important resource is the White House Central Files, President's Daily Diary, which lists all those who met with the President at the White House or while he was traveling. The Diary also indicates telephone calls to and from the President and has a daily record of "Presidential Movements." The NSC Files, NSC Institutional Files (H-Files) contain documents distributed prior to the meetings of the NSC, Special Review Group, Senior Review Group, Washington Special Actions Group, Defense Program Review Committee, Verification Panel, Vietnam Special Studies Group, and the NSC Intelligence Committee. There is a guide to the H-Files available at the National Archives.

After the Nixon Presidential Materials Project, and the White House Central Files, the Henry A. Kissinger papers located in the Manuscript Division of the Library of Congress are of great importance. While the Kissinger Papers contain copies of many of the most important items found in the Nixon Presidential Materials Project, the chief advantage of these files is that they are well organized and contain fewer materials on administrative matters of little value to most researchers. The most useful parts of the Kissinger Papers are the Chronological Files, Memoranda of Conversations, Memoranda for the President, and a collection of documents organized by country under the Geopolitical Files heading. The Kissinger papers also contain records of Kissinger's telephone conversations (telcons). Copies of the Kissinger telephone conversations are also available at the National Archives and are open to the public. Another useful item in the Kissinger Papers is a typed version of Kissinger's daily schedule. This is found under Miscellany, 1968–1976, Record of Schedule, though the schedule before August 31, 1970, has not been located. Access to these papers currently requires permission from Kissinger.

Unpublished Sources

Department of State

S/P Files: Lot 71D382: Records of the Policy Planning Staff, 1964–1970

S/S Files: Lot 80D212 S/S-I Files: National Security Study Memoranda (NSSMs) and related papers

S/S Files: Lot 96D695: U Alexis Johnson papers

National Archives and Records Administration, College Park, Maryland

RG 59

Subject-Number Indexed Central Files

DEF 1 JAPAN
DEF 1 RYU IS
DEF 4 JAPAN-US
DEF 7 JAPAN-US
DEF 12 JAPAN
DEF 15 JAPAN-US
DEF 15 RYU IS-US
DEF 19-3 US-JAPAN
DEF 19-9 US-JAPAN
E 1 JAPAN-US
FT 1 JAPAN-US
FT 4 JAPAN-US
INCO FIBERS JAPAN
INCO FIBERS 17 US-JAPAN
POL CHICOM-JAPAN
POL CHICOM-US
POL CHICOM-JAPAN
POL CHINAT-JAPAN
POL JAPAN-KOR N
POL JAPAN-KOR S
POL JAPAN-US
POL 1 JAPAN
POL 1 JAPAN-US
POL 2-3 JAPAN
POL 7 JAPAN
POL 7 JAPAN-US
POL 7 USSR
POL 14 JAPAN
POL 15-1 JAPAN
POL 17 JAPAN-US
POL 19 RYU IS
POL 19 RYU IS-US
POL 32-6 SENKAKU

Top Secret Subject-Numeric Files, 1970–73
UN 6 CHICOM
UN 22–2 JAPAN–US

Nixon Presidential Materials Project

National Security Council Files
 Agency Files
 Alexander M. Haig Chronological File
 Country Files
 Henry A. Kissinger Office Files
 Institutional Files (H-Files)
 Items to Discuss with the President
 Name Files
 NSC Secretariat
 Presidential Correspondence
 Presidential/HAK Memcons
 Subject Files
 VIP Visits
White House Central Files
 President's Daily Diary
White House Special Files
 President's Office Files
 Staff Member and Office Files
 Subject Files
White House Tapes

Central Intelligence Agency

ODDI Registry of National Intelligence Estimates and Special National Intelligence Estimates [Job 79–R01021A]

Library of Congress, Manuscript Division

Kissinger Papers
Memoranda of Conversation
 Presidential File
Memoranda to the President
 NSC Meetings

Washington National Records Center

RG 330, Records of the Department of Defense
 OSD Files: FRC 330–72A–6309
 Secret Records of the Assistant Secretary of Defense for International Security Affairs, 1969
 OSD Files: FRC 330–73–1971
 Top Secret Records of the Assistant Secretary of Defense for International Security Affairs, 1970

- OSD Files: FRC 330-73-1975
 Secret Records of the Assistant Secretary of Defense for International Security Affairs, 1970
- OSD Files: FRC 330-74-0083
 Secret Records of the Assistant Secretary of Defense for International Security Affairs, 1971
- OSD Files: FRC 330-75-0089
 Secret Records of the Assistant Secretary of Defense for International Security Affairs, 1969
- OSD Files: FRC 330-75-0103
 Top Secret Records of the Secretary of Defense, the Deputy Secretary of Defense, and the Special Assistant to the Secretary and Deputy Secretary of Defense, 1969
- OSD Files: FRC 330-75-0125
 Secret Records of the Assistant Secretary of Defense for International Security Affairs, 1972
- OSD Files: FRC 330-76-0067
 Secret Records of the Secretary of Defense, the Deputy Secretary of Defense, and the Special Assistant to the Secretary and Deputy Secretary of Defense, 1970
- OSD Files: FRC 330-76-0076
 Top Secret Records of the Secretary of Defense, the Deputy Secretary of Defense, and the Special Assistant to the Secretary and Deputy Secretary of Defense, 1970
- OSD Files: FRC 330-76-0197
 Secret Records of the Secretary of Defense, the Deputy Secretary of Defense, and the Special Assistant to the Secretary and Deputy Secretary of Defense, 1971
- OSD Files: FRC 330-76-0207
 Top Secret Records of the Secretary of Defense, the Deputy Secretary of Defense, and the Special Assistant to the Secretary and Deputy Secretary of Defense, 1971
- OSD Files: FRC 330-77-0094
 Secret Records of the Secretary of Defense, the Deputy Secretary of Defense, and the Special Assistant to the Secretary and Deputy Secretary of Defense, 1972
- OSD Files: FRC 330-77-0095
 Top Secret Records of the Secretary of Defense, the Deputy Secretary of Defense, and the Special Assistant to the Secretary and Deputy Secretary of Defense, 1972

Selected Published Sources

- Haldeman, H.R. *The Haldeman Diaries: Inside the White House* (New York: G.P. Putnam sons, 1994).
- . *The Haldeman Diaries: Inside the Nixon White House, the Complete Multimedia Edition* (Santa Monica, CA: Sony Electronic Publishing, 1994).
- Kissinger, Henry. *White House Years* (Boston: Little, Brown and Company, 1979).
- . *Years of Upheaval* (Boston: Little, Brown and Company, 1982).

XVIII Sources

- Nixon, Richard M. *RN: The Memoirs of Richard Nixon* (New York: Grosset & Dunlap, 1978).
- United States. National Archives and Records Administration. *Public Papers of the Presidents of the United States, Richard Nixon, 1969–1974* (Washington: Government Printing Office (1969–1973)).
- Wakaizumi, Kei *The Best Course Available: A Personal Account of the Secret U.S.-Japan Okinawa Reversion Negotiations* (Honolulu: University of Hawai'i Press, 2002).

Abbreviations and Terms

ABM, anti-ballistic missile
ADB, Asian Development Bank
AEC, Atomic Energy Commission
AID, Agency for International Development
AP, Associated Press
AR, Albanian Resolution (UN)
ARVN, Army Republic of Vietnam
ASP, American selling price
ASPAC, Asia-Pacific region
ASW, anti-submarine warfare

Backchannel, a method of communication outside normal bureaucratic procedure; the White House, for instance, used “backchannel” messages to bypass the Department of State

CB, chemical and biological
CEA, Council of Economic Advisers
CIA, Central Intelligence Agency
CIEP, Council on International Economic Policy
CINCPAC, Commander in Chief, Pacific
CHICOM, Chinese Communist
COMSEVENTHFLT, Commander, U.S. Navy Seventh Fleet
COMUSJ, Commander, U.S. Forces, Japan
CSCE, Community for Security and Cooperation in Europe

DIS or DISS, dissemination
DOD, Department of Defense
DOD/ISA, Department of Defense, Office of the Assistant Secretary of Defense for International Security Affairs
DOS, Department of State
DR, Dual Representation (UN)
DSP, Democratic Socialist Party, Government of Japan

E, Bureau of Economic Affairs, Department of State
EA or EAP, Bureau of East Asian and Pacific Affairs, Department of State
EA/IG, East Asia Interdepartmental Group
EA/J, Officer in Charge of Japanese Affairs, Bureau of East Asian and Pacific Affairs, Department of State
EC, European Community
ECONCOM, Joint U.S.-Japan Economic Committee Meeting at the Cabinet level
EEC, European Economic Community
Embtel, embassy telegram
Exdis, exclusive distribution (indicates extremely limited dissemination)

FAC, Foreign Assets Control
FBI, Federal Bureau of Investigation
FCN, Friendship, Commerce, and Navigation (Treaty)

XX Abbreviations and Terms

FonMin, foreign minister
FRC, Federal Records Center
FT, foreign trade
FY, fiscal year
FYI, for your information

GA, General Assembly (UN)
GATT, General Agreement on Tariffs and Trade
GIMO, Generalissimo Chiang Kai-shek (Jiang Jieshi)
GNP, gross national product
GOJ, Government of Japan
GRC, Government of the Republic of China.
GVN, Government of Vietnam (South)

HAK, Henry A. Kissinger
HIM, His Imperial Majesty
HK, Hong Kong; Henry Kissinger

IAEA, International Atomic Energy Agency
IG, Interdepartmental Group
IMF, International Monetary Fund
info, information
INR, Bureau of Intelligence and Research, Department of State
INR/EAP, Bureau of Intelligence and Research, East Asia and the Pacific, Department of State
intel, intelligence
IO, Bureau of International Organization Affairs, Department of State
IQ, important question (UN)
ISA, Bureau of International Security Affairs, Department of Defense

J, Under Secretary for Political Affairs, Department of State
JCP, Communist Party (Japan)
JCS, Joint Chiefs of Staff
JCSM, Joint Chiefs of Staff memorandum
JDA, Japanese Defense Agency
JSP, Socialist Party (Japan)

K, Kissinger

L, Office of the Legal Adviser, Department of State
LDC, less developed countries
LDP, Liberal Democratic Party (Japan)
Limdis, limited distribution (see also EXDIS)

MBFR, Mutual and Balanced Force Reductions
MCAS, Marine Corps Air Station
MIRV, multiple independently targeted reentry vehicle missiles
MITI, Ministry of International Trade and Industry (Japan)
MOFA, Ministry of Foreign Affairs
MST, Mutual Security Treaty (United States-Japan)

NATO, North Atlantic Treaty Organization
NEP, new economic policy
NIE, National Intelligence Estimate

Nodis, no distribution

Noform, no foreign dissemination

Notal, not all (telegram A, referenced in telegram B, was not sent to all the recipients of telegram B)

NPT, Nonproliferation Treaty

NSA, National Security Agency

NSC, National Security Council

NSDM, National Security Decision Memorandum

NSSM, National Security Study Memorandum

OASD/ISA, Office of the Assistant Secretary of Defense for International Security Affairs

OBE, overtaken by events

OECD, Organization for Economic Cooperation and Development

OMB, Office of Management and Budget, White House

OPIC, Overseas Private Investment Corporation

OSD, Office of the Secretary of Defense

OSD/ISA, Office of the Secretary of Defense, Bureau of International Security Affairs

PDT, Pacific Daylight Time

PM, Prime Minister

pol, political

PRC, People's Republic of China

Pres, the President

PriMin, Prime Minister

QR, Quota Restriction

reftel, reference telegram

rep, representative

res, resolution (UN)

RG, Record Group (National Archives and Records Administration)

RN, Richard Nixon

RNC, Republican National Committee

ROC, Republic of China (see also GRC)

ROK, Republic of Korea (South Korea)

RVN, Republic of Vietnam (South Vietnam)

S, Office of the Secretary of State

SALT, Strategic Arms Limitation Talks

SC, Security Council, United Nations

SCA, Bureau of Security and Consular Affairs, Department of State

SCC, U.S.-Japan Security Consultative Committee

SCI, Bureau of International Scientific and Technological Affairs, Department of State;
also sensitive compartmentalized information

SEA, Southeast Asia

SEATO, Southeast Asia Treaty Organization

SECTO, from the Secretary of State (used for telegrams from the Secretary or his party
while he is on travel)

Secy, Secretary of State

Secy Gen, Secretary General (UN)

septel, separate telegram

SIG, Senior Interdepartmental Group (NSC)

SNIE, Special National Intelligence Estimate

SOF(A), Status of Forces (Agreement)

XXII Abbreviations and Terms

S/P, Policy Planning Council, Department of State

SRG, Senior Review Group (NSC)

S/S, Executive Secretariat, Department of State

SVN, South Vietnam

TOSEC, to the Secretary of State (used for telegrams to the Secretary while he is on travel)

TS, top secret

U, Office of the Under Secretary of State

UK, United Kingdom

UN, United Nations

UNCTAD, United Nations Conference on Trade and Development

UNGA, United Nations General Assembly

USA, United States Army

USAF, United States Air Force

USG, United States Government

USIB, United States Intelligence Board

U-S/M, Under Secretaries' memorandum

USN, United States Navy

USSR, Union of Soviet Socialist Republics

USUN, United States Mission to the United Nations

VN, Vietnam

VOA, Voice of America

WESTPAC, Western Pacific

WH, White House

Y, Yoshida

Z, Zulu time (Greenwich mean time)

Persons

Abshire, David M., Assistant Secretary of State for Congressional Relations from April 8, 1970

Agnew, Spiro T., Vice President of the United States from January 20, 1969

Aichi Kiichi, Japanese Foreign Minister until July 5, 1971

Aldrich, George H., Acting Deputy Legal Adviser, Department of State, from January until October 1969; Deputy Legal Adviser

Barger, Herman H., Deputy Assistant Secretary for Economic Affairs, Bureau of East Asian and Pacific Affairs, Department of State, from 1970

Barnett, Robert W., Deputy Assistant Secretary for Far Eastern Economic Affairs, Bureau of East Asian and Pacific Affairs, Department of State, from February 1963 until May 1970

Bergsten, C. Fred, member, National Security Council staff from 1969 until 1971

Brewster, Robert C., Deputy Executive Secretary, Department of State, from July 1969 until August 1971

Brown, Winthrop G., Deputy Assistant Secretary of State for East Asian and Pacific Affairs until April 1972

Bundy, William P., Assistant Secretary of State for East Asian and Pacific Affairs until May 4, 1969

Burns, Dr. Arthur F., Counselor to the President from January 1969 until January 1970; Chairman, Federal Reserve System Board of Governors, from 1970

Bush, George H.W., member, U.S. House of Representatives (R-Texas) until January 1970; Representative to the United Nations from February 16, 1971

Butterfield, Alexander P., Deputy Assistant to the President from 1969

Butz, Earl L., Secretary of Agriculture from December 1971

Cargo, William I., Director of the Policy Planning Staff, Department of State, from August 4, 1969

Chafee, John H., Captain, USN; Secretary of the Navy from January 31, 1969, until May 4, 1972

Chapin, Dwight L., Special Assistant to the President from 1969 until 1971; Deputy Assistant to the President from 1971

Chapin, Frank, member, National Security Council staff and staff secretary to the 303/40 Committee

Chiang Kai-shek (Jiang Jieshi), President of the Republic of China; Director-General, Kuomintang

Chou En-lai (Zhou Enlai), Premier of the People's Republic of China; member, Standing Committee of the Chinese Communist Party's Political Bureau

Chow Shu-kai (Zhou Shukai), Chinese Ambassador to the United States until May 1971; Minister of Foreign Affairs from 1971 until 1972; Minister without Portfolio from 1972

Chung Il-Kwon, Prime Minister of the Republic of Korea until December 19, 1970

Cleveland, Paul M., Bureau of Economic Affairs, Department of State, from September 1968 until February 1970; Special Assistant and Staff Director, NSC Interdepartmental Group, Bureau of East Asian and Pacific Affairs, February 1970 until July 1973

Cline, Ray S., Director, Bureau of Intelligence and Research, Department of State, from October 26, 1969

Connally, John B., Jr., Secretary of the Treasury from February 1971 until May 1972

Cronk, Edwin M., Deputy Assistant Secretary for International Trade Policy, Bureau of Economic Affairs, Department of State, from October 1969 until June 1972; U.S. Ambassador to Singapore from June 27, 1972

Curran, Robert Theodore, Deputy Executive Secretary, Executive Secretariat, Department of State, from August 1970 until September 1972; Deputy Director of Personnel for Management from September 1972

Davis, Jeanne W., Director, Staff Secretariat from 1970 until 1971; Staff Secretary, National Security Council Staff Secretariat, from 1971

De Palma, Samuel, Assistant Secretary of State for International Organization Affairs from February 7, 1969

Denney, George C., Jr., Deputy Director, Bureau of Intelligence and Research, Department of State, until April 1970; Deputy Director, Directorate for Management, Bureau of Intelligence and Research, April 1970

Donelan, Joseph F., Jr., Assistant Secretary of State for Administration from June 14, 1971

Doolin, Dennis J., Deputy Assistant Secretary of Defense for International Security Affairs responsible for East Asian and Pacific Affairs

Douglas-Home, Sir Alexander Frederick, British Foreign Secretary from June 19, 1970

Eagleburger, Lawrence S., member, National Security Council staff from 1969 until 1970

Eberle, William D., Special Representative for Trade Negotiations from 1971 until 1975; member, Council on International Economic Policy, from 1971

Ehrlichman, John D., Counsel to the President from January until November 1969; Assistant to the President for Domestic Affairs from November 1969

Eliot, Theodore L., Jr., Special Assistant to the Secretary and Executive Secretary of the Department of State from August 10, 1969

Ericson, Richard A., Jr., Country Director Japan, Bureau of East Asian and Pacific Affairs, Department of State, from July 1970

Finn, Richard B., Country Director Japan, Bureau of East Asian and Pacific Affairs, Department of State, from January 1969 until July 1970

Flanigan, Peter, Consultant to the President on Administration and Staffing, January 20, 1969, until April 15, 1969; Assistant to the President and Executive Director, Council for International Economic Policy from February 1972

Ford, Gerald R., member, U.S. House of Representatives (R-Michigan); House Minority Leader

Froebe, John A., Jr., Desk officer, Australia, New Zealand and Pacific Islands, Bureau of East Asian and Pacific Affairs, Department of State; member, National Security Council staff from 1971

Froehlke, Robert F., Captain, USA; Assistant Secretary of Defense for Administration from January 1969 until June 1971; Secretary of the Army from July 1, 1971

Fukuda Manabu, Department of State interpreter

Fukuda Takeo, Japanese Foreign Minister from July 5, 1971, until July 7, 1972

Fulbright, J. William, Senator (D-Arkansas), Chairman of the Senate Foreign Relations Committee

Gandhi, Indira, Indian Prime Minister

Getz, John I., Special Assistant to the Under Secretary of State for Political Affairs, Department of State, from January 1969 until February 1972

Gleysteen, William H., Jr., Director, Office of Research and Analysis for East Asia and the Pacific, Bureau of Intelligence and Research, from September 1969 until June 1971; Deputy Chief of Mission, Taipei, from June 1971

Godley, George McMurtrie, Deputy Assistant Secretary of State for East Asian and Pacific Affairs until May 1969; U.S. Ambassador to Laos from June 13, 1969

Grant, Lindsey, member, National Security Council Operations Staff/East Asia, from February 1969 until August 1970; member, Planning and Coordination Staff, Department of State, from June 1971 until November 1972

Green, Marshall, Assistant Secretary of State for East Asian and Pacific Affairs from May 1, 1969

Gromyko, Andrei A., Foreign Minister of the Soviet Union

Habib, Philip C., Deputy Assistant Secretary of State for East Asian and Pacific Affairs until May 1969; member, U.S. Delegation to meetings on Vietnam in Paris until October 1971; U.S. Ambassador to Korea from September 30, 1971

Haig, Alexander Meigs, Jr., Major General, USA; Senior Military Assistant to the Assistant to the President for National Security Affairs from June 1969 until June 1970; Deputy Assistant to the President for National Security Affairs from June 1970

Haldeman, H.R., Assistant to the President and Chief of Staff from January 20, 1969

Halperin, David, member, National Security Council staff 1971

Halperin, Morton, National Security Council Assistant for Programs, 1969 and 1970

Handley, William J., Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs until April 1969; U.S. Ambassador to Turkey from May 1, 1969

Hannah, John A., Administrator, Agency for International Development, from March 28, 1969

Hardin, Clifford M., Secretary of Agriculture from January 1969 until December 1971

Harlow, Bryce N., Assistant to the President for Congressional Relations from 1969 until 1970; Counselor to the President from 1970

Heath, Edward, British Prime Minister from June 19, 1970

Helms, Richard M., Director of Central Intelligence

Herz, Martin F., Political Counselor in Saigon to June 1970; Deputy Assistant Secretary of State for International Organization Affairs, Department of State, from June 1970

Ho Chi Minh, President of the Democratic Republic of Vietnam

Hodgson, James D., Secretary of Labor from July 1970

Holdridge, John Herbert, Director, Office of Research and Analysis for East Asia and the Pacific, Bureau of Intelligence and Research, Department of State, until July 1969; member, National Security Council Operations Staff/East Asia from July 1969

Hormats, Robert, member, National Security Council Operations Staff/International Economic Affairs from 1970 until 1972

Howe, Jonathan T., Lieutenant Commander, USN; member, National Security Council staff from 1970 until 1972

Hughes, Thomas L., Director, Bureau of Intelligence and Research, Department of State, from April 28, 1963

Hummel, Arthur W., Jr., U.S. Ambassador to Burma until July 22, 1971; Deputy Assistant Secretary of State for East Asian and Pacific Affairs from February 1972

Ingersoll, Robert Stephen, U.S. Ambassador to Japan from February 29, 1972

Irwin, John N., II, Under Secretary of State from September 18, 1970, until July 12, 1972; Deputy Secretary of State from July 13, 1972 (Note: The Foreign Affairs Reauthorization Act of 1972 created the position of Deputy Secretary, replacing the Under Secretary post as the second-ranking officer in the Department.)

Jenkins, Alfred le Sesne, Director, Office of Asian Communist Affairs, Bureau of East Asian and Pacific Affairs, Department of State, from July 1970

Jiang Jieshi, see Chiang Kai-shek

Johnson, Lyndon B., President of the United States until January 20, 1969

Johnson, U. Alexis, Under Secretary of State for Political Affairs from February 7, 1969

Jurich, Anthony J., Special Assistant to the Secretary for National Security Affairs, Department of the Treasury

Karamessines, Thomas H., Deputy Director for Plans (Note: Title changed to Deputy Director for Operations after Karamessines' tenure)

Katz, Julius L., Deputy Assistant Secretary for International Resources and Food Policy, Bureau of Economic Affairs, Department of State

Kendall, Donald M., President and CEO of Pepsi-Cola (renamed Pepsi Co); friend of Richard Nixon; Chairman of the Emergency Committee for American Trade

Kennedy, David M., Secretary of the Treasury from January 1969 until January 1971; Ambassador at Large for Foreign Economic Development from February 11, 1971; Permanent Representative to the North Atlantic Treaty Organization from March 17, 1972

Kennedy, Richard, Colonel, USA; member, National Security Council staff from 1970 until 1972; Director of the National Security Council Planning Group in 1971 and 1972

Khan, Agha Muhammad Yahya, President of Pakistan from March 31, 1969, until December 20, 1971

Kim Il-sung (Kim Il Sung), Premier (Chairman of the Council of Ministers) of the Democratic People's Republic of Korea until December 28, 1972; President (Chairman of the Presidium of the Supreme People's Assembly) of the Democratic People's Republic of Korea from December 28, 1972; and General Secretary of the Central Committee of the Workers' Party of Korea

Kishi Nobusuke, former Japanese Prime Minister

Kissinger, Henry A., Assistant to the President for National Security Affairs from January 20, 1969

Klein, Herbert G., White House Director of Communications from January 1969

Kleindienst, Richard G., Deputy Attorney General from January 1969; Attorney General from February 1972

Kosygin, Alexei N., Chairman, Council of Ministers of the Soviet Union

Kotschnig, Walter M., Deputy Assistant Secretary of State for International Organization Affairs until 1971

Ladd, Bruce C., Jr., Deputy Assistant Secretary of State for Commercial Affairs and Business Activities, Bureau of Economic Affairs, Department of State, from 1971

Laird, Melvin R., member, U.S. House of Representatives (R-Wisconsin); Secretary of Defense from January 22, 1969

Lake, W. Anthony, member, National Security Council staff from 1970 until 1971

Le Duc Tho, member, Democratic Republic of Vietnam Politburo; head of the Democratic Republic of Vietnam delegation to Paris Peace Talks

Lee Kuan Yew, Prime Minister of Singapore

Lon Nol, General and Prime Minister of Cambodia from 1969 until 1972; President of the Khmer Republic from 1972

Loomis, Henry, Deputy Director, United States Information Agency from 1969

Lord, Winston, Office of International Security Affairs, Department of Defense until 1969; member, National Security Council Planning Staff in 1969 and 1970; member, National Security Council Operations Staff/UN in 1970 and 1971; member, National Security Council staff from 1971

Malik, Yakov Alexandrovich, Permanent Representative of the Soviet Union to the United Nations

- Mansfield, Michael**, Senator (D–Montana) from 1952 until 1976; Senate Majority Leader
- Mao Tse-tung (Mao Zedong)**, Chairman of the Central Committee of the Chinese Communist Party
- McCain, John S., Jr.**, Admiral, USN; Commander in Chief, CINCPAC, from July 31, 1968, until September 1, 1972
- McClellan, Robert**, Assistant Secretary of Commerce for Domestic and International Business
- McCloskey, Robert J.**, Deputy Assistant Secretary of State for Press Relations, and Special Assistant to the Secretary, from July 1969
- McCormack, John W.**, member, U.S. House of Representatives (D–Massachusetts) until 1970; Speaker of the House of Representatives until 1970
- McCracken, Paul W.**, Chairman, Council of Economic Advisers, from January 1969 until November 1971
- McGovern, George**, Senator, (D–South Dakota); Presidential candidate in 1972
- McManis, David**, member, National Security Council staff in 1970 and 1971; Director of the White House Situation Room in 1971 and 1972
- Meyer, Armin H.**, U.S. Ambassador to Iran until May 30, 1969; U.S. Ambassador to Japan from May 27, 1969, until March 27, 1972
- Meyer, Francis G.**, Assistant Secretary of State for Administration from September 26, 1969, until May 31, 1971
- Miki Takeo**, Japanese Foreign Minister from 1966 until 1968; Prime Minister from December 1974 until December 1976
- Mitchell, John**, Attorney General from January 20, 1969, until February 15, 1972
- Miyazawa Kiichi**, Japanese Minister of International Trade and Industry from January 14, 1970, until July 5, 1971
- Monjo, John C.**, Special Assistant to the Under Secretary of State for Political Affairs from 1969 until 1971
- Moore, Jonathan**, Deputy Assistant Secretary of State for East Asian and Pacific Affairs from September 1969 until June 1970
- Moorer, Thomas H.**, Admiral, USN; Chief of Naval Operations until July 1, 1970; Chairman of the Joint Chiefs of Staff from July 2, 1970
- Moose, Richard**, member, National Security Council staff from 1969 until 1970
- Morris, Roger**, member, National Security Council staff from 1969 until 1971
- Mosbacher, Emil, Jr.**, Chief of Protocol, Department of State, from January 28, 1969, until June 30, 1972
- Moynihan, Daniel P.**, Assistant to the President for Urban Affairs from January until December 1969; Counselor to the President from January 1970 until January 1971
- Nakasone Yasuhiro**, Director General of the Japanese Defense Agency from September 1970
- Neubert, Joseph W.**, member, Policy Planning Staff, Department of State, until June 1970; Acting Deputy Director for Planning, Planning and Coordination Staff, from June 1970
- Nguyen Van Thieu**, President of the Republic of Vietnam (South Vietnam)
- Nixon, Richard M.**, President of the United States
- Noyes, James H.**, Deputy Assistant Secretary of Defense for Near Eastern and South Asian Affairs from 1971
- Nutter, G. Warren**, Assistant Secretary of Defense for International Security Affairs from March 4, 1969
- O'Connor, Roderic L.**, Assistant Administrator for East Asia, Agency for International Development, from August 1969 until June 1971; Coordinator for Supporting Assistance from July 1971 until September 1972
- Ōhira Masayoshi**, Japanese Foreign Minister from July 7, 1972

Osborn, David Lawrence, Deputy Chief of Mission in Tokyo until July 1970; thereafter Consul General, Hong Kong

Osgood, Robert E., Assistant for Programs, National Security Council, in 1969 and 1970; Director of the National Security Council Planning Staff in 1970 and 1971

Packard, David, Chief Executive Officer, Hewlett-Packard Co.; Deputy Secretary of Defense from January 24, 1969, until December 13, 1971

Paik Doo Jin, Prime Minister of the Republic of Korea from December 19, 1970, until June 3, 1971

Park Chung Hee, President of the Republic of Korea

Pedersen, Richard F., Counselor, Department of State, from January 23, 1969

Peterson, Peter G., Assistant to the President for International Economic Affairs, and Executive Director of the Council on International Economic Policy in 1971 and 1972; Secretary of Commerce from January 27, 1972, until December 8, 1972

Platt, Nicholas, Chief, Asian Communist Areas Division, Bureau of Intelligence and Research, from February 1969 until January 1970; Chief, North Asian Division, Bureau of Intelligence and Research, from January 1970 until March 1971; Deputy Director, Executive Secretariat Staff, from March 1971 until June 1972; Director, Executive Secretariat, from June 1972

Pollack, Herman, Director, Office of International Scientific and Technological Affairs, Department of State

Pranger, Robert J., Deputy Assistant Secretary of Defense for Near East and South Asia, 1970; Deputy Assistant Secretary of Defense for Policy Plans and National Security Council Affairs, 1971

Prentice, Colgate S., Deputy Assistant Secretary of State for Congressional Relations from October 1969

Pursley, Robert E., Lieutenant General, USAF; Military Assistant to the Secretary of Defense

Renner, John C., Director, Office of International Trade, Bureau of Economic Affairs, Department of State, from August 1970 until July 1972; Deputy Assistant Secretary of State for International Trade Policy, Bureau of Economic Affairs, from July 1972

Resor, Stanley R., Secretary of the Army until June 30, 1971

Richardson, Elliot L., Under Secretary of State from January 23, 1969, until June 23, 1970; Secretary of Health, Education, and Welfare from June 1970

Rodman, Peter W., member, National Security Council staff from 1970 until 1972

Rogers, William P., Secretary of State from January 21, 1969

Samuels, Nathaniel, Deputy Under Secretary of State for Economic Affairs from March 28, 1969, until May 31, 1972

Satō Eisaku, Prime Minister of Japan until July 6, 1972

Saunders, Harold H., member, National Security Council staff from 1969 until 1971

Scali, John, Chief Diplomatic Correspondent for ABC News until 1971; Special Consultant to the President from 1971

Schlesinger, James R., Assistant Director, Bureau of the Budget, from January 1969 until June 1970; Assistant Director, Office of Management and Budget, from July 1970 until August 1971; Chairman of the Atomic Energy Commission from August 1971

Scott, Hugh, Senator (R-Pennsylvania); Senate Minority Leader

Seaborg, Glenn T., Chairman of the Atomic Energy Commission until 1971

Seamans, Robert C., Jr., Secretary of the Air Force from February 15, 1969

Shakespeare, Frank, Director, U.S. Information Agency, from February 7, 1969

Shimoda Takeso, Japanese Ambassador to the United States from June 28, 1967, until September 1970

- Shoesmith, Thomas P.**, Country Director, Republic of China, Bureau of East Asian and Pacific Affairs, Department of State, from October 1967 until August 1971; Deputy Chief of Mission in Tokyo from August 1972
- Shultz, George P.**, Secretary of Labor from January 20, 1969, until June 10, 1970; first Director of the Office of Management and Budget from June 1970 until May 1972; Secretary of the Treasury from May 16, 1972
- Sihanouk, Prince Norodom**, head of state of Cambodia until 1970; leader of a government-in-exile in Peking from 1970
- Sisco, Joseph J.**, Assistant Secretary of State for International Organization Affairs until February 9, 1969; Assistant Secretary of State for Near Eastern and South Asian Affairs from February 7, 1969
- Smith, K. Wayne**, Director, Policy Analysis Branch, National Security Council, 1971 and 1972
- Smyser, W. Richard**, member, National Security Council Operations Staff/East Asia from 1970 until 1972
- Sneider, Richard L.**, member, National Security Council Operations Staff/East Asia from May 1969 until September 1969; Deputy Chief of Mission in Japan from September 1969 until July 1972; Deputy Assistant Secretary of State for East Asian and Pacific Affairs from August 1972
- Spiers, Ronald L.**, Deputy Assistant Secretary of State for Politico-Military Affairs from August 15 until September 18, 1969; Director, Bureau of Politico-Military Affairs from September 18, 1969
- Stans, Maurice**, Secretary of Commerce from January 20, 1969, until January 27, 1972
- Steadman, Richard C.**, Deputy Assistant Secretary of Defense for East Asian and Pacific Affairs, 1969
- Stein, Herbert**, member, Council of Economic Advisers from January 1969 until November 1971; Chairman, Council of Economic Advisers from January 1972
- Stevenson, John R.**, Legal Adviser, Department of State, from July 8, 1969
- Sullivan, William H.**, Deputy Assistant Secretary of State for East Asian and Pacific Affairs from April 1969
- Symington, Stuart**, Senator (D-Missouri)
- Tanaka Kakeui**, Minister of International Trade and Industry July 1971; Prime Minister of Japan from July 6, 1972
- Tarr, Curtis W.**, Assistant Secretary of the Air Force for Manpower and Reserve Affairs from 1969 until 1970; Director, Selective Service System, from 1970 until 1972; Under Secretary of State for International Security Affairs from May 1, 1972
- U Thant**, Secretary General of the United Nations
- Thayer, Harry E.T.**, Asian Communist Affairs, Bureau of East Asian and Pacific Affairs, Department of State, until August 1970; National War College from August 1970 until June 1971; advisor on political affairs at USUN from June 1971
- Torbert, Horace Gates, Jr.**, Deputy Assistant Secretary of State for Congressional Relations until October 1970
- Treize, Philip H.**, Representative to the Organization for Economic Cooperation and Development, Paris, until July 7, 1969; Assistant Secretary of State for Economic Affairs from July 8, 1969, until November 27, 1971
- Ushiba Nobuhiko**, Japanese Ambassador to the United States from September 21, 1970
- Volcker, Paul A.**, Under Secretary of the Treasury for Monetary Affairs from January 1969
- Wakaizumi Kei**, Professor at Kyoto Sangyo University and confidant of Japanese Prime Minister Sato; used the alias "Yoshida" in secret telephone conversations with Henry Kissinger

Walters, Vernon A., Lieutenant General, USA; Military Attaché to Paris until March 1971; Deputy Director of Central Intelligence from May 2, 1972

Wheeler, Earle G., General, USA; Chairman of the Joint Chiefs of Staff until July 2, 1970

Wickel, James J., Interpreter for the Department of State; Special Assistant in the Executive Section of the Tokyo Embassy; Political Officer from July 1972

Wilson, James Harold, British Prime Minister until June 19, 1970, and from 1974

Wilson, James M., Jr., Deputy Assistant Secretary of State for East Asian and Pacific Affairs from August 1970; Special Assistant to the Assistant Secretary, February 1972; U.S. Representative for Micronesian status negotiations from November 1972

Wright, W. Marshall, member, National Security Council Operations Staff/African and UN Affairs from June 1970 until April 1972; Deputy Assistant Secretary of State for Congressional Relations from April until December 1972; thereafter, Acting Assistant Secretary from December 1972

Yost, Charles W., U.S. Representative to the United Nations from January 22, 1969, until February 25, 1971

Zhou Enlai, see Chou En-lai

Ziegler, Ronald, White House Press Secretary from 1969

Zumwalt, Elmo R., Jr., Admiral, USN; Chief of Naval Operations from July 1, 1970

Japan, 1969–1972

January–November 1969: The Decision for Okinawa Reversion

1. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, January 14, 1969, 1125Z.

267. 1. I had hour and one-half talk with Prime Minister yesterday on my farewell call.² He went into considerable length explaining difficulties with agriculture and his consequent regret that they were not able to do more on agricultural offers during trade talks, but with some time to work out their agricultural problems they will be able to be much more forthcoming.

2. On Okinawa he again emphasized importance he attached to obtaining some agreement this year. He said that he recognized pressure on new administration of other problems and that it would probably take some time before administration would be able to come to grips with Okinawa problem. (He knew statements on Okinawa being made by “doves like Reischauer and Fulbright” and from which Japanese press and public were deriving much comfort did not necessarily represent majority opinion in U.S.) He still hoped to make visit to Washington “not earlier than November” and, if necessary, perhaps it could be a little later. He very much hoped that cabinet-level committee could be held in Japan during summer and that this would give him opportunity to talk to Secretary Rogers. Either before or after cabinet-level meeting he hoped that FonMin Aichi could visit Washington to meet with Secy Rogers. He did not mention visit by Kishi. (Previously Ambassador Shimoda had told me that he had discouraged visit by Kishi at this time, as he did not feel GOJ position sufficiently developed to make visit productive.)

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 533, Country Files, Far East, Japan, Vol. I. Confidential; Exdis.

² U. Alexis Johnson ended his mission as Ambassador to Japan on January 15, 1969.

3. With respect to timing of his visit he said that while he was trying to lead public opinion in Japan on Okinawa, he feared what effects might be on public opinion here of incidents during general strike on Okinawa and adverse reactions to new labor ordinance.³ There could also be other developments in Okinawa during course of year that “could lead public opinion in unforeseen directions” that could make his visit inappropriate in November, thus for time being he wanted to remain flexible on a possible date.

4. Taking advantage of his mention of “gap” between Japan’s and U.S. public opinion, I said I entirely agreed and was very concerned over what I felt were the growing adverse trends in U.S. opinions towards Japan. I said that in part, because of sensationalized news and TV coverage of small minority group demonstrations in Japan against our bases, etc., there was growing feeling that Japan was economically “fat and happy,” financially profiting from our sacrifices in Vietnam, while seeking to expel us from our bases in both Japan and Okinawa. I said that growing reaction to this among many Americans was, if Japan wants us to get out why don’t we. I knew that this did not represent majority or government opinion in Japan, but this was not getting across to American people. Under these circumstances, I was sure that there would be very adverse reaction in U.S. simply “to giving back Okinawa to Japan.” Thus I thought it important that GOJ find better context in which to present problem to us and suggested that one possible means was to present question in terms of GOJ’s willingness to undertake increased defense responsibilities, by accepting same kind of immediate defense mission in the Ryukyus after reversion, as it now accepted in Japan proper. This was apart from conditions with respect to our bases in Okinawa, which involved whether our bases there were to be “effective.” In this connection I, of course, discussed the whole question of graduated deterrence and the necessity of paying attention

³ On November 19, 1968, an American B-52 bomber crashed on Okinawa, creating a rallying point for opposition to the stationing of B-52s on the island. In early January 1969, the Joint Struggle Council of the Council to Protect the Lives of Okinawans announced plans for demonstrations and sit-down strikes to begin on February 4 throughout Okinawa that would interdict movement into and out of the U.S. Air Force Base at Kadena, as well as block traffic on the major Okinawan highways. The Military Workers Union (Zengunro) and the Okinawa Teachers Association decided to participate in the strike after a new Comprehensive Labor Ordinance (CLO) was issued on January 11, which restricted union picketing, union political activities, and, some felt, the activities of ordinary Okinawan citizens. Although the CLO was to take effect on January 25, the Civil Administration of Okinawa responded to widespread criticism by postponing the effective date of the ordinance and consulting with interested parties. The February 4 strike was called off, although some demonstrations occurred. Director of the Bureau of Intelligence and Research Thomas Hughes sent an intelligence note discussing these events to Secretary Rogers on February 3. (National Archives, RG 59, Central Files 1967–69, DEF 15 RYU IS-US) Additional information is *ibid.*, POL 19 RYU IS.

to how Pyongyang and Peking might interpret whatever we did. I also discussed necessity of getting away from present context in which Japan thought it was doing us a favor by permitting us to be here, and instead putting across to USG and American people sense that Japan valued and wanted our presence.

5. Sato received all this in good spirit and said that even JDA and “his own officer” lacked sophistication in military matters. To astonishment of Hori (Chief Cabinet Secretary) and Togo, who were also present, he said that GOJ’s “three nuclear principles” (non-possession, non-production and non-introduction) were “nonsense.” However, this should not be interpreted to mean Japan wants to have nuclear weapons.

6. In response to probing me whether there was a split between military and civilian elements in USG concerning Okinawa, I said that this was not case. As far as I was personally concerned I fully supported importance of maintaining strong deterrent in Okinawa, not with purpose of using it in war but in preventing war, which is a political matter.

7. I also spoke to him about our lack of progress in our space cooperation discussions, pointing out that MITI’s apparent unwillingness to bring space hardware under its export-control regulations was preventing Sato from getting us anything in way of a meaningful package. He said he would look into it right away.

Johnson

2. National Security Study Memorandum 5¹

Washington, January 21, 1969.

TO

The Secretary of State
The Secretary of Defense
The Secretary of the Treasury
The Director of Central Intelligence
The Chairman, Joint Chiefs of Staff

SUBJECT

Japan Policy

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 365, Subject Files, National Security Study Memoranda, Nos. 1–42.

The President has directed the preparation of a paper on US policy toward Japan for consideration by the NSC. The paper should consider alternative US policies with regard to the full range of US-Japanese issues including (1) Okinawa reversion (2) US bases in Japan (3) Security Treaty and (4) Economic Policy.

The President has directed that the NSC Interdepartmental Group for East Asia perform this study and that the Secretary of the Treasury designate a representative to sit on the Group for this study. The Chairman of the Group may invite other agencies to send representatives to particular meetings of the Group.

The paper should be forwarded to the NSC Review Group by March 10, 1969.

Henry A. Kissinger

3. National Intelligence Estimate¹

NIE 41–69

Washington, February 17, 1969.

[Omitted here is a table of contents and a map of the Western Pacific.]

PROSPECTS FOR THE US-JAPANESE SECURITY RELATIONSHIP

CONCLUSIONS

A. The next year or two will be critical for the US-Japanese security relationship. Japanese national elections must be held this year or next. In addition to domestic questions, the issues will include continuation of the Security Treaty, reduction of the numbers of US bases in the Japanese home islands, the reversion of Okinawa to Japanese administration, and subsequent US use of the bases on Okinawa.

B. The problems relating to Okinawa are the most immediate. If Prime Minister Sato is unable to obtain an agreement in 1969 which

¹ Source: Central Intelligence Agency, ODDI Registry of NIEs and SNIEs, Job 79-R01012A. Secret. The Central Intelligence Agency and the intelligence organizations of the Department of State, the Department of Defense, the Atomic Energy Commission, and the National Security Agency participated in the preparation this estimate. The Director of the CIA submitted this estimate with the concurrence of all members of the USIB with the exception of the representative of the FBI who abstained on the grounds that it was outside of his jurisdiction.

provides for reversion of Okinawa to Japanese administration in the course of the early 1970's, his own political position will be seriously damaged and the position of the ruling party will probably suffer to some extent. In such circumstances, Sato or any successor would take a stiffer line with the US on security issues. There would be increasing pressure to reduce the US base structure in Japan itself. In Okinawa, there would be a sustained and increasingly bitter local agitation against US civil control and the US military presence.

C. Assuming agreement on the issue of Okinawan reversion, the problem of bases in Japan will probably not offer major difficulties. In negotiations on the use of bases in Okinawa after reversion, we expect the Japanese to press for the same rules as apply to the US bases in Japan. On the question of "prior consultation" concerning conventional military uses, we believe that a mutually acceptable solution could probably be worked out, and on better terms for the US than now apply to the use of US bases in Japan. We believe that it would be much more difficult politically for Sato to agree to nuclear rights for the US on Okinawa after reversion.

D. Japan's leaders view the Security Treaty as part of a complex bilateral relationship which has proven highly advantageous to Japan for almost two decades. Despite Japan's growing economic strength and nationalism, the Japanese people show no enthusiasm for the financial burdens and political costs of a large military buildup. For the next few years at least, the Japanese leadership sees no alternative to continued reliance on the US nuclear umbrella and the Security Treaty.

DISCUSSION

I. INTRODUCTION

1. The next two years are going to be critical ones for Japan. In this period, security relations with the US as well as the Security Treaty itself will be under intensive re-examination, and, from the left, under attack. The future status of Okinawa will be an increasingly urgent and even more sensitive issue. National elections are mandatory by January 1971 and, according to custom, Premier Eisaku Sato should relinquish his office to a successor by December 1970. Jockeying for the succession will be going on throughout this period. All these events tend to become intricately interwoven; moreover, they will occur over a period in which the international situation may be in flux, not only because of developments in Vietnam, but as a consequence of possible shifts in Chinese policies and in those of the US as well.

2. The situation invites comparison with 1960 when Prime Minister Kishi, though successful in accomplishing Diet ratification of the Security Treaty, was forced by internal party pressures to resign in the wake of massive and violent leftist demonstrations against his policies

and widespread public displeasure with some of his political methods. The affair led to a generally more cautious Japanese posture in security relations with the US and, for a time, cast doubt on the viability of the US military base structure in Japan.

3. Prime Minister Sato wants to avoid a repetition of the kind of thing that happened in 1960. He has decided to avoid the problems inherent in any attempt to renegotiate the terms of the treaty and, instead, to permit its continued application for an indefinite period.² Japan's leftist forces have responded predictably with plans for a year-long campaign against the government on the treaty and related security issues. Under Japanese political ground rules, Sato would invite serious trouble if he tried forcibly to prevent the demonstrations which seem certain to occur. He has been attempting, therefore, to handle security relations with the US in a way calculated to deny additional support to his leftist opponents and to maintain domestic acceptance of his own foreign policy positions. He hopes, by projecting an image of reasonableness in dealing with his domestic opponents and one of firmness in future dealings with the US, to get through the next two years without serious damage to his own political stature, to the position of his party, or to the overall Japanese relationship with the US.

4. Whether or not Sato will be successful depends on many things, including some matters over which neither he nor Japan may have much control. But two factors will be of overriding importance: his domestic political position in general, and his ability to handle outstanding issues between the US and Japan, particularly Okinawa and other security problems.

II. THE DOMESTIC POLITICAL SITUATION

5. The position of the Sato government appears secure at this time. His Liberal-Democratic Party (LDP) holds a solid 57 percent majority of the seats in the all-important lower house of the National Diet, and new elections could be delayed as late as January 1971. Perhaps more significant, support for Sato within the LDP itself has been reaffirmed as recently as November 1968, when he easily won his third two-year term as party president.

6. A fundamental source of strength for the Sato government at this juncture is the generally good economic situation. The seemingly endless Japanese boom has brought full employment and improved living standards to virtually all levels of the society, and a conspicuous beneficiary has been the skilled worker whose unions provided the

² The "Treaty of Mutual Cooperation and Security" between the US and Japan became effective on 23 June 1960; its term is indefinite but, after 10 years, either side may terminate it upon one year's notice. [Footnote in the source text.]

backbone of leftist strength in the 1960 riots. Despite persistent criticism of the LDP for failure to provide adequately for social welfare and similar needs, conservative leadership in Japan has become identified in the public mind with the national prosperity.

7. The fortunes of the main opposition party, the Socialists (JSP), who hold 29 percent of the lower house seats, are at their lowest ebb in years. Wedded to Marxist dogma and preoccupied with factional rivalries, the Socialist leadership has consistently failed to enunciate realistic alternatives to LDP policies, and popular support for the party is slowly diminishing. Indeed, the Japanese left generally is in considerable disarray, split into many segments over issues ranging from the Sino-Soviet dispute to student militancy at home. Even in the struggle against the Security Treaty, effective cooperation among the various leftist parties and organizations has become difficult to achieve. The Socialist campaign plan, for example, provides no formal role for the Communists (JCP). For its part, the JCP, with a persistent one percent of the Diet representation, is engaged in a searching reappraisal of its part in Japanese political life. Preoccupied with this reappraisal and fearful of bringing on government suppression, the Communists have become much less willing than before to provoke the government in the streets.

8. Despite these weaknesses of the left, the principal short-term challenge to the stability of the Sato government will nonetheless be leftist efforts to capitalize on public discontent with regard to various security-related issues. They will also seek to exploit the growing sense of independence and nationalism. As in the past, there will probably be attempts by the JSP and JCP to disrupt normal legislative business in the Diet, coupled with sporadic strike action by their union affiliates. But the major leftist pressures will probably be generated in the larger cities where demonstrators, spearheaded by leftist labor unions and by militant students, will try to overwhelm the police and to damage or seize public buildings. There may also be attempts to storm some of the many scattered US military installations in the country. The objective would be to create a situation sufficiently threatening or chaotic to induce the resignation of the Sato ministry. Many leftist leaders probably have little expectation of ousting Sato by their violent tactics, much less of terminating the Security Treaty. To them, the treaty and related security issues are important mainly as they provide opportunities for intensifying and expanding their long-term challenge to the Japanese "establishment."

9. These issues are particularly well-suited to leftist political needs because they offer hope of attracting support from Japan's rising non-Marxist parties, the Democratic Socialists (DSP) and the Komeito, the political arm of the militantly nationalistic Buddhist movement, Soka

Gakkai. (The DSP and the Komeito each controls five to six percent of the lower house seats.) The DSP, for want of feasible alternatives, has long maintained a foreign policy position only a shade to the left of the government. The Komeito, however, is moving rapidly to profit from rising Japanese nationalism by urging greater independence of the US. Its positions on security issues increasingly resemble those of the JSP and JCP, though it stops short of demanding immediate abolition of the Security Treaty. These combined pressures have begun to influence the DSP leadership to contemplate a similar reorientation. Even some of Sato's LDP rivals are beginning to view the situation as a fruitful source of political ammunition with which to dislodge him or, more realistically, to prevent him from naming one of his close associates as successor.³

10. Barring Sato's resignation as a consequence of leftist-generated pressures, he will probably face the voters once more before he retires. Sato's present plan, if he is first successful in reaching a satisfactory agreement with the US on the Okinawa issue, is to call for lower house elections in advance of the obligatory date of January 1971—perhaps late this year or early in 1970. He would be seeking to capitalize on his handling of the sensitive Okinawa issue and, in the process, to gain a mandate for his policy of continuing the Security Treaty. If he failed in 1969 to secure what he believed to be a satisfactory agreement, elections would probably be postponed until some time later in 1970 and would have to be fought on the issues both of Okinawa and the Security Treaty. Sato's failure in the meantime to score success on the Okinawa issue would have weakened his position.

11. In the first set of circumstances—a 1969 or early 1970 election following a satisfactory Okinawa settlement—Sato's LDP would almost certainly retain a comfortable edge in the lower house. If the election were held while Okinawa problems remained unsettled, either in 1969 or 1970, the LDP would probably sustain significant losses. These would almost certainly not be heavy enough to overturn the conservative majority in the lower house, but the setback might be of sufficient proportions to cause Sato to relinquish control of the party and thus lead to a period of intense factional maneuvering to choose his successor.

12. Among potential LDP successors to Sato—if he resigns in adverse circumstances—are former Foreign Minister Takeo Miki, runner-up in the November 1968 LDP election, and Shigesaburo Maeo, who ran third. These two men and most other potential candidates

³ Sato's term as president of the LDP ends in December 1970, and he is unlikely to undertake a campaign for a fourth term which would be unprecedented in LDP history. He might, of course, choose to step down voluntarily somewhat earlier. [Footnote in the source text.]

from outside the Sato wing of the party are committed to a more independent posture toward the US and a more flexible attitude toward Peking. If one of them became prime minister, it would almost certainly be harder for the US to deal with the Japanese on security issues, though they would not necessarily become antagonistic toward general US political objectives in East Asia. And to the extent that Okinawa remained unsettled and an issue of public controversy in Japan, any successor to Sato—whether named by him or otherwise chosen—would take a stiffer line with the US on security issues.

13. It can be argued that US preoccupation with security issues has led American observers to exaggerate the potential impact of these issues on Japanese elections. In past elections, personal qualities of the candidates have probably been the single most important factor, domestic issues second, and foreign affairs generally not of critical significance to the outcome. This situation was rooted in the general apathy of the populace toward international issues, the extraordinarily slow revival of nationalism in postwar Japan, and the absence of a non-Marxist opposition party willing to oppose essential elements of the US alliance. We believe that this situation is changing, however, and that the new assertiveness we have begun to observe in Japan's international dealings will be increasingly reflected in the attitudes and actions of the Japanese electorate.

III. JAPANESE SECURITY PROBLEMS AND THE US ALLIANCE

A. The Security Treaty

14. A major problem in the US-Japanese security relationship is that most Japanese and their leaders do not perceive any direct military threat to their security at this time. There is suspicion of Soviet ambitions in Northeast Asia and official displeasure with the USSR's continued occupation of a few small islands northeast of Hokkaido. Nevertheless, the Japanese generally believe that the Soviets will maintain friendly relations in hope of ultimately weaning Japan from the US alliance, preventing a close Japanese relationship with Peking, and keeping open the possibility of a greatly expanded Soviet-Japanese economic relationship. In any case, few Japanese anticipate any resort to force by the USSR in the area.

15. While there is some concern in the Japanese Government over China's recent progress in the development of nuclear weapons and strategic missiles, there is little apprehension among Japanese in general about a Chinese military threat, certainly not one to Japan. Such concern as there may be in official quarters over the potentialities of China's massive ground forces is offset by the absence of respect for its air and sea forces. Some years hence, of course, as China further develops its capabilities for strategic warfare, these attitudes may change. At pres-

ent, such concern as there is in Japan over a Chinese military threat is chiefly in terms of the possibility of war between China and the US in which Japan might somehow become involved. This accounts in large part for the sensitivity of the Japanese to US military actions in South-east Asia which might conceivably provoke Peking to fight, and to an even greater concern on their part whenever there appears danger of war in Korea.

16. Nevertheless, the leaders of Japan feel the need for a powerful military protector. Unarmed neutralism, a popular concept in early postwar Japan, presently has little support. The Japanese leadership and much of the populace recognize the perils of such a policy in the volatile East Asian environment. Although the concept of neutralism founded on a strong, nuclear-armed, and independent Japanese military establishment is developing some appeal, the political and economic obstacles to it would be formidable. A decision to go nuclear would imply vastly increased military expenditures and require a substantial change in the domestic political climate. In addition, the Japanese believe that a substantial military buildup by them would cause mistrust among the non-Communist nations of East Asia and sharpen the hostility of the Communist states, all to the detriment of Japan's long-range interests in the region. It seems unlikely, therefore, that the Japanese would opt for armed neutrality under present circumstances.

17. Given the need for a protector, the Japanese prefer to see the US in this role. But the value of the alliance for many Japanese lies almost entirely in the nuclear umbrella provided by the US. They tend to look upon the US base structure and US military privileges in Japan and Okinawa as concessions granted in a different era and, with some exceptions, intended to serve American interests in areas sometimes remote from Japan. Many Japanese leaders take a different view. Sato and other conservative leaders believe a strong US military position in Northeast Asia to be of benefit to Japan, at least until it is prepared to participate more fully in its own defense.

18. Japanese leaders have never pressed for the abrupt removal of the US bases or the immediate and unconditional return of Okinawa. They have accepted the existing situation because they do not want to jeopardize the treaty with the US and the security commitment it affords, and because they see the US alliance as an essential component in a complex of relationships—political and economic—which have proven highly advantageous to Japan for almost two decades. Indeed, the economic relationship in which the US consistently accounts for some 30 percent of Japan's trade is at least as compelling as Japan's security requirements in guaranteeing its continued desire to align itself with the US.

19. It is possible, of course, that Japanese leaders are quietly planning for the day when their own forces, equipped with nuclear and

conventional weapons of Japanese manufacture, could defend the country without US assistance. For a good many Japanese military men, and some civilian strategists as well, this is clearly the preferred course. Their influence, however, has so far been slight and the Japanese defense buildup continues to be an extremely slow affair. Every indication is that current Japanese defense planning is premised on the expectation that US air and naval forces will for years to come provide for the strategic defense of Japan, while indigenous forces play a defensive role in the neighborhood of Japan itself. Japanese military planners hope eventually to develop air, sea, and ground forces capable of holding an attacking force in check until major US support becomes available. If and when the Japanese do develop such capabilities, they would probably anticipate the virtual elimination of the US military presence in Japan. But the process of building even these forces would require many years and, in any case, would not eliminate the need for nuclear protection.⁴

20. The prospect of indefinite dependency on the US is obviously galling to Japanese nationalists of all political colorations. But for want of a viable alternative, as well as for the positive advantages the Security Treaty provides, the leaders of Japan are willing to accept its continued application. To say this, however, is not to say that they are content to see present arrangements continue without some changes or adjustments. In the long run, such sentiments will probably lead to more serious consideration of "armed neutrality" by the Japanese leadership, and this process would be accelerated if faith in the US alliance were somehow shaken.

21. There is no indication that the Japanese are now planning for the production of nuclear weapons, though they have the capability to build them.⁵ We do not believe that Japan will decide during the next few years to develop such weapons. In addition to various economic and technological obstacles, the Japanese would have to circumvent numerous international safeguards on certain nuclear materials. Moreover, the Japanese nuclear allergy shows few signs of weakening despite efforts by Sato and others to encourage a less emotional approach to the matter. Even if the Japanese ratify the Nuclear Nonproliferation Treaty, they are not necessarily foreclosing the option to develop nuclear weapons systems. In charting their course on the issue,

⁴ In the unlikely event that conservative elements lost control of the Japanese Government, the program of increased national military strength suggested here might not be pursued. But it seems unlikely that any potential successor regime would abandon the effort to maintain some kind of program for a Japanese military establishment. [Footnote in the source text.]

⁵ [2 paragraphs (16 lines) not declassified. Footnote in the source text.]

they will be acutely sensitive to any reduction in the credibility of US nuclear protection.

B. The Bases Issue

22. Until recently, the presence of US bases in Japan was a greater irritant in US-Japanese relations than the Okinawa reversion problem. The bases are visible and the problems associated with their use are more immediate to the Japanese, their Diet representatives, and their local officials. Near airfields, there is frustration over persistent noise and radio and television interference, as well as fear of aircraft crashing into populated areas. Complaints of electronic interference are also a problem near many US facilities. Ammunition depots and gunnery ranges cause concern over personal safety in adjacent land and sea areas. In the rapidly growing suburbs of large urban areas, particularly Tokyo, there is resentment on the part of private and municipal interests desiring to acquire valuable home, farm, or factory sites. And, of course, given the Japanese nuclear phobia, visits by nuclear-powered US naval vessels can lend themselves to exploitation by Japanese critics of the security relationship with the US. Finally, there is widespread sentiment in Japan against the presence of foreign troops and concern in base areas over such related problems as miscegenation and the morals of youth.

23. Though the Sato government occasionally opens conversations with the US on base issues chiefly in response to public outcries, Japan's conservative leadership is nonetheless genuinely desirous of reducing the US military presence. In line with political realities and in recognition of deep-seated Japanese yearnings for greater international stature and independence of action, the leadership has virtually committed itself to a program of progressive though gradual reduction of US bases during the 1970's. Eventually, the leaders would like to see the US retain only those bases which they themselves consider important for the protection of Japan and Japanese security interests in Northeast Asia from the threat of Chinese or Soviet attack or nuclear blackmail. These include, for example, the naval bases at Sasebo and Yokosuka, and the airbase at Misawa in northern Honshu. The conservatives do not necessarily wish to close down all the other US bases. They are focussing on those like the Itazuke Air Base near Kyushu University which have become tremendous political liabilities, and on recreational and training facilities situated on valuable acreage which they consider marginal to the US military mission in Japan. Some US installations are also being sought for the use of the Japanese armed forces, or for maintenance on a standby basis, perhaps under some sort of joint-use option. In this way, too, the further expansion of Japan's forces could more easily be justified to the public.

24. During 1968, popular pressures for a reduction of the US military presence grew in consequence of a series of incidents: several aircraft mishaps (particularly the crash of a jet fighter in Kyushu), alleged nuclear pollution of Sasebo harbor, and the opening of a new US military hospital in downtown Tokyo. Upon the request of the Japanese Government, the US agreed in late 1968 to reduce its military installations and facilities from about 150 to about 100. Japanese critics contend, however, that most of the facilities to be surrendered are minor ones, and pressures for additional reductions are strong. This persistent public attitude will require Sato to exercise great tact in handling base-related problems and to show some forward movement in dealings with the US on such issues. But barring some new calamity at a US base, popular opinion will probably be more influenced by Sato's manner of handling the base issue than by the substance of particular solutions. In the longer term, however, with nationalism on the upsurge and the centrist parties increasingly pitching their appeals to the electorate on the bases issue, the LDP will probably feel compelled to increase its demands on the US and to enunciate them more positively.

C. Okinawa

25. In the immediate future, the Okinawa issue is likely to prove the most urgent and troublesome of all the US-Japanese security problems. The issue includes both the question of reversion to Japanese administration and questions about US military use of the island. As to the first, Sato has committed himself before the electorate to obtaining from the US in 1969 a firm timetable for the subsequent reversion of Okinawa to Japanese administration. He has publicly implied that the US agreed to this procedure at the time of his official visit to Washington in late 1967. Sato's problems have been increased by the election in November 1968 of Chobyō Yara as Chief Executive of the Ryukyus. Yara, who handily defeated a conservative opponent backed by the LDP, campaigned on a platform which demanded immediate reversion of the Ryukyus, the exclusion of nuclear weapons from the islands, and the progressive reduction of the US military presence. Yara's election is seen by the Japanese as a clearcut indication that the majority of Okinawans desire an end to the US occupation. The leftists have pounced on the issue, while the LDP leadership has been seeking refuge in Sato's earlier pronouncements and in a host of quasi-official proposals for achieving prompt reversion.

26. Another source of pressure for reversion is the assumption in Japan that the end of the Vietnamese war will greatly diminish US demands on the Okinawan military complex. Many also believe that the development of new strategic weapons by the US has considerably

reduced its need for Okinawan bases, particularly for any deployment of nuclear weapons. Such arguments are most often used by conservative critics of the US position on the island. Another argument, which is put forward by the leftists, is that the dismantling of the Ryukyu base structure will assure Peking of Japan's good intentions and open the way for a more fruitful relationship. But this argument carries little weight in other circles.

27. The Sato government wants to open meaningful negotiations with the US on Okinawa soon. The Japanese scenario calls for a succession of high-level US-Japanese meetings during the spring and summer of 1969, after which Sato himself would come to Washington in the fall to achieve a final agreement. The Japanese negotiating position is not entirely clear, at least at this stage. Sato himself would probably be satisfied with an agreement that set a firm date for a Japanese administrative takeover in the not too distant future—e.g., two or three years hence. He personally would be more than willing to defer the highly sensitive and less tractable issues respecting US use of the Okinawan bases.

28. Sato will, however, be under considerable domestic political pressure to move beyond his personal inclinations and to put forward additional demands concerning Okinawa. For example, there are widespread pressures in both Okinawa and Japan for reversion at "home-land level"—i.e., applying the same rules to US use of Okinawan bases as apply to those in the home islands. These include a US obligation to engage in "prior consultation" with the Japanese Government on any changes in the equipment of US forces in Japan, which is taken to mean nuclear weapons. A second requirement is to hold "prior consultation" in the case of combat operations launched from US bases in Japan against areas outside of Japan. Moreover, the US has agreed that "prior consultation" means "prior agreement."

29. We cannot be sure precisely how Sato will maneuver between his own preferences, Japanese domestic pressures, and US positions. We expect that he will feel compelled to press hard for the exclusion from Okinawa of the nuclear weapons which virtually all Japanese believe are stored there. He would seek a US commitment for their exclusion at the time of reversion, though he might settle for some such commitment tied to a later date, preferably not too distant. On the issue of "prior consultation" concerning US conventional military use, Sato can probably afford to be much more flexible, particularly if tensions in Southeast Asia were to subside during 1969 and if the B-52s were meanwhile removed from Okinawa. The presence of these aircraft on the island, especially in what appears to be a direct combat role over Southeast Asia, has been a source of political difficulty to Sato at home and, on Okinawa, the issue has been sharpened by the

November 1968 crash of one of these aircraft. Sato and other Japanese leaders have a good reason for not pressing for “prior consultation” for conventional military use; the absence of the “prior consultation” formula would enable them to avoid political and diplomatic responsibility for US military use of Okinawa in connection with any conflicts in Southeast Asia.

30. In the light of the various circumstances outlined above, we believe that a failure by Sato to achieve an agreement with the US in 1969 which promised reversion of Okinawa to Japanese administration in the course of the early 1970's would be very damaging to his political position, and the position of the LDP would probably suffer to some extent. Ultimately, these developments would adversely affect the US-Japanese security relationship as a whole and cooperation on a variety of other issues would also be impaired. Failure would also bring about greater pressure to reduce the US base structure in Japan. In Okinawa, there would be a sustained and increasingly bitter campaign of local agitation against US civil authorities and the US military presence. Under these conditions, Okinawa's role in support of US forces in Southeast Asia and Korea might be seriously impaired.

31. We are less certain of the impact of a failure by Sato to gain a US promise to exclude nuclear weapons from Okinawa. Some kind of compromise formula on this point, if coupled with a satisfactory agreement on reversion, might be sufficient to enable Sato to overcome his critics at home, but we believe that this could entail substantial political risk for him. On the question of “prior consultation” for conventional military purposes, there are innumerable variations and interpretations which could prove reasonably acceptable to the majority of Japanese and to Okinawans as well.

D. Other Bilateral Issues

32. Security-related issues are likely to provide the major immediate hurdles in US-Japanese relations, but over the longer range, there are other potentially troublesome problems. For the next year or two, differences on the question of relations with Communist China will probably not be of sufficient magnitude to warrant harsh words or heavy criticism on either side, at least at official levels. Over the longer term, however, with the possibility of Peking's return to a more rational posture in its foreign relations as the Cultural Revolution diminishes, with the Japanese increasingly seeking ways to assert their independence of the US, and with such NATO allies as Canada, Italy, and Belgium moving toward diplomatic relations with the Chinese, pressure will build in Tokyo for a reappraisal of China policy. There will probably be renewed interest in “bridge-building” to Peking and, to the extent that relations with Communist China appear promising, the

Japanese may show a gradually diminishing concern over the political sensitivities of the Nationalist Chinese—despite Japan's considerable interests in Taiwan. Japan's desire to assure itself a leading position in Chinese markets and to influence Chinese policies in the direction of moderation may lead the Japanese into conflict with US efforts to discourage meddling by China along its Southeast Asian borders. US efforts to enforce COCOM controls on the shipment of strategic goods and technology to China (and North Korea as well) might become increasingly difficult and unproductive.

33. Despite the intricate network of US-Japanese economic relationships, there are only a few problems in this sphere which might cause significant friction. The main one is almost certainly the question of the import restrictions imposed by both. In the US view, Japan has been very slow to liberalize its various formal and informal import restrictions. Japan, for its part, seeks improved access to US textile, steel, and chemical markets. Such problems are for the most part normal between great trading nations. In this case, despite occasional emotional overtones, they are unlikely to develop into major problems. If the US should return to protectionist policies, which would invite Japanese retaliation, there would be major adverse effects on the entire range of US-Japanese relations. Similar trouble could result if US private capital should begin to enter Japan on a scale and in a way which hurts Japanese economic interests and arouses Japanese xenophobia.

IV. JAPAN'S PROSPECTIVE SECURITY ROLE IN EAST ASIA

34. As noted earlier, many of the problems in the US-Japanese security relationship are rooted in Japan's relatively relaxed appraisal of the military threat from the Asian mainland. Another factor, at least at present, is the relatively narrow scope of Japanese political interests overseas. The Japanese have demonstrated little interest in gaining political influence in Latin America and Africa. And their interests in the Middle East and in the Asian subcontinent—India, Pakistan, and Ceylon—are likely to remain strictly economic.

35. Even in East Asia, Japan is cautious in its political involvements, though there is considerable variation in its attitudes toward Northeast and Southeast Asia. South Korea is strategically and historically of great importance to Japan. Japan has overtaken the US as the leading trading partner of the Republic of Korea, and may soon take the lead as a provider of economic assistance. *[less than 2 lines not declassified]* In official channels, there are quiet working arrangements between Seoul and Tokyo on certain questions related to defense, intelligence, and internal security. These ties will grow, although traditional Korean distrust of the Japanese and Japanese caution about military involvements in Korea will compel both governments to move slowly.

36. Another limiting factor is a division of opinion among leading Japanese as to the nation's stake in South Korea's security. Many see Japan's interests there as primarily economic and would like to keep them so. Even some of Sato's adherents express an unwillingness to risk involvement in what they see as a persistent and dangerous quarrel between North and South. The problem is not pressing in the view of the Japanese so long as they can rely on the US to defend South Korea. In the event of another major Communist attack in Korea, any conservative Japanese Government would choose to facilitate the US military effort, but would probably not itself assume an active military role, save in defense of home waters.

37. Taiwan also has strong historical ties to Japan, but there is much less concern among the Japanese with any strategic significance it may have for Japan. Perhaps the return of the Ryukyu Islands, which stretch to within 75 miles of Nationalist Chinese territory, would lead to a reappraisal of that island's importance.

38. Japan's political concern in Southeast Asia is growing but its interests there are less compelling. Trade is important, but it amounts to only about 10 percent of Japan's total, and there is widespread awareness in Japan that the region is not central to the nation's prosperity, either in terms of markets or raw material supplies. Nevertheless, the Japanese recognize that events in Vietnam and elsewhere in Southeast Asia could take a dangerous turn which might have adverse consequences closer to Japan. At the same time, developments in Southeast Asia will offer increasingly broad opportunities for the prosperous Japanese to exert their influence, both in regional affairs and within specific countries. There will be a persistent unwillingness, however, to become deeply involved in the region's political turbulence lest such activity reawaken fears of Japanese domination and prejudice commercial interests in the area. There is a deep-seated belief in Japan that the answer to stability in Southeast Asia lies in economic development. In any case, Japan will almost certainly continue to consider security in the region to be primarily the responsibility of the US.

39. Over the years, however, particularly as the power of the Chinese grows, the Japanese will probably feel increasingly compelled to defend their own economic interests and to compete with Peking for influence among the nations of Southeast Asia. In the process, Japan may come to a different view of its political role and security responsibilities in the region. Any such change would cause the Japanese leaders to reassess their country's security relationships with the US. But such reassessment, if it comes, is still some years off.

4. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, March 12, 1969.

SUBJECT

Okinawa

Problem

By far the toughest and most crucial issue we face today with Japan is reversion of Okinawa. Reduced to its most essential elements, the Okinawan problem involves

—Weighing the political costs of an effort to maintain the current status *against* the security costs of returning administration of the islands to Japan and thereby incurring some reduced flexibility in the use of our military bases.

—Estimating realistically the prospects for minimizing the security costs of reversion through negotiation of special arrangements with Japan regarding use of our bases.

Reversion Negotiations in 1969?: A Balance Sheet

1. The Military Costs

Okinawa is the most important U.S. military base system in the Western Pacific. The availability of the Ryukyus, close to potential theaters of operation, adds substantially to U.S. deterrence power in Asia and to overall U.S. capability and flexibility in the Pacific at all times, but especially in the early stages of an active military operation.

The value of the Ryukyu bases is enhanced by the absence of legal or foreign country restrictions on free access to or use of the facilities. The only restrictions on U.S. freedom of action in the Ryukyus are political restraints imposed by the need for local acquiescence and Japanese cooperation in continued U.S. administration of the bases.

The Joint Chiefs of Staff have sent you a memorandum describing the main military purposes of our bases in Okinawa. Essentially they are:

(1) A close-in staging area and operational base permitting the maintenance of dual capable (conventional and nuclear) ground and

¹ Source: Library of Congress, Kissinger Papers, RD drawer 1, Memoranda to the President, 1969–72. Top Secret; [*handling restriction not declassified*]. On March 18, Kissinger sent this memorandum to the President under a memorandum that read: "Although Okinawa will be considered by the National Security Council shortly, I thought you would be interested in this think-piece which outlines the essential elements of the Okinawan problem."

air forces in readiness for swift reaction in an arc stretching from Northeast to Southeast Asia;

(2) A centrally located logistical complex and weapons storage base which has a major mission in support of land, air and naval forces operating in the Western Pacific;

(3) A hub of an extensive communications network in the region.

Reversion of Okinawa would not basically and adversely affect most of the day-to-day military activities on Okinawa since these relate to logistics and communications missions. The principal military activities directly affected by reversion, if we applied the current ground rules in Japan, are combat air sorties, such as the current B-52 operations against Vietnam, and nuclear storage on Okinawa.

The loss of Okinawan nuclear storage would degrade our nuclear capabilities in the Pacific and reduce our flexibility, points of major concern to the Joint Chiefs of Staff. *[less than 3 lines not declassified]* Reversion would have the following military costs in terms of the specific missions of the nuclear weapons now deployed on Okinawa:

- (1) *[1 paragraph (7 lines) not declassified]*
- (2) *[1 paragraph (3 lines) not declassified]*
- (3) *[1 paragraph (5½ lines) not declassified]*
- (4) *[1 paragraph (3 lines) not declassified]*
- (5) *[2 paragraphs (4 lines) not declassified]*

[1 paragraph (5½ lines) not declassified]

2. The Political Costs

Effective use of Ryukyu bases has always depended on the acquiescence of both Japan and the Ryukyus to continued U.S. administration of the area. This we have had for several reasons:

(1) The commitment in principle to reversion by every American President since 1952;

(2) Until recent years the willingness of both the Ryukyuans and Japanese to accept reversion as a distant goal, and their fears to challenge the U.S. on this issue;

(3) U.S. agreement to greater self-autonomy for the Ryukyuan Government and close economic and cultural ties between Japan and the Ryukyus, measures which have staved off serious dissatisfaction with continued American administration but have also served to whet the appetite for reversion;

(4) The active cooperation of the Japanese Government in positively restraining, until recently, reversionist pressures;

(5) Acceptance by key elements of the Japanese establishment, although not the public, of the security value to Japan of a major U.S. military posture in Okinawa.

In the past two years, however, reversionist pressures have swelled. The pressure for reversion comes now from Prime Minister Sato and the local Ryukyuan leaders who are responding both to strong local

political pressures and to their own sense of national pride. At the root of the reversion demand is the urge to conclude prolonged foreign rule.

Sato made his first effort to resolve the Okinawa issue in November 1967. During the talks at that time with President Johnson it was agreed to keep the problem under joint and continuous review and to express publicly U.S. “understanding” of the desire for reversion and Sato’s interest in reaching agreement within a few years on a date for reversion. Privately and most confidentially, the Japanese were advised that, due to the U.S. 1968 election and Vietnam, the U.S. Government was unable to give an answer on Okinawa before 1969 at the earliest and that there were both problems of military (e.g. nuclear) requirements and Congressional opposition to deal with. The Japanese Government accepted and fully understood this position.

The real push for reversion has come in the past six months, reflecting a growing public demand particularly in Okinawa but also in Japan. It is now the avowed determination of the Sato Government, supported fully both in Japan and the Ryukyus, to reach an agreement with us on the future timing of reversion within 1969. 1969 has become a key date since Sato is convinced the reversion problem must be solved before the expected 1970 confrontation over the U.S.-Japan Security Treaty and a continued alliance relationship with the U.S. The pressure for reversion is even more acute in Okinawa and has been given major momentum by the election of a left-wing Chief Executive in November 1968, despite major U.S. and Japanese Government efforts to bolster up the conservative candidate. In fact, the margin of Ryukyuan acquiescence necessary for effective use of our bases has seriously eroded.

A decision not to move ahead with reversion in the near future would therefore have major political costs and risks both in Japan and in Okinawa. These costs are summed up in the latest National Intelligence Estimate, concurred in by all agencies:

“The problems relating to Okinawa are the most immediate. If Prime Minister Sato is unable to obtain an agreement in 1969 which provides for reversion of Okinawa to Japanese administration in the course of the early 1970’s, his own political position will be seriously damaged and the position of the ruling party will probably suffer to some extent. In such circumstances, Sato or any successor would take a stiffer line with the U.S. on security issues. There would be increasing pressure to reduce the U.S. base structure in Japan itself. In Okinawa, there would be a sustained and increasingly bitter local agitation against U.S. civil control and the U.S. military presence.”²

² For the full text, see Document 3.

3. Conclusion

Reversion under the present ground rules in Japan, the “homeland level”, would definitely result in significant military costs to us. On the other hand, the political pressures for reversion have now reached a point where military costs are possible if we refuse to enter into reversion negotiations with the Japanese. A case can be made that the costs to effective use of our military bases in both Okinawa and Japan may be less over the long run if we agree to negotiate now and use this for leverage to gain special rights increasing our freedom to use our bases in both Okinawa and Japan.

Negotiating Issues: Minimizing the Military Costs of Reversion

The following negotiating issues will require resolution before we can finally agree to reversion:

1. Nuclear Storage

The toughest negotiation issue will be the right to continued nuclear storage on Okinawa. Current Japanese Government policy, supported very broadly through the country, is to bar nuclear weapons of either Japanese or U.S. origin from Japanese soil. The likelihood is that the Japanese Government will seek full withdrawal of nuclear weapons from Okinawa because the political costs of any other action would be too prohibitive to risk.

There is a slim possibility that the Japanese Government might agree to continued nuclear storage, at least for an interim period. If they did, the anticipated broad public dissatisfaction with this decision leaves very serious doubts whether the Diet will agree. Furthermore, in the very slim possibility that Japanese agreement to nuclear storage is obtained, we must recognize that the Japanese proponents of this position view this as the opening wedge for an independent Japanese nuclear force.

The Joint Chiefs of Staff currently favor seeking continued nuclear storage in Okinawa. Other agencies are not in agreement although recognizing the consequent degradation in our nuclear capabilities.

If we agree to withdraw nuclear weapons, there are several options short of full storage which are negotiable with Japan:

(1) The right to return nuclear weapons to Okinawa in the event of a major emergency. This would be helpful should there be a serious threat of nuclear hostilities in Asia but the arrangement would have to be highly secret.

(2) [1 paragraph (5 lines) not declassified]

2. Conventional Free Use

The present arrangements with Japan permit us freedom to conduct conventional military operations from Japanese bases, without first

consulting with the Japanese Government, in the event of a resumption of UN hostilities in Korea. This right would be automatically extended to Okinawa following reversion. The U.S. military posture would clearly be strengthened to the extent we could undertake other conventional military operations without prior consultation with the Japanese Government, particularly against Vietnam as long as the hostilities continue. There are firm indications that at the present the Japanese Government is prepared to go a good distance to meet this requirement. Sustained military operations over an extended period, however, would undoubtedly necessitate consulting the Japanese Government. There are several key problems:

(1) *Radius for Combat Areas*—From the U.S. viewpoint, no limitation on combat areas would be preferable. At a minimum combat operations in the Taiwan area, in Vietnam as long as the hostilities continue, and Korea are desirable. [1 paragraph (5 lines) not declassified]

(2) *Okinawa and/or Japan*—The key question involved here is whether we should seek special rights for our Okinawan bases alone or have such rights extend to both our bases in Japan and Okinawa. Extending any special rights to both areas has preferred features for us and may well be feasible (except for B-52 operations against Vietnam) since it offers the Japanese Government the opportunity to state that the new arrangements are at the “homeland level.”

(3) [1 paragraph (11 lines) not declassified]

3. *Normal Use of Bases*

Our bases in Japan are currently subject to some inhibitions on which we have clear Treaty rights. Given the crowded conditions on Okinawa, such inhibitions could pose even greater problems for us there. A reversion agreement should, therefore, encompass a much more positive posture on the part of the Japanese Government to protect U.S. base rights.

4. *Other Issues*

In addition to the major issues discussed above, there will be several other points to be tied down before we agree to reversion. The most important of these is assurance that Japan will meet most of the foreign exchange and relocation costs of reversion and assure retention by the U.S. of VOA facilities on Okinawa presently not covered by any U.S.-Japan agreement.

Recommended Position

1. The U.S. agrees in 1969 to return Okinawa to Japanese administration within three years on the basis of mutually agreed conditions and following the completion of detailed negotiations.

2. The minimum U.S. conditions for reversion to be as follows:

(a) Emergency nuclear storage rights and full nuclear transit rights, [less than 1 line not declassified].

(b) Freedom to undertake without prior consultation with the Japanese Government combat operations from Okinawan bases, and if at all possible, from Japanese bases in Korea, the Taiwan area, and Vietnam as long as Vietnam hostilities continue, to be embodied in a [1 line not declassified] Japanese public statement providing sufficient reassurance to our other allies.

(c) The Japanese Government assurances to support fully use of U.S. bases in Japan and Okinawa without harassment and within the base rights provided in other arrangements.

(d) Payment by Japan of all or most of the foreign exchange costs and relocation costs of reversion.

(e) The retention by the U.S. of VOA facilities on Okinawa.

(f) Assumption by Japan of complete responsibility for the ground, air and naval defense of the Japan area, including the Ryukyu Islands, except as may be mutually agreed.

Negotiating Tactics

In negotiating with Japan we have three major cards to play:

(1) The Japanese Government does not want and cannot afford to push the reversion issue to the point of a major break with the United States.

(2) Our willingness to withdraw nuclear weapons from Okinawa provides considerable bargaining leverage.

(3) Reversion, per se, particularly without nuclear weapons storage, is a considerable political plum for the conservatives.

The Japanese Government is not without its negotiating cards: The U.S. has a strong interest in maintaining the current alliance relationship; and pressures for reversion, particularly due to base incidents on Okinawa, could get out of hand by design or even accidentally. It would then be far more difficult to negotiate with an atmosphere of hostility to our bases in Okinawa.

The following negotiating tactics are proposed:

Phase 1: The new Ambassador to Japan should be instructed to inform Sato that you are not adverse to reversion but are seriously concerned about its military costs and the need to minimize the consequent concerns in the U.S. and among our other allies. The Ambassador would enumerate to Sato our reckoning of the military costs of homeland level reversion and seek Sato's views on how these could be minimized by special arrangements, as well as the political problems he faces. No direct hint would be given of our willingness to remove the nuclear weapons.

Phase 2: Depending upon the Japanese Government reaction, we would indicate for the first time that we would be prepared to consider withdrawing nuclear weapons if other military costs were not involved. At this point we would provide our requirements in terms more sweeping than set forth above.

Phase 3: We would negotiate the outlines of an agreement covering conventional use of Okinawan and Japanese bases, leaving aside the final decision on nuclear storage for the meeting between you and Sato.

Phase 4: At a meeting with Sato you would play the nuclear card once all other details were wrapped up.

5. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, March 26, 1969.

SUBJECT

Trade Policy Discussions in Japan

I recommend that you approve the attached proposal of Secretary Stans² that he visit Japan to talk about general trade matters and textiles soon after his European trip.³ It is important that we not appear to slight the Japanese in any way, particularly in an area so critical to our over-all relations with them.

The Secretary's visit to Japan will attract a great deal of public attention there, both because it deals with sensitive trade issues and because it will be the first high-level contact between your Administration and the Japanese Government. Thus, it will be important for Secretary Stans to stress the positive gains of an expanding economic relationship between the U.S. and Japan and the desirability of solving

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 533, Country Files, Far East, Japan, Vol. I. No classification marking. Sent for action. In a February 5 memorandum to Kissinger, Assistants to the President Ellsworth and Dent provided information on Nixon's 1968 campaign commitment to protect the U.S. textile industry. (Ibid., Box 399, Subject Files, Textiles, Vol. I)

² Stans' proposal took the form of a March 20 memorandum to the President concerning "Trade Policy Discussions in Japan." Stans discussed his interest in discussing Japanese import quotas, Japanese textile exports, and Japanese limitation on American private investment. He said that Rogers, Ellsworth, and representatives of the Labor Department, the Council of Economic Advisors, and the National Security Council concurred. Printed in *Foreign Relations, 1969–1976*, vol. IV, Foreign Assistance, International Development, Trade Policies, 1969–1972, Document 187.

³ During the first half of 1969, Stans made two major foreign trips that were devoted in large part to international trade in textiles. He visited Europe April 11–26 and Asia (Japan, South Korea, Taiwan, and Hong Kong) May 10–18. A relevant chronology is printed in I.M. Destler, Haruhiro Fukui, and Hideo Sato *The Textile Wrangle: Conflict in Japanese-American Relations, 1969–1971* (Ithaca: Cornell University Press, 1979), pp. 15–18.

trade and investment problems, including the textile issue, as major steps toward achieving this goal.

If he is to discuss textiles in any detail, the Secretary should definitely visit Korea and Taiwan as well.

Recommendation:

That you approve Secretary Stans' proposed trip to Japan.⁴

⁴ The President initialed the approve option.

6. Memorandum of Conversation¹

Washington, April 29, 1969, 3 p.m.

PRESENT

Fumihiko Togo, Director of American Bureau, Japanese Foreign Office

Dr. Kissinger

Richard L. Sneider, NSC Senior Staff Member

In reply to questions by Dr. Kissinger, Togo commented on the Korean and Vietnamese situations. On Korea, he personally felt that a stronger reaction to the EC-121 shoot-down would have been more effective in discouraging Kim Il Sung from further actions.² On the other hand, he understood the problems involved in undertaking a stronger military reaction. On Vietnam, he said that the U.S. must hold on to the South and remain there to assure an honorable settlement. He recognized that given the problems of three divided countries in Asia, a strong military posture on the part of the United States is necessary. This of course relates to the Okinawan situation.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 533, Country Files, Far East, Japan, Vol I. Secret. Drafted by Sneider. The meeting took place in the White House. On May 10 Eagleburger approved this memorandum with distribution to the Department of State. (Ibid.) On April 29 Sneider drafted Kissinger's talking points for this meeting, informing Kissinger that Togo was visiting Washington in order to present Japan's initial position concerning the Okinawa negotiations. Sneider remarked, "Since your views will have considerable weight in Tokyo, I would suggest that you take a fairly tough line—it is good negotiating tactics with the Japanese." (Ibid.)

² On April 14 North Korean aircraft shot down a U.S. Navy EC-121, an unarmed reconnaissance plane carrying a crew of 31 men, over international waters. No survivors were found.

Togo described the current Japanese position on Okinawa pointing out what was involved was a reconciliation of the political problems in Japan with the military needs. In particular, continued storage of nuclear weapons, beyond emergency needs, was very difficult for the Japanese politically. On the other hand, Japan could give the United States some flexibility on conventional combat military operations. This could be done in advance and within the framework of the current security treaty arrangements. Japan wished to maintain these arrangements and not revise them. When asked by Dr. Kissinger how this could be done, Togo suggested the process of advanced consultations on a series of contingencies. Dr. Kissinger commented that advance consultation would associate Japan with a decision and that there might be advantages in non-association with U.S. decisions.

Dr. Kissinger said that President Nixon has a sympathetic understanding and interest in Japan and desires to resolve the Okinawan issue and is giving it the fullest consideration. However, the nuclear storage issue poses difficult problems for the United States and it is hoped that this is understood in Japan. Furthermore, the EC-121 incident demonstrated again the crucial role played by our bases in Okinawa. This came out quite clearly when we were considering alternative actions in response to the shoot-down.

7. Editorial Note

On January 21, 1969, Secretary of State Rogers received NSSM 5, in which President Nixon directed the NSC Interdepartmental Group for East Asia to prepare a study “on US policy toward Japan for consideration by the NSC,” (see Document 2). Two days later he passed this request on to William Bundy, the Assistant Secretary of State for East Asian and Pacific Affairs, who became chairman of the East Asian and Pacific Interdepartmental Group. (Memorandum from Rogers to Bundy, January 23; National Archives, Nixon Presidential Materials, NSC Files NSC Institutional Files (H-Files), Box H-128, National Security Study Memoranda, NSSM 5, [2 of 2])

On March 27, Chairman Bundy sent an Interdepartmental Group paper on U.S. Policy toward Japan to President’s Assistant for National Security Affairs Kissinger, the Chairman of the National Security Council Review Group, with an additional comment by the IG representative of the Treasury. (Ibid.) The Treasury representative commented that “this paper does not give adequate attention to the relative sharing of

costs and benefits of the U.S.-Japanese partnership and incorrectly assesses the trends as ‘increasingly valuable’ to the United States.” Instead, the Treasury representative argued that President Nixon should pursue U.S. goals regarding balance of payments and trade in return for concessions on Okinawa. (Treasury Comment on NSSM 5, March 24; *ibid.*)

When Morton Halperin and Richard Sneider of the National Security Council staff reviewed the response to NSSM 5, they stated that Bundy’s group had produced “an excellent paper” that “can go to the NSC essentially as it is.” The NSC staffers noted, however, that because the paper is “quite long,” they had prepared a summary paper, which Kissinger approved, to facilitate discussion at the Review Group and NSC meetings. The NSC sent this paper to the members of the Review Group before the meeting. (Halperin and Sneider note to Kissinger, undated; *ibid.*)

No minutes of the April 25 Review Group meeting have been found, but a Department of Defense talking paper for a subsequent NSC meeting summarizes the discussion: The participants agreed “that the NSC should focus on Okinawa reversion as the most serious potentially disruptive issue facing the US-Japan relationship and that decisions were required in regard to the timing of reversion, U.S. nuclear storage rights, and the right to undertake military combat operations in the post-reversion period.”

They also decided that “the Security Treaty should be continued without change We should reduce the base structure gradually to overcome major political irritants while retaining essential base functions We should continue to encourage moderate increases and qualitative improvements in Japanese defense forces; Treasury preferred the option of pressing for substantially larger defense forces. Economic issues including trade and balance of payments, were an integral part of Japan policy, but it would not be possible to address these fully at this time.” (Talking paper for the Secretary of Defense and the Chairman of the Joint Chiefs of Staff in preparation for the NSC meeting of April 30; Washington National Records Center, RG 330, OSD Files: FRC 330–75–0103, Box 12, Japan, 092)

Following the April 25 Review Group meeting, NSC Executive Secretary Davis sent out the summary paper, and requested immediate agency comments. (Davis to the NSC, April 28; National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-128, National Security Study Memoranda, NSSM 5, [2 of 2].) The next day, April 29, Davis sent out the revised summary, which is printed as Document 8, in anticipation of the NSC meeting on April 30.

8. Paper Prepared by the National Security Council Staff¹

Washington, April 29, 1969.

U.S.-JAPANESE RELATIONSHIP: SUMMARY

I. *Problem*

During the next few years the U.S.-Japanese relationship will be severely tested, particularly on two issues of potential confrontation: the future status of Okinawa and continuation of the U.S.-Japan Security Treaty beyond 1970. Decisions on U.S. policy are required not only on these issues but on the fundamental nature of the U.S.-Japan relationship and other major issues facing the two nations.

II. *Basic Relationship*

The current cooperative partnership between the U.S. and Japan is based on largely common security and economic interests. It has served American interests reasonably well, particularly in the provision of forward defense bases and the assurance that Japan's actual and potential power is primarily available to friendly, rather than hostile, forces. The relationship, however, has its limitations. Japan, by economic standards, is a major league power—but it has not behaved that way and has not assumed the full measure of its regional and international responsibilities. Japan is pointed in this direction, driven in part by the rising force of nationalism; but it has been slow to realize its potential; particularly in the assumption of security and related responsibilities, due largely to political inhibitions, fears of involvement in another war, and the high priority given to raising living standards (Japan ranks 19th on a per capita income basis despite Japan's fantastic economic growth).

Japan has the capability to assume the full measure of its international responsibilities over the next decade and has been moving in that direction. The question facing the U.S. is whether Japan will reach this goal soon enough for, and in a fashion consistent with, American interests. There is the understandable view that Japan is now getting a "free ride." This view, in turn, raises the issue of alternatives to the current relationship, namely: *disengagement* or a *full collective security*

¹ Source: Washington National Records Center, RG 330, OSD Files: FRC 330-75-0103, Box 12, Japan, 092. Top Secret. Attached as Tab B of briefing materials prepared for the Secretary of Defense and Chairman of the Joint Chiefs of Staff prior to the April 30 NSC meeting. See Document 9.

relationship, either of which policies could lessen the U.S. burden in Japan and East Asia.

The policy paper concludes that disengagement leading to a neutralist Japan power center would be disadvantageous to U.S. interest, while a full collective security relationship is not feasible given current realities in Japan. The consideration of specific policy issues in the remaining sections of the paper is therefore directed largely to means of improving the present relationship and to dealing with the urgent issues at dispute between the two nations.

III. *U.S.-Japan Security Relationship*

The key issues relate to the continuation of the security treaty after 1970, when it becomes subject to renunciation, and to the question of our base structure in Japan.

A. Treaty Continuation

There is agreement that the Treaty, which is both the keystone to the total U.S.-Japan relationship and the basis for our security interests, has served both U.S. and Japanese interests reasonably well. It has its critics in both countries: in Japan, because the Treaty allies Japan to the United States and involves the risk of involvement in a war; in the United States, because the Treaty is a one-sided commitment to defend Japan without a reciprocal Japanese commitment to U.S. defense or the security of East Asia.

Three alternatives are open:

1. Amend the Treaty, requiring Japan to undertake commitments to U.S. defense and/or greater responsibility for the security of East Asia.
2. Extend the Treaty for a fixed term such as ten years.
3. Allow the Treaty to continue without change.

The Review Group recommended Alternative 3.

B. U.S. Bases in Japan

The U.S. has a major base structure in Japan, primarily for logistics and communications. There are about 35,000 military personnel using 149 sites including two key naval bases and six airbases. The U.S. military forces stationed in Japan are not directly concerned with the defense of Japan as a primary mission. They primarily support operations elsewhere, and would be particularly important in the event of a resumption of Korean hostilities. The balance of payments cost of these bases was about \$570 million in FY 1968.

The bases have been subject to intermittent public pressure due to such causes as noise, use of valuable urban property, accidents and

entry of nuclear propelled warships. But efforts have been made to ease these problems and steadily reduce the number of bases in Japan.

The three broad alternatives available, in addition to joint basing arrangements, are:

1. Continue retention of the present base structure.
2. Reduce the base structure gradually to reduce major political irritants while retaining essential base functions.
3. Reduce the base structure rapidly to key naval and air bases with emergency re-entry rights to others.

The Review Group recommended Alternative 2.

IV. Okinawan Reversion

Okinawan reversion is the most serious and potentially disruptive issue facing the United States and Japan. Okinawa houses the most important U.S. military base system in the Western Pacific, capable of performing a wide variety of functions. Its value is enhanced by the absence of any legal restriction on American free access to or use of the bases, which permits storage of nuclear weapons and the launching of military combat operations directly from these bases.

On the other hand, pressures in both Japan and Okinawa for reversion are intense and growing. If progress is not made in 1969 on this question, the position of the Sato Government and the ruling conservative party would be seriously damaged and the acquiescence of the local Okinawan population, essential to effective use of our bases, threatened. Furthermore, if the Japanese and Okinawan public conclude that reversion might be long delayed, U.S.-Japan relations would be seriously prejudiced.

The issues to be decided are the timing of reversion, U.S. nuclear storage rights, and the right to undertake military combat operations in the post-reversion period. A full discussion of these issues is attached at Tab A.²

A. Timing of Reversion

There are two principal options that are feasible:

1. Provided there is agreement in 1969 on the essential elements governing post-reversion U.S. military use, agree to reversion in 1972 if negotiations are completed at that time.
2. Agree in 1969 to reversion and to enter into negotiations, with reversion to take place when negotiations are completed.

² Not printed.

B. U.S. Military Rights

The optimum and obviously preferred military rights that the U.S. could have following reversion would be a continuation of our current rights, and the minimum, preferred by Japan, would be the same rights as are now applied in Japan, the so-called "homeland level".

The crucial military rights affected by reversion would be nuclear storage and freedom for nuclear operations and the launching of conventional combat operations. Both would require prior consultation with Japan at the "homeland level." Of these two, the nuclear weapons issue is the most difficult in view of strong Japanese opposition.

1. Nuclear Storage and Freedom for Nuclear Operations

The denial of nuclear storage and operational rights would reduce the U.S. nuclear capability in the forward area but there is disagreement about the degree of reduction among State, OSD/ISA, and the Joint Staff.

The six options available in the ascending order of our ability to achieve them and in the descending order of the U.S. security interests in East Asia are:

- (1) Status quo on nuclear storage and freedom for nuclear operations.
- (2) Interim nuclear storage and freedom for nuclear operations.
- (3) Emergency rights to bring in nuclear weapons.
- (4) Transit rights for nuclear armed planes and ships.
- (5) Introduction for weather or humanitarian reasons.
- (6) Homeland level.

2. Launching of Conventional Military Combat Operations

The present arrangements with Japan do not permit freedom to conduct conventional military combat operations from Japanese bases, without first consulting with the Japanese Government, except in the event of an attack on UN forces in Korea or in the event of an attack on Japan. This restriction would be automatically extended to Okinawa following reversion unless some special arrangement is agreed upon. In the absence of such special arrangements combat air strikes and perhaps refueling B-52s by tanker aircraft and the launching of combat amphibious or airborne operations would be forbidden unless agreed upon by the Government of Japan.

There are indications at the present time that the Japanese Government is prepared to go some of the way to preserve conventional military operations rights, and in any event, any agreement must include ongoing operations in support of the Vietnam war.

The options available to us are:

- (1) Status quo on right to launch combat operations.
- (2) Interim rights of free use for a fixed period.

(3) Limited free use of bases for key areas, such as Korea and Taiwan, covering both our bases in Japan and Okinawa.

(4) Current homeland level.

C. Additional Japanese Commitments

The paper lists a number of additional Japanese commitments to be sought in the Okinawa negotiation, relating to both Okinawan reversion and to the extension of Japanese responsibilities elsewhere in Asia. These commitments would not, however, be sought during the reversion negotiation at the cost of necessary military rights.

The Review Group agreed that our priorities among these commitments should be examined in subsequent consideration of our Okinawan negotiating strategy.

V. Japan's Defense Effort

The key policy issue is whether Japan's present defense forces are adequate in terms of U.S. interests, or whether the U.S. should press Japan to develop substantially larger forces including more forces for regional defense activity in Northeast Asia.

Japan has currently about 231,000 men under arms with the largest non-communist navy and air force in Asia. Although Japan spends only about 1% of GNP on defense, these forces are considered adequate to defend Japan in all conventional contingencies except an all-out Soviet attack. A Japanese decision to make substantial defense increases, going beyond presently planned qualitative improvements, is highly unlikely. But, if such a decision were made, Japan might choose to acquire an independent nuclear capability.

Two broad alternatives are available:

1. Press Japan to develop substantially larger defense forces capable of taking over increased regional defense responsibilities.

2. Continue to encourage moderate increases and qualitative improvements in Japan's defense forces.

The Review Group, except for Treasury, recommended Alternative 2. The Treasury representative indicated his agency's preference for Alternative 1.

VI. Other Major U.S.-Japan Issues

The paper also discusses a range of other issues, primarily economic, that we face with Japan:

A. Trade

B. Balance of payments

C. Aid Policy

D. Relations with Communist China.

The Review Group suggested that the NSC not focus on these issues in the forthcoming meeting, but rather could concentrate on

Okinawa and other security issues. It was recognized that these trade and other issues are an integral element of Japan policy and that they should be considered, particularly in connection with developing a negotiating position on Okinawa.

9. Minutes of a National Security Council Meeting¹

Washington, April 30, 1969, 10:30 a.m.–12:11 p.m.

SUBJECT

Eighteen Nation Disarmament Treaty, specifically the Seabeds Treaty
U.S. Policy Towards Japan

ATTENDEES

(List can be obtained from NSC Secretariat)

[Omitted here is discussion of Disarmament and the Seabeds Treaty that is published in *Foreign Relations, 1969–1976*, Vol. E–2, Documents on Arms Control and Nonproliferation, 1969–1972, Document 89.]

The President then said, let us turn to Okinawa.

Mr. Kissinger stated, Mr. President, today we will limit our discussion of U.S.-Japan relations to the Okinawa issue alone.

The President stated, precisely. The Okinawa issue is a situation in which the linkage problem is quite clear. The fundamental question we are faced with is the reversion of Okinawa. The simple options are: we must consider the political cost of keeping control of Okinawa and our military access to it versus the security costs of losing some of this control or perhaps even all of it.

Mr. Kissinger stated, in the Review Group consideration of this issue, the consensus was that we should give something.² The disagree-

¹ Source: Library of Congress, Manuscript Division, Kissinger Papers, National Security Council, Box TS 82, Meetings, Jan.–Apr. 1969. No classification marking. The meeting time is taken from the President's Daily Diary. (National Archives, Nixon Presidential Materials, White House Central Files) These minutes are taken from a June 9 draft that apparently was never revised. The draft was based on a tape recording of the meeting. Alexander Haig took handwritten notes of this meeting. (Ibid., NSC Files, NSC Institutional Files (H-Files), Box H-109, NSC Minutes, Originals 1969 [3 of 5])

² A talking paper prepared in the Department of Defense reported that participants at the April 25 Review Group meeting recommended that the United States decide in 1969 on the reversion of Okinawa in 1972, "provided agreement is reached on the essential elements of base use." (Talking paper for the Secretary of Defense and the Chairman of the Joint Chiefs of Staff in preparation for the NSC meeting of April 30; Washington National Records Center, RG 330, OSD Files: FRC 330-75-0103, Box 12, Japan, 092)

ment rested with how far we should go and when we should take these initiatives. Essentially, there are three problems 1) timing of reversion—here we have two choices, agree to proceed this year to a reversion in 1972, or to agree in principle but not to set a specific date for reversion. The advantages of the first course of action is that we would reduce growing pressures in Japan. The disadvantage of this course of action would be that we would be committed at this early date. The advantages to course of action 2 would be that we retain flexibility and would give an impression to the Japanese that we are still uncertain and that we must negotiate a settlement. Within the Review Group the majority favored proceeding now with the view towards a reversion in 1972.

The President asked, what the specific provisions of the reversion would be, commenting that this would be the focal point of the argument.

Mr. Kissinger stated that the essential elements include the retention of U.S. rights to utilize Okinawa as a base and under that broad category we had the issue of nuclear storage, first, and secondly the retention of the right to utilize Okinawa in a conventional base sense. Concerning nuclear operations, there are several possibilities:

1) Status quo on storage and freedom to move weapons in and out in an operational sense.

2) Interim nuclear storage, with a time limit as to when this option or this authority will run out.

3) Emergency rights for nuclear storage, only under emergency conditions but no permanent storage.

4) Transit rights only.

5) Emergency humanitarian rights.

6) No storage of nuclear weapons and no rights under emergency situations.

On all of these six provisions we could not arrive at a consensus. Most people thought that options one and two were not acceptable or that we would be unable to obtain them. Under the conventional use options, we isolated four choices:

1) The maintenance of status quo, that is continued open conventional rights.

2) To negotiate interim conventional rights.

3) Limited free use for certain key areas, Vietnam for example and other areas.

4) Only conventional rights as a result of agreed-upon consultations.

The President said what possibilities do we have to secure a secret deal with the Japanese? One that we could make dependent upon consultations but which would have a low profile in a context with Japanese domestic and Okinawan domestic views.

[1 paragraph (1 line) not declassified]

The President asked if it gives us specific rights.

Johnson replied, no, just general rights.

The President stated that the Review Group paper was a good one which helped him a great deal in considering this problem.³ The President then asked if we are to be forthcoming on this issue we should be looking at the Trust Territory. Can we create substitute facilities there?

General Wheeler answered, we have looked at this—land acquisition, the money, and the time involved are very critical. It would take us from three to four years and a considerable expense to develop replacement facilities. Adding that [*less than 1 line not declassified*] facilities and airfields would take some time to construct but this is our only alternative if we lose Okinawa. The cost of our facilities at Okinawa are in the neighborhood of \$1 billion. To replace those in the Trust Territory, it would run⁴

General [Wheeler] continued, also the land areas in the Trust Territory are very limited. We are now looking at the Trust problem—specific islands that could be developed and additional facilities which we could construct alternate facilities on.

The President asked Ambassador Johnson to comment on what was actually realistic in terms of our negotiations on this issue. Johnson stated we seemed to be in complete agreement that it would be necessary to negotiate some kind of agreement with the Japanese. The opposition parties in Japan are working desperately to get a confrontation with the power structure on the issue of U.S. involvement in Japan and their specific rights on Okinawa. Within Okinawa proper, the current population is about one million and it would be necessary for the Japanese to maintain order and control after reversion. If we were to agree to reversion, this could be used to force the Japanese to take on greater responsibilities for their defense.

This is a distinct advantage. Then we could reduce our own level of expenditures. On a longer range basis we must consider our bases in Japan proper. Some flexibility and some willingness with respect to Okinawa would give us longer staying power in Japan proper. Concerning the most difficult issue, that of nuclear storage, in 1957 we told Sato that we had to have storage and took a hardline in this regard. We tried to get the Japanese to look at the problem at that time. Now

³ Presumably a reference to the NSC summary of the revised paper produced by the NSC Interdepartmental Group for East Asia, Document 8. The full paper is in National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-128, National Security Study Memoranda, NSSM 5, [1 of 2].

⁴ Omission in the original. According to Haig's notes, Wheeler's figure for the trust territories was \$3.5 to 4 billion.

the whole issue has backfired. Sato can no longer agree to unlimited nuclear storage. The opposition, domestically, will just not tolerate it and it could result in his downfall. The nuclear proliferation treaty is an issue which also influences this. [2½ lines not declassified] Another consideration is the fact that we want the Japanese to develop greater political responsibility and to the degree that we do not have free use of Okinawa this tends to drag them into greater responsibility of their own. It seems obvious, however, that we must not be placed into a position which would give the Japanese in effect a veto power over our ability to support our forces in Korea. I think it would be possible to get a strong public statement both from Taiwan and Korea which will protect us in these two specific areas. If we can just resolve the nuclear issue we can probably get a viable treaty with the Japanese. But we must have a public position. It need not be developed today nor need this issue be resolved today. The Japanese Foreign Minister comes in June. Secretary Rogers will go to Japan in July. Basically we must have a resolve position in July. We need something for Sato to help him at home domestically. I think we can get something from the Japanese on emergency nuclear storage. [less than 1 line not declassified] We think of when we might use nuclear weapons in the Far East and list these conditions, I think the Japanese will go along. Actually, the '72 target date came from Sato. We know we must have some mutual agreement before that time so that by then a final agreement will be easier. In my own view it will take several years to negotiate a viable arrangement with the Japanese with respect to Okinawa.

The President asked Mr. Johnson to comment on the domestic situation in Japan.

Johnson replied, Sato is strong but he could fall. He needs some help as a result of his visit here.

The President said, well wouldn't U.S. support tend to hurt him domestically?

Mr. Johnson stated, no, the Japanese measure the ability of their leaders to get along with the U.S. and respect.

The President said, yes, especially their ability to negotiate favorable trade arrangements. This they do like.

Johnson continued, the opposition really wants to launch a major campaign to put the Okinawan issue in the forefront. This has a demagogic appearance. They hope to merge the Okinawan issue with the overall treaty issues. Sato on the other hand wants to decouple Okinawa and to get it out of the way before the overall treaty review must be faced.

The President stated that the key point is for us to understand what the problem really is. We may not have but two options. We

don't want to hurt our friends by the position we take. The idea that we are imposing on poor little Japan, however, should not be the overriding factor in our deliberations. There is a degree of schizophrenia in the Japanese position. They like to be told what to do but then resent it when we tell them. There is a fine line between U.S. guidance and U.S. pressure. They benefit if they can appear to be on their own. We are in a solid position but they don't like our bases, our planes, etc. The opposition exploits this. We in turn provide a nuclear umbrella.

10. Paper Prepared by the National Security Council Staff¹

Washington, undated.

U.S. Trade Mission to the Far East

Three major policy issues must be decided for the forthcoming trade mission to the Far East which leaves on May 9: the U.S. position toward Japan's import barriers; Japan's barriers to foreign investment; and the U.S. position on textile imports from all four places to be visited—Japan, Korea, Taiwan, and Hong Kong. The issues are intimately related to each other and, because of the importance of trade to these countries, to overall U.S. foreign policy toward each of them.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-036, Review Group Meeting, Asian Trade Problems, 5/2/69. Confidential. On April 28, Nixon decided to devote a full NSC Cabinet Committee meeting on economic policy to the consideration of U.S. trade relations with Japan and the other Asian countries that Secretary of Commerce Stans was scheduled to visit during his May trip to East Asia. (HAK talking points, Review Group meeting, May 2; *ibid.*) To prepare for this meeting, the NSC staff drafted on short notice a paper concerning the "US Trade Mission to the Far East," which drew upon the Interagency Group paper prepared in response to NSSM 5 and another paper in response to NSSM 16 on trade policy. The NSSM 5 paper is *ibid.*, Box H-128, National Security Study Memoranda, [1 of 2], NSSM 5. The NSSM 16 paper on trade policy is summarized in *Foreign Relations, 1969–1976*, vol. IV, Foreign Assistance, International Development, Trade Policies, 1969–1972, Document 189. The NSC Secretariat sent this paper to the Review Group on May 1. No record of this Review Group meeting has been found, but Kissinger did receive talking points for the meeting. (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-036, Review Group Meeting, Asian Trade Problems, 5/2/69) Following discussion by the Review Group, a few revisions were made to the paper. (*Ibid.*) After telephone comments from the relevant agencies, a second revision of the paper, which is the version printed here, was discussed at the 10 a.m. May 7 NSC meeting. See Document 11.

*I. Background**Japan*

In the twenty years since Japan's economic miracle began, an over-populated, war-devastated, resources-poor country has become the third largest economic power in the world, and the world leader in many industries. Japan's growth rate continues to be the highest of any developed country; its exports continue to expand at the highest rate in the industrialized world; and it has recently recorded large balance of payments surpluses. The U.S. and Japanese economies are closely linked by large and rapidly growing trade and a common reliance on the strength of the dollar.

The growth of Japan as a major economic power base in East Asia, its integration into the free world's economy, and its close relations with the United States have been greatly assisted by the United States. We have encouraged and assisted these developments to a substantial degree by shouldering the costs of defending Japan, by extending preferred access to the U.S. capital market and by continued efforts to draw Japan into international organizations.

The process has also been of great benefit to the U.S. Japan, second only to Canada, is the most important market for United States exports. Our agricultural exports alone are about \$1 billion annually. Japanese and U.S. policies are generally in accord in the GATT, the OECD, the IMF, the Group of Ten and other international organizations such as UNCTAD.² Japanese economic growth has also formed the foundation of the growing sense of U.S.-Japan partnership.

But the current pattern and size of our economic relations are producing serious problems which are primarily focused in the balance of payments, particularly trade and military expenditures. The U.S. bilateral trade deficit with Japan in 1968 was \$1.1 billion and the U.S. bilateral payments deficit was about \$1 billion. A major component of the latter was U.S. military expenditures in Japan of about \$570 million. To a large extent, the deficits are directly related to the impact of the Vietnam war and the continuing high rates of economic growth in the United States. The trade deficit is also the result of a strong Japanese export performance based on competitive advantage and keyed to the U.S. market, combined with Japanese protectionism. Our balance of payments position has benefited from cooperative Japanese action, but we have not achieved a full financial offset by Japan of our military expenditures.

² General Agreement on Tariffs and Trade (GATT), Organization for Economic Cooperation and Development (OECD), International Monetary Fund (IMF), United Nations Conference on Trade and Development (UNCTAD). [Footnote in the source text.]

U.S. concern with balance of payments and net trade position has arisen only in the past few years, when it became apparent that restoration of equilibrium in our overall balance of payments was essential. If the U.S. is to balance its payments, only countries in surplus positions can afford to absorb the impact of U.S. adjustment. It has accordingly become increasingly clear in recent years that surplus countries must play an important role in any solution of the adjustment problem. The more directly the impact of U.S. adjustment falls on the major surplus countries, such as Japan at present, the less likely it is that American adjustment will force countries not now in surplus to adopt deflationary and restrictive policies.

Japan's economic strength, its large trade surplus with both the United States and the world at large, its recent status as one of the world's strongest surplus nations, and the important trade and economic implications of its future growth—all warrant the assumption by Japan of greater economic responsibility and acceleration of constructive policies in fields of concern to the United States.

Trade frictions between the U.S. and Japan have arisen in recent years because of (a) sharply increasing Japanese penetration of the U.S. market for manufactured goods, which has in turn fostered protectionist sentiment in the U.S., and (b) Japan's protectionist attitude on certain problems and unwillingness to accord U.S. producers ready access to the Japanese market (which contrast with Japan's general stance on international trade issues). Both issues have aroused the concern of U.S. businessmen and some Members of Congress.

Japan uses a variety of policies and procedures to protect its domestic markets. Quota restrictions, maintained contrary to GATT rules, are more extensive than those of any other major industrialized country. The extensive Japanese system of import control procedures equally poses serious obstacles to American exports. At the same time Japan has been forced to enter into agreements with developed countries other than the U.S. to limit its exports of at least one major product, textiles. And informal restrictions resulting from Government-industry ties, reflecting deep-seated elements of Japanese culture, add to the difficulty of foreign penetration of the Japanese market.

The problem of Japanese penetration of American markets is not amenable to easy solution. The penetration is fundamentally based on a strong Japanese competitive position in world markets at present exchange rates, aggravated by inflationary pressures in the United States in recent years. Voluntary restraints by Japan on some of its exports to Europeans may divert some sales to the U.S., but at the same time Japan maintains such restraints on 73 exports to us as well. (This includes about 38 cotton textile products under the LTA and about 15 steel items.)

The immediate gain for U.S. exporters of a relaxation of Japanese import quotas would probably not be dramatic because of the relatively small amount of U.S. trade which is directly affected (probably less than \$100 million of our total exports). Removal of other Japanese barriers to imports and some of their informal barriers would result in an additional (but difficult to quantify) increase in trade. However, removal of Japanese quota restrictions would reduce a major irritant in U.S.-Japan relations.

Japanese restrictions on foreign direct investment also hinder the ability of U.S. firms to surmount Japanese trade barriers and have engendered strong U.S. business and political resentment. Although currently of secondary importance because of the U.S. balance of payments program to restrain foreign direct investment, Japanese liberalization of such investment offers increasingly attractive potential for U.S. investors to improve their position in Japan and other Asian markets and is fervently sought by some important U.S. industries.

For its part, Japan greatly fears growing pressures in the United States to restrict imports. The Japanese view with extreme concern actions by other countries which might restrict Japan's trade. For example, Japan reacted frenetically to the possibility of a U.S. border tax in 1968 and subsequently supported a KR tariff cut acceleration as a trade expanding alternative. Japan is also concerned about current U.S. restrictions such as the ASP customs valuation procedure (which the U.S. has decided to seek legislation to remove). The Japanese also resent being forced into "voluntary" restraints on exports which they have adopted to defuse protectionist sentiment in the U.S. but regard as a form of U.S. non-tariff barrier.

II. Issues for Decision

There are four major economic issues between the U.S. and Japan at this time: (1) Japan's import restrictions, (2) Japan's barriers to foreign direct investment, (3) textiles, and (4) Japan's help for the U.S. balance of payments. The U.S. may at some point have to decide on its priorities among these four areas, considering both desirability from our standpoint and possibility of achieving Japan's cooperation.

Since the forthcoming trade mission to the Far East will deal only with the first three of these issues, this paper will focus on them although referring at several points to the implications for our balance of payments arrangements with Japan. Our textile decisions must of course relate to Korea, Taiwan, and Hong Kong as well as Japan.

Japan's Import Restrictions

Present U.S. policy is to press vigorously for significant reductions in the quota restrictions presently employed by Japan, since both coun-

tries agree that their interests are best served by trade expansion rather than contraction. However, we have indicated in bilateral negotiations that the lack of a satisfactory response at an early date will make it necessary for the U.S. to seek GATT authorization for retaliatory actions against Japan. The United States has also made continuing representations for removal of other non-tariff barriers.

Any U.S. approach toward achieving these objectives will be handicapped by a simultaneous effort to obtain new voluntary export restraints from Japan, e.g., on woolen and synthetic textiles, or by any other U.S. protectionist action affecting Japan. On the other hand, new U.S. initiatives to liberalize trade will reinforce our efforts with Japan and minimize to some degree the costs listed under each alternative. Specific liberalizing steps of particular interest to Japan, such as repeal of ASP and other customs valuation procedures which affect Japanese exports, would be particularly cost-limiting.

The Review Group is agreed that the U.S. should continue to pursue Alternative I below.

Alternative I: (a) Continue the present policy of pressing hard for removal of specific barriers of greatest interest to the U.S., and (b) Apply specific countermeasures (e.g., formal invocation of GATT Art. XXIII) if satisfactory progress is not forthcoming in a reasonable amount of time.

Pro:

1. Japan has a major interest in trying to forestall a GATT authorization for retaliatory actions against Japan, fearing that it might have a chain reaction in other major Japanese markets, particularly Europe.

2. Pressure through the multilateral GATT framework would ease the task of the GOJ in justifying domestically the removal of trade and investment barriers.

3. A selective and flexible policy which also uses multilateral channels affords only the degree of incentive or sanction warranted by circumstances and avoids the damage to our overall relations with Japan which is inherent in unilateral U.S. resort to sanctions.

Con:

1. The policy is slow, complex, and difficult to apply in a consistent fashion.

2. It has not worked very well to date.

3. It could deteriorate into a de facto policy of retaliation or be overtaken by Congressional action imposing mandatory sanctions.

4. Even if successful, the policy will not have a significant immediate impact on actual trade.

Alternative II: Move promptly and aggressively to force removal of all unsanctioned Japanese trade barriers through a credible threat of unilateral counter-measures against Japanese exports to the U.S. (e.g., quota restrictions).

Pro:

1. Japan's economic and financial dependence upon the U.S. gives us great leverage.

2. Under existing domestic legislation, we could increase duties or impose quotas.

3. It might have successful prospects in trade terms because Japan would: (a) presumably liberalize access to its market rather than seriously damage the major market for Japanese exports, and (b) limit the extent of its retaliation since the economic cost of a trade confrontation would be far greater for Japan.

4. Using the measures available on a discretionary basis could obviate Congressional action to impose mandatory sanctions, which would be permanent and even more damaging to our relations with Japan and other countries.

Con:

1. U.S. trade retaliation or sanctions would damage our overall foreign policy relationship with Japan by inviting charges of intimidation and discrimination and would weaken the pro-U.S. faction within Japan on security and other issues.

2. Unilateral imposition of U.S. import quotas would not be legal under GATT and would therefore seriously affect our position of leadership in international economic matters.

3. Since it is unlikely that U.S. QRs could be limited to Japan, this policy could lead to a full-scale trade war with other major countries.

4. It would reduce Japanese willingness to maintain export restraints or adopt new ones.

5. It would likely lead to Japanese retaliation against key U.S. exports.

6. It could lead to reduced Japanese willingness to cooperate with the U.S. on international monetary matters, such as continued neutralization of our military expenditures in Japan and refraining from converting its dollar reserves into U.S. gold.

7. The policy contains the danger of encouraging the Congress to pass a flood of import quota legislation not limited to Japan.

8. It could cause Japan to explore relationships with Communist China and/or the USSR which it would not, under present circumstances, otherwise do and which might hurt our interests.

Restrictions on Foreign Direct Investment in Japan

The U.S. has also made continuing representations for liberalization of Japan's restrictions against foreign direct investment. Mainly in response to our prodding, liberalization has taken place and the Japanese assure us that further steps will be forthcoming. Nevertheless, Japan's restrictions remain by far the tightest maintained by any industrialized country and they continue to argue that much of their industry could not stand direct competition at home from foreign (mainly U.S.) corporations.

Several U.S. industries, such as automobiles, are intensely interested in gaining direct access to the Japanese market. It is impossible to quantify the volume of U.S. investments which might enter Japan if barriers were lowered but it could be quite large—probably much larger than the increase in trade which would result from corresponding reductions in Japanese import barriers.

*Alternative I: Reduce pressure on Japan to liberalize.**Pro:*

1. Achieves major political gain with Japan.
2. Avoids possibly significant short-term costs to U.S. balance of payments.
3. Removes obvious conflict with U.S. balance of payments program which seeks to restrain foreign direct investment by U.S. firms.

Con:

1. Forgoes probably significant long-term commercial gains to U.S. firms.
2. Reduces progress toward achieving our objective of freeing all types of international transactions.
3. Could seriously hurt our relations in the U.S. business community and risk losing their support for a liberal trade policy.

Alternative II: Continue to press the Japanese to speed their liberalization time table, without punitive action if they respond unsatisfactorily.

Pro:

1. Avoids risk of major political confrontation with Japan.
2. Provides opportunity for a selective and flexible policy which affords continuing chance to vary incentives and sanctions as warranted by circumstances.
3. At least partly responsive to interests of U.S. businessmen.

Con:

1. Only slight likelihood of getting accelerated Japanese response.
2. Risks dissatisfaction by U.S. business and possible reduction of their support for liberal U.S. trade policies.
3. Perpetuates the conflict with our balance of payments restraints program.

Alternative III: Eliminate preferred access to the U.S. capital market for Japan if they do not respond satisfactorily. (Japan has a \$100 million annual exemption from the interest equalization tax and is to receive priority treatment under the voluntary control programs on foreign lending by U.S. financial institutions administered by the Federal Reserve Board. Both aspects have significant political as well as economic meaning to the Japanese.)

Pro:

1. Given the political and economic importance to Japan of their preferred treatment, would add significant leverage to the U.S. position.
2. If the threat were implemented, could marginally help the U.S. balance of payments by reducing capital outflows to Japan.

Con:

1. Would appear as a decision by the Nixon Administration to repudiate the past U.S. recognition of Japan's special economic relationship with the U.S. and hence could raise a major political row with Japan.
2. If the threat had to be implemented, could lead to Japanese retaliation in the overall balance of payments field, such as unwillingness to neutralize U.S. military expenditures in Japan and conversion of dollar reserves into gold.
3. Given Japan's shift into a sizable and reasonably stable balance of payments surplus, and its reduced reliance on U.S. capital, the preferred treatment may no longer be needed anyway—this approach, if successful, would implicitly tie our hands in eliminating the preferences in the near future. (This con becomes unimportant if we are successful in eliminating the controls and the IET altogether since the preferences would obviously then disappear.)

Alternative IV: (a) Adopt trade restrictions, as in Alternative II in the previous section on trade; (b) and/or restrictions on Japanese investment in the U.S.; (c) and/or Alternative III, if Japan does not respond satisfactorily.

Pro:

1. Would increase our leverage in achieving our objectives. (In the case of restrictions on Japanese investment in the U.S., could deny them access to U.S. natural resources which they covet.)

2. Would force Japan to coordinate its trade and investment policy, as they should do.

Con:

1. Either duplicates the cons of Alternative II in the trade section or, if combined with Alternative III, cumulates with the cons cited there.

2. In the case of restrictions on Japanese investment in the U.S., would be highly discriminatory and would hurt our balance of payments in the short run.

Textiles

The issue is how to deal with the growth in imports of woolen and synthetic textiles into the U.S. within the framework of our overall policy of freer trade, in accordance with previous Administration statements on textiles, and taking into account overall U.S. foreign policy interests in Japan and the Asian LDCs. The three Asian countries publicly and privately and Hong Kong privately have expressed opposition to any voluntary arrangement and have discussed joint opposition to our proposal.

In the case of Japan, any agreement on textiles will be accompanied by a corresponding reduction in Japan's responsiveness on the other two economic issues already discussed and perhaps by adverse political reactions. In the case of the three LDCs, any textile approach will run counter to our professed policy of supporting economic development through trade as well as aid; this contradiction will be particularly embarrassing in Korea and Taiwan, where our aid efforts have stressed expansion of their exports. In addition, the three LDCs—especially Korea and Taiwan—are greatly concerned about the impact on their economies at the end of the war in Vietnam. U.S. expenditures for the war have provided them with an added economic stimulus, although its importance has been declining, and they are actively seeking opportunities to further increase their exports to compensate for the expected decreases in U.S. expenditures. Since textiles are a key component of any such increases, a request for restraints at this time will be particularly troublesome to our overall relations with them. In the specific case of Korea, we will face demands for compensatory aid since woollens and synthetic textiles account for 75 percent of their total textiles exports to the U.S.

The magnitude of the costs (and benefits) differs among the alternative specific approaches outlined below. In addition, the costs will be affected by the context in which our proposal is made. They can be reduced, especially vis-à-vis Japan, by a firm Administration commitment to seek elimination of ASP and possibly other customs valuation procedures, to take other trade liberalizing steps, and to firmly resist

protectionist legislation. In addition, the Asians would, of course, be more willing to accept restrictions if they were convinced that unilateral quota legislation was a real possibility in the absence of voluntary restraint agreements.

Whichever option is eventually chosen, the Review Group agrees that Secretary Stans should make it clear in the forthcoming Asian trip that we consider our textile problem to be extremely serious. He should say that we believe that the multilateral approach (Option 1) is the best available and, in low key, express our hope that other countries will agree to discuss it with us at a GATT meeting. But he should clearly leave open all options for shifting to a different approach if a multilateral arrangement cannot be negotiated.

1. Proceed with efforts to bring wool and manmade fiber textile products under control through a multilateral agreement.

Pro:

- (1) The President's commitment to the industry would be fulfilled.
- (2) It would remove a major political obstacle to new trade legislation and could thus help confine pressure for protectionist actions to textiles.
- (3) Avoids risk of legislated quotas and hence risk of forcing retaliation which could produce a trade war.
- (4) A GATT-sanctioned agreement would have a greater aura of respectability and provide an internationally agreed set of ground rules.
- (5) Reduces costs in Japan, since it would not be so clearly singled out for restraint. (However, could increase costs in Europe for same reason.)
- (6) Enables us to deal with non-cooperating countries without the threat of retaliation if negotiated under GATT auspices.
- (7) Meets the tests of current legislation for limiting imports from countries with whom we do not have agreements.
- (8) Provides a mechanism for selective use of controls on sensitive items, as rapidly as necessary to deal with fast-moving trade situations.
- (9) Prevents restraining countries from getting specific trade compensation from us or retaliating legally.

Con:

- (1) Will increase apprehension about the future direction of U.S. foreign trade policy.
- (2) Would foster appearance of U.S.-European coalition against the Asians.
- (3) Requires cooperation of Europeans and Canadians who have already limited textile imports from Asia via bilateral or unilateral

controls and who have already indicated reluctance to help U.S., for a variety of reasons, including their doubts about the U.S. economic case.

(4) Would encourage other industries in U.S. and abroad, with stronger economic cases for protection, to seek similar arrangements.

(5) Distorts basic trade liberalizing purposes of GATT.

2. *Negotiate bilateral restraints with exporting countries without a multilateral framework.*

Pro:

(1) Concentrates on specific problem areas, thereby minimizing political costs with countries (mainly in Europe) which would not be asked to restrain anyway.

(2) Leaves GATT out of the picture (although in principle we prefer to see GATT as the focal point for trade issues).

(3) Probably avoids quota legislation and hence risk of retaliation.

(4) Also prevents restraining countries from getting specific trade compensation from us or retaliating legally.

Con:

(1) Industry would be dissatisfied.

(2) Fails to provide a means of preventing new exporters from rapidly building up a base level at the expense of countries who have signed agreements. (This is particularly objectionable to Japan.)

(3) Japan and the other Asians would be singled out by this approach and hence costs with them would be increased. (This could be partially offset by U.S. statements which would indicate our intention of negotiating agreements with others as need arises.)

3. *Market Disruption—Escape Clause*

Concentrates on providing protection where there is a genuine economic need for it, by using GATT Article XIX and our own escape clause. Compensation could then be negotiated bilaterally.

Pro:

(1) Protection is selective and limited to cases where real problems exist, thereby neutralizing major source of foreign opposition to U.S. effort.

(2) Since explicit compensation is provided, damage to other U.S. interests is sharply reduced and perhaps wholly avoided.

Con:

(1) Industry has been dissatisfied with this approach in the past and thus this approach might not remove political obstacles to new trade legislation.

(2) The controls might be ineffective. A machine used to make one textile article could easily make another and slight variations in an article can change it from a controlled item to an uncontrolled item.

(3) Present escape clause provisions would have to be amended to make this approach possible. The President has already decided to seek such amendment in this year's trade legislation, but to do so in this context might get us a clause which permitted excessive escaping, since textile industry support would be needed.

(4) The President would need tariff-cutting authority to provide compensation, but a decision to seek sufficient authority has already been made.

4. Seek limited legislation to deal with the problem.

The Administration could indicate that it would support, at least tacitly, a bill which did not restrict imports too severely (e.g., no roll-backs from present levels and some sharing of market growth in the future).

Pro:

(1) Could avoid uncontrolled legislation, which could be so restrictive that it would generate severe retaliation, seriously damaging overall U.S. foreign policy.

(2) Would provide straightforward approach to the problem permitting U.S. to provide compensation through compensating tariff reductions (when authority to do so is obtained) or foreign countries to retaliate legally.

(3) Would relieve us of ongoing burden of negotiating and administering voluntary foreign controls.

Con:

(1) Would run risk of allowing legislation to get out of control as per pro (1) unless a Presidential veto were threatened in response.

(2) Would cost the U.S. in terms of compensation or retaliation as per pro (2).

(3) Would be difficult to avoid similar treatment for other industries.

11. Editorial Note

On May 7, 1969, from 11:16 a.m. to noon, the National Security Council met to discuss Far East trade issues in anticipation of Secretary of Commerce Stans' trip to East Asia. Textiles was one of the major topics discussed in addition to exports, balance of payments, non-tariff barriers, and common market agricultural policies. Alexander Haig's handwritten notes, the only account of the meeting found, indicate that the President, in reference to the Japanese textile negotiations, said, "play it a little more forcefully. Let them know we may go legislative route. Okinawa etc. is linked. We may go easy on latter for prog[ress] on trade." (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-109, NSC Minutes, Originals 1969 [3 of 5])

Secretary Stans visited Japan, Korea, Taiwan, and Hong Kong during his May 10–18 trip. Following his return, Stans met with Nixon and Kissinger on May 19 from 11:15 to 11:37 a.m. (Ibid., White House Central Files, President's Daily Diary) No memorandum of conversation of this meeting has been found. Stans wrote a memorandum for the President, dated the same day, in which he described his trip to the Far East. On the issue of textiles, Stans wrote, "Although I did not receive the support of the four countries I visited for an international solution, I believe the Asians now more clearly understand our determination to find an answer to our textile problem. Every country has agreed to continue the dialogue with us." (Memorandum from Stans to Nixon, May 19; *ibid.*, White House Special Files, President's Office Files, President's Handwriting Files, Box 2, May 1969)

Kissinger commented on Stans' trip, noting in a May 19 memorandum to Nixon: "The major result of the trip was the unanimous rebuff to our textile request from the Asians. All flatly refused even to attend a GATT meeting to discuss a multilateral arrangement to cover voluntary controls by textile exporters." Kissinger also noted that the Japanese "made it clear that they related our textile request to our requests that they liberalize their treatment of imports from the U.S. and U.S. investment in Japan. We thus made no progress on these other issues either." A notation on Kissinger's memorandum indicates the President saw it. (Ibid., NSC Files, Box 213, Agency Files, Department of Commerce—1970—Vol. I)

Joseph Greenwald, Deputy Assistant Secretary of State for International Trade Policy, wrote a memorandum that was sharply critical of Stans' report and dissented from the conclusion that the textile controversy can be satisfactorily resolved through a multilateral

approach. (Memorandum from Greenwald to U. Alexis Johnson and Samuels, May 23; Department of State, S/S–I Files: Lot 80D212, NSSM 16)

Additional information about Stans' trip to East Asia is in *Foreign Relations, 1969–1976*, volume IV, Foreign Assistance, International Development, Trade Policies, 1969, 1972, Documents 202 and 203.

12. Memorandum of Conversation¹

Washington, May 21, 1969.

PRESENT

Takeso Shimoda, Ambassador of Japan

Dr. Kissinger

Richard L. Sneider, NSC Senior Staff Member

1. *Vietnam Speech*

Shimoda led off the discussion by saying that the President's May 14 speech was highly regarded in Japan.² The Japanese particularly admired its flexible and moderate tone; to the Japanese this was more important than the substance. Shimoda said that the Japanese press, most unusually, unanimously praised the President's speech. Even the highly critical *Asahi* praised the speech, a very rare occurrence for an American President's speech on Vietnam.

2. *Okinawa*

Shimoda said that it might be easier for Dr. Kissinger to understand the Okinawa problem if one compared German and Japanese security attitudes. The Germans have a national consensus on their security policy. On the other hand, Japan has no national consensus. In contrast to the Germans, the Japanese have no sense of a threat of invasion or

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 533, Country Files, Far East, Japan, Vol. I. Secret. Drafted by Sneider. Lawrence Eagleburger, acting on behalf of Kissinger, approved the distribution of this memorandum of conversation to the Departments of State and Defense.

² On May 14, Nixon gave a major speech on the subject of Vietnam. See *Public Papers: Nixon, 1969*, pp. 369–375.

any sense of insecurity from external threats. The Japanese consider themselves an island country, which no one would seek to invade or attack. Therefore, Japan could not get itself involved in a war, unless it itself undertook to start such a conflict.

Shimoda said that the Sato Government has tried to explain to the public the need for a sense of responsibility for the rest of Asia. However, the press ignores the Sato statements and only criticizes his policy. Sato, therefore, is in danger of losing his majority in the Diet, having already lost the majority of the votes.

Shimoda said that the Japanese people find frustrating continued foreign rule of Okinawa. They wish to have Okinawa back as soon as possible. Dr. Kissinger asked why the Japanese did not have the same attitude towards the Southern Kuriles, which the Russians hold and the Japanese claim. Shimoda answered that Sato has pushed Japanese claims hard in the Diet but the press ignores him. Furthermore, there is no Japanese population in the Kuriles, such as is the case in Okinawa.

Kissinger then went on to discuss the Security Treaty and emphasized that this treaty needs to be understood in Japan as in our mutual interest, not as a favor to the United States. The United States wants the closest possible relations with Japan and takes seriously the Okinawa issue. We intend to discuss the Okinawan problem in a serious and constructive spirit, leaving to negotiation the precise formulae. Kissinger assured Ambassador Shimoda that the President was looking at the problem openly. He pointed to the particular importance of Okinawa with respect to Korea. The EC-121 incident had pointed up the physical requirements for Okinawa with respect to Korean operations.

Shimoda said there is no question about letting the United States use its bases in Okinawa. The Japanese wanted the Security Treaty arrangements to apply but understood that the United States has wider responsibilities. The Japanese Government wishes to find therefore a *modus vivendi* to meet our requirements. Kissinger said we would put our needs to the Japanese Government.

Kissinger asked what would happen if the Security Treaty were abrogated. Shimoda answered that in this instance, Japan would turn to China under the leadership of the left. On the other hand, this need not happen. Shimoda urged that the Okinawan issue be settled by the end of this year. He felt that, after this issue was settled, Japan would face up to its Asian responsibilities since the people would see the problem more clearly. Kissinger assured Shimoda that we hope to see the outlines of an agreement by the end of the year and we are going

to take a positive attitude during the negotiations. Basically, it is important for relations between the two countries to solve the Okinawan problem, taking into account both Japan's political problem and the U.S. military requirements.

13. National Security Decision Memorandum 13¹

Washington, May 28, 1969.

TO

The Secretary of State
The Secretary of Defense
The Secretary of the Treasury
The Director of Central Intelligence

SUBJECT

Policy Toward Japan

As a result of the NSC meetings on Japan,² the President has made the following decisions with regard to U.S. policy toward Japan:

1. We shall basically pursue our current relationship with Japan as our major partner in Asia, seeking ways to improve this relationship from the viewpoint of U.S. national interests and to seek an increasingly larger Japanese role in Asia.

2. We shall allow the present Treaty of Mutual Cooperation and Security to continue without amendment after 1970 when it becomes subject to renunciation or amendment.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-210, National Security Council Decision Memoranda, NSDM 13. Top Secret. On May 23 Sneider informed Kissinger that both the leadership of the Department of Defense and the JCS "were satisfied with the draft Decision Memorandum with one change assigning specific action on the negotiating strategy paper to the EA/IG and the Under Secretaries Committee." (Memorandum from Sneider to Kissinger, May 23; *ibid.*) On May 24 Kissinger sent this decision memorandum to Nixon for his approval, under a covering memorandum that discussed U.S. strategy during the Okinawa negotiations. Kissinger noted that the various Departments have "no basic disagreement" with NSDM 13. Nixon initialed his approval of NSDM 13 on May 28, and returned it to the NSC the same day. (Memorandum from Kissinger to Nixon, May 24; *ibid.*)

² For information on the NSC meetings of April 30 and May 7, see Documents 9 and 11.

3. We shall continue to make gradual alterations in our base structure and base utilization in Japan to reduce major irritants while retaining essential base functions.

4. We shall continue our present policy of encouraging moderate increases and qualitative improvement in Japan's defense efforts, while avoiding any pressure on her to develop substantially larger forces or to play a larger regional security role.

With respect to Okinawa, the President has directed that a strategy paper be prepared by the East Asia Interdepartmental Group under the supervision of the Under Secretaries Committee³ for negotiations with the Japanese Government over the next few months on the basis of the following elements:

1. Our willingness to agree to reversion in 1972 provided there is agreement in 1969 on the essential elements governing U.S. military use and provided detailed negotiations are completed at that time.

2. Our desire for maximum free conventional use of the military bases, particularly with respect to Korea, Taiwan and Vietnam.

3. Our desire to retain nuclear weapons on Okinawa, but indicating that the President is prepared to consider, at the final stages of negotiation, the withdrawal of the weapons while retaining emergency storage and transit rights, if other elements of the Okinawan agreement are satisfactory.⁴

³ The Under Secretaries Committee issued the draft strategy paper on June 29. (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-210, National Security Council Decision Memoranda, NSDM 13) In a July 1, memorandum Sneider described the paper to Kissinger: "The key aspect of the strategy is to withhold any Presidential decision on nuclear storage until other aspects of the Okinawan package are acceptable to us." (Ibid.)

⁴ On June 3, Hedrick Smith of the *New York Times* wrote an article that discussed what the U.S. bargaining position would be during the upcoming negotiations concerning Okinawa. This information appeared to be based on NSDM 13 and led to an investigation into the source of the leak. The transcript from a June 3 Department of State briefing at which this article was discussed is in *ibid.*, RG 59, Central Files 1967–69, POL 19 RYU IS. Top officials, such as Kissinger and U. Alexis Johnson, believed that Smith's article threatened to undermine the Okinawa negotiations, particularly through its assertion that the Nixon administration was willing to consider withdrawing nuclear weapons from the island. Secretary of State Rogers, who happened to be meeting with Japanese Foreign Minister Aichi on the day that the article appeared, denied its accuracy. (Memorandum of conversation, June 3; *ibid.*, POL 7 Japan) On June 4, Under Secretary Richardson reported to the President on the State investigation of the leak. (Ibid., Nixon Presidential Materials, NSC Files, Box 280, Agency Files, Department of State, 6/1/69 Vol. III) Laird wrote a letter to Haldeman on the Pentagon's investigation. (Washington National Records Center, OSD Files: FRC 330–75–0089, Box 81, Okinawa, 323.3) Both Kissinger and Nixon describe the leak in their memoirs. See Kissinger *White House Years*, p. 329, and Nixon, *RN: The Memoirs of Richard Nixon*, p. 389.

4. Other commitments to be sought from Japan with respect to Okinawa.⁵

Henry A. Kissinger

⁵ According to a May 16 memorandum from Haig to Kissinger, Haig was unhappy with the earlier draft of the NSDM. Haig worried that the Joint Chiefs of Staff were dissatisfied with proposals for weapons storage after the reversion of Okinawa. He also perceived a problem “with the final paragraph in which the President is quoted as using security interests on Okinawa to develop leverage on trade issues. As a matter of principle, this should never be carved in stone for historians to examine. More importantly, since he is talking about textiles and since he may at some future date have some problems with his decision in this area because of political affiliation, I would strongly recommend that the last paragraph not be included in the decision memorandum. In any event, I think it is very important that the President not refer in any form to the linkage between Okinawa and trade.” The paragraph was subsequently deleted. (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-128, National Security Study Memoranda, NSSM 5 [1 of 2])

14. Memorandum From the President’s Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, May 29, 1969.

SUBJECT

Current Status of the Okinawan Negotiations

You will be seeing Foreign Minister Aichi for a brief courtesy call on June 2. As background for this conversation, the current state of play on the Okinawan negotiations and other key U.S.-Japan problems is summarized below.

Okinawan Negotiations

During the past month, the opening skirmishes in the Okinawan negotiations took place in both Washington and Tokyo. The Japanese Foreign Office sent two senior officials to Washington to test the ground for Aichi, and Aichi tried out his Washington script tentatively on our

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, Subject Files, Confidential Files, Box 7, F, CO 75 Japan, 1969–1970. Secret. Sent for information.

Chargé in Tokyo.² I have also had two conversations, one with Aichi's advance man and the second with Ambassador Shimoda.³

These opening skirmishes have served to draw the battle lines more clearly—in the following broad terms:

1. The Japanese now know that they are faced with some very tough negotiating demands on our part; they are worried and are already beginning to soften some aspects of their position to meet our requirements.

2. The principal give in the Japanese position is on freedom for conduct of conventional military combat operations with respect to the Korean area. The depth of our concern about Korea, particularly, is fully appreciated and the Japanese are prepared to go fairly far to meet our requirements—even to the extent of considering a strong public commitment. The Japanese are also pretty well down the road to granting similar rights with respect to Taiwan and perhaps the Philippines.

3. The Japanese will wish to negotiate any special arrangements for Korea and Taiwan within the framework of the current Treaty arrangements; this is possible and also helpful to the Japanese since they can then say that reversion of Okinawa is on the “homeland level”.

4. We have detected absolutely no give on the Japanese side with respect to retaining nuclear weapons on Okinawa; however, they realize this is a very difficult pill for us to swallow and are right now very well disposed to making compensatory concessions in other areas of the Okinawan negotiations.

5. It virtually goes without saying that the pressure for a reversion agreement this year is intense in both Japan and Okinawa.

The Impact of Okinawa on Other Issues

While nobody is directly linking Okinawan reversion to the other major problems between ourselves and Japan, the Japanese are making this calculation time and time again.

There are clear signs of Japanese recognition of the need for significant concessions, likewise, in the economic area—to avoid “complicat-

² Fumihiko Togo, Chief of the American Bureau of the Japanese Ministry of Foreign Affairs, visited Washington at the end of April. Before Togo's trip, the Embassy reported on his negotiating position in telegram 3311 from Tokyo, April 26. (Ibid., NSC Files, Box 533, Country Files, Far East, Japan, Vol. I) The second senior official to whom Kissinger is referring was probably Ambassador Hiroto Tanaka, a special advisor to Sato on the Okinawa talks, who met with U.S. officials before Aichi's visit. (Telegram 83845 from the Department to Tokyo, May 24, *ibid.*, RG 59, Central Files 1967–69, POL 7 JAPAN) Japanese Foreign Minister Aichi met with the U.S. Chargé in Tokyo, David Osborn, on April 22. A report of the conversation is in telegram 3156 from Tokyo, April 23. (Ibid., NSC Files, Box 533, Country Files, Far East, Japan, Vol. I)

³ See Documents 6 and 12.

ing” the Okinawan reversion issue. The major problem for the Japanese is that they are now uncertain as to what economic issues have the highest priority for us. They have been presented with requests for immediate action on such a broad array of trade and investment issues that they are not sure which direction to turn. As a consequence, they are developing their own sense of priorities based upon the internal difficulties involved; Embassy Tokyo reports that the Japanese are more likely, therefore, to move ahead with capital liberalization rather than textiles, and a joint venture involving Chrysler has recently been announced. The problem of our priorities in the economic field will have to be dealt with before the Joint Cabinet Committee meeting at the end of July, if we are to reap the maximum dividends from the current situation.

15. Memorandum of Conversation¹

Washington, June 2, 1969, 10:30 a.m.

SUBJECT

Aichi Call on the President

PARTICIPANTS

Kiichi Aichi, Foreign Minister of Japan

Takeso Shimoda, Ambassador of Japan

Fumihiko Togo, Director General, American Affairs Bureau, Ministry of Foreign Affairs

Genichi Akatani, Deputy Director, Public Information Bureau, Ministry of Foreign Affairs (Interpreter)

The President

Armin Meyer, Ambassador to Japan

Emil Mossbacher, Chief of Protocol

Richard Sneider, The White House

Richard B. Finn, Country Director for Japan, Department of State

James J. Wickel, American Embassy, Tokyo (Interpreter)

The President said that the problems we were discussing this year, such as Okinawa and trade and investment liberalization were difficult,

¹ Source: National Archives, RG 59, Central Files 1967–69, POL 7 JAPAN. Secret; Nodis. Drafted by Wickel on June 11 and approved by Davis. The meeting took place at the White House. On June 2, the Department of State sent talking points to the President, under a covering memorandum from Rogers, in preparation for his conversation with Aichi. (Ibid.)

but he believed that we must try to find mutually acceptable solutions, and could do so, because such solutions were in the interest of both countries. Frankly, each side should bargain hard for such a solution. However, no other President in history had visited Japan as often, and he recognized the great importance of United States-Japan friendship to the entire Pacific region, not just the two countries. Because of his personal relations with Prime Minister Sato, Aichi and others, he was determined that we find an answer to these problems, recognizing that we each would bargain hard. He asked that his view that we could find a mutually satisfactory solution be conveyed to the Prime Minister, whose interest, he knew, was deep.

Aichi thanked the President for agreeing to meet him before departing Washington tomorrow. He noted that the present cabinet in Japan, based its policies on the relations of mutual trust between Japan and the United States, in diplomatic relations of course, but also in domestic politics and economics, which it wished to stabilize further. Although some elements opposed the Security Treaty the majority of the Japanese people were confident that the Security Treaty was in Japan's own interest and recognized that Japan had enjoyed almost 25 years of peaceful development because of this security arrangement. Japan strongly wished to resolve the Okinawa problem by 1972 within the context of the Security Treaty. He looked forward to his talks with Secretary Rogers, and said that Japan indeed would bargain hard, but the GOJ would give its all to arrive at a satisfactory solution. Because he was convinced that mutual trust between both countries was most important Aichi said that he has always talked very frankly since becoming Foreign Minister (he always talked frankly with former Ambassador Johnson) and intended to continue to do so particularly because there were difficult problems to solve. With respect to import and investment liberalization, noted earlier by the President, he asked the President to understand and bear in mind that Japan lagged behind the United States, but was doing its best to go faster.

The President wished Aichi to know that he had every confidence in Ambassador Meyer, an old friend whom he had seen in Tehran. He wanted to have in Japan a professional, skilled in diplomacy, who shared his views on the importance of the Pacific area and Japan's role there.²

The President recalled his own article in *Foreign Affairs*,³ in which he wrote that in the last third of the XXth Century the "action" would

² Armin Meyer was nominated Ambassador to Japan on May 27 and presented his credentials on July 3.

³ See *Foreign Relations, 1969–1976*, vol. I, foundations of Foreign Policy, 1969–1972, Document 3.

be in the Pacific, not just because of Viet-Nam, which was peripheral, but in the broader aspects, which could be approached only in terms of United States-Japan cooperation, under which we recognized that problems such as Okinawa must be considered in terms of security. It was not what we wanted; we desired no bases, *per se*, and recognized the political problem this posed for Japan. However, Okinawa was important only as it related to overall security and the role the United States and Japan must play together if the Pacific Ocean were to be a peaceful sea. He recalled saying in Japan in 1957 just when Japan had started to come back that without a strong Japan in a leadership position there could be no permanent peace and stability in the Pacific. This was infinitely more true now. Starting with this belief, and the belief that we could solve this problem in the larger context, we must consider these broader aspects.

Aichi agreed absolutely that Japan should cooperate with the United States, in the context of the relationship of mutual trust, to contribute to peace and stability in Asia. On June 8, the Foreign Ministers of the ASPAC nations would meet at Kawana, Japan, to further promote the objective of regional cooperation. However, as the President knew, Japan's Constitution was unique with respect to defense; it severely restricted any overseas military cooperation by Japan. He also hoped the President would consider Japan's unique views on nuclear weapons, which derived from the fact that Japan was the only country to have suffered from their use.

Aichi said that the GOJ wished to put to rest any question on defense matters by the flexible application of the Security Treaty, at such time as Okinawa reversion took place, on the basis of a solution in the context of the Security Treaty, which would strengthen the political and psychological aspects of Japanese American relations. He would carry on his discussions with Secretary Rogers on that basis.

The President said that Aichi seemed to understand all the political and geopolitical problems thoroughly. Therefore, Okinawa would not be approached just as a military-defense problem, but as a joint political-military problem. As we all knew, the United States at present had responsibilities in Korea, Taiwan, the Philippines, and, for the general area throughout SEATO. It would not be in Japan's interest for the United States to withdraw from those responsibilities. For example, Japan had a great role in Southeast Asia and would be affected more than the United States by what happened in Malaysia, Singapore, Thailand, the Philippines, and Indonesia, let alone Viet-Nam. The decisions we took were not solely selfish, but involved the entire area. In viewing the future in practical terms, he hoped, and said he would work for, a greater role for Japan economically (where we welcomed Japan's expanding role), politically through ASPAC, and, in the conventional

sense at this time, militarily. It was not healthy for the United States or the Free World to have only the United States in the Pacific area as the sole guarantor of freedom of choice and independence, which was what the Pacific nations wanted. We needed, and welcomed the development of a new policy, whereby Japan, the only major industrial power in the area could play a larger role, not just economically, but a diplomatic role based on conventional military strength. He said this now, not that it was a matter for immediate discussion, but because he wanted Aichi to know his thinking. He recalled his speech before the Japan-American Society in 1953, in which he said, in retrospect, that Japan's adoption of strict constitutional provisions on war (probably at our insistence) was an error. It made headlines then.⁴ Now that many years have passed and in viewing the kind of world the American and Japanese people were trying to shape it was not healthy to have only one super power in the Pacific as sole guarantor against the USSR and Communist China. Therefore, we welcomed an expanded role for Japan, consistent with Japanese public opinion and how well the GOJ brought the people along. Therefore, he hoped a better climate would emerge as a result of a solution to Okinawa, even though he knew this would be difficult.

Aichi said that the effective presence of the United States was essential in the broadest terms to the security of the area as a whole, and Japan felt that it was essential to create an environment which would make possible effective cooperation to that purpose.

The President said he looked forward to seeing Aichi again in November when he would come to Washington with Prime Minister Sato.

Aichi hoped that the President and the Prime Minister would resolve the Okinawa problem at that time.

The President said that we should both understand that we were discussing Okinawa and trade and investment problems in a preliminary way. He asked Aichi to inform Sato that it would be in our interest to try to resolve these when he came to Washington, but summit meetings were meaningless without preliminary hard work. Therefore, Aichi would be having discussions with Secretary Rogers, and Ambassador Meyer and in Washington we would discuss these matters with Ambassador Shimoda, to clear away the underbrush. Then when he met the Prime Minister we would have a program ready to go.

The President noted that the Americans and Japanese were similar in that they bargained hard. Only through hard bargaining could a meaningful contract be reached. If one side didn't bargain hard, any

⁴ Nixon provides an excerpt from this speech in his memoirs. See *RN*, pp. 129–130.

contract reached would contain the seeds for breaching it. Therefore we welcomed hard bargaining to reach a solution we could sell the American people and the GOJ could sell the Japanese people.

The President suggested that the press be told that he discussed with the Foreign Minister a number of major bilateral issues which affected the United States and Japan, such as Okinawa, investment and trade liberalization, and beyond, to the general problems of the Pacific area. In this very constructive discussion both the President and the Foreign Minister presented points of issue. The President felt that these discussions and the forthcoming discussions by the Foreign Minister and the Secretary of State would prepare the way for the constructive outcome of, and were an essential preliminary for discussions with the Prime Minister, scheduled for November.

Aichi and Shimoda agreed on this sort of general statement.

The President said that it was important to make it known that this meeting was more than an exchange of social pleasantries, and included important substantive problems as well, to help set the stage for progress for a final solution to this problem in November.

16. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, July 29, 1969.

SUBJECT

Okinawa

As you know, State has proposed to tell Sato that we would be prepared to give up our nuclear storage rights on Okinawa in return for free conventional use with respect to Korea, Taiwan and (while the war lasts) Vietnam.

I take your view to be as follows:

1. While you recognize that this may turn out to be our ultimate position, you do not wish to have it presented at the outset.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa, Vol. I, 1969 and 1970. Secret; Sensitive. Sent for action. In the right-hand margin Nixon wrote: "1. U.S. political—Defense—Congress 2. Japan—Hard bargainer—3. We must *not* give up *more*—therefore offer less *now*—".

2. You wish at this stage to have only a general discussion and to reserve for yourself the possibility of breaking a deadlock later.

3. You also wish to reserve the nuclear issue to help other issues such as textiles.²

4. You want to proceed in the manner outlined by Alexis Johnson to the NSC of giving in on the nuclear issue only after the Japanese have shown their hand.³

5. You feel you owe it to Defense not to present such a proposal without discussing it with them.

6. You will recall that we know that Sato is willing to settle for better than this from his private emissary.⁴

² Nixon circled the word "textiles."

³ Nixon underlined "issue only after the Japanese have shown their hand."

⁴ Nixon initialed the approve option.

17. Memorandum From Secretary of Commerce Stans to President Nixon¹

Washington, August 8, 1969.

SUBJECT

Trade and Economic Issues in Cabinet Ministers' Meeting in Japan.

During our discussions last week in Tokyo the entire delegation stressed the importance of the Japanese liberalizing their restrictions on American trade.² Essentially the Japanese import from the rest of the world goods which they do not produce and restrict imports of goods which compete with their own products. Similarly, the Japanese

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 399, Subject Files, Textiles, Vol. I. Personal and Confidential. A notation in an unknown hand on the first page reads: "Pouch for Bergsten."

² Since the Kennedy administration, cabinet officials from the United States and Japan had met most years as the Joint Japan-United States Committee on Trade and Economic Affairs (ECONCOM). The seventh ECONCOM meeting took place in Tokyo July 29–31. Delegates on the U.S. side, in addition to Stans, included Rogers and Chairman McCracken of the Council of Economic Advisers. Rogers used the occasion of his visit to Japan to meet with Prime Minister Sato on July 31. (Telegram 6333 from Tokyo, August 1; *ibid.*, Box 533, Country Files, Far East, Japan, Vol. I)

have effectively precluded American companies from establishing themselves in key industries in Japan.

Some limited progress was made.

—The Japanese and we will be holding discussions this fall on Japanese import quota restrictions, which are illegal under the General Agreements on Tariffs and Trade (GATT), and on non-tariff barriers which each country maintains on imports.

—The Japanese will announce this fall their plans for liberalization of foreign investment in the automobile industry and have promised to announce in 1970 substantial liberalization in other fields.

—On the textile issue, I proposed the negotiation of a comprehensive bilateral agreement on wool and man-made fiber textiles and apparel. The Japanese agreed, without commitment, to send a delegation to Washington by September 15 to discuss this proposal with us. This could result in a subsequent negotiation of a bilateral agreement.

Despite their willingness to discuss the problem further in Washington, it is premature to be optimistic that the Japanese will negotiate an acceptable agreement with us.³ Nevertheless, working with the State Department we plan to follow up the Tokyo discussions with further representations to Japan as well as to other key textile exporting countries.

While we are carrying out these steps, however, time is running out on an essential element in our textile effort. This is the notification to the GATT that we are *reserving our right* to increase tariffs on textile products. We have the right—the so-called “open season”—to give such notification during a limited period of time only once every three years. We are now in that period.

Giving notice reserving our right under this provision would not commit us to raise textile tariffs. We could reach a decision on that question at any time during the next three years. It would, however, assure us of the authority under GATT to make such a change in our textile tariffs and would serve our immediate purposes.

—First, it would apply a certain amount of pressure on the exporting countries to negotiate textile agreements with us.

³ On August 25, the Consulate General in Osaka-Kobe produced a report that described problems of the Japanese textile industry. First, it was losing its competitiveness relative to other Asian textile producers. Second, it had lost its place as Japan's most dynamic export industry, and realized that its influence over Japanese trade policy would become increasingly marginal as its importance diminished relative to other exporters. Third, it abhorred U.S. demands for voluntary restraints on Japanese synthetic textile exports to the United States, and feared that the Japanese government would weaken its opposition to such demands in exchange for American concessions on other economic and political issues. (Airgram 42 from the Consulate General in Osaka-Kobe to the Department of State; *ibid.*, RG 59, Central Files 1967–69, INCO-FIBERS JAPAN)

—Second, it would preserve the right to change our tariffs as an alternative to agreements if we are not able to negotiate agreements with the countries concerned.

—Third, our domestic position will be weakened if we allow the “open season” to slip by without having at least reserved our right to take action under it in the future. The “open season” question has been raised publicly and our failure to reserve our right to use it may be construed as a sign of weakness.

In essence, giving notice while not committing us to taking action is simply a prudent step to preserve this option for the future. There have been differing views on this matter within the government and unless an agreement is reached soon I shall work with the other agencies to develop a position paper for you to consider.

Maurice H. Stans

18. Memorandum From the President’s Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, August 26, 1969.

SUBJECT

Textiles

Secretary Stans has proposed to you, both in writing (Tab A)² and at your meeting with him on August 13,³ that the U.S. reserve the right to increase our tariffs on textiles. We have the legal right under GATT

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 399, Subject Files, Textiles, Vol. I. Confidential. Sent for action. Bergsten sent this memorandum to Kissinger under an August 21 memorandum, recommending that he sign and send it to the President. Bergsten, in his memorandum to Kissinger, commented upon Stans’ proposal that the United States reserve the right to increase tariffs on textiles. Bergsten declared this proposal to be “one of the worst I have ever heard, for domestic political—let alone foreign policy—reasons.” (Ibid.) Kissinger sent Stans a memorandum on September 2, informing him that Nixon wished to delay a decision on whether the United States would “reserve the right to withdraw its tariff concessions on textiles under the ‘open season’ provision of the GATT” until after the mid-September textile talks with Japan. (Ibid.)

² Tab A is Document 17.

³ According to the President’s Daily Diary, Nixon met with Stans and Kissinger on August 13 from 11:30 a.m. until 12:45 p.m. (National Archives, Nixon Presidential Materials; *ibid.*, White House Central Files, Daily Diary) No memorandum of conversation of this meeting was found.

to make such a reservation during the “open season” which lasts through the rest of 1969. We would not actually raise tariffs unless our efforts to achieve negotiated voluntary agreements failed and we then decided that tariff increases were the best way to deal with the textile problem.

The objective of this step would be to pressure Japan to negotiate a satisfactory voluntary agreement. Secretary Stans has concluded that the Japanese will not be any more forthcoming despite our shift from seeking a multilateral agreement to seeking comprehensive bilateral agreements with the four key exporters.

However, the Japanese did not know of our shift in position before the recent ECONCOM. They agreed to send a delegation to Washington by September 15 to discuss the issue and we will not really know how forthcoming they might be until those talks take place. I think we should await the results of those discussions before taking any new steps to pressure the Japanese.

Reserving our right to increase our tariffs has serious implications which should be the subject of interagency study. We cannot legally reserve our right for textiles alone but would have to do so for all imports. Other countries, to protect themselves economically and for political reasons, would then reserve the right to raise their tariffs on all their imports—particularly since you have no authority at present to reduce other U.S. tariffs to compensate them for any actual increases in our textile tariffs which might eventuate. The results would be:

1. Major domestic problems with other U.S. industries seeking protection against imports. The opportunity to actually raise tariffs, once we had reserved the right to do so, would be irresistibly tempting and you would face tremendous pressure from them to act.

2. Major domestic political problems with all those industries who would be hurt by our own compensatory tariff cuts, or by foreign retaliation, if we were to actually raise tariffs on textiles. They would also be hurt to some extent even by the possibility of foreign retaliation, since their customers would seek alternative sources of supply to hedge against the possibility of actual action.

3. Additional domestic political problems because such action would increase the difficulty of inducing foreign countries (including Japan) to reduce their non-tariff barriers against U.S. exports, which is a major issue to many important U.S. firms.

4. Major foreign policy problems. A trade war would be threatened and there would be an anguished response from virtually every country in the world, because of the encouragement to their own protectionists as well as the real specter of export and hence real economic losses.

5. Re-escalation of the textile issue to a multilateral level. Your decision to shift from the comprehensive multilateral approval to the

comprehensive bilateral approach was partly aimed at eliminating the need for further approaches to countries other than the four major exporters in the Far East. Specifically, it removed the problem from U.S.-European relations. Tariff increases would, however, catch imports from all sources. It would be a rather broad-gauged instrument to use solely for leverage against Japan.

Recommendations:

1. That you defer, until after the meeting with the Japanese in mid-September, a definitive answer to Secretary Stans' proposal that the U.S. reserve its right to raise our tariffs on textile imports.⁴

2. That you should approve his proposal to develop an interagency paper on it which you could then consider, if necessary, after the mid-September talks with the Japanese. The interagency group should also be instructed to propose other tactics for bringing leverage on the Japanese.⁵

⁴ Nixon checkmarked his approval of this recommendation.

⁵ Nixon checkmarked his approval of this recommendation.

19. Memorandum From the Assistant Secretary of State for East Asian and Pacific Affairs (Green) to the Acting Secretary of State (Richardson)¹

Washington, September 26, 1969.

SUBJECT

Removal of gas weapons from Okinawa—ACTION MEMORANDUM

We are concerned that continued delay in beginning the removal of lethal gas weapons from Okinawa could be damaging in Japan and Okinawa, and perhaps here in the U.S. Adverse impact of the July gas incident on Okinawa was minimized by prompt announcement of our

¹ Source: National Archives, RG 59, Central Files 1967–69, DEF 15 RYU IS–US. Secret; Exdis. Drafted by Howard M. McElroy, cleared in draft by EA/J and J/PM. Also initiated by Eliot.

intention to remove the weapons.² Although we informed the GOJ that we could not then determine when the removal would begin or how long it would take, the GOJ undoubtedly expected that we would move with reasonable speed.

We believe that the Japanese will raise this issue with us before too long, and that we should, at least, be in position to say the removal has begun. In addition to the impact in Japan and Okinawa, further delay also runs the risk of criticism in the U.S. There would, of course, be grievous international and domestic repercussions should a second incident occur before removal has even begun.

We understand that DOD has not yet adopted a plan for removal of these weapons, and that even after a plan is adopted, there may be considerable delay before the removal operation begins. DOD/ISA seems to recognize the urgency of the problem, but this recognition is apparently not shared on the military side which is responsible for implementing the removal decision. In view of this situation and the importance of the problem, we believe that you should emphasize the matter by informing Secretary Laird of our views.

RECOMMENDATION:

That you sign the attached letter to Secretary Laird.³

² On July 8, a 500-pound GB (nerve agent) bomb began leaking during routine maintenance (paint removal) on Okinawa. Twenty-three U.S. military personnel and one U.S. civilian were affected, none of them seriously. Ten days later, on July 18, a front page story in the *Wall Street Journal* reported that there had been a chemical weapons leak on Okinawa. This story produced a public uproar in Japan. Deputy Assistant Secretary of Defense Dennis J. Doolin provided background information to Colonel Alexander Haig of the NSC Staff in a July 17 letter. (Ibid., Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa Gas Incident, July 8, 1969) On July 22 the Department sent a Department of Defense public statement to the Embassy in Tokyo, providing details about the accident. The text was sent in telegram 120704 to Tokyo; *ibid.*, RG 59, Central Files 1967–69, DEF 15 RYU IS–US.

³ Richardson signed an attached October 1 letter to Secretary Laird, which concluded, “I believe it is very important to move ahead quickly in removing these weapons from Okinawa, and I hope that you can keep me abreast of progress in this operation.”

20. Memorandum From Secretary of Commerce Stans to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, October 1, 1969.

In connection with the textile discussion with the Japanese, we do need some items of leverage to force them into a sensible negotiating position. It occurs to me that there may be some opportunity in the following two items:

1. Apparently the Japanese have an interest in acquiring a substantial amount of gold from the United States.

2. Apart from the question of the return of Okinawa, there is apparently a major issue of the amount which the Japanese shall pay to the U.S. in reimbursement for facilities.

I propose that either or both of these items are of sufficient significance that the textile matter could be worked into them. I leave it to you as to whether the suggestions are valid and whether they should be passed on to the President.

Maury

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 213, Agency Files, Dept of Commerce—1970, Vol. I. Secret; Eyes Only. Kissinger initialed this memorandum and wrote, "Note of acknowledgment" in the upper-right hand corner. In an October 16 letter to Stans, Kissinger expressed "thanks for your memorandum of October 1 containing the most helpful suggestions on Japan." (Ibid.)

21. Memorandum From the Assistant Secretary of State for Economic Affairs (Treize) to the Under Secretary of State (Richardson)¹

Washington, October 2, 1969.

SUBJECT

How Do We Live with Japan?—INFORMATION MEMORANDUM

1. This morning you suggested that Secretary Stans' rather abrasive public statement about Japan might be helpful, in the particular sense that he was casting himself in the role of the "heavy" in a difficult negotiation.² I agreed, and agree, with you on the narrow point. In a larger perspective, I believe that the Stans' approach, if we accept it as good practice, could be disastrous for us.

2. Let us ask ourselves whether Secretary Stans would have used similar language, and taken equal liberties in interpreting events, if the other party had been the UK? Or Germany? Or Holland? Or any other country with which we have nominally friendly relationships?

3. I think that we may make a grievous and unrecoverable mistake if we suppose that the Japanese are less sensitive than anyone else to public heavy handedness. Among the origins of World War II, if we will only remember, was the Immigration Act of 1923 and its overt discrimination against Japanese emigrants to the United States. The war itself, and the events of its final days, inescapably left psychological as well as physical scars in Japan. The Japanese have a term, "war losers" which is used only in their private conversations; it incorporates a large element of self-pity, but self-pity is of course the reciprocal of resentment. Differential treatment of Japan inescapably must work on this basic residue of attitudes toward the war winners.

4. There are other reasons—racial and historical—why we should be wary of believing that Japanese are readier to be treated with contumely than ordinary people. I need not go into these, but they are real enough, as I imagine that EA would agree. In my own experience, I have not noticed that our interests in Japan have been better served

¹ Source: National Archives, RG 59, Central Files 1967–69, POL 7 JAPAN. Confidential; Exdis. Richardson readdressed this memorandum to the Secretary in the "To" line.

² Treize is apparently referring to an interview that Stans gave to the Japanese press corps on September 23, when Stans said that the Japanese negotiating posture on textiles was unsatisfactory, and that this deadlock was damaging the U.S.-Japanese relationship. Excerpts from Stans' press conference are available in Kei Wakaizumi's *The Best Course Available: A Personal Account of the Secret U.S.-Japan Okinawa Reversion Negotiations* (University of Hawai'i Press, 2002), pp. 168–170.

when we have questioned in public Japanese good faith than when we have pursued more customary and civilized methods of discussion and negotiations.

5. I am led to write this note because Secretary Stans is playing with the idea of encouraging the Hill to give us legislation which would impose quotas at 1966 import levels unless the President succeeded in negotiating “voluntary” restraints. When I asked him if he thought Harold Wilson or Tony Crosland would negotiate at this kind of gun-point, he said no, that the bill would have to exclude European exports. Well, maybe Mr. Sato would be willing to swallow his pride and accept the public humiliation that would be involved. I doubt it. But if he did, elementary self respect would dictate that he get revenge as soon and as plainly as possible and I wonder if we would want to have things go that way. (I have said as much and maybe more to Secretary Stans and to Arthur Burns).

22. Memorandum From Secretary of Commerce Stans to President Nixon¹

Washington, October 20, 1969.

SUBJECT

Textiles

There is no doubt that in the six months since we started we have made a great deal of progress in our efforts to resolve the textile problem.

When we first broached the subject in Europe and the Far East, practically no one was willing to talk.

Now most of the countries, including even Great Britain, want to make it clear that they are not refusing to discuss the subject. Some of the European countries have indicated their willingness to help us reach an agreement. Japan and Hong Kong have come to the point of offering us negotiations on a selective basis (certain items only), which of course would be an unsatisfactory and only temporary result.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 213, Agency Files, Dept of Commerce—1970, Vol. I. No classification marking.

The key is still Japan. I believe they have come a long way in their recent offers of a partial solution. However, it is clear that we need some extra “muscle” to bring them to the table for a satisfactory agreement. If they yield, we should not have too much difficulty with the other principal shipping countries.

The present threat of restrictive legislation by Congress is important but it is not enough.² We could ask the Congress to push such legislation along, to increase the threat, but there is always the danger that it might get out of hand and actually be passed.

Beyond this, the only thing that I can see that will surely help to get the job done is to use the textile issue in negotiations on other matters with the Japanese.

In the meantime, we will all continue our efforts.

Maurice H. Stans

² On January 27, Congressman Wilbur Mills (D–Arkansas), Chairman of the House Ways and Means Committee, advocated negotiated export restraints on wool and synthetic fibers. He warned that protectionist legislation would be unavoidable if a negotiated agreement proved impossible. For information on Mills’ stance, see I. M. Destler, Haruhiro Fukui, and Hideo Sato, *The Textile Wrangle: Conflict in Japanese-American Relations, 1969–1971* (Ithaca: Cornell University Press, 1979), pp. 72–73.

23. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, November 14, 1969.

SUBJECT

Sato Visit—Main Issues

Prime Minister Sato of Japan will meet with you on November 19, 20, and 21 at ten a.m. each day. The main business of these meetings will be to agree on a communiqué and other arrangements connected

¹ Source: National Archives, RG 59, Central Files 1967–69, POL 7 JAPAN. Secret; Exdis. A handwritten notation on the memorandum indicates that U. Alexis Johnson hand-delivered the signed original of this memorandum to the President. Attached but not printed are a paper on “Background and Objectives” and talking points.

with Okinawa reversion and to review the range of our common interests and relations, in particular textiles and other trade issues.

There are two principal matters to work out with Sato—nuclear storage on Okinawa and textiles.

The Japanese have been rather forthcoming in our intensive negotiations on Okinawa. They are willing to take real political risks by agreeing to positive communiqué language and a unilateral statement by Sato regarding post-reversion use of bases on Okinawa and Japan to meet an armed attack on Korea or Taiwan and for continued use for Vietnam if needed. While that language does not assure us completely free use of the bases on Okinawa, it does represent a considerable advance with respect to our bases in Japan proper and we consider it satisfactory. However, Defense feels you should seek in addition a secret understanding with Sato on this matter.² On the financial side of Okinawa reversion, the Japanese have agreed to a settlement of about \$685 million in payments and budgetary savings to us, which Treasury, DOD and ourselves consider to be very satisfactory and somewhat beyond our expectations.

The question of continued nuclear storage on Okinawa remains to be worked out.³

On textiles the Japanese have despite tough political problems shown a willingness to consider some remedial measures.

WPR

² The Department of Defense argued in favor of a secret understanding with Sato allowing the United States free use of bases on Okinawa for the purpose of responding to a military attack on Korea or Taiwan. The Department of State resisted the idea of a secret written commitment, as expressed in a November 12 memorandum from Green to U.A. Johnson (Ibid.)

³ A handwritten notation just above this paragraph reads: "Until locations of US nuclear weapons is no longer protected info."

24. Memorandum of Conversation¹

Washington, November 17, 1969.

PARTICIPANTS

Ambassador Tanaka, Special Adviser to Prime Minister Sato on Okinawa Talks
Henry A. Kissinger
John H. Holdridge, NSC Senior Staff Member

SUBJECT

Remarks by Ambassador Tanaka Concerning Joint Statement Between President Nixon and Prime Minister Sato

Ambassador Tanaka said that for some time the Japanese have been negotiating with American representatives concerning the joint statement, and that it was almost ready except for the nuclear issue.² So far, there had been no indication of US thinking on this issue, and the Japanese had merely been told that it would be decided during the talks between President Nixon and the Prime Minister. This problem, he declared, was very important for the Japanese, and the success or failure of Sato's visit would be decided on this question. For the Japanese, public relations were extremely important, and through conversations with Department of State officers, he had the impression that the important matter of substance on the US side was the introduction of nuclear weapons into Okinawa on an emergency basis. He, Tanaka, had talked with the Foreign Minister, and was given to understand that the Japanese have no disagreement with the US on matters of substance, but that the public relations problem with respect to the joint statement was extremely important—even a slight change in the language of the statement as proposed by the Japanese would be very delicate and would have serious repercussions.

Dr. Kissinger remarked that there had been many versions of the joint statement, and he was somewhat unsure to which version Ambassador Tanaka was referring. Ambassador Tanaka gave a rough version of the statement as phrased by the Japanese, in which it was stated that the President agreed the reversion of Okinawa would be carried out in a manner consistent with Japanese Government policy, without prejudice to the US position, and without prejudice to the position on

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1026, Presidential/HAK Memcons, Memcons—June–Dec 1969 Presidential/HAK [1 of 2]. Top Secret; Sensitive. No meeting time is indicated. The meeting took place in Kissinger's office.

² The "joint statement" is a reference to the communiqué slated to be issued on November 21 after the Nixon-Sato summit. See footnote 2, Document 27.

prior consultation expressed in the Security Treaty. Of course, he added, the actual substance would be decided at the Nixon–Sato meeting, but the language of the statement was extremely important. The Foreign Minister had studied this problem for a long time, and felt that even having this reference to “without prejudice to the US position” was difficult and the maximum the Japanese could afford. Any change would make the position of Sato very difficult.

Dr. Kissinger said he understood the problem and he had looked at the drafts, of which there have been many—so many that he was becoming an expert on this particular issue. However, the President had reserved the final decision. He, Dr. Kissinger, understood the Japanese problem, but was under strict instructions. The Department of State had been told that there would be no more negotiations on this issue and no more positions. If anyone were to come up with a proposal for breaking deadlocks, it was to be ignored.

Continuing, Dr. Kissinger observed that the President had a high regard for the Prime Minister and had no intention of making his life difficult. Therefore he would approach the issue in a good spirit. As far as Ambassador Tanaka’s comments were concerned, he was glad to have the Ambassador’s views. On the point of whether this was the limit of what the Japanese could do, Tanaka was a good negotiator and wouldn’t tell us anyway what his position was. In any respect, Dr. Kissinger noted, he could not give any indication of our own position until the President had a chance to talk with the Prime Minister other than to reiterate the President’s high regard. The Japanese could be sure he would approach the matter in a constructive spirit.

Ambassador Tanaka stressed that this was a crucial moment for the Japanese. The Security Treaty had been in existence for ten years and there was considerable internal turmoil regarding the Treaty. The Opposition’s objectives were focussing on the Okinawa question, charging that they suspected that the Okinawa negotiations and security relationship would hurt Japan’s interest. Therefore for the first half or more of next year, there would be difficult days in Japan, and the nuclear question would be the center of contention.

Dr. Kissinger remarked that the leftists would be in opposition no matter what, and noted that the Security Treaty had not lapsed but rather had to be denounced. It would be maintained though, so long as it was in the mutual interests of both countries. But he understood the Ambassador’s views very well on the nuclear problem. Again, he reassured the Ambassador that the President was certain to be understanding, and that if the President had any different views these would be presented frankly.

Ambassador Tanaka reiterated once more the sensitivity of the Japanese on the language of the joint statement, to which Dr. Kissinger

repeated that he could not commit the President who may have different views. At any rate he was glad to have the chance to see Tanaka and hear what he had to say. At this point Ambassador Tanaka remarked that the proposed draft was “nearly the maximum” of the Japanese position. The reference to prior consultations opened the way for a future relationship. Dr. Kissinger responded by referring to our own Congressional and bureaucratic problems, and we had to see what we could reconcile. But the President knew the Prime Minister, respected him and would approach the issue with good will and a constructive attitude. If there were any differences, he would present them and see what could be done.

Ambassador Tanaka concluded by mentioning that on other questions between the two countries, by which he meant economic matters, the Japanese were really doing the best that they could. The nuclear matter was really the crucial problem. Dr. Kissinger said he understood and was sorry that he could not have been more communicative.

25. Memorandum From Secretary of Defense Laird to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, November 18, 1969.

SUBJECT

Okinawa Reversion

I have received the recommendations of the Joint Chiefs of Staff regarding the reversion of Okinawa. Given the importance of this subject, I believe it appropriate that I forward to you their specific views:

The Joint Chiefs of Staff recommend that:

In view of the fact that it has not been possible to obtain public assurances, the United States should, prior to or during the summit

¹ Source: Washington National Records Center, RG 330, OSD Files: FRC 330-75-103, Box 14, Okinawa, 323.3. Top Secret. A copy was sent to Rogers. The recommendation of the Joint Chiefs of Staff is contained in a November 8 memorandum to Laird, numbered JCSCM-708-69. (Ibid.) Kissinger later thanked Laird for expressing the views of the Joint Chiefs of Staff in this memorandum, noting that the considerations they raised “were given careful weight in the discussions with Prime Minister Sato.” (Memorandum from Kissinger to Laird, December 3; *ibid.*)

meetings, obtain confidential written assurances, for a period at least through the decade of the seventies, to guarantee:

- a) maximum free conventional use of the military bases, particularly with respect to the Republic of Korea, China, and Vietnam; and,
- b) in event of a Presidential decision to withdraw nuclear weapons, rights for transit of nuclear weapons for periodic exercises and temporary storm haven and for emergency reentry and storage of nuclear weapons, when security conditions in Asia require.

Although time will not permit, the Joint Chiefs of Staff further recommended that the final proposed Joint Communiqué, the GOJ unilateral statements, and the U.S. position which has evolved from negotiations with the Government of Japan be considered by the National Security Council prior to the meetings with Prime Minister Sato this week.

Melvin R. Laird

26. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, November 18, 1969.

SUBJECT

Your Meetings with Prime Minister Sato

1. *Schedule:*

Prime Minister Sato will be meeting with you from November 19–21. He actually arrived in Washington on November 17, but the official visit begins with arrival ceremonies on November 19 at 10:00 a.m. You are scheduled to meet privately with him thereafter for several hours, host a dinner for him that evening, and meet again with him for a second full session at 10:00 a.m., November 20, and briefly at 11:00 a.m., November 21.

Two special events are scheduled for you and Sato. After the first session on November 19, you will both be presented with medallions and books by the President of the Japanese-American Citizens League,

¹ Source: Library of Congress, Manuscript Division, Kissinger Papers, Box TS 63, Memcons, Presidential File, 1969. Top Secret; Sensitive; Nodis. Sent for action. Sent to Nixon under a covering memorandum from Kissinger dated the same day. (Ibid.)

marking the hundredth anniversary of Japanese migration to the U.S. On November 20, you and Sato will view a model of the U.S. pavilion at the forthcoming Osaka exposition. This will consume the first 10 minutes of the second day's substantive schedule. Both of these events make good copy and are useful reminders of the closeness of our relations.

2. Background and Objectives:

Sato, whom you know from previous contacts, has been generally cooperative and understanding of U.S. viewpoints. He has been Prime Minister for five years and is in a strong political position. With a general election coming up early next year, his two main political problems are Okinawa reversion and student violence, but so far he seems to have handled both to the satisfaction of most Japanese. Japan is enjoying its fourth straight year of record-breaking economic prosperity.

Importance of Visit

—Healthy U.S.-Japan relations over the near future will probably depend on solution of the reversion issue.

—Early solution of the Okinawa problem should provide greater assurance of the long-term viability of our bases in Japan and Okinawa.

—Resolution of our textile problem with Japan is essential.

—Since Japan is clearly the major Asian power, effective Japanese-United States cooperation is an essential element in all our plans for the defense and development of the region.

—Cooperation with Japan on our policies toward Asia—economic aid, China policy,² Sino-Soviet difficulties, and post-Vietnam actions—is highly desirable.

—The Japanese should better understand that the reciprocity of our economic relationship must be improved by a reduction of Japan's trade surplus with the world and with the United States. Reciprocity includes Japanese agreement to accelerate the removal of its restrictions against imports and direct investment from the United States.³ Such actions would contribute greatly to sound U.S.-Japan relations.

What Sato wants

—Agreement on nuclear-free return of Okinawa to Japanese administrative control by 1972 on the "homeland" basis (i.e., same as

² Nixon underlined "China policy" and wrote "1" in the margin next to this sentence.

³ In this paragraph Nixon underlined "reciprocity of our economic relationship must be improved by a reduction of Japan's trade surplus with the world and with the United States" and "removal of its restrictions against imports and direct investment from the United States." He wrote "2" in the margin next to this paragraph.

Japan) of the U.S.-Japan Security Treaty is Sato's major objective. He feels this will cement Japan's ties with the U.S., justify the pro-U.S. path he has steadily followed (including continuation of the Security Treaty), and provide his party with a platform on which to run an election.

—Although Sato understands the problem of textile restraint, he has up until now not fully comprehended the need to reduce Japan's trade and payments surpluses.⁴ He also has not fully comprehended the urgency for liberalization of Japan's trade and investment restrictions. *The commitments made by his secret emissary suggest, however, that he will take positive steps to remedy this situation.*

What We Want

—The right terms on Okinawa are essential if we are to agree to its return. Although we would prefer ironclad assurances giving us free conventional use after reversion of our bases in Okinawa, we feel the assurances we now have are adequate and that Sato has gone as far as he can in a public statement.

—[1 paragraph (4 lines) not declassified]

—Another element in the Okinawa negotiations is compensation by Japan for certain U.S. assets on Okinawa to be taken over by Japan.⁵ Satisfactory agreement on the amount and general principles applying to such compensation has already been reached.

—Japanese agreement in principle to restrain its exports to the United States of synthetic and wool textiles has also been conveyed by Sato's secret emissary.

—Fuller Japanese awareness that they should assume a larger role in Asia, particularly economic but also political, commensurate with their growing economic strength. We have worked out talking points with Bob McNamara and Alex Johnson.

—Japanese recognition that its large trade and balance of payments surpluses with the world and with the U.S. must be reduced in order to maintain a healthy world economy and to avoid U.S.-Japan frictions. A commitment to accelerate the removal of Japan's import and capital restrictions was also conveyed by Sato's secret emissary.

—Japanese agreement to sign the NPT in the near future.⁶ The Japanese have also indicated through Sato's secret emissary their intention of signing but not ratifying the NPT.

⁴ Nixon underlined "need to reduce Japan's trade and payments surpluses."

⁵ Nixon underlined most of this sentence.

⁶ Nixon underlined "sign the NPT in the near future."

Themes to Stress to Sato

—The U.S. military position on Okinawa has been an invaluable contribution to deterrence and of great benefit to Japan.⁷ It is in both our interests that the U.S. maintain the maximum military capability there.

—Japan as a major economic power must reduce its large trade and balance of payments surpluses. It is also able to do much more to help the economies of developing nations.

We shall provide you each day a copy of this memorandum and the talking points for that day's meeting. All of the substantive meetings should be restricted to you, Prime Minister Sato and two interpreters, one for each side.

⁷ Nixon underlined most of this sentence.

27. Memorandum of Conversation¹

Washington, November 19, 1969, 11 a.m.

PARTICIPANTS

Prime Minister Eisaku Sato of Japan
The President

Genichi Akatani, Deputy Director of Information, Ministry of Foreign Affairs,
Interpreter

James J. Wickel, Special Assistant to Ambassador Meyer, Interpreter

With respect to Okinawa, the President said that the key point was the arrangements we could make to meet emergencies in the event of a threat to Okinawa, Japan and the United States. What procedures could we agree to follow? He asked for the Prime Minister's suggestion on what we could state about this in the Joint Communiqué² to assure

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1026, Presidential/HAK Memcons, Memcons—June–Dec. 1969 Presidential/HAK [1 of 2]. Top Secret; Sensitive. The meeting took place at the White House. On November 18, Nixon received talking points from Kissinger for the next day's meetings with Sato. (Library of Congress, Manuscript Division, Kissinger Papers, Box TS 63, Memcons, Presidential File, 1969)

² The text of the Joint Communiqué is printed in *Public Papers: Nixon, 1969*, pp. 953–957.

our own people, and second what procedure we could follow with respect to the use of Okinawa in the event of emergencies. He understood that Okinawa would be placed on “homeland level” as reversion took place, but the key question of deepest interest in the Senate, particularly in the Armed Forces Committee, was what would happen in an emergency? These days war could come quickly, and decisions had to be made in two or three days, or in some cases, in two or three hours. Therefore, he proposed to discuss specifically what statement could be made in the Joint Communiqué.

The Prime Minister noted that the President had stated that Okinawa would revert to Japan on a homeland level basis, and said that his government was on record as wishing to apply to Okinawa without modification all the provisions of the Treaty of Mutual Security and related agreements. Under these arrangements, Okinawa would be reverted on a “homeland level” basis. He agreed that Okinawa played an important military role, as the President had noted, and said that his government recognized this. What to do in case of an “important emergency” presented a difficult problem for his government, because it did not wish to see the United States embarrassed subsequently if Okinawa were reverted on a homeland level basis.

The President felt that the Joint Communiqué language was most important. While they had no problem understanding each other on this point it was important to consider how both peoples would read the Joint Communiqué. Therefore, he asked for the Prime Minister’s suggestion.

The Prime Minister said that it was difficult to discuss Okinawa in terms of nuclear weapons because it was not clear officially whether they were present there or not. It was only natural for the Japanese to believe that there were nuclear weapons on Okinawa and he would wish to ask for their removal. He recognized the difficulty of discussing their presence and of making a direct public statement that they had been removed.

The President said that this was the key point. He hoped that we could work out some understanding, and had prepared some language for the Prime Minister. The Prime Minister then produced compromise language for their consideration.

(The Prime Minister passed the Japanese language to the President, who read it in silence.)³

³ This exchange of drafts was stage-managed before the meeting. It is described in the “Procedural Arrangements Between President Nixon and Prime Minister Sato,” which was Tab B of a memorandum that Haig sent to Kissinger on November 12. (National Archives, Nixon Presidential Materials, NSC Files, Box 334, Items to Discuss with the President, 8/13/69–12/30/1969) Nixon had already received the drafts under a November 18 covering memorandum from Kissinger. (Library of Congress, Manuscript Division, Kissinger Papers, Box TS 63, Memcons, Presidential File, 1969)

The President said that the Japanese language seemed agreeable as far as his understanding with the Prime Minister was concerned. He could see why the Prime Minister needed such language to deal with the political situation in Japan. However, our own people would require “more precise” language with respect to prior consultations, as drafted by our side.

(The President passed the United States language to the Prime Minister, who read it in silence.)

The Prime Minister said that there appeared to be a great difference between the two drafts, but he wished to consider how to bring them closer.

The President said that something between the two might be agreeable.

The Prime Minister asked whether the President’s request to have a more precise statement related to the portion dealing with prior consultation? (The Prime Minister then passed the President a second Japanese draft, which the President read in silence; he then nodded his head affirmatively.)

The President said that it seemed to say about the same thing; he felt that it would be better, however, in terms of the Joint Communiqué. If the Prime Minister felt that he could sell this language in Japan, the President felt that he could sell it here.

The Prime Minister said that he was reluctant to use the term “prior consultation” and indeed this was the only place it appeared in the Joint Communiqué. However, he could accept this language because the United States Government felt that it could better explain away its problems at home by adding this more precise reference to prior consultation.

The President said it would be very helpful to have the Prime Minister’s views on how such consultation could take place. The Senate was as deeply interested in this point as was the Diet in Japan. For example, how could such consultations be conducted, how could we react in the event of an emergency such as the recent shooting down of the American EC-121.

(*Note:* The Prime Minister began to phrase his reply by saying the problem was “introduction in an emergency”, but halted his train of thought and made a fresh start.) The Prime Minister said that the United States maintained that Okinawa’s military capability would be weakened by reversion (although personally he did not think so). Japan itself would oppose any such weakening of Okinawa’s capability in its own interest. Therefore, Japan wished to have Okinawa reverted but at the same time, wished to avoid to the extent possible impairing its military capability. However, Okinawa could not be reverted with

all American rights in tact in their present form; he was obliged to request that the President bear with some weakening.

Turning to the means of consultation, the Prime Minister said that the United States had a hot line, and asked whether a link between Tokyo and Washington would provide the opportunity to conduct such consultations. He understood that there were such links between Washington and Moscow, Bonn and London. He could discuss a broad range of problems, beyond the military ones, directly with the President from time to time on such a hot line; but not, he added, too often. This should serve as an assurance.

The President said that this was an excellent idea. In the Joint Communiqué we could indicate that the hot line would be available to cover the entire area of defense in Asia. In addition, he thought that a hot line between Tokyo and Washington would place the relations between our two countries on the basis of equality it should have, on the same level as England and the Soviet Union.

The Prime Minister asked whether this point should be included in the Joint Communiqué. Personally, he was pleased that the President had agreed so readily to his proposal, but asked how best this point might be handled. Eventually, of course, it would surface, but he did not think it should be included in the Joint Communiqué.

The President agreed to this, and to the second Japanese draft of Joint Communiqué language. He suggested that they shake hands on this. Unfortunately, there would be no photographs of this historic moment.

(*Note:* The President invited the Prime Minister into his private office to see some photographs of his home in San Clemente, California. Neither interpreter was present.)

The President said that he had one other item of good news for the Prime Minister, related to the Mace-B. A recently concluded budgetary review had indicated that there was no longer any need for these weapons, and in about three weeks there would be an announcement of this fact, probably before elections in Japan, which would strengthen the Prime Minister's position.

The Prime Minister asked what the press should be told. He assumed that the President would inform Secretary Rogers of their decision before their luncheon at the State Department today. He did not intend to discuss it with the Secretary.

The President said that the Secretary would be so informed before the luncheon.

The President suggested that press officers on both sides tell the press that the Prime Minister and the President had held an extended discussion of various problems, including Okinawa and Asian affairs,

that these discussions would be continued tomorrow concentrating primarily on the economic field, and that a Joint Communiqué would be released on Friday. The Joint Communiqué would tell the whole story. The discussions were friendly, extensive, and very constructive throughout. However, he suggested that both sides wait until the Joint Communiqué, in which their specific agreements could be announced in one package, rather than releasing specific items piecemeal.

The Prime Minister agreed; and so instructed Akatani, who would serve as the press officer on the Japanese side.

The President and the Prime Minister then invited Foreign Minister Aichi to join them; Aichi was informed of the decision on what to tell the press.

28. Notes of a Telephone Conversation Between the President's Assistant for National Security Affairs (Kissinger) and Japanese Scholar Kei Wakaizumi¹

November 19, 1969, 6:30 p.m.

K indicated that everything went perfectly and it is all settled. Y thanked K. Y wanted K to make quite clear, in order to avoid any misunderstanding, [*less than 4 lines not declassified*]. K said we would understand what he will say.²

Y said it would be of a great help if they could talk about the morning's meeting. He wanted to know the minimum requirement from K's side.³ K asked—what he should say or what he has agreed to? Y said both; and K should make it quite clear.

K said Y's friend should say that bilateral discussions on this item⁴ will be held to complete an agreement. Y asked, by the end of the year?

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1030, Presidential/HAK Memcons, Memcons Textile Telcons 1970 [Sept. 1969–Jun. 1970] [2 of 2]. No classification marking. Wakaizumi provides his own account of this conversation in his book, *The Best Course Available*, pp. 278–281. Kissinger was in Washington; Wakaizumi was in Tokyo, where it was November 20, 8:30 a.m. Wakaizumi used the alias Yoshida during conversations with Kissinger, thus the "Y" used in the text.

² [*text not declassified*]

³ The "morning's meetings" is a reference to the discussion of textiles and other economic issues that was planned for the next day. Wakaizumi wanted to know the "minimum requirement" for the United States when it negotiated a textile agreement with Japan.

⁴ "This item" refers to the textile dispute. Wakaizumi's "friend" is a reference to Sato.

K said a comprehensive agreement—and he must mention the word comprehensive. And that he should use all his influence for this agreement to be reached by the end of the year, but it will be kept secret until “you know when.” Y said March or April? K agreed, but that soon after the event, there will be a call in which both friends jointly call for a multilateral meeting, at which the two sides will take a common position and your side will do its utmost to assist us to achieve the agreed solution with other nations. Y’s friend will say he will try to get it done in the present forum, or if not that one, then some other.⁵ K’s friend⁶ will expect that. K said we understood this means this is to be a comprehensive limitation. Y added, rather than selective? K said yes, a comprehensive limitation to a level not to exceed the level up to June 30, plus annual growth factors. But he doesn’t have to mention any of this. Y understood that as did his friend. K said he has to go into the procedure though. K assumed Y’s friend will say the existing forum should continue. Y said he thought his friend felt that would be the best way. Y’s friend had already given instructions to his representative and perhaps not in that detail but he will do that. K said his friend would raise the issue and explain the importance to Y’s friend. K said that would be the first item on the agenda. Then Y’s friend should say, let me make this proposal that we have bilateral discussions to reach an agreement and to reduce to a precise understanding in writing. We will keep the understanding confidential. Right after, you and we together will call for the multilateral thing. Y was confused on who would ask for the multilateral and K clarified by saying that we would ask for it. Y asked him to make it clear. K said we would call for one soon after Y’s thing. Then at the meeting you will support us along the lines of the understanding and do your utmost to assist us to achieve a similarly acceptable solution with the others. All of this Y’s friend should say. K said we understand that what we will arrive at are those figures that we will not mention. Y asked if the figures will be raised in other places. K said no, unless you want us to. We will instruct our negotiators to hold out for these figures, but that is natural. Y said perhaps K’s negotiators will have much tougher line. K agreed and then they will come in with softer one. Y wanted clarification again on who would call for the multilateral and K said we would.

Y was confused since K’s proposal gives the impression somewhat different. K thought we would continue with what is already going on. Y was not talking about the procedure. K said the substance remains the same, the procedure differs. Y understood and said all his friend

⁵ “The present forum” is a reference to the textile talks in Geneva.

⁶ Kissinger’s “friend” is a reference to Nixon.

has to say is what K has told him. K asked if Y minded if he sat in for those few minutes to make sure everything is clearly understood. Y didn't see any problem and asked if that would mean someone on their side would come in. K said he would be coming through a different door.

K said as long as Y's friend says exactly what we have agreed to, he didn't think he needed to be present. He should not deviate. If he does, K's friend will not accept. Y asked if K would repeat it again.

K said (1) bilateral discussions should be held to complete an agreement, and they in fact already have begun; (2) this agreement should be reduced to writing in all the particulars; (3) that he makes himself personally responsible that there will be a comprehensive agreement; (4) that after the event, the U.S. should call for a meeting in multilateral form under GATT that at this meeting Y's friend will do his utmost to assist us to achieve similarly acceptable international solution along the lines of our basic understanding. In accordance with our confidential understanding it would be kept secret until those meetings and then, of course, that the matter should not be linked in any way with what went on today. K said if Y's friend says all of this, K's friend will accept. But he must say it precisely because K's friend is not sufficiently briefed of the details so if there is a deviation, he will have to interrupt and that would be difficult. Y asked K to repeat the final point again. K said that this would be kept secret until GATT meeting and that he should not mention this item in any way. K said we would agree to that. Y asked if he was right in understanding that this particular_____?⁷ would not be used or mentioned in the joint communiqué. K said that was correct. If everything else is done as we have discussed, Y said his friend would make specific request to K's friend about that. K said his friend would agree.

Y said K had no idea how grateful his friend was with respect to Item 2⁸ and asked if there were any other topics. The only other thing was Item 3 and K said we are assuming Y's friend will make concrete suggestion. It would be very well received if it was suggested that some of the import restrictions "you know what I mean." K said his friend would raise the suggestion of post-Vietnam. Y agreed. K said we would not require prior agreement on this. This is just for Y's

⁷ Omission in the original. Sato did not want the issue of textiles to be publicly linked with that of the reversion of Okinawa.

⁸ The "items" in this paragraph refer to planned topics of discussion between Nixon and Sato, not to items in their final joint communiqué. In this conversation between Kissinger and Wakaizumi, item 1 appears to refer to the textile dispute, item 2 to Okinawa reversion, item 3 to Japanese trade and investment liberalization, and item 4 to post-Vietnam.

information so that his friend is prepared. K said the only agreement that we have is that before June 1, something is done on Item 3. K's friend has already agreed with Y's friend on Item 4. Y asked if Item 3 would be mentioned in the joint communiqué. K said only that it was discussed. He said we would phrase it as generally as possible. With regard to the wording of Item 3, Y asked again if it would be inserted in the joint communiqué. K said he understood Y's problem and we will try to live by it. Y thanked K and said he would give this to his friend and will make it clearly understood so his friend would proceed as K suggested. K asked if we could count on that. Y said certainly. K thought we were in good shape and looked forward adding that this is only the beginning of long cooperation.

Y asked if K would see that his working people have no idea so . . . ??? K said he would take a look at the final communiqué. Y asked him to do it at the very last moment. K said he would have to wait until after the morning session since he was not supposed to know what was going on. Y said he was sure K would handle this in a very discrete way and asked K to keep his eye on it.

Y asked K to call if anything happened and K told him to relax about it.

29. Memorandum of Conversation¹

Washington, November 19, 1969, 8 p.m.

PARTICIPANTS

Prime Minister Eisaku Sato of Japan

The President

James J. Wickel, Special Assistant to Ambassador Meyer (Interpreter)

¹ Source: Library of Congress, Manuscript Division, Kissinger Papers, Box TS 63, Memcons, Presidential File, 1969. Top Secret; Sensitive. Wickel drafted this memorandum of conversation on November 24. The meeting took place at the White House. Two additional memoranda of conversation from the same dinner were found. According to one: "During dinner the Prime Minister noted his pleasure at the recent political success of President Park in the Republic of Korea, since he was the 'only' leader there who could be trusted. Unfortunately, he said, none of those around him were worthy of any great trust." (Ibid.) The other noted: "In separate dinner conversations with the Prime Minister and Mrs. Sato, the President noted the value of the experience of his visit to Japan as Vice President in 1953, and said that he hoped to have Vice President Agnew visit Japan soon. The Prime Minister agreed that this was a good idea. (Note: He did not warmly welcome this nor did he pursue the idea.)" (Ibid.)

SUBJECT

Evaluation and Implications of Sino-Soviet Confrontation

During dinner the President asked for the Prime Minister's evaluation of the situation in Communist China.

The Prime Minister said that the situation there seemed to have reverted to the stage which preceded the "rioting and violence" conducted by the Red Guards during the Cultural Revolution. As for the prospects for succession, he felt that Mao Tse-Tung was in ill-health and would not last much longer. Lin Piao was also in poor health, and he thought that Premier Chou En-lai might well emerge as the eventual leader. In some ways Chou possessed a decisive manner and broad scope of vision reminiscent of Chiang Kai-shek.

While its meaning was not yet clear, the Prime Minister said that five of the eleven Japanese imprisoned by Communist China had been released half-a-month ago for no apparent reason.

When asked by the President whether the Sino-Soviet split was caused primarily by nationalism, ideology or competition for first place in the kind of hierarchy required by communism, the Prime Minister said that competition for first place was no doubt the major factor, but the other two also contributed. For example, the traditional Chinese concept of "the central flowery kingdom" and the concomitant cultural superiority made it difficult for the Chinese to accept Soviet aid in an early period in their relations. They let the Soviets know that the Chinese were "civilized" and the Russians "barbaric," which was not helpful. Having created a situation in which they could not accept Soviet aid because it demonstrated an unacceptable position of inferiority, the Soviets, for their own reasons terminated their aid and left. The competition for first place has continued since.

In response to the President, the Prime Minister said that he did not believe that the Soviets and the Chinese could resolve their split under the present circumstances, even though they were engaged in the formalities of border talks. Their differences were too deep for a reconciliation in the foreseeable future.

The President explained his view that the United States, itself, and in its relations with Japan, thought it wise not to take sides between the Soviets and the Chinese.

The Prime Minister agreed that outward neutrality was the "wise" policy but suggested that it would also be prudent "behind the scenes" to consider the influence of both powers on other nations, both communist and non-communist. For example, the Government of Japan was concerned over the intransigence of North Korea, which increased with the increase of the Chinese and the decline of the Soviet influence in Pyongyang. He felt that a wise policy designed to renew Soviet interest

and restore its influence in North Korea would be helpful, although he conceded that the Soviets could not be trusted either in view of their actions in the Middle East and Vietnam.

30. Briefing Paper Prepared for President Nixon¹

Washington, undated.

Procedures

Prime Minister Sato proposes to President Nixon: (a) that bilateral textile discussions be held to complete an agreement between the two countries and to reduce it to precise understanding in writing as to all particulars; (b) that such meetings use the existing conference at Geneva; (c) that the meetings and the detailed agreements be kept confidential; (d) that the commitments to them would be newly expressed in multilateral meetings held under GATT and this meeting to be called by the U.S.; (e) that Japan would do its utmost to assist the United States to achieve similarly acceptable solution with the principal interested nations; (f) that the matters in this proposal not be linked publicly by either government with Okinawa negotiations.

Understanding

The proposal is understood to mean: (a) that the initial bilateral agreement and the multilateral agreement that follows are to provide for comprehensive limitations as to all textile products made of man-made fibers and wool and their blends; (b) that the level of such limitations will not exceed the level of such imports into the United States in a twelve months' period ended no later than June 30, 1969, plus an annual growth factor approximately equal to the growth of United

¹ Source: Library of Congress, Manuscript Division, Kissinger Papers, TS 63, Memcons, Presidential File, 1969. Top Secret. Nixon received this document before his November 20, 10 a.m. meeting with Sato. Kissinger sent it to him under a November 19 memorandum that states: "The section on textiles must be handled with great care as it has been pre-arranged with Prime Minister Sato." (Ibid.) In an October 29 memorandum Kissinger informed Nixon: "On September 30 with your approval I provided Wakaizumi with a statement of our minimum conditions for emergency use of Okinawa in support of nuclear operations after reversion. Concurrently with your approval Wakaizumi was furnished our minimum conditions for regulating imports from Japan of the two textile categories not covered under the present Cotton Agreement." (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-210, National Security Decision Memoranda, NSDM 13)

States market; (c) that the specifications of the final multilateral agreement are to be similar to those now existent in the long-term cotton agreement; (d) that the multilateral agreement is intended to be in effect for a period of at least five years; (e) that the bilateral meetings will result in agreements as to how the two countries will proceed in the multilateral discussions; (f) that the bilateral understandings will all be concluded approximately by the year end; and (g) that it be the joint objective of the two countries to conclude the multilateral arrangements by March 31, 1970, their conditions to be effective beginning with full year 1970. The Japanese Government respectfully requests that American Government take a stronger position than this in the talks at Geneva.

Sequence of Actions

Bilateral discussions between the two countries should use the Geneva forum and should result in a precise agreement as to all particulars by the end of the year. Prime Minister Sato holds himself personally responsible for achieving this comprehensive agreement at Geneva. If the Geneva talks are unsuccessful, he will ask they be recessed. Confidential talks could then be held in another forum to reach comprehensive agreement, which will then be fed back into reconvened Geneva talks.

The United States should pursue similar bilateral discussions with Korea, Taiwan and Hong Kong, preparing the way with them for the intended multilateral agreement, but without disclosure to them of any understandings with Japan.

At an appropriate time, the United States should issue a call under Article XXII of GATT for a multilateral meeting to negotiate an agreement covering all products made of man-made fibers, wool and their blends, such meeting to be held at as early a date as possible.

The United States, with “utmost assistance” from Japan, should conclude a multilateral agreement, along the lines intended, by the end of March or April.

31. Memorandum of Conversation¹

Washington, November 20, 1969, 10:15 a.m.

PARTICIPANTS

Prime Minister Eisaku Sato of Japan
 The President
 Genichi Akatani, Deputy Director of Information, Ministry of Foreign Affairs
 (Interpreter)
 James J. Wickel, Special Assistant to Ambassador Meyer (Interpreter)

SUBJECT

(1) Textiles; (2) Trade and Capital Liberalization; (3) Japan's Role

The Prime Minister thanked the President for the magnanimous conclusion reached in yesterday morning's meeting.² This morning he wished to discuss the subjects held over from yesterday. He noted that early Japanese press reports on yesterday's meeting were sensational, probably because the two of them completed their talks the first day.

(1) *Textiles*

The President wished to discuss economic problems, beginning with one which presented a political problem for him here just as Okinawa created a difficult one for the Prime Minister in Japan; this problem, textiles, was controversial in both countries, but the President did not wish to allow it to develop into an impasse between them. A number of Senators and Congressmen had in fact already introduced bills to legislate quota restrictions on textile and other imports. He felt deeply that this would harm our bilateral relations with Japan, as well as with other countries. The problem was, however, that he could not beat "something" with "nothing." He explained to the Prime Minister

¹ Source: Library of Congress, Manuscript Division, Kissinger Papers, Box TS 63, Memcons, Presidential File, 1969. Top Secret; Sensitive. Drafted by Wickel on November 24. The meeting took place at the White House. The President's Daily Diary indicates that Nixon, Sato, and two interpreters met from 10:18 a.m. to 12:30 p.m. (National Archives, Nixon Presidential Materials, White House Central Files, Daily Diary) On November 19 Nixon received talking points from Kissinger for the next day's meetings with Sato. (Library of Congress, Manuscript Division, Kissinger Papers, Box TS 63, Memcons, Presidential File, 1969) He also received pre-arranged "Procedural Steps" for dealing with the textile question. These indicated that Sato would inform Nixon "that there are serious bilateral textile discussions going on in Geneva and he will hold himself personally responsible for the achievement of a *comprehensive* agreement by the end of December 1969 to be reduced to writing. This agreement should be kept confidential until and during the GATT meeting but he pledges that during the GATT meeting he will do his utmost to achieve agreement in accordance with the understanding reached in December." (Ibid.) See Document 30.

² See Document 27.

that he had pledged during his campaign to seek voluntary restrictions from our friends abroad to avoid legislative controls, even though he acknowledged that this would pose a problem for the Prime Minister, because of the big role played by textiles in Japanese industry. In any case he did not desire any outward indication of a link between Okinawa and textiles.

The Prime Minister agreed emphatically that these two issues must be kept separate.

The President said, on the other hand, that he had a political obligation to seek a settlement. He wished to suggest that “at an appropriate time” the United States seek a comprehensive agreement on textiles in the GATT but had no intention of disclosing the fact of this discussion now, because there would be misunderstanding in Japan even if it were only indicated that he and the Prime Minister had discussed the matter.

The Prime Minister agreed that it would not be wise to let it be known publicly that he and the President were discussing textiles.

The President said that he also thought that it would be more helpful if the Joint Communiqué contained only general language with respect to trade and capital liberalization. However, he asked the Prime Minister for his views on how to proceed in the GATT at a later “appropriate” time. What did the Prime Minister feel that the United States could expect of Japan at such time.

The Prime Minister said that he felt strongly that this matter could only be resolved within the GATT framework. He added that it was a problem which should have been resolved during the previous Administration, but it had not, and was a subject for discussion between them now.

The President said that this was a problem which had been left on his desk.

The Prime Minister noted that the previous Administration had left a number of problems to the President for resolution, including Okinawa and textiles. He recognized that textiles were not a new problem because he had discussed them with President Johnson on a previous visit in 1967, and apologized for embarrassing the President by not resolving the issue earlier. Therefore, he himself felt most strongly even before this visit that he must consider this problem seriously, particularly because he had not been able to resolve it in his discussions with President Johnson. Recalling his statement of yesterday, that he was “determined” to consider fully how to resolve the issue, the Prime Minister explained that he was bound by the unanimous Diet resolution against a bilateral agreement on textiles between Japan and the United States, but added that he was free to try to seek

a settlement on a multilateral basis through the GATT. However, he cautioned, it would be “nonsense” to seek a meeting in the GATT to debate this issue before knowing in advance the general trend such discussions would take and the conclusions they might reach on possible solutions. Therefore, he wished to suggest preliminary bilateral discussions of textiles before raising the issue in the GATT. Japan’s textile industry was self-serving: it initially opposed any proposal by the United States to resolve the issue within the GATT, and then later opposed the United States proposal for a bilateral settlement. He realized that he would have to try to “guide” the industry in Japan because its position remained adamant. Even though Japan’s industrial structure was changing, light industry (including textiles) still occupied a strong position. Just as the President was concerned about the strength of the American industry, he also had to be concerned about the industry’s strong position in Japan. What was needed to resolve this issue was complete mutual understanding. After a short pause, the Prime Minister said with strong emphasis, “Let’s do it.”

The President suggested that we might lead the matter in this direction, for it would be unfortunate if the United States raised the issue in the GATT only to be confronted there by Japan. He was confident that he and the Prime Minister could work out a common position, which also would protect their political flanks at the same time.

The Prime Minister noted that the GATT was established as an international institution to resolve such trade problems, just as the World Bank and the International Monetary Fund were founded to handle other specialized international matters. In Japan, those who opposed the United States proposals were advocating that it follow the procedures provided under the GATT if it wished to seek relief. In response to such statements, he had always said that this would be too rigid an approach, however logical. Instead he always advocated that Japan and the United States, being full partners, resolve the problem in the spirit of sincerity through adequate discussions. Of course, cooperation between the United States and Japan was a prerequisite if we were to persuade the other nations to accept a solution under the GATT. Unless both nations agreed on what to do, and how to handle the discussions in GATT, there would be no sense in convening a meeting at the GATT; otherwise the only result would be an open confrontation between Japan and the United States. In the end, he hoped to persuade and “guide” the industry in Japan to accept this procedure leading to a solution.

The President noted that delegations of both countries were now engaged in such a discussion in Geneva. However, because the United States would raise the issue in the GATT “at an appropriate time” he suggested that he and the Prime Minister try to work out a common

position beforehand to avoid a confrontation in the GATT. He did not wish to refer to textiles specifically in the Joint Communiqué, or in statements to the press, lest this prove embarrassing to the Prime Minister.

The Prime Minister agreed that it would be better to leave out any reference to textiles from the Joint Communiqué, but noted that any statement to the press that they had not discussed such a major bilateral problem as textiles would seem to be a “lie.” He preferred to tell the press that they had discussed textiles, but to take care to keep them separate from Okinawa. He also preferred that preliminary discussions continue in Geneva rather than calling for a new meeting in a new forum, and that any public statements which had to be made be issued in Geneva.

The President said that we would “fuzz it up” in discussing this issue with the press and simply say that he and the Prime Minister had discussed over-all trade questions, and would continue to do so.

The Prime Minister said that there were strong feelings in Japan that the GATT simply could not be ignored in seeking to resolve such a complex issue.

The President said that we would leave any reference to textiles out of the Joint Communiqué, but he agreed that this would not convince anyone that they had not discussed them.

The Prime Minister said that no progress could be expected in discussions in the GATT in the absence of a prior understanding between the United States and Japan. Thorough preliminary bilateral discussions were “essential” to put the President’s suggestion on the tracks, and to work out a common approach to the other countries concerned. Perhaps Japan’s work would consist of leading such developing countries as the ROK, Taiwan, Hong Kong and Israel, for as they proceeded to industrialize they would follow the same course as Japan had, and would stress light industry including textiles to begin with. However, it would be an extremely delicate matter for Japan to handle. On the other hand, without the cooperation of Japan, the United States probably could not develop a successful worldwide textile policy.

The President hoped that the Prime Minister would also cover another very important matter in his talk at the Press Club this noon, Japan’s trade and investment restrictions in general.³ As the Prime Minister knew, a number of American firms wished to have the opportunity to enter the Japanese market, but Japan still had restrictions against American, and indeed any other foreign investment. In view

³ Sato spoke at the National Press Club on November 21 following the conclusion of his visit with Nixon.

of Japan's large continuing trade surplus, any indication by the Prime Minister that Japan was moving toward a more liberal trade and investment policy would be very helpful. Of course, he would not indicate specifically what Japan might do, for it was up to every government and every people to decide its own destiny, but this was a "hot issue" in our economic and industrial communities and both expected the Prime Minister to make some statement while he was in the United States about trade and investment liberalization in general, not about textiles specifically.

The Prime Minister said that the GOJ was continuing to implement a "positive" policy for the liberalization of both trade and capital. As Assistant Secretary Trezise noted during his recent discussions of these matters in Japan, there was dissatisfaction abroad with the slow tempo of Japan's efforts. However, before discussing this matter, he wished to return to the question of textiles, and attempt to reach some final decision with the President. Noting that the solution of the textile problem being proposed by the United States ran counter to the philosophy and trend toward liberalization, he emphasized the need to conduct full preliminary discussions in Geneva, to the extent possible on an "open" basis. Some matters might have to remain confidential, but to the greatest extent possible these discussions should be "open." To ensure the success of the discussions in Geneva both governments should cooperate more closely in this preliminary phase. He had issued detailed instructions to Ambassador Nakayama, Japan's chief delegate in Geneva, before leaving for Washington, but Ambassador Nakayama had reported some disappointment at the trend of the initial meeting. He noted that it had been pointed out to Ambassador Nakayama in new instructions just issued that no talks in the beginning are fully satisfactory, but that these discussions were expected to maintain an open road to continuing discussions. The direction in which they might lead depended, of course, on the relationship between Japan and the United States.

The President said that perhaps this matter should be thrashed out thoroughly in preliminary talks in Geneva before raising it in the GATT.

The Prime Minister agreed, noting that some people had proposed a different forum and a different venue other than Geneva, even suggesting a separate conference. He preferred that the current discussions in Geneva continue there. Since secrecy was difficult to maintain, he also preferred that these be as open as possible, although some matters could be kept secret, depending on their subject.

The President agreed that it was necessary for both governments to continue these talks; if and when they reached a deadlock we could consider an alternate form.

The Prime Minister, noting that the United States obviously was anxious to resolve this question as quickly as possible, said that it was

only natural that it would hasten to try to secure a resolution even while he and the President continued to discuss the matter. However, he asked the President to understand his political position, which required that the fact that they had already conducted these “preliminary negotiations” be kept secret. This was an extremely delicate matter, closely related to the dissolution of the Diet and general elections, but nevertheless, he was hopeful that he and the President would resolve this issue.

The President said that he understood these political problems.

The Prime Minister also requested that the United States not try to persuade textile producers such as the ROK to accept certain proposals by saying that Japan had already accepted them. It was embarrassing to raise such a minor matter, but he felt that it was important to do so. More important, however, was the timing of convening a meeting in the GATT to deal with textiles; this should be decided only after a thorough evaluation of the situation.

The President said that he had in mind “an appropriate time.”

The Prime Minister said that he and the President need not decide such a matter, which could probably be left to advisors to determine.

The Prime Minister reminisced about a trip to England he made with former Prime Minister Yoshida some years ago. When an MP from Manchester (a textile competitor) charged that Japan exploited cheap labor, Yoshida responded that post-war legislation prevented such exploitation. The MP then charged that enacting legislation and enforcing it were two different matters. The following day Churchill apologized for this rudeness, but Yoshida cheerfully explained that Japan had been criticized more severely elsewhere, and that he faced even more rude questioning in his own Diet.

The Prime Minister said that he told this story as a reminder that developing nations moved into the production of textiles as the first step toward industrialization. He congratulated the President on the recent Republican Gubernatorial victories, and hoped that his party would be equally successful in the coming mid-term Congressional elections. Personally, he wished to do something constructive to ensure a victory for the President.

The President said that it was most important that he and the Prime Minister each understand the problems the other faced; if they did, he was confident that a solution could be worked out, one which the Prime Minister could sell to business and government circles in his country, just as he could in this country. He was confident that they could reach agreement on some middle ground.

The Prime Minister said that he always advocated officially even closer cooperation between Japan and the United States but beyond

that, on a personal basis, he added that it was essential that he and the President fully discuss such matters as textiles. The handwritten letter sent by the President in response to his own congratulatory telegram the night of the election victory was a great source of comfort to him; it was in this spirit of closeness that he wished to continue to discuss directly textiles, or any other problems which might arise.

The Prime Minister said that he explained the difficult matters he would discuss in Washington during an audience with the Emperor on the eve of his departure. The Emperor understood the problems thoroughly, and asked that his regards be conveyed to the President together with his appreciation for the understanding shown Japan by the President.

The President appreciated this and asked that the Prime Minister convey his respects to the Emperor, whom he had met in 1953 as Vice President.

The Prime Minister said that he would report fully to the Emperor the “magnanimous consideration” shown Japan by the President in these current discussions.

The President recalled his meeting with the Crown Prince in 1954 in Hawaii.

The Prime Minister said that the Emperor had once visited England, as Crown Prince, to attend a review of the fleet but the Empress had never been abroad. She was growing older, but hoped to make at least one foreign visit. In his own case, he regretted that he never mastered English, even though he travelled abroad as a young man.

The President observed that he seemed to understand all the English that was necessary, which reminded him of a story about George Washington, whose hearing failed with age, but of whom it was said that he heard only what he wished in cabinet meetings, and nothing of which he did not.

The Prime Minister asked that the President understand what he was trying to say with respect to textiles: more and frequent communication between both countries was needed to see where we would be going in any talks at Geneva.

The President said that textiles involved several Departments (State and Commerce), and had to be coordinated by the White House. On occasion, therefore, Dr. Kissinger might wish to discuss them with any representative the Prime Minister wished to name.

The Prime Minister said that Dr. Kissinger could call upon Ambassador Shimoda; he was solid, could keep a secret, and enjoyed the Prime Minister’s full confidence.

The President said that we could also communicate through Ambassador Meyer, who enjoyed his full confidence. However, in

Washington it was necessary for the White House to coordinate the conflicting views of the several departments involved in textiles.

The Prime Minister repeated his request that the United States study the situation thoroughly as the first step toward a solution.

The President said "Let's do something on the textile front". (*Note: The President and the Prime Minister shook hands on their agreement to resolve the textile issue.*)

(2) *Trade and Capital Liberalization*

The Prime Minister, returning to the subject of liberalization said that some reference to it must be included in the Joint Communiqué but need not be too detailed or lengthy. He asked for the President's suggestion.

The President said that he had no specific language to suggest. Whatever the working group agreed to would be satisfactory, but whatever was said should be positive. In particular it would be important for the Prime Minister to make a positive statement at the Press Club because many Americans wished to know whether Japan would move toward greater liberalization and our business community was watching every word in the Joint Communiqué, and in the Prime Minister's every statement, in the expectation that he would make a positive statement while in the United States.

The President said in terms of the future, 10 or 20 years from now, that both Japan and the United States would be greatly helped by liberalization. The present textile problem was an "aberration." Both were efficient productive trading countries and would obviously benefit greatly from liberalization. However, there were protectionist elements in Japan seeking to maintain import restrictions and the protectionist elements in the United States were growing stronger. If the Prime Minister could make a good statement on liberalization it would help him (the President) beat down the protectionist sentiment here, and in addition help greatly when he asked Congress to reduce tariff barriers later. However, if Japan, which currently enjoyed such a favorable balance of trade did not relax its restrictions people here would question why we should. The President emphasized therefore that both he and the Prime Minister should move in the direction of liberalization. Apart from textiles, we should move toward freer trade in all areas because Japan was the best overseas customer of the United States, and almost the same thing could be said in reverse, and both of us would benefit even more from freer trade with Western Europe and the developing countries.

The Prime Minister agreed completely. He explained that some Japanese business leaders preferred to speak of "the internationalization of industry" rather than "liberalization", although both meant

approximately the same thing. He thought this new term was planted among them by Mr. Kendall (President of Pepsi Cola) whom he would see Friday night⁴ in New York at Governor Rockefeller's dinner.

The President said that this dinner in New York would be very important; anything constructive he could say there would be most helpful, because everybody there would be a hard-headed businessman like Mr. Mizukami, and would wish to hear what the Prime Minister had to say.

The Prime Minister noted that everyone on the guest list seemed to be a supporter of the President's party.

The Prime Minister also noted that he met Mr. Townsend (Chrysler) at the White House last night; they talked briefly about the Chrysler–Mitsubishi joint venture.

The President said that representatives of the Big 3 in the automobile industry usually attended such dinners.

(3) *Japan's Role*

The Prime Minister thought that the Joint Communiqué might also refer to the Agreement on Peaceful Space Cooperation and to technological exchanges.

The President said that in this new era in our relations both should recognize that over and above our responsibilities for the future of each of our nations and own interests, we also have a greater responsibility for the shape of the world and its economic and political institutions. He thought that Japan was now at a point where it could play a greater role consistent with its domestic situation not just in Asia but also on the world scene. He did not indicate what the Government or the people of Japan should do, for each nation should choose its own destiny. However, as he said after dinner last night, he did not believe the Japanese people would long remain satisfied to play only the role of a self-sufficient, highly productive, rich economic giant. As Herman Kahn predicted, Japan might well exceed all of us in per capita income by the end of this century but more important than clothing, housing or television was the role the people could play beyond this.⁵ He felt, therefore, that Japan should move to a "higher posture" in the area of trade, investment, political development of Asia and, to the extent that

⁴ November 21.

⁵ Herman Kahn, a strategic theorist and futurologist, worked on a study during 1966–1967, which circulated within the U.S. Government and predicted that the Japanese economy would continue to grow faster than the rest of the developed world and that Japan would emerge as an important actor in world affairs. Kahn's findings were later published in his books *The Emerging Japanese Superstate: Challenge and Response* (Englewood Cliffs, N.J.: Prentice-Hall, 1970).

we can agree, between us even in security. We would welcome this, and judging from his talks with other Asian leaders the President knew that they would also welcome Japan's playing such a role. As he said yesterday, the world would be healthier if Japan could be added "as a fifth finger" to the four existing areas of great power, the United States, Western Europe, the Soviet Union and China.

The Prime Minister said that he had been deeply moved by the President's remarks after dinner last night, but he was not convinced that Herman Kahn was correct about Japan's future. To draw an analogy, the United States had already finished first in a marathon race, and the Soviet Union second, but the spectators were anxiously looking to see which of the runners bunched in the pack far back would come in third; Japan might be slightly ahead of the other nations in the pack, but it was far behind the first and second countries that had already finished.

The President noted that Japan was "coming up fast" and, assuming little change in conditions Japan's per capita income would increase greatly. The Soviet Union was tied-up in its bureaucratic system, and in any case had never really had a high level of per capita income, and American productivity was not increasing as it should, although we hoped to do better in the future.

The Prime Minister hoped that the Japanese people understood that they owed much to the United States for their progress; personally, he was firmly convinced that Japan was deeply indebted to the United States for its assistance and cooperation, which have made possible Japan's great economic progress. He could understand how some Americans, from their point of view, might distrust Japan; after the United States opened Japan to the world a century ago and helped it to make great progress toward modernization during the Meiji period, Japan fought a war against the United States and lost. Japan must do its utmost to restore the trust it thus lost. Reaffirming the President's statement of yesterday, he agreed that the world would be more secure if the number one and number two nations in the Free World cooperated more closely; it was exactly such closer cooperation based on mutual trust which he sought to achieve, and his political destiny was to fight against the Socialists and Communists whose ideology placed them in opposition to this.

The President said that he had discussed Japan's possible future role at great length with Mr. McNamara, who felt that Japan was already playing a crucial role in the Asian Development Bank. With respect to the development of Southeast Asia in the post-Vietnam period, the President noted that Japan had already expressed a willingness to cooperate in the development of the Mekong River basin and both North and South Vietnam. The United States would be pleased

to cooperate if Japan would assume the leadership in this area, since it would be far better to have an Asian nation take the initiative rather than the United States. He asked the Prime Minister about his views on what Japan might be able to do, for example, could Japan call a conference to discuss such a program.

The Prime Minister said that he too had hoped to discuss this very matter in view of the importance of the post-Vietnam period. He recalled that it had been quite a shock to Japan, the enemy, to hear that the Allied Powers were preparing their post-war Japan policy during the height of World War II. All attention was now focussed on withdrawing military forces from Vietnam, but it was equally important to discuss and decide on post-war programs now. A "master plan" for the post-war period was essential and if one were made known to the enemy it might blunt his present hostility. If the United States wished to call such a conference, Japan would gladly participate. This need not be done immediately, but it was important to announce a post-war goal with "vision", for the adversaries in Vietnam, including for example the ROK, and all other nations in the area would be deeply affected by the end of the war.

The President asked whether the Prime Minister thought Japan could call such a conference in Tokyo during the summer or fall of 1970. There was some feeling here that such a conference could not discuss an economic development program, including certainly the post-war development of Vietnam without involving all the participants in the war. It would be helpful if Japan, the leading nation in Asia, and in particular the financial leader, could initiate such a conference. Of course he would not suggest that the Prime Minister do anything harmful to his own position in Japan.

The Prime Minister said that he would certainly be willing to consider the possibility. As the President knew, Japan's policy was devoted to peace under the peace constitution and Japan was well known as a peaceful nation. The natural forum to discuss post-Vietnam programs was the Ministerial Conference for Asian Economic Development, an organization which met first in Tokyo several years back and now looked forward to its fifth regular meeting in Djakarta. The post-Vietnam period could well be discussed in this forum, since the other nations of the area which participated also needed assistance. The Asian Development Bank would also present an appropriate forum because of the key role it would play in financing any programs. If the President had a specific proposal in mind, the Prime Minister was sure that it could be discussed at the fifth annual Ministerial Conference in Djakarta. He noted that the United States also played a large role in the ADB, with its large subscription; the ADB, widely thought of as a second World Bank, could benefit from additional contributions. Perhaps Secretary Kennedy would have some ideas.

The President said that a shift to multilateral financing of aid projects was essential because of the unpopularity of bilateral assistance in the United States.

The Prime Minister said that the situation would have been far more difficult without economic assistance. Be that as it may, the withdrawal of United States troops from Vietnam would greatly affect such nations as Thailand as well as the ROK, which also had contributed many troops.

The President said that the real point was that all the developed nations should understand that realistic aid would be good business for them because at present they traded largely among themselves.

The Prime Minister said that we all preferred to associate with the rich rather than the poor.

(4) US–USSR Relations and Vietnam

The President, if the Prime Minister desired, wished to present his evaluation of the SALT talks and the prospects in Vietnam. Without intending to involve Japan in either, he wanted the Prime Minister, as a world leader, to know what we had in our mind to help him correctly interpret our future actions. At the time of the inauguration the President said that we were entering an era of negotiations with the Soviet Union, instead of confrontation, but these negotiations have not produced much. In a discussion of the nine-month-long era of negotiation with Soviet Ambassador Dobrynin in October he recalled telling the Ambassador that not much progress had been made in the Middle East or Vietnam or on other pending issues. In confidence he told the Prime Minister that he had jokingly told the Ambassador that nine months was long enough to have a baby, but so far we have had only a series of miscarriages in our talks with the Soviets. The President said that his own evaluation of the Soviet line was that it was temperate in official statements but “hard” in action. The Soviets have not helped significantly to cool off the situation in the Middle East, nor were they playing much of a role in trying to get the North Vietnamese to negotiate seriously in Paris. He said this not in anger, but more in sorrow.

The President further noted that United States and the Soviets would ratify the NPT on Monday, which would be announced then. In addition, the SALT was moving forward. There was much naive talk that the SALT would result in the control of the development of arms by the United States and the Soviet Union, but he explained that our purpose was to achieve a limitation on the production and deployment of missiles, which would reduce the burden of arms on our economy as well as reduce the danger to the world. We had to negotiate hard and realistically, however, because this was for the “blue chips.” What had deterred the Soviet Union and Communism

in general these past twenty years was American nuclear power. At the time President Kennedy made his decision during the Cuban missile crisis the United States lead over the Soviet Union in strategic missiles was 8 or 10 to one, but subsequently the Soviets had closed the gap and at the present they were equal in numbers, and probably ahead in weight; the United States was stronger on the sea and in the air. For this reason he felt he had to make a decision to go ahead with the ABM, to prevent the Soviets from achieving strategic superiority by making a breakthrough in defensive missiles. He noted that he could not accept a unilateral ban on the MIRV, as some dove Senators insisted, for if the Soviet Union MIRVed their missiles and we did not, they would automatically gain a 5 times or 6 times advantage over the United States.

The President did not state this as a rigid, war-like statement, but simply to describe a fact of international life. United States policy has always been, and would always be that it would never use nuclear weapons except in defense. The United States had no ambition to expand at the expense of other countries; for example it was not in Vietnam to create an American South Vietnam but to ensure that the South Vietnamese could create their own South Vietnam.

The President said that the new Soviet leaders differed somewhat from the old ones, but it should be borne in mind that they were still Communists, and still had the aim of conquering the world, although not through war because they understood full well that it would destroy both sides. However, he emphasized, if one side was committed to expansion and conquest of the world, and the other side to the defense of all the individual nations to choose their own course, we must be certain that the United States retained its ability to defend itself and other nations against such expansion by conquest, and that the United States not be placed in a position of inferiority against those who wish to expand their system throughout the world, which they could do without war if they enjoyed such superiority by threats and blackmail. Therefore, we owed it to ourselves and to the other nations under the American security umbrella to bargain in good faith but realistically.

The Prime Minister expressed his appreciation and complete agreement. The Soviet Union was indeed a Communist state and had not abandoned its idea of world conquest. Further, it had a very strong tendency to place its own interest first. For example, it continued its “unnatural occupation” of Japan’s northern territories, the return of which the people of Japan desired as strongly as they desired the return of Okinawa, but whenever the Government of Japan raised this issue the Soviets refused to negotiate on the grounds that it had already been settled permanently. However, he did note some recent changes in Soviet attitudes toward Japan, such as agreeing to permit Japan Air

Lines to fly its own aircraft on the air route across Siberia, beginning next year. The Soviets were also interested in securing Japanese assistance to develop Siberia, but nothing had been worked out yet because the Soviets were reluctant to provide the Japanese necessary access.

The Prime Minister said that he continued to adamantly refuse to accept a Soviet invitation to visit Moscow.

The President said “someday, perhaps.”

The Prime Minister said “that day will never come.”

The President noted his interest in these matters, pointing out that Soviet refusal to discuss the northern territories stood in contrast to his own discussions with the Prime Minister about Okinawa.

The Prime Minister noted bitterly that the Soviets did not even fight Japan for the northern territories, but simply occupied them after the war was over.

(5) *Steel*

The Prime Minister wished to raise one additional point today, the steel industry voluntary agreement to restrict exports to the United States. Leaders of the steel industry, who were concerned that some small steel companies in Japan were not living up to the voluntary agreement, called before his departure for Washington, to request the Prime Minister to convey to the President their wishes that the “flames of the textile problem” not be allowed to spread to steel. It was important to note the sincerity of the industry because of the organization of the New Japan Steel Corporation through the merger of Japan’s two largest steel producers (Fuji and Yawata) thereby creating perhaps the world’s largest producer of steel.

32. Notes of a Telephone Conversation Between the President's Assistant for National Security Affairs (Kissinger) and Secretary of State Rogers¹

Washington, November 20, 1969, 6:03 p.m.

K wanted to check in with R. K said he told Alex Johnson what he knows on what went on this morning.² K said the President thinks Sato agreed to use his personal influence to get a comprehensive agreement.³ K is now going to get from Stans what Stans considers a reasonable agreement, and Sato will take it from there. R said you want to bet? K said do I want to bet what, that Sato will deliver? R said he doesn't think we'll ever get all the minds involved together. K said he's not part of that one; he doesn't have anything in his mind. K said if the Japanese gave him a blank piece of paper and said write what you want, it would still be blank. R said well we don't have to worry for the moment.

K said Sato told the P he would see that the Geneva talks led somewhere. K said he even made a rather concrete proposal. Sato said we should agree in Geneva, keep the agreement secret, then the Japanese would call a GATT meeting at which to say what we agreed on in Geneva. R said he's got a problem, because his Diet says he can't enter into discussions. R said they are willing to enter into it when we can show that American industry has been harmed. R said you know that would be quite a while. K said the P's impression is that Sato is willing to go far as long as it's after the election. R said well, we still have a lot of bargaining power. R said we must get congressional approval. K said the P has broken his back to meet his commitment. R said we have lots of ways to put pressure on if necessary.

K said he had talked to Laird and Wheeler to make sure that they would support the P. K said we are going to have a tough time. K said that Stennis, Margaret Smith and _____⁴ were going to be tough on reversion. R said that was surprising about Smith, but he guessed she was just sticking to the military line. K said but Wheeler said he would be there and support us.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1030, Presidential/HAK Memcons, Textile Telcons, [Sept. 1969–June 1970] [2 of 2]. No classification marking.

² See Document 32.

³ The comprehensive agreement to which Kissinger refers concerned textiles.

⁴ Omission in source text. References are to Senators John Stennis (D–Mississippi) and Margaret Chase Smith (R–Maine).

33. Agreed Minute to the Joint Communiqué

Washington, November 21, 1969.

[Source: National Archives, Nixon Presidential Materials, NSC Files, Box 924, VIP Visits, Sato, 11/19–21/69, Vol. 1. Top Secret. 2 pages not declassified.]

34. Memorandum of Conversation¹

Washington, November 21, 1969.

PARTICIPANTS

The President
Secretary of State Rogers
Secretary of Defense Laird
General Wheeler, Joint Chiefs of Staff
Under Secretary of State U. Alexis Johnson
Ambassador Armin Meyer
Minister Richard L. Sneider
Ronald Ziegler
Bryce Harlow
John H. Holdridge, NSC Senior Staff Member

Leadership Members

Senator Mike Mansfield, Majority Leader
Senator Hugh Scott, Minority Leader
Senator Richard Russell, President Pro Tempore
Speaker John McCormack, Speaker of the House
Congressman Gerald R. Ford, Minority Leader

Committees

Senator John Stennis, Chairman, Armed Services Committee
Senator Margaret Chase Smith, Ranking Republican, Armed Services Committee
Congressman L. Mendel Rivers, Chairman, Armed Services Committee
Senator J. William Fulbright, Chairman, Foreign Relations Committee

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa Gas Incident, July 8, 1969. Top Secret; Sensitive. The meeting took place in the Cabinet Room at the White House. The President's Daily Diary indicates that this briefing for congressional leaders lasted from 9:07 to 10:15 a.m. (Ibid., White House Central Files, Daily Diary) Holdridge sent this memorandum of conversation to Kissinger under a December 1 memorandum, upon which Kissinger wrote: "For my files only. Put also into my Chron. I was there too, if it makes any difference."

Senator George D. Aiken, Ranking Republican, Foreign Relations Committee
Congressman E. Ross Adair, Ranking Republican, Foreign Affairs

SUBJECT

President's Meeting with Congressional Leaders on Okinawa

The President opened by explaining the burning desire among the Japanese for the reversion of Okinawa, and Sato's understanding of the security value of Okinawa to the Japanese as well as to the US. The President then declared that he appreciated the need for consultation with the Congress on handling Okinawa reversion, and referred to the need for legislation on this matter. However, we did not yet know what type of legislation would be needed to handle Okinawa's reversion. Continuing, the President discussed US-Japanese trade issues, noting recognition on the part of the Japanese that their interests were better served if they moved in trade, aid and investment matters rather than maintaining their present position. He also explained that due to the Japanese sensitivity on Okinawa, no indication could be given that we received any *quid pro quo* on Okinawan reversion, and had to treat each issue separately. The President then called on Secretary Rogers for comments.

The gist of Secretary Rogers' remarks was that the agreement we had reached with the Japanese had turned out very well—so much so that it would be hard for him to describe just how good it was. He called on Under Secretary Johnson to provide a briefing on the main details.

Under Secretary Johnson went over the ground of the agreement with the Japanese in accordance with the State briefing paper.² He pointed out that the present task would be to turn the agreement (which had been reached with the Japanese in principle) into an actual document covering all aspects of reversion, and he estimated that it would be mid-1971 before final agreement on the details would be reached. Our objective was to turn over Okinawa in 1972 conditional on completion of the detailed agreements; hence we had not lost our bargaining leverage over the Japanese.

The President requested Ambassador Johnson to amplify why it was that settling the Okinawa question would help out in the use of our bases in Japan. Ambassador Johnson and Secretary Rogers explained jointly that the agreement gave us a wider legal basis on employment

² A November 10 memorandum from Assistant Secretary of Defense Nutter, coordinated with the Joint Chiefs of Staff, and approved by Deputy Secretary of Defense Packard, amended the Department of State's talking points on Okinawa. (National Archives, RG 59, Central Files 1967–69, POL 7 JAPAN) U. Alexis Johnson sent Kissinger the revised Department of State talking points for briefing Congress, which had DOD concurrence, on November 13. (Memorandum from Johnson to Rogers, November 13; *ibid.*, POL 19 RYU IS)

of the bases due to the language in the Joint Communiqué providing for the use of the bases against aggression in the Far East, in order to carry out treaty obligations. This was an extension over the previous area of coverage.

Congressman Rivers questioned whether the bases on Japan would actually be used to such an extent, in response to which the President said, as Ambassador Johnson knew very well from his service as Ambassador to Japan, the questions of Okinawa and nuclear weapons were very emotional in Japan. Nevertheless, on the issue of defense of the region, Japan needed to play a greater role. This would come, but would take some time. Japan was the second ranking economic power in the Free World, and therefore must play a greater role in terms of defense contributions. In Sato, who was likely to remain in power, we had a man who recognized the facts of life, and in the atmosphere of mutual trust established in the reversion talks we could work toward a goal in which Japan would take over a much greater burden. We would accomplish our purpose without pushing and dominating.

Ambassador Johnson mentioned that Sato planned to call general elections soon and get another mandate. He would probably do very well. As far as Japan's role in defense was concerned, with anyone else than Sato, e.g. Miki, we would find ourselves in a much less favorable position.

The President said that he had been in Japan, and knew Sato as a man committed on our side in the broadest sense—he understood the problems of the region and was sophisticated. Most important, in him we had a man who would use the Okinawa agreement as a basis for establishing the future role which Japan should play. This would not be a nuclear role, but would involve a bigger contribution on the economic side and a greater military responsibility for Japan's own defense. Japan would also help other countries militarily by means of economic aid.

Congressman Rivers stated that the Congress of course had to back the President up. He termed the President the only man able to deal with the economic problems the Japanese posed for us. Militarily, his Committee had a stake in the reversion question, which was therefore not exclusively a responsibility of the Foreign Relations Committee. The President would not hear that he had said anything critical on the floor of the House. He reiterated that "we must back you up". There would be complications, but the best interests of the country were being served. He wondered, though, whether Secretary Laird was happy. He expressed pleasure in hearing that the Japanese under Sato were more cooperative.

Ambassador Johnson cited the Communiqué as reaffirming the Japanese intention of continuing the Security Treaty indefinitely. On

this score, the President said that he thought we had reached an agreement which was the best we could get at this time. What was the important thing was implicit in the Communiqué rather in the words themselves. He had spent more time with Sato than with any other head of Government and was convinced that we would make progress.

Secretary Rogers brought up the subject of financial arrangements connected with the Okinawa return, and said that we were quite satisfied with what we had received.

Secretary Laird referred to the fact that we had built a tremendous military base on Okinawa, and had also made a tremendous investment there [*less than 1 line not declassified*]. We had not wanted this responsibility, but had to take it. The significant thing about the Communiqué and the Prime Minister's Press Club speech was that we would of course retain our nuclear capability through 1972 and could use it prior to that time if conditions did not improve in Asia and the Chinese Communists developed a nuclear threat.³ He agreed with previous remarks concerning Japan's growing recognition that it had a role to play. In the event our nuclear weapons were moved out, [*3 lines not declassified*]. He supported the President in saying that this was the best agreement that could have been worked out, and after the 1972 time period, with recognition on the part of the Japanese people and Government of their Asian military role, additional arrangements could be worked out.

Congressman Ford raised a question concerning the dollar costs involved in Okinawan reversion. Would the Japanese payments be for our investments already there, or for replacement facilities? Ambassador Johnson replied that the Japanese would pay for some installations which they took over on Okinawa and also would pay the costs of moving nuclear storage facilities to other areas. Secretary Rogers commented that we were keeping the amounts in general terms. The President confirmed that this point had been covered in his conversation with Sato, but he did not want anyone present to say so. He hoped that everyone would understand why.

The President then turned to General Wheeler and asked him to give the views of the Joint Chiefs. General Wheeler declared that the Joint Chiefs frankly preferred a status quo position because of the nuclear aspect. If the status quo were not possible, they would like to have seen specific language in the Communiqué providing for emergency re-entrance and transit rights. He was glad to see that the Communiqué contained language which would have the effect of preserving these rights. As to the impact of Okinawan reversion, he could assure

³ See footnote 3, Document 31.

those present that with some added constraints, all of the operations we had been carrying out from Okinawa could be handled from other locations in WESTPAC. Relocation would reduce to some degree our flexibility, including our reaction time, depending on the nature of the contingency. However, the Joint Chiefs had concluded that relocation would not pose any insoluble military problems.

Speaker McCormack asked what was meant by “insoluble.” General Wheeler explained that while we would need to adjust contingencies and readjust reaction times, we still would be able to do the job. In response to a further question from Speaker McCormack on examples of what was meant, General Wheeler mentioned [*less than 2 lines not declassified*]

The President said that Sato was one of the rare Japanese who had a world view. With respect to Sino-Soviet problems, and also European problems, he was very sophisticated.

Senator Scott asked if the President was in a position to tell US business leaders that negotiations were proceeding on trade and economic matters. The President answered affirmatively, pointing out that the previous day’s announcement after the talks had primarily dealt with economic matters. Discussions would continue, and he was hopeful in this respect. Ambassador Johnson and Secretary Rogers referred to paragraphs 12, 13 and 14 of the Communiqué as handling economic topics. They pointed out that the Japanese did not wish to appear as bargaining to get their sovereignty back, and therefore Sato’s Press Club speech and the Communiqué, while making clear what he intended to do, would not make economic measures part of the bargain. They pointed out that Sato had major problems in Japan in this regard. We had gotten a lot from Sato and would get more.

Senator Stennis referred to the President’s various statements on Asian policy, saying that he had made clear how our policy was changing. With respect to our position on responsibility for the defense of Japan itself, though, he wanted to know how the Japanese could be brought into line. Secretary Rogers explained that the Security Treaty remained in effect, and the Japanese now would assume a greater share in the defense of Okinawa. Meanwhile our own capabilities would not diminish. Senator Stennis asked if we should get a statement from the Japanese that they would increase their contribution to their own defense. Should we meet this issue head on? Secretary Rogers replied that the Communiqué stated our security commitments were essential to the defense of Japan.

Senator Stennis reiterated that we had to start somewhere in getting them to assume a greater share and wondered if we were not bargaining away our leverage on the Japanese through Okinawa’s reversion. Ambassador Johnson then outlined Japan’s defensive capabilities,

bringing out that by 1975 Japan would be spending 1.5% of its GNP on defense. This would be \$5 or 6 billion annually, about the level of Germany and France, and above that of Italy. He ventured a guess that when the pendulum started to move, it might move faster than we liked. Secretary Laird observed that Japanese contributions were improving. Secretary Rogers added that the Communiqué took this whole issue into consideration. Prior to 1972 we would certainly urge the Japanese to do more.

The President said that he could respond directly to Senator Stennis' apprehensions. In his first day's discussions with Sato, he had gone into the doubts in Congress and in the country as a whole over the burden the US was carrying in Asia, not only in Vietnam but elsewhere. He had told Sato the time had come for the Japanese to assume a greater burden in defending Okinawa and Japan. The reference to the use of bases in Japan with respect to Korea and Taiwan was a step in that direction. The Japanese defense budget had also been discussed. Sato had said that the Japanese could not acquire nuclear weapons but could do much more in the field of air power and sea power. The President, too, felt that they might move faster than we anticipated and faster than others might want. However, he had the utmost confidence in Sato, and believed that Japan would not want to be just a big economic force. The Japanese wanted to play a world role in providing economic assistance, and would assume a military burden greater than that of their own defense. They had already moved considerably.

Congressman Rivers declared that he would explain these problems to Congress and would say that the President was telling the truth.

Speaker McCormack commented that the Japanese simply wanted an umbrella, but not the expense. The President explained that the Japanese did indeed have problems, including opposition from leftists and Communists, but were a proud people who wanted to play a bigger role.

Senator Fulbright stated that he did not want to leave the record completely bare of any word from him. In his opinion the President was accepting the inevitable in a graceful way. There was no real choice, and what the President did was to make the best possible choice. The sooner the President liquidated obligations left over from World War II, the better off we all would be. The country would be broke unless the President were to do so. Okinawan reversion was a step in the direction which the Symington Subcommittee was trying to move our policy as a whole. With respect to the Senate Foreign Relations Committee, the President would have no trouble, since he was moving in the direction the Committee wanted to move. As for himself, he said he hoped we would not threaten anyone with nuclear weapons. In conclusion, he stated that "what you are doing is the right thing."

35. Memorandum of Conversation¹

Washington, November 21, 1969, 10:15 a.m.

PARTICIPANTS

Prime Minister Eisaku Sato of Japan
The President
Genichi Akatani, Deputy Director of Information, Ministry of Foreign Affairs
(Interpreter)
James J. Wickel, Special Assistant to Ambassador Meyer (Interpreter)

SUBJECTS

1. Textiles; 2. Okinawa and Nuclear Weapons; 3. Japan's Larger Role; 4. NPT;
5. Vietnam

1. *Textiles*

The Prime Minister expressed confidence that he would handle the questions at the Press Club this noon very well. The fact that it was known that he did not understand English well would be helpful.

The Prime Minister said that several textile industry representatives had "shown their faces" last night, but he did not see them because he did not wish to receive any petitions during this visit. He expressed deep gratitude to the President for his "magnanimous" decision on Okinawa, and also for the President's agreement to treat Okinawa and textiles separately. For this very reason, therefore, he felt deeply his own responsibility with respect to textiles. Already this morning he had explained to Foreign Minister Aichi and Ambassador Shimoda how this matter should be handled. First, and foremost, his agreement with the President should be kept "absolutely confidential" and not announced to the press. By the end of December, however, he promised the President that this matter would be resolved. He urged the President to feel free should any problem arise to discuss it with Ambassador Shimoda, to whom he had given a thorough explanation of what should be done. He pledged to the President to bear the full responsibility for reaching a solution.

¹ Source: Library of Congress, Manuscript Division, Kissinger Papers, Box TS 63, Memcons, Presidential File, 1969. Top Secret; Sensitive. Drafted by Wickel on November 24. The meeting took place at the White House. The President's Daily Diary indicates that Nixon, Sato, and two interpreters met from 10:21 to 11:04 a.m., at which time they were joined by Foreign Minister Aichi and several Japanese diplomats. (National Archives, Nixon Presidential Materials, White House Central Files, Daily Diary) On November 20 Nixon received talking points from Kissinger for the next day's meetings with Sato. (Library of Congress, Manuscript Division, Kissinger Papers, Box TS 63, Memcons, Presidential File, 1969)

The Prime Minister agreed that it would be desirable to resolve the issue through “comprehensive” discussions, but noted that the word “comprehensive” had gradually acquired an unpopular nuance through previous use; to eliminate possible public misunderstanding in Japan its use was gradually being eliminated in the present talks in Geneva. Its “revival” at this point would inappropriately counter the trend of the discussion by the American and Japanese sides in the Geneva talks, in which the Japanese initially advocated a solution limited to the “elements” which were a problem but the Americans advocated the inclusion of all “elements,” i.e., a “comprehensive” solution. The differences between both sides in Geneva were being narrowed in their discussions of the problem. He felt that the general desires of the United States could be achieved, but both sides needed to engage in further discussions. It seemed to him that the best course was to have the staff-level representatives continue their discussions. Initially it was thought that the fact that these discussions were taking place in Geneva ought to be kept secret, but there was no need to keep them secret now that this fact was known publicly. The experts on each side might differ in their opinions, and a “deadlock” might be unavoidable at some point, necessitating a recess of several days. However, any attempt to hold new discussions in a new forum in a new place would create a “misunderstanding” in Japan. He cautioned that he and the President could keep their own discussion of textiles secret, but the delegates in Geneva were in daily contact with the press and could not keep every aspect of the talks secret. Therefore it would be helpful to make a clear decision as to which matters of substance could be announced, and which could not. Naturally, nothing of substance should be disclosed while the talks were in progress. If this kind of procedure were agreeable, he was confident that a solution could be achieved.

The Prime Minister said that Ambassador Nakayama, a career Foreign Ministry official who was serving as chief delegate for Japan, had sufficient rank to exercise responsibility, but the Ministry of International Trade and Industry (MITI) was represented by an official of lower rank; as soon as he returned to Japan, the Prime Minister said, he intended to replace him with a higher-ranking, more responsible MITI official, who could help lead the matter to a final resolution. He had explained his position at length before going on with their discussion because he wanted the President to understand the points he had outlined above.

The President said that it was important that the United States and Japan reach a meeting of the minds by the end of December, because the United States did wish to present this matter to the GATT with an understanding between our two countries.

The President said that he had told Congressional leaders in a security briefing earlier this morning that there could be and was no understanding on textiles.² They clearly understood that there was no direct link between Okinawa and textiles, although there would be broad references to economic matters in the Joint Communiqué, as well as in the Prime Minister's speech at the Press Club today. That was how he answered that question by the Congressional leaders.

The Prime Minister expressed his appreciation for this.

The President said that it would be most helpful if the Prime Minister responded to questions at the Press Club luncheon in a similar manner. Of course, he would have to say that their discussions covered the broad range of economic issues, including textiles, but there would be no disclosure of their understanding on textiles. The "appropriate time" at which the United States would raise this matter in the GATT could also be determined by the current discussions between both countries.

The President said that the matter of the word "comprehensive" was more difficult. Secretary Stans and the Department of Commerce felt strongly that there should be a "comprehensive agreement" but how to interpret this was a matter open to discussion. He hoped that the two nations could reach as broad as possible an agreement at Geneva, because he faced a practical political problem on this, just as the Prime Minister faced a practical political problem with respect to Okinawa. He referred, of course, to our textile people; and in this area the language was perhaps more important than the substance, and our own people were pressing for a comprehensive agreement. He would appreciate it if the Prime Minister would cooperate as much as possible to work out an agreement as comprehensive as possible, rather than a "selective" agreement, which would pose a serious problem for him here.

The Prime Minister, having noted well the President's statement, and having explained that he had not entered into a commitment limited to this time and this place, committed his sincerity and all of his efforts to achieve a solution to this problem. It was his "personal credo" to do what he promised. There would be difficulties in solving this issue, particularly with the textile industry in Japan, which was no easier to handle than the American textile industry; but the Prime Minister said that "he could vow" to devote his full efforts to achieve the agreement the President desired. "Please trust me".

The President said that this was "good enough" for him.

² See Document 34.

When the President shook hands on it with him, the Prime Minister said that “mutual trust” was important.

2. *Okinawa and Nuclear Weapons*

The Prime Minister then asked about the reaction of the Congressional leaders to the nuclear issue.

The President said that this worked out well. Secretary Laird and JSC Chairman Wheeler reassured the leaders that the Joint Communiqué language on prior consultation was adequate to deal with security problems. Some leaders, particularly on the Senate Armed Services Committee would raise questions, but they would not represent the prevailing sentiment. Japan’s recognition, in the Joint Communiqué, of its responsibility for the defense of Okinawa, and to the security of the ROK and Taiwan was most helpful.

3. *Japan’s Larger Role*

The President said that several Congressional leaders had asked him whether Japan was ready to play a larger role in defense (excluding nuclear weapons) beyond the borders of Japan. In response to them, he had said that he and the Prime Minister had discussed that matter, on which basis he felt confident that Japan would play a continuing greater role in the economic and defense areas (once again, excluding nuclear weapons), as the Prime Minister had said to him.

The Prime Minister said that national security was the primary responsibility of the political leader of any one nation. Therefore, he was fully aware that we must have a “good agreement” on Okinawa which would help Japan maintain its own security. He confessed that he sometimes jokingly said that no one knew how United States-Soviet relations would develop in the future, “and perhaps someday the United States might have to re-occupy the islands”. (*Note:* During the next statement by the President but not at this point in his own statement, which he continued to make, the Prime Minister said to his interpreter “That was a joke; I hope the President understood that it was a joke”.) After all, Japan and the USSR had a Treaty of Non-Aggression in 1945, and the Soviets had no cause to declare war on Japan, but they attacked and occupied Manchuria.

The President said that he and the Congressional leaders shared the strong feeling, now that we had resolved the last great issue arising out of World War II, i.e. Okinawa, that the United States would welcome Japan playing the role it ought to play in the world, not just in the economic areas, but in security areas as well, as he had already told the Prime Minister. He understood that the Prime Minister had budget problems, just as he did, and a political problem created by those who wished to make Japan defenseless to the Soviet Union and

Communist China. The United States would continue to play a major role in the Pacific, but it should not play the predominant role there. In viewing Asia, the British, French and Dutch were gone, and Germany was too late to get in. In the new Asia, the only powerful free world nation there to play a role in Asia was Japan. Therefore, he had directed his staff advisors to work out a solution to Okinawa, to permit Japan to do more to play a strong role in Asia. This would be healthy for both the United States and Japan, and as a result for the world.

4. *NPT*

The Prime Minister, turning to the NPT, said that there had been no change in Japan's position based on the strong national sentiment against nuclear weapons, which had been conveyed to the United States by the Foreign Minister. Therefore, he had not prepared a new, and strong statement to make on nuclear weapons at this time. However, he felt that it was not necessary for Japan now to decide in haste to sign the NPT. If the United States felt that it required early Japanese signature he hoped it would so inform the Foreign Minister.

The President said that he would not press for this. Each must do so in its own time, when it felt it best to do so. If he came to feel differently he promised to inform the Prime Minister. Japan was a sovereign state and should make this decision itself. He had told the Germans the same thing. However, the United States would sign the NPT on Monday, as he had said earlier; the press had not yet been so informed.

5. *Vietnam*

The President hoped that the Prime Minister would read carefully his November 3 speech on Vietnam.³

The Prime Minister said that the President's speech had greatly encouraged the nations of Southeast Asia.

The President said that Japan should not be involved in our problem in Vietnam, but he wished to explain the reason why he felt that he should take a strong stand. If the United States ended the war there in a way which would humiliate the United States, or which was, or could be interpreted as a defeat of the United States, and a victory for the communists and North Vietnam, it would mean that the United States would come home from Vietnam, but he feared that it would also mean that the United States would come home from the world. Therefore, all the free nations had a stake in whether the United States

³ *Public Papers: Nixon, 1969*, pp. 901–909.

could end the war with honor, so that the people of South Vietnam could choose freely their own future, as did the Koreans in the ROK.

The Prime Minister said that he was convinced that a continuing United States presence was absolutely essential. While great difficulties remained to be resolved, the situation in Vietnam seemed to have slowly become calmer. He expressed admiration and respect for the President's courageous policy.

36. Memorandum From President Nixon to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, November 24, 1969.

As you will note in my final talk with Sato² he hedged on the use of the word comprehensive. I want you to read the transcript very carefully and then follow up. We have to drive a hard bargain at Geneva and I think Sato expects us to do so.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 924, VIP Visits, Visit of Prime Minister Sato, November 19–21, 1969, Vol. I [1 of 3]. Secret; Eyes Only. Printed from an unsigned copy.

² Document 35.

December 1969–March 1971: Relations After the First Nixon-Sato Summit

37. Intelligence Note From the Deputy Director of the Bureau of Intelligence and Research (Denney) to Secretary of State Rogers¹

No. 881

Washington, December 31, 1969.

SUBJECT

JAPAN: Conservative Victory in General Election

The landslide victory of the Liberal Democratic Party in Japan's December 27 general election went well beyond the most optimistic forecasts. Together with a strong decline in socialist strength, it will undercut the opposition's "1970" campaign against the US-Japan Security Treaty and will help Prime Minister Sato's efforts to develop a clear popular consensus favoring the alliance with the US as the best current answer to Japan's security needs.

Effect on Sato and his Policies. Sato's position in the LDP has been greatly strengthened: He can now be reasonably certain of a fourth two-year term as LDP president next fall, thus promising continued leadership that is both stable and basically sympathetic to the US. He will be freer to take initiatives on sensitive issues (e.g., signing the NPT and controlling student violence) than would have been the case if the LDP increase had been less spectacular (the LDP, expecting to do little more than hold its own, actually picked up 28 seats while the Socialists lost 44.)

In foreign policy, Sato is likely to fulfill a campaign pledge by trying to open Warsaw-style talks with Peking, not so much in serious expectation of any early Chinese response as to deprive the opposition parties and his rivals in the LDP of the China issue. He may also step up pressure on the Soviets for the return of the four Japanese-claimed

¹ Source: National Archives, RG 59, Central Files 1967–69, POL 14 JAPAN. Limited Official Use. On December 31 Kissinger sent Nixon an evaluation of the Japanese election, based upon an analysis he received from Lindsey Grant of the NSC Operations Staff. The memorandum stated that the vote was an endorsement of Sato and the American alliance and noted; "It should be easier for Sato to deliver on the textile issue." It concluded, "if we move imaginatively, we can now build a partnership with Japan that could shape Pacific relations for a decade." (National Archives, Nixon Presidential Materials, NSC Files, Box 534, Country Files, Far East, Japan, Vol. II, 10/69 to 6/70)

islands in the southern Kuriles, thus contrasting Soviet intransigence with US reasonableness on Okinawa and helping line up Japanese national feeling behind the alliance with the US.

Role of Nationalism. Perhaps the most significant aspect of the election was the nationalist feeling demonstrated by the electorate and its rejection of ideological bickering and fuzzy idealism. The victorious parties—the LDP, Komeito and Japan Communist Party—clearly appealed to nationalism. On the other hand, the Socialist Party—saddled with its traditional platform of unarmed neutrality as well as a public image of gratuitous involvement in Sino-Soviet ideological disputes and an almost total lack of internal discipline—suffered a stunning defeat. The poor showing of the Democratic Socialist Party (a gain of one seat and loss to the Komeito of its psychological vantage point as the second largest opposition party) was largely caused by its failure to project a clear and emotionally appealing image to the electorate. The Communist Party's success in recent years in shedding the image of a foreign agent and in assuming a nationalist garb was an important factor in its gains (it added 10 seats for a total of 14). Its influence on national policy however, will remain minimal.

Impact of the Elections. Even though the LDP majority has increased and the other opposition parties have gained at the expense of the Socialists, the impact on politics, especially in the Diet, will be mostly psychological. LDP morale will be boosted by its spectacular gains, which reverse a long but gradual decline. Its popular vote dropped slightly but far less than the 2.8% average loss in the last six general elections. The new cabinet which Sato will form in early January will probably be as broadly representative of LDP factions as the present cabinet. Even though the Socialists remain the largest opposition party in the Diet, their quixotic hope to lead the opposition against the Security Treaty and to end the long rule of the Conservatives has been shattered. How they iron out their problems will not be known until the party convention in March but it is likely that the present leadership will be replaced. The greatly strengthened Komeito (to 47 seats from 25) is likely to concentrate on popular issues and will probably extend its campaign to reduce the US military presence in Japan to include US forces in Okinawa.

The Election Results:

Party	Seats won	Seats won* in 1967	% popular vote	% popular vote in 1967
LDP	300*	285*	47.63%	48.80%
JSP	90	140	21.44	27.89
Komeito	47	25	10.91	5.38
DSP	32*	31*	7.74	7.40
JCP	14	4	6.81	4.76
Independent	3	1	5.30	5.55
Minor Parties			.17	.22

* Including independent candidates who joined the party after election.

38. Memorandum From John Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, January 29, 1970.

SUBJECT

US Initiatives to Strengthen the Relations with Japan

You asked for our thoughts as to specific steps that the US could take to cement our relationship with Japan in the next couple of years.

I will set down a few of my initial thoughts, recognizing that they contain little inspiration and that further work will be necessary. I have drafted the requested letter from the President to Prime Minister Sato

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 534, Country Files, Far East, Japan, Vol. II, 10/69 to 6/70. Secret; Nodis. Sent for action. Concurred in by Bergsten. A notation at the end of the memorandum indicates it was not cleared with Keogh "at this stage." Kissinger commented on February 3, "This letter has possibilities John—also discuss basic problem with me soon. H." On February 16 Holdridge noted the comment.

(Tab A),² which embodies some of these approaches. The letter is given some immediacy by a recent telegram from Tokyo (Tab B),³ which reports that Sato was “visibly shaken” by Senator Javits’ enthusiasm for disengagement from Asia. A letter from the President may be important to still any doubts that we are planning to leave Japan holding the bag for Asian security.

One problem which we face is that, when we sign the agreements on Okinawa, we shall have solved the last “easy” problems with Japan. Okinawa was inherited from World War II, and its eventual return was envisaged long ago. However, complex trade and economic issues are very much with us and involve real and powerful US interests. In addition, we are trying to move Japan into assuming a more responsible regional role supplementary to our own involving political, military, and economic commitments.

Another problem arises at this point: the fact that Japan is by no means welcome in all Asian quarters. Not only is there still a legacy of suspicion regarding Japan left over from World War II, there is a much more contemporary resentment of Japan due to the hard bargains which the Japanese drive in conducting their economic relations. As our own relations with Japan grow closer, we will need to do what we can to avoid identifying ourselves too much with Japan so as to preclude anti-Japanese sentiment being directed toward us as well. We will also need to do what we can to nudge the Japanese into practices which will ease Asian suspicions and resentments.

I assume that the best way to develop specific proposals is to examine those areas in which our relationship is cooperative or at least not directly competitive:

- Political cooperation in the United Nations and elsewhere.
- Common security interests.
- Common interest in Asian economic and political stability.
- The developing history of friendship itself.

² Attached but not printed. The draft letter, which Holdridge drafted for Nixon to send to Sato, declares, “For both of us, the coordination and exchange of information on our China policies will be vital for the foreseeable future. I was interested to learn of your intention to proceed with an invitation to the People’s Republic of China to engage in official conversations.” (Kissinger crossed out the next sentence: “I applaud your decision.”) “I consider that it is important for both of us to try to draw Peking into more serious discussions about future relations, without suggesting that our willingness to talk betrays an eagerness to reach accommodation at the cost of yielding points of importance to us.” Holdridge’s letter also discusses the importance of U.S.-Japanese efforts to reassure Taiwan and the countries of Southeast Asia. It also suggests a “regional economic meeting” intended to create “a sense of regional identity and cooperation” in Southeast Asia. There is no indication that this letter was ever sent.

³ Telegram 48 from Tokyo, January 27, reported that Sato had expressed to Javits hope for a post-Vietnam U.S.-Japan “master plan.” (Nixon Presidential Materials, NSC Files, Box 534, Country Files, Far East, Japan, Vol. II, 10/69 to 6/70)

The most obvious gesture would be a Presidential visit to Japan exploiting the last-named common interest. The impact could be maximized by relating it to Okinawan reversion formalities in 1972. If present trends continue, the students should not pose an insuperable problem, and this itself would provide a useful contrast to the Eisenhower debacle in 1960.

Participation in a regional economic meeting provides another and more immediate possibility. This relates to the suggestion which the President made in November that Japan take the initiative in organizing a meeting to consider post-Vietnam economic reconstruction in Southeast Asia. Sato was interested, but deferred consideration.

Various targets of opportunity may develop for us to line up with Japan in the UN and other international negotiations, on issues important to Japan. Coordination of China policy is one possible example. Another is the Russian occupation of Japanese territory since World War II. The Japanese may eventually get angry enough about her northern territories to raise the issue in international forums. With Okinawa behind us, we can be very pure on this one, and derive the satisfaction of knowing that the Soviets probably cannot accommodate the Japanese since it would create a parallel regarding Chinese claims. Raising the issue thus helps to exacerbate Sino/Soviet difficulties. (Any action in this category has of course to be weighed against the disadvantages incurred in US/Soviet and US/China relations.)

You instructed that no reference be made in this draft to the current US/Japanese textile negotiations. Since you passed that instruction, however, Mr. Bergsten has sent you a memorandum underlining the urgency of getting some forward movement on the textile issue. He suggests that a letter without even an oblique reference to textiles might suggest to Sato that the President does not really attach much importance to the matter. Bergsten therefore suggests, and I agree, that you consider expanding paragraph two of the draft along the lines of the underlined sentence below:

"Now that 1970 is with us, I believe that the indications all suggest that our two countries can look forward to a good year and to a deepening of our close relations. *This will surely be the case if we can quickly implement the agreements which we reached during our recent meeting.* I should therefore. . ."

Finally, I should note in passing that a reference to Japanese signature of the NPT may be in order, if the Japanese either have signed it or are on the verge of doing so at the time that the letter goes to the President.

Recommendation:

That you consider the attached draft from the President to Prime Minister Sato.

39. Memorandum From the Senior Military Assistant (Haig) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, February 9, 1970.

SUBJECT

Textiles

Attached at Tab A are several cables from Ambassador Meyer containing a pessimistic report on textile negotiations and seeking guidance from Alexis Johnson.² Meyer reports, *inter alia*, that

—tension is building up.³

—in spite of strong Japanese governmental pressure Japanese textileists remain adamantly opposed to voluntary restraints and contend that Trezise data fails to prove injury.⁴

—non-textile industries in Japan are backing the textileists.

—there is a movement to link textiles with other categories, providing fewer voluntary restraints on textiles but offering accelerated liberalization of items under quota restraints.

—it is likely Japan will ask for more information (for example, proof of injury) or make inadequate counter proposals.

—the Embassy suggests the following possibilities:

—Johnson seeing Shimoda.

—Low-key contacts.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 399, Subject Files, Textiles, Vol. I. Secret; Nodis. Kissinger wrote in the upper right-hand corner of the first page: "Have talked to Johnson. HK"

² Attached but not printed at Tab A are telegrams 728 and 731 from Tokyo, both February 7.

³ During a January 27, 9:15 a.m., telephone conversation, Kissinger discussed with U. Alexis Johnson a conversation that he had just finished with Japanese emissary Kei Wakaizumi. Kissinger told Johnson that Sato "has the problem of managing a bureaucracy that is unaware of the situation," to which Johnson replied, "He made a commitment without being able to carry it out." At the end of the conversation, Kissinger said, "I can see what the President's position would be though if he had promised something no one knew about and then had to pass it through the government without saying what is going on. And some of it must seem pretty ridiculous to them." (Telephone conversation between Kissinger and Johnson; National Archives, Nixon Presidential Materials, NSC Files, Box 1030, President/HAK Memcons, Textile Telcons, Sept. 1969–June 1970, 2 of 2)

⁴ On January 21, Trezise delivered detailed statistical information on the U.S. textile industry and market to the Japanese Embassy. Telegram 10785 to Tokyo, January 23, describes the presentation of the Trezise data. (*Ibid.*, RG 59, Central Files 1970–73, INCO FIBERS 17 US–JAPAN)

—third-party “honest broker.”
—tete-à-tete with Miyazawa.

In his reply (Tab B) Under Secretary Johnson advises the Ambassador to sit tight and wait for the Japanese response.⁵

⁵ Not attached. Telegram 19282 to Tokyo, February 7. (Ibid.)

40. Memorandum From C. Fred Bergsten of the National Security Council Staff to the President’s Assistant for National Security Affairs (Kissinger)¹

Washington, February 23, 1970.

SUBJECT

Textiles

Harry Dent asked me to be sure that you were informed of the President’s meeting on textiles with Senator Thurmond on February 19.²

The Senator informed the President that we have less than a month to negotiate voluntary restraint agreements. The American Textile Association starts its annual convention on March 17 and will decide at that time to press for quota legislation—in alliance with the shoe and perhaps other interests—if we have not obtained a solution ourselves. Dent feels that the textile people would not back off after making such a decision, and that the Administration would then have to support quota legislation to uphold the President’s campaign commitment.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 924, VIP Visits, Sato Visit, Vol. II, Textiles [3 of 3]. No classification marking. Cleared by Lindsey Grant (EAP). Sent for information. Kissinger underlined the last sentence of the memorandum and wrote in the margin: “How can this be unclassified. I don’t want another Bergsten comment.”

² No other account of Thurmond’s meeting with the President has been found. On February 16, Ken Belieu, Deputy Assistant to the President for Senate Relations, sent a memorandum to Peter Flanigan that stated, *inter alia*: “The major part of the textile industry is located in states that supported the President in 1968. Failure to achieve a solution of the textile import problem in the relatively near future could make it very tough going for our Republicans this year especially in South Carolina and Georgia. A solution of the problem could also be very important in Alabama, where Wallace is strong and critical of the Administration.” (Ibid., [2 of 3])

The President reaffirmed his commitment to Senator Thurmond and wondered aloud whether Secretary Stans should go immediately to Tokyo. I gather that the Secretary feels that he must have a Presidential letter for Sato to make the trip worthwhile.

Sato Statement

In answer to a question in Parliament, Prime Minister Sato told the Diet on February 18 that he had agreed with the President last November to attempt to solve the textile question as soon as possible in order to avoid damage to U.S./Japanese relations. He added that there was no agreement on the specific way of solving the problem, which he hoped could be handled through friendly talks, but he would respect Diet resolutions opposing the U.S. government proposal. This is the first public indication the Prime Minister has given of his textile commitment to the President.

41. Memorandum From Richard B. Finn, Director of Japanese Affairs, Bureau of East Asian and Pacific Affairs to the Assistant Secretary of State for East Asian and Pacific Affairs (Green)¹

Washington, March 25, 1970.

SUBJECT

Japan in 1970

After three weeks in Japan, attending two conferences, traveling widely, and talking to a lot of people from senior officials to newsmen and ordinary citizens, I came away with the impression that U.S. relations with Japan are in very good shape. The Okinawa settlement of last November is recognized by everyone, even the left wing, as a remarkably astute and effective piece of diplomacy. Just about every Japanese I talked to felt this agreement had put our Security Treaty with Japan on a solid footing and had greatly reduced the chance that our bases might become a political issue. Japan today is stable and

¹ Source: National Archives, RG 59, Central Files 1970–73, POL JAPAN. Limited Official Use. On March 27 Green sent this report to Rogers under a memorandum that stated, "What he [Finn] has to report in the brief attached memorandum is worth your reading. Overall the situation looks very good indeed with the notable exception of textiles." (Ibid.)

prosperous, considers that in the decade of the 60's it settled its basic political and economic problems, and looks forward to the 70's with confidence and assurance.

Textiles is the one real issue in our relations and is beginning to hurt. All Japanese make much of the arguments that their exports of synthetics constitute merely one per cent of U.S. consumption and that we have not made a case that Japanese exports are doing injury to the U.S. industry. Our position gets very little credence, even though Ambassador Meyer has worked very hard in presenting our case.

I was struck by several other points. Most Japanese including conservatives want to explore every avenue for bettering relations with Peking, though they will nearly all agree Japan should retain good relations with Taiwan. There is considerable concern that the U.S. may through the Warsaw talks somehow get ahead of Japan in improvement of relations with Peking (despite Japan's \$600 million trade with the mainland last year and high level mission it now has in Peking). I spent an evening with Defense Minister Nakasone, who may well be Prime Minister within ten years, and his views support the general impression that Japan has no desire to acquire nuclear weapons or to greatly expand its defense forces. He is incidentally very eager to come to Washington soon to talk over defense planning and the situation in the Far East.

A word about EXPO. It is a great show, livelier and better coordinated than the other two world fairs I have seen. The U.S. pavilion is the top attraction; even though it is quite unprepossessing from the outside, our exhibits are in good taste and low key, topped off by the Apollo 11 spacecraft and a moonstone, with Babe Ruth's uniform for good measure. By contrast the Soviet exhibit is enormous, must have cost three times the money, and as one Japanese said is like a department store with everything in it. The hotel and traffic situation at EXPO is in good shape but the waiting lines for everything are long, averaging several hours for the U.S. pavilion.

42. Editorial Note

On March 9, 1970, the President's Special Counsel, Harry Dent, sent a memorandum to both the President's Assistant for National Security Affairs Kissinger and Secretary of Commerce Stans that reported that the leaders of the U.S. textile industry refused to accept the selective, as opposed to comprehensive, restrictions that the Japanese government was offering in the textile negotiations. Dent declared that the textile leaders "have just run out of patience with and faith in the Japanese," and would begin lobbying to restrict textile imports unless they received evidence that the President would act to protect their interests. (National Archives, Nixon Presidential Materials, NSC Files, Box 924, VIP Visits, Sato Visit, Vol. II, (Textiles) [2 of 3]) C. Fred Bergsten of the NSC staff sent this memorandum to Kissinger under a March 10 covering memorandum, advising Kissinger to inform Dent that President Nixon should not "be put under pressure to support legislative quotas until we have had further time to pursue the matter with the Japanese." Kissinger approved this recommendation. (Ibid.) Bergsten followed up this memorandum with another, 2 days later, warning that Presidential support for quota legislation on imported textiles "*would be a disaster*—in both foreign policy and domestic political terms." (Ibid., Box 399, Subject Files, Textiles, Vol. I)

Chairman of the House of Representatives Committee on Ways and Means Wilbur Mills submitted a bill to Congress on April 13, 1970, to institute quotas on cotton, wool, and synthetic textiles. Bergsten informed Kissinger of Mills' action in an April 17 memorandum. (Ibid., White House Central Files, Box 43, [EX] CO 75, 1/1/70, 1 of 3) On May 2 Mills and Representative John Byrnes met with Secretary of Commerce Stans. According to Stans' memorandum of conversation, Mills said that he "felt committed to the textile industry to secure restrictions on imports of wool and manmade fiber textiles and apparel." He planned "to introduce textile import legislation which might encourage exporting countries to cooperate with our efforts to secure a multilateral agreement," and hoped to do so before May 9, when Mills left on a trade mission to the Far East. (Ibid., White House Special Files, Staff Member and Office Files, Box 11, Peter Flanigan, Textiles, May 1969–November 1972)

On April 16, several days after Mills submitted his textile bill, Secretary of the Treasury David Kennedy sent a memorandum to Nixon in which he described a meeting with Prime Minister Sato in Seoul at the annual meeting of the Asian Development Bank. Kennedy reported, "Japanese Prime Minister Sato asked me to convey to you his deep regrets at not having been able to resolve the textile issue during the time span he had pledged, and he reiterated his determination to

achieve a solution that would be helpful to you. He feels too many are now involved in efforts to seek an arrangement, and he proposes very limited top secret contacts to pursue the matter. Agreement should first be found between our governments. He would then see to it that his textile industry would accept it and expects that you [Nixon] could also get our [the U.S.] industry to come along. Previously, Finance Minister Fukuda had made exactly the same points; and he said that both he and Sato attributed the great success of the LDP elections in December to your Okinawa decision in November. Fukuda indicated that Sato was deeply conscious of your help and intended to reciprocate on textiles." (Ibid., NSC Files, Box 289, Agency Files, Treasury—Vol. 1)

On May 11, in anticipation of administration witnesses testifying in a week before the Ways and Means Committee, Nixon established the administration position in regard to provisions in the Mills bill for immediate implementation of quotas on imports of woolen and synthetic textiles. Kissinger sent Nixon an undated memorandum that listed three options: first, that the administration explicitly oppose the mandatory textile quotas in the Mills bill at this time; second, that the administration defer taking a stance in regards to the bill's mandatory textile quotas; third, that the administration indicate that while it prefers a negotiated solution, such a solution can not be assured, and that it therefore does not oppose Mills' textile quota legislation. Nixon initialed his approval of the second option on May 11. Kissinger's memorandum also describes which administration figures supported the various options. (Ibid., Box 399, Subject Files, Textiles, Vol. II, 1970)

On July 9, Nixon met with Mills and others about pending trade legislation. During this meeting, Mills said that only some segments of the U.S. textile industry had been hurt by imports. "In an aside, [Mills] remarked to the President that they had both been fooled by the textile industry, which had no case for overall protection." (Memorandum of conversation; *ibid.*, Nixon Presidential Materials, White House Special Files, President's Office Files, Box 81, Memos for the President, July 5, 1970) On July 20, Ray Cline, Director of the Bureau of Intelligence and Research at the Department of State, sent an intelligence brief to Secretary of State Rogers that analyzed the Japanese reaction to the Mills bill, describing it as a mixture of pride over Japan's refusal to back down in the textile dispute, and disquiet at the long-term effect on U.S.-Japanese relations. (Ibid., RG 59, Central Files 1970–73, INCO–FIBERS 17 US-JAPAN) The House of Representatives passed the Mills bill in September 1970, but it died there because the Senate did not pass it before adjourning on December 28. For more on U.S. trade policy and the Mills bill, see *Foreign Relations, 1969–1976*, volume IV, Foreign Assistance, International Development, Trade Policies, 1969–1972, especially Document 230.

43. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, June 1, 1970.

SUBJECT

Delay of Chemical Weapons Removal from Okinawa

Since the decision not to ship the chemical munitions on Okinawa to Oregon via Washington, a new situation has been developing.

—The Okinawa legislature unanimously passed a resolution (Tab B)² demanding immediate removal of the chemical munitions while noting that Okinawans had to endure what Washingtonians and Oregonians would not accept.

—Mr. Yara (Chief, Executive Government of the Ryukyu Islands) sent you a telegram requesting immediate removal of the weapons (Tab C).³ (The appropriate reply will be sent by State)

—The Japanese Government desires earliest possible word on U.S. shipment plans as the delay is being protested by all opposition parties and being used by Japanese leftists in anti-treaty demonstrations (Tab D).⁴

—Senators Magnuson, Jackson, Hatfield, Packwood and Gravel are sponsoring an amendment to the Foreign Military Sales Act which would preclude the use of any funds whatsoever to transport the munitions to the U.S. (Tab E).⁵

—We can expect the same loud opposition, public and official, in Alaska as occurred in Oregon and Washington (Tab F).⁶

Alaska (Kodiak Island) and Guam are under active consideration as storage sites. It is understood that one-third of the munitions could be shipped to Guam immediately with the remainder following sometime

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa, Vol. I, 1969 and 1970. Top Secret; Sensitive. Sent for action. The date is handwritten on the source text. Sent to Kissinger under cover of a May 28 memorandum from Michael A. Guhin of the NSC operations staff, in which Guhin recommended that Kissinger sign and send the memorandum to the President.

² Attached, but not printed, at Tab B is a May 20 memorandum from Finn to Green that extracted Rogers' morning brief about the reaction of the Okinawa Legislature.

³ Yara's letter to Nixon of May 21 was not found attached. It is available in the National Archives, RG 59, Central Files 1970–73, DEF 15 RYU IS-US. On June 3 Finn wrote a reply to Yara, stating that the U.S. Government sought to remove the chemical munitions from Okinawa "as rapidly as is possible consistent with safety." (Ibid.)

⁴ Attached, but not printed, at Tab D is telegram 3784 from Tokyo, May 25.

⁵ Tab E was not found attached, but a June 30 telegram to Tokyo discusses this amendment, its passage, and its implications. (National Archives, RG 59, Central Files 1970–73, DEF 15 RYU IS-US)

⁶ Attached, but not printed, at Tab F is a May 27 memorandum from Brigadier General Hughes to John Erlichman.

after November. However, the Governor of Guam expressed his opposition to this idea some months ago.

The length of delay is unknown pending Army's proposal which is due around June 3. However, if we wait until facilities are completely ready to hold the entire stocks, the forecast for delay could run from 4 to 6 months at the very least and probably more.

I indicated earlier we could accept some delay as long as the Japanese do not feel we are backing away from our intention to remove the weapons. However, to assure the Japanese and to take some steam out of the opposition and leftist arguments in Japan, the sooner some movement is made the better.

Therefore, I believe that two aspects of this issue should be considered simultaneously: (1) how to move some munitions as rapidly as possible; and (2) whether these particular stocks are essential to our chemical capability and overall military posture as directed by National Security Decision Memorandum 27.

Attached at Tab A is a proposed memorandum to Secretary Laird for your approval.⁷ It first states that we should move some munitions as soon as possible and should not wait until selected sites can hold the entire stocks.

It then asks for Secretary Laird's appraisal of the Magnuson amendment in the Senate (Tab E) and his appraisal of the importance of these munitions in relation to our chemical capability and NSDM 27. It concludes: If these stocks are not essential, would it be to our advantage to announce plans to detoxify them on Guam or elsewhere? It requests his assessment of these matters by June 8.

Since there is no requirement for forward deployment of these munitions on Guam, and since there appears little reasonable justification for choosing Alaska as the site, the option to announce plans to detoxify the munitions should be considered. For such consideration, Secretary Laird's assessment of the situation is required.

Recommendation

That you approve the memorandum to Secretary Laird at Tab A.⁸

⁷ Attached but not printed.

⁸ Nixon initialed the approve option on June 8. The memorandum was sent to Laird the same day.

44. Memorandum From the President's Assistant for Economic, Commercial, and Financial Issues (Flanigan) to President Nixon¹

Washington, June 19, 1970.

Economic Relations with Japan

In the attached memorandum and paper, Secretary Stans presents his views on our present economic relationship with Japan.² He expresses his concern that economic and financial considerations have been subordinated to geopolitical and military factors in the development of our policies regarding that country. Neglect of these considerations in our overall policy-making may account for unsatisfactory results in recent trade negotiations with Japanese officials. He believes that continued rapid economic growth in Japan will increase the importance of these economic considerations and the weight they should be given in the development of our long-term policies and relations with Japan.

As background for a major re-examination of policy which he feels is necessary, Secretary Stans has initiated studies on Japanese government–industry–banking relationships and the Japanese import control regime to determine their impact on U.S. trading and investment interests. He will report when these studies are completed and on further actions he feels should be taken. Treasury has similar studies underway on the impact of current Japanese economic and financial policy on the international monetary system and the U.S. balance of payments.

I do not believe that you need to read his memorandum.

PMF

¹ Source: National Archives, Nixon Presidential Materials, White House Central Files, Box 43, [Ex] CO 75, 1/1/70, 1 of 3. No classification marking. Sent for information.

² Attached, but not printed, is a May 18 memorandum from Stans to Nixon. An unattributed paper entitled "Japan's Economic Growth: The Basic Anatomy," from April is also attached but not printed. This paper provides the basis for Stans' May 18 memorandum. It raises the prospect that Japan will achieve "world economic supremacy" through a combination of hard work, a skilled labor force, intelligent policies, neglect of the public sector, and a disregard of international obligations.

45. Memorandum of Conversation¹

Washington, June 23, 1970.

PARTICIPANTS

Mr. Takeo Miki, Former Japanese Foreign Minister
Mr. Osano
Mr. Kazushige Hirasaeua
Dr. Henry A. Kissinger
Mr. John H. Holdridge

SUBJECT

Mr. Miki's Remarks on East Asia Developments

Mr. Miki said that he was making a one-month trip around the world, and during this trip had started thinking that it was time for Japan to identify a new world role for itself. In East Asia and Southeast Asia he had two things in mind: Japanese relations with Communist China, and Japan's role in the stability and welfare of Southeast Asia. Regarding China, Japan was not in the position to offer its good offices in improving Sino-U.S. relations, but it could influence the Chinese with respect to the outside world and bring it into the international community. The way for Japan to do this was to engage in expanded trade and exchanges with China. Turning to Southeast Asia, Mr. Miki felt that Japan should expand its trade, but also should be aware of human elements. Mr. Miki favored Japan's establishing a full-scale peace fund, which would provide technical training and assistance in public health.

Mr. Miki asked Dr. Kissinger to what extent Dr. Kissinger thought the U.S. would advance its relations with Communist China? What the Japanese did depended on this. What kind of a relationship with China did Dr. Kissinger see by the end of the 70s? Concerning Southeast Asia, did Dr. Kissinger think that other nations might be invited to participate in Japan's peace fund? Mr. Miki indicated that he had done a great deal of thinking about bringing in nations of the Pacific Basin together in this, particularly the U.S., Canada, and Japan.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country File, Far East, Japan, Vol. III, 7/70–12/70. Secret. The meeting took place at Kissinger's office. The time of the meeting is not indicated. On July 20, Holdridge sent Kissinger this memorandum of conversation. Kissinger initialed and made some changes, which are noted in footnote 2 below. On August 13 Holdridge sent the revised memorandum to Kissinger and recommended that it be passed to the Department of State since "the views expressed by you and Mr. Miki on Asian questions . . . are likely to arise again in Miki's conversation with other American officials in the future." Kissinger denied this request on August 14. (Ibid.)

Dr. Kissinger wanted to say, first, that he was delighted to see Mr. Miki. Dr. Kissinger's good friend, Hubert Humphrey, had recommended Mr. Miki highly and had recommended a meeting. On relations with China, we had not undertaken initiatives to normalize these relations, and had only made a small beginning. Recent events had caused a temporary interruption in our contacts, but Dr. Kissinger believed that these would resume. There would be no spectacular events, and he didn't know if any government had strong enough nerves to negotiate with China and North Vietnam simultaneously. Nevertheless, by the end of the 70s our relations certainly would have improved.

As far as Japan was concerned, Dr. Kissinger declared that we would have no objection to the Japanese seeking to improve their trade relations with China and to help China get out of its isolation so long as this was within a general framework of friendly relations with the U.S. In Southeast Asia, Japanese aid in economic reconstruction was very important.

Dr. Kissinger noted that an immediate problem was Cambodia, where we would like the Japanese to do more. Japanese security there was more threatened than that of the United States. It was the general philosophy of this Administration that mutual aid among Asian nations was desirable, and Japanese help for Cambodia would be consistent with the Nixon Doctrine.

Mr. Miki stated that in the field of the economic cooperation, one of the most important factors was the technological capability of the local people, who are often not trained to operate factories. Did Dr. Kissinger believe it would be possible to expand cooperative measures among the Pacific nations through such measures as providing training and programs for students? Dr. Kissinger replied that he was familiar with Mr. Miki's idea about the Pacific Basin, and we would be willing to cooperate in such as those Mr. Miki had described. The President was extremely interested in student exchanges, and would look on these favorably in principle.

Mr. Miki asked Dr. Kissinger if he wouldn't elaborate more on the prospects of the Sino-U.S. relationships in the 70s. In response, Dr. Kissinger remarked that a great deal depended on the Chinese, with whom no one had managed to establish good relations except Albania. In principle, we were willing to go into the concurrent issues of how to improve relations, which was better than dwelling on ideological issues. A reasonable Chinese leadership should recognize that we had relatively few issues with the Chinese. There was, of course, Taiwan, but this could be healed in time. Except for Taiwan, we didn't have clashing interests. Others more close than we, especially the USSR, had more clashes. Whenever a more rational leadership evolved, which

would be after Mao, it would be possible to go faster. Mr. Miki wondered how we might deal with Taiwan. What solutions could we foresee? Dr. Kissinger noted in this respect what Palmerston had said about the Schleswig-Holstein question; only three people understood it, one of whom was mad, one was dead, and he was the third but he had forgotten the answer. However, a formula could be found to deal with the issue. Dr. Kissinger emphasized, though, while we would support any settlement which the Chinese parties made with one another, we would not betray an ally.

Mr. Miki said he had been in Saigon, and had exchanged views with Saigon leaders and with other Asian leaders, all of whom had expressed a certain degree of concern over the future if the U.S. continued to withdraw from Vietnam as scheduled. There might be an effect on the Vietnamese presidential elections if the U.S. troops in Vietnam were much less than now. Thieu's own concerns represented a common feeling—what kind of a formula for a settlement could be found if the U.S. withdrew? Dr. Kissinger wondered how it was that the Japanese had gained a reputation for indirection; Mr. Miki had gotten right to the heart. On this issue, we thought that after some period of time the South Vietnamese should be strong enough to defend themselves, and this would give the North Vietnamese two choices: either to settle now or wait until the high point of South Vietnamese strength had been reached. If this were to happen, the North Vietnamese might not be able to win even if they fought for seven years more. On the other hand, if they were willing to reach a political settlement, we had said we were prepared to have one which reflected the existing balance of forces. If the North Vietnamese were ready to be realistic, we could reach a conclusion. However, they wanted us to withdraw and overthrow the GVN on the way out—this was too much to ask.

Mr. Miki said that the war had been going on for over 20 years, and that Japan was seeking to find things to do to get a settlement, even though its means were limited. As to the war, Japan was anxious to shift energies from the war to peace and reconstruction. Since Japan had only limited influence while the war was going on, it felt that something had to be done. Dr. Kissinger asked, what was Japan thinking of doing? Mr. Miki replied that they had in mind something towards a peaceful settlement. The Japanese public was pressing the government, but the government was not too sure what it could do.

Dr. Kissinger agreed that Japan couldn't do much towards a peaceful settlement in Vietnam. However, in situations like Cambodia, which was a neutral, independent country, help would be greatly welcomed. This would be in the interests of everybody in Southeast Asia. We ourselves have no bases there and were not interested in staying. Mr. Miki noted that Japan had made some contributions to Cambodia previously, such as in constructing dams.

Mr. Miki asked Dr. Kissinger for his views on the future of the U.S.-Japan security treaty, especially in the light of the Nixon Doctrine. Dr. Kissinger described Japan as being the greatest country in Asia and potentially the most powerful. Therefore, Japan could and should carry a greater burden of its own defense. It was not a healthy situation for the U.S. to carry the whole burden, especially when other countries could contribute. Because Japan was so important, we could not be indifferent to Japan's role, and we took the Treaty very seriously. This Treaty, though, had to be at least as important to Japan as it was to us, since we could defend ourselves alone and Japan couldn't. We were delighted to have the Treaty and certainly would not abrogate it; on the contrary we would strengthen it. It was up to Japan to decide what Japan did, and we felt that Japan would come to realize that the Treaty would allow it to keep a lower defense budget.

Mr. Miki remarked that the U.S. had strongly urged Japan to join the NPT, and Japan was determined not to develop nuclear power, therefore, it was important to have U.S. nuclear weapons behind it. Dr. Kissinger agreed, saying that Japan was so important that we couldn't permit it to be destroyed in a nuclear war. This was not an act of charity; we did it for ourselves. If half a billion Chinese were added to the Soviets, there would be a tremendous shift in the balance of power in Asia. We did not believe in a sentimental foreign policy, but were acting in what we considered to be Japan's and our own interests.

Mr. Miki asked if Japanese land forces would have any deterrent effect in Asia. Dr. Kissinger said that as a historian he believed that history indicated that Japan land forces would grow. Was he wrong on this? Mr. Miki agreed that there would be a growth in the Japan defense forces, but he was not thinking of Japan as a major military power. Dr. Kissinger observed that we would nevertheless like to see Japan play a more important role in Asia. This need not be primarily in the military field—the level of Japan's defense was something that the Japanese should decide for themselves. Mr. Miki remarked that there were certain parties in Japan which wanted Japan to become militarily strong, but the opinion of the majority was that the country should not move to become a major military force. When asked by Dr. Kissinger why this was, Mr. Miki explained that Japan had become what it is today by not obliging itself to become a big military power. Japan had the experience of militarism in the last war, and public opinion had not forgotten this. Otherwise it would be extremely difficult for Japan to secure national unity. Needless to say, though, the Japanese people were aware of the need to help in the defense of allies.

Dr. Kissinger declared that with respect to the level of military forces, certain tasks had to be performed in the Pacific. If the Japanese were to put more emphasis on economic aspects, and see more on the

military side, this would be satisfactory division of labor. We might want to discuss changes in emphasis from time to time, but for now this was an acceptable picture.

Dr. Kissinger remarked that he had been in Japan only twice; in 1951 just to pass through and in 1960 to spend two days.² This had been going to and from Vietnam. Therefore, he had had no real opportunity to see Japan. However, he had many Japanese students, such as Nakasone, Yoshino, and Fujita, and had many friends. He had played with the idea of going to see EXPO 70 this September, but probably couldn't make it.

Mr. Miki wanted to raise one last question: after the reversion of Okinawa to Japan, and our relationships were entering into a new stage, what should we do to solidify and strengthen these relationships. Dr. Kissinger replied that our relationships were very good now and had a solid basis. We should maintain our present relations, and not try to duplicate each other's policies but to reinforce them. He was impressed with Mr. Miki's ideas about the Pacific Basin, which he recognized would bring peace in the Pacific. He reiterated that we didn't need to do the same things but should have the same goals. He personally believed that Japan should play a greater role in Southeast Asia. Again, it was not right for some nations to do all the work. Others should stand by their side. Japan could play a real part in the post-war economic reconstruction and development of Southeast Asia.

The meeting ended with Mr. Miki recalling that he had seen the President twice as Foreign Minister and hoped that Dr. Kissinger would convey his very best wishes to the President.

² Kissinger corrected this sentence. He crossed out "just to pass through." In place of "to spend two days," he wrote, "for three weeks each time. He had also passed through Japan in '65 & '66 on the way from Vietnam."

46. National Intelligence Estimate¹

NIE 41–70

Washington, June 25, 1970.

JAPAN IN THE SEVENTIES: THE PROBLEM OF NATIONAL POWER

Note

Prime Minister Sato has said that in the 1970s Japan must face the “problem of national power”—a concept which he has defined as the “aggregate of a country’s political stability, economic strength, military might, its sway over international opinion, its cultural heritage, and so forth.” In this Estimate we look at how these several aspects of Japanese national life are likely to evolve and interact during the decade, and at some of the implications for the US.

Conclusions

A. Japan enters the 1970s with the world’s most dynamic economy, a population proud of its accomplishments, and a moderate government firmly in the political saddle. Its problems during the coming decade will be how to use its riches and growing self-confidence to improve standards of living at home and to find a suitable role for Japan abroad.

B. The chief arena of political competition will continue to be within the Liberal Democratic Party (LDP), and it is here that the most significant new pressures will make themselves felt. In the long run, the LDP can probably maintain its commanding position only if it meets mounting pressure for attention to Japan’s social infrastructure needs, especially in the booming cities. In the process, support for the party itself is likely to change markedly from conservative rural constituencies to the urban middle classes.

C. Japan is in a strong position to continue rapid economic growth, although sooner or later a decline from the past average real growth rate of 10 percent a year is likely. But while Japan’s strength and

¹ Source: Central Intelligence Agency, ODDI Registry of NIEs and SNIEs, Job 79–R01012A. Secret. The Central Intelligence Agency and the intelligence organizations of the Department of State, the Department of Defense, the Atomic Energy Commission, and the National Security Agency participated in the preparation this estimate. The Director of the CIA submitted this estimate with the concurrence of all members of the USIB with the exception of the representative of the FBI who abstained on the grounds that it was outside of his jurisdiction.

influence within the international economic complex will continue to increase, so will the dependence of Japan's prosperity on continued access to foreign markets. A prolonged international recession or the imposition of severe foreign trade barriers by Japan's main trading partners would have grave economic repercussions in Japan, all the more so because its economic system is geared to rapid growth.

D. Japan's search for a "world role" will focus initially on gaining international status and recognition through, for instance, an enhanced role in the UN, and on continued efforts to promote Japanese economic interests abroad. By the end of the decade, Japan will be more nearly an equal in its economic relations with the US; is likely to be the dominant external factor in the economic life of non-Communist Asia and the largest external economic influence in China, Australia, and New Zealand; and in all likelihood will be the greatest single economic rival of the US even in such traditional American preserves as Latin America.

E. Politically, economically, and emotionally, Japan is attracted to the developed nations, particularly those of the Pacific Basin—the US, Canada, Australia, and New Zealand. Its economic role in East Asia gives it a major stake in the stability of that region. Its foreign aid to East Asia will increase substantially, accompanied by growing economic and eventually political influence. In Southeast Asia, however, Japan will try to keep its political activity in a multilateral context. Even in Northeast Asia, where Japan will engage in increasing bilateral exchanges on intelligence and internal security with South Korea and Taiwan, it will want to avoid political or security involvement which might provoke North Korea and especially China.

F. All Japan's Asian policies will be fundamentally affected not only by its relations with the US but also by its reading of the balance among the US, USSR, and China. The Japanese think they have an independent "bridge-building" role to play between the Communist and non-Communist powers in Asia. And to some extent they count on mutual antagonism among the three great powers to help Japanese influence with each one. They will be persistent in friendly overtures to China, and reluctant to engage in any activity which could be construed as "anti-Communist."

G. The Japanese defense related industries will grow substantially over the decade, though the Self-Defense Forces probably will increase only gradually with primary emphasis on air and naval forces. The navy and air force will extend their area of operations, and eventually will come to accept a greater share of responsibility for defense of

Japan's vital lines of communications. But Japan will not want to station troops abroad or to accept foreign military commitments, certainly not bilateral ones.

H. We are less certain about Japan's nuclear future. The issue will be the subject of growing national debate, and the decision will be affected not only by Japanese sentiment *per se* but also by US and Chinese policies. On balance, we think that unless the Japanese come to feel some imminent threat to themselves for which US protection is deemed unreliable, they probably will not decide to produce nuclear weapons at least for some years to come.

I. Japan will want the US military presence on its lands reduced and want a greater Japanese voice in the use of the forces which remain. But so long as it is ultimately dependent on American military protection, it will on balance probably want some US military presence on its territory to give force to the American commitment. Economic issues are likely to be a greater source of friction than US military bases. Most important of all, as the decade goes on, Japanese governments will be increasingly eager to demonstrate—to other Asians and to their own electorate—that their policies are independent of Washington's.

[Omitted here is the Discussion section, which examines Japanese politics, economic and social issues in Japan, and Japan's world role.]

47. Telegram From the Department of State to the Embassy in Japan¹

Washington, June 25, 1970, 1810Z.

100695. For the Ambassador from Alexis Johnson. Following is text of letter from President to Sato, which being given Aichi prior to his departure:²

¹ Source: National Archives, RG 59, Central Files 1970-73, INCO FIBERS 17 US-JAPAN; Secret; Immediate; Nodis. Drafted by Monjo; cleared by Brewster and Finn; approved by U. Alexis Johnson. According to a June 25 memorandum from Kissinger to Nixon, the letter was coordinated with Rogers, Johnson, and Stans and cleared by Special Assistant to the President Keogh. A signed original of Nixon's letter to Sato is *ibid.*, Nixon Presidential Materials, NSC Files, Box 924, VIP Visits, Sato Visit, Vol. II, Textiles [1 of 3].

² Aichi and Miyazawa met with high-ranking administration officials in Washington June 22-24.

“Dear Mr. Prime Minister:

“Thank you for your letter of June 19³ and for the spirit which prompted you to have Foreign Minister Aichi and Minister of International Trade and Industry Miyazawa visit Washington in an effort to settle the textile problem, which has so long been outstanding and which you and I discussed last November.⁴

“Needless to say, I am deeply disappointed that it has not been possible to arrive at an agreement.⁵ However, I remain convinced of the importance of developing those broad relations in the political, social and economic fields between our two countries which are of such crucial importance to both of us and to peace and harmony in the Pacific.

“Secretary Rogers will be looking forward to discussing these and other matters with you during his forthcoming trip to Tokyo. Sincerely, (signed) Richard Nixon”

2. Following is text of letter from PM Sato to the President delivered from FonMin Aichi upon his arrival Washington June 22:

“Dear Mr. President,

“Since Mr. Maurice Stans, Secretary of Commerce of the United States, visited Japan last year, the problem of restraints on exports to the United States of wool and man-made fiber textile articles has been continuously and earnestly discussed between our two Governments. The problem is most difficult and complex, but it has been my strong conviction that no problem between our two countries is too difficult to solve, if approached in the spirit of mutual trust and friendship, as has been demonstrated in the past.

“I have given serious thought to the course of discussions that have taken place for more than a year, and to various difficulties in your country, as well as to the positions taken by the Diet and by the industries concerned of my country. Considering that further delay in solving this problem is not desirable for both countries, I have now come to a conclusive thought for the solution of this problem.

“I am now sending Mr. Kiichi Aichi, Minister for Foreign Affairs, and Mr. Kiichi Miyazawa, Minister of International Trade and Industry,

³ See below.

⁴ See Documents 31 and 35.

⁵ On June 24, Bergsten wrote a memorandum to Kissinger in which he warned that the collapse of the textile negotiations could “unleash broad protectionist efforts” in the United States that, if left unrestrained, would produce a foreign policy “disaster.” Bergsten called for Nixon to lobby Congress in order to “combat the pressures for widespread import restrictions.” (National Archives, Nixon Presidential Materials, NSC Files, Box 399, Subject Files, Textiles, Vol. II, 1970)

to your country to hold thorough discussions with representatives of your Government.⁶

“In these discussions, I sincerely hope that you would give your full understanding to the following two points, in particular.

“First, the textile problem is to be considered a special and exceptional case, and similar solutions should not be extended to other commodities in the future.

“Second, the export restraints should in no case be extended beyond the period of duration to be agreed upon in these discussions.

“I would like to emphasize that, in view of the current position of the Diet and other domestic situations, your understanding and favorable consideration of the above points is of the utmost importance for the final solution of this problem.

“Accept, Mr. President, my warmest personal good wishes. Very sincerely, (signed) Eisaku Sato Prime Minister of Japan.”

Rogers

⁶ On June 22, Aichi met with Rogers to discuss the textile negotiations and other subjects. Their discussion is summarized in telegram 98759 to Tokyo. (Ibid., RG 59, Central Files 1970–73, INCO FIBERS 17 US–JAPAN) At this meeting, Aichi gave Rogers a “Memorandum on the Textile Problem.” Bergsten forwarded the Japanese memorandum to Kissinger under a June 24 memorandum in which he noted it “simply reiterates the standard Japanese principles on textiles.” (Ibid., Nixon Presidential Materials, NSC Files, Box 399, Subject Files, Textiles, Vol. II, 1970) On June 24, Stans and Miyazawa met in the morning and agreed that it was impossible to negotiate a textile agreement at this time. Telegram 100903 to Tokyo, June 25, briefly described that discussion and summarized another meeting, during the afternoon of the same day, among Rogers, Stans, Aichi, and Miyazawa. (Ibid., RG 59, Central Files 1970–73, INCO FIBERS 17 US–JAPAN) During this discussion, Aichi said that a few days of negotiations did not provide sufficient time in which to close the large gap between the U.S. and Japanese positions. Miyazawa noted that the Japanese government lacked the legal authority to enforce its decisions on the textile industry. On July 21 Stans sent a memorandum to Nixon briefly describing his three private meetings with Miyazawa on June 22, 23, and 24. (Ibid., FT 4, JAPAN–US)

48. Telegram From Secretary of State Rogers to the Department of State¹

Tokyo, July 9, 1970, 0055Z.

Secto 78/5130. Subject: Secretary's Conversation With Sato July 8: Textiles.

1. After expressing deep appreciation for President's decision last fall re Okinawa, which made possible dramatic LDP election victory, PriMin Sato expressed regret that he (Sato) had been unable to achieve resolution of textile problem. Nothing much could be done at the moment, Sato said, but there remains a slender "thread" which he will through political leadership attempt to strengthen with a view to an eventual successful result.

2. Secretary said he saw no prospect of discussing this subject usefully at this time. Mills bill, he said, would undoubtedly be enacted.² He agreed, however, with PriMin that effects of this unhappy issue not spill over to other aspects of our otherwise productive relationships, e.g. Okinawa negotiations.

Rogers

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country Files, Far East, Japan, Vol. III, 7/70 to Dec 70. Secret; Priority; Limdis. Rogers visited the Philippines, Vietnam, Japan, and the United Kingdom, July 1–12. While in Japan, July 7–10, Rogers met with Sato, attended a gathering of U.S. Chiefs of Mission to Asian countries, and conferred with senior Japanese officials. A summary report of the Chiefs of Mission Conference is printed in Document 49.

² For information on the Mills textile bill, see Document 42.

49. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, July 20, 1970.

SUBJECT

East Asian Chiefs of Mission Conference, July 9–11, 1970

I believe you will be interested in the enclosed summary report of our Chiefs of Mission Conference at Tokyo July 9–11.

In 1969 our achievements were principally five-fold: the Nixon Doctrine, Vietnamization, a modified approach toward Mainland China (trade, travel, Warsaw dialogue), the Nixon–Sato Communiqué and all that was implied therein (in my book the most significant long-range development in our policy formulation), and our low profile approach of modesty, mutuality and multilateralism.

In essence, we devised both a philosophy and a new approach, which has the emphatic endorsement of all of our Ambassadors. It is now our problem to put this into effect in a period when we have continuing commitments and responsibilities, but with a shrinking budget and ever growing Congressional limitations with which to carry them out.

You will see in this summary report that a number of worries and concerns, repeatedly expressed, revolved around the problems of diminishing U.S. resources, and the need to be very careful that our reduced budget does not give our Asian friends the impression that our assistance to them, and our deterrent capabilities, are going to be eroded to the point where they cannot rely on us for essential help.

The Chiefs of Mission repeatedly emphasized in this connection that to ease the transition in Asia as much as possible it was essential that we formulate coherent strategic plans for the area. Such plans would make anticipated base and force reductions in the Pacific more understandable for all concerned, would provide a more rational basis for future budget preparations and redeployments, and would be useful in our efforts to obtain greater understanding and support for our plans in Congress. The group agreed that the recommended planning was a sufficiently important and difficult task to warrant your personal attention.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 282, Agency Files, Dept of State, Vol. VIII, 1 Jul 70–Aug 70. Secret. Kissinger sent Rogers' report, as well as the conference report, to Nixon under cover of an August 10 information memorandum.

The Chiefs of Mission recognized that our aim should be to draw back somewhat. But we should not draw back too far or too fast lest we undermine Asian self-confidence which has made possible the remarkable progress all the way from Korea down to Indonesia. On the other hand, a drawing back and lessening of American official presence will help spark the initiative of Asians, will spur their do-it-yourself spirit, and will comport with their growing nationalism.²

We recognized at our conference that the U.S. cannot solve the problems of Asia, but we can and must support the good Asian problem solvers. As you have pointed out, it is not a question of getting out of Asia but of finding the right way and right degree of staying in Asia.³ We reject the concept of detachment, of isolationism. We accept the risks—and yet the ultimate safety—of involvement.

William P. Rogers

Attachment

Summary Report of Chiefs of Mission Conference⁴

Tokyo, undated.

SUMMARY REPORT OF CHIEFS OF MISSION CONFERENCE TOKYO, JULY 9–11, 1970

I. The Multi-power Balance

The Sino-Soviet estrangement and the growing power of Japan have produced a multipolar situation in East Asia replacing the bipolarity of the Fifties and Sixties.

² Nixon underlined this entire sentence and wrote: “a vital point.”

³ Nixon underlined the latter part of this sentence beginning with “it is not a question”

⁴ This Summary Report was reviewed by Grant, who sent it to Kissinger under an information memorandum that summarized it for the President, and flagged a number of its conclusions and recommendations. Kissinger signed this information memorandum, and sent it to the President on August 10 with Rogers’ report and the attached summary report. The points Kissinger emphasized related to Japan were: “We must treat Japan as a major power. We can enlist its cooperation in mutually desirable economic aid for Asia, but its contribution will increase more gradually and in less helpful forms than we would like We must give primacy to relations with Japan, despite anticipated future frictions We should balance Japan’s economic activities [in Asia] by encouraging our own, West European, international and even Soviet economic participation in the area.” Nixon wrote a number of comments on this paper, although none related to Japan. (National Archives, Nixon Presidential Materials, NSC Files, Box 282, Agency Files, Dept of State, Vol. VIII, 1 Jul 70–Aug 70)

Japan

Of the four powers, Japan is the one whose international role will expand the most in the next five years. While its political influence has not kept pace with its economic growth, there are signs that this is beginning to change as a result of the changing national mood. Japan's Jakarta Conference role is illustrative.

Heavily dependent on trade, Japan has a greater stake in regional stability than the other three powers. The extent to which it will use its enormous economic strength to promote regional economic developments and stability is not yet clear. There are powerful domestic demands on resources in Japan and continuing inhibitions abroad and in Japan against a mounting Japanese presence.

Northeast Asia is in a relatively stable condition, but Indochina creates many uncertainties for mainland Southeast Asia and for the Japanese. The Japanese sympathize with our problems in SEA but are providing inadequate help. We must work out a division of labor with Japan for our mutual goal of a stable and developing East Asia. We cannot twist Japan's arm as much as before. Projects must commend themselves to the Japanese, and preferably be of Japanese inspiration.

Eventually Japan should and will make an overseas security contribution, but nothing substantial is considered likely in the next five years. Its best contribution for an indeterminate period will be economic. There is a good prospect that this will increase, but more gradually and in less helpful forms than we would like.

[Omitted here is discussion of Communist China, the USSR, Indochina, the U.S. Military Posture, the U.S. Presence in Asia, and Current and Future Economic Strategy for East and Southeast Asia.]

VI. Recommendations

The Conference endorsed the policies of 1969–70 dealing with the Soviet Union, Communist China and Japan and with the major problems of the area. These policies should be continued. However, great concern was repeatedly expressed by the Ambassadors that the material resources allocated in support of the Nixon Doctrine might not be sufficient.

The Conference recommended the following actions:

A. General

1. The Nixon Doctrine is welcome in the area and sound, but the U.S. must provide essential economic and military assistance so that the free East Asian nations which are able and ready to practice self-help can have the wherewithal and confidence to do so.

2. An overall strategic plan for the area should be developed, matching U.S. military and economic resources with U.S. goals.⁵ We need such a plan in order to reassure our friends that U.S. operations reflect rational progression toward agreed goals.

3. Programs to enhance American public and Congressional support for such essential U.S. assistance in the period ahead should be promoted as a matter of top priority.

4. Greater efforts should be made to show Asians that President Nixon has very substantial support from the American public and the Congress for his policies despite media emphasis on elements of difference and dissension.⁶

5. While recognizing that the Congress clearly has the right to investigate U.S.G. activities abroad and that it is desirable to keep the U.S. public informed, we must take into account the fact that several Asian states have reacted, and will continue to react strongly to the publication of certain information considered to be classified by those nations.

6. As we depend more on Asian initiatives and self-help, advance consultation with our friends in the region on all key decisions affecting their interests, including policy on Mainland China, will be increasingly important. With Japan, this consultation will be particularly crucial in influencing its regional role.

B. The Multi-power Balance

Japan

1. The U.S. must recognize the primacy of close relations with Japan, irrespective of the irritations and frictions that inevitably arise in this relationship.

2. The U.S. should discreetly encourage an expanding Japanese economic and political, ultimately also security, contribution in the region. A substantially increased Japanese economic contribution should be evident within the next few years, to minimize the possibility that increasing impatience on this score may jeopardize U.S.-Japan relations. Due care should at the same time be paid to other countries' sensitivities over an excessive Japanese presence.

3. There is an inherently competitive element in Japan's trade, aid and investment role. The U.S. will have to work hard to remain

⁵ Nixon underlined this sentence and, in the right-hand margin wrote "*vital.*"

⁶ In the right-hand margin next to this point, Nixon wrote, "*Shakespeare follow up.* (Since U.S.I.A. can't do propaganda for the adm. perhaps another means should be found—*Every ambassador* e.g. should have the last Gallup & Harris polls—*& the Columns*—They should talk it up with opinion makers (*regardless* of their personal politics)."

competitive in the region in economic and aid matters if a healthy multipower balance is to be maintained.

[Omitted here are recommendations on China, Indochina, U.S. Military Posture, U.S. Presence in Asia, Current and Future Economic Strategy for East and Southeast Asia, and Others.]

50. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, August 17, 1970.

SUBJECT

Secretary Stans' Report on Textile Negotiations

Secretary Stans has forwarded a day-by-day account of his textile negotiations with the Japanese Minister of Trade and Industry, Kiichi Miyazawa, June 22–24.²

It is clear that the *principal problem was the length of the agreement, and that compromises on the other points had either been reached or seemed attainable.*

On *timing*, the Japanese were willing to agree to restraints for twelve to eighteen months, provided the United States would agree not to expand the time limit of the agreement or expand the concept of voluntary restraints to other industries. The U.S. insisted on an agreement lasting at least until 1973. The Japanese argued that they could not accept the longer period without a justification beyond the timing of U.S. elections.

On other key elements:

—The Japanese were willing to agree to *comprehensive coverage*, consisting of one overall limitation for sensitive goods (23 items) which

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 399, Subject Files, Textiles, Vol. II, 1970. Secret. Sent for information. A notation on the memorandum indicates Nixon saw it. On August 17 Bergsten sent Kissinger a memorandum concerning Stans' report and recommended that Kissinger sign this memorandum and forward it to the President without Stans' report.

² Stans' account of his textile negotiations was attached to Bergsten's August 17 memorandum to Kissinger. (Ibid.) Also attached, but not printed, was a July 21 memorandum from Stans to Nixon summarizing the negotiations. See Document 47 and footnote 2 thereto.

would be restrained, and one (largely fictitious) overall category for non-sensitive goods, which would not.

—The Japanese agreed that the United States could call for consultations on non-sensitive (and thus *non-restricted*) items whenever we found imports disturbing. If no satisfactory solution resulted from the consultations, the United States could unilaterally restrict imports within 30 days and the Japanese would not press their compensation rights in GATT.

—The Japanese wanted a *base year* of calendar 1969 for synthetics and calendar 1968 for wool, the best year from their standpoint for both. The U.S. wanted fiscal 1969 for both, which would have been more restrictive on both. Compromise appeared possible.

—On the *rate of growth*, Japan wanted imports to increase according to increases in U.S. consumption over several past years, including the rapid growth of most of the 1960's, whereas the U.S. preferred a more restrictive year-to-year calculation.

On the purely diplomatic side, Secretary Stans apparently indicated to Miyazawa that he based his position on what he understood were specific points that had been agreed to last November by you and Prime Minister Sato. Miyazawa said he had questioned Sato on this, and that Sato said there had been no explicit understanding on specifics—that he had simply promised “to do his utmost” to reach satisfactory agreement. Miyazawa claimed that his sole reason for coming was to fulfill that promise—not to forestall the Mills bill, nor to meet the demands of the U.S. textile industry. Miyazawa said that his coming should be construed as representing the Prime Minister's promise “to do his utmost.”

Comments

When we approach the Japanese again on textile negotiations, the situation will be very much influenced by the status of the Mills bill and your position on it. However, part of the situation brought out in the Miyazawa–Stans conversation will remain the same.

In an effort to help re-start the negotiations, and help head off restrictive U.S. legislation, GATT Director-General Long has personally offered an informal proposal which meets our position on most counts—including duration. Our people are assessing it in detail, as are the Japanese. If it looks acceptable to us, we will see whether the Japanese are sufficiently interested to make new talks worthwhile.

An agreement by mid-October with Japan, if one were possible, would put you in the best possible position to veto the trade legislation which is likely to reach your desk about that time—since your textile commitment would have been taken care of by other means. We could also begin negotiations shortly with Hong Kong, Korea, and Taiwan, to demonstrate action and perhaps to make it easier for the Japanese to negotiate.

51. Letter From President Nixon to Japanese Prime Minister Sato¹

Washington, August 26, 1970.

Dear Mr. Prime Minister:

Secretary Rogers spoke with you last month about developments in Cambodia. It is a topic which deeply and personally concerns me.

I believe that you share my conviction that the stability and prosperity of Southeast Asia are of great importance to American and Japanese interests, and to those of all the peoples of Asia. It was heartening to learn that following an initial contribution by your Government of emergency relief supplies to Cambodia, your country is intending to improve transportation in Cambodia through the provision of \$2,000,000 for trucks and other commodities. This improvement is very much needed. Japan's efforts to meet Cambodia's urgent requirements are a most significant beginning. Further steps will be essential.

It is my earnest hope that you will continue to be able to address yourself personally to this problem. In my view, its importance transcends the boundaries of one small and beleaguered Southeast Asian nation.

Sincerely,

Richard Nixon

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 757, Presidential Correspondence Files 1969–1974, Japan (Sato Corr) 1969–8 Jul 1972. In a September 26 letter, Sato replied to Nixon and described the Japanese government's plans to provide emergency assistance to Cambodia as well as his own desire to work in tandem with the United States in order to stabilize and regenerate Indochina; see Document 57.

52. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, undated

SUBJECT

Shipment of Chemical Munitions from Okinawa

Defense is preparing to make an initial "token" shipment of chemical weapons from Okinawa to Johnston Island in the Pacific around September 23. The remainder of the stocks would be shipped sometime in January of 1971, after necessary storage facilities have been constructed. The September shipment would comprise a little over 1% of the 13,000 tons of chemical weapons stored on Okinawa.

On June 8, 1970, recognizing our commitment to the Japanese and Okinawans, I suggested to Secretary Laird that some shipments of chemical weapons from Okinawa should begin as soon as feasible after the Surgeon General's recommendations are implemented and Congress notified as required by law.² The Secretary's assessment of the military significance of these particular stocks also was requested and is expected within about a week.

On August 28, General Haig suggested to Defense that the situation had changed and it would be preferable to delay shipment of chemical weapons from Okinawa until such a move could be accomplished in a single operation early next year.³

Secretary Laird, however, intends to go ahead with the initial shipment and to notify Congress on September 9 of this plan.

The principal arguments favoring a "token" shipment in September are:

—A shipment now would be a gesture of good faith regarding our intention to move these weapons as we promised the Japanese and Okinawans.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa, Vol. I, 1969 and 1970. Secret; Sensitive. Sent for action. Printed from an uninitialed copy. On September 4, Michael Guhin of the NSC staff sent Kissinger a memorandum on this subject with a recommendation that he forward it to the President. An attached note indicates that it was sent to San Clemente that same day at 4:30 p.m.

² Kissinger's June 8 memorandum is *ibid.* and discussed in Document 43 to which it was attached. See footnotes 7 and 8 to Document 43.

³ In a memorandum from Haig to General Pursley, August 28. (National Archives, Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa, Vol. I, 1969 and 1970)

—A “token” shipment would signal to Congress our intention (a) to relocate these weapons to Johnston Island but not to any of the 50 States and (b) to retain chemical weapons in our stockpile.

—The shipment would demonstrate our ability to move these weapons safely (overland on Okinawa and then by sea to Johnston Island).

—If this “token” shipment is uncontested by Congress, it could facilitate authorization and funding for construction of storage facilities and for the major shipments in January.

The main arguments against a September shipment are:

—Shipment in two parts (September and January) could stir up debate over the necessity for these weapons and their storage on both occasions. A “token” shipment now could highlight the issue once again in Japan, Okinawa and the US before we are prepared to move the entire stock.

—The Gravel Amendment to the Foreign Military Sales Act is still in conference after having passed the Senate (51 to 40). This Amendment would (1) prohibit the shipment of these weapons from Okinawa to the US and (2) authorize funds for the destruction of the weapons outside the US. Senator Gravel has defined the term “US” in his Amendment to include the 50 States and US possessions and territories, including Johnston Island. The intent of the Amendment as it now stands is clearly to have the weapons detoxified on site.

We are now attempting to have the conference reinterpret the Amendment to eliminate the restriction against shipment to possessions and territories. A “token” shipment while this bill is in conference could be considered discourteous to the Senate, particularly by the 51 Senators who voted for the Amendment and who would have ample time to build their case against the shipments planned for January, thus diminishing our chances of having the restriction reinterpreted.

—An environmental impact statement has not been submitted to the Council on Environmental Quality. Though technically not required for such shipments, we should have the Council’s approval in hand before moving ahead to reassure the public when the shipment is announced.

—The issue is relatively quiet in Japan and Okinawa. A “token” shipment now could bring the issue to the fore and prompt questions as to when the bulk of the weapons will be removed.

I believe it would be preferable to move all the weapons in a single operation in January, rather than begin with a “token” shipment now. I see no benefit in stirring up debate twice and highlighting the issue once again in Japan, Okinawa and the US before we are prepared to move the entire stock.

Movement in one operation will avoid the problems associated with an “on again, off again” operation. Moreover, this will give us time to get the Environmental Quality Council’s approval. There is no significant difference in costs whether there is a “token” shipment now or whether all the stocks are moved later.

The proposed memorandum at Tab A directs that this “token” shipment not be made but that the shipments take place when we are prepared to move all the stockpile and the storage facilities are available.

John D. Ehrlichman concurs.

Recommendation

That you sign the memorandum for Secretary Laird at Tab A.⁴

⁴ See Document 54.

53. Memorandum of Conversation¹

Washington, September 10, 1970, 12:45 p.m.

PARTICIPANTS

Yasuhiro Nakasone
Makoto Momoi
Dr. Kissinger
John H. Holdridge

SUBJECT

Dr. Kissinger’s Discussion with Mr. Nakasone, Director of Japanese Defense Agency

Dr. Kissinger welcomed Mr. Nakasone as an old student of his, and said that he had been looking forward to meeting with him.² Mr.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country File, Far East, Japan, Vol. III, 7/70 to Dec 70. Secret; Exdis. Sent for information. Holdridge sent this memorandum to Kissinger for his approval on September 14. Kissinger approved. The meeting took place at the White House prior to a 1:15 lunch attended by Kissinger, Nakasone, and others. The topics discussed at lunch included nuclear enrichment technology, the Middle East situation, Communist China, the Nixon Doctrine, and Japanese offshore oil. (Memorandum of conversation, September 10; *ibid.*)

² Kissinger had taught Nakasone during a summer school program at Harvard University.

Nakasone declared that he was happy to find Dr. Kissinger in the White House, and added, he too, had been looking forward to this meeting. He explained that Mr. Momoi would interpret to insure the correct expression of his ideas. Dr. Kissinger assured Mr. Nakasone that anything which was said in the meeting wouldn't leave the White House.

Mr. Nakasone noted that he was aware of the pressures on Dr. Kissinger's time and therefore wanted to focus upon a few vital points. First, on the question of Japanese nuclear armament, he wanted to make it plain that Japan had no plans to go nuclear. Prime Minister Sato had made this point before the Japanese public, and he, Nakasone, was in complete agreement with Sato. Both of them believed that there was a national consensus in Japan on this issue, and that to go nuclear would be to defy this national consensus and run counter to the Japanese national interest. With respect to the NPT, Mr. Nakasone believed that Japanese ratification would proceed smoothly if the question of inspection could be settled on terms which were equal to the other terms in the Treaty. He then stepped back somewhat, saying that the ratification process might not go too smoothly, but would proceed. There would be debate in the Diet, but ratification would finally occur.

The second point touched on by Mr. Nakasone was the U.S.-Japanese Security Treaty. He expressed himself as firmly believing in maintaining the Treaty, which had kept peace in the Pacific Ocean area, and also had kept world peace. If there was a storm in the Pacific area, Asia would be in chaos, and therefore it was vital for the peace of the world that the U.S. and Japan maintain their ties through the Security Treaty. He went on to say that a system of relationships based on the Security Treaty should be maintained on a "semi-permanent basis." The Security Treaty itself might need to be reviewed periodically, but the fundamental relations between the two countries would be maintained on a harmonious basis. Mr. Nakasone said he felt, though, that there was now a need to change the principles which had been in effect for conducting the U.S.-Japanese Security Consultative Committee. The U.S. has been represented on this Committee by its Ambassador in Tokyo and by CINCPAC, while Japan has been represented by its Defense Minister and Foreign Minister. There has been a certain series of historical factors behind this arrangement in Japan, and he had so far avoided putting the spotlight on the membership question. He now thought, though, that looking at things from the Japanese side the time had come for the representatives on both sides to be Cabinet Ministers. If this could be arranged, and if the SCC could meet periodically, it would serve as a psychological deterrent to the other side.

Mr. Nakasone stated that one major item which he had brought up in his discussions at State and Defense³ had been that the situation in Japan had changed quite a bit, and that if he had come to the U.S. as Defense Minister two years ago, there would have been demonstrations on his departure. (Dr. Kissinger similingly observed that demonstrations might occur on his return, though.) As to the change in the SCC which he had proposed, a year or two ago this would have been described by the press as the beginning of the end of the U.S.-Japanese military alliance, but this time when he had mentioned it to journalists, there had been no reaction. Since the situation in Japan had become normalized, it was high time that security matters be addressed at the Cabinet Minister level.

Mr. Nakasone turned to the Nixon Doctrine⁴ and its relationship to the U.S. bases in Japan. This Doctrine, he believed, was reasonable for the U.S., but he had noticed a certain adverse reaction to it in Korea and Taiwan. Accordingly, to reassure the Koreans and Chinese, he had taken the initiative of sending some of his generals to these countries to reassure them about the Nixon Doctrine. From the Japanese point of view, it would be better to see the U.S. bases reduced and amalgamated, or even for the Japanese self-defense forces to take over control or management. What was needed for the security of the area was reliance on the U.S. nuclear deterrent and the presence of the U.S. 7th Fleet. His government reserved the right to ask the U.S. to reenter if needed, especially with respect to the U.S. Air Force. If these three things were done—reduction of the U.S. military presence, maintenance of the U.S. nuclear deterrent and the 7th Fleet, and Japanese preservation of the reentry rights—the Japanese then could take over the defense of their own islands. The U.S. possessed 122 bases, which was too much.

Mr. Nakasone expressed appreciation for Dr. Kissinger's efforts in bringing about an agreement on the reversion of Okinawa to Japan. When Okinawa reverts in 1972, Japan would face a "big job": the business of getting the bases back from the U.S., returning the land to the original legal owners, getting contracts for this land in the hands of the Japanese government, then leasing the bases back to the U.S.

³ Laird met with Nakasone at his office in the Pentagon from 10 until 11:45 a.m. on September 9. (Memorandum of conversation; Washington National Records Center, RG 330, OSD Files: FRC 330-76-67, Box 74, Japan 091.112) On September 10, Nakasone met with both Rogers and U. Alexis Johnson. (Telegrams 149632 and 149643 to Tokyo, September 12; National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country Files, Far East, Japan, Vol. III, 7/70 to Dec/70)

⁴ According to the Nixon Doctrine, the origins of which are generally traced to a July 25, 1969, informal background briefing that Nixon gave to reporters on Guam, the United States would stand by its commitments but encourage Asian nations to take responsibility for their own security. See *Foreign Relations, 1969–1976*, vol. I, Foundations of Foreign Policy, 1969–1972, Document 29.

government. Opposition might be expected from the original owners, who might refuse to sign contracts, and in order to avoid this it might be better for the U.S. to give up certain bases located among civilian areas.

The last point which Mr. Nakasone wanted to bring up was the problem of nuclear enrichment technology. Since Japan had renounced nuclear weapons and had held to a policy of peaceful use of nuclear energy, enrichment technology was very important for Japan and the U.S. should release some of this technology. Dr. Kissinger asked if Mr. Nakasone had discussed this in his conversations with others in Washington. Mr. Nakasone replied that he had talked over the matter with Under Secretary Johnson. Dr. Kissinger stated that in principle he was sympathetic with almost everything Mr. Nakasone had said. There was no problem in our consolidating bases, and we were doing something along such lines anyway. As for regular meetings of the SCC, he would explore this with his colleagues; Mr. Nakasone's proposals sounded reasonable. With respect to Mr. Nakasone's remarks on the U.S. nuclear enrichment technology policy, we were in process of considering a new policy and would make our decision within the next two weeks or so. In spirit, everything which Mr. Nakasone had said was acceptable.

Mr. Nakasone alluded to the possibility of Australia, Canada, U.S. and Japan working together in the nuclear enrichment field in some sort of a consortium. Dr. Kissinger observed that we were trying to decide what part of our enrichment technology we would share in what way. He wondered whether Mr. Nakasone was interested in gaseous centrifuge or gaseous diffusion techniques. Mr. Nakasone said that the Japanese had been working on centrifuge technology and had been making fairly good progress; however, this cost a great deal of money and caused suspicion among Asian nations. Therefore, Japan would prefer access to gaseous diffusion technology. (At this point the meeting broke up to permit photographs and to allow Dr. Kissinger and Mr. Nakasone to proceed to lunch.)

54. Memorandum From President Nixon to Secretary of Defense Laird¹

Washington, September 11, 1970.

SUBJECT

Shipment of Chemical Munitions from Okinawa

It is my understanding that you plan to ship a small quantity of the chemical munitions now stored in Okinawa to Johnston Island later this month. I do not wish to go ahead with this shipment at this time.²

It would be preferable that the movement of the Okinawan stocks be accomplished in a single operation when the necessary storage facilities are available.

To allay any public concern, it would also be appropriate that an environmental impact statement on the movement be reviewed by the Council on Environmental Quality before the shipments begin.

Accordingly, you should plan for these shipments sometime early in 1971. I would appreciate your informing me of when the shipments will take place.

Richard Nixon

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa, Vol. I, 1969 to 1970. Secret; Eyes Only.

² In preparation for a September 3 morning meeting among Kissinger, Ehrlichman, and the President's Deputy Assistant for Domestic Affairs Ken Cole, Haig informed Kissinger: "As a result of the President's directive not to ship gasses and chemicals prior to the election, Ehrlichman wants you to have Secretary Laird stop the first movement of nerve gas from Okinawa to Johnston Island which is scheduled for September 19, with Congressional notification slated for September 9." (Memorandum from Haig to Kissinger, September 2; *ibid.*, Box 1002, Alexander M. Haig Chronological File, Alexander Haig Special File, Staff Memos, 7/24 to 12/31/70) Tab C of Haig's memorandum, a paper prepared by Behr and President's Deputy Assistant for Domestic Affairs Whitaker, considered the pros and cons of initial shipments of chemical weapons in September. Behr and Whitaker's argument against such shipments was that 1) shipment in two parts might arouse more controversy; 2) the Environmental Quality Council had not yet submitted an environmental impact statement; 3) Congress was considering a bill on the chemical weapon shipments, and taking action while they were in conference "could be considered discourteous;" 4) the issue was currently quiet in Japan and Okinawa, and "an initial shipment could prompt questions of when the remaining bulk of the weapons would be removed." (*Ibid.*)

55. Memorandum for the Files¹

Washington, September 21, 1970.

After a lengthy discussion of textiles, initiated by Miyazawa, he expressed willingness to see "what can be worked out." This statement was not a commitment but more of a side comment, but clear enough.

Earlier in the discussion there was considerable comment about the manner of conducting negotiations. This has apparently been highly unsatisfactory on both sides partly because there have been many different negotiators. On this point Miyazawa asked who he should communicate with if something were worked out and the response by the Ambassador was to the American Ambassador in Tokyo.

It was clear that Secretary Stans is by this time in poor standing with the Japanese and probably cannot take any further effective role in these negotiations. At the same time, Miyazawa did not seem overly impressed with the Ambassador's evident desire to highly channeled negotiating procedures. He referred to Don Kendall and Rex Reed as old friends,² men of good faith and honesty and stated directly his resentment of the Ambassador's unfriendly comment about Miyazawa's discussion with these gentlemen. Perhaps more than anything else, Miyazawa is concerned about the elusive piece of paper presumably representing an agreement by the Prime Minister with the President.³

There was considerable discussion about the rise of protectionism in the United States and the way in which the textile negotiations played a part in the development of the Mills bill. While concerned about protectionism, Miyazawa seemed resigned to it and did not seem to think any action on textiles now would have much impact. He referred to this as a swing of the pendulum and could not see how this swing would be altered by any Japanese actions. His stated motivation in trying to work out some agreement on textiles was therefore

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 400, Subject Files, Textiles, Vol. IV, Jan–Dec 1971. Prepared by Shultz who is reporting on a conversation between himself, Ehrlichman, Meyer, and Miyazawa. Ehrlichman also produced a memorandum on this meeting, which is attached but not printed.

² Donald Kendall, was the President and CEO of Pepsi-Cola, a friend of Richard Nixon, and the Chairman of the Emergency Committee for American Trade. No participant in the textile issue by the name of Rex Reed has been identified. Shultz may be referring to Ralph Reid, who had served in the American occupation of Japan, knew Miyazawa, and served as an intermediary between Miyazawa and Stans during mid-1970.

³ Shultz is referring to rumors of a secret agreement between Nixon and Sato during the November 19–21, 1969, summit between the two leaders. For Nixon's and Sato's textile discussion at the summit, see Documents 31 and 35.

based almost exclusively on the grounds of clearing up any ambiguity in the point of honor of Prime Minister Sato.

If something is to be worked out in textiles, it may come through the negotiations being promoted by Oliver Long.⁴ The Ambassador is pushing this approach. I would say this would not necessarily be the case and is certainly not particularly Miyazawa's view.

Other points discussed during this long evening were the following:

1. Miyazawa is organizing a program (the machinery is about prepared) for controlling exports when they rise above a 20% annual rate of growth. This proportion was challenged as being on the high side, but whether it is or not depends on the narrowness of the product category definitions.

2. He agrees that liberalization of trade and investment opportunities in Japan is desirable but is absolutely opposed to alteration of the 50% ceiling on foreign investment.

3. The question was raised about the uses of the rapidly building foreign exchange surplus. Foreign aid is one obvious use but Miyazawa emphasized industry arguments in favor of use of these resources to acquire control of raw materials abroad. This point was strongly confirmed during our discussion the next evening with business leaders. Their explanation of rising productivity in Japan rested in significant proportion on access to raw materials of high quality. The importance of large ships was stressed.

4. Much of Miyazawa's conversation carried an overtone of concern about Japan. Complimentary comments about the work pace and drive we observed were met with the observation that this drive causes deep resentment abroad perhaps to the point of hatred. At the same time he notices a shift in attitude among youth away from the nation-oriented "idealism" that characterized his younger days toward a more inquisitive and materialistic set of attitudes.

5. He raised questions about the flexibility of rates of exchange among currencies as a substitute for the more direct management of trade. Apparently he has only limited access to discussions of this subject.

The impression we have is that the Japanese government has not effectively organized the subjects of trade, monetary development and aid so that they can be managed in a cohesive way.

⁴ Oliver Long, Director-General of GATT, had met with Miyazawa in May 1970. See I. M. Destler, Haruhiro Fukui, and Hideo Sato, *The Textile Wrangle: Conflict in Japanese-American Relations, 1969–1971* (Ithaca: Cornell University Press, 1979), pp. 189–191, for additional information.

I have read over the draft telegrams prepared by the Ambassador reporting on the evening and I think that they are a good summary of the discussions.⁵ My only point of exception would be to the strong emphasis on the Oliver Long proposal as the vehicle for further textile negotiations. This may be the right vehicle but a bilateral agreement might well fit better Miyazawa's concern about the Prime Minister's point of honor.

⁵ On September 21 Meyer sent a telegram reporting on this meeting with Miyazawa. (Telegram 7490 from Tokyo September 21; National Archives, RG 59, Central Files 1970–73, INCO FIBERS 17 US–JAPAN) No other telegrams from Meyer relating to this discussion have been found.

56. Memorandum of Conversation¹

Washington, October 6, 1970, 3:20 p.m.

SUBJECT

Meeting Between President Nixon and Former Prime Minister Kishi

PARTICIPANTS

United States—President Nixon

Mr. Henry Kissinger

Manabu Fukuda, Interpreter

Japan—Former Prime Minister Nobusuke Kishi

Ambassador Nobuhiko Ushiba

Kagachika Matano, 1st Secretary, Japanese Embassy, Interpreter

Mr. Kishi thanked the President for this opportunity of discussing with him some of the problems confronting the United States and

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country Files, Far East, Japan, Vol. III, 7/70 to Dec 70. Secret; Exdis. Drafted by Fukuda. Holdridge sent this memorandum of conversation to Kissinger under cover of an October 6 memorandum asking him to approve it, which Kissinger did and asked that a copy be put into his files. (Ibid.) On September 25 Kissinger had sent a memorandum to Rogers, Stans, and Shultz, in which he noted that "the President had directed that a new U.S. position on textile matters be developed" before Nixon's meetings with Kishi (October 6) and Sato (October 24). (Ibid., Box 399, Subject Files, Textiles, Vol. II through Nov 70) The Department of State sent Kissinger a briefing memorandum for the meeting with Kishi. (Ibid., RG 59, Central Files 1970–73, POL 7 JAPAN)

Japan. Recalling their last conversation in April of 1969² on the occasion of the funeral of Former President Eisenhower, Mr. Kishi thanked the President for the highly satisfactory decisions which had been reached on the reversion of Okinawa, briefly commented that arrangements for reversion are progressing smoothly, and expressed the hope that despite the existence of a few remaining problems, the reversion negotiations would soon be successfully concluded.

Mr. Kishi then commented that automatic extension of the Security Treaty had been accomplished smoothly and with very little opposition on the part of the Japanese people compared to 10 years ago, when the Red Chinese had stirred up the sentiments of the Japanese.

Mr. Kishi then cited the textile issue and the breakdown in negotiations as the foremost and the most pressing problem in US/Japan relations. He acknowledged the existence of other economic issues as well, but said he believed the relationship between the two countries is basically friendly; it must be strengthened still further, however, for the benefit of both nations. He continued that to this end, Prime Minister Sato's Government and the Liberal Democratic Party are making efforts to liberalize Japan's trade restrictions.

Turning to the Southeast Asian situation, Mr. Kishi commented that United States efforts to stabilize the Vietnam area are meeting with success and that Japan is cooperating in extending aid to that part of the world. He said Japan will also cooperate in the implementation of Nixon Doctrine but, expressing concern lest the US withdraw its military power too rapidly from the area, stressed that in the pursuit of this policy it is essential to time such withdrawals properly.

Mr. Kishi said that Prime Minister Sato will be attending the United Nations celebration on October 19 and in his speech will probably mention the Japanese desire for the return of the Northern territories.

President Nixon said he was pleased at being able to meet again with Mr. Kishi. He expressed his respect for both Mr. Kishi and Mr. Sato, whom he considered world statesmen, and his pleasure at being able to maintain close personal relationships with them both. He said it is essential for the leaders of the two major Pacific powers to continue this relationship. Touching briefly on Okinawa, the President acknowledged that the final details of the Okinawa reversion and other problems must be settled in a reasonable manner.

² The President's Daily Diary indicates that Nixon had met with Kishi on April 1, 1969, from 5:15 until 6:27 p.m. (National Archives, Nixon Presidential Materials, White House Central Files, President's Daily Diary) No other record of that meeting has been found.

In the economic area, the President expressed his concern over the dangers of a trade war and said he recognizes the difficulties in the textile situation. During the Okinawa reversion negotiation last year, Congress had pressed him to settle the Okinawa and textile matters in one package. He had assured Congress, however, that he and Mr. Sato would work out a solution to the textile problem. The President stated that he is in a rather embarrassing position now since the textile negotiations have broken down. He emphasized, however, the importance of solving the Okinawa and textile problems independently. He stressed the desirable effects which settlement of the textile problem on a voluntary basis will have in stopping the spread of protectionist sentiment in Congress. After citing electronics as another possible target, the President emphasized again that a voluntary settlement of the textile problem will certainly help his position. He said he would not wish to bring up the matter of textile negotiations with Mr. Sato at their forthcoming meeting unless there was a good possibility of negotiations leading to a settlement of mutual benefit for both nations.

The President then addressed Mr. Kishi's concern that the implementation of Nixon Doctrine might result in an overly rapid withdrawal of the US presence from the Asian area. He assured Mr. Kishi that there will be no complete withdrawal of US forces from either Europe or Asia without their replacement by elements of strength capable of deterring aggression. Mr. Nixon recalled that he and Mr. Kishi had both opposed aggression in Asia from the time when he was Vice President and Mr. Kishi was a minister not yet in power. He strongly reiterated that free nations of the world must maintain sufficient strength to deter aggression. Many Americans are now demanding immediate withdrawal, but Mr. Nixon said that as long as he is in office he will maintain enough strength to insure the free nations against aggression.

The President then emphasized to Mr. Kishi and Ambassador Ushiba that it is essential that Japan and the United States continue their close relationship, working together for their mutual benefit.

President Nixon then asked Mr. Kishi for his appraisal of present developments in Communist China and what policies the US and Japan should maintain. Mr. Kishi emphatically stated that the present US policy need not change as long as Communist China does not change its attitude on coexistence. He said that Japan has also had difficulties with Communist China's policy. The former Japanese Prime Minister added that Taiwan must be considered before the two nations change their policies towards Communist China; Nationalist China has been a member of the United Nations ever since its beginning and it would be a mistake to alter the present policy at this time. He also pointed out Taiwan's strategic position as regards defense and security of Asia.

Mr. Nixon, after commenting that we must not turn against our friends now, asked whether Mr. Kishi thought the Soviet Union and Communist China will get together. Mr. Kishi answered that although there is no immediate possibility of this, the two countries will eventually join hands. He stated that this possibility cannot be ruled out.

Mr. Nixon closed the meeting with an expression of his desire to visit Japan again. He also thanked Mr. Kishi for the hospitality extended to his daughter and son-in-law during their visit to Japan this year.

57. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, October 12, 1970.

SUBJECT

Prime Minister Sato's Reply to Your Letter on Economic Aid to Cambodia

Prime Minister Sato has replied to your letter of August 26² which requested that he give personal attention to the matter of economic aid to Cambodia.

Sato states that he is watching Cambodian developments with great personal concern. He confirms that the Japanese Government has decided to provide an additional \$2 million of emergency assistance in the form of trucks and other commodities and will provide \$300 thousand for relief of Vietnamese refugees from Cambodia.

Sato also states that he hopes to contribute to the stabilization and rehabilitation of the Indochina area by continuing close cooperation with the U.S. He concludes by noting that "he is anxiously looking forward to meeting you" in the course of his presence in the U.S. for the UNGA.

Our Embassy at Tokyo reported that the Foreign Ministry believed your letter to Sato had arrived at just the right time to affect Japanese

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 757, Presidential Correspondence File 1969–1974, Japan, (Sato Corr) 1969–8 July 1972. Sent for information. Confidential. Stamped notations on the memorandum indicate that Nixon saw it on October 23. Holdridge sent this memorandum to Kissinger on October 6, recommending that Kissinger sign it and send it to the President.

² Document 51.

consideration of the additional assistance to Cambodia referred to in Sato's letter.

58. Memorandum of Conversation¹

Washington, October 24, 1970, 4 p.m.

SUBJECT

(1) Okinawa; (2) Korea; (3) FRG–USSR Treaty and Northern Territories;
(4) China; (5) Indo-China; (6) Middle East; (7) US–Japan Economic Relations—
General; (8) Textiles; (9) Environmental Cooperation; (10) Joint Econcom;
(11) Hot-Line; (12) Parting Exchange

PARTICIPANTS

Eisaku Sato, Prime Minister of Japan
Genichi Akatani, Ambassador, Foreign Minister's Secretariat, Ministry of Foreign
Affairs (Interpreter)

The President

Dr. Henry Kissinger

James J. Wickel, Department of State, EA/J (Interpreter)

While the press photographers were taking pictures, the Prime Minister thanked the President for sending him an autographed color print of one of the pictures taken during their previous meeting in November last.

The Prime Minister began the conversation by noting his audience with H.I.M., The Emperor, the day before departing for New York. As requested, he conveyed to the President H.I.M. the Emperor's hopes that Japan and the United States would continue to maintain the strongest, most friendly relations as in the past.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country Files, Far East, Japan, Vol. III, 7/70 to Dec 70. Secret; Nodis. The meeting took place at the White House. Drafted by Wickel. Under cover of a memorandum of October 27, Holdridge sent this memorandum of conversation and a draft Department of State telegram to Tokyo summarizing it for the Embassy's benefit to Kissinger who approved both but wrote on the covering memorandum: "This was *not* to get to State without concurrence. Why did it?" On October 23, between 8–9 p.m., Haig made telephone calls to Wakaizumi, Flanigan, and Bergsten concerning preparations for the next day's meeting between Nixon and Sato. (Ibid., Alexander M. Haig Chronological File, Box 998, Haig Telcons—1970) On October 21, Acting Secretary of State U. Alexis Johnson submitted talking points to the President in anticipation of Nixon's October 24 meeting with Sato. (Ibid., RG 59, Central Files 1970–73, POL 7 JAPAN)

The Prime Minister thanked the President for receiving Mr. Kishi (his older brother) at the White House recently.² Mr. Kishi had informed him fully of the conversation with the President.

The President expressed appreciation for the warm welcome given his daughter during her visit to Japan in July. She had a wonderful time and thoroughly enjoyed the visit to EXPO 70, the luncheon given by H.I.M., the Crown Prince, and the dinner given by high officials of the GOJ.

The Prime Minister said that she was most popular everywhere she went in Japan.

The Prime Minister then noted that he wished to raise many points, and asked how limited the President's time was.

The President said that time was no problem; he could take an hour or more, as necessary.

The Prime Minister (drawing out a Japanese language draft of his talking points) said that he wished to discuss eight items.

1. *Okinawa*

The Prime Minister noted with pleasure the good progress being made in negotiating the reversion of Okinawa, in consonance with the spirit of the Joint Communiqué which he and the President had issued last November. He assured the President that arrangements for the election of Okinawan representatives to the Japanese Diet were going well, and thanked him for approving this Okinawan participation in the national government. He assured the President that Japan was fully prepared to assume the obligations for the local defense of Okinawa along the lines discussed by Defense Minister Nakasone recently with his colleagues at the Pentagon.³ Progress in this area, he noted parenthetically, was smoother than in other areas recently. Recent discussions of the fiscal aspects of reversion by Secretary Kennedy and Finance Minister Fukuda had also proceeded well and smoothly, which pleased him particularly because he had chosen Minister Fukuda to succeed him as Prime Minister. The question of American business in Okinawa had not yet been presented for official decision in the Ministry of International Trade and Industry (MITI) as part of the reversion negotiations, but he anticipated that this aspect also would be resolved as smoothly as the others. While the passage of time made it easy for specific problems to arise, he assured the President that he would take

² See Document 56.

³ See footnote 3, Document 53. Laird and Nakasone engaged in a second conversation on September 14, from 10 until 10:40 a.m. (Memorandum of Conversation; Washington National Records Center, RG 330, OSD Files: FRC 330-76-67, Box 74, Japan 091.112)

care to ensure that none became serious. He asked for the President's comments on the Okinawa reversion negotiations.

The President said that he had told our people to cooperate in working out little problems in the same way that he and the Prime Minister had cooperated in solving the big problem.

Dr. Kissinger (in response to the President) said that the VOA relay station and civil aviation seemed to present the only major problems at the moment. We were pressing to resolve all detailed aspects of reversion by next summer, in order to present an agreement to the Congress and the Diet for the necessary legislative approval well enough in advance to ensure meeting the target date for reversion.

With respect to the VOA, the Prime Minister noted certain technical problems which required time for resolution. Meanwhile, Japan would not move quickly to halt the function of the VOA. However, there were anti-war and communistic elements in Okinawa. Naturally time was needed to deal with this matter, as well as the question of gradual American troop withdrawals. How to deal with these matters and at the same time take into account the views of the local people was the major question.

Dr. Kissinger explained to the President that VOA and civil aviation had not been raised to his level because it was hoped that a solution would be worked out at lower levels.

2. Korea

The Prime Minister raised an unrelated matter, the recent transfer of an American F-4 unit to the ROK. The ROK Ambassador in Tokyo had told him that the Koreans welcomed this unit with warm gratitude, since they were not as deeply concerned about the American military presence as the Japanese.

The President said that the F-4 transfer was a good move. He added that improved Japan-ROK relations on a more friendly basis were most helpful.

3. FRG–USSR Treaty and Northern Territories

The Prime Minister welcomed both the Middle East Truce and the FRG–USSR Treaty because they reduced world tensions. However, he added, Japan could not accept the USSR position which advocated the “freezing” of post World War II boundaries. The Soviet press has strongly criticised Japan's position on the Northern Territories (*Note*: the islands of Habomai and Shikotan, and the two southernmost Kurile islands, Kunashiri and Etorofu). While Japan welcomed these developments as reductions of tensions, and hence the possibility of war, nevertheless, he stressed that it could not agree to a territorial “freeze” along the lines of the status quo.

The President noted that the Soviets considered that everything on their side was “frozen,” but not on our side.

The Prime Minister recalled his response on this point to the lady Minister of Culture of the USSR in Tokyo shortly after the FRG–USSR Treaty was announced. He told her that he welcomed the Treaty since it reduced the possibility of war, but also pointed out that it failed to confirm national boundaries adequately. He also recalled telling Foreign Minister Gromyko that something must be done about this, particularly with respect to the status of Berlin.

The President, to clarify our position, said that we had never urged the FRG to make this Treaty with the USSR. That action was taken entirely at the initiative of the FRG. Up to now all the advantage has been on the Soviet side, with none for the government of the FRG. It was vital, he stressed, to secure new arrangements which would assure the viability of Berlin, and the viability continuation of its economic and political ties with West Germany.

In response to the President, Dr. Kissinger explained that the United States has never taken the position that the Northern Territories were Soviet territory.

The President said that the Soviets follow a double-standard. They demanded that the United States return Okinawa to Japan, but refused to discuss the Northern Territories.

The Prime Minister explained that the USSR occupied the Northern Territories one month after the end of the war. There had been no combat there at all. To correct any possible misunderstanding, he said that these islands had always been an integral part of Japanese territory for ages past; they had never belonged to any other nation including the USSR. Even the oldest maps of Imperial Tsarist Russia showed Etorofu and Kunashiri as Japanese islands. Had the Russians succeeded in their desire to occupy Hokkaido after the surrender, he did not doubt that they would still be there, and that Japan would be a divided state, like Korea. General Eisenhower and Ambassador Harriman, fortunately, had effectively prevented the Soviets from doing so at that time, and Generalissimo Chiang Kai-shek then took the strong position that only the United States and China had any right to occupy Japan.

4. *China*

The Prime Minister noted that Canadian recognition and possible Italian recognition of the PRC complicated the China question. However, the GOJ felt a deep sense of obligation to Chiang Kai-shek in view of his past good will for Japan. The GOJ intended firmly to maintain its present position with respect to the government on Taiwan, and in the forthcoming vote on Chinese representation at the UN.

The President was pleased to hear this, because we also intended to maintain our same position. In the long run it would be desirable

to normalize relations with Mainland China, as he had indicated to the Prime Minister last November, but now was [*not*] the time to do so. What was needed now was firmness.

The Prime Minister reviewed his discussion with Prime Minister Heath in New York. Even though the UK recognized the PRC, Prime Minister Heath told him that Britain supports the Important Question Resolution in the UNGA.

The President commented that Prime Minister Heath was a strong man.

5. *Indo-China*

Turning to Indo-China, the Prime Minister said that he had welcomed the President's excellent statement on October 7⁴ and had immediately indicated public support for it. However, as expected, Hanoi had not responded favorably. Even so, it was good to continue to appeal in this way to the American people as well as to the people of the world.

Although Japan could not assist militarily, the Prime Minister said that the GOJ intended to increase its economic assistance to Indo-China, thereby to further the stabilization which was also the goal of the United States Vietnamization program. To explore possible avenues for increased assistance, the GOJ had recently dispatched a study team to the area. He cautioned that not much could be expected of Japan in terms of amounts of money, but added that the GOJ wished to do all it possibly could.

The President expressed appreciation for the GOJ statement on his recent peace initiative. He too was not surprised by the North Vietnamese rejection, but said that he would continue to press for real negotiations. If the North Vietnamese refused, the United States was prepared to continue the Vietnamization program, and would remain vigilant against any North Vietnamese attempt to take unfair advantage of our troop withdrawals. North Viet-Nam could decide to negotiate now, or would have to accept the eventual need to negotiate, not with the United States, but with a stronger South Viet-Nam which had developed sufficiently to defend itself against being overcome.

The President hoped that Japan would play a more active economic role in South Viet-Nam, and in Southeast Asia, including Cambodia, because the survival of non-communist governments there was in the best economic interests of all the nations in the Pacific. We could trade

⁴ On October 7, Nixon gave a televised address concerning peace initiatives for Southeast Asia. See *Public Papers: Nixon, 1970*, pp. 825–828.

with such governments, but there was little trade with communist nations anywhere.

6. Middle East

The Prime Minister said that the United States carried two major burdens, Viet-Nam and the Middle East. He expressed full appreciation for the great efforts by the United States to bring about the present truce in the Middle East. With its continuation, and the President's October 7 initiative on Viet-Nam, he hoped that the sense of burden felt by the American people would be lightened. These two developments, he trusted, would serve to reassure the American people, and give them grounds for hope.

In his meeting with Mrs. Meir in New York, the Prime Minister said that he had urged her to persevere in the present situation without resorting to war, even though the Arabs were violating the Truce.

The President said that the situation in the Middle East was very difficult because no one trusted anyone else. We would continue to work for peace and expected the Truce to continue, but an agreement would take time.

The Prime Minister said that he also told Mrs. Meir that the continued closure of the Suez Canal represented a great economic loss to the world, because it cut off a route between the Far East and Western Europe. In addition to urging her not to reopen hostilities, he also tried to persuade her of the need to reopen the Suez Canal. When she argued that the UAR did not allow Israeli ships to transit the Canal, he responded that the GOJ would support any international move to reopen the Canal under a form of international supervision which would permit the passage of Israeli shipping.

7. Japan-US Economic Relations—General

The Prime Minister said that textiles were the major economic issue for discussion, but he wished first to review our economic relations in general, in the context of Japan's great economic development to third place in the world in GNP, and in terms of the great world-wide impact of Japan's economic relations with the United States.

The Prime Minister noted that Japan has enjoyed a very favorable balance of trade with the United States over the past few years but imports from the United States have increased this year, including agricultural imports, thereby reducing the recent imbalance in our trade. The GOJ now supported accelerated trade and capital liberalization, as befitted the third nation in the world in GNP. The criticism of Japan's inadequate and slow liberalization was general, and there were strong international pressures on Japan to accelerate its program. Recently when the working level sent up an accelerated liberalization

program which he thought was too slow, the Prime Minister sent it back with instructions to really provide for accelerated liberalization. Perhaps it was still too early to feel the impact of recent GOJ decisions, but he assured the President that he was now implementing a broad and accelerated trade and capital liberalization program.

8. *Japan-US Economic Relations—Textiles*

With this as background, the Prime Minister addressed himself to textiles.⁵ While the stage for complete resolution has not yet been reached, he reaffirmed his own determination to bring to a fruitful conclusion the negotiations which have been resumed. Last year he had promised the President to do something to resolve the textile issue, and felt that he must apologize for embarrassing him by not doing what was expected. On returning to Japan from their meeting last year, he had been attacked frequently in the Diet for having made a “secret deal” with the President. In response to each such attack, he explained that he had told the President that it was not in the interest of either country to leave the issue unresolved to grow as a basis for distrust and that it must therefore be resolved, although he did not understand the substance involved in an agreement. Therefore, he concluded his responses to these attacks by saying there was no need for him to have made a “secret deal” with the President.

The Prime Minister expected to reach a solution in June when he sent the Foreign Minister and the Minister of International Trade and Industry to Washington to negotiate and was disappointed when agreement was not reached. He did not know the reason for this failure.⁶

The President said that the Prime Minister knew the difficult problem this was for him, because of his political commitment during the campaign. It was also a difficult problem in the Congress, where pressures were mounting in support of import quota legislation. However, there was little he could add now to what he told Mr. Kishi recently.⁷ As of now, the problem has been given to Mr. Flanigan and Dr. Kissinger to work on. He could only say again, as before, that failure to reach agreement could only open the floodgates for many

⁵ According to talking points that Kissinger used to brief Nixon before his meeting with Sato: “We have informed the Japanese that you will not bring up the subject of textiles, in view of the failure to make progress on this issue. We have also told them that any post-meeting statement will not refer to textiles, and if asked we will only say that government contacts are continuing.” (Talking points for the President, October 24; National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country Files, Far East, Japan, Vol. III, 7/70 to Dec 70)

⁶ For an exchange of letters on the failure of these negotiations, see Document 47.

⁷ See Document 56.

other things. He wished to leave textiles to the negotiators, and saw no use of further discussions of them in this meeting.

The President also noted that while the Prime Minister had been criticised in his Diet for having made a “secret agreement,” he had been criticised in our Congress for not having made one, for having made a promise on Okinawa without any progress on textiles. However, it was best to let the matter rest there, in the hands of Mr. Flanigan and Dr. Kissinger. He did stress that this was still a vital problem.

The Prime Minister said that the pressures of time required an early agreement. He recalled saying at the time of their Okinawa discussions that he would do all that he could “within the limits of his assessments of the future.” At that time he had no assessment of how things would develop, but now time was pressing, and Ambassador Ushiba, who understood both the situation and the time limit well, was actively engaged in discussions with Dr. Kissinger and Mr. Flanigan. The Prime Minister promised to bring about an agreement once certain specific details were resolved through mutual concessions.

Dr. Kissinger informed the President that November 10 was the goal in the talks with Ambassador Ushiba. The President noted that this was after the election.

The Prime Minister (who understood this brief exchange in English) said that the specific details would be settled by Election Day; he must settle them on his return to Japan. The most important point was categories, and on return to Tokyo the Prime Minister said that he would have MITI Miyazawa explain them. No doubt, MITI Miyazawa would also put forth his own point of view, but in the end the Prime Minister recognized that he had to make the decision. He requested that the President permit him to take whatever intervening steps he thought would be necessary to reach a final decision in time. Further, he hoped that none of this would leak to the press, at least to the extent that we could control it.

The President said that he understood.

Dr. Kissinger said that we would keep to the present channel and would keep this from the press.

The Prime Minister said that the experts would have to be consulted when the specifics were taken up, and warned against possible leaks then. Even if there were none, the press was sharp and would write speculative articles, some of which would be wrong, but some which might coincide with fact. Should that happen he hoped that the American side would not assume that there had been a leak. He hoped also that neither industry be allowed to get overly upset about the speculative reporting which was bound to come. If this could be done, a fine agreement could be reached.

The President said that we would do our best.

The Prime Minister said that he was pleased to hear this. For his own part, he recognized that the time had come for him to make the decision. He trusted that the President understood his position. He added that once Japan and the United States reached agreement, international confirmation of it by the other textile exporting nations would be necessary. The United States would have to move fast to convince them to accept it within the time limit. He said that Japan and the United States would have to reach agreement by November 3, and in the two weeks remaining after the mid-term elections and before the new Congress would meet and resume hearings on the Mills Bill, the United States would have to gain acceptance of the agreement by the other textile exporters. He again expressed his concern about a leak, and said that he would hand-carry what he had back to Tokyo rather than risk a leak through a telegram. He said that he fully intended to persuade MITI Miyazawa.

The President said that we would say nothing on this side.

The Prime Minister explained that the greatest problem has been the opposition of the textile industry in Japan to an agreement. Japan's major concession at this new stage resulted from getting it to drop its demands for proof of injury before agreeing to voluntary restrictions.

The Prime Minister said that Ambassador Ushiba and Mr. Flanigan would continue their talks. While the question of separate categories was very difficult for him to understand, woolens seemed to be no problem, and agreement there could be reached easily. However, man-mades would be a problem, and Japan would have to have some concession from the United States with respect to the percentage of the reductions.

The President said that he couldn't go into this.⁸

9. *Environmental Cooperation*

The Prime Minister, referring to the recent visit of Mr. Train (Chairman of the President's Council for Environmental Quality), said that

⁸ After taking leave of Nixon, Sato went to Kissinger's office to join Aichi, Kissinger, and other officials who were discussing the language to be used in press guidance regarding the discussion of textiles between Sato and Nixon. According to the U.S. account of this meeting, "At least three times Aichi . . . asked Sato (in Japanese) whether he really understood the implications of the fact that he and the President had agreed that both governments resume negotiations on textiles, and the disastrous consequences if these negotiations did not produce an agreement." Sato told Aichi that he understood these implications and "had resolved to settle this issue in the negotiations." In the end, the U.S. and Japanese sides agreed that in response to inquiries, press officers could say that Flanigan and Ushiba "would reopen the negotiations in Washington as soon as possible." (Memorandum of conversation, October 24, 5:30 p.m.; National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country Files, Far East, Japan, Vol. III, 7/70 to Dec 70)

it had been agreed in Tokyo that regular meetings be held at the Cabinet level to consider environmental matters. He requested that the President consider how best to provide for such an opportunity, and noted GOJ willingness to send a Minister to the United States to discuss environmental matters in response to an invitation. Mr. Train could doubtless report fully to the President the serious public concerns about environmental pollution in Japan, which has prompted the GOJ to revise its former slogan—No welfare without economic growth—to “No economic growth without welfare.”

10. *Joint Cabinet Committee on Trade and Economic Affairs*

In view of the economic problems between both countries, the Prime Minister felt that it would be advisable to hold a regular meeting of the Japan-United States Joint Cabinet Committee on Trade and Economic Affairs in the United States next year, since it would be the United States' turn to serve as host. There would be no obstacle to prevent the attendance of the Japanese Cabinet Ministers responsible for economic affairs.

The President said this was an excellent idea.

Dr. Kissinger noted that this meeting was set for next year.

The Prime Minister said that it was essential for the United States and Japan to continue cooperating closely, particularly in view of the economic problems between us which could affect the relationship.

11. *Hot-Line*

The Prime Minister explained that the installation of the hot-line, which had been discussed in November, was now under study within the GOJ. An unfortunate misunderstanding that some sort of new crisis was impending could result if it were installed without proper public affairs handling in advance.

12. *Parting Exchange*

The President said that he was glad to have had this good talk. He wished to keep in close contact because, with Japan's preeminent economic position, both nations were bound to have many common interests, and understandably some competition, which should be kept constructive. He promised to keep the Prime Minister informed of any significant international moves he would take concerning not only United States-Japan relations but also the world at large. One thing gave him hope. During his 1953 visit to Japan the sole subject of discussion had been United States-Japan relations, but today, in this talk as before, he and the Prime Minister had discussed the Middle East, Viet-Nam and Europe as well as Japan, all of which told us that Japan is not only a great power in the Pacific, but also a major world power with great influence. We recognize this, and therefore, consider that

close relations between us are essential, not only for future peace and progress in the Pacific but also throughout the world. He assured the Prime Minister that Japan would always have a good friend in office as long as he was President.

The Prime Minister expressed appreciation for this. He noted that he and John D. Rockefeller, III, had agreed in New York last week that the bonds of familial love continue to hold parents and child together, despite their differences. This applied also to nations. He did not want the people of Japan to forget their deep obligation to the United States for helping them recover from the destruction of the defeat in World War II. Honoring one's obligations was a traditional Japanese virtue which the Japanese should not forget. Even the current economic problems between both countries should be viewed in this context just as a child should be grateful to his parents for helping to raise him.

59. Memorandum From John H. Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, November 23, 1970.

SUBJECT

12th U.S.-Japan Planning Talks

Our semi-annual planning talks with the Japanese were held November 2–3. The Japanese delegation was headed by Takashi Suzuki, Director General of the Research and Analysis Department of the Japanese Foreign Ministry. William I. Cargo, Director of State Policy Planning and Coordination Staff headed the U.S. delegation; Herbert Levin of the NSC Staff attended most sessions. Following are highlights of the talks:

The Nixon Doctrine: The Japanese expressed concern that if the Nixon Doctrine results in too rapid withdrawal of U.S. forces from Asia, the resolution of weaker non-Communist countries to cope with Communist power and influence will be insufficient. The Americans stressed that the Nixon Doctrine emphasized strengthening indigenous

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country File, Far East, Japan, Vol. III, 7/70 to Dec 70. Secret. Sent for information. Kissinger initialed the document, indicating he had seen it.

forces and that U.S. withdrawals were taking place cautiously as local strength developed.

Japanese Role in Asia: The Japanese took great pains to make clear that the U.S. should not anticipate Japan playing a military role in Asia, for which Japan was unprepared. The Japanese reflected extreme sensitivity to public comments predicting a resurgence of Japanese militarism. The Japanese stated that we could anticipate substantially larger Japanese economic assistance extended to Asia over the next five years.

China: The Japanese concern toward China as a diplomatic problem, not as a military threat, was evident throughout the talks. The Japanese attached special urgency to the need for early U.S.-Japan agreement on a U.N. strategy in order to safeguard the GRC's right to remain in the world organization as a majority of its members move closer to favoring Peking's entry. The Japanese also wish to reach agreement with us as to how to handle the bi-lateral relations aspect of the China problem as the 1972 reversion of Okinawa nears and provides them with a common sea border with Taiwan.

Indochina: The Japanese showed little interest in discussing the current situation in Indochina. They noted improvements in both Vietnam and Cambodia, as evidenced by their increased willingness to provide economic assistance to these countries.

Korean Troop Withdrawal: The Japanese expressed interest in U.S. troop withdrawals from Korea, but did not manifest the same concern on this topic as was apparent early last summer.

Environment: The Japanese want international cooperation in this area. However, they wish to avoid attempts to impose international standards and solutions on what their rather isolated island situation suggests are national problems, particularly if they affect trade.

Indian Ocean: The Japanese remain concerned over any suggestion that the Soviets could achieve a position of naval dominance in the Indian Ocean. The security of the Indian Ocean will be a topic on the agenda for the next Planning Talks, in six months.

60. Memorandum From the Executive Secretary of the Department of State (Eliot) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, November 23, 1970.

SUBJECT

FY 71 Reductions in U.S. Military Activities in Japan

On November 19, 1970, we authorized Ambassador Meyer to begin discussions with the Government of Japan regarding the substantial reductions in U.S. military operations in Japan scheduled to take place by June 30, 1971.

The package includes a reduction of approximately 9,000 Japanese employees and some 10,000 U.S. service personnel. The major U.S. naval base at Yokosuka will be nearly closed with most of its principal functions transferred to Sasebo, including COMSEVENTHFLT headquarters. The tactical air squadrons at Misawa and Yokota Air Bases will be redeployed to Korea and Okinawa and all tactical flying operations will cease at Misawa; MAC will continue to utilize Yokota. Atsugi Naval Air Station will be returned to Japan, except for necessary access to a U.S. aircraft repair facility. Itazuke Air Base will be returned to Japan, except for a small area necessary to provide logistic support for other U.S. operations at nearby bases.

The Ambassador has been instructed to seek reentry rights to some of the relinquished facilities and joint use rights at others, the final details of which have yet to be worked out. He is establishing a committee in Tokyo consisting of Embassy, U.S. Forces, Japan, Foreign Ministry and Defense Agency representatives, to work out the details of the program.

The reductions will work hardship on many of the Japanese employees, especially those in out-lying areas, and the Japanese enemies of our security relationship will attempt to exploit them as evidence of a weakening of our ability and intention to live up to our commitment. However, our tactical Air Force and Seventh Fleet units will continue to be present in Northeast Asia, concentrated in the East

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 535, Country Files, Far East, Japan, Vol. III, 7/70 to Dec 70. Secret; Exdis. Under a November 25 covering memorandum, Holdridge forwarded this as an information memorandum to Kissinger. Kissinger initialed Holdridge's November 25 memorandum, which summarized Eliot's memorandum, and commented that the political impact within Japan of reductions in the U.S. military presence would be mixed: the firings of Japanese employees in rural areas would have negative effects, whereas the reduced number of bases would lessen the frictions produced by U.S. military involvement in Japan. (Ibid.)

China Sea/Korea area, which should provide clear and continuing assurance to our allies while allowing us to take the necessary measures to reduce our costs.

On November 16 Ambassador Meyer presented an outline of the foregoing to the Foreign Minister. The latter, while a bit surprised at the plan to close Yokosuka, undertook to study the package carefully. We intend to work closely with the Japanese Government on all aspects of base reductions to assure both that the reductions will be carried out in a coordinated fashion and that the public understand that this is the case.

Theodore L. Eliot Jr.

61. Memorandum From C. Fred Bergsten of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, December 3, 1970.

SUBJECT

The Need for an Urgent Conclusion of the Textile Negotiations

It now appears highly unlikely that we will get a Trade Bill in this session of Congress. Time is simply too short, given the widespread opposition to the measure and the complicated parliamentary situation. This was the near-unanimous sentiment at the Republican leadership meeting on Tuesday morning, and Senator Mansfield and others echoed it to David Rockefeller yesterday.

As you well know, I regard this as a positive result *in the short run*. However, it means that our leverage on the Japanese to reach a textile agreement will be sharply reduced—perhaps to the vanishing point—and thus set off longer-term developments which may well be even worse than passage of the Mills bill this year.

I regard this as true despite Sato's commitment to the President. Sato has now stated publicly that he will not invoke legislation to implement export controls. He therefore must rely on the acquiescence

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 400, Subject Files, Textiles, Vol. III. Secret; Eyes Only. Sent for action. Kissinger initialed the document, indicating that he had seen it.

of his textile industry to implement any agreement he would negotiate with us. We might reasonably expect his industry to agree to voluntary restraints, however reluctantly, if its alternative was to face U.S. quotas under the Mills bill. It could hardly be expected to acquiesce at all if the alternative were no controls at all, at least for many more months.

It thus seems that our leverage is running out, at least for the moment. It erodes further every day, as Congressional adjournment without action nears.

But the problem thus raised goes far beyond textiles. If we fail to reach a negotiated agreement now, and the general consensus that there will be no legislation proves correct, there will be three extremely bad results.

First, the President's commitment will remain unmet. Second, the textile issue will continue to overhang overall U.S. trade policy—preventing any positive steps, encouraging protectionism in the rest of the world, and perhaps triggering even worse legislation than the Mills bill in 1971 or 1972 with even more serious effects on our foreign policy. Third, our relations with Japan will continue to be eroded by off-and-on efforts to negotiate on textiles and other products—not to mention the recriminations over their bad faith in not carrying out their commitments.

I therefore regard it as urgent that we use the remaining leverage of the pending legislation to reach a negotiated textile agreement—even if that agreement is far short of what we want. I have every bit as negative a reaction to the Japanese performance on this issue as you do—perhaps even more, since I have been burdened with sitting through the thirteen Flanigan–Ushiba meetings and the interminable preparations for them.

Nevertheless, I feel that we must now try to make the best of a very bad situation—and it must of course always be remembered that it is we who are asking for a monumental favor from the other fellow. I therefore recommend that you urge Flanigan to move quickly to reach an agreement.²

In fact, the Japanese have now come far enough that an agreement based almost entirely on their present offer could be readily defended to our industry. It would certainly suffice to definitively turn off the Mills bill, and to deter any new legislative efforts to vote textile quotas in the future. It would therefore remove the major problem in our policy toward Japan, which will otherwise become increasingly worse, and remove the key factor which has turned U.S. trade policy into a potential source of major rift with Western Europe.

² Kissinger wrote in the margin next to this paragraph, "No, there *was* a deal."

Recommendation:

That you urge Flanigan to reach agreement with the Japanese urgently on voluntary textile controls.³

³ A final sentence, "The next negotiating session is at 2:30 today," was crossed out.

62. Memorandum From Secretary of Commerce Stans to the President's Assistant for Economic, Commercial, and Financial Issues (Flanigan)¹

Washington, December 4, 1970.

SUBJECT

Japanese Textile Negotiations

I have had a report² on your conversation yesterday with Ambassador Ushiba. I understand a question was raised about the possibility of a "private understanding" on an intra-group trigger mechanism.

I feel very strongly that it would be inappropriate to have any of the following types of understandings with the Japanese:

1. oral agreements;
2. any unilateral statement by us, not agreed to by the Japanese; or
3. any side agreements not released to the public.

Although unpublished understandings are used from time to time in international relations, I do not believe such understandings should be used in the type of business negotiations in which we are involved with the Japanese. My concerns are along the following lines:

1. Any statement in the published agreement that Japan reserves its rights under GATT, coupled with a private understanding whereby the Japanese say to us that they do not intend to use these rights, cannot be counted on as a binding commitment on the Japanese Government even during the tenure of Ambassador Ushiba in Washington or Prime Minister Sato in Tokyo.

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, Staff Member and Office Files, Box 12, Peter Flanigan, Sub Files, Textile Memo, June 1969–Feb 1971, 3 of 4. Confidential.

² Not found.

2. If the Japanese are silent with regard to their GATT rights, both in the published agreement and in the private understanding, unless a written document says that the Japanese agree to our intra-group trigger mechanism, their GATT rights will be fully reserved even without any reference to these rights in the documents. We would have no protection in the agreement against Japanese invocation of the GATT.

3. A private understanding, either oral or written, must be made available to MITI because that is the Ministry which will administer Japan's controls on exports to us. Once it is made available to MITI officials, it is a certainty that it will be made available to the Japanese textile industry. If it is not made available to MITI, the people who will administer the agreement will not know the parameters under which they will have to operate, and exports of individual categories can be expected to exceed the trigger levels.

4. If the agreement on the intra-group trigger mechanism is not made public, we will have difficulties in negotiating effective controls with other governments which inevitably will want to follow the same pattern as the Japanese agreement. We would then need to establish the fact of the intra-group trigger and of the understandings about GATT rights.

Thus I reach the inescapable conclusion that there is no effective agreement involving our right to control imports of any category exceeding the 3 percent limit unless it is written and in the form of acceptance by the Japanese of such rights. Whether or not this agreement is included in the basic agreement with the Japanese is immaterial. What is essential is that it be released to the public, both in the United States and in Japan.

Maury

63. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to Secretary of Defense Laird¹

Washington, December 5, 1970.

SUBJECT

Relocation of Chemical Munitions from Okinawa to Johnston Island

The President has been informed of your plans regarding the relocation of chemical munitions from Okinawa to Johnston Island.² The President agrees that these plans should go forward as soon as a favorable report of the Council on Environmental Quality to Defense is in hand.

Additionally, the President has directed that a priority effort be made to ensure that appropriate facilities are constructed and all the munitions moved as soon as possible so that delay between the initial and final shipments will be kept to an absolute minimum and preferably not extending beyond July 1, 1971.³

The President has noted that an assessment of the importance of these particular stocks, requested on June 8, 1970, has not been provided. He has asked that this assessment be forwarded for his consideration not later than January 15, 1971.⁴

Henry A. Kissinger

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa, Vol. I, 1969 and 1970. Secret; Eyes Only. Haig received this memorandum under a December 2 covering memorandum from Guhin. (Ibid.) Copies were sent to Davis, Behr, Kennedy, and Holdridge.

² In a December 1 memorandum, Laird told Kissinger that the Department of Defense planned to relocate chemical weapons from Okinawa to Johnston Island in two phases, with a small, initial shipment occurring in January 1971 and a second shipment of the remaining weapons following the construction of chemical weapon storage facilities toward the end of 1971. (Ibid.)

³ On December 30 Packard reported in a memorandum to Kissinger that accelerating the transfer of chemical weapons from Okinawa to Johnston Island would cost an additional \$5.89 million. (Washington National Records Center, RG 330, OASD/ISA Files: FRC 330-73A-1975, Box 22, Okinawa, 384) Because of Okinawan concern that the proposed route for the January shipment brought chemical weapons into the vicinity of populated areas, the United States ultimately used an alternate route to remove the last of them from Okinawa in September 1971. (*New York Times*, September 11, 1971, p. 5; memorandum from Under Secretary of the Army Thaddeus R. Beal to Laird, April 2, 1971; Washington National Records Center, RG 330, OSD Files: FRC 330-76-197, Box 66, Johnston Island, 370.64; and attached proposed memorandum from Laird to Kissinger, undated, ibid.)

⁴ A disagreement between JCS and OSD delayed the assessment that the President requested. The JCS asserted that the chemical weapons stored on Okinawa were an important deterrent to Soviet aggression; the staff of the OSD argued that the chemical weapons on Okinawa, which were slated to be moved to Johnston Island, were not essential to the U.S. chemical weapons deterrent and would be difficult to employ effectively during an emergency. (Philip Odeen to Laird, January 21, 1971; ibid., OSD Files: FRC 330-76-207, Box 10, Johnston Island, 370.64)

64. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, December 12, 1970.

SUBJECT

U.S.-Japan Textile Negotiations

I am increasingly concerned that the protracted negotiations with Japan over textiles are weakening the U.S.-Japan relationship, giving impetus to unwholesome aspects of Japanese nationalism, and affecting the stability of the Sato Government. While I share your exasperation with the poor political handling of this problem in Japan, it would clearly be inimical to our interest if this dispute were to weaken the influence of Prime Minister Sato to the point where he would be unable to determine his successor. I thus believe there are important foreign policy considerations for achieving a compromise solution as soon as possible.

Peter Flanigan is conducting the negotiations with skill and perseverance and I gather there is some prospect for an agreement.² I am prepared to be of whatever assistance may be helpful.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 400, Subject Files, Textiles, Vol. III, 1 Dec 70–31 Dec 70. Secret. Kissinger passed this memorandum to Nixon on December 23, who subsequently noted it. (Ibid.) Bergsten also sent this memorandum to the President under a December 15 covering memorandum, stating that the negotiations should be promptly concluded with an agreement as the result. Bergsten continued, "If we lose the leverage of possible quota legislation, as now appears likely at least for this session, it may become even more difficult to redeem your commitment. In addition, a prolongation of the textile problem would overhang our overall trade policy next year, and therefore continue to raise foreign policy problems with Europe as well as with Japan. Flanigan is currently working with the industry to try to get their support for an agreement which he believes would be agreed to by the Japanese." (Ibid.)

² Flanigan concurred with Rogers' view, although he suggested that Kissinger inform the President that the objective of his negotiations with the U.S. textile industry was a negotiating position that the Japanese government could accept. (Memorandum from Flanigan to Kissinger, December 15; *ibid.*) Flanigan's talks with U.S. textile interests went very poorly, however, and he made little headway moving them toward the Japanese negotiating position. (Memorandum from Kennedy to Kissinger, December 16; *ibid.*, Box 535, Country Files, Far East, Japan, Vol. III, 7/70 to Dec 70) The Japanese textile industry staged public demonstrations against concessions made by the Japanese government in the textile negotiations. (Telegram 10217 from Tokyo, December 17; *ibid.*, Box 400, Subject Files, Textiles, Vol. III, 1 Dec 70–31 Dec 70)

If and when an agreement is reached, it would be useful to portray it to the extent feasible in terms of a mutual agreement involving the broad national interests of both countries.

William P. Rogers

65. Letter From the Ambassador to Japan (Meyer) to the President's Assistant for National Security Affairs (Kissinger)¹

Tokyo, January 8, 1971.

Dear Henry,

In a pair of telegrams perpetrated during the holiday season, we have tried to assess how we did vis-à-vis the US-Japan relationship in 1970 and what we propose to do in 1971 (Tokyo 10460 and 94).² I hope you have had a chance to peruse at least the summaries.

One loose end is the textile problem. Well remembering that session in your office following Sato's chat with our mutual boss, I am no less chagrined than others that the promised solution has not been achieved. And I am among those who feel that leadership here was not adequately exercised. Nonetheless, the fact remains that this one unworthy issue could conceivably condemn Sato to the same fate which befell his brother ten years ago, i.e. a rather ignominious ouster precipitated by a basic and rather childlike affection for the United States. Thus it remains my hope that Pete and Ushiba may still be able to come up with some sort of compromise. In all honesty, and as a great friend and admirer of Don McCullough, Roger Milliken and other fine Carolinian textilists, I do believe a little more give on our part is warranted. For their part, the Japanese have come a considerable distance since they greeted Secretary Stans in May 1969 with a unanimous Diet resolution foreclosing any restraint program whatsoever.

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, White House Central Files, Subject Files, Confidential Files, CF, CO 75, Box 7, Japan 1/1/71–9/30/71. Confidential. Bergsten and Holdridge sent this letter to Kissinger on January 19, under cover of a memorandum and with a draft response to Meyer. Kissinger signed the response to Meyer and sent it on January 26. (Ibid.)

² Telegrams 10460, and 94, from Tokyo, December 28 and January 6. (Ibid., RG 59, Central Files 1970–73, POL JAPAN-US)

The other loose end is a top-level visit to which we referred in a rather elliptic fashion in the second telegram. It remains my dream to have a successful Presidential visit to Japan. It could dispel much of the cantankerousness which afflicts some of the dialogue between our two countries. But this is a card which must be played most judiciously.

Certainly, we must first finish with all the threshing around over textiles. Assuming that that happy day will yet arrive, it would seem to me that if Sato's party wins in the Upper House elections in June (which is likely but let's keep our fingers crossed), and if Dick Sneider and I can hard bargain solutions to the prerequisite Okinawa reversion problems, i.e. a continuation which will be defensible on Capitol Hill for our business, civil aviation and VOA interests in Okinawa, a Presidential visit to Tokyo might be possible this fall. In so saying, I realize I go out on a limb, but let us set that as a goal.

It was fascinating that Japan and our problems here were not even touched upon in that fine hour-long Presidential chat on TV.³ I could not help but be reminded of a delightful line of Kathleen Winsor's that there is no indignity so infuriating for a woman than not wanting to be slept with.⁴ "Forever Amber" notwithstanding (or reclining), I am confident that the President and his Chief National Security Advisor have in their thinking not diminished by an iota their appreciation for our getting along with the East Asian colossus to which I am assigned.

Let me assure you we are more convinced than ever of the President's wisdom re the paramountcy of our relationship with Japan. No challenge could be greater, and all of us here are actively dedicated to coping with it.

By the way, we have been delighted with your adroit and professorial treatment of the "militarism" specter in Japan. You will not have any difficulty in getting a visa should you decide to journey this way.

Fond regards, and best wishes for 1971.

Sincerely,

Armin

³ Meyer is probably referring to "A Conversation With the President," an interview that four representatives of the television networks conducted with Nixon on January 4. See *Public Papers: Nixon, 1971*, pp. 6–23.

⁴ Reference is to *Forever Amber*, Kathleen Winsor's best-selling historical romance novel of 1944, which was made into a 1947 movie of the same name.

66. Memorandum From the Assistant Secretary of State for East Asian and Pacific Affairs (Green) and the Assistant Secretary of State for Economic Affairs (Trezise) to Secretary of State Rogers¹

Washington, February 8, 1971.

SUBJECT

Textile Negotiations with Japan—ACTION MEMORANDUM

Discussion:

Negotiations designed to persuade the Japanese to impose restrictions on their exports to the United States of man-made and woolen textiles have dragged on for almost two years. They were broken off last summer but resumed again following Prime Minister Sato's conversation with the President in late October. At that time the President designated Peter Flanigan to negotiate for us and Ambassador Ushiba was designated to represent the Japanese.

In mid-December Flanigan and Ushiba were close to an agreement on restraints which would have covered about one-half of the items involved in this trade, including all of the most sensitive ones. When Congress adjourned, however, without completing action on the Mills Bill, negotiations were again recessed. In January, Flanigan gave Ushiba a new proposal which was generally satisfactory except for a new provision which Flanigan described as essential. This provision called for the automatic imposition of restraints on any category in which imports from Japan increased by 10 percent or more, regardless of any showing of injury and regardless of whether or not the American industry was in fact a major producer of the item involved. This re-introduced the element of comprehensiveness on which the negotiators have never previously been able to agree.

We have been informed by Ambassador Ushiba that the Foreign Office was so shocked by the reappearance of the requirement for an automatic and comprehensive trigger arrangement that it did not dare, for fear of leaks and a public outcry, to show the proposal to the Japanese Minister of International Trade, to say nothing of the Japanese

¹ Source: National Archives, RG 59, Central Files 1970–73, INCO FIBERS 17 US–JAPAN. Secret; Exdis. Trezise initialed this document; Green did not; it was sent through S/S and Eliot's stamped notation is on the memorandum. Cleared by Richard Ericson, the Country Director for Japan, and Trezise, and U. Alexis Johnson in substance.

industry.² In fact, Ushiba says it is known only to a few officials in the Foreign Ministry, and that Prime Minister Sato has been orally briefed.

Ambassador Ushiba tells us he has now received instructions to inform Flanigan that this proposal is not acceptable. It appears therefore that these negotiations have again reached a point of impasse. While both sides have held knowledge of Flanigan's latest proposal very closely to date, the fact that a proposal was made and that the Japanese have turned it down must eventually become public knowledge. When this occurs, the minimum result will be another outburst of recriminations on both sides. Flanigan has told Phil Trezise that he now believes that the Administration should introduce and try to get enacted quickly the textile section of the Mills Bill.

We continue to believe that a settlement through negotiations is the best course. However, it appears to us that Flanigan has carried the cause of the American industry about as far as he can and that a negotiated settlement will require that we modify our position on the comprehensiveness question.

If we legislate quotas, we are in for more difficulties in our relations with Japan. These are outlined in the attached proposed memorandum from you to the President.³

These difficulties with Japan would be serious enough by themselves, but mandatory quotas on textiles, even if the legislation could be so limited, would have far-reaching effects on the entire structure of our international relations. It would put this Administration in the position of having closed the door of the American market to one of the very few industries which in the years ahead will provide some opportunity for the less developed countries of the world to sell to us. It would establish a precedent—and even an obligation—for the indefinite protection by legislation of the industry, and would distort our own economic prospects by preserving in our midst, virtually

² Ushiba reported this information to U. Alexis Johnson during a meeting on February 2. (Memorandum of conversation February 2; *ibid.*)

³ The draft memorandum to the President asserts that impasse over textiles would contribute to a deterioration of U.S.-Japanese relations. Acknowledging that many of Sato's difficulties on the textile issue were of his own making, the memorandum states that U.S. interests will be served if Sato is strong enough to select his own successor. The memorandum concludes with the suggestion, "We should now identify those areas in which we could afford to make some concession without sacrificing what is really essential, in the interests of closing out this dangerous issue. The disappointment our textile people might feel over failure to obtain all they seek should be weighed against the corrosive effect this issue is having on our long-term interests with this most important Pacific ally." Green sent another memorandum to Rogers on February 10, buttressing the case and noting that telegram 1159 from Tokyo, February 9, described the weakness of Sato's position. (Both *ibid.*)

forever, a low-wage industry. This adds up to poor economics and bad public policy.

Recommendation:

We believe that now is the appropriate time to bring to the attention of the President the political and other ramifications of a breakdown in the negotiations on textiles with the Japanese. We accordingly recommend that you send the attached memorandum to the President, and that you be prepared to urge him to persuade the domestic industry that the national interest requires that we settle for something less than the wholesale protection that it desires.⁴

⁴ There is no indication that Rogers signed the memorandum to the President. A note on the first page from a member of Rogers' staff indicates that the issue was "OBE."

67. Memorandum From the Director of the U.S. Information Agency (Shakespeare) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, February 16, 1971.

SUBJECT

Proposal for NSC Review of U.S. Policy Toward Japan

I believe another NSC review of our policy toward Japan would be highly desirable at this time.

NSDM 13 of May 28, 1969² set forth a practical formula for our Japan policy, relying mainly on the smooth execution of existing policies. That formula and the psychological benefits from the Okinawa reversion decision defused the widely anticipated "1969 crisis" in U.S.-Japan

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), National Security Study Memoranda, Box H-182, NSSM 13, 3 of 3. Top Secret; Sensitive. Holdridge sent this memorandum to Kissinger under a February 24 memorandum, advising Kissinger to tell Shakespeare that he preferred to delay the review until later in the year. Kissinger rejected this response and wrote on Holdridge's covering memorandum: "No—I think Shakespeare is right. Let's start review now & get Peterson involved." Kissinger's note is stamped March 1. (Memorandum from Holdridge to Kissinger, February 24; *ibid.*)

² Document 13.

relations. In recent months, however, there have been indications of increasing strains in the relationship as the Japanese move toward greater independence and note with concern directions and measures being urged in the U.S. which do not converge with their own interests. As a result, established U.S. policies could drift out of alignment with the realities of Japan's changing situation.

In the economic and political areas I believe there are several indications of these problems. In the psychological area of our relationship, I note that public opinion surveys and other assessments of Japanese attitudes have tended to confirm the seriousness of these strains. These developments appear to be particularly significant:

—Economic frictions have aroused intense feelings which could unsettle broad areas of our relationship.

—Some influential figures in Japan are disturbed by their perception of applications of the Nixon Doctrine, and their feelings are reflected in press and other media comment.

—Debates are sharpening in Japan over the congruity of American and Japanese policies toward China.

—The Japanese official position in the Okinawa reversion negotiations, in which our Voice of America transmitter figures prominently, seems to reflect a certain sensitivity toward American Congressional and public attitudes.

Among the questions which a new NSC review could examine might be these:

1. Might increasing nationalism make Japanese feel that close relations with the U.S. are inhibiting their independence in Asia?

2. What will be the psychological effect of U.S. force reductions in East Asia? Will the Japanese feel insecure? Will domestic Japanese pressures build up for a large Japanese military establishment with offensive and/or nuclear capabilities? Will our force reductions weaken credibility and interest in American power and defense commitments?

3. Is there a psychological threshold for economic frictions beyond which it will be difficult to sustain a productive basic relationship?

4. In the face of mixed Japanese inhibitions and ambitions and of remaining anti-Japanese sentiment in East Asia, what type and degree of Japanese involvement would most benefit U.S. strategic interests in the area?

I believe that a review of the problems and opportunities confronting the U.S.-Japanese relationship—which the President has termed the “linch-pin” for peace in the Pacific—should be accorded a high priority.

68. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, February 26, 1971.

SUBJECT

OKINAWA REVERSION—form of Congressional Participation

Discussion:

I recommend that the Administration seek the advice and consent of the Senate to the Okinawa reversion agreement. I base this on considerations both of law and of our relations with the Congress. A decision should be made now because of two factors: the status of reversion negotiations with the Japanese and the need to begin consultations with the Congress.

As you know reversion negotiations have proceeded quite slowly. The Japanese have been resistant on some issues we consider essential to reversion. A decision to seek the Senate's advice and consent should help to stimulate a more responsive Japanese attitude.

Senate action in 1971 is essential if we are to accomplish a smooth reversion by mid-1972, which is the goal of both governments. Assuming that the negotiations can be completed by that date, we should submit the reversion agreement to the Senate by May 1, 1971, to ensure that the Senate will complete its procedures before it adjourns this year. As a first step in this process, consultations with the Senate Foreign Relations Committee should begin soon. You earlier agreed that the Administration would consult with the Senate both on the form of its participation in the agreement and on the substance of the agreement.

A discussion of the factors involved is enclosed.²

The Secretaries of Treasury and Defense concur with this recommendation.

Recommendation:

That you authorize the initiation of consultations with the Senate based on the position that the Administration is prepared to seek the advice and consent of the Senate to the reversion agreement.³

William P. Rogers

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa, Vol. II, 1971 and 1972. On March 6, Kissinger forwarded this memorandum to the President under a covering memorandum for action prepared by Herbert Levin and John Lehman of the NSC staff. (Ibid.)

² Attached but not printed.

³ Nixon approved Rogers' recommendation.

69. Editorial Note

During the early part of 1971, U.S.-Japanese textile negotiations commenced with no prospect of settlement on the immediate horizon. While government-to-government negotiations made only halting progress, there were rumors about parallel negotiations between Congressman Wilbur Mills (D-Arkansas) and representatives of the Japanese textile industry. On February 26, 1971, C. Fred Bergsten of the NSC staff wrote a memorandum for President's Assistant for National Security Affairs Kissinger reporting that the head of the Japanese industry had agreed to Mills' suggestion that Japan unilaterally restrain textile exports to the United States. Bergsten depicted this news as an "apparent breakthrough." (National Archives, Nixon Presidential Materials, NSC Files, Box 400, Subject Files, Textiles, Vol. IV, 1971) That same day, Mills, President Nixon, and a few other attendees met for an 8:30 a.m. breakfast. A record of this meeting indicates that "Mills went on at some length to develop for the President Mills' ideas about voluntary action by the Japanese to limit their textile exports to the United States." The President expressed little interest in this topic and changed the subject back to hearings and bills before the House Ways and Means Committee. (Ibid., White House Special Files, President's Office Files, Box 84, Memoranda for the President, beginning February 21, 1971)

On March 8, the Nixon administration learned of an agreement negotiated between Mills and the Japan Textile Federation that marked a new development in the textile dispute between the United States and Japan. The Japanese Textile Federation announced that it would adopt voluntary export restrictions lasting 36 months. These restrictions would allow Japanese textile exports to the United States to increase 5 percent for the first year, 6 percent for the second year, and 6 percent for the third year. The proposal was contingent upon other major textile exporting countries (especially Taiwan, South Korea, and Hong Kong) adopting similar restraints. (Ibid., Nixon Presidential Materials, NSC Files, Box 400, Subject Files, Textiles, Vol. IV, 1971)

Following the Textile Federation's declaration, Shigeru Hori, the Chief Cabinet Secretary in Prime Minister Sato's government, officially announced, "The Government of Japan . . . considers that in view of this new development, it is no longer necessary to continue the negotiations between this Government and the Government of the United States which have been conducted by Mr. Ushiba and Mr. Flanigan." (Ibid.) On March 8 Mills also issued a statement praising the proposal. (Ibid.) Meanwhile, on the same day, Japanese Ambassador Ushiba orally conveyed a message from Sato intended for Nixon. Of the voluntary export restraints, Sato noted, "I realize that these

restraints may fall short of the expectations of your Government, but strongly hope that, taking into account the long-term considerations of friendship between Japan and the United States, the understanding and the support of your Government will be forthcoming so that it will be possible to bring this difficult matter to a close." (Ibid.) Bergsten responded to the Japanese textile industry offer by writing to Kissinger that "the Mills initiative is a godsend" from a "foreign policy and trade policy standpoint." Yet, he noted, "The Mills initiative also completely undercuts the Administration's effort to negotiate an arrangement consistent with the President's commitment to the textile industry." (Ibid.) The next day, March 9, Senator Strom Thurmond (R-South Carolina) who possessed close ties to the textile industry, sent Nixon a letter in which he denounced the Mills agreement and asked Nixon to repudiate it. (Ibid., White House Special Files, Staff Member and Office Files, Box 11, Peter Flanigan, Textiles, May 1969–Nov. 1972)

On March 9, President Nixon, at the request of his assistant, Peter Flanigan, met with the Ad Hoc Textile Group (consisting of Office of Management and Budget Director Shultz, and Presidential assistants Kissinger, Flanigan, and Peterson). Flanigan prepared a memorandum sketching out options for the President in anticipation of this meeting. (Ibid., Nixon Presidential Materials, NSC Files, Box 400, Subject Files, Textiles, Vol. IV, 1971) According to a transcript specifically prepared by the editors for this volume, Nixon said that Mills' deal was "an inadequate, a totally inadequate thing." Later in the conversation, Nixon commented: "The Japanese have given us a bad deal. Mills is now holding us on a hook and we've got to find a way to get off of it." (Ibid., White House Tapes, Oval Office, Conversation No. 464–9, 11:39 am–12:03 pm) A March 9 memorandum for the President's file summarizes the meeting: "The President was impatient with the suggestion that either the foreign relations aspects of the problem should be considered, or that consideration should be given to Mills' sensitivity on the trade matter. The President pointed out that Mills was a pragmatic politician who would do with regard to each item of legislation what was in his best interest. Mills would not, in the President's opinion, let action on the textile issue influence his position on welfare reform or revenue sharing. The President concluded that it was necessary to send textile quota legislation to the Hill. He instructed that a message be drawn to indicate why the Japanese offer was inadequate, to indicate his impatience with the Japanese government for unilaterally breaking off negotiations, and stating that he would send legislation and would monitor monthly Japanese imports." (Ibid., White House Special Files, President's Office Files, Box 84, Memoranda for the President, beginning March 7, 1971) Bergsten wrote a memorandum to Kissinger on March 11, in which he declared, "It has now been demon-

strated once more that textiles overshadow all other aspects of U.S. trade policy, and indeed foreign economic policy. . . . We simply must avoid the ad hoc, totally inadequate staffing which characterized our policy-making on the issue this week.” (Ibid., NSC Files, Box 400, Subject Files, Textiles, Vol. IV, 1971)

70. Telegram From the Department of State to the Embassy in Japan¹

Washington, March 11, 1971, 2130Z.

41080. Strictly Eyes Only For The Ambassador. Directly deliver soonest following message from the President to Prime Minister Sato. You should do maximum to confine knowledge of message and its contents strictly to yourself and Prime Minister.

Begin Quote:

Dear Mr. Prime Minister:

I cannot conceal my disappointment and concern at the course the textile matter has taken.² I thought that last October we had reached a good understanding which would lead to a mutually satisfactory resolution of this problem.³ Already then the issue had plagued relations between our two countries far too long, and previous understandings had not been realized. At the time I received your message of March 8,⁴ as well as the statement of the Japan Textile Federation,

¹ Source: National Archives, RG 59, Central Files 1970–73, INCO FIBERS 17 US–JAPAN. Secret; Nodis; Flash. Drafted and approved by U. Alexis Johnson, cleared by Eliot and by Kissinger in draft. Meyer delivered Nixon’s letter to Sato shortly after noon on March 12. Meyer’s report of this meeting in telegram 2238 from Tokyo, March 12, indicates, “[Sato] is under no illusions as to US displeasure and need to make amends via meaningful unilateral restraint program reflecting US requirements as set forth in Ushiba–Flanigan discussions.” (Ibid.)

² See Document 69.

³ See Document 58.

⁴ Document 69 describes Sato’s message to Nixon. The Embassy in Tokyo reported in telegram 2178, March 11, on a meeting between Meyer and Sato. The Japanese Prime Minister said that his country’s textile industry had acted without his approval and cut the ground from under the Japanese government’s negotiating position. In addition, Sato expressed regret that he had “failed” to meet Nixon’s expectations, and warned that if the U.S. Government publicly criticized the Japanese proposal, this would facilitate Communist China’s efforts to drive a wedge between the United States and Japan. (National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Japan, Vol. IV, 1/1–6/30/1971)

accompanied by the statement of your Chief Cabinet Secretary, it had been my impression that Ambassador Ushiba and Mr. Flanigan were finally making some real progress in their talks. These statements thus came as a complete surprise. As you know, those statements were very promptly followed by the statement of the Chairman of the House Ways and Means Committee, who is a member of the Democratic party.

All of this would be of little importance if the unilateral steps taken by your industry would have come reasonably close to meeting our needs here, with which you are familiar. In any event, if unilateral action of this kind was to be taken I would have hoped that it could have at least been consistent with the area of agreement at which Ambassador Ushiba and Mr. Flanigan had arrived.

Nevertheless, I am sure that you will have noted that the approach taken by the Japanese industry has been violently and unanimously attacked by all members of the American industry and its supporters, including those in the Congress. Thus, rather than resolving this problem, I fear that it has led to increased controversy.

However, what has been done is done and, while I would much prefer that we continue our efforts to find a mutually satisfactory negotiated solution, I understand from your message and from your talk with Ambassador Meyer that you do not feel that this is possible. I thus see no way of resolving the matter unless over a period of time the Japanese Federation, with the cooperation of the Japanese Government, were to so administer the controls as to be consistent with our needs here, as Mr. Flanigan has previously outlined them to Ambassador Ushiba.

As you will see from the statement that I am issuing today,⁵ I have felt it necessary to instruct my officials to observe closely the actual development of textile imports from Japan, in order to determine the manner in which the Federation carries out its pledge to prevent undue distortions in the pattern of the trade. I hope that our officials can keep in close touch on this matter. In the meanwhile, I am sure that you understand why I felt it necessary today to reiterate to the Congress my support for legislation to protect the American textile industry.

I deeply regret, Mr. Prime Minister, the necessity of writing you in this vein. However, I felt it best that you have a clear and frank understanding of the situation and problems that I face here, for I continue to believe it is only by such frank understanding between us that we can handle this matter in a manner that will assure that this

⁵ See *Public Papers: Nixon, 1971*, pp. 423–424.

issue not impair those relations of friendship and cooperation between our two peoples which are of such overriding importance.

Sincerely, Richard Nixon.

End quote.⁶

⁶ The telegram is not signed.

**71. Memorandum From the President's Assistant for
International Economic Affairs (Peterson) to
President Nixon¹**

Washington, March 19, 1971.

SUBJECT

Textile Negotiations—a possibility for unilateral action on textiles

Issue: I believe that there is a place, as a part of the right political answer on textiles, for a tough, *unilateral* action on your part which is more under your control than that taken by a potentially unfriendly Congress. As long as Congress has the ball, there is obviously a very real possibility that it will either do nothing on textile quotas or give you a bill including so many added products that you will be presented with a major dilemma, (especially if the bill is attached to another major piece of legislation).

This paper discusses one such unilateral possibility.

Background: In the past, it was contemplated that once we had an agreement with Japan, we would move to enforce restrictions on other major Asian textile producers, namely, Taiwan, Hong Kong and Korea, under Section 204 of the Agricultural Act. (None of these nations has shown any desire to follow Japan's lead in exercising unilateral restraint.)

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, Staff Member and Office Files, Box 3, Peter Peterson, Subject Files, CIEP, Textiles, 4 of 5. Confidential. Concurred in by Dent, Ehrlichman, Flanigan, MacGregor, Kissinger, Shultz, State, CEA, and Commerce.

With the Japanese Government showing no inclination to renew negotiations, we should now consider the desirability of opening negotiations with the other Asian textile producers.²

If successful, you could then unilaterally limit imports from Japan and from other countries, if necessary. It is the kind of option that will require extremely careful planning, delicate and yet purposeful negotiation, and clearly, some luck since the odds probably don't favor it.³ However, if it could be pulled off, I would think it would be a major *coup* for you.⁴ I don't know of any good way of evaluating its chances or its costs until we think through a set of specific negotiating packages so that we can assess it in a more specific, practical context.

Recommendation: That, within the structure of the Council on International Economic Policy, you authorize me to set up a working group to explore applying Section 204 of the Agricultural Act of 1956 to *impose* quotas on textile imports from Japan. (Under this section, the President can limit textile imports from another country *if* an agreement is: (multi-lateral and (2) accounts for "significant" part of world trade in textiles.) This would require the United States to negotiate textile agreements with Korea, Taiwan and Hong Kong, using whatever appropriate levers we have (economic, military, aid, etc.)⁵ Then, argue that this (possibly along with the cotton agreement) is a "significant" part of world trade in textiles and apply quotas to Japan unilaterally. If this approach is to be realistically evaluated, we need to think through the costs and

² Nixon underlined the last phrase in this sentence, beginning with "we should now."

³ Nixon underlined the following portions: "If successful, you could then unilaterally limit imports from Japan and from other countries," "require extremely careful planning," and "and clearly, some luck since the odds probably don't favor it."

⁴ Nixon placed a checkmark in the margin next to the sentence, "However, if it could be pulled off, I would think it would be a major *coup* for you."

⁵ On April 16, Peterson sent a memorandum to Nixon that described specific proposals that Kennedy would make when he negotiated with the Taiwanese, Hong Kong, and South Korean Governments in pursuit of a textile agreement. Nixon approved this memorandum. (National Archives, Nixon Presidential Materials, White House Special Files, Staff Member and Office Files, Book 3, Peter Peterson, Subject Files, 371.4, Textiles, 3 of 4) H.R. Haldeman sent a memorandum to Pete Peterson on April 23, noting that "the President wants you to play a tough game on textiles and give the Japanese hell for dumping. He does not want you to follow the Meyer line. He wants you to hit the Japanese at every chance we can—starting the day after Kennedy leaves." (Ibid., Box 1, Peter Peterson, Subject Files, Textile Negotiations, April–July 1971) On May 13, Nixon informed relevant Cabinet members that Kennedy possessed full and complete authority to negotiate on textiles as the head of the negotiating team going to the Far East on June 1. (Ibid., President's Office Files, Box 84, Memoranda for the President, beginning May 9, 1971) Peterson informed Ushiba that, despite conflicting statements by U.S. officials, Kennedy "has been delegated full and complete authority by the President with respect to the current textile negotiations. Ambassador Kennedy is the only U.S. official authorized to speak for the President in this matter." (Memorandum from U. Alexis Johnson to Meyer, June 4; *ibid.*, RG 59, Central Files 1970–73, INCO FIBERS 17 US–JAPAN)

concessions that might be required to induce them to enter into an agreement. Also, Peter Flanigan is reviewing the necessary statistics to consider industry modifications of the Japanese offer to make it more acceptable to the Asian exporters.

Pro: 1. With a major negotiating effort, might provide a means within a few months to permit your establishing an adequately comprehensive textile quota system unilaterally, and at the same time, minimize the chances of your getting an unacceptably broad protectionist trade bill.

2. It could provide an additional lever to apply against the Japanese in order to secure a satisfactory voluntary agreement.

3. We probably need to negotiate soon with these other countries on textiles anyway.

Con: 1. May involve some stretching on what is “significant” part of world trade and involves some legal risks. (It is the preliminary opinion of John Dean and lawyers from STR and Commerce that the President should reasonably have substantial flexibility to interpret the phrase “significant part of world trade.”)

2. Would involve putting major pressure on these other important Asian allies. (We would, of course, not know the magnitude of these pressures and their costs until we lay out a specific negotiating plan.)

I should also say this possibility does not preclude other legislative approaches to the problem, or a new multilateral textile negotiation through some organization like GATT.

Explicit in this recommendation is my belief that the Council is an appropriate setting to review textile strategy. We could try to give you a progress report at our first Council meeting now scheduled for April 5.⁶

⁶ Nixon initialed his approval.

April–October 1971: Change and Reassessment

72. National Security Study Memorandum 122¹

Washington, April 15, 1971.

TO

The Secretary of State
The Secretary of Defense
The Director of Central Intelligence

SUBJECT

Policy Toward Japan

The President has directed a review of our policy toward Japan. The study should assess the issues in our relations with Japan and the policy options open to the United States.

The study should take into account the study prepared in response to NSSM 5² and developments in our relations since NSDM 13 was issued on May 28, 1969.³ In particular it should consider:

—Changing Japanese attitudes about Japan's international role and its relations with the U.S.;

—The effect on Japan of the Nixon Doctrine;

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 365, Subject Files, National Security Study Memoranda, Nos. 104–206. Secret. Copies were sent to the Secretary of Commerce, the Secretary of Agriculture, the Special Representative for Trade Negotiations, the Director of the U.S. Information Agency, the Chairman of the Joint Chiefs of Staff, and the Assistant to the President for International Economic Affairs. Kissinger rejected earlier drafts of this NSSM, arguing that economic issues should be placed at the end of the NSSM rather than near the front. (Kissinger marginalia on memorandum from Richard T. Kennedy to Kissinger, April 2; *ibid.*, NSC Institutional Files (H-Files), Box H-182, National Security Study Memoranda, NSSM 122 [3 of 3]) The NSSM was also changed to include a member of Peterson's staff on the Interdepartmental Group that prepared the requested study. (Memorandum from Richard Kennedy to Kissinger, April 12; *ibid.*) The Senior Review Group examined the issues raised by this memorandum on August 7, August 26, and September 7, while the CIEP Review Group considered economic aspects of these issues on August 10. The result of these meetings was the issuance of National Security Decision Memorandum 130, September 7, Document 94, which prepared the U.S. delegation before the eighth U.S.-Japan Joint Economic Committee Meeting, on September 9 and 10.

² The NSC Interdepartmental Group for East Asia produced a paper in response to NSSM 5. (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H Files) Box H-128, National Security Study Memoranda, NSSM 5 [1 of 2]) See Document 8 for the summary of this paper.

³ Document 13.

- The effects of developments in U.S. China policy on U.S.–Japan relations;
- Changes in our defense posture in Asia, our defense relationship with Japan and any changes in Japanese defense policy which might affect our bilateral relations; and
- The effect of the Okinawa reversion negotiations.

In addition, the study should consider the following economic issues:

- Japanese economic and other interests in Southeast Asia; and
- U.S.–Japan economic relations and the means of dealing with them (the immediate textile issue will continue to be dealt with separately, but this study should, of course, assess its implications for overall U.S.–Japan relations).

The study should be prepared by the Interdepartmental Group for East Asia and be forwarded to the Assistant to the President for National Security Affairs for consideration by the Senior Review Group by July 1, 1971.⁴ In considering the economic issues, the Interdepartmental Group for East Asia should include representatives of the Secretaries of Commerce and Agriculture, the Special Representative for Trade Negotiations, and the Assistant to the President for International Economic Affairs.⁵

Henry A. Kissinger

⁴ Deputy Executive Secretary Robert T. Curran requested an extension for completing the study, citing “a very heavy workload on the principals involved in the Okinawa reversion negotiations” and the “widely divergent views within the U.S. Government on U.S. policy toward Japan” as reasons for the delay. (Memoranda from Curran to the NSC, June 8 and July 2; National Archives, RG 59, Central Files 1970–73, POL 1 JAPAN–US; and *ibid.*; Nixon Presidential Materials, NSC Files NSC Institutional Files (H-Files), Box H–182, National Security Study Memoranda, NSSM 122 [3 of 3].)

⁵ Dissatisfied with the role allocated him by NSSM 122, Peterson refused to participate in the economic aspects of the Interdepartmental Group and demanded that that he chair the economic section of the study. He insisted on clearing any NSSM that dealt with economic issues and that Kissinger amend NSSM 122 to make him chairman of the economic sections of the study, hinting that he might take his case to the President if Kissinger did not accede to his wishes. (Written comments by Peterson to Kissinger on a memorandum from Staff Director of the Interdepartmental Group Edward Masters to Doolin, et al., April 20; *ibid.*) Bergsten told Kissinger that Peterson “already despairs at State’s ability to carry out negotiations with sufficient toughness to get acceptable results and present a respectable image. He clearly views this as an institutional problem rather than simply one of present personalities, though he is fully aware that present personalities exacerbate the difficulty.” (Memorandum from Bergsten to Kissinger, April 22; *ibid.*) Kissinger did put Peterson in charge of the economic aspects of NSSM 122. (Memorandum from Haig to Peterson, May 7; *ibid.*)

73. Memorandum of Conversation¹

Washington, June 1, 1971, 4:30 p.m.

PARTICIPANTS

Sadanori Yamanaka, Minister of State and Director General of Administrative Affairs of the Japanese Prime Minister's Office
 Nobuhiko Ushiba, Japanese Ambassador to the U.S.
 Mr. Okazaki, First Secretary, Embassy of Japan
 Mr. Sakomizu, Personal Secretary to Mr. Yamanaka
 Dr. Kissinger, Special Assistant to the President for National Security Affairs
 John H. Holdridge, Senior Staff Member NSC

SUBJECT

Conversation Between Dr. Kissinger and Mr. Yamanaka on Okinawa Reversion and Textiles Issue

After the initial greetings, Mr. Yamanaka remarked that he and Mr. Nakasone comprised a "tight team" working together for the Japanese Liberal Democratic Party. Mr. Yamanaka had intended to ask Mr. Nakasone to write a letter of introduction for him to Dr. Kissinger; however, before his departure for the U.S., Prime Minister Sato had asked him to meet with the President, so there hadn't been time for him to ask Mr. Nakasone to write an introductory letter to Dr. Kissinger. Dr. Kissinger, recalling that Mr. Nakasone had been a former student of his, said that any friend of Nakasone's was always welcome, with or without a letter.

Mr. Yamanaka noted that he and Mr. Nakasone had been two of four staff members working for Mr. Kono Ichinomo of the LDP. This group had later divided up two and two, with Yamanaka and Nakasone forming "an attack team." Dr. Kissinger asked what an attack team did, and who it was attacking? Mr. Yamanaka replied that Mr. Nakasone was very undecided as to the object of the attack—he sometimes cooperated with Prime Minister Sato, and sometimes attacked him. Mr. Yamanaka asserted that he always supported Mr. Sato, and that was the difference between them. Occasionally there was dissention between Yamanaka and Nakasone, but they saw the advantage of working together. Their efforts were complementary, each having points which the other lacked.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 554, Country Files, Far East, Okinawa, Vol. II, 1971 and 1972. Secret. The meeting was held in Kissinger's office. Holdridge sent Kissinger talking points for this meeting in a memorandum of June 1. (Ibid., Box 536, Country Files, Far East, Japan, Vol. IV, 1 Jan–June 30, 1971)

Dr. Kissinger commented that he hadn't been in Japan for a long time, so he had no knowledge of what was going on in the political situation. Mr. Yamanaka said that if Dr. Kissinger was interested in the Japanese political situation, especially what might take place immediately after the retirement of Prime Minister Sato, he would be happy to go into this for Dr. Kissinger. Dr. Kissinger replied that he wanted first to give Mr. Yamanaka the opportunity to talk about anything which concerned him. Mr. Yamanaka remarked here that he hadn't any particular concern in mind, he simply wanted to brief Dr. Kissinger.

Dr. Kissinger stated that as Ambassador Ushiba knew, one problem with which he, Dr. Kissinger, was very much concerned with was Okinawa, and this he didn't regret; another problem, however, was textiles, which he did very much regret. Mr. Yamanaka interjected that he felt some way would surely be found to deal with the textiles issue. Dr. Kissinger went on to observe that he would say just one thing and then drop the subject—it would be a serious mistake to underestimate in Japan the bitterness and sense of outrage with which the textile issue was greeted in the U.S. This was all out of proportion to the matter. By way of explanation, he had that same day overruled a proposal from a very high source that we should hold up signing the Okinawa agreement until we had some guaranteed agreement on textiles.² He had overruled this proposal because he didn't want to put the textile issue on that high a plane, and would not even submit it to the President. *But*, the fact that such a proposal could be made at all by people who had the right to go directly to the President showed what the attitude here was.

Continuing, Dr. Kissinger stated that there was also a possibility we would have trouble getting the reversion of Okinawa ratified by the Senate. Dr. Kissinger commented at this point that he was personally sick of textile negotiations and didn't want to get involved in any more of them. Ambassador Ushiba asked what the Japanese might do. Dr. Kissinger declared that he wouldn't make suggestions on this. The tragedy was that Japanese-U.S. friendship was the keystone of peace in the entire Pacific area. If we were divided over big issues, that at least would be understandable, but it was absurd for the future of the Pacific area to depend on an essentially commercial issue. Mr. Yamanaka remarked that he had come here in part in order to have an interview with Ambassador Johnson about textiles. Speaking frankly, the feeling in Tokyo about the textile issue was quite different from

² Before the Kissinger–Yamanaka meeting, Kissinger rejected a proposal from David Kennedy, suggesting that the United States condition its signing of the Okinawan reversion agreement upon a resolution of the textile problem. (Memorandum from Holdridge to Kissinger, June 1; *ibid.*)

what Dr. Kissinger had conveyed about the impression here. After he returned to Japan, he would convey the “true situation” personally to Prime Minister Sato and would offer his advice.

Dr. Kissinger told Mr. Yamanaka he could be sure that Japan couldn’t have two people in the White House more dedicated to the future of Japan than the President and himself. The President considered Prime Minister Sato and Mr. Aichi as personal friends in addition to being officials of a great country. Dr. Kissinger reiterated that he had no specific problem on textiles to convey, and simply out of friendship wanted to convey an impression of the sentiment here. As Ambassador Ushiba knew, he had not injected himself in any of the detailed textile discussions.

Mr. Yamanaka said that Prime Minister Sato was afraid his personal relationship with the President, which he regarded as being a man-to-man one reflecting mutual confidence, was being undermined. That was why Mr. Sato had asked Mr. Yamanaka to convey his “loyalty” to the President. Dr. Kissinger remarked that he didn’t know what could be done to resolve the textile issue, but we would be having Ambassador Kennedy there and anything which could be worked out with him would certainly ease matters greatly. We would certainly have to see what the future brought. There would be, though, no underrating of the importance to us of Japan and of U.S.-Japanese friendship. Mr. Yamanaka expressed the belief that he could certainly influence Prime Minister Sato by talking to him personally upon his, Yamanaka’s, return.

Ambassador Ushiba asked for confirmation that the textile issue remained a key factor in the President’s mind. Dr. Kissinger explained that it had the unfortunate effect of raising a lot of irritation—our people felt that on two separate occasions things were supposed to have happened which didn’t. For the President, the biggest problems with Japan were our commercial relations. Our long-term political relations were not bad; in fact, they were very good, and we wanted to strengthen them. But this was an example of the sort of irritation which any critic of the Administration could build upon if he wanted to do so. Dr. Kissinger remarked that this was not his particular field; indeed, he tried to remain out of it all and up until a year ago didn’t even know what a category was.

Mr. Yamanaka asked Dr. Kissinger whether, when he was speaking about irritations, this meant that the President was personally irritated with Prime Minister Sato. Dr. Kissinger replied that this would be putting it too strongly. Nevertheless, the President had a political problem with respect to textiles which he had explained twice to Prime Minister Sato. On one occasion, he had not even wanted to raise the textile issue, but had done so at Mr. Sato’s request. Thus, the President

didn't have any personal irritation, other than the fact that the textile question made it easier for critics to raise issues which two years ago hadn't even existed as problems. That was the source of his irritation. Ambassador Ushiba probably knew that at the time of the Okinawa negotiations the President had broken every deadlock in favor of Japan, not out of sentimental reasons, but out of profound conviction that the U.S.-Japanese relationship would determine the future of the Pacific.

Mr. Yamanaka noted with respect to the Okinawa agreement that the time for signature was approaching. On the U.S. side, there was opposition to the agreement on the part of the military, while on the Japanese side there was the opposition of the Okinawan people. Prime Minister Sato wanted to overcome all this opposition. Dr. Kissinger assured him that we would get the agreement concluded this month. Mr. Yamanaka explained that he was the Minister in charge of the Okinawa negotiations, and wanted to express his personal thanks for what Dr. Kissinger had just said. Dr. Kissinger reiterated that we were not acting out of sentimental reasons but in the belief that our political relationship with Japan was more important than military bases on Okinawa. Mr. Yamanaka asked, did Dr. Kissinger mean that because in the Okinawa negotiations the President had overcome all deadlocks, it was now the Prime Minister's turn? Dr. Kissinger answered that this wasn't the case, he was just describing the President's attitude. He personally didn't think that we should link Okinawa to the textile issue. This was a commercial problem, while Okinawa was an historical problem. The Japanese could anticipate difficulty in the Senate, though. Speaking as a friend, and in all honesty, he had heard more complaints about Japan in connection with commercial policy than on any other issue. For himself, he was determinedly anti-economic, and didn't care one way or another.

Mr. Yamanaka said that since he and Dr. Kissinger had discussed textiles to such an extent, could he ask if there should be a government agreement in settling the textile issue? Dr. Kissinger expressed the opinion that it would be profitable to have a government agreement, but this seemed to be beyond the ability of the Japanese textile industry to accept. Every negotiator we had put on this matter had become infuriated, first Secretary Stans, then Mr. Flanigan, and now we had Ambassador Kennedy complaining and asking for drastic methods. Dr. Kissinger observed that he was doing half of Ambassador Kennedy's job by trying to keep everything under control here. He didn't know what the reasons for these harsh attitudes were. He had once known the details of the question, but was now trying hard to forget them.

Mr. Yamanaka stated that while he was not in charge of textile affairs and not commissioned to discuss them, as a Cabinet Member

and a Minister in the Prime Minister's Office, he had some influence and would talk about the problem when he got home.

Ambassador Ushiba mentioned that the Japanese textile industry would be implementing its voluntary restraints on textiles beginning in July. To this Dr. Kissinger noted that his people said that what the Japanese textile industry was doing wasn't enough, and didn't mean anything. He had decided that contrary to what diplomats believe, ignorance made the best negotiator, and that was what made him so good. He was completely ignorant, and hence was immune to what the Japanese said.³

Mr. Yamanaka, somewhat taken aback, asked if Dr. Kissinger was being sarcastic. Dr. Kissinger denied being sarcastic and said that he was being serious. Mr. Yamanaka asked whether, if Dr. Kissinger was really being serious, he was still a friend. Dr. Kissinger assured him that he could count on his still being a friend. He just wanted to give the mood here, and this had nothing to do with his personal feelings toward Prime Minister Sato or his personal friends in Japan. He had the good fortune—too long ago—to pay two visits to Japan, and had a great affection for that country.

Mr. Yamanaka wondered whether it might be possible for him to meet with the President, despite the shortness of time, to express Prime Minister Sato's concern over his, Sato's relations with the President. Dr. Kissinger said he would see what could be done, but it might be difficult. The President was preparing for a press conference that night which had already taken him two days. He and Mr. Yamanaka belonged to the "Union of Special Assistants to Prime Ministers and Presidents," so he understood Mr. Sato's and Mr. Yamanaka's kind of concern. Mr. Yamanaka agreed that he and Dr. Kissinger belonged to the same union. Had this not been the case, Prime Minister Sato would not have entrusted him with this special mission and he himself would simply have gone on to the Environmental Congress. Dr. Kissinger promised to do what he could, but hoped that Mr. Yamanaka would understand that with a three-day weekend followed by a press conference the President's schedule had been incredibly disrupted. Mr. Yamanaka could be certain, though, that he would report to the President immediately. Mr. Yamanaka said that he did understand, and that even for the Japanese there would be so much business on the desk after a three-day weekend that they would be very busy during succeeding days. Dr. Kissinger explained that when the President had a

³ When Kissinger reviewed the transcript, he crossed out the sentence that read: "This [Kissinger's self-proclaimed ignorance about the textile issue] was fortunate for him [Kissinger], for they [Japanese negotiators] would undoubtedly convince him if he knew what everyone was talking about." The page was retyped without the sentence.

press conference he withdrew for two days and nobody saw him, not even Dr. Kissinger. His calendar then got impossibly jammed up. Dr. Kissinger remarked whimsically that he was angry with the President for picking this time—there was a dinner party which Dr. Kissinger had wanted to give, but he now had to watch the press conference on television.

Mr. Yamanaka thought that Dr. Kissinger's advice had surely preceded the President's speech. Dr. Kissinger indicated that he did this in writing, and gave a book of suggested questions and answers to the President, who would then call him on the telephone. He had, in fact, actually seen the President the previous night. Were there press conferences of this sort in Japan? Mr. Yamanaka said that there were, and Dr. Kissinger recalled that when we had been assembling a task force to deal with the Korean crisis of 1969 (the EC-121 incident) the Japanese press had flown over our task force and had been fortunate not to have been shot down. They had come with blimps and everything else. This had been in the Straits of Tsushima, where in 1905 the biggest naval battle in history had been fought between the Russians and the Japanese.

Mr. Yamanaka recalled that Prime Minister Sato had given a press conference on the day of his, Yamanaka's, departure, and he had appeared together with the Prime Minister. Dr. Kissinger observed that he wasn't allowed to appear with the President here. As Ambassador Ushiba knew, Dr. Kissinger was very retiring and some days didn't appear in the newspapers at all. To this, Ambassador Ushiba mentioned that there were 5 or 6 pictures of Dr. Kissinger which had been taken in the Japanese Embassy during visits by well-known Japanese. Dr. Kissinger said that he had the Japanese Embassy infiltrated.

Dr. Kissinger remarked that he had run a seminar program in Harvard, in which there had been many Japanese students. One of these was Fujita, who was now a well-known television commentator. Mr. Yamanaka expressed some surprise at this since Mr. Fujita was older than Dr. Kissinger. Dr. Kissinger pointed out that this was a special program, and quite a few students had been older than he. He went on to express his pleasure at seeing Mr. Yamanaka, and asked him to convey his warm regards to Prime Minister Sato. He should stress that despite all criticisms, friendship with Japan was our basic policy. Mr. Yamanaka said that he would certainly convey everything Dr. Kissinger had said to the Prime Minister.

Mr. Yamanaka wanted to know if Dr. Kissinger had examined the Okinawa treaty, and if he could give a judgment of its conditions. Dr. Kissinger said that he had indeed examined the treaty. Mr. Yamanaka felt on the VOA issue the Japanese could take legislative action which would provide for U.S. access to the VOA facilities for five years, with

consultations on the question after two years. On another matter, since there was no civil airport on Okinawa, the Japanese wanted Naha airport to be returned so it could be transferred to the Ministry of Transportation. To this end, the U.S. P3 squadron would need to be transferred. Dr. Kissinger noted that we were in a position of talking to a few generals about this. They were on bread and water right now and would give up very soon. (He asked Mr. Holdridge if this remained a problem, and Mr. Holdridge said that it did not.) Mr. Yamanaka went on to say that on the Japanese side, they were prepared to bear the expenses for the return of the airport. Dr. Kissinger said he believed that everything would be worked out, and asked if Ambassador Ushiba agreed. (Ambassador Ushiba did.) It was not official yet, but he believed we were moving in a positive direction. Mr. Yamanaka mentioned that this would bring a very good change in the mood of the people of Okinawa and of the main Japanese islands. At this point Dr. Kissinger stressed that what he had said should be regarded as unofficial.

The meeting concluded with Mr. Yamanaka and Ambassador Ushiba hoping that Foreign Minister Aichi and Secretary Rogers would be able to iron out the last details of the Okinawa reversion agreement at the OECD meeting so that the signature of the agreement could still take place about mid-June. Dr. Kissinger was confident that this would be done.

74. Telegram From the Embassy in Japan to the Department of State¹

Tokyo, June 3, 1971, 0409Z.

5221. Subj: Rogers–Aichi Talk Re ChiRep in Paris. Summary: Both Emperor and PriMin Sato place highest importance on: a) keeping GRC in UN, and b) closest consultations with USG on China issues.

1. During 90-minute session June 2, PriMin Sato attached great hope to FornMin Aichi's forthcoming discussion re ChiRep with Secretary Rogers in Paris.² Sato noted he had just come from audience with Emperor. While Emperor is supposedly disinterested in political affairs, he had urged GOJ stand solidly with Chiang Kai-shek noting that Generalissimo had in times past done much for Japan.

2. Stressing importance of continued close USG–GOJ consultations, Sato observed that once course of action is determined, GOJ can lobby effectively with some countries, e.g. SEA nations, while USG can cultivate other territory, e.g. English speaking world.

3. Sato said he has impression USG is still gathering info. He indicated tempus is fugiting and much spadework will have to be done in anticipation of UNGA this fall. He noted that because of its involvement in Indo-China hostilities, in which PRC has direct interest, situation is in some ways more difficult for USG than for GOJ.

4. According to Sato, of utmost importance is close USG–GOJ consultation. I noted we staying in close touch but final USG decision re course to be followed not yet taken.

5. When asked specifically what message he wished conveyed to Secretary, Sato said it is GOJ's determination to honor its treaty obligations with Taiwan, and to uphold its "international faith." If GRC could keep its UNSC seat so much the better, but in any case GOJ wishes to take whatever steps may be necessary to assure that GRC stays in UN. He was glad to have reassurance that USG also wants GRC's continuation in UN.

6. Sato said Japan's new Chief Rep at UN Nakagawa has been instructed to sound out U Thant's views.

7. Earlier in day, Vice FornMin Mori had suggested to me that while it is GOJ's wish and PriMin Sato's strong determination to assure

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. IV, 1 Jan–30 June 1971. Secret; Exdis. Repeated to the Consulate at Hong Kong, Paris, Taipei, and USUN.

² A memorandum of conversation on Chinese representation between Aichi and Rogers, June 9, is *ibid.*, RG 59, Central Files 1970–73, UN 6 CHICOM.

GRC's preservation in UN, impression in GOJ circles is that USG's primary interest is maintaining bilateral commitment to GRC, with GRC's status in UN of lesser importance.³ I assured Mori that we share GOJ's desire to keep GRC in UN.

Meyer

³ On July 7, Ericson wrote a memorandum for Brown, indicating that "the Japanese are obviously beginning to suspect that our game is to delay a Chirep decision beyond the time when anything can usefully be done. If this is the case, the Japanese will feel they have been left holding the bag and Sato & Company will be in deep political trouble if their whole China policy is swept away by what happens in the UN." (Ibid.)

75. Memorandum From the Deputy Assistant Secretary of State for East Asian and Pacific Affairs (Brown) to the Under Secretary of State for Political Affairs (Johnson)¹

Washington, June 7, 1971.

SUBJECT

Chronology of Events Relating to Status of the Senkaku Islands

In response to your request, there follows a chronology of events relating to the status of the Senkaku Islands:

1943—*Cairo Declaration Strips Japan of Pacific Islands Seized or Occupied Since First World War*

While the Cairo Declaration stated the "purpose" of the signatories that "all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China," it does not mention the Ryukyus or the Senkakus.

1945—*Potsdam Declaration Limits Japanese Sovereignty but Does Not Specify Senkakus*

In the Potsdam Declaration of 1945, the signatories affirmed the terms of the Cairo Declaration shall be carried out and limited Japanese

¹ Source: National Archives, RG 59, Central Files 1970–73, POL 32–6 SENKAKU. Secret. Drafted by Mary E. McDonnell and Thomas P. Shoesmith in EA/ROC. A handwritten notation indicates that it was "LDXed to WH-Kissinger" on June 7. No record has been found of Ambassador Johnson's original request for a chronology.

sovereignty to the four major islands of Japan and to “such minor islands as we determine.” The Senkakus are not mentioned.

1951—*US Acquires Administrative Rights to Senkakus Under Peace Treaty with Japan*

Under Article 3 of the Peace Treaty, the US acquired administrative rights to “Nansei Shoto south of 29 degrees north latitude (including the Ryukyu Islands and the Daito Islands).”

The term “Nansei Shoto” was understood by the US and Japan on the basis of a 1939 Japanese map to include the Senkakus Islands which were being administered as a part of Okinawa prefecture. (The GRC note of March 15, 1971, acknowledges that the islands were included in Okinawa Prefecture after 1895.)

The US has been administering the Senkakus as part of the Ryukyus since the conclusion of the peace treaty.

1953—*Civil Administration Proclamation No. 27 Includes Senkakus in Ryukyuan Area Under US Administration*

Proclamation No. 27 (US Civil Administration of the Ryukyu Islands, December 25, 1953) defined the territorial jurisdiction of the US Civil Administration of the Ryukyu Islands and the Government of the Ryukyu Islands as “all those islands, islets, atolls and rocks and territorial waters” within specific geographic coordinates that included the Senkaku Islands. (In an oral presentation on September 15, 1970 and in its note of March 15, 1971 the GRC took the position that it did not challenge the inclusion of the Senkakus in the US administration of the Ryukyus since it regarded our military presence in the Ryukyus as important to the maintenance of regional security.)

1968—*ECAFE Geophysical Survey Indicates Possible Oil Deposits Under Yellow and East China Seas*

The ECAFE survey, made by a group of scientists from the United States, Japan, the Republic of China, and South Korea, found that the continental shelf in the Yellow and East China Seas may be one of the richest oil reserves in the world. The Senkaku Islands lie in an area that gives promise of oil resources. Japanese interest in affirming sovereignty over the Senkakus probably was inspired by the possibility that it could thereby strengthen its claim to a portion of the continental shelf.

Fall of 1968—*GOJ Requests USG to Remove Chinese from Senkakus*

Japan protested that the United States was not taking adequate measures to protect Japan’s residual sovereignty over the Senkakus. Japan objected to the presence of Chinese from Taiwan while they salvaged a stranded vessel.

At our request, the Government of the Republic of China (GRC) agreed to see to it that Chinese going there followed appropriate entry procedures.

Spring of 1969—*Ryukyuan Government Posts Signs Regarding Administrative Jurisdiction of Senkakus*

The Government of the Ryukyu Islands posted signs on the Senkakus proclaiming them to be under administration of the Ryukyu Islands.

November 21, 1969—*Nixon-Sato Communiqué Agreeing to Okinawan Reversion*

The GRC insisted that it should be consulted on reversion but did not raise the specific question of the Senkakus.

July 17, 1970—*GRC Claims Natural Resources of Unspecified Area of Continental Shelf*

The GRC announced that it could exercise its sovereign right over all natural resources in the seafloor and its subsoil in the vicinity of the coast of the Republic of China and beyond its territorial waters. The statement was preparatory to the announcement of large concession zones.

July 20, 1970—*Japan Claims Senkakus*

In a note to the GRC (not revealed to us) the GOJ apparently asserted its claims to sovereignty over the Senkakus.

August, 1970—*Japan States Claim Publicly*

In a statement to the Upper House of the Diet, Foreign Minister Aichi stated that the GOJ consistently has claimed the Senkakus as part of Nansei Shoto and, therefore, of the area over which it has residual sovereignty.

July 28, 1970—*GRC Assigns to Gulf Concession Area That Includes Senkakus*

The GRC-owned China Petroleum Corporation signed a contract with Gulf for joint exploration and exploitation of an area of the continental shelf including the Senkakus.

August 21, 1970—*GRC Ratifies 1958 Continental Shelf Convention With Reservation Applying to Senkakus*

The GRC ratified the 1958 Convention on the Continental Shelf with a reservation providing that “in determining the boundary of the continental shelf of the Republic of China, exposed rocks and islets shall not be taken into account.” In effect, the GRC was stating that, even if Japan should claim the Senkakus, sovereignty over them would not entitle Japan to a share of the shelf.

September 2, 1970—*Taipei Journalists Plant Flag on Senkakus*

A group of journalists from Taipei’s *China Times* and the crewmen of their vessel planted the flag of the Republic of China on Uotsuri, the largest of the Senkaku Islands. The GRC said the act had not been done at its direction. The flag was removed a few days later with US approval, by a Ryukyuan patrol.

September 10, 1970—*State Department Gives US Position on the Status of the Senkakus*

In answer to a press question, the Department spokesman said the US intends to return the Senkakus to Japanese administration under the Nixon–Sato agreement but considers any conflicting claims to be a matter for resolution by the parties concerned.

September 15, 1970—Vice Foreign Minister Shen, in an oral presentation to Ambassador McConaughy, rejected Japan's claim to sovereignty and urged that the USG avoid statements on this subject. He did not assert a GRC claim or raise the question of reversion.

September 16, 1970—Mr. Green confirmed to Ambassador Chow Shu-kai that we consider the Senkakus to be part of the Ryukyus but take no position on the dispute between the GRC and the GOJ.

October 1970—The GOJ informed the GRC that the question of sovereignty over the Senkakus was not negotiable.

December 3, 1970—*People's Republic of China Asserts Its Claim to Sovereignty Over the Senkakus*

In NCNA statement, Peking protested the incorporation of the Senkakus into Japanese territory.

February 1971—*GRC Claims Sovereignty Over Senkakus*

The GRC publicly and for the first time asserted its own claim to the islands.

March 15, 1971—*GRC Asks US to Withhold Senkakus from Okinawa Reversion*

In a diplomatic note, the GRC requested the United States to exclude the Senkaku Islands from the reversion of Okinawa to Japan. (This action evidently was prompted by the rising anti-Senkaku reversion movement in the US.)

April 12—In his farewell call on the President, Ambassador Chow Shu-kai raised the Senkaku issue. At the President's suggestion, Ambassador Chow reviewed the GRC's position with Mr. Kissinger, who listened without comment.

May 26, 1971—*US Note Responding to the GRC States That US Intends to Turn Senkakus Over to Japan* (attached)

May 31, 1971—Foreign Minister Chow Shu-kai, on instructions from President Chiang, reiterated the GRC request that we withhold the Senkakus when the Ryukyus are returned to Japanese administration.

June 4, 1971—*Ambassador Shen Asks US to Persuade Japan to Discuss Status of Senkakus with GRC*

In a representation to Mr. Green, Ambassador Shen reiterated the GRC request. Shen offered the personal suggestion, however, that the US try to persuade the Japanese to discuss the status of the Senkakus

with the GRC. Mr. Green said that he would give Shen's suggestion some thought. (It is doubtful that the GOJ would agree to discuss the question of sovereignty over the Senkakus, given their previous position. GOJ reluctance probably is strengthened by the desire to avoid a dispute with the PRC over this issue.)²

² On June 9, during a meeting with Aichi, Rogers raised the issue of the public reaction of young Chinese to the inclusion of the Senkakus in the territories to be returned to Japan. Rogers asked Aichi "whether Japan could not take some steps which would not affect its legal position to dampen this reaction, pointing out that the GRC had officially raised this subject with us and stressing that it would be very helpful if the Japanese could fairly promptly initiate discussions with the GRC." Aichi responded that the reversion agreement avoided mentioning the Senkakus by name, but noted that if it appeared necessary, Japan could discuss this subject with the Government of the Republic of China. Rogers "commented that we did not think of this point as a condition for the agreement, but did wish to point out that the reversion agreement does not affect the jurisdictional problem one way or another." (Memorandum of conversation, June 9, Part I of III; *ibid.*, POL 19 RYU IS)

76. Airgram From the Embassy in Japan to the Department of State¹

A-443

Tokyo, June 9, 1971.

SUBJECT

Strains in U.S.-Japan Relationship

Summary: Recent high level Japanese expressions of concern at deterioration of U.S.-Japanese relations, primarily because of current economic problems are reflection of growing feeling in Japan that some sort of anti-Japanese campaign is developing in the U.S. Worst of all, feeling has begun to develop that this wave of criticism may have at least tacit support of USG.

Problems between U.S. and Japan are real and some are quite serious, but at root are underlying psychological problems stemming from mutual misunderstandings and cultural differences. Japanese media further complicate matters by disproportionate coverage they

¹ Source: National Archives, RG 59, Central Files 1970-73, POL JAPAN-US. Confidential. Drafted by William C. Sherman, a political officer at the embassy on June 8. Deputy Chief of Mission Richard Sneider approved its contents, and Meyer cleared it in draft.

give to all U.S. stories remotely concerning Japan and by crisis mongering manner in which they are frequently played.

Although Japan has virtually achieved super-power status in terms of GNP, it has not yet developed any coherent plan concerning its role in Asia and rest of the world. Insecurity and uncertainty characterize many of their responses to outside world. Combined with vestigial feelings of inferiority toward West in apposition to their own national pride, Japan is faced with overcoming formidable psychological difficulties in coming to terms with newly-achieved power status. Buffeted by these factors, Japan is often irrationally affected by outside criticism.

While foregoing cannot justify Japanese actions or failure to act on certain problems, it does represent fact of life in dealing with Japan. This is particularly true in criticism of Japan from U.S. sources owing to heretofore “special relationship” which has existed and which has tended to buffer the shock waves of specific problems in the past.

Japanese leadership elites now gradually becoming aware of intensity of American dissatisfaction over certain aspects of relationship, and it is much in our interest to accelerate progress in adjusting to new power relationship, but the way we go about it is extremely important at this juncture. In order to eliminate much of impending sense of crisis in Japan about relationship with U.S., Embassy strongly recommends that U.S. *official* statements and actions be designed to defuse inherent emotional content of complicated issues by putting them into perspective rather than by stimulating anxieties through rhetoric. We also believe that more intimate forums outside of the glare of publicity should be developed to promote frank exchanges between leaders of two countries.

Because of intimacy and interdependence of Japan-American relationship, we have no lack of tools to influence quietly and pressure Japanese policy in favorable direction. Most of all, despite current difficulties, there exists in Japan a broad reservoir of good will towards U.S. which, because it is such a rare thing in today’s world, is something not only to be exploited but to be prized and preserved. *End summary.*

[Omitted here is the body of the airgram.]

77. Memorandum From the Acting Executive Secretary of the Department of State (Brewster) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, July 8, 1971.

SUBJECT

Japanese Cabinet Reorganized

On July 5, Prime Minister Sato formed what most observers believe will be his last Cabinet.² On the basis of the new Cabinet lineup, Sato has sought to accomplish two things before his anticipated retirement in the Fall of 1972:

—First, by switching Takeo Fukuda from Finance to Foreign Minister, he has sought to broaden Fukuda's experience and contact with foreign affairs, and by adding to his already extensive economic experience, further qualify him to take over the reins from Sato.

—Secondly, the Fukuda appointment together with that of Kakuei Tanaka to the powerful Ministry of International Trade and Industry, has brought two of the most influential Japanese politicians to positions of key importance to the U.S.-Japan relationship. If Tanaka cooperates with the Sato policy of easing economic tensions with the U.S. as expected, Fukuda will be able to claim some status as a diplomat/statesman, Tanaka will have maneuvered himself into a good position to succeed Fukuda, and Sato will be able to exit under conditions in which the relationship is not under so much pressure as at present.

In terms of U.S. interests, the new Cabinet lineup promises to offer some hope for greater cooperation from Japan in the economic sphere, including, perhaps, textiles. According to the Japanese press, Sato, Fukuda and Tanaka see the first principal tasks facing the Cabinet as the alleviation of strains in the US-Japan relationship created by economic issues. Should this Sato strategy fail, the succession could be in question

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul-Sep 71. Limited Official Use. Sent to Kissinger under a July 26 covering memorandum from Holdridge, which Kissinger initialed.

² Sato informed Ambassador at Large David Kennedy that the reshuffle was designed to improve relations with the United States and also resolve the textile issue. Kennedy wrote that Sato "told us that in the selection of ministers who have responsibility, particularly MITI, he would be fully informed that the textile issue was their number one priority item to be settled immediately after assuming office. He went so far as to say that the MITI Minister would be told that the textile issue must be favorably settled before even accepting his appointment. The implication was that it was a pre-condition for his appointment." (Trip report by Kennedy, July 31; *ibid.*, White House Special Files, Staff Member and Office Files, Box 1, Peter Peterson, Subject Files, Textile Negotiations, April-July 1971)

and we may be faced with mounting, rather than decreasing, economic frictions with our best customer and the strongest nation in Asia.

Robert C. Brewster³
Acting Executive Secretary

³ Eliot signed for Brewster over Brewster's typed signature.

78. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, undated.

SUBJECT

Secretary Laird's Meeting with Japanese Prime Minister Sato July 9

The following is a brief summary of the highlights of Secretary Laird's two hour meeting on July 9 with Japanese Prime Minister Sato:

—In response to Prime Minister Sato's disbelief that conventional military deterrence was adequate in Asia and his view that our nuclear shield was vital, Secretary Laird assured Sato the U.S. would maintain a proper and sufficient nuclear deterrent vis-à-vis the USSR.

—In response to Laird's comment, Sato said that Japan should not be too dependent on the U.S. for conventional military force and intended to improve the quality of its forces, that it was not economically practical for Japan to have an independent defense industry, and that he hoped the U.S. would lend assistance with advanced technology.

—Asked by Sato, Laird reviewed our assessment of the military threat from Peking.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul–Sep 71. Secret. Sent for information. A note on the first page reads: "Not sent—per Gen. Haig." See Laird's report on his trip to Japan, Document 80.

—Laird stressed the importance of Japanese economic assistance to the Indochinese states, and Sato said his Government was studying additional efforts it might make in this area.

—Sato said his recent shift of Foreign, Finance and International Trade and Industry Ministers was aimed at improving U.S.-Japanese relations, and that he had specifically instructed them on the need for greater liberalization of trade and investment restrictions.

—Sato expressed appreciation for the conclusion of Okinawan reversion negotiations.

—Sato thanked Laird for your personal message of good wishes and hope for the success of his new cabinet.

79. Letter From President Nixon to Japanese Prime Minister Sato¹

San Clemente, California, July 16, 1971.

Dear Mr. Prime Minister:

I have just completed a very fruitful round of discussions with Ambassador-at-Large David M. Kennedy regarding the current textile negotiations in the Far East which he is conducting as my personal envoy. As a result, I would like to personally reaffirm to you the very great importance which I attach to settling the textile issue. I must, as well, reluctantly express my regret upon learning that progress toward reaching accord with Japan has been delayed.

¹ Source: National Archives, Nixon Presidential Materials, White House Central Files, Staff Member and Office Files, Box 1, Peter Peterson, Subject Files, Textile Negotiations, April–July 1971. Nixon signed this letter after receiving it from Kennedy during a meeting at the Western White House that started at 10:08 a.m. At the same time Nixon signed a similar letter designated for Korean President Chung Hee Park. (Ibid.) Kennedy also gave Nixon a memorandum describing the course of the textile negotiations in the Far East. He noted that the negotiations were at a “make-or-break point” and “the key is Japan.” (Ibid.) Richard Kennedy and Ernest Johnston of the NSC staff prepared a July 15 briefing memorandum for Kissinger in anticipation of this meeting. (Ibid., NSC Files, Box 400, Subject Files, Textiles, Vol. IV, Jan–Dec 1971)

From 10:35 to 10:40 a.m., Kennedy remained behind to speak with the President, as others in the room departed. At this time, Nixon probably offered Kennedy the ambassadorship to Japan, a proposition that he made at some point on July 16. On July 19, Kennedy sent a memorandum to the President declining this post. (Ibid., Nixon Presidential Materials, White House Special Files, Staff Member and Office Files, Box 14, Peter Flanigan, Special Files, 1971)

While I recognize that the decision which you must make involves far-reaching political considerations, I would like, nonetheless, to emphasize the fundamental importance to the future course of U.S.-Japanese relations which resolution of the textile issue between the United States and Japan now entails. This is a matter which I know you appreciate as fully as I do, and I am happy to see this appreciation reflected in your recent cabinet realignment and the public statements which members of your cabinet have made emphasizing the importance of materially improving U.S.-Japanese economic relations. I am confident, therefore, that your decision on the textile issue will afford us the opportunity to make great strides in this direction.

Sincerely,

Richard Nixon

80. Memorandum From Secretary of Defense Laird to President Nixon¹

Washington, July 19, 1971.

SUBJECT

Trip to Japan

General. It was my privilege to represent you, and to be the official guest of the Japanese Government, during the period July 4–11. During my stay in Japan, I had discussions with key Japanese officials, as well as top US civilian and military leadership. I also visited installations and units of the Japanese Self Defense Forces.

Among the Japanese officials with whom I talked were Prime Minister Sato; the outgoing Director General (Nakasone) of the Japanese Defense Agency; and the newly appointed Director General (Masuhara). As you know, PM Sato appointed a new cabinet on 5 July, the day after I arrived in Japan. The new Foreign Minister, and former Finance Minister, Fukuda had to cancel our scheduled appointment because of recurring medical problems and imminent surgery.

¹ Source: Washington National Records Center, RG 330, OSD Files: FRC 330–76–197, Box 67, Japan, 333 Laird. Top Secret; Sensitive; Eyes Only.

I went to Japan mindful of the four basic tenets of your policy towards Japan (NSDM 13),² viz:

—We shall basically pursue our current relationships with Japan as our major partner in Asia, seeking ways to improve this relationship from the viewpoint of US national interests and to seek an increasingly larger Japanese role in Asia.

—We shall allow the present Treaty of Mutual Cooperation and Security to continue

—We shall continue to make gradual alterations in our base structure and base utilization in Japan to reduce major irritants while retaining essential base functions.

—We shall continue . . . (the) policy of encouraging moderate increases and qualitative improvement in Japan's defense efforts, while avoiding any pressure on her to develop substantially larger forces or to play a larger national security role.

The Department of Defense has been endeavoring, since NSDM 13 was published in May 1969, to implement your policies towards Japan, especially in the area of altering our base structure. During my recent visit I tried to advance your policies even further. Special attention was given (a) to confirming our Treaty of Mutual Cooperation and Security; (b) to encouraging increased effectiveness, through qualitative improvements, in the Japanese Self Defense Forces; and (c) to soliciting a larger Japanese role in Asia, especially through economic and supporting assistance. As I shall explain later, I believe there are reason and opportunity to ask Japan to play a more effective—if not a larger—national security role.

In this report, I shall outline my discussions and activities, provide my principal impressions, and indicate some conclusions.

Discussions and Activities.

As I noted earlier, I talked at some length with PM Sato and the outgoing and incoming Directors General of the Self Defense Forces (SDF). While the gist of these conversations has been reported separately from the US Embassy, Tokyo,³ I should like to recount the discussions briefly.

² Document 13.

³ Telegrams 6719 and 6720 from Tokyo, both July 11, describe Laird's meetings with Sato and Masuhara. (National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Japan, Vol. V, 1 Jul–Sep 71)

Prime Minister Sato.

The Prime Minister was obviously pleased by your congratulatory note on the Okinawa reversion agreement.⁴ He showed it to Ambassador Meyer and me with considerable relish. I relayed your personal best wishes to Sato, plus your hope for the success of the newly appointed cabinet.

Sato was relaxed and seemingly enjoying the conversation as much as I. He was forthright on a number of what I considered to be key points. He said, for example, that the essential pillars of your foreign policy—strength, partnership, and a willingness to negotiate—were fully understood at the top levels in Japan. They were not fully understood at lower functioning levels, however. He observed, without coaxing, that Japan needed to do more in the security and foreign policy arena. At one point, he stated explicitly that the Self Defense Forces should be modernizing at a more accelerated and meaningful pace. At another point, he said Japan was considering an economic stabilization fund to help stem the inflationary tide in Southeast Asia.

With reference to Japanese/US relationships, Sato said he had specifically instructed his newly appointed Foreign Minister, Minister of International Trade and Finance [*Industry*], and Finance Minister on the need for mutual cooperation and trust. He indicated his cabinet should, and must, grasp the significance of the US/Japan relationship. Sato said he and his cabinet would work closely with us on a “coherent” trade policy. I pressed hard on the need for more Japanese purchases from the US, particularly in the Defense area. The current annual level of \$95 million is not representative of Japan’s needs, its ability to buy, or bilateral trade situation. A Sato comment that I considered especially intriguing (though the US Embassy representatives did not) was, in essence, that “in case of emergency, the Japanese industrial might will be at the disposal of the US.” I did not press Sato on the precise meaning or implications of the remark. Potentially, however, the implications are substantial and important for the US.

On Defense relations, I told Sato that the US Congress consistently pressed the Administration on whether there was true partnership in our security relations with other Free World nations. Specifically, I said, there was Congressional reference to the 7 percent, or more, of Gross National Product (GNP) the US devoted to national security as opposed to the 1 percent or less provided by Japan. I tried to impress on Sato that despite the \$16.6 billion to be dedicated to defense in

⁴ Laird is probably referring to Nixon’s June 26 message to Sato, which addressed the Okinawa reversion agreement. (Ibid., Box 757, Presidential Correspondence File, 1969–1974, Japan (Sato Corr) 1969–8 Jul 1972)

Japan's current (i.e., the 4th) five-year plan, such expenditures were still inadequate. I told Sato that I had had the privilege of visiting selected Ground Self Defense Force and Air Self Defense Force units. I had been struck by the facts that (a) much of their equipment was old and no match for that of other Asian powers, and (b) attempts to retain adequate numbers of trained personnel and attract new ones to the Japanese all-volunteer forces were not universally successful. The clear need, if Japan was to fulfill even a modest foreign policy role—and with *no* increases in the size of the forces—was for increased defense spending. More specifically, I told Sato that in my judgment, Japan needed to:

- Replace obsolete equipment in all of its branches with more modern weapons.

- Flesh out its forces and retain its trained people through more adequate incentives and compensation.

- Improve the effectiveness of its forces through regional joint training exercises, particularly in air defense and anti-submarine warfare.

- Adapt to Asian security needs, especially through providing economic and supporting assistance to those Free World Asian nations in dire need of such support.

Sato said he did not [?] intend to improve the quality of the Self Defense Forces. He did not believe, as some Japanese did, that it was feasible to have a fully-independent Japanese defense industry. He hoped the US would lend some assistance, particularly with regard to advanced technology.

The Prime Minister repeated a theme consistent among Japanese officials, viz., the importance of the US nuclear shield and the hope the US would maintain a sufficient nuclear deterrent. Japan worries about how long it can defense [defend] itself against aggression without the nuclear shield. Sato expressed doubt regarding the ability to deter war with conventional weapons, but he agreed Japan should not be too dependent on us in the conventional field and needed to improve its conventional strength. I emphasized (a) the US and the USSR had achieved strategic nuclear parity; (b) conventional forces will take on added importance in the 1970's; and (c) the Free World nations need an effective conventional deterrent. Unlike the strategic nuclear area, all Free World nations can and must join in partnership to muster the strength needed for adequate conventional deterrence.

Sato was especially interested in the People's Republic of China (PRC) and, more specifically, any key intelligence we might be able to share with him. I outlined in broad terms the recent PRC developments in aircraft, conventional ground force equipment, and the strategic field. I also indicated we would share additional information with him on a close-hold, confidential basis. I shall, at your convenience, discuss that with you privately.

Sato commended our Vietnamization policies and commented on the much lower recent levels of US casualties. I observed that if there were a weak element in the Vietnamization program, it was in the economic area. That is where Japan can help now and over the near-term future. It was at this point Sato told me he was studying the possibility of an economic stabilization fund for Southeast Asia (SEA). Such a fund, if correctly conceived and prudently administered, could help in the universal fight against SEA inflation and balance of payments disequilibria.

Again, the meeting with Sato was congenial, yet forthright. He impressed me as a man who, though faced with many troublesome and delicate issues is definitely in charge.

Director General Nakasone.

The meeting with Nakasone was unusual in a sense. He literally had only hours—if not minutes—left in office when I talked with him on 5 July. He will remain influential in the Liberal Democratic Party, however. It is conventional wisdom to suggest we shall see and hear more of Nakasone over the coming years.

Nakasone covered a number of the same topics outlined in the Sato discussion. I did have to spend more time with Nakasone than with the Prime Minister explaining your foreign policy and the Administration's national security strategy for the 1970's. Nakasone was particularly interested in the concept of Total Force Planning. I had the feeling, based on subsequent discussions, it was good for some of our own people to hear the US policies and programs enunciated. (Our Ambassador and his politico-military counsellor accompanied me to each of the meetings.)

Turning to the list of items we had discussed in September 1970, when Nakasone was my guest in the United States,⁵ the outgoing Director General expressed gratification for a number of actions. Significant among the actions had been realignments of the US basing structure in Japan and, of course, the perpetuation of our Mutual Security Treaty.

Nakasone expressed the conviction that future US/Japanese problems could be handled effectively. He referred especially, as did other top Japanese officials, to economic and trade issues. On defense matters, Nakasone felt the treaty could be managed to maintain the vital ties between the US and Japan. Nakasone also described the 4th Defense

⁵ Laird met with Nakasone in the Pentagon from 10 until 11:45 a.m. on September 9, 1970. (Memorandum of conversation; Washington National Records Center, RG 330, OSD Files: FRC 330-76-67, Box 74, Japan 091.112) A second conversation between them occurred at the Pentagon on September 14, 1970, from 10 until 10:40 a.m. (Ibid.)

Buildup Plan, which is currently underway. While the \$16.6 billion five-year program is better than previous plans (more than twice the most recent plan), Nakasone did not make a convincing case (a) that the current plan was enough, (b) that the plan represented coherent outlays in conjunction with a realistic security strategy, or (c) that Japan could not afford to do much more.

As with Sato, Nakasone was vitally interested in US policy toward the People's Republic of China. I told Nakasone we were proceeding cautiously and that, from a military standpoint, I could see no imminent fundamental changes on either side. Again, Nakasone expressed intense interest in any military intelligence the US could share with Japan on the PRC. I had the feeling that Nakasone was skeptical and even somewhat cynical about recent PRC foreign policy activities—actions which Nakasone characterized as “a policy with a smile.”

[4 lines not declassified] The real reason for such a plan was to provide Sato's party with political ammunition. The four points Nakasone made were:

- [1 paragraph (1½ lines) not declassified]
- [1 paragraph (1½ lines) not declassified]
- [1 paragraph (3 lines) not declassified]
- The Japanese team would then report to the Director General, who, in turn, would report to the Diet.

Nakasone, with an obliging air, told me I need not answer him at the time of our meeting.

I told Nakasone I would look at his proposition. But, I referred him to your communiqué with Prime Minister Sato and the express call for mutual trust.⁶ I suggested the effectiveness of the nuclear umbrella, as a deterrent, was based on mutual awareness and mutual trust. [1 line not declassified] Moreover, I commented that those who enjoy the fruits of our nuclear deterrent should be willing to help us to help them. (I was referring, of course, not only to the Okinawa issue but also to the recurring problems caused for our forces by the Japanese sensitivity to the real or imagined presence of nuclear weapons in their immediate proximity.) [3 lines not declassified] I was impressed by the fact a senior Japanese official would make such a statement, though our Embassy people commented later it was not particularly new or noteworthy. I believe, whatever the vintage of the idea, it has considerable potential significance.

⁶ See Document 28.

Masuhara.

Though newly appointed as Director General when I met with him, Masuhara is no newcomer to the defense field. As you know, he held the post now called Director General when the function was created in the early 1950's. My initial assessment is that he will bring depth, maturity, and considerable practical savvy to the position.

As with the Prime Minister, I met with Masuhara after I had had the opportunity to visit Self Defense units and installations and to talk with senior US and Japanese military officials. That experience helped me. I could express with more conviction the fact that Japan could do more to further its own security interests, particularly in the area of making more effective the forces in its current and projected plans.

I explored with Masuhara the prospects for modernizing and increasing the effectiveness of all its Service elements—ground, sea, and air. I also raised the prospect for making more effective—as opposed to enlarging—its regional security role. Participation in joint training exercises—particularly air, sea, and command post maneuvers—with US and ROK forces is a logical area to explore. Officer exchange programs and periodic top-level discussions among key civilian and military officials are other areas which, if managed correctly, could add immeasurably to more effective regional security.

Otherwise, in the discussions with Masuhara, the points covered were duplicative of the conversations with Sato and Nakasone. The Masuhara meeting was considerably more narrow in scope than either of the other two talks. The one point raised with Masuhara that did not come up otherwise was my request for consideration of pre-positioning the families for 6 US destroyers and one US aircraft carrier in Japan. Actually, the 6 destroyers can and will be considered separately from the carrier. The DDs constitute a relatively benign issue. The carrier involves political sensitivities for the Japanese. I did not make a formal request at the time of our meeting but did ask for Japanese thinking on the subject. Masuhara said he understood the proposal, and would communicate, after study, Japan's official views through our Embassy.

As with the other senior Japanese officials, the talk with Masuhara was warm and friendly. Harmony and commonality of Free World interests were at all times evident.

Main Impressions.

The main impressions I carried away from Japan are as follows:

—The main elements of NSDM 13, i.e., your policies toward Japan, are being carried out.

—Japan is intent on preserving and strengthening its security relationships with the US. I was particularly impressed by Sato's reference

to making Japan's industrial might available in emergencies [2½ lines not declassified]

—Japanese officials at the top understand—at least since my trip—the basic tenets of your foreign and national security policies.

—Japan is reaping substantial benefits from the security provided by other major and developed Free World nations. Japan is not sharing proportionately in assuming the cost and burden of that security.

—Japan wants the US to maintain an effective strategic nuclear deterrent and to provide Japan the opportunity to maintain a position under that so-called “nuclear umbrella.”

—In the conventional area, Japan's forces are markedly obsolescent. It is not clear what threat, other than internal disturbances, the current Self Defense Forces could handle.

—Japanese officials understand and at least give lip-service to the need for modernizing and making more effective its Defense establishment. The modernization would be limited solely to conventional weapons.

—While there are many areas in which Japan could and should bolster its conventional deterrent, there is no prospective role for Japanese nuclear weapons. Such use of Japanese resources would, in fact, be a gross political, economic, and military mistake.

—The Japanese are deeply interested in activities of the PRC and in evolving US policy towards the PRC.

—US/Japanese relations on all major issues are harmonious. There is no reason to believe they cannot continue to be so.

Conclusions and Recommendations.

1. NSDM 13 can continue to serve as a sufficient basic guideline for US policies toward Japan. More specifically, however:

a. There may be ways to improve our basic relationships from the viewpoint of US national interests and to provide for an increasingly larger Japanese role in Asia. On the former point, regularized personal consultations between top US and Japanese officials in the military, economic, and diplomatic arena would be in my judgment productive. On the latter point, cultivation of such ideas as the Japanese stabilization fund for SEA and vastly expanded supporting assistance throughout the other free nations of Asia would be helpful.

b. The Treaty of Mutual Cooperation and Security can be continued. It should not be taken for granted, however.

c. Our base structure and base utilization in Japan have been effectively realigned. We should not be hesitant, however, to ask for further realignments in our behalf, particularly where such realignments directly help to facilitate the US nuclear and conventional deterrents which benefit Japan directly.

d. We should not only encourage but virtually insist on qualitative improvements and increased effectiveness in Japan's Self Defense Forces. While we need not modify NSDM 13 to suggest substantially large forces or a larger regional security role, we should emphasize

the theme of quantum jumps in effectiveness in both Japan's forces and its regional security posture.

2. Japan has no need for developing or otherwise obtaining any nuclear weapons. In fact, given the many higher priority prospective uses for Japanese resources, we should openly oppose any such contemplation by Japan if it were to occur.

3. Japan, despite its acceptance of the principle of force modernization, shows no immediate prospects of increasing its annual outlays for security. We should take every feasible step to encourage Japan to do so. Resources should be used within the policy guidelines of NSDM 13, to (a) modernize their forces, (b) acquire in full measure the planned SDF manpower levels, (c) insure that current SDF units are effective and well trained, (d) participate in joint exercises to accentuate further the force effectiveness, and (e) help to provide the supporting assistance needed elsewhere throughout Asia. Japan may be tempted to use arguments of convenience to avoid assuming its equitable share of the Free World Security burden. Avoidance of rising or resurgent Japanese militarism is one such argument. The economic needs of the Japanese people (redistributing income) who have not yet shared fully in the fruits of its miraculous post-World War II growth is another such argument. We should, in my judgment, not allow such arguments to gain undue currency. Japan can and should—within your conceptually and practically sound policy guidelines—do more.

Mel Laird⁷

⁷ Printed from a copy that indicates Laird signed the original.

81. Memorandum for the Record¹

Washington, July 20, 1971.

SUBJECT

Conversation with Japanese Ambassador Ushiba

In accordance with my telephone conversation with him from San Clemente on the evening of July 15, I met with Ambassador Ushiba at his residence at 5:00 P.M. on Sunday, July 18. Our meeting lasted about one hour and a half, and Minister Okawara was also present.

At first Ushiba said that he, and he thought most Japanese officials, admired and envied the ability of the President to take such a bold step with regard to Peking.² A move of this kind would be entirely impossible for any Japanese Prime Minister, for it would have to have been preceded by discussion within the party and the cabinet, with the inevitable leaks.

He fully understood and accepted the reasons for secrecy with regard to the move, but the fact of the matter was that this was going to present most serious problems to Sato and his supporters in the LDP. As viewed within Japan and as it would be presented by the opposition, Sato had over the years based his policy on the Yoshida tradition of close collaboration with the United States in foreign policy, especially in the China issue, but the charge would now be made that the United States had pulled the rug out from under this policy by making this dramatic move on China policy, not only without consulting but even without any substantial prior notice to the Japanese Government.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul–Sep 71. Secret; Limdis. Drafted July 20 by U. Alexis Johnson who sent it under cover of a letter to Kissinger on that date. In his letter, Johnson noted that his memorandum did not mention “the fact that Ushiba showed me a long letter that Prime Minister McMahon of Australia had sent to Prime Minister Sato about the necessity of Japan and Australia concerting with each other on the U.N. problem, in the light of the U.S. move to Peking that had caught them both off guard.” Holdridge forwarded Johnson’s letter to Kissinger under a July 22 memorandum, in which he observed: “The main thrust of Ushiba’s comments on the China announcement was that, since by giving only short notice to Tokyo we had pulled the rug out from under the traditional Japanese policy of close collaboration with the U.S. in foreign policy, it is now of the greatest importance that we consult closely on Chirep.” Kissinger initialed Holdridge’s memorandum. (Ibid.)

² On July 15, Nixon announced that Kissinger had secretly traveled to Peking in order to arrange a Presidential visit. See *Foreign Relations, 1969–1976*, volume XVII, China, 1969–1972.

Thus Ushiba felt that it was of the greatest importance that we consult closely and move together to the greatest degree possible on the Chirep issue in the U.N. We had been working closely together on this up until now, and the political effects in Japan on our relations would be very much exacerbated if we appear to be moving separately from Japan or again “leaving Japan behind” on this issue. I said that I understood and accepted Ushiba’s point, but that the Chirep issue was very complicated. I assured him that our objective continued to be to do all possible to maintain the GRC seat in the U.N. We then had a detailed discussion about the various U.N. alternatives.

Among the other points made by Ushiba during our conversation were the following:

1. A fundamental policy objective of Peking was to split Japan off from the U.S. and “neutralize” it.

2. Peking will “not soften” on its refusal to do business with Sato and his wing of the LDP in the hope and expectation that increasing pressure from the Socialist and Komeito parties, as well as from the left wing of the LDP, will eventually force the formation of a more “neutral” government that will be willing to loosen its ties with the U.S. to meet the popular demand in Japan for improving relations with Peking.

3. During the Diet debate on the Okinawa Agreement, which will come the middle of October, the opposition will include among its attacks the following points:

- A. With the improvement of relations between the U.S. and Peking, the U.S. bases on Okinawa are “outdated.” Thus there is no justification for the U.S. retaining extensive military facilities on Okinawa, and Japan should not exacerbate its problems with Peking by permitting the U.S. to retain those facilities.

- B. As the sudden move of the U.S. with respect to Peking shows that Japan cannot give “credibility” to the U.S., no “credibility” can be given to U.S. assurances that nuclear weapons are being removed from Okinawa. (Ushiba said there were of course answers to these charges, but they nevertheless would have considerable appeal to many Japanese.)

4. The political crisis to the position of Sato and his supporters would probably come during the Diet session that opens in January. It would not come in the form of a direct non-confidence vote in the Diet, but rather in the form of a move within the LDP to replace Sato with someone more acceptable to Peking. Such a move would be more likely if Sato had had to use “strong arm” methods to get the Okinawa Agreement through the Diet in October, and would be even more likely if the U.S. had not ratified the Okinawa Agreement by the January session of the Diet.

I told Ushiba that I very much appreciated his frank analysis of the situation and agreed that it was going to be necessary for both Governments to keep in very close touch with each other to avoid the problems that he foresaw.

82. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, July 22, 1971.

SUBJECT

Prime Minister Sato's Reply to your message to him

When I met Ambassador Ushiba of Japan on July 19 to discuss developments on China, he gave me the following language from a telegram which he said was a message from Prime Minister Sato he had just received in response to your personal message to the Prime Minister of July 16.²

Begin text. The Japanese Government welcomes your recent decision to visit China in the belief that the improvement in the Sino-American relations will contribute to the reducing of tension existing in the world.

Japan, however, cannot but feel deeply concerned over the future development in the relationship between the United States and China, as it is bound to have an extremely important influence upon the situation in Asia.³ Furthermore, in order to maintain and strengthen the relationship of mutual trust between Japan and the United States which has been cultivated over so many years, it is earnestly hoped that the United States Government will hold close consultations well in advance with the Japanese Government on such matters as will seriously affect Japan, including the China problem.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 757, Presidential Correspondence File, 1969–1974, Japan (Sato Corr) 1969–8 July 1972. Secret; Nodis. An August 2 note indicates that Rogers' memorandum was incorporated into the President's brief. (Ibid.)

² Document 79.

³ Sato met with David Kennedy on July 24, and "raised the question of the President's decision to make a trip to Peking. He started by saying the President's trip has thrown his entire nation and, for that matter, the entire Far East into a period of speculation and concern. The speculation is relevant to the question of what President Nixon intends to accomplish and the concern particularly relates to whether or not the U.S. was changing her stance with respect to former allies. Does the U.S. intend now to drop her 'little friends' by the wayside in order to take up a relationship with the 'big boys'. The Prime Minister repeated these expressions several times. He said he had always followed the 'boss' in these policy matters but this time he was left out and caught unprepared with both the Diet and the press. He also touched on the fact that President Nixon was going to Peking and not vice-versa, implying that the U.S. had already made a most significant concession in the oriental way of thinking in the Far East." Kennedy sent this account to Peter Peterson on July 31. Peterson marked this passage for emphasis before passing it on to Nixon. (National Archives, Nixon Presidential Materials, White House Special Files, Staff Member and Office Files, Box 1, Peter Peterson, Subject Files, Textile Negotiations, April–July 1971)

It is the hope of the Japanese Government that the President's visit to China will contribute to the solution of the Indochina problem, since an early settlement of Indochina problem, as well as the improvement in U.S.-China relations, will greatly help reduce the tension in Asia.
End text.

William P. Rogers

83. Memorandum of Conversation¹

Washington, July 23, 1971, 3:15 p.m.

PARTICIPANTS

Nobuhiko Ushiba, Ambassador of Japan
Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs
Mr. John H. Holdridge, Senior Staff Member NSC

SUBJECT

Dr. Kissinger's Conversations with Ambassador Ushiba on His Visit to Peking and the Announcement of the President's Trip to China

Ambassador Ushiba expressed pleasure at Dr. Kissinger's ability to see him in what must be an extraordinarily busy period. Dr. Kissinger said that he was delighted to talk with Ambassador Ushiba about something other than textiles, which must be one of the most disastrous negotiations in history on the part of both sides. Ambassador Ushiba agreed that the circumstances of the textile negotiations had been very unfortunate. Dr. Kissinger noted that he had sat on the issue in the hopes that it would go away; Ambassador Ushiba responded that it had, in fact, gone away but had come back again.

Turning away from the textiles problem, Dr. Kissinger said that he had wanted to talk with Ambassador Ushiba about recent events. He recognized the shock that these events (his visit to Peking and the announcement of the President's trip) had caused Prime Minister Sato, and had read the account of Ambassador Johnson's conversation on this subject with Ambassador Ushiba.² He very much regretted this

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul–Sep 1971. Top Secret; Sensitive. The meeting took place in Kissinger's office. Kissinger approved this memorandum, which Holdridge had sent him under an August 20 memorandum.

² See Document 81.

situation. Maintaining a close friendship with Japan was an absolutely key element in US policy, which our agreement on Okinawa had been intended to establish on a concrete basis. The last thing we wanted to do was to change our relationship with Japan.

In this instance, however, there had been a particular problem. Our domestic pressures were such that if anything had come out in advance, they would have become so great as to either kill the visits or raise expectations unduly. We had a security problem in the Government, and there were actually many senior officers in it who knew no more than Prime Minister Sato. Also, to be candid, our dealings with the Japanese were not entirely free of leaks on the Japanese side. These were not on major issues, but they did exist.

Therefore, Dr. Kissinger continued, we did not know how to handle the problem of getting word to Prime Minister Sato. Originally there had been some thought given to his, Dr. Kissinger's, going to Korea as a pretext for visiting Peking, in which case he would have stopped in Japan and seen Prime Minister Sato. Secretary Laird's trip to Korea had then been announced, though, and this could not easily have been turned off. Dr. Kissinger wanted Ambassador Ushiba to understand that what he was saying was completely confidential.

Dr. Kissinger pointed out that the past was now behind us, and we had to look to the future. We wanted Ambassador Ushiba to know that, first, we really considered our relationship with Japan as the center of our policy in the Pacific; and, second, that we are not replacing Japan with China. We want Japan as a friend, and while we also want discussions with the Chinese, we are under no illusions that we will be able to change their basic orientations. On our side, we have the greatest interest in maintaining our old channels of communications, and even of strengthening them.

Dr. Kissinger observed that on communications one problem was that we did not have a private channel to Prime Minister Sato. We had once believed there was one on textiles, but occasions had arisen in which our bureaucracy was told by Ambassador Ushiba's bureaucracy about private communications which we had kept from our people. Speaking on behalf of the President, Dr. Kissinger asked Ambassador Ushiba if he could make a proposal to Prime Minister Sato to "put these two gentlemen in touch with one another." Perhaps he, Dr. Kissinger, could speak with Ambassador Ushiba on sensitive matters, and Ambassador Ushiba could give the message privately to Prime Minister Sato; the Japanese for their part might do the same for us. Some mechanical arrangement for this might be set up. Dr. Kissinger suggested that the Japanese might make a proposal on this; he personally did not know how it might be done. Confidentially speaking, we had such an arrangement with one or two other governments, for example the British.

Ambassador Ushiba said that Prime Minister Sato would certainly make some proposal. Dr. Kissinger emphasized that the major thing for the people in Tokyo to understand was that we were most eager to strengthen our relations. As the man who conducted the US talks with the Chinese, he could assure Ambassador Ushiba that there were no surprises in these talks, and no secret deals.

Ambassador Ushiba declared that from the long range standpoint the President's future visit to Peking was a good thing for the world and for Japan, but in the short term would cause problems in Japan. Oka of the *New York Times* had written about the shock and resentment created among staunch friends of America in Japan. This was not because of the concerted pressure of events, which was understood in Japan, but because the President's going to China was such an extraordinary thing from the Japanese point of view. There were "too many lawyers" in Ambassador Ushiba's country, and these had come to the conclusion that there must have been some US commitment to Peking in connection with the normalization of US/PRC relations, and since this was not possible from the Chinese point of view without the US dropping its relationship with Taiwan, the US must, therefore, be ready to drop Taiwan.

Dr. Kissinger declared that he could assure Ambassador Ushiba there were no such commitments. He remarked that he was the only American who couldn't possibly have lost his shirt in his conversation with the Chinese because he didn't have one in the first place. He had forgotten to pack his own shirts and had been obliged to borrow two shirts from Mr. Holdridge. Mr. Holdridge, who was present, could verify this.

Ambassador Ushiba asked, could Dr. Kissinger see the logic in the Japanese suspicions? Dr. Kissinger replied that he could see their logic, but it simply wasn't true, it had the disadvantage of being incorrect.

Ambassador Ushiba wanted to know how the Chinese could tell Dr. Kissinger that he was welcome and not at the same time ask the US to do this, i.e., break off with Taiwan. Dr. Kissinger asserted that he was not saying that they didn't raise the problem. However, Ambassador Ushiba would see that when the President went to China we would still have an Ambassador in Formosa. Ambassador Ushiba wondered if the outcome of the visit would not be a break with Taiwan. Dr. Kissinger stressed that he did not expect any such outcome. The President could not possibly do this.

Ambassador Ushiba remarked again that the Japanese were surprised over the fact that the President would be paying a visit to China. This was an extraordinary thing from the Japanese point of view, and so everyone naturally jumped to a conclusion. Dr. Kissinger agreed that it was not too usual for a head of state to visit a country with

which his own country had no relations. Indeed, this may never have happened before.

Ambassador Ushiba surmised from what Dr. Kissinger had said that the Chinese had not pursued too deeply the matter of US breaking relations with Taiwan. Dr. Kissinger said that he didn't want to go into his conversation in Peking too closely. The Chinese had certainly expressed their point of view, but Ambassador Ushiba should not expect a break in relations with Taiwan as an outcome. It would be inconceivable that the President would or could break off relations established over a generation as a result of his visit.

Dr. Kissinger said that in making this observation he hoped what he was telling Ambassador Ushiba would not appear in the Japanese press. Ambassador Ushiba said that he would report only to Prime Minister Sato and the Foreign Minister. Dr. Kissinger hoped that they would be on their guard, and Ambassador Ushiba assured him that they would be very cautious. Dr. Kissinger, referring to past leaks, observed that there was no evidence that Ambassador Ushiba personally was involved in them. The only foreign ministry, though, which leaked more than the Japanese was our own. Ours couldn't keep any secret at all.

Ambassador Ushiba wanted to know if Vietnam had been discussed in Peking. The Japanese were very concerned about the outcome in Vietnam. Dr. Kissinger stated that if we had wanted to sell out Vietnam, we didn't have to go to Peking to do it, but could accomplish this in Paris. Ambassador Ushiba commented that for a peaceful settlement, the support of China would be needed to bring one about. To reach a definite conclusion in Vietnam, the cooperation of the Chinese was needed. Dr. Kissinger agreed that this might be the case. He noticed that Hanoi was yelling every day about great power pressures being placed against it. Ambassador Ushiba concurred, adding that to this extent at least, Dr. Kissinger's Peking trip had been quite effective. He raised the question again of whether, except for discussing peace in a broad framework, there had been any commitments. Dr. Kissinger declared that none had been made either on our side or on the Chinese side. This was the first time any senior American official had a chance to talk to senior Chinese officials, and the conversations were, therefore, in the nature of an exploration.

"Ah so, an exploration," Ambassador Ushiba remarked. If he could say so, the Chinese would be quite happy to see an American President in Peking. Dr. Kissinger asked if Ambassador Ushiba could possibly imagine that we had invited ourselves to Peking? A more logical way to have this happen was for the side which wanted the other side to come to extend the invitation. There were no preconditions, and we wouldn't have accepted any even though, as circumstances worked out, the issue never arose.

Ambassador Ushiba raised as his next question (admittedly a far-fetched one) what possible advantage there would be from the US point of view if the President had a talk with Mao Tse-tung and Chou En-lai in Peking and returned home without any visible result? Was this possible? Dr. Kissinger asked Ambassador Ushiba what he would consider an advantage from the US point of view, to which Ambassador Ushiba suggested some kind of Chinese commitment to a solution in Vietnam, and at least no acts of violence regarding Taiwan and the Taiwan Strait—something like that. For example, if Prime Minister Sato were to go to Peking to have talks, this fact alone would limit action on Japan's part.

Dr. Kissinger said that if this Administration had proved anything, it had shown that it was able to ride out public opinion. We had done this for three years now, and would continue to do what we believed was right. We didn't expect any big results in Peking. In any event, we would keep in close touch with the Japanese on the President's trip, although there might be some minor things which we couldn't discuss.

Dr. Kissinger said that it was hard to know what public opinion would expect out of any announcement following the President's visit. What was startling about the last announcement was not the content but what had actually happened. With respect to the President's visit, however, he, Dr. Kissinger, not only did not expect, but was certain, there would not be any bombshell coming out of the meeting. Ambassador Ushiba observed that this was reassuring for them.

Dr. Kissinger expressed the view that from the standpoint of our immediate problem, the moves toward the PRC were the right thing to do; from the long range standpoint, though, our relationship with Japan was extremely important. We had arranged the first visit without discussing it with the Japanese, but it didn't have any content. It would be inconceivable that if it had had content, or would have been inconsistent with the views of the Japanese, that we would not have discussed it with them.

Ambassador Ushiba wondered where the UN question rested. Dr. Kissinger referred to what Secretary Rogers had said to him, Ambassador Ushiba, on this point.³ We were willing to have the PRC in the UN, but did not want Taiwan out. Ambassador Ushiba had had many talks with Marshall Green and others on the UN question and knew our views.⁴ The UN issue had nothing to do with his, Dr. Kissinger's,

³ Telegram 130519 to Tokyo, July 20, describes Rogers' July 19 meeting with Ushiba. (National Archives, RG 59, Central Files 1970–73, POL CHICOM–US)

⁴ On April 26, Ushiba had met with U. Alexis Johnson to discuss Chinese representation at the United Nations. (*Ibid.*, POL 17 JAPAN–US) On July 28, Green and Okawara met to discuss the Chinese representation issue. (Telegram 137043 to Japan; *ibid.*, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul–Sep 71)

trip. He didn't believe that Peking would necessarily be happy over the way things would work out. Ambassador Ushiba thought that Taiwan might possibly feel that Dr. Kissinger's trip and the announcement of the President's proposed trip might have diminished its chances in the UN this fall. Dr. Kissinger acknowledged that there might be some tactical questions involved here, but we would nevertheless proceed along the line which we had discussed with the Japanese. As for the President's trip, we were not operating under the assumption that we were doing the PRC any favor. If the Chinese didn't want this trip, they would find an excuse to cancel it; if they wanted it, it would take place. We simply couldn't throw over an ally of 25 years standing, and would actively support it in the UN.

Ambassador Ushiba remarked that it was most important that the US actively support Taiwan. He wondered what tactics the US proposed to follow. Dr. Kissinger noted that the tactics issue was one which did not concern the White House as much as it did State, where much better information was available. The point he wanted to stress was that we would make a significant effort to keep the ROC in the UN, which was the major issue we were concerned with. Nothing had changed as a result of his visit to Peking. The Japanese knew that we were going in that direction—i.e., better relations with Peking—anyway.

Ambassador Ushiba recalled that Taiwan's position was that if the ROC lost its Security Council seat, there was not much point in keeping the General Assembly seat. Dr. Kissinger commented that our decision was to fight for the ROC anyway regardless of what it did as a matter of principle.

Ambassador Ushiba asked, what was the timing of the President's visit? Would it be before the General Assembly debate, that is, before the end of October? Dr. Kissinger replied that this would be a surprise to him and that he wouldn't expect the trip to come that soon. Ambassador Ushiba pointed out that "some people" were guessing the President might go in September because this would be a convenient way to deal with the UN issue. There were rumors to this effect in Japan. Dr. Kissinger responded that there have been no discussions at all on the timing, although these might start very soon. It was his impression that the trip could not take place before the end of the year at the very earliest, and there was a good chance it would not be this year at all. The earliest that it could be technically feasible at all was the end of the year.

Ambassador Ushiba wondered if Dr. Kissinger had noticed any adverse reaction from the USSR, for example, in the SALT talks? Dr.

Kissinger replied that he hadn't noticed any difference. We did not intend to let the Soviet attitude figure in on the President's visit because this would be giving the Soviets a veto. Ambassador Ushiba again asked if Dr. Kissinger foresaw any great impact on the SALT talks, and Dr. Kissinger replied negatively. Of course, if the President went there (to Peking) at the time the SALT talks were going on and behaved as if we were engaging in an alliance against the Soviets, this might happen.

Dr. Kissinger reiterated what he had said before about private communications. Ambassador Ushiba should feel free, particularly if he had a message of sensitivity and importance, to get in touch with him, Dr. Kissinger. The President had asked him to make this point.

Another point which the President had wanted him to raise was to pass on the information that when the Japanese Cabinet Council delegation came in September, the President wanted to give a dinner in its honor. Ambassador Ushiba would be seeing Secretary Rogers in the morning and would be hearing this from him as well, and should work out the arrangements in the State channel. Again, we wanted to do what we could to continue our close relationship with Japan, and if the Prime Minister or Foreign Minister had something which they wanted to get to the President, they should do so through Dr. Kissinger.

84. Summary Paper Prepared by the Interdepartmental Group for East Asia¹

Washington, August 2, 1971.

PREFACE

The enclosed response to NSSM 122 was substantially completed before President Nixon's announcement of his intention to visit Peking. That announcement caused major shock waves in Japan. The Japanese will be some time in sorting out the implications for their domestic politics, their own position with respect to Peking and Taipei, and the relationship with the United States. Initially, however, the fact that Japan was not consulted about this move has been interpreted within Japan as a heavy blow to the waning prestige of Prime Minister Sato, the more so because it came on the heels of a series of other political setbacks for the conservative leadership. It has also inspired speculation in Japan about the future of the US/Japan relationship, demands for a more "independent" foreign policy, and fears and recriminations about Japan's own China policy. Most importantly, it greatly complicated the domestic political situation, raising doubts about the ability of the mainstream elements of the ruling party, those who have promoted the close relationship with the US and the GRC, to survive the ferment.

The Japanese, however, tend to overreact to surprises. It will therefore not be possible to assess the lasting impact of this development on Japan's internal political alignments or its view of the US/Japan relationship until more about its future direction is known and more of the dust in Japan has settled. For the moment, the possible adverse effects on the US/Japan relationship can be tempered by acting with an awareness that this development has shaken the position of those who favor a close relationship with the US and on whom we must rely to achieve our goals with Japan.

Specifically, this suggests a resumption of the closest possible consultation with the Japanese on the China problem, including tactics at the UN. It suggests avoiding the appearance of a soft US policy toward Peking and an excessively tough policy toward Japan.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files) Box H-182, National Security Study Memoranda, NSSM 122 [2 of 3]. Secret. The Chairman of the NSC Interdepartmental Group for East Asia and the Pacific, Winthrop Brown, sent this study to Kissinger on August 2. (Washington National Records Center, RG 330, OSD Files: FRC 330-76-197, Box 67, Japan, 092, SRG Mtg. material) For NSSM 122, see Document 72.

Things seemingly unrelated to China also apply in this context, since everything we do for the immediate future will be interpreted in Japan in terms of how important we regard Japan in comparison with China. For example, the Japanese will be looking with special anxiety now to see how we treat the Emperor's stopover in Anchorage in September, and at the degree of support given by the Administration to the Okinawa Reversion Treaty. Finally, Japan's responsiveness to our economic pressures can also be influenced by the extent to which the leadership sees Japan's interests affected by China policy developments.

NSSM 122

POLICY TOWARD JAPAN—SUMMARY²

I. Introduction:

Japan is the second largest and the most dynamic industrial power in the free world, and the only non-Communist power in Asia. Japan's economic capacity is growing rapidly; if present trends hold, Japan's GNP could surpass that of the USSR in the 1980's. Japan's military potential, if freed from present inhibitions, could be formidable.

A pivotal factor in determining the state of the entire Pacific area during the 1970's and beyond will be the evolution of the relationship between the United States and Japan. Neither Communist China, the Soviet Union nor the smaller nations of the Pacific can remain indiffer-

² The full paper is in two parts: the first focuses on "Political, Psychological, and Security Aspects of the Relationship," while the second is titled "U.S.-Japan Economic Relations." (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-058, SRG Meeting—Japan (NSSM 122) 8/6/71) Only the Summary is printed here. Holdridge analyzed the paper in an August 5 memorandum to Kissinger, noting: "The Departmental paper as it now stands is seriously deficient, particularly as regards its parochialism and its lack of integration." Holdridge commented, "These deficiencies reflect the enormous contention between State, which fears the damage which several of the economic agencies (Commerce, Treasury, Agriculture, and Peter Peterson) will inflict on our relationship if they have their way, and these economic agencies, which are inclined toward heavy pressures on the Japanese as the only way of bringing Japan around on trade and investment matters. The conservatism of the 'Peace Blossom Society' in State (the old Japan hands) was also such that State refused to consider any basic options other than to maintain our present Japan policy even though events may move either the U.S. or Japan away from the relationship which now exists." Holdridge continued that the August 6 SRG meeting should be used to integrate the economic and security aspects of U.S. policy toward Japan, as had failed to occur in the original paper. The interdepartmental group responsible for drafting both the original and summary papers, acted, according to Holdridge, "at our insistence to give some unity to the paper and to lay out genuine options." As to the summary paper, Holdridge felt that it "fails to define the policy problem at the outset clearly in terms of the inter-relationships between, on the one hand, reducing tensions with the PRC and ameliorating our trade problems, and, on the other inducing Japan to share a larger portion of the burden regionally in Asia." (Ibid.)

ent to Japan. For the United States, as a review of the past half century or a look at any projection of Japanese growth will show, there is no relationship which offers so great a potential for mutual benefit—or for misunderstanding and misfortune. There is one basic question: What can be done to maintain a friendly and constructive relationship between the US and Japan? The other issues are subsidiary to this.

II. *US Interests:*

At present, Japan is critically dependent on us, politically, economically and militarily, but the US also has a major stake in preserving the relationship, including broad interests we would not wish to endanger to achieve other goals:

—*Political stability in Asia:* Japan is a major factor today; despite domestic inhibitions in Japan and apprehensions about Japan in third countries, Japan's dynamic economic performance will ultimately translate itself into corresponding political influence, which will be tempered by the alliance with the US. Japan has so far chosen to pursue a non-military great power role and, barring a major rupture with the US, would probably persist in this line.

—*Trade:* Japan is our second largest, and by far our most rapidly growing, export market; it is a matter of highest concern that this market be aggressively exploited and that steps be taken to assure maximum feasible access to American exporters and investors.

—*Reduction of tension in Asia:* This long-term process will deeply involve Japan, notably in the evolution of the relationship among Japan, China and the US. It will require the avoidance of new tensions between China and Japan, which would surely arise if Japan became dubious about US security commitments and if Japan were to acquire a major military force.

—*Nuclear non-proliferation:* The development of nuclear weapons by Japan would be highly destabilizing by itself and could prompt others to follow. Japan's policy of rejecting nuclear weapons rests in large part on Japan's faith in the US deterrent.

—*Burden sharing:* We want Japan to contribute more to the stability and development of East Asia in partnership with us; Japan is the only nation of Asia that has a significant stake in Asian development as well as the resources with which to promote it.

—*Use of Japanese facilities to meet US security commitments in East Asia:* In order to carry out our defense commitments to our allies in Asia, including Japan, we must have the maximum feasible use of our bases in Japan and the closest cooperation of the Japanese Government.

III. *Stability or Change—Psychological, Political and Security Factors*

The relationship with Japan serves both US and Japanese national interests well, but it is coming under new strains in the 1970s. At

present there are major problems in the economic field; these coincide and overlap with an immediate potential for friction in securing passage of the Okinawa Reversion Agreement and in achieving a mutually satisfactory adjustment of policy with respect to the China problem.

NSDM 13—The steps taken to implement NSDM 13 were highly successful. The agreement to permit the reversion of Okinawa, which preserved the essentials of our military position, weakened the psychological basis for public opposition to the Security Treaty and helped preserve the LDP's political hegemony. There are some possibilities for strain in the months ahead. We will retain substantially our present base structure on Okinawa with attendant possibilities for friction, and obtaining approval by the Senate and the Japanese Diet of the Okinawa Reversion Agreement presents some potential major difficulties, particularly if the debates reflect emotions aroused by economic problems and become entangled in Japan with the China debate. But to date the policies laid down in NSDM 13 have successfully protected the overall political and security aspects of this key relationship.

The Japanese Scene—Despite pressure from political elements antagonistic to close ties with the US, the present ruling elements in Japan and their heirs would probably prefer to continue the close relationship with the US through this decade and to avoid the acquisition of a major military establishment. In Japan, where the political leadership must contend with intense intraparty factional rivalries, a generally hostile media, and extra-parliamentary harassment, while building a consensus for policy action, major departures develop very slowly.

Today's leaders are the political descendents of former Prime Minister Shigeru Yoshida, who decreed over 20 years ago that the preservation of a close relationship with the US was essential at any cost. Their own political skill, their demonstrated success and the lack of an issue on which the badly fragmented opposition could combine against them seems to assure that they will remain in office. Furthermore, the accumulated inertia of the past 20 years, good prospects for continued economic expansion, and the vast benefits of our relationship seem to ensure that they will continue to follow Yoshida's dictum for as long as the basic premises remain valid—the credibility of our security guarantee, an opportunity for political and economic growth, and a reciprocal US attitude about the importance of the relationship.

The Japanese are not psychologically prepared to abandon a policy that has served them so well. Economically aggressive, growth and export-minded, they still have not developed any consensus for a Japanese political or security role beyond their borders. Japanese policy to date has, outside of the relationship with the US and, to a lesser extent, the ROK and the GRC, carefully avoided direct entanglement with foreign regimes and concentrated on multilateral endeavors where

political exposure is limited. Deep cultural and psychological barriers close Japanese society to the rest of the world, except on Japanese terms and public opinion remains opposed to foreign involvements and large scale re-armament.

Catching Up—Americans tend to assume from Japan's third-ranking GNP and spectacular economic growth that Japan's economic prosperity is secure and that the Japanese have a living standard that is rapidly approaching our own. The Japanese feel that Americans are overly impressed by Japan's post war "economic miracle" and have a distorted view of Japan and its position in the world.

The Japanese view their economic achievements as the result of nearly a century of patient and determined effort to build a modern economy, organized in the image of the West but designed to avert Western domination. On the basis of their own experience of the past forty years the Japanese regard their economic position as extremely fragile, considering that Japan is almost totally dependent on the outside world for natural resources in contrast to the continental powers which are for all practical purposes wholly self-contained.

Japanese are acutely aware that Americans and many Europeans are individually vastly better off than they by any standard of measurement in terms of living conditions and social overhead. They are, in effect, still striving to catch up and feel they have a long way to go.

Factors for Change—There are factors that could compel Japan to abandon its reliance on the US. There is the sheer arithmetic of Japan's growing economic involvement with all of Asia and the rest of the world, which has already caused serious friction between the US and Japan. There is also the American drawback from Asia which has led to unease in some Japanese circles about the credibility of our security commitments. China's emergence on the world stage could also alter Japan's stance, and Japan's latent emotionalism and racial sensitivities could be roused by frustrations or slights arising from a denial of the status which Japanese feel is warranted by their accomplishments.

The China Problem—The China problem is especially delicate because of its tremendous importance to Japanese domestic politics. This goes well beyond the question of whether or not the US consults with Japan on China policy developments, although that is certainly part of the problem. The more important aspect is that, despite intense agitation for better relations with Peking from virtually the entire spectrum of the opposition and from within its own party ranks, the ruling mainstream of the Liberal Democratic Party has clung to its strong and longstanding ties to the GRC. The LDP leadership is continually vilified by Peking, whose propaganda proclaims that Japan's present rulers are reviving Japanese militarism. Japan and China are far more likely to be bitter rivals for influence in Asia than not, and the Japanese

leadership feels that Peking's main objectives are to bring down the Sato Government and split the US-Japan relationship. For these reasons, moves by the US in the China field have an immediate and potentially explosive impact on the domestic political fortunes of the conservative leadership, and in turn on the US-Japan relationship.

IV. *Policy Options—Political and Security*

There are roughly four broad options for the future conduct of US political and security relations with Japan. The complexity of our relationship offers an infinite variety of possible combinations. Changes in the security and political aspects of our policy toward Japan would have a major impact also on our ability to attain our economic goals. Nonetheless, the following suggest a general range. The first represents in essence the major long range conclusions of NSDM 13.

1. Continue the present close relationship with Japan as our major ally and economic partner in Asia, encouraging Japan to continue to modernize its conventional forces but to rely on the US for overall leadership and strategic defense; avoid pressure for larger forces or a larger security role in the area.

PRO:

- Maintains a relationship which still serves our interests well.
- Assures maximum US influence over Japan.
- Avoids disruptive political/security changes that would inhibit the solution of economic problems.
- Avoids a destabilizing Japanese military role, particularly nuclear arms.
- Reassures Japan's neighbors, including the PRC and USSR.
- Ensures maximum retention of US base structure.

CON:

- Reduces US security burdens only moderately.
- Frustrates growth of healthy nationalism and assumption of greater responsibilities.
- Not acceptable to Japan for long run and might lead to backlash.
- Risks political dissatisfaction in US with Japanese "free ride."
- Perpetuates "hot house" atmosphere for Japan.

2. Same as option one, but in addition, actively encourage Japan to play a more active political and developmental role not only in Asia, but on a global basis; e.g. actively support Japanese efforts for greater access to the EEC and other areas of economic importance; support Japan's desire to become a non-military great power by inclusion in "great power" meetings; encourage selected adjustments in Japan's security posture.

PRO:

- All of the PROs of option 1, plus:
- Could alleviate US economic difficulties.

- Provides more elements of great power status for Japan without resort to extensive rearmament.

- Channels Japanese energies into constructive direction.

- Reasonably acceptable to Japan's neighbors, without arousing undue fears of military (or nuclear) role.

- Exposes Japan to greater pressures for expanded aid and acceptable economic behavior.

- Reduces Japan's dependence on US, easing bilateral, particularly economic, strains.

CON:

- May create some apprehension that the US is moving to turn Asia over to Japan.

- May stimulate Japanese competition with US economically and politically in other areas.

- Does not materially reduce US security burden.

- Makes Japan less amenable to US influence.

3. *Same as Option 2 except in addition: Encourage Japan to assume a regional military role, including direct assistance to the ROK and ROC.*

PRO:

- Should reduce US expenditures on Asian defense.

- Japan attains great power status.

- Preserves some measure of present US/Japan relationship.

CON:

- Has generally destabilizing effect throughout Asia.

- Arouses Chinese fears of Japanese militarism and suspicions of US intentions; endangers detente.

- Ignores ROK/Japan antagonism.

- Increases risks that Japan may embark on road to complete military independence and nuclear rearmament.

- Leads to more competitive relationship with US, politically and economically.

- Weakens US influence in the area.

- Creates major domestic political problems in Japan; would require authoritarian approach to enable Japan to assume any overseas military aid or troop presence.

4. *Actively encourage Japan to assume some or all the present US security role in East Asia.*

PRO:

- Relieves US of present defense burdens in Asia, at least temporarily.

CON:

- Has very destabilizing effect throughout Asia.

- Leads to China-Japan confrontation.

—Destroys Japanese political system; would be accomplished only by authoritarian means.

—Leads to likelihood Japan will seek nuclear shortcut to military power.

—Probably would eliminate US influence throughout Asia.

V. *Adjustments in Japan's Defense Role*

Under either of the first two options discussed above, and perhaps the third, Japan would continue to rely on the alliance with the United States at least through the mid-70's and probably well beyond. Under the Fourth Five Year Defense Plan, 1972–76, Japan will significantly strengthen its ability to defend the home islands, plus Okinawa, against conventional attack—a threat which the Japanese do not consider large. Japan's ability to project military power beyond its surrounding waters and airspace will not have increased appreciably. Japan's defense expenditures will remain at something less than 1% of GNP under this plan; nonetheless, in absolute terms, Japan's expenditures for defense will more than double under this plan, which calls for a total outlay of some \$16 billion.

It is doubtful that the United States, even if it were desirable, could obtain a substantial revision of the Fourth Defense Plan short of a very drastic pull-back of the United States from the Western Pacific and a sharp deterioration in the security situation in East Asia. There are possibilities, however, for adjustments in Japan's security role within the context of this plan and the Nixon Doctrine. These include efforts to:

1. *Strengthen US-Japanese bilateral defense cooperation.* Examples: greater cooperation in ASW, intelligence, contingency planning, military equipment sales.

2. *Encourage Japan to provide as grant aid at least non-lethal military equipment to friendly forces in East Asia on an expanding scale.* (Because of broader policy implications, this possibility would have to be examined separately for the ROK, the ROC, and potential Southeast Asia recipients.)

3. *Draw Japan more directly into operational cooperation with the ROK and the ROC for the air defense of Northeast Asia.* These approaches would involve Japan more deeply in the security of the area while strengthening US-Japanese cooperation. Each has already been tried in some measure with varying degrees of success. Each likewise involves progressively greater political sensitivities in Japan, and Japanese involvement in the defense of other areas (particularly the GRC) is a controversial and sensitive political issue in those countries. Nevertheless, under careful political guidance, each approach has some possibility of success.

VI. *Inducements*

Simply stated, Japan's interests in preserving the relationship are greater than ours, since Japan's entire foreign policy is based upon it.

Japan is accordingly amenable to persuasion from us, at least up to the point where the Japanese become convinced that we put a much lower value on the relationship. Obtaining our negotiating goals with Japan would be easier, therefore, if in the process we provided incentives bearing on Japan's own interests in preserving the alliance and its need for reassurance that we do regard Japan as an ally, an equal, and a major power in its own right.

The following are some suggested courses of action which bear on Japan's own ambitions and concerns.

A. Acknowledge Japan's major power status and its coincidence of interests with us, and seek to confine its growing nationalism in constructive channels.

1. *Take very seriously and support by all means possible Japan's desire for a permanent seat on the UN Security Council.* This is Japan's next major policy goal. It will become crucial to Japan if the People's Republic of China obtains the Chinese seat. If, as seems likely, there is greater rivalry and tension between Tokyo and Peking, Japan will find it increasingly intolerable to play Asian second fiddle to the PRC. The Japanese already feel strongly that the composition of the Security Council—especially the presence of France and the UK—no longer reflects today's power realities except in nuclear terms.

2. *Include a place for Japan in any great power conference, particularly one designed to bring about a settlement in Southeast Asia.* There would doubtless be opposition to this from Peking and other communist areas, as well as from some groups in non-communist Asia and perhaps within Japan itself. However, Japan's self-esteem would suffer grievously if Japan were barred from participation and its willingness to support the results—and to provide assistance—would be materially reduced.

3. *Coordinate policies with Japan—not merely consult or inform—well in advance of US policy decisions affecting major Japanese interests.* This is particularly important with respect to China. The Japanese intensely dislike surprises and are prone to over-react.

4. *Support a more prominent Japanese role in certain multilateral institutions, such as staffing the OECD and UN Secretariats.*

B. Maintain Japan's confidence in our security commitment.

1. *Retain an adequate force structure in the main islands and Okinawa.* The Japanese welcome efforts to reduce tensions in the area and reject an overseas military role for themselves for domestic political reasons and because of their awareness of the suspicions their neighbors harbor of Japanese ambitions. Insofar as the defense of Japan is concerned, they believe their own efforts are consonant with the Nixon Doctrine.

But there is concern in Japan that the US military drawdown in Asia may pass beyond the point where credibility in our security commitments can be maintained.

2. *Bring the US and Japanese military into a closer relationship through joint planning and exercises.* This is politically delicate in Japan, where any indication of joint planning for military purposes can be sensationalized and exploited. However, within politically controlled limits, it can constitute a message of reassurance to Japanese desirous of maintaining the alliance.

3. *Carry out any further redeployments in Northeast Asia with the maximum possible consultation with the Japanese.* If further realignments are necessary for budgetary or other reasons, we should at least avoid unpleasant surprises.

C. *Seek to assure that Japanese technological developments are, to the extent feasible, compatible with ours.*

1. *Continue support of Japan's space exploration program.* This is one of the most visible forms of cooperation and should be encouraged to the extent possible within the limits imposed by security considerations.

2. *Cooperate with Japan and other Pacific nations in multilateral nuclear enrichment efforts.* Japan's power requirements for the future are staggering in scale and Japan accordingly has an immense nuclear power program. Japan is uncertain about our ability to supply its future fuel needs and seeks to participate in a joint program. There are many drawbacks to this possibility, but it would be one way of ensuring the Japanese do not develop a capability exclusively their own.

VII. *The Economic Setting*

Our political and security interests in maintaining a healthy cooperative relationship with Japan were stressed early in this NSSM. Our economic relationship with Japan is also important—it affects, and is affected by, our political and security relationships with Japan.

In spite of a vast and profitable trade between us, our economic problems are the subject of increasing concern. How these problems are resolved will bear on our material well-being and, more generally, our relations with one of the world's major industrial powers.

VIII. *The Economic Problems*

Three inter-connected problems can be delineated in the US-Japan economic relationship. The balance-of-payments position of both countries is in serious disequilibrium. US imports from Japan are growing fast and are leading to widespread apprehension and hostility by much of American business and labor. Japan maintains restrictions on imports and on investment from abroad out of keeping with its new economic

strength, while other countries besides the US maintain restrictions against Japan.

1) The US balance of payments is in excessive deficit and the Japanese balance of payments is in excessive surplus. In both countries the problem is acute and requires early attention. While the US payments problem is of long standing, it has become much more serious in recent months as our traditional trade surplus has given way to a trade deficit. Meanwhile, Japan, whose balance-of-payments position was a precarious one until a few years ago, has moved into solid surplus but its mentality has not adjusted rapidly enough to this shift.

This is not to say, however, that the problem is purely a bilateral one. Each country is in disequilibrium with the world as a whole, and the measures that are adopted to deal with the balance-of-payments problem by each country must take into account the impacts on trade and payments with third countries.

The fact that Japan is in excessive surplus and the United States is in excessive deficit does not necessarily mean that there is an adversary relationship between the two countries in the balance-of-payments area. Japan has much to gain from reducing its surplus. Instead of adding further to its reserves (which have increased from \$3 billion in 1968 to more than \$7 billion now), Japan could make better use of its resources to meet pressing needs for social capital and to improve the living standards of Japanese consumers. The United States has much to gain, particularly in terms of world monetary stability and the ability to fulfill political and economic objectives, from reducing its deficit. Thus the issues in the balance of payments area concern *how* to achieve the obvious goal of better balance in the payments positions of each of the two countries.

2) The rapid growth in US imports from Japan is the most visible and dramatic aspect of a more general US problem: a sharp rise in total imports relative to domestic spending and output. Whatever can be done to deal with the general problem will also help solve the specific problem of imports from Japan. Beyond this, difficulties will no doubt remain with respect to specific industries that are injured by imports. For these cases, remedies in the form of escape clauses and adjustment assistance exist but need to be improved. A return of the economy to full employment will also help. The open issue concerns the advisability of specific import restrictions by the United States or export restrictions by Japan. The debate on this issue turns on the trade-off between reducing the pressure of imports on employment and profits in specific industries and imposing costs on other sectors of the US economy.

3) Japanese import restrictions take the form not only of tariffs or quotas but also of various other non-tariff barriers, both formal and

informal. It is clearly in the US interest that these practices be abandoned.

The US Government also seeks a dismantling of Japan's restrictions on investment in Japan. There is disagreement about whether the gains from US investment in Japan would be offset by short-run balance-of-payments losses and the disaffection of US labor concerned with "exporting jobs."

IX. Japanese Actions

Japan is beginning to recognize that its substantial economic progress has reached the point where policies of economic nationalism are no longer compatible with its own interests, with those of its major partners, or with the requirements of the international economic system.

Since 1968 Japan has been liberalizing its restrictions over foreign trade and investment. This has been accelerated recently and in June Japan announced an 8-point program designed to deal with our current economic problems. As a result, during the rest of this year we will see a further reduction in Japanese controls over trade and investment:

—By September, Japan will have substantially reduced the number of items subject to import quotas which are inconsistent with GATT.

—Since July 1, Japan has had *no* formal limitations on direct or portfolio investment abroad by their nationals.

—Though foreign investment in Japan is still heavily restricted, recent policy statements and specific actions (for example, Chrysler's joint venture has been approved and General Motors' negotiations are all but formally completed) suggest that a thawing is under way.

—An extensive shakeup at the senior levels of the Ministry of International Trade and Industry may signify a switch from MITI's traditional restrictive approach to foreign trade and investment to a new, more international approach. Of the senior hierarchy, the vice minister, deputy vice minister and all bureau directors save one have lost their jobs. The new Japanese government has given better relations with the US top priority.

Nevertheless, Japan continues to maintain import and investment restrictions that are more onerous than those maintained by any of our major trading partners. Among the import restrictions are the import licensing system, "administrative guidance", and the standard method of settlement. The investment restrictions effectively bar majority foreign ownership in the bulk of Japan's industries.

X. US Objectives in Its Economic Relations with Japan

There is general agreement in the US Government on the broad US objectives in our economic relations with Japan. We would like to see:

- the removal of Japan's artificial restraints on imports;
- the avoidance, or amelioration, of problems caused by a sharp increase in Japanese exports of specific products;
- the opening of Japan to foreign investment;
- the reduction, if not the elimination, of Japan's overall balance-of-payments surplus which could help to reduce the US deficit.

But we do not agree on the priorities each of these objectives should be given, on the exact interpretation of each objective, and, most important of all, how these goals are to be achieved.

XI. *The Economic Options Open to Us*

There are three broad lines of approach open to the United States in dealing with the economic problems in our relations with Japan. These options range from (1) taking general, multilaterally-directed measures to alleviate U.S. trade and payments problems, to (2) increasing diplomatic pressures on Japan within the existing international framework, to (3) developing a centrally-directed strategy which would involve unprecedented bilateral commitments from Japan to help resolve our trade and payments problems with Japan.

These options are constructed to provide graduated pressures or leverage in US-Japan negotiations, with Option 1 representing relatively minor pressure and Option 3 representing quite heavy pressure.

Option 1. *Take prompt, multilaterally-directed measures to eliminate or alleviate US trade and balance-of-payments problems, without directing actions at Japan in particular.*

A. Take steps to improve the US balance-of-payments position via measures of general applicability. Such measures would include action to obtain a better international alignment of exchange rates, to bring about a better distribution of the free world's defense and aid burdens, and various short-term, stop-gap provisions not directed against our economic relations with any one country in particular.

B. Protect injured US industries against the burden imposed by too-rapid adjustment to increased imports by prompt and vigorous implementation of available safeguards, including escape-clause actions, anti-dumping provisions, adjustment assistance and full use of our GATT rights.

C. Take the lead in a worldwide program of reducing all types of barriers to international trade and investment. The recent US initiative towards establishing a high-level trade group in OECD is an important step in this direction.

PRO:

1. The problems of the US balance of payments and international competition are problems we have with the rest of the world in general

and not with Japan in particular. If we have a balance-of-payments deficit, it matters little to us who has the surplus (and may be better for it to be Japan than some other countries). As far as our industries suffering from foreign competition are concerned, it matters little whether the competition is Japanese or Zambian. Approaching such problems multilaterally reduces the danger that we solve the Japanese problem without solving the US problem. That is, it reduces the danger of cutting the Japanese surplus by means which might increase the European surplus, or cutting Japanese competition by means which might increase European competition.

2. Insofar as Japanese restrictionism is extraordinary, even-handed insistence on equal treatment all over would call for major liberalization by Japan.

3. A non-discriminatory approach would be least irritating to our political relations with Japan and easiest for the Japanese government to cooperate with.

4. A non-discriminatory approach would avoid fanning anti-Japanese attitudes in the US which give rise to demands and expectations that are impossible or undesirable to meet.

5. A general approach to trade liberalization is most likely to help reduce the adverse effects on the US of the expansion of the Common Market and other regional groups.

6. Finally, working together with Japan and the other industrial countries toward our common economic objectives could resolve many of the current tensions among us.

CONS:

1. We cannot predict how rapidly the general measures of Option 1 will bring about improvement in the US trade and payments situation, or if indeed they can be accomplished. Because of the urgency of the US-Japan problems, these measures may operate too slowly to bring adequate relief to the US balance-of-payments.

2. Japanese exports to the United States and Japan's trade and payments surpluses have grown particularly rapidly and have therefore become the focus of strong protectionist pressures in the United States. We may stand the best chance of neutralizing these pressures by taking action directly against the phenomena which caused them.

3. The political heat produced by the present friction in US-Japan relations will stimulate Congressional action if direct and forceful moves are not made by the executive branch. Congressional action based on the short-run interests of pressure groups could be harmful to the long-run national interests of both the US and Japan.

4. Bilateral efforts to achieve improved US-Japan economic relations should not be condemned as "bilateralism". Bilateral undertak-

ings can make a significant contribution to the solution of our overall trade and payments difficulties. For example, bilateral efforts to this end with Canada and the EC are considered normal practice.

Option 2. Increase pressure on Japan, in bilateral and multilateral forums, to stimulate its domestic economy (in order to achieve a better international balance) and to follow internationally-agreed rules on trade and investment. (This is in addition to the measures of Option 1.)

A. We would use the US-Japan Cabinet talks in September for a thorough discussion of the current state of both our economies with the express purpose of convincing the Japanese that, as a necessary part of the international adjustment process, they must take aggressive action to stimulate their economy and, consequently, increase their imports while moderating their exports.

B. We should also use that occasion and the Fund meeting to conduct a discreet but determined campaign to achieve yen revaluation.³

C. Where acute political pressures require it, we should seek ad hoc “voluntary” restrictions of specific exports by Japan. But this should be used only in very exceptional cases and should be applied for a clearly limited period of time.

D. We should also assert our legal rights to better Japanese behavior. In particular:

1. Seek authorization under Article XXIII of GATT to retaliate against Japan’s exports to the United States unless Japan removes its remaining illegal quotas on items of trade interest to us (such as, but not limited to, computers and light aircraft) by October 1, 1971. (In accordance with GATT rules, the proposed retaliation under Article XXIII could be discriminatory and could exceed the injury we complain of.)

2. Press Japan to abandon its import licensing system and, if necessary, take it to GATT as a violation of the rules.

3. Pursue every case where we find non-tariff measures used to restrict imports or stimulate exports. (Our laws on dumping and foreign subsidies can meet some of the problems in this area.)

4. Continue to press the Japanese to ease their investment restrictions. (But we must recognize that the financial structure of the Japanese industry and the present under-valuation of the yen put limits on the extent to which Japan will allow foreign “takeovers” of existing investment in contrast to new investment.)

³ Yen revaluation is a sensitive subject and should not be pressed with the Japanese, privately or publicly, until there is complete agreement at the highest level that such pressure is timely. [Footnote in the source text.]

E. We should encourage Japan with its large and growing international surplus, to import more, by reducing import duties, lowering some of its commodity taxes, liberalizing its agricultural policies, overcoming its present economic slow-down and generally raising consumption levels at home.

F. We should also use the Cabinet-level discussions in September to reach agreement with the Japanese on a common view not only of the international adjustment process but also on appropriate aid policy for a major industrial power. More specifically, we should press Japan to live up to its one percent aid commitment and to soften substantially the terms on which it extends aid to less developed countries.

PRO:

1. Continued pressure, diplomatically applied, has gotten results, especially in the last 2 to 3 years. The possibilities for further progress at this time seem very good.

2. These measures would not discriminate against Japan. It is now a full-fledged power, no different from the United Kingdom or Germany, with sensitivities at least as acute as those of other great powers. We must treat Japan as we treat the other powers.

3. These measures envisage the use of all the legal instruments at our disposal to protect our interests. The retaliation under Article XXIII which we propose is a powerful sanction, virtually unprecedented, but it is a legitimate one provided for in the GATT. In June, the Secretary of State gave Foreign Minister Aichi a note warning him that we intended to invoke this GATT article.

4. Use of fairly conventional instruments for asserting our rights need no special justification or legislation.

5. Even a modest revaluation of the yen might have an important impact on the Japanese trade surplus. (Specifically, the staff of the Federal Reserve estimates that a 7½ percent revaluation would cut Japan's overall trade surplus by about \$2 billion and would improve the US trade balance by roughly \$750 million.) Yen revaluation is probably the single most effective way of dealing with the balance-of-payments problem.

6. By relying on diplomatic pressure, international opinion, internationally accepted rights and procedures, and Japanese self-interest, we would not stimulate a nationalistic counter-response by Japan nor impair our political-security relations.

CON:

1. This option does not establish any quantitative targets for our bilateral trade and payments.

2. Option 2 may not satisfy domestic pressures in the US.

3. Actions to date by Japan provide no assurance that the US can rely solely on this option to achieve its objectives.

4. Yen revaluation should not be stressed until all significant import restrictions have been removed, or unless the revaluation is part of a package which includes the removal of import restrictions. Moreover, revaluation could slow Japanese trade liberalization. Therefore, the effects of yen revaluation cannot accurately be estimated.

5. Easing of Japan's restrictions on inward investment would increase Japan's balance-of-payments surplus, might be used by Japan to avoid taking other action desired by us,⁴ and alienate US labor.

Option 3. *A CIEP-directed strategy for negotiation, including the measures of Option 2 plus additional measures and a time schedule and targets.*

Establish a special working group under the Council on International Economic Policy to develop for the September ECONCOM meeting priorities, a timetable, targets, etc. for achieving solution to our economic problems with Japan. The negotiating plan would embody some or all the elements of Option 2A through F plus:⁵

G. Seek a commitment from Japan to eliminate or to reduce substantially Japan's trade and payments surplus with the United States by the end of 1973 or 1974. These means may include a Japanese policy to promote imports, limit or diversify exports.

H. Seek to work out with Japan an arrangement, including an "early warning system," for assuring that Japanese exports of particular commodities to the United States do not expand at such a rate as to disrupt the domestic market.

PRO:

1. By providing that a central negotiating strategy be developed under CIEP, the option furnishes the best forum under present circumstances for coordinating the planning of US foreign economic policy toward Japan. The CIEP was formed to provide a clear top-level focus for the full range of international economic policy issues, including trade, investment, balance of payments, and finance. The responsibility for central direction from the White House of the complex task of

⁴ The Department of Commerce does not accept these two arguments against pressing Japan on investment. [Footnote in the source text.]

⁵ Commerce proposes consideration of the following measure:

Inform Japan that if it fails to liberalize inward investment from the United States, as required by the FCN Treaty, within a reasonable time period, given that such failure produces an adverse effect on U.S. exports to Japan, then the U.S. will consider moving to restrict the imports of products of those industries with respect to which Japan's investment liberalization remains inadequate. [Footnote in the source text.]

resolving our economic problems with Japan fits ideally into the designated role of the CIEP from both policy and organizational standpoints.

2. Option 3 provides for a specific bilateral trade and payments target for Japan and the timing for its achievement. Some agencies believe that the absence of such specific targets in the past has contributed to Japan's ability to make vague policy statements to liberalize but in fact to move at its own deliberate pace.

3. The early warning system of this option corresponds in purpose to the special safeguard mechanism which the EC is currently attempting to negotiate with Japan. This EC mechanism would replace the national measures maintained by the EC member countries regarding sensitive imports from Japan.

4. The time seems ripe for some arrangement with Japan to guard against undue expansion of exports to the U.S. of particular Japanese products. The Keidanren (Japanese Federation of Economic Organizations), for example, is urging that "each industry establish a watchdog committee to guard against export increases which have an undue impact on markets overseas.

5. The approach of Option 3 is needed now if the pressures building in US business, labor and agricultural circles as well as in Congress for harsh unilateral measures aimed at Japan are to be defused.

6. Prompt and decisive action by the US Government is needed to redress the overall US payments imbalance to which Japan is a major contributing factor.

CON:

1. We have never asked another country to achieve a balance in its economic relations with us. We have never asked another country to limit exports of a number of products to us.

2. The target outlined in 3 could not be negotiated. The Japanese Government could not respond constructively to demands which would be interpreted by the Japanese public as discriminatory. The present Japanese Government is already under heavy attack from within the ruling party and from the opposition on issues—China policy and the Okinawa agreement—directly involved with the US relationship.

3. Although we must press our legitimate demands, doing so in a way which could be interpreted as singling out Japan for uniquely unfavorable treatment could severely strain our general relations with Japan. This could turn a healthy, cooperative relationship into a hostile one.

4. No market economy could "ensure" any given balance-of-payments with another market economy—especially with one as large and

dynamic as ours. Moreover, even if Japan were to eliminate its surplus with the US, there is doubt about how much the overall US balance-of-payments would improve. (For example, if Japan were to reduce its exports of automobiles to the US, Americans might switch to buying small cars from Europe.)

5. A bilateral approach would be a long step back to a barter world economic system and would establish a precedent which might be used against us by others; for example, by Western Europe which now has a \$3 billion deficit in its trade with us.

6. The attempt to require Japan alone to achieve a balance-of-payments target vis-à-vis the US without a new direct reciprocal commitment by the US would have adverse consequences for our political and security interests. Moreover, such costs would be incurred for the sake of economic gains which have not been shown to be significant and which some believe to be negative.

7. Under Option 3 H, “voluntary” controls would become the rule rather than the exception in our trade with Japan, discriminating against Japan. It would set aside the “escape clause” which requires that the American industry seeking protection demonstrate that it is being injured by imports. It would strengthen the role of cartels in Japan and increase government intervention in the detailed control of the economy. Option 3 H could set a precedent which could ultimately be used against us.

8. The NSC’s Undersecretaries’ Committee would be the most appropriate forum to work out and coordinate a “negotiating plan” for Japan, particularly given its high political impact.

Note: All of the above options assume a continuation of U.S. efforts to obtain satisfactory solutions to the textile and steel import problems.^{6, 7}

⁶ The Departments of Commerce and Labor believe that the above options assume that U.S. Government efforts to negotiate satisfactory solutions to the textile and steel import problems will be successful. Failure to accomplish such solutions by negotiation in the near future will make it necessary to consider other approaches involving unilateral action. This option has not been included in this paper in accordance with the guidance of NSSM 122 to continue to deal with the textile issue separately, but as a matter of policy such a course of action is not precluded. [Footnote in the source text.]

⁷ The Department of Commerce believes that the objectives of the integrated negotiations strategy envisioned in Option No. 3 can be significantly advanced by charging CIEP with the responsibility for negotiations currently under way with Japan, including steel. [Footnote in the source text.]

85. Letter From President Nixon to Japanese Prime Minister Sato¹

Washington, August 3, 1971.

Dear Mr. Prime Minister:

In my letter to you of July 16² I discussed some of the elements which were involved in recent developments between the United States and the People's Republic of China. I also expressed my profound regret concerning the manner in which we found it necessary to announce my invitation to visit Peking. Now, in keeping with the desire I expressed in that same letter to keep in close touch with you on China policy, let me take this opportunity to pass along some additional thoughts concerning my acceptance of the Chinese invitation.

First, you will recall that very early in my Administration I laid down a general policy objective of broadening communications between the American and Chinese peoples. Last December I set the normalization of Sino-American relations as my ultimate goal³ and earlier this year I remarked that I would like to be able to visit China at some suitable time, either as President or in a private capacity.⁴ Therefore, what I am now planning represents the continuation of an existing policy and is not a new departure, despite the suddenness with which the Peking trip was announced. Circumstances have simply developed in a way that makes it possible for this visit to take place much earlier than I had originally anticipated.

I want you to know, too, that in travelling to Peking I am not assuming that the many important differences between the United States and the People's Republic of China have been swept away. These remain and we still must deal with them. It is my profound hope, however, that this journey will make a contribution to peace, not only in Asia but throughout the world, and it is in this spirit that I will go to Peking.

Thirdly, you may be sure that this visit is not directed against any other country. There are too many dangers in the world to permit any

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 757, Presidential Correspondence Files 1969–1974, Japan (Sato Corr) 1969–8 July 1972. Secret.

² Document 79.

³ At a December 10, 1970, press conference Nixon said, "Looking long toward the future, we must have some communication and eventually relations with Communist China." Full text is in *Public Papers: Nixon, 1970*, p. 1110.

⁴ At an April 29, 1971, press conference Nixon commented, "I hope, and, as a matter of fact, I expect, to visit Mainland China sometime in some capacity—I don't know what capacity." Full text is *ibid.*, 1971, p. 594.

such exercise of power politics. I regard any easing of the tensions between the United States and the People's Republic of China as being in the best interest of all countries which, for geographical or other reasons, have a significant interest in the People's Republic of China and its role in world affairs.

Most importantly, you have my deepest assurance that my visit to China will not be at the expense of old friends. We will, for example, maintain our commitment to the Republic of China. At the same time, the preservation and strengthening of my country's relations with yours continues to be one of our foremost goals. The United States and Japan have fundamental common interests concerning the stability of peace in Asia and the world as well as in the economic sphere. I most sincerely welcome your views and suggestions as to how we might strengthen our ties in these areas, in addition to your thoughts on my trip to Peking. Meanwhile, we will be consulting closely with you as to how we should deal with the Chinese representation question at this fall's session of the United Nations General Assembly.

May I take this opportunity to reassure you of the high value I attach to our personal relationship, and to express the hope that our efforts to maintain a close personal understanding will help us in meeting the momentous challenges which both our countries face.

Sincerely,

Richard Nixon

**86. Memorandum From the President's Assistant for
International Economic Affairs (Peterson) to
President Nixon¹**

Washington, August 5, 1971.

SUBJECT

- (1) *Background—Where Do We Go From Here on Textiles?*
- (2) *Wilbur Mills*

Ambassador Kennedy reports that he believes the Japanese will not come to an agreement with the United States on textiles at this time. In a three-hour conversation with Prime Minister Sato on July 24,² it became apparent that the new U.S. policy toward China was being seized upon by the Japanese as a reason for taking no further action. Kennedy further believes that without agreement with the Japanese it will be very difficult to win agreement with South Korea, Taiwan, or Hong Kong. The textile industry agrees. Ambassador Kennedy's presence in Japan is now becoming a serious embarrassment, and he plans to leave this Saturday. Kennedy has recommended that we postpone the September US-Japan Ministerial Meeting, but most of the rest of us think this would not be wise in view of your personal invitation to dinner at the White House, and delicate stage of the relationship vis-à-vis the China situation. If you disagree with us, I would of course want to know.

It is now a matter of some urgency to determine what action should be taken next with respect to this textile issue. When it becomes generally known here that this latest effort has failed, as it shortly will,

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, Staff Member and Office Files, Box 1, Peter Peterson, Subject Files, Textile Negotiations, April–July 1971. Secret. Sent for information. The source text is a copy that indicates Peterson signed the original.

² On July 30, Rex Beach, Special Assistant to Kennedy, sent a report to Rogers concerning Kennedy's meeting with Sato on July 24. (Ibid., NSC Files, Box 218, Agency Files, Council on International Economic Policy (CIEP) Aug–31 Dec 71) On August 3, Ernest Johnston of the NSC staff summarized the report for Kissinger, noting that Beach "believes that the textile negotiations are very near collapse. Hong Kong, Korea and Taiwan are not likely to come to an acceptable agreement without Japan." He continued, "Japan had previously seemed willing to negotiate, but the U.S. China announcement so shocked the Sato government, that it is no longer willing to seek compromises. In addition, Japan now sees for itself a role as a protector of the smaller countries, which it can fill better if it does not help the U.S. to force agreements on them." Johnston added, "Peterson is by now feeling desperate" and advocates citing national security concerns to justify imposing limits on textile imports. (Ibid.) On July 31, Kennedy submitted to Peterson a report of his July 24 meeting with Sato, which Peterson forwarded to the President. (Ibid., White House Special Files, Staff Member and Office Files, Box 1, Peter Peterson, Subject Files, Textile Negotiations, April–July 1971)

Wilbur Mills can be expected to step in. He has already asked to see one of the top textile industry leaders who has just returned from advising our textile delegation in the Far East.

The Democratic textile industry leader has told me that if we don't get agreement, he will recommend the industry work with Mills. Mills probably will point out that you failed to line up the three smaller countries after he had paved the way with the Japanese voluntary industry agreement. It is expected that Mills will take the leadership on this issue, which of course is very closely linked with the whole jobs issue. The most likely approach is that he try to line up a voluntary agreement, similar to the Japanese agreement, with the three smaller Far Eastern countries, monitor it, and if the results are not satisfactory (or if he fails to get a voluntary agreement), the industry reports he has told them he will support a broad quota bill, which would include textiles, next spring.

Thus, it becomes urgent to determine our course of action. I have been holding discussions with Secretaries Rogers, Connally, Stans, Attorney General Mitchell, Henry Kissinger and Peter Flanigan, and we expect to have an options paper ready for you in several days.³ This is likely to be a situation where none of the options is likely to be very attractive but the option of doing nothing—and all that implies to your whole credibility and political situation—may be the worst of all.

[Omitted here is Peterson's discussion of his effort to repair relations with Wilbur Mills after a disagreement over the issue of shoe imports.]

³ On August 6, Peterson submitted to various administration officials a draft paper for the President on how to proceed with the textile issue. He requested their responses by August 9, and observed, "As you will note from the opening paragraph, it has now become urgent that the Administration decide on its course of action by August 13 because of a textile group meeting to decide where they go from here." (Ibid., Box 3, Peter Peterson, Subject Files, 371.4, Textiles, 2 of 4) The attached draft paper laid out three options for the President: first, announce that textiles will be on the agenda of the ministerial meetings to be held in Washington with the Japanese in September; second, ask Congress for a textile-only quotas bill; and third, impose quotas on textile imports under Section 232 of the Trade Expansion Act. Peterson included the views of the officials he consulted in the paper that he submitted to Nixon on August 10. (Ibid., NSC Files, Box 400, Subject Files, Textiles, Vol. IV)

87. Minutes of Senior Review Group Meeting¹

Washington, August 6, 1971, 4–5:45 p.m.

SUBJECT

Japan NSSM 122

PARTICIPATION

Chairman—Henry A. Kissinger

State

Mr. U. Alexis Johnson

Mr. Marshall Green

Mr. Winthrop Brown

Mr. Richard Erickson

Mr. Philip Trezise

Defense

Mr. David Packard

Mr. Armistead Selden

Mr. Dennis Doolin

JCS

Adm. Thomas H. Moorer

Brig. Gen. William C. Burrows

CIA

Lt. Gen. Robert E. Cushman

Mr. Maurice Ernst

Treasury

Mr. Paul Volcker

CEA

Mr. Herbert Stein

OMB

Mr. Kenneth Dam

CIEP

Mr. Peter Peterson

Mr. Deane Hinton

Mr. Richard Allen

NSC Staff:

Col. Richard T. Kennedy

Mr. John H. Holdridge

Mr. Robert Hormats

Mr. Mark Wandler

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-112, SRG Minutes, Originals, 1971 [2 of 6] Folder 2. Secret. Holdridge sent Kissinger talking points for this meeting under an August 5 covering memorandum. (*Ibid.*, Box H-058, SRG Meeting—Japan (NSSM 122) 8/6/71) The meeting took place in the White House Situation Room. Kissinger saw these minutes on September 7. Tresize and Brown sent a briefing memorandum concerning NSSM 122 to Irwin, presumably in anticipation of this meeting. (Department of State, S/S Files: Lot 80D212, NSSM 122) Doolin summarized the meeting by noting that “each department [took] substantially the positions” advocated at previous meetings, and “No decisions were made.” (Memorandum for the record, August 9; Washington National Records Center, RG 330, OSD Files: FRC 330-76-197, Box 67, Japan, 092)

SUMMARY OF CONCLUSIONS

It was agreed that:

—An early date will be sought for an NSC meeting on the range of issues likely to come up at the Econ Com meeting in September.

—The Working Group should redraft its paper,² answering the specific questions on political and security issues which were raised at the meeting:

—Do we want the Japanese to continue to depend entirely on us, or do we want them to take a more autonomous stance?

—What do we want the Japanese to do and what do we have to do to give reasonable assurance of the results we seek? What do we do if we do not get these results?

—How much of a development and security role should the Japanese play?

—How will the Japanese use their great power status?

—What categories of joint military exercises might we carry out with the Japanese?

—The CIEP should consider the specific economic steps we can and should take, bearing in mind our political and security interests and objectives. It should try to determine if there are any economic issues important enough to override our political and security concerns.

—Both studies should be ready by August 17, when they can be melded together at another SRG meeting and prepared for presentation to the President.

Dr. Kissinger: We have a nice, cozy group here. Who is the *New York Times* man? I have seen few issues arouse the passions that this one [Japan]³ has.

There are two aspects to the paper. The first is general political orientation we want Japan to follow during the foreseeable future, say during the next three to five years. What importance do we attach to Japan? What do we expect will happen? Second, is a series of economic issues on negotiating strategies and detailed economic policies.

I thought it would be better to start out by discussing the general directions we should follow, first on the political and security issues and then on the economic issues. Then we could ask Pete and his group to work out specific options on negotiating steps and on policies for the economic issues. When this has been done, we can come back here and meld everything together for consideration by the NSC.

I don't think we should discuss such things as revaluation of the yen at this meeting. Instead we should discuss the economic issues in

² For the summary of the paper, before it was redrafted, see Document 84.

³ All brackets in the source text.

general terms. We should talk about the price we might be willing to pay on the political and security issues to bring about the situation we want. If everyone is agreeable, I think we should proceed in this way.

Everyone was agreed.

(to Mr. Johnson) Alex, what do you think?

Mr. Johnson: I agree with you. But I want to stress the time element. We have the Econ Com coming up in September, and I think it is desirable and important to have an NSC session on the range of issues likely to come up at Econ Com meeting. We should give the Japanese some indication of the approach we are going to take.

Dr. Kissinger: We can have this NSC meeting the first week in September.

Mr. Johnson: That's a bit on the late side. The Econ Com is of major importance to both countries. It's important that we give the Japanese as much time as possible to prepare for it.

Mr. Packard: When is the meeting?

Mr. Johnson: It's September 9–10. We are preparing for it now. We drafted some position papers and held an inter-agency meeting. Work has been assigned. Of course, many of the issues we discuss today will also surface in the other papers. We need to focus on these issues, and we need to have an NSC meeting in ample time before the Econ Com meeting.

Dr. Kissinger: It is essential that the President not be asked to make individual decisions without a basic strategy. The President is gone for the weekend. Let me check around. Let's see if we can't come up by Monday⁴ with a suitable time for the NSC meeting. I think our relationship with Japan is crucial enough for us to make a special effort.

Mr. Johnson: It is very important—and there is such a wide divergence of views.

Dr. Kissinger: Exactly. We could do one of two things. We could move this general discussion into the NSC right away, or we could wait until we have the more detailed papers and options before we go into the NSC. I will talk to the President about this. I think he should hear the general arguments soon so that he can get them fixed in his mind. This is especially important now because of our initiative with China.

We're going to be asking the Japanese to consider new directions which we have been telling them about in the abstract for several years now. If we let the situation drift, it could have serious consequences. Many countries in Asia will wonder what these new directions mean,

⁴ August 9.

and Japan is a test-case for the non-Communist part of Asia. For these reasons, we are concerned about the situation.

Let me turn first to the general political problems. After reading the papers, I had the impression that there is such a fear of the possibility of reconsidering our policies toward Japan that there is great pressure to strengthen the existing relationship. I don't want to challenge that, but I do want to pose a couple of questions.

First, do we want the Japanese to depend entirely on us, even if we chose Option 1? Or should we also consider what the U.S. policy would be if Japan, over the next five years, takes a more autonomous stance? Do we want Japan to take a more autonomous stance? I am no expert on Japan, but I thought that, with or without China and considering the economic potential of Japan, we should look at whether this will happen anyway. Is this one reality we should plan for? Alex?

Mr. Johnson: In the natural course of events, Japan will take a more autonomous stance. At the same time, Japan will continue to feel dependent on us for the nuclear umbrella and will be anxious to preserve the relationship with us.

Dr. Kissinger: When De Gaulle was in power, he was convinced that he was protected by our nuclear umbrella, and he felt free to pursue his own course. Won't it be the same thing with the Japanese?

Mr. Johnson: It's not really the same thing. The Japanese are concerned we may transfer our affections to the Chinese. That's one reason, in fact, they have reacted the way they did to our China initiative. They have always had this concern.

The Japanese have always said our record with the Chinese was better than theirs. When I was there, they constantly told me their great fear was that we would make a deal with China at their expense. I probed to find out what they meant by "expense," but they had trouble defining the word.

The Japanese memories of the war are fresh. They know we went to war with them over China. Their memories of the 1924 Exclusion Act, of the freezing of their assets and of other discriminatory measures are still fresh. They recognize the gulf that separates us. There is real concern, perhaps in an irrational way, that we will put them aside in favor of the Chinese.

Dr. Kissinger: How do they think we will do this?

Mr. Johnson: They can't articulate it very clearly.

Dr. Kissinger: We went through the same thing with the Germans after the war.

Mr. Johnson: That's right. The Japanese, as you know, founded their post-war policy on a relationship with the United States. I don't think they can or would turn to Moscow.

Dr. Kissinger: Why not?

Mr. Johnson: Basically because of the historical animosity.

Dr. Kissinger: On the Japanese side?

Mr. Johnson: On both sides. You have to consider such things as the Russo-Japanese War, the Soviet betrayal of Japan and the Kurile Islands. If Japan were to turn to Moscow now, the Soviets would have to give back the Kurile Islands, but they can't afford to do this because it would open up their eastern frontiers. Another important reason Japan is not likely to turn to Moscow is that the Soviets don't furnish raw materials or markets for the Japanese.

I don't see a Japan-China axis developing, either. I do see, however, a neutral Japan—a Japan taking an independent position. If, for example, they lost confidence in our nuclear umbrella, they could renounce the Security Treaty in order to avoid domestic problems. This could be tempting for them.

Mr. Packard: As the Chinese develop their missiles and as we back out of the area, there could be great pressure on Japan to do this.

Mr. Peterson: Why can't we make a case for Japan to develop her own nuclear capability?

Adm. Moorer: They think this is unnecessary as long as we provide the nuclear umbrella.

Mr. Johnson: That's right. Japan can be a maverick, and the pendulum can swing wildly from one extreme to the other. We are afraid we might get the Japanese to move too much.

The history of the 1930's may not repeat itself, but we can draw some lessons from it. The troubles with Japan grew out of economic issues. The extreme militarism and nationalism fed on the strong impulses for lebensraum and markets. It's possible that extreme nationalism could assert itself once again over real or imagined economic issues.

Mr. Packard: I agree with you, Alex. If we took an extreme position and cut out their markets, we could force them to develop this extreme nationalism.

Mr. Johnson: I don't want to go into the specific economic issues now. I think the basic issue is whether we discriminate against the Japanese. This could mean that we pick Japan out for different treatment than we give other countries, or it could mean that the Japanese feel we pick them out for different treatment. That is the basic political issue. There are a lot of things we can do on the economic side, however, which will not get us to that point.

The Japanese are an emotional people, not that we are not. The pendulum can swing wildly. The picture of a Japanese officer cutting off the head of a prisoner and then weeping fifteen minutes later at the sight of cherry blossoms is perfectly credible.

When they were isolated, they were very isolated. In 1868 when they decided to modernize, they modernized like nobody ever did before. When they were faced with certain problems in the 1930's, they handled these problems like nobody ever did before. On August 15, 1945, the pendulum swung back in the other direction. It can swing again.

We do the same thing. In the 1930's and 40's we thought of the Japanese as a stupid, little people who made toys that fell apart. During the war, the Japanese were ten feet tall—evil incarnate. After the war, they became polite, little people again. We thought of such things as geishas.

Dr. Kissinger: They didn't discourage this view, did they?

Mr. Johnson: No, they didn't. Now, however, they are becoming ten feet tall again. I frankly sense a growing fear here of Japan on the economic side. The Japanese are not ten feet tall, and they are not three feet tall. They are about five or six feet tall—and damned good competitors. I don't think we have to fear them.

Mr. Packard: We provide a nuclear umbrella for the Japanese. We also did a lot to help them build up their economy. This situation has lasted two and a half decades, but we are on the verge of a new era.

Mr. Johnson: Many Japanese understand the position they are in. They have had a closed economy. If they continue with this, they know that other countries will close their economies to them. The issue is whether they think it is in their interest to open their economy.

Dr. Kissinger: I understand the analogy you were making about the Japanese situation. I want a strategy that will prevent them from making these wild changes. What do we want them to do in order to prevent these fluctuations? If our policy with China is successful, Japan's relations with China could also get better. Japan hasn't faced the problem of its political role in the world. Japan is a country of 110 million people and an almost tribal-like society. It's becoming a dominant economic power. What are the Japanese going to want to do as they become aware of the role they play? What is it we have to do? What do we want them to do?

Mr. Johnson: Option two.

Dr. Kissinger: As I understand it, this option means that we want them to engage in more developmental assistance, but to be less exploitive. It also means that we want them to be more active in the security field and that we want them to grant military assistance for nonlethal items to friendly forces. We do not want them, however, to play the principle role in Southeast Asia. We want them to cooperate with Korea on such things as joint air defense. In sum, you want us to treat Japan as a major power without nuclear weapons. Am I correct?

Mr. Johnson: They should be treated in such a way that they don't feel compelled to get nuclear weapons.

Dr. Kissinger: What would make them a major power then?

Mr. Johnson: Their economic and political power. Theoretically, they could even have a seat on the Security Council.

Mr. Packard: That's a unique idea. Maybe we should follow it and be a non-military great power.

Dr. Kissinger: It is a unique idea. At least we would get our low defense budget.

Mr. Packard: We want the Japanese to play a larger role than they have been playing, but at the same time we don't want them to play too large a role.

Dr. Kissinger: Just for my education, could you tell me how we would structure this for the President? What do we want the President to focus on? Could you also tell me what the Japanese would get out of this? They would continue to get our nuclear protection, right?

Mr. Johnson: Right.

Dr. Kissinger: If they think they are getting this for free, there is no incentive for them to be responsible.

Mr. Packard: When the Chinese missiles are operational, this will sober the Japanese.

Adm. Moorer: They are aware of this now. I called on Sato in January, and the only thing he wanted to talk about was China.

Dr. Kissinger: I know he doesn't want to talk about textiles.

Mr. Packard: I think we have some leverage with them.

Mr. Johnson: Henry was getting to the heart of the matter a little while ago. We have to decide what we want the Japanese to do.

Mr. Packard: For one thing, they could help in Cambodia.

Dr. Kissinger: If I may be the devil's advocate for a moment, let me say that as long as they think we are taking certain actions, they will not take these actions. They must be threatened that we will not support Southeast Asia and South Korea. They must be convinced that their own security is involved in the protection of Southeast Asia and Korea.

Once they are convinced of this, though, isn't it possible they will find themselves in the position we were in. If they feel the freedom of Japan depends on Southeast Asia and if they know the U.S. won't protect them, won't they as a last resort feel compelled to send ground forces in? Then it will be a hell of a thing to keep China in line.

Mr. Johnson: It would be at least a generation before they would deploy forces in the area—or before other countries would accept deployment of Japanese forces.

Mr. Peterson: They wouldn't necessarily have to provide the actual forces. Instead they could pay for the support of allied forces.

Mr. Johnson: I think it would be a long time before they would pay—either directly or indirectly. Nevertheless, this is the direction in which I think we should try to push them.

Dr. Kissinger: If we are to do this, we must convince them that we might withdraw unless they help out and that their help is an essential ingredient in the security of the area. We could also tell them the burden will be shared, if needed.

Mr. Johnson: We can do this first and most effectively in Korea. When I was in Tokyo, I had hoped to educate the Japanese about Korea, and I tried to get their feet wet on providing non-lethal military assistance to the Koreans. For various reasons, however, nothing ever came of this.

Dr. Kissinger: What do you mean by non-lethal assistance?

Mr. Johnson: Such things as boats, trucks and uniforms.

Dr. Kissinger: We define this so easily in the case for Japan. Maybe this definition should apply to Pakistan. As I said earlier, we have to go to the Japanese and convince them their own security is involved in the protection of Southeast Asia if we withdraw.

Mr. Johnson: This is especially true with Taiwan because it is an area of great concern to Peking.

Dr. Kissinger: We must convince the Japanese that regional cooperation is not an abstraction, but that it is essential to their security. If they do not cooperate, they will not be secure because we cannot protect them.

Mr. Johnson: This will be a delicate task for us.

Dr. Kissinger: That's right. If the word gets to the Southeast Asian countries before it gets to Japan, we will have great problems.

Mr. Johnson: Everyone already sees that we are withdrawing from Vietnam. We have been pushing the Japanese to provide more aid for Southeast Asia. There have been some results, but the program has been marginal so far.

Dr. Kissinger: Can we get an estimate of the role they should play in aiding the countries of Southeast Asia? How much should they contribute? Should it be 50% or 75%?

Mr. Johnson: As a goal, the pattern for Southeast Asia should be the mix we now have in Indonesia, where the U.S., Japan and Europe each contribute a third of the funds for development aid.

Dr. Kissinger: When I was with the President in Asia, we asked the leaders we met which country posed the greatest danger. To our absolute amazement, the majority said: "Japan." The Indonesian

Ambassador recently paid his farewell call on the President, and he said that China was a long-term threat, but that Indonesia was worried about Japan.

Mr. Johnson: The ANZUS Treaty is really directed against Japan, too.

Dr. Kissinger: What incentive is there for Japan to change her policies?

Mr. Johnson: More and more Japanese are beginning to realize that their current policies are counter-productive to their interests. It's a small number to be sure, but at least some of them realize it.

Mr. Packard: Can't we get them to do something beyond this?

Dr. Kissinger: I have another question. The basic assumption in the paper is that we should treat Japan as a great power in order to keep her from developing nuclear weapons. What do we think the Japanese will do? How will they use their great power status?

Mr. Brown: First of all, they will improve their own standard of living.

Mr. Johnson: We are faced with a dichotomy. We want the Japanese to do more, yet we are worried they might take over Southeast Asia.

Mr. Trezise: They have really helped with Indonesia. Their aid performance there has not been bad, and I think this is something we can pursue. Japan can move further if we apply pressure.

Dr. Kissinger: What about the security field? This, I presume, was one of the things Secretary Laird talked about on his recent trip to Japan. (to Selden) Were you with him?

Mr. Selden: Yes, I was. The Secretary did talk about this. He stressed the nuclear umbrella and modernization of the self-defense forces.

Dr. Kissinger: If Defense had its own way, what would the security role of Japan be?

Mr. Packard: The first thing would be for them to build up their own defense capabilities. They should be able to fully take over the defense of the country, including air defense.

Dr. Kissinger: What would they need an air defense for? As long as China has missiles, she wouldn't attack Japan with planes. We don't want them to have an ABM, do we?

Adm. Moorer: No, but we do want them to have SAMs.

Dr. Kissinger: To defend against what? If China attacks, she will use missiles.

Mr. Packard: In the short term, this might not necessarily be the case. In any case, we also want to retain our ability to operate our bases in Japan and Okinawa. And, of course, we want to see increased Japanese assistance for Korea and Southeast Asia so that we can reduce our load in those countries.

Dr. Kissinger: What magnitude are you talking about? Let's take nonlethal items as an example.

Mr. Packard: We looked at this last year in relation to Cambodia. If the Japanese could have given \$50 million worth of equipment, it would have been a great help.

Dr. Kissinger: Didn't they contribute?

Mr. Johnson: They did, but only about \$4 million—mostly trucks.

Mr. Packard: We also scratched around, if you remember, and tried to get communications equipment. If the Japanese wanted to help in Korea right now, they could provide a lot of things.

Mr. Selden: Don't forget that they also have to modernize their own forces.

Mr. Packard: That's true, and it's related to the first point I raised about increasing their own capabilities.

Dr. Kissinger: This is a laudable objective. What carrots and sticks are available to carry it out?

Mr. Packard: Economic sanctions, for one thing, are available, but they should be used very carefully.

Mr. Johnson: (to Packard) Do you see an indefinite need for bases? Will we need bases through the next decade?

Mr. Packard: The bases will be very essential through the next decade, unless we think there is much less of a threat.

Dr. Kissinger: Do you believe we can continue to provide the nuclear umbrella while we are pulling our forces out of the area?

Mr. Johnson: The Japanese have a terrible dichotomy, too. They value the nuclear umbrella. They understand that our presence, including our presence on Okinawa, is a guarantee. Yet they do not perceive the threat—unlike the Germans or the Koreans. They do not see a threat coming from the Soviet Union—unless there is a nuclear conflict involving the entire world. They do not see for a generation at least a conventional threat coming from China.

Mr. Packard: This is true.

Mr. Johnson: Our military presence there is seen as a favor they are bestowing on us.

Dr. Kissinger: If that is their attitude, we can't get a lot in return for our nuclear umbrella.

Mr. Packard: As I said before, the situation is changing, and they have more concern now. They had no reason to worry before.

Mr. Selden: When we were in Tokyo recently,⁵ Prime Minister Sato expressed a great deal of interest in the recent developments in Peking.

⁵ Laird visited Japan July 4–11. See Document 80.

He wanted the Secretary to give him pictures of the mounds in Peking. The Secretary went into the fact that they should modernize, and he also discussed the economic crisis. Sato, I must say, was agreeable on all counts.

Mr. Green: The major question is how do we goose the Japanese?

Dr. Kissinger: I don't question the objectives. I want to know how we get there.

Mr. Green: The Japanese must come to appreciate that there is no other course open to them. They can't go with the Soviets, and the Chinese approach is out of the ball park. Going nuclear is out of the question since it would scare China and the neighboring countries. The Nixon Doctrine is inducing concern in Japan because the Japanese realize they are going to have to help us. I think this is the best way we can get them to deliver.

Dr. Kissinger: In Option 1, there are inducements, but no penalties. We talk about increasing joint planning and joint exercises between U.S. and Japanese forces. This could have consequences with our relations with China. I am not making a judgment. I am suggesting that we take a closer look at our objectives and options. We already analyzed the impact on Japan of our initiative with China. If China should object to these joint exercises, for example, there is no reason we should not have them. But we should know the consequences of our actions.

Adm. Moorer: We have had joint exercises during the last few years.

Dr. Kissinger: Can we get a list of the categories of exercises? Then we can see which ones we might want to increase. We should have the list for the NSC meeting. This is a most fluid diplomatic area, and we are almost flying blind. We have to get the basic strategy set. Suppose Japan does not increase her role in Southeast Asia and elsewhere as we wish her to. Suppose she does not see any advantage in the economic measures we would like her to take. What would we do then?

Mr. Johnson: Have another SRG meeting? Seriously, we must recognize that our influence on Japan is marginal. We cannot determine what Japan can or cannot do. We must chart the direction we would like Japan to follow, but we must know we will not be fully successful. We should also know we will have to modify our policies.

Mr. Brown: My personal view on economic sanctions is that they are more trouble for us than they are for Japan. If we take the extreme step of closing our markets to them, this would hurt our people severely. The Japanese could also deny us the bases.

Mr. Johnson: They are more worried about us than we are about them.

Mr. Peterson: I thought we were more vulnerable.

Mr. Brown: They could retaliate if they wanted to. For example, they could buy wheat from Australia or Canada.

Dr. Kissinger: We will get to the economic issues in three minutes. But first I wonder if we can get something focussed for the NSC. Can we work out the answers to the questions I raised? We should show what the various alternatives look like. What would the consequences be of a more independent Japan? What would we have to do?

Mr. Johnson: Renunciation of the Security Treaty might be one result.

Dr. Kissinger: Yes. And if so, what would the Pacific area be like? And what effect would that have on the economic situation?

Mr. Peterson: May I say a word about the relationship of the security and economic issues. Some people compare what the Japanese have spent on defense in the last ten or twenty years with what we have spent during that same period. They see that we have spent ten times as much as the Japanese and that we have put much less money back into our own economy. We discussed today how important it is for them to spend significantly more on their defense. Why is this in our interest?

Mr. Johnson: We have to ask ourselves several questions. First, if they do spend more, can we spend less? We also have to know what we want them to spend more on. Is it correct to say that a different order of magnitude of Japanese defense spending would mean less defense expenditures for us? Could the Japanese spending be compatible for us to reduce our spending?

Mr. Packard: If they spend more of their money for defense, it will be less favorable for the economy as a whole.

Dr. Kissinger: That is not a very compelling argument to make to the Japanese. Our experience along this line with the Europeans indicates that they will only spend more on defense if they are convinced their own security is at stake and that we will not spend more to provide their security. We know Japan's tendency to extremes. Now they are non-militarists, but if we convince them otherwise, can we stop the pendulum from swinging back to the other extreme?

Mr. Peterson: How important is it for us that they spend more? If it is important, how can we compel them to do it? If they take our nuclear umbrella for granted, why should they pay for other defense measures? People do not spend their resources unless there is an incentive for them to do so.

Mr. Johnson: We could compel them to spend more by withdrawing entirely from Asia, by renouncing the Security Treaty and by saying: "It's up to you." Then Tom [Moorer] would come and say that he needs a much bigger navy.

Dr. Kissinger: That would be entirely against his [Moorer's] instincts, too.

Mr. Peterson: On the economic side, I think there is agreement on what the papers say Japan should do. There is disagreement, though, on how we should get Japan to do these things. We all agree, for example, that the yen should be revalued. We will try to get the Japanese to do this through discussions.

Dr. Kissinger: Why should they do it?

Mr. Peterson: I'll let Herb [Stein] answer that one.

Mr. Stein: Basically, a revaluation is a relatively efficient way of stopping the wasteful use of their resources. Other countries have found this to be the case.

Dr. Kissinger: Why is it wasteful?

Mr. Stein: What is useless is that Japan exports her real resources and gets non-earning assets—U.S. dollars—in return.

Mr. Packard: Maybe it would be better to devalue the dollar.

Mr. Peterson: Do we feel it is in the U.S. interest to permit Japan to build up U.S. resources and invest them in Southeast Asia? This would help Southeast Asia move ahead. But it also means that a country with capital, technology and a low cost of labor would become a strong competitor for us. We must think this through a little more. On the plus side, it would help Southeast Asia. But on the minus side, it would create a strong competitor.

Dr. Kissinger: How would we stop it?

Mr. Peterson: By taking action which would discourage the Japanese from building up U.S. reserves.

Mr. Packard: I think the economic problems are more important than the defense ones in many ways. We must handle them carefully so that they don't exacerbate the defense problems.

Dr. Kissinger: How could we tackle the economic problems so that they would have no effect on the defense problems? I don't understand how this could be done.

Mr. Packard: We can do it. If we establish import quotas, however, this would be an extreme position.

Mr. Dam: We should approach the economic problems in more of a multilateral way than a bilateral way, and we should treat Japan as a great power.

Dr. Kissinger: How would we do this?

Mr. Dam: One way to do it is through GATT. This would be viewed as a multilateral approach, and it would not appear that we were applying discriminatory quotas.

Mr. Stein: Our balance of payments problem is involved with this. An across-the-board surcharge on imports could be set up, for example,

and it would not discriminate against the Japanese. It would have an equal effect on everyone.

Mr. Volcker: The balance of payments problem is caused in part by the Japanese. We could use an across-the-board import surcharge if we start with the major assumption of Japanese imbalance. [trade disequilibrium with the U.S.]

Mr. Stein: I'm not starting with that assumption. If we have a deficit with somebody, it's best to have it with the Japanese because they are the most docile. They are not going to ask for gold.

Mr. Volcker: We might get retaliation from the Europeans.

Dr. Kissinger: We have a practical problem. When you use pressure, the nature of this pressure is to hurt somebody—and he won't like it. But is the price you pay for this, worth it? Are there any economic objectives we must have so that we are willing to antagonize the Japanese for them? We all agree we should press for something. Is anything so important, though, to override the political concerns we expressed before? Do you think we can achieve all our economic objectives without paying a price?

Mr. Peterson: It's unlikely the Japanese will pay unless they are induced to do so as we just saw with the defense issues.

Mr. Stein: Do we have such strong economic interests that we have to give up other political and defense interests? The Japanese threat against the American economy is really minor and in a sense perverse. Protectionism is obviously beneficial to some sectors of our economy. On balance, however, it hurts the economy.

Mr. Peterson: Perhaps we can all be together on this. This year we estimate we will have the largest deficit in history on our balance of payments. This in turn will start to build pressures for: a major quota bill, a pull back of troops, counter-actions in Europe. We will probably have a balance of payments deficit of five to six billion dollars, and a substantial part of that is with Japan. Through the use of the undervalued yen the Japanese have decided to sacrifice growth and to increase exports.

Dr. Kissinger: How much is the yen undervalued? Is it ten percent?

Mr. Peterson: More. If a new exchange rate were to put it in equilibrium with other systems, I think the yen would be revalued 20%. This undervaluation, of course, has tremendous impact on the competitiveness of products in the U.S. We can take action which is nondiscriminatory in some ways. We can also make the case, I think, that the Japanese themselves have taken a discriminatory act in undervaluing the yen. Remember, 2½ billion out of the \$6 billion balance of payment deficit is due to Japan.

Dr. Kissinger: We need to set forth more elaborate political and economic frameworks so that the two of them can be related together.

Then we can present both to the President. Can this be done by August 17? Can we aim for another meeting on the 17th, when we can meld this together?

88. Memorandum From John Holdridge and Robert Hormats of the National Security Council Staff to the Deputy Assistant to the President for National Security Affairs (Haig)¹

Washington, August 10, 1971.

SUBJECT

CIEP Review Group Meeting on Japan

The CIEP Review Group meeting which we attended today brought out the following:

—There is disagreement amongst the agencies as to precisely what reforms we wish Japan to undertake. Commerce would like Japan to allow in more American private investment; however, Treasury believes this would have a negative effect in the short run on our balance of payments. A number of agencies are pressing Japan to revalue the yen, although the amount of the revaluation acceptable to the agencies varies from Treasury's 20 to 25 percent (which Japan could not possibly accept) to State and DOD believing a 7 to 10 percent revaluation could be acceptable (which, if Japan liberalizes its import requirements and provides more foreign aid, seems to be a more logical position). Other suggested measures include a liberalization of imports and voluntary restraints by Japan on her exports. However, it is obvious that Japan will not do everything we seek and the agencies do not seem to be able to focus on which reforms we should press hardest for at the September Ministerial meeting.

—All agencies seem to agree that we have little effective leverage short of the threat of quota legislation or the Administration's imposing quotas under existing legislation (which Peterson and Commerce advocate).

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul–Sep 71. Secret. Sent for information. Haig's initials on the memorandum indicate he saw it. An account of this meeting, drafted by Winthrop Brown, is *ibid.*, RG 59, Central Files 1970–73, E 1 JAPAN–US.

—There is a great deal of concern with the U.S. balance of payments and trade situation in general, and with Japan in particular. Last year the U.S. balance of payments deficit was \$3 billion and in 1971 the estimate is approximately \$8.5 billion, while Japan is expected to realize a balance of payment surplus of approximately \$7 billion in 1971. Approximately \$2.5 billion of the U.S. deficit will be with Japan.

—There are basically two schools of thought as to how to handle the above problem: one advocates solving our balance of payments problems primarily through export incentives and border taxes on imports—which would not be directed specifically against Japan—but would affect trade with all our partners, along with requesting Japan to conform to accepted rules of international trade. The second school of thought says that since Japan is quite obviously the major problem, we should exert strong efforts to improve our trade and balance of payments with her and avoid invoking measures which would affect trade with the Europeans.

89. Telegram From the Department of State to the Embassy in Japan¹

Washington, August 16, 1971, 0108Z.

149434. Please deliver as soon as [possible] following personal message from the President to Prime Minister Sato: “Dear Mr. Prime Minister: As I have asked Secretary Rogers to inform you, I am tonight announcing a comprehensive program to curb inflation, increase employment, restore strength and confidence in the United States dollar, and improve the international monetary system. This major action is necessary to preserve confidence in the dollar and to maintain an international monetary system which will serve the world’s needs. It was our responsibility to act and we have done so.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul–Sep 71. Confidential; Immediate; Exdis. Drafted by Johnson and approved by Johnson and Eliot. In telegram 8278 from Tokyo, August 24, Meyer summarized the effects of Nixon’s new economic program on Japan. He asserted: “Recent US actions, particularly new economic program, have had constructive effect in Japan, forcing Japan to face realities of 70’s.” (Ibid.) In response to Nixon’s new economic program, the Japanese Ministry of Finance announced on August 27 that it would let the yen float against the dollar.

I am imposing a 90-day freeze on wages and prices in the United States. I am cutting certain taxes to stimulate consumption and employment and I am sharply curtailing US Government expenditures. I am also levying a temporary surcharge on all dutiable imports not already subject to quantitative limitations by the United States, and I have directed that the convertibility of the dollar into gold or other reserve assets be suspended. I recognize that these actions will be of concern to Japan as they are vital to us.

What we need now is an early agreement on improvements in the international monetary and trading system. I have asked Treasury Secretary Connally immediately to get in touch with your Finance Minister to consult on how we can bring about these improvements.

I am sure you will find that what we have done will contribute to economic expansion in a world at peace. I look forward to continuing to work with you on these matters of such concern to both of our countries as well as to the rest of the world. Sincerely Richard Nixon."

FYI: Secretary Connally is calling Finance Minister Mizuta tonight and Paul Volker is also calling Kashiwagi. They are being informed that Paul Volker is proceeding tonight to London for a meeting tomorrow at 1500 London time with selected European countries, Canada, and Japan. In view of time element Japan financial attaché at London will be welcome to meeting and Volker will be prepared to meet Japan Ministry Finance officials here in Washington soonest.

Rogers

90. Memorandum of Conversation¹

San Clemente, California, August 21, 1971, 10:35–11:35 a.m.

PARTICIPANTS

Ambassador Nobuhiko Ushiba, Japanese Ambassador to the United States
Mr. Yutaka Normura, Economic Counselor of the Japanese Embassy
Mr. Takasugi, Japanese Consul General in Los Angeles
Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs
Mr. Winston Lord, NSC Staff

Dr. Kissinger: It is nice to see you.

Ambassador Ushiba: It is nice of you to give me this time. Prime Minister Sato sent me a cable concerning my seeing you. Is there any message from you or the President that you would like me to convey?

Dr. Kissinger: We had a surprise announcement for you on July 15 and another surprise announcement on August 15. I promise you there will not be another one on September 15.

Ambassador Ushiba: The last one was on a Monday morning with the market already open and there was confusion. I recognize Sunday evening was good for you and Europe, but for us it was a delicate time.

Dr. Kissinger: You are keeping your nerve. You are buying so many dollars. I am not an economist.

Ambassador Ushiba: We are not entirely unhappy. We are buying dollars.

Dr. Kissinger: I am told that you can force us to devalue the dollar by dumping.

U.S.-Japan Relations

Dr. Kissinger: I talked to the President yesterday. He knows you are here. We want to restore good relations. We consider our friendship

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul–Sep 71. Secret; Sensitive. The meeting took place in Kissinger's San Clemente office. Lord transmitted the memorandum to Kissinger on September 8, under a memorandum indicating that another Kissinger-Ushiba meeting would take place that day and noting: "I have given a sanitized account of this meeting to Holdridge's shop to help them prepare your basic talking paper." (The sanitized version is *ibid.*) Kissinger's talking points for the August 21 meeting with Ushiba were contained in an August 19 memorandum from Holdridge and Hormats in which they noted, "Your conversation with Ambassador Ushiba on July 23 was extremely valuable, I am told, in dampening down elements within the Japanese leadership who, as a result of the President's China initiative, argued for a more independent Japanese foreign policy. However, there are now new complications in US-Japanese relations resulting from the President's recently-announced economic measures." For a memorandum of conversation of the July 23 meeting, see Document 83.

with Japan the keystone of our Pacific policy. We have had some unfortunate misunderstandings and difficulties. We must make sure that our basic traditions are not affected. One reads reports about our replacing Japan with China—this is an absurd proposition. The Chinese are opponents, though maybe with our policy we can make them a little less aggressive. But you are our friends. We will not trade our friends for opponents. Therefore as regards the basic direction of our policy, nothing has changed. I explained our China moves to you.

I assume that what I say is not reported by your press officer.

Ambassador Ushiba: I will send it immediately to the Prime Minister.

Dr. Kissinger: There is one thing I find that is not working too well in our relations. On textiles, for example, there was a price paid out of proportion to the intrinsic value. I was partly to blame. I did not take this issue seriously when I first came into office and hoped it would go away.

We have had discussions on such matters as textiles and yen devaluation. But we don't really have fundamental discussions on where we both want to go. Who should we talk to if the President wants to talk, knowing that the conversations with the Prime Minister will be kept in that channel. For example, if there were developments we could tell you or some other designate about, something personal for the Prime Minister, and you would not tell the bureaucracy and we would not tell the bureaucracy.²

Ambassador Ushiba: I understand.

Dr. Kissinger: We could feel freer to discuss basic philosophy or approaches.

Ambassador Ushiba: I am designated.

Dr. Kissinger: I am delighted. It is up to the Prime Minister to designate. I believe we should have that exchange because right now there is almost no such contact; everything is more bureaucratic.

Ambassador Ushiba: It is done in a more normal way.

Dr. Kissinger: I am not being critical.

Ambassador Ushiba: I understand the reasons for what you say. I will tell the Prime Minister that it is very important to have a direct channel.

² This paragraph and the subsequent exchanges on this topic (concerning a secret channel of communication between the United States and Japan) were removed from the sanitized memorandum of conversation sent to the Department of State. At this point, the sanitized version of this document continues with the discussion of the textile issue.

Textiles

Dr. Kissinger: We are prepared to work seriously to improve our relations. I don't know where the textile negotiations stand; they bore me. I have no specific proposals to make. Can we settle this in the next two to three months?

Ambassador Ushiba: I am in a similar position. I have been given no information by the government on the Kennedy negotiations with the Trade Minister and the Prime Minister. I gather Ambassador Kennedy still insisted on a formulation along the lines that Mr. Flanigan proposed to me in December of last year. This makes negotiations almost impossible.

Dr. Kissinger: With election year coming certainly the President will do something. Unfortunately the textile industry only concerns a few states. It would be better if it were spread over the country. I do not want to get into this. With Japan we always talk textiles instead of the direction of the next ten years. I was very naive at the outset. In the first month of the Administration there was a proposal that a mission go to Japan on textiles. I said we could not open our relations with Japan on an issue like textiles. Now here we are. I leave it to people who understand this.

Ambassador Ushiba: The pattern of our exports has changed radically. The bulk of our exports is in yarns, raw material which the textile people buy. It is a mistake to treat Japan on the same level as Korea, Hong Kong or Taiwan.

Dr. Kissinger: We are moving and your side should recognize that the Japanese Government should show minimum progress. Secretary Rogers will raise this with your Foreign Minister on a private basis when he comes. There will be no experts present.

Ambassador Ushiba: Let us put this aside.

Dr. Kissinger: We will try to be constructive. You should try to be constructive. If I never hear about this again I will be only too happy.

Ambassador Ushiba: I hope you will be interested in the final stage.³

Dr. Kissinger: If we get to the point where there are only two issues left, I will be glad to go to the President if you come to me. We are not there yet.

Ambassador Ushiba: Yes.

³ The sanitized version did not contain this remark by Ushiba, or the subsequent exchange between Kissinger and Ushiba. It moved immediately into the discussion of China.

China

Dr. Kissinger: Let us forget textiles and talk about the next ten years. With dramatic events let us not forget the fact that U.S./Japanese friendship is a key element in our foreign policy. First, it is inevitable that as you grow stronger you become the object of hostility. Secondly, our relationship must be redefined. Many Americans remember you from right after the war, and they forget you have your own views, that you have 2,000 years of history. It is a psychological adjustment we must all make. In these conditions how do we harmonize our policy? You are undoubtedly a great power which will pursue its own interests. We and you have to raise our sights above the purely economic matters of the post-war period.

Ambassador Ushiba: I agree. Mr. Sato is trying to raise sights.

Dr. Kissinger: We read accounts that the Chinese are worried about you. Maybe this is so. In any event that is their problem, not ours. We are prepared, we are eager to strengthen relations with you. There is much the Chinese accuse you of which you don't wish to do.

Ambassador Ushiba: Our taking over Korea or Formosa is nonsense.

Dr. Kissinger: I don't have the impression that you are preparing an expeditionary force.

Ambassador Ushiba: Right.

Dr. Kissinger: You are a major industrial country and there is no avoiding that.

Ambassador Ushiba: I can understand the Chinese fear because of many generations of past policy. I don't blame them. But they should not look at the past but at the Japan of today and the future. Then there will be solutions and grounds for mutual understanding. For that we must try to have more contact with China.

Did you see any strong views of the Chinese while you were in Peking?

Dr. Kissinger: They said some of the things which they said to Reston,⁴ but in better balance. I didn't give them as much encouragement as Reston.

Ambassador Ushiba: Chou used the interview skillfully with Reston to impress his opinions on the U.S. public.

Dr. Kissinger: If you took the names out of the interview, you couldn't tell who was speaking for which side.

⁴ James Reston wrote a series of articles for the *New York Times* during a 6-week visit to China during July and August. His articles of July 17 and August 4, 6, and 13 discussed China's fear of Japanese militarism.

Ambassador Ushiba: Right. Most of the statements that Chou made to Reston he has made now for several years, so we Japanese know that way of thinking.

Dr. Kissinger: He has said these things to Japanese delegations.

Ambassador Ushiba: Many times. This is the first time in the American press. It must make a rather strong impression.⁵

Dr. Kissinger: The *New York Times* doesn't know what to do. It is probably anti-Japanese as well as anti-Administration. If we were anti-Chinese they would support China but they haven't made up their minds on what to do now. This affects only the Eastern intelligentsia.

Ambassador Ushiba: I heard New York business people with very strong views attacking Mr. Reston.

Dr. Kissinger: Against?

Ambassador Ushiba: Yes.

Dr. Kissinger: His behavior was outrageous.⁶

Ambassador Ushiba: I agree.

Dr. Kissinger: For example, his acceptance of the Communist line on the Laos invasion; his suggestion that Dr. Kissinger deceived Chou; his view that the President was not being courageous.⁷

Ambassador Ushiba: It was outrageous. I have spoken with the Chinese; Japanese often do. They say that Sato is responsible for all the difficulties.

Dr. Kissinger: The English never do that.

Ambassador Ushiba: No they never do.

Dr. Kissinger: Humility is not the outstanding trait of Mr. Reston. Will he visit Japan too? He is still in China.

Ambassador Ushiba: Maybe the Chinese asked him not to visit Japan. They did so to some Germans.

Do you have an idea when the President's visit to China will take place?

Dr. Kissinger: We have not set a date. We want to let things cool off.⁸ We will set a date by November. I don't think it will be this year.

⁵ The sanitized version of this memorandum neither contains this remark by Ushiba nor Kissinger's response.

⁶ The sanitized version neither contains this remark by Kissinger nor Ushiba's response.

⁷ In the sanitized version, Kissinger comments: "Reston's acceptance of the Communist line on the Laos invasion was curious; so were his suggestion that Dr. Kissinger deceived Chou and his view that the President was not being courageous."

⁸ The sanitized version does not contain the rest of this paragraph, or Ushiba's response.

I think it will be the first quarter of next year. As soon as we have a date set, we will let you know. We would like to let you know through a private channel.

Ambassador Ushiba: Yes.

Dr. Kissinger: We will try not to surprise you.⁹

Ambassador Ushiba: Please.

The Soviet Union

Ambassador Ushiba: The other day I had a long talk with Ambassador Dobrynin. He is obviously very concerned about the purpose of the President's policy. He said that his point of view was that this announcement would upset Japan and the Asian countries. He wonders what would compensate for this disadvantage and achieve success. What is the purpose of the President? He is obviously concerned with our country.

Dr. Kissinger: Dobrynin tells me that he thinks you are planning to link up with China and divide up Siberia between the Chinese and the Japanese. Is that true? (Ambassador Ushiba laughs.)

Please give us advance warning.

I don't believe that anything we do in Peking will affect Japanese interests. You know that American interests forced us to try to get maneuvering room. We will not change the Taiwan policy in the UN. We will stick with it and fight for it. As for Japan we will not go along with the proposition that you are the villain in Asia. We will see if we can get a neutral posture from China for Southeast Asia during the period we want to wind up the war.

Ambassador Ushiba: That is certainly very important. You had a very successful policy containing the Soviet Union and Europe. At this end (Asia) the Soviet Union is on your mind?

Dr. Kissinger: Not particularly. Only in the sense that we won't let Moscow speak for all communist countries. We can't give serious military assistance to China. We don't look at this as an anti-Soviet move.

Ambassador Ushiba: I understand that your talks on SALT and Berlin are going well.

Dr. Kissinger: They are going quite well.

Ambassador Ushiba: The Russians have not changed their attitude since the Chinese developments?

Dr. Kissinger: No, if anything the negotiations have been accelerated.

⁹ In the sanitized version, Kissinger says, "We will not surprise you."

Ambassador Ushiba: We have territorial questions with the Soviet Union. I raised it with Dobrynin. He said that the Soviets would give us back the Islands if it were only a question of relations between Japan and the Soviet Union. The main question now is that the problem with China which might raise claims on the border question. They have such difficulty with China. The Chinese have proposed that there be no big change in the borders but that the Russians admit that the treaties which are a hundred years old are unfair. They will not initiate any big change at this time. The Russians believe that if they give the Islands back to Japan, China will come out again with big demands on the borders. That is the difficulty on the Islands.

Dr. Kissinger: Will you alter your relations with Russia?

Ambassador Ushiba: I don't think so. The territorial question is the big obstacle. Relations in the economic field will present no difficulty.

Dr. Kissinger: Why did Dobrynin talk to you? Why do you not work through the Soviet Ambassador in Japan?

Ambassador Ushiba: Because I raised it. He is also an important man in the Communist Party.

Dr. Kissinger: He is on the Central Committee.

Ambassador Ushiba: This question came up after other discussion.

Dr. Kissinger: I once was in Moscow for a radio show involving Japanese, Americans and Russians. There were one or two Japanese there. The Russians were attacking me until the Japanese mentioned the Kurile Islands. Then the Soviets attacked Japan and I was neutral.

Ambassador Ushiba: The Russians are certainly using the Chinese problem for their own purposes.

Dr. Kissinger: Yes.

Ambassador Ushiba: We are inevitably involved to some extent in this power game.

Dr. Kissinger: The problem is for both sides not to let themselves be used against the other by the communist countries. China wants to use the U.S. against you. The Soviet Union wants to use Japan against us. This is important.

Ambassador Ushiba: Yes.

Dr. Kissinger: We are not nervous about your relations with the Russians.

Ambassador Ushiba: It is very clear historically. It is not only a question of territory. There are no friendly feelings towards the Russians, while there is a certain deep rooted friendly feeling for China.

U.S.-Japanese Visits

Dr. Kissinger: There will be a White House dinner for your delegation on September 10.

Ambassador Ushiba: We deeply appreciate this. Also the visit of the Emperor.¹⁰

Dr. Kissinger: It was announced yesterday. It will not be too long.

Ambassador Ushiba: We understand. It is because of our schedule.

Dr. Kissinger: It is mostly symbolic.

Ambassador Ushiba: It is very important symbolically.

Dr. Kissinger: Will your Foreign Minister be along?

Ambassador Ushiba: Yes. Will Secretary Rogers accompany the President?

Dr. Kissinger: We may ask Alexis Johnson to accompany him too. You have two Ambassadors in Washington. You and Alexis Johnson.¹¹ I don't know what you do to our people. For example, former Ambassador Reischauer always tells me to be nice to you.

Ambassador Ushiba: That gives us three Ambassadors. Reischauer was very effective.

Dr. Kissinger: I am not permitted to forget Japan. Of course, I do not want to. I am scolded at regular intervals by Reischauer.

Ambassador Ushiba: In the economic field what kind of developments do you foresee now?

Dr. Kissinger: Now that we have made such big steps, let's concentrate in meetings on the big issues, and not on nitpicking. It would be terribly helpful symbolically if we have one or two announcements which show that we are working together and agreeing together. Peterson will talk with you.

Ambassador Ushiba: Yes. We will give you some concrete ideas.

Dr. Kissinger: That will be very helpful. We will be constructive on our side.

Ambassador Ushiba: Secretary Rogers said yesterday that the prospects for Okinawa were better. The State Department will submit this to the Senate right after the Ministerial Meeting with strong recommendations by the President. That will be very helpful.

Dr. Kissinger: We certainly plan to do that in September. Your moves would help.

Ambassador Ushiba: Do you plan to go overseas before China? Why don't you visit us sometime?

Dr. Kissinger: In principle I would be glad to visit Japan. In Washington whenever I go abroad officially it generates a great deal of

¹⁰ A memorandum of conversation of Nixon's discussion with the Emperor is in the National Archives, Nixon Presidential Materials, NSC Files, Box 1025, Presidential/HAK Memcons, Memcon—The President/Emperor Hirohito, Sept. 26, 1971.

¹¹ The sanitized version does not contain the rest of this paragraph, Ushiba's response, and Kissinger's counter-response (which ends with the word "Reischauer").

jealousy. If there could be some excuse, if I could speak to some group, not the press, in principle I would be glad to visit. In fact I am quite eager to do so. I have not really been there since 1962 when I was there for about a week. In principle I would like to go. Mr. Nakasone invited me. I can't go as the guest of the Defense Minister; that would be under the wrong auspices.

Ambassador Ushiba: We can find better auspices I am sure.

Dr. Kissinger: If you can find a better way, particularly one that would not trigger my colleagues' resentment,¹² that would be helpful. I have thought of going. How long would it take?

Ambassador Ushiba: About twelve hours altogether.

Dr. Kissinger: If I went, I would go by military plane.

Ambassador Ushiba: The polar route is much shorter.

Dr. Kissinger: Maybe I could go during the late fall, the end of November, for four or five days. But I am afraid of your press.

Ambassador Ushiba: We are all afraid of your press.¹³

More on Textiles, China, and U.S.-Japan Relations

Dr. Kissinger: You did a good job with the American press. They all think we have hurt you badly.

Ambassador Ushiba: We have stopped doing that now. We are concentrating on the future now. We have very little sympathy in the American press, recently because of economic problems.

Dr. Kissinger: First of all they do not understand them. I know nothing about economics. Our businessmen are furious. We are under enormous pressures from our businessmen.

Ambassador Ushiba: It seems almost customary to attack Japan in conversations among your business people.

Dr. Kissinger: Economic leaders are usually political idiots. They don't understand our basic interests and wouldn't know how to bring them about if they did.¹⁴

Ambassador Ushiba: That is true of Japanese businessmen.

Dr. Kissinger: Your textile industry, for example.

Ambassador Ushiba: They are so emotional. That is what makes it so difficult.

Dr. Kissinger: It will be impossible to write a history on the textile negotiations. I understood them for two weeks last year when the Prime Minister was here.

¹² The sanitized version does not contain this subordinate clause.

¹³ The sanitized version does not contain this comment by Ushiba.

¹⁴ In the sanitized version, Kissinger notes: "Economic leaders don't understand our basic interests."

Ambassador Ushiba: We wrote the communiqué in the office.

Dr. Kissinger: Why did the Prime Minister come back to this subject?

Ambassador Ushiba: He was determined to finish this business. After returning to Japan the situation became even worse.

Dr. Kissinger: There have been more Japanese emissaries than American secret envoys. You have seen your share of Americans. We are showing you some even rougher than Mr. Stans.

Ambassador Ushiba: Some people on your side are bitter.

Dr. Kissinger: The biggest price you paid was with the President. It was a mistake for the Prime Minister to raise the issue a second time without knowing he could settle it. The first time with the President it was OK. We didn't want to raise the issue again. Mr. Kishi also promised.

The President considers we are friends. You paid an intangible price. I would like to think our basic policy is not affected by irritations and it is not, but these little things are damaging.

Ambassador Ushiba: Yes they are very unfortunate.

Dr. Kissinger: We have to be sensible and now find a way to deal with fundamental problems. You certainly have great good will in the White House. Both the President and I want to strengthen our relations with Japan. The President will travel all night to spend one hour with the Emperor. This symbolizes our attitude. The President has a bed in Air Force One, but the rest of us will be very tired.

(There was then some small talk on Ambassador Ushiba's travel arrangements to the airport to go back to Japan.)

Ambassador Ushiba: How did you find Prime Minister Chou?

Dr. Kissinger: He was very intelligent.

Ambassador Ushiba: He expresses his views in a very subtle way.

Dr. Kissinger: Much subtler than the Russians. He is quite tough. He is very eloquent in his expressions. Have you dealt with the Chinese before?

Ambassador Ushiba: In very small ways. I have talked to some Chinese in Taiwan. They are all very cultured people.

Dr. Kissinger: A lack of intelligence is not their national problem.

He is very intelligent. Most press speculation (on Kissinger trip to Peking) is quite wrong. They all assume there was some deal. You have experience and know this can't happen. What deals are possible?

Ambassador Ushiba: They are so fundamental issues, for which you must have time to solve.

Dr. Kissinger: We have managed to talk about textiles for two years. Why would we solve Taiwan in ten hours?

Ambassador Ushiba: It seems now that the attitude of Taiwan is very flexible on the UN.

Dr. Kissinger: We have a very good position.

Ambassador Ushiba: If we fail in the UN, what will happen?

Dr. Kissinger: What do you mean?

Ambassador Ushiba: Will you recognize Peking?

Dr. Kissinger: No. It will not affect the basic relations. We will not recognize Peking for the foreseeable future. I can't say what will happen in three or four years. We have no intention now. In the future as far as I can see we have no intention of recognizing Peking.

Ambassador Ushiba: Will both you and Secretary Rogers be going?

Dr. Kissinger: To Anchorage, yes.

Ambassador Ushiba: I mean Peking.

Dr. Kissinger: Yes.

Ambassador Ushiba: There will be a lot of press people.

Dr. Kissinger: We don't know what to do, but I hope there will not be too many. We could take 2,000; several hundred want to go. We will try to keep the circus to the minimum. They will have nothing to do there. We can't tell them what we discuss in the meetings. The Chinese have had many barbarian invasions. They have never seen American journalists, not to speak about the advance men. People have wondered whether something political might interrupt the trip. That part is alright. What will interfere is the behavior of our people.

Ambassador Ushiba: You are very security minded.

Dr. Kissinger: If 750,000,000 people attack us, there is no way to stop them. I think the security will be very good.

Ambassador Ushiba: I think so.

Dr. Kissinger: If it happens it will be by design not by accident. If it is by design, no one can help the situation.

Ambassador Ushiba: You foresee no political difficulties?

Dr. Kissinger: No. We would not have agreed to the trip. They have their own reasons. They do not do us a favor.

Ambassador Ushiba: Of course.

Dr. Kissinger: They are not in the business of doing favors for others.

Ambassador Ushiba: They will continue to be very tough on Japan in the near future.

Dr. Kissinger: We will not cooperate in that. If you were to expand militarily . . . but this is not at all likely.

Ambassador Ushiba: I can assure you that this is out of the question.

Dr. Kissinger: I can conceive of no difference of views between us. We won't cooperate in isolating you. We want to strengthen our relations with you.

91. Minutes of a Senior Review Group Meeting¹

San Clemente, California, August 27, 1971, 10:54 a.m.–1:25 p.m.

SUBJECT

Japan

PARTICIPATION

Chairman—Dr. Henry A. Kissinger

State

Mr. U. Alexis Johnson

Mr. Winthrop Brown

Mr. Philip Trezise

Defense

Mr. G. Warren Nutter

Rear Adm. William R. Flanagan

JCS

Adm. Thomas H. Moorer

CIA

Mr. Richard Helms

Mr. Maurice Ernst

Treasury

Mr. John R. Petty

Mr. John McGinnis

CIEP

Mr. Peter Peterson

Mr. Richard Allen

Mr. Deane Hinton

OMB

Mr. Kenneth Dam

NSC Staff

Col. Richard Kennedy

Mr. John H. Holdridge

Mr. Robert Hormats

Rear Adm. Robert Welander

Mr. Mark Wandler

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-112, SRG Minutes, Originals, 1971, [2 of 6]. Secret; Sensitive. The NSC staff sent Kissinger a briefing memorandum for this meeting, which took place at the Western White House. (Memorandum from Holdridge and Hormats to Kissinger, August 25; *ibid.*, Box H-059, Senior Review Group Meetings, SRG Meeting—Japan 8/27/71) Kissinger noted the minutes of this meeting. (Memorandum from Davis to Kissinger, September 2; *ibid.*, Box H-112, SRG Minutes, Originals, 1971, [2 of 6]) The Department of Defense also prepared a record of this meeting. (Rear Admiral Flanagan memorandum for the record, undated; Washington National Records Center, RG 330, OSD Files: FRC 330-76-197, Box 67, Japan, 123, Tab D2 from briefing material for CIEP meeting of September 7, 1971) U. Alexis Johnson also prepared an account of this meeting and sent it to Rogers as an information memorandum. Johnson wrote, "Discussion on economic issues was brief and inconclusive." (Memorandum from Johnson to Rogers, August 31; National Archives, RG 59, Lot Files, General Files on NSC Matters, Box 4, NSC-SRG Memos, 1971) The Department submitted to the SRG a paper on political issues in response to an oral request from Holdridge for answers to four questions posed by Kissinger at the August 6 Senior Review Group meeting: "1. Where is Japan Going? 2. What Kind of a Japan Do We Want? 3. How Do We Get It To Go There? 4. What are the Costs?" (Memorandum from Eliot to Kissinger, August 24; *ibid.*, Nixon Presidential Materials, White House Special Files, White House Central Files, Subject Files, Confidential Files, CF, CO 75, Japan 1/1/71-9/30/71) The CIEP submitted a paper addressing "next steps" for approaching U.S.-Japan economic relations. (Memorandum from Peterson to CIEP Review, August 24; *ibid.*) On August 26, Davis distributed a paper entitled "The Possibility of a Looser Relationship with Japan and its Consequences," for consideration at the meeting. The NSC Inter-Departmental Group for East Asia apparently drafted it. (*Ibid.*)

SUMMARY OF CONCLUSIONS

It was agreed that:

—The NSC Interdepartmental Group for East Asia would prepare a paper² comprising:

a) a statement of objectives which the U.S. seeks in its relations with Japan over the next year and a half;

b) a list of specific political and economic steps which the U.S. should take;

c) a similar list of steps which we would expect Japan should take to reinforce its close relationship with the U.S.;

d) a statement from the Japanese point of view of the “do’s” and “don’ts” we should follow in regard to our China policy.

—A paper setting forth the specific negotiating positions to be taken by the U.S. Delegation in the Econ Com meeting would be prepared.³

Dr. Kissinger: We have two issues to discuss today. Where’s Treasury?

Mr. Petty: We’re here.

Dr. Kissinger: I see they sent the tough guys.

Mr. Petty: The good tough guys.

Dr. Kissinger: We now have the revised paper, and I suggest that we discuss it in two parts. First we should talk about the general political framework. Then we should talk about the economic issues, but in more detail than we did last time⁴ [August 6 SRG meeting on Japan].⁵

I wonder, Alex, [Johnson] whether you can begin the discussion by telling us where Japan is heading, so we can see if we agree on

² See Document 99.

³ This request was made officially in a memorandum that stated:

“At the SRG meeting [of] August 27, 1971, it was agreed that a paper would be prepared setting forth the specific negotiating positions to be taken by the United States Delegation in the ECONCOM meeting in September. Accordingly, it is requested that:

—The Department of State prepare a negotiating paper comprising its proposed positions on all issues other than the economic issues to be raised at the conference.

—The CIEP Working Group prepare a negotiating paper on the specific economic questions to be discussed at the meeting.

These papers should be prepared for the President’s consideration and be submitted not later than September 3.” (Memorandum from Kissinger to Irwin and Peterson, September 1; National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-059, Senior Review Group Meetings, SRG Meeting—Japan 8/27/71) For the response, see Document 92 and, CIEP, a paper from Peterson, August 24. (Ibid., White House Special Files, White House Central Files, Subject Files, Confidential Files, CF, CO 75, Japan 1/1/71–9/30/71)

⁴ See Document 87.

⁵ All brackets in the source text.

that. Then we can try to see if we can agree on where we want Japan to go.

We agreed last time, if I recall, that we were not eager to see Japan's economic power translated into military and political power. They are sweating out September 15 [Econ Com meeting], especially after the way they've been hit on July 15 and August 15.

Mr. Johnson: The Econ Com meeting won't hurt them. Anyway, it's scheduled for September 9 and 10.

Dr. Kissinger: (to Mr. Johnson) Alex, do you want to comment about where we stand with Japan after the two shocks [July 15 and August 15]? Is there anything you want to say about the evolution of Japan?

Mr. Johnson: I don't have much more to say than I had at the last meeting. Where Japan is headed and where we want her to go will be largely determined by the interaction of our policies. Since Yoshida's day, all Japanese Prime Ministers have followed the traditional path of having close ties with the U.S.—of having "faith" in the U.S. The Japanese have depended on us for leadership. There has been a gap in Japan, however, about recognizing the position they have now achieved. There is an enormous dichotomy there. Halaby [Najeeb] found this out when he met with some leading Japanese businessmen last week in Honolulu.⁶ Incidentally, he thought this meeting was very useful.

Dr. Kissinger: I saw Halaby's picture, but I couldn't figure out whether he was playing polo or golf.

Mr. Johnson: The Japanese are saying: "Tell us what you want us to do, but don't apply any pressure." Even when I was in Tokyo, they would always speak that way. Now, of course, the foundation of our relationship has been shaken in the last couple of months.

Sato has been discredited. He has always based his position on an intimate personal relationship with the President, as well as an official relationship. He feels that he has been let down. The Japanese I have talked to recently say that Sato has lost his power of leadership, and they say it is time for a change.

I talk to the Japanese about taking bold moves. I talk up the Econ Com meeting on September 9 and 10 as an opportunity for the Japanese to take a bold, dramatic move to restore our deteriorating relationship. These Japanese agree that they should do something, but they claim it is not possible in their system.

⁶ The Meeting of Joint Executive Committees of the Japan-U.S. Economic Council and the Advisory Council of Japan-U.S. Economic relations occurred at Makaha Inn, Hawaii, on August 21.

Sato is a lame duck. It is a question of how much longer he will stay on, and the betting is that he will be out by early 1972. If the Party [LDP] breaks up on the Okinawa reversion issue, he will be out sooner.

Dr. Kissinger: How would the Okinawa issue cause the Party to break up?

Mr. Johnson: Some break-up has already occurred as a result of the reversion agreement and legislation which will be required to implement it. The implementing legislation—some 600 bills—will be tough to get through the Diet. Two bills will be particularly difficult. The first one deals with eminent domain, and it means the Japanese will have to take over the property needed for them to implement the base agreement. Many of our bases are on private land. The second bill concerns the VOA agreement.⁷

Now that a dramatic shift is taking place in the U.S.-China relationship, the Japanese feel that our bases are not needed and that they [the bases] will prove to be a hindrance to Japan.

Still another reason for Sato being discredited is that Peking has said it would not do business with him. It all adds up to whether Sato will turn over power to Fukuda [Foreign Minister], which would be good from our point of view, or whether he will turn the power over to somebody less tied to maintaining a close relationship with the U.S.

Dr. Kissinger: Who would that be?

Mr. Johnson: It could be Ohira. He is not unfriendly to the U.S., but he would be more independent. It could also be Tanaka, although this is unlikely. The worst would be Miki, who was Foreign Minister when I was there. He is very difficult to deal with.

In brief, the problem now is what degree of independence they will take, and this will be determined in large part by the interaction of our policy. A more independent Japan is probable. We have to be reconciled to it. They will be looking very closely to see if we are discriminating against them, to see if we are following a punitive policy instead of maintaining the close ties. If we take steps which they think are punitive, it will have an effect on our relations.

Dr. Kissinger: This has been very helpful.

Mr. Johnson: I am not saying we should not take steps which we think are wise.

Dr. Kissinger: We should take into account the price we will have to pay if we take measures which the Japanese regard as punitive.

⁷ The United States and Japan had negotiated the post-reversion status of a Voice of America Broadcasting facility on Okinawa.

Mr. Johnson: Our action of August 15 did not discriminate against Japan. We imposed across-the-board measures. Yet Japan thought we had hit her hard. The Japanese now want to take action in a multilateral framework. To the degree that we can, we will be better off by doing so. This is not to say, though, that we should not deal bilaterally with Japan.

Chirep is still another issue that's tearing the Party apart. They are in anguish—and their position has not been made clear. They are very concerned about being associated with the U.S. in a losing venture at the UN. If our resolution fails, it will be bearable here. In Japan, however, it will be another indication of Japan following a U.S. policy that is defeated. The LDP is split on this issue.

Dr. Kissinger: Is the Party in favor of the Albanian resolution?⁸

Mr. Johnson: Various elements favor the Albanian resolution, but the Party as a whole does not support it. One element in the Party feels a sentimental attachment to Taiwan. This arises from a feeling of obligation and appreciation for the way Chiang treated the Japanese forces after the war.

Adm. Moorer: I think that over one million men were returned to Japan.

Mr. Johnson: That's right. The Japanese were well-treated by Chiang's forces, and there were no reparations, either.

Other elements in the Party want relations with Peking, regardless of the cost to Taiwan. These are strong issues: the Japanese are in a state of flux and great debate.

Dr. Kissinger: You agree, then, that under any hypothesis, Japan will be more autonomous. How will the Japanese express this autonomy?

Mr. Johnson: For one thing, there will be less association with the U.S. in the UN on the Chirep issue. On the military side, I would not expect any immediate reaction. A more autonomous, independent Japan, over a period of time, will create some difficulties, however, in military relations. In spite of demonstrations and some anti-U.S. outbursts, the Japanese Government has had good relations with us on all issues. Their instinct has also been to help us in the Vietnam war. In the future, they will probably be less cooperative.

With Fukuda or Ohira, a new government would be no problem for us. With Miki, the situation could get to the point where our bases would be vulnerable.

⁸ The United States and Japan opposed efforts, led in the United Nations by Albania, to admit the People's Republic of China to membership of the United Nations and to expel the Republic of China (Taiwan).

Dr. Kissinger: To what extent would our actions influence the outcome?

Mr. Johnson: What we do and how we do it, can to some degree help reestablish the validity or credibility of the policy of close association with the U.S. This will pay off, but the outcome is within certain parameters.

Dr. Kissinger: In any case, the Japanese leadership will change next year.

Mr. Johnson: That's right, possibly even this fall.

Dr. Kissinger: Between now and next spring, when the China trip takes place or is imminent, we will have to avoid jangling the Japanese nerves.

Mr. Johnson: Yes. They are afraid we will shift our affections from them to the Chinese.

Dr. Kissinger: Until we go to China, we will have to think of doing some ostentatious thing for the Japanese. Yet we will have to follow a fine line vis-à-vis Japan. If we were asked how to restore close ties with Japan, we could make a list of ten things we should do.

Mr. Johnson: The President's visit to Anchorage is one.

Dr. Kissinger: Yes. That's excellent. What about if we crank in military maneuvers, even though nobody has proposed them?

Mr. Johnson: Japan doesn't want these maneuvers. This is part of the problem: the Japanese feel that if we "make up" with China and at the same time keep our bases in Japan, Chinese hostility and pressure will focus on Japan because of the U.S. bases.

Dr. Kissinger: (to Johnson) Tell the Japanese they need not be so humble. The Chinese are ambivalent as hell.

Mr. Johnson: On the one hand, the Chinese want us out of Japan. On the other hand, they want a weak Japan, but they don't say they want our presence in Japan. This is much the same way the Soviets regard our presence in Europe.

Dr. Kissinger: This is a delicate problem. We would be fools to exchange a long-time friend [Japan] for an outright opponent. Even at best, China will not be the anchor of our Pacific policy.

Mr. Johnson: I say to the Japanese that we are just trying to establish communications with the Chinese.

Dr. Kissinger: Putting this in cynical terms and leaving aside the historical ties with Japan, it's good to dangle close Japanese ties in front of the Chinese. It would be crazy to throw over Japan, and it serves our Chinese policy to have close ties with Japan. This should not be done, however, in a blatant way because we don't want the Chinese to feel we're ganging up on them. This is the line we should

generally follow. Such things as the Anchorage visit contribute to this policy. (to Johnson) You said that we would have trouble with a more autonomous Japan in the future.

Mr. Johnson: The Japanese have already said that the bases are a favor to us. They perceive no sense of threat, and the bases are only valued for what they bring in terms of relations with us. They feel the bases are a cost they must bear in order to maintain close ties with us.

Dr. Kissinger: What would happen if we closed the bases?

Mr. Johnson: They [the Japanese] would be scared as hell.

Dr. Kissinger: We would not do that [close the bases], even if they saw no threat.

Mr. Johnson: They value the bases as a hostage to the nuclear umbrella. This is the price they pay for having our nuclear protection.

Dr. Kissinger: What do you mean? Do they think we would use nuclear weapons if Japan were attacked?

Mr. Johnson: Yes, if the attack came from China or the USSR.

Dr. Kissinger: Would they expect a nuclear response to a conventional attack?

Mr. Johnson: The Japanese do not see a conventional threat. They don't think the Chinese would launch a conventional attack for at least a generation to come. Instead, they are much more concerned about the Chinese nuclear threat. They are also becoming more and more interested in the security of South Korea, which they see as a hostile dagger pointed at Japan. They now feel South Korea is vital to their security, and they value our presence there. If we were to withdraw completely from South Korea and Japan, this would inevitably lead to major Japanese rearmament.

Dr. Kissinger: Couldn't such a withdrawal also lead to a Finnish-type neutrality?

Mr. Johnson: Initially, yes. In the long-run, though, it would lead to rearmament.

Mr. Nutter: Wouldn't the Japanese see the threat growing as we withdraw?

Mr. Johnson: Yes. And this is also part of the problem. If you recall, my argument against the withdrawal of our forces from Korea was based more on the way the Japanese would look at it than the way the Koreans would.

Dr. Kissinger: You won that argument.

Adm. Moorer: I think we would have more latitude in the use of our Japanese bases in the event of war between North and South Korea. We have had some difficulty in staging forces for Vietnam, though.

Mr. Johnson: We have been rotating forces without trouble since 1964.

Adm. Moorer: The paper indicates the opposition is talking about creating problems.

Mr. Johnson: We have not had problems. About a million men have been moved. Take the *Pueblo* incident, for example. When we wanted to move forces, I talked to Sato and there was no problem.

Dr. Kissinger: May I be the devil's advocate for a moment? If I understand the paper, we want to maintain close ties with Japan. Nobody disagrees with that. What do we want Japan to do? We want Japan to: (1) continue to provide the bases and facilities essential to our Pacific security posture; (2) spend more for a conventional defense; (3) play a more constructive role in the economic development of Southeast Asia; (4) continue to seek great power status through nonmilitary means and without nuclear weapons. At the same time, we say that Japan will be more autonomous, and this means they will not follow us as much as they have in the past. How do the Japanese perceive all of this? How do they see the role we have assigned to them in the paper? What would a Japanese Prime Minister say to his people to enable them to carry out this assigned role? I am not objecting to these goals, if we can get them. But is it likely?

Mr. Johnson: The Japanese don't have to justify any action they take in Southeast Asia to the U.S. We went to war in 1941 over such actions. It's possible that we could have a bad Japan. We must recognize that the Japanese are an emotional people, and the pendulum can swing between the extremes: in 1930 they were militant, but in 1945 they were for complete disarmament. The Japanese want to feel a sense of belonging. If they feel isolated and cornered—as they did in 1930—they will strike out one way or another. In Southeast Asia, any Japanese Government can justify actions on its own grounds.

Dr. Kissinger: We want them to follow an economic policy which places more emphasis on development than exploitation. What incentive is there for them to follow that policy?

Mr. Johnson: The incentive would be to tie Southeast Asia closer to them. It would be a recognition that a development policy is in their interest. More and more Japanese are coming to realize that this type of economic policy is in their interest.

Concerning Southeast Asian policy, we have to be careful not to talk in terms of what the U.S. wants, but in terms of their interests. Like any country, Japan does what is in her own interest.

On the military side, they can justify the bases as the price they must pay for our nuclear umbrella.

Dr. Kissinger: Are you saying they won't raise the questions about our nuclear umbrella that were raised by the Europeans?

Mr. Johnson: No. They will raise these questions eventually.

Mr. Peterson: If I were a Japanese looking ahead at the next five years, I would probably feel that America has been torn apart by the Vietnam war, and I would probably think that the chances of America keeping her conventional forces in Asia will be reduced. I would worry, therefore, more about the conventional threat posed by other forces in the area.

On the nuclear front, I would be concerned by the MRBMs and ICBMs the Chinese will have by 1975.

Dr. Kissinger: They [the Chinese] won't have a hell of a lot.

Mr. Johnson: And they wouldn't need ICBMs to attack Japan.

Mr. Peterson: One could argue that the more the Chinese develop their nuclear capability and the more we move closer to China, the more the credibility of our nuclear umbrella becomes central to Japan. How do we foresee the pressures on Japan to develop her own nuclear capability?

Mr. Johnson: As far as a conventional attack goes, as I said before, they don't feel the homeland is threatened.

Mr. Peterson: What about Southeast Asia? Wouldn't their interests be threatened there?

Mr. Johnson: Not greatly. They feel they can get along with China in Southeast Asia.

Dr. Kissinger: What about South Korea?

Mr. Johnson: That's a different story, and so is Taiwan. In Southeast Asia, though, they feel they can accommodate the Chinese.

Dr. Kissinger: Even if the Chinese take over?

Mr. Johnson: Yes. They have already demonstrated their ability to do business with the Chinese. I tell the Japanese who come in to see me that we are merely trying to catch up to them in their dealings with the Chinese. (to Peterson) What you said about the nuclear weapons is correct. It's a question of our maintaining a relationship of sufficient confidence so that they don't feel they have to get nuclear weapons.

Dr. Kissinger: Aren't they headed in the direction of getting nuclear weapons anyway?

Mr. Johnson: Much less so than they were a few years ago. For one thing, they will never develop a credible deterrent against the USSR, their number one enemy. They will also have difficulty developing a force to be used against the Chinese. What will impel Japan to go nuclear is not fear of the USSR or China, but the need for great powers to have nuclear weapons. The desire to gain admittance to the great power club will provide the strongest influence to obtain nuclear weapons.

Dr. Kissinger: We are speculating about what will motivate Japan in this regard. This reminds me of what we went through with De

Gaulle. We took his independent stand as a reflection on our trustworthiness. As I understand it, he didn't say that he didn't want the U.S. protection. He said that in the nuclear age, one country protected another when it felt its vital interests were at stake. He thought that the United States would protect Europe, and, therefore, he felt that he didn't have to pay for our nuclear umbrella. During a crisis—Cuba, for example, or the 1960 summit—he always supported us. In fact, he was often better than the English.

There are pressures to develop nuclear weapons in Japan. Is it out of the question that the Japanese will take the position De Gaulle took?

Mr. Johnson: No, it's not out of the question. The Japanese have never had a De Gaulle—thank God. They have never had a Hitler or a Napoleon. They don't take to strong leadership. I guess Prime Minister Yoshida is the closest they've come to such a strong leader. A Japanese prime minister is more of a spokesman for the consensus.

Mr. Peterson: On the question of credibility, we refer to Japan as our close partner in Southeast Asia.

Mr. Johnson: Let's just say we have a partnership.

Mr. Peterson: Okay. We cooperate. Anyway, if there is a new Japanese leader, he will try to reassess what we will do in a crunch, and I wonder what he will think. I don't think public opinion here will be in favor of defending Japan in a crunch. A new Japanese leader would probably come to the conclusion that our defending Japan in a crunch would be unlikely.

Mr. Johnson: It will surely go through the Japanese mind, but we can only influence that type of thinking in degrees. Even the way we handle the situation will have some influence.

Mr. Nutter: (to Johnson) You said before that the Japanese don't perceive a threat. If that is so, why should Japan be concerned about having the nuclear umbrella?

Mr. Johnson: Because of the nuclear allergy.

Mr. Nutter: They obviously feel it is important to have some kind of deterrent. If they lose faith in ours, then, the pressures on them to develop their own will increase.

Mr. Johnson: Of course. Still, their biggest concern is great power status.

Mr. Peterson: If you assume that their perception of the threat changes, you also have to assume that their attitude to defense costs changes. Will they share the costs of maintaining U.S. forces?

Mr. Johnson: That's unlikely to be the case during the next four or five years.

Dr. Kissinger: Maybe we need a Mansfield resolution on Japan.⁹

Mr. Johnson: It would be foreign to their thought to pay more of the cost for maintaining our forces.

Mr. Peterson: I sense an important American attitude developing. The more competition the Japanese economy provides, the more the attitude is likely to develop here that Japan is getting a free ride on defense expenditures—and the less palatable this will become. Is a larger share of defense costs in their interest?

Mr. Johnson: I'm not so sure Japan is getting a free ride. We have to ask ourselves if a heavily armed, nuclear Japan is in our interest. I don't think this is necessarily so.

Dr. Kissinger: There's no way they will increase their defense expenditures, unless we cut ours down. This is not like the situation in Europe, where we can threaten to reduce our ground forces.

Mr. Trezise: Actually, they are increasing their defense spending.

Mr. Johnson: The line projections for the Japanese GNP are now of course out the window, but we can make a rough projection. Some people want them to spend 1.5 percent of the GNP on defense, and, by the mid 1970's, this will be a large figure in absolute terms.

Dr. Kissinger: The French spend 4.8 percent of the GNP on defense, but their GNP is smaller than Japan's.

Adm. Moorer: The Japanese, I believe, are spending 0.8 percent on defense now.

Dr. Kissinger: Given the delicate balancing act we have to perform, we need a statement of objectives which are obtainable. Can we get from the IG a more detailed set of things to be done during the remainder of this term, during the next year and a half? We need a formulation of steps which will take into account the political sensitivities of the situation and which will not drive the Chinese up the wall. We also need a statement from the Japanese viewpoint on the "do's" and "don'ts" we should follow in regard to our China policy.

Mr. Johnson: We're fortunate that Fukuda is now the Foreign Minister and that he stands a good chance of becoming Prime Minister. He is the best Foreign Minister from our standpoint because we can deal authoritatively with Japan.

Dr. Kissinger: Leaving aside the Chinese considerations, can we also get a list of measures we should take? What about space cooperation?

⁹ Reference is to Senate Majority Leader Mike Mansfield (D-Montana) who had proposed an amendment to the Draft Extension Act that would have reduced U.S. military forces in Europe by about half.

Mr. Johnson: I am the father of space cooperation with Japan because the program started when I was in Tokyo.

Dr. Kissinger: Frankly, I think that a space cooperation program would have only a marginal effect.

Mr. Johnson: I agree. We should cooperate, but we should realize that this will have no great impact on the Japanese.

Dr. Kissinger: What about a Security Council seat for Japan? I think this is a bad year to pursue that goal.

Mr. Johnson: We really can't do anything to get the seat for Japan. We can tell them that we sympathize with them and that we will support them, but that we can't take any initiatives. If we were to go through the exercise of taking an initiative for Japan, we would end up in a thicket of brambles. When Fukuda is here, we can talk to him and try to come up with a feasible means of seeking the seat.

Dr. Kissinger: Even if we develop a feasible means of doing so, I don't know if this is the right year to do it, considering the China visit.

Mr. Johnson: We're not going to develop anything. The thought of Japan getting a Security Council seat would anger Peking.

Dr. Kissinger: I think it's best to duck the whole issue this year.

Mr. Johnson: Yes. Nevertheless, we can tell the Japanese that we support them in principle. We should ask them what they think they should do to obtain the seat.

Dr. Kissinger: I wonder if we can take a short break? The President wants to see me for a few moments.¹⁰

Meeting adjourned at noon and reconvened at 12:30 p.m.

Dr. Kissinger: Can we discuss the CIEP paper now? (to Mr. Petty) Why don't you start the discussion while we're waiting for Peterson to rejoin us?

Mr. Petty: It's his paper, and he should really be the one to talk about it. Let me give you a few of our impressions, though.

Japan is breathing a sigh of relief because the surcharge is across-the-board and world-wide—and not directed solely against her. The initial reports of the impact there on August 15 were slightly exaggerated.

Mr. Johnson: Don't forget that the news hit them when their markets were open on Monday morning.

¹⁰ According to the President's Daily Diary, Nixon met with Kissinger from 12:04 until 12:18 p.m. and with Peterson from 12:04 until 12:25 p.m. (National Archives, Nixon Presidential Materials, White House Central Files)

Mr. Petty: That's one reason the program was put together over the weekend. One point the Japanese are making is that any adjustment in exchange rates should be done on a multilateral basis, and we seem to be going in this direction. By holding bilateral talks with Japan, we will be strengthening her multilateral negotiating position.

Dr. Kissinger: Now that the Japanese are floating the yen, will it be revalued?

Mr. Petty: Yes. It will be pushed up a little bit.

Dr. Kissinger: Can they defend the yen enough to keep it from going up?

Mr. Petty: Not for very long. Now that they have made the decision to float the yen, their negotiating position vis-à-vis Europe is stronger. They can be recalcitrant like the French, and not be the only country holding up the negotiations.

(Mr. Peterson rejoined the meeting at this point.)

Dr. Kissinger: (to Mr. Peterson) We were just beginning the discussion of your paper. Would you care to make some comments on it?

Mr. Peterson: I think there is general agreement that the Econ Com meeting should be held in a conciliatory atmosphere. As part of the exercise, we should decide how forthcoming we want to be on such matters as Okinawa reversion. We should stage the meeting in such a way so that Sato can play it back as symbolic evidence of U.S. attitudes. I think the Japanese should come away from the meeting with something tangible.

I had a recent meeting with some Japanese, including Ambassador Ushiba, and they expressed concern about the communiqué that will come out at the end of the meeting. On the economic-political front, there are a few issues we can't discuss at that meeting. But there are also several issues which can be brought up. One of them is space cooperation. The Japanese want access to our new booster technology and guidance systems.

Mr. Johnson: I think we can deal with this issue.

Dr. Kissinger: Should we do for the Japanese what we are doing for the Europeans in the space field?

Mr. Johnson: It's applicable, but I don't think we need to get into the subject now. We agreed to sell them certain items. They want the best technology available.

Dr. Kissinger: Do they want this technology for space purposes or for short-range missiles?

Mr. Johnson: For space purposes.

Dr. Kissinger: Why?

Mr. Johnson: Because first-class powers have space programs. Even the Chinese have a space program.

Mr. Peterson: Is there a correlation between what they can use for space purposes and for medium-range missiles?

Mr. Johnson: Yes. But we can deal with it.

Dr. Kissinger: Before our delegation to the Econ Com gets any guidance, does any inter-agency group review this subject?

Mr. Johnson: Yes. We have an IG which considers this. There is some difference of views.

Dr. Kissinger: Can one of my boys be put on this group?

Mr. Johnson: You already have someone on it. I think it's Wayne Smith.

Mr. Peterson: The Japanese "wish list" also includes the post-Apollo program and a medium-sized jet for the commercial field. We would like to help them with the commercial jet.

Dr. Kissinger: Would they build the jet?

Mr. Peterson: No. It would be a joint project. They will propose it shortly.

Dr. Kissinger: My concern is the Presidential point of view. I don't think we should do so many things. Although they all might be good individually, they might have the total effect of tying us up. We should wait until the China visit is behind us, and I don't want to get into any of these areas during the next three months.

Mr. Johnson: Hopefully, I will finally be getting off my letter to Lefevre on the post-Apollo program on Monday. Last Friday Comsat voted not to sign the letter because they thought I had double-crossed them.

Dr. Kissinger: Has that been straightened out?

Mr. Johnson: Yes. They finally signed it.

Dr. Kissinger: No one has ever worn you out.

Mr. Johnson: I don't think we have a problem with the Japanese on post-Apollo. In another area, we made an offer to supply them with enriched uranium, and we are prepared to go ahead with it. The proposal for a medium-sized jet is new to me. It seems that this is strictly a commercial project—and that we already have too many types of jets.

Mr. Peterson: I was talking to Schlesinger recently about our offer to supply the Japanese with enriched uranium, and he mentioned that the Econ Com was not the proper forum in which to discuss the offer, considering its sensitive defense aspects. He has several important questions about this particular proposal.

Mr. Johnson: We already made an offer to begin discussions on gas diffusion plants.

Dr. Kissinger: But wasn't that a year ago?

Mr. Johnson: It was. The Joint Committee on Atomic Energy, however, only cleared the proposal six weeks ago. Now the ball is in the Japanese court.

Dr. Kissinger: Has this been announced?

Mr. Johnson: Yes.

Mr. Allen: This would be a good item for the Ministerial communiqué.

Mr. Johnson: You're right. We can add it to the communiqué.

Mr. Peterson: Schlesinger says that he has several questions to raise before we go ahead with it. I suggest that we have a group take a closer look at the proposal.

Mr. Johnson: I can write one paragraph for the communiqué right now. The Japanese consortium is a long way down the road, and the ball is in their court. Now they have to talk to the Australians and Canadians. I think we can say something about it in the communiqué.

Mr. Peterson: A major issue at the meeting [Econ Com] will be the balance of payments goals problem. The U.S. has certain requirements for balance of payments objectives. Right now we are in disequilibrium with the rest of the world, and much of our deficit is due to our large defense obligations.

The Japanese are also in disequilibrium with the rest of the world. Their balance of payments projections suggest that they desire a large surplus. They should have a trade surplus of nearly \$7 billion this year. By 1975 the surplus should be about \$11 billion. It is difficult to reconcile balance of payments goals this far apart.

There seems to be Agency agreement to sit down with Japan and discuss this problem. I think it would be desirable to discuss our mutual goals, using the Econ Com meeting as a setting for this discussion.

Dr. Kissinger: Is it our goal to negotiate a bilateral balancing with them at the meeting?

Mr. Peterson: No. They will probably talk about multilateral steps which will have to be taken.

Mr. Petty: They will keep the yen floating for a while. The first thing we have to decide is what kind of world monetary system do we want to have. There are three choices: (1) a floating world; (2) a fixed exchange rate system; and (3) a flexible fixed exchange rate system. Right now everyone is floating. The hope is that we will all reestablish relatively fixed exchange rates.

Mr. Nutter: We shouldn't come out for that type of system too soon because we could lose some of our negotiating leverage.

Mr. Peterson: We can spend all afternoon discussing what kind of system we want.

Dr. Kissinger: The President's basic view is that he doesn't want to patch up the old system. He wants to take a good look at a new system. What this system is, I don't know.

Mr. Peterson: It will take at least a month to examine the alternatives.

Mr. Petty: We said that we want to adopt a new system because we wanted to have surpluses after fifteen or twenty years of deficits. If we have surpluses, though, somebody else must have deficits. The IMF thinks the U.S. should have a relative devaluation of 10 percent and that Japan, therefore, should revalue the yen 15 percent.

According to our figures, we require a higher revaluation for Japan because we have higher objectives for our balance of payments problem. If we say that the U.S. has to have a relative devaluation of 10 or 15 percent, you have to ask what that means for other countries. For Japan, it would mean a 17–22 percent revaluation.

Mr. Nutter: If we are all floating, why do we care if the Japanese buy dollars? That won't hurt us.

Mr. Peterson: We can't assume that we will stay on a floating system.

Dr. Kissinger: We have to know what kind of a system we want. A floating system is one choice. In the summer of 1969, we came up with some proposals which were technically feasible, but which were bad politically. At that time the President decided we didn't have a chance of getting this system. We have to take a careful look, therefore, at the political aspects of whatever system we restructure now. (to Peterson) We can give support to your group.

Mr. Peterson: Let me try to summarize the arguments on the balance of payments problem. Theoretically, in a free-trade world, the idea of each country achieving a balance of payments equilibrium with other countries is unrealistic. We want some things from some countries, and we may have a deficit with them. On the other hand, we may have surpluses with countries we don't want things from. Some people feel that discussion between two countries on how to achieve bilateral balance of payments equilibrium could be a dangerous precedent. If we do this with Japan, they say, we might be forced into doing it with Europe—where we have a surplus.

In view of these arguments, let me tell you why we want bilateral balancing with Japan. First, we are in fundamental disequilibrium with Japan. Our bilateral trade deficit with Japan for 1971 is going to be about \$2.4 billion. Second, if our overall situation is going to improve as much as we think it has to, much of the improvement must come in the trade account. Third, in the past, there has been a gap in Japan between their rhetoric and their actions. Even if we get trade liberalization, specifically, their eight-point program, we still may face the possibility of a gap in their implementing actions.

In the paper, we were simply trying to see what the balance of payments would be in the theoretical, free world.

Dr. Kissinger: Who would conduct these negotiations?

Mr. Peterson: At the Econ Com meeting, we have to tell the Japanese to put their primary emphasis on multilateral goals.

Mr. Petty: We could state our multilateral objectives and then deal with them [the Japanese] on a bilateral basis.

Dr. Kissinger: Isn't the floating of the yen the first step to revaluation?

Mr. Peterson: We hope so. With a scenario that imagines what would happen if everything goes according to the rules, the biggest factor is revaluation of the yen.

Dr. Kissinger: Is it likely that the yen will just be revalued a little bit?

Mr. Petty: Look at it this way. We need a relative improvement in our trade balance of X percent from the rest of the world, and Y percent of this must come from Japan.

Mr. Nutter: But we won't need this change if we keep floating.

Mr. Petty: You're assuming we will stay on a floating system, but we won't.

Dr. Kissinger: What's wrong with a floating system? Won't it enforce internal discipline among countries with regard to their currencies?

Mr. Trezise: John [Petty] is right. We need certain changes.

Dr. Kissinger: I'm just trying to understand what we want. We tell the Japanese that a certain percentage of our deficit belongs to them. They agree, and they ask us what we want them to do. Let's assume now that they revalue, but that the revaluation isn't high enough. What do we do? Do we say that they must revalue 20 percent? Then they can answer with a "yes" or "no."

Mr. Dam: There are certain things we want, such as liberalization of trade, opening up for investments, etc. The only question is whether it is best to make progress on these issues in a multilateral way or a bilateral way. I do not see any advantage in the bilateral approach. In fact, I see sizable dangers in that approach, and it wouldn't make much economic sense, either, because Japan could redirect her exports. There could be very great implications if we take the bilateral goals seriously.

Mr. Petty: The reason Canada is afraid to change her exchange rate is that if she revalues and Japan does not, she will be hurt. Our multilateral objective is composed of bilateral elements. Is it wrong to point that out to Japan?

Mr. Dam: We can point it out, but we should not take it too seriously.

Dr. Kissinger: Why should we even talk about it?

Mr. Nutter: If our target is to restructure our trade balances, then it should also be our target to change the exchange rates.

Mr. Petty: We should establish new fixed exchange rates. Would you accept the idea that the U.S. needs new exchange rates, at least with the industrial countries?

Dr. Kissinger: Couldn't we let the President get a crack at this issue?

Mr. Johnson: I am not sure that getting new exchange rates is our objective.

Mr. Petty: The President said in his August 15 announcement that he wanted a major realignment of exchange rates.

Dr. Kissinger: In my experience, the worst thing you can do is take a sentence out of a speech and then lock it in concrete. If this is a contested point, let's give the President a crack at the issue. If he says we should stay with a floating system, this won't be an issue. If he wants a fixed exchange rate, it will be an issue. And then we will have to tell the Japanese how much of the deficit they must make up. Supposing they agree, can we then say: "You must do the following?"

Mr. Petty: Not necessarily. The progress can be measured by the liberalization they undertake.

Mr. Dam: I think a major question for us is how we fix our goals.

Mr. Petty: This [zero balance] is the way we have done it.

Mr. Johnson: No matter how the argument comes out, we all agree that we want the yen to be revalued.

Mr. Peterson: We want a major revaluation. As we all know, there are different degrees of floating. The Japanese can float the yen a little bit, but then add controls and still have a disequilibrium with us. The U.S. does not want a major trade deficit with Japan for political and economic reasons.

Mr. Johnson: We want the yen revalued; we want them to help relieve our aid problem in Southeast Asia; we want them to undertake more military procurement in the U.S.; we want them to implement the eight-point trade liberalization program. We all agree on these things.

I just happen to have a piece of paper here which was written in the Japanese Foreign Office. It contains all of these items, almost as if they were lifted right out of the CIEP paper. The Japanese Foreign Ministry with Fukuda's support, is fighting other elements of the Government over these items. I think that what the Foreign Ministry is proposing would make an excellent agenda for the Econ Com meeting.

Mr. Peterson: What does that paper say about yen revaluation?

Mr. Johnson: It proposes that the yen be revalued 10 percent.

Mr. Peterson: That's unacceptable.

Mr. Johnson: OK. But the principle for revaluation is there. The program the Foreign Ministry is fighting for is what we want to discuss in the Econ Com. This has Fukuda's support, and I think we should pattern our meeting strategy on this program—their program.

Dr. Kissinger: Twelve years ago when I first began seeing Presidents, I went in to see Kennedy. I did a good job in telling him what his problem was. Afterwards, somebody told me that I should never tell a President about his problems: I should give him solutions.

What do we tell Japan? Can we separate the immediate and long-term issues? Would it be possible to prepare a detailed scenario for the meeting?

I can detect two contradictory trends in today's meeting. The first is that we undertake so many face-saving steps that we worry China. The second is that we impose so many demands that we get a "no" from Japan.

Can we get a coherent document giving our objectives and the points we propose to make? Who would be in charge of getting this paper together?

Mr. Johnson: We would be. I just happen to have another paper here which we have prepared on this subject. It doesn't say that we want a 22 percent revaluation or a 5 percent revaluation. It merely sets up goals, and these goals are consistent with those of the Japanese Foreign Office. Once the goals are agreed upon, it would be a matter of negotiating a 10 or a 15 percent revaluation. Incidentally, the Secretary has not yet seen this paper.

Mr. Peterson: This is where a difference in degree creates a great problem. A 10 or a 15 percent revaluation is absolutely fundamental to our balance of payments problem.

Mr. Trezise: The negotiation wouldn't be done in the Econ Com. It would be done in the Group of Ten.

Dr. Kissinger: I want the President to look at this whole issue. When he meets the Japanese at the dinner, he will need the basic trend of opinion. We need a coherent design. Can somebody get it done?

Mr. Johnson: I would say that the principle issue is the order of magnitude of the revaluation.

Mr. Petty: The study on the overall adjustment goals should be out here [San Clemente] next week. Within those goals, there should be implications for other countries. I don't think we can move until we know what Japan will do.

Mr. Johnson: We will not negotiate in the Econ Com.

Dr. Kissinger: Before we are driven by the pace of negotiations, can we get a look at the problem and choices? If we don't do that,

there is a great danger of being sucked into one technical position after another. (to Mr. Johnson) Alex, can you get a paper ready?

Mr. Johnson: Yes. The big issue of what kind of world monetary system we want has not yet been decided. When that has been decided, we have to find out what adjustments in exchange rates we seek from each country. Once we get those two problems solved, everything else will fall into place.

Dr. Kissinger: That's true on the economic side. But we have to consider the political side, too. I want to make sure we keep a balance between China and Japan.

92. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, September 1, 1971.

SUBJECT

Eighth U.S.-Japan Joint Economic Committee Meeting

With the assistance of my colleagues on the Cabinet Committee, as well as that of Peter Peterson and Henry Kissinger, we have been working at formulating the positions to be taken and the objectives to be sought in the meeting with the Japanese on September 9 and 10, which I will chair.²

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-227, National Security Decision Memoranda, NSDM 130. Secret. On September 2, Eliot sent a memorandum to Kissinger confirming that this memorandum from Rogers constituted the Department's response to Kissinger's September 1 memorandum requesting a paper on non-economic issues to be raised in the ECONCOM meeting. (Memoranda from Eliot to Kissinger, September 2, and from Kissinger to Irwin and Peterson, September 1; both *ibid.*, Box H-059, Senior Review Group Meetings, SRG Meeting—Japan 8/27/71) Kissinger and Peterson sent Rogers' September 1 memorandum under a September 5 action memorandum to Nixon who approved it. The memorandum subsequently became NSDM 130. (*Ibid.*) For NSDM 130, see Document 94.

² On September 3, Hormats sent a memorandum to Kissinger indicating that Rogers' September 1 memorandum "created a bureaucratic problem" because it examined economic issues and, therefore, intruded upon Peter Peterson's turf. (Hormats to Kissinger, September 3, 1971; National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-227, National Security Decision Memoranda, NSDM 130) Kissinger's September 1 memorandum, to which Rogers' memorandum responded, requested that "The Department of State prepare a negotiating paper comprising its proposed positions on all issues other than the economic issues to be raised at the conference." (Kissinger to the Under Secretary of State and the Assistant to the President for International Economic Affairs, September 1; *ibid.*, Box H-059, Senior Review Group Meetings, SRG Meeting—Japan 8/27/71)

In the light of this work I propose, with your approval, that the American delegation follow the guidelines set forth below.³ I am sending a copy of this memorandum to each member of the delegation, as well as to Mr. Peterson and Dr. Kissinger, for any comments they may desire to make. Additionally, I and my Cabinet Committee colleagues are meeting on September 2 with representatives of the non-governmental Advisory Council on Japan-U.S. Economic Relations.

Very simply stated, our underlying objective is to preserve and strengthen our vitally important relationship with Japan. We should stress the importance which we attach to close cooperation with Japan and our recognition of her role as a responsible, cooperative world power. At the same time, we should attempt to persuade Japanese ministers to accept the fact that such a role requires early and effective measures to establish an appropriate balance in its external economic relationships, including those with the U.S.

If we are to achieve these objectives, and recognizing there may be special characteristics of the Japanese system, we must avoid appearing to single out Japan for discriminatory treatment on economic matters. As when dealing with other major countries, proposals from our side should be consistent with a broader equilibrium in the world economy.

We must also remember the oft-repeated Japanese plea to the United States, "Tell us what you want us to do, but don't publicly press us to do it."

The Japanese ministers should be made to understand that the U.S. will have to achieve a major turn-around in its balance of payments. Speaking plainly, this will require that countries which have run huge surpluses in their balance of payments with us will no longer be able to do so. Some countries which have had deficits with us will have to see those deficits increase. Given the large trading relationship between Japan and the United States, which we wish to see expanded, and the U.S. need for a satisfactory multilateral equilibrium, we will require a reasonably balanced trading relationship between the two countries. Our analysis strongly indicates that a global trade *surplus* of the dimension necessary for the U.S. equilibrium cannot be achieved with a *deficit* in our Japanese trade. It is our intention to review constantly progress in our over-all balance, and to appraise the consistency of developments in important bilateral accounts, to assure achievement of our goal. We hope Japan recognizes the validity of this analysis and aim, and will periodically review progress with us.

³ No copy of this document has been found that indicates the President saw it or indicated his approval or disapproval.

To this end, we should seek as priorities:

1) A clear understanding by the Japanese ministers that the United States considers a major revaluation of the yen in relation to the dollar to be a condition precedent to a satisfactory economic relationship with the United States. We would not at this meeting indicate the level which we would consider satisfactory or negotiate bilaterally on this subject. If the Japanese proposed a figure in the neighborhood of 10%, we would need to indicate a larger order of magnitude is necessary. We would also indicate that we feel negotiations on this subject should be carried out in whatever multilateral forum is agreed upon by Europe, Japan and ourselves, referring to the September 15 meeting of the "Group of Ten."

2) We should seek elimination of Japanese quotas and other restrictions illegal under the GATT as well as non-tariff barriers and export subsidies, including tax incentives for exports.

We are particularly interested in the removal of quotas on certain farm products, computers, aircraft, and integrated circuits.

Additionally, we should seek:

3) Significant unilateral reductions of Japanese tariffs.

4) Japanese encouragement of imports, especially by general stimulation of the Japanese economy and investment in social infrastructure.

5) We should recognize as constructive the establishment unilaterally by the GOJ of a system to monitor Japanese exports to the United States of sensitive goods; e.g., automobiles, calculators, consumer electronics.

6) We should seek substantial, indeed dramatic, increase in the amount of Japanese economic aid, especially in Southeast Asia. Even more important than the amount would be softening of terms; e.g., less emphasis on export promotion and more on simple grant assistance.

7) We should seek increased Japanese military procurement in the United States as the Japanese defense budget rises.

8) Elimination of restrictions on capital investment inconsistent with our Treaty of Friendship, Commerce and Navigation and with the obligations which the Japanese have assumed in the OECD.

Fortunately, all of the above, except for the degree of revaluation which we seek, are included to a greater or lesser extent in the GOJ's eight-point program already approved or in the package which the Foreign Office, the new Foreign Minister, and Sato are trying to get accepted.

At this meeting the Japanese will above all want to know our price for removal of the 10% surcharge. This is however, important to us in our negotiations relating to our total position with other countries, as well as Japan, and must in any case await a satisfactory overall exchange

rate settlement. All we can say at this meeting is to promise its removal, as soon as our external position is assured.

We should stress, however, the very important steps which we are taking within the United States to correct the contribution of our own inflation to our trade imbalance.

On the side of our cooperation with Japan, we should offer cooperation with the Japanese in the following areas in which we have mutual interests.

a) Joint effort to seek liberalization of the trade policies of the European community.

b) Work within the OECD High Level Group to prepare the way for a major multilateral attack on trade barriers.

c) Development of international procedures for adjudicating investment disputes in developing countries.

d) A program to encourage private investors of both countries to establish joint ventures in less developed countries in an effort to obtain greater security for these investments.

e) Closer scientific collaboration in seeking solutions to common problems in the fields of transportation and ecology.

f) In the field of *nuclear energy* we should reaffirm the offer which we have made to ten countries—the EEC, UK, Canada, Australia, and Japan to discuss the possibility of selling them classified U.S. technology for use of the gaseous diffusion process for enrichment of uranium on a multilateral basis.

g) We should assure the Japanese that immediately upon the completion of the ECONCOM Meeting, the President will send the Agreement for Reversion of Okinawa to the Senate with a very strong recommendation for its early ratification.

William P. Rogers

93. Minutes of a Senior Review Group Meeting¹

Washington, September 7, 1971, 4:05–4:57 p.m.

SUBJECT

Japan

PARTICIPATION

Chairman—Henry A. Kissinger

State

Mr. U. Alexis Johnson

Amb. Winthrop Brown

Mr. Nathaniel Samuels

Mr. Philip Trezise

Defense

Mr. G. Warren Nutter

Rear Adm. William Flanagan

JCS

Adm. Thomas H. Moorer

Brig. Gen. William Burrows

CIA

Mr. Richard Helms

Mr. Maurice Ernst

*Treasury*Mr. Paul Volcker²

Mr. John McGinnis

OMB

Mr. Kenneth Dam

CIEP

Mr. Peter Peterson

Mr. Richard Allen

Mr. Deane Hinton

NSC Staff

Col. Richard T. Kennedy

Mr. John Holdridge

Mr. Robert Hormats

Rear Adm. Robert Welander

Mr. Mark Wandler

It was agreed that:

—The President's Memorandum of September 7 to the Secretary of State on the U.S.-Japan Joint Economic Committee Meeting will be strictly adhered to by all agencies.³ If any agency has an objection to the memorandum, it would register that objection with the White House for adjudication.

—The economic agencies should not discuss political issues with the Japanese ministers and Mr. Johnson should monitor the meeting from a political point of view.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-112, SRG Minutes, Originals, 1971, [2 of 6]. Secret; Sensitive. The meeting took place in the White House Situation Room. Members of the NSC staff provided Kissinger with talking points for this meeting. (Memorandum from Holdridge and Hormats to Kissinger, September 6; *ibid.*, Box H-059, Senior Review Group Meetings, SRG Meeting—Japan 9/7/71) Kissinger initialed these minutes on September 9. All brackets are in the source text.

² Not present at beginning of the meeting. [Footnote in the source text.]

³ Document 94.

—Every agency will keep other agencies informed of all significant conversations with the Japanese ministers.

—The State Department will prepare and circulate a draft communiqué.

Dr. Kissinger: I thought we should have a fairly brief session on the upcoming Econ Com meeting. Given the importance we attach to this meeting and given the decision by the Japanese emissaries to work all the side streets in town, I thought we ought to go over the issues as they have been resolved.

The President will sign this afternoon a decision memorandum which is close to what everyone has proposed. Perhaps I can go through it. In any case, it will be distributed later this afternoon.

I presume you have all seen the State paper [Secretary Rogers' memorandum to the President of September 1] and the CIEP paper [of August 24].⁴ Is Treasury here?

Mr. McGinnis: Yes. Paul [Volcker] will be here in a few minutes.

Dr. Kissinger: I didn't want you to think you were disassociated from us. I don't know if I should run through the memorandum because the President has not signed it yet. Basically, it follows the Secretary's memorandum and the CIEP paper. They are all close together. We will distribute the decision paper later this afternoon, and, if there are any objections, we should know what they are. (to Mr. Johnson) Alex, why don't you lead off the discussion? What do we want to get out of the meeting? What line should we take?

Mr. Johnson: All of that is basically in the Secretary's memorandum, and it's hard to improve upon it because I had a hand in its drafting.⁵

We tried to be as succinct as possible in the paper. We have, on the one hand, the objective of preserving and strengthening our relationship with Japan. We all agree that it is vitally important to maintain this relationship.

At the same time, we should try to persuade the Japanese ministers to accept the fact that they have to take early and effective measures to establish an appropriate balance in Japan's external economic relationships, including those with the United States. Of course, we're not out to make enemies of the Japanese, either.

⁴ Document 92. The Council on International Economic Policy paper of August 24 is in the National Archives, Nixon Presidential Materials, White House Special Files, White House Central Files, Subject Files, Confidential Files, CF, CO 75, Japan 1/1/71–9/30/71.

⁵ According to the original minutes, Kissinger then said, "I'm glad to see that the Secretary [Rogers] has difficulty putting up with you, just as I do." This comment was covered over with white correction tape.

We have found that our economic relationship has been mutually beneficial. In recent years, however, our economic and trade relationships have been distorted. Now we have to try to convince the Japanese that our trade and economic relationships have to be redressed. We should point out to them that we are not singling them out and that we have problems with the rest of the world, too, but to a different degree.

Above all, we have to impress upon the Japanese that we expect some readjustment of the exchange rate. They have already taken some steps in this direction. The floating of the yen has resulted in some revaluation—just about 7 percent—but this amount is considered by everyone to be inadequate. We must get across to them that we want a major readjustment. However, we will not negotiate monetary policy at the meeting; it will be done in a multilateral framework. The first step in that direction was taken last Friday at the Group of Ten meeting in Paris which Paul Volcker attended. The next meeting, I believe, is on September 15 in London. As I said before, we will not seek to negotiate a bilateral agreement with the Japanese at the Econ Com meeting.

The other side of the spectrum is getting Japan to open up her trading. A revaluation of the yen should make the terms of trade more equal and should improve our ability to sell in Japan. At the meeting, both we and the Japanese should set forth the steps we are willing to take. The big problem is the speed with which the Japanese can move on this. The ability of Sato and his government to move is circumscribed by the traditional Japanese attitudes and by the dissent in the Cabinet and the LDP Party on the Chirep issue. Chirep is the most divisive issue in the Japanese political world right now. It is even more important than the economic issue. The Japanese are engaged in their own great China debate. No matter how hard we push or urge them to move, we cannot expect dramatic results from the meeting. Many of us hoped for and talked about dramatic steps which the Japanese might make, but this will not be the case. Fukuda and the Foreign Office have been pursuing a policy similar to our own. However, they have not been able to move the Japanese ministries to the degree that would enable Fukuda to take dramatic steps.

Phil [Trezise] has been in Tokyo recently, and perhaps he can fill us in on the mood there.

Mr. Trezise: Basically, I'd like to underscore what Alex [Johnson] said. The Sato government is in its last months, and the ministries are not anxious to go through with the exercise. Some of the ministers are in competition for top jobs in the new government. In the Ministries of Agriculture and Finance, where the hard decisions must be made, the bureaucrats are not ready to go along with Fukuda. The situation there reminds me of the last months of the Kishi regime.

Mr. Volcker entered the meeting at this point.

Mr. Johnson: We are fortunate that Fukuda is the Foreign Minister and the leader of the delegation. He has long experience on the financial side. Given the Japanese system, though, he has certain limits on how far and fast he can move. The Japanese have an admiration for our ability to move. They admire the fact that the President can make a decision and then have it carried out. They can't act that way because it is not in the Japanese tradition and because Sato is a lame duck.

Mr. Trezise: There's one other thing I would like to mention. By Japanese standards, their economy has been in recession for quite a while. While they are providing a big fiscal stimulus in an expanded public works program—about the equivalent of \$20 billion in the U.S. economy—it will take some time before its effects are felt. No one expects their economy to be in high gear until the second quarter of next year at the earliest. This is the first time they have had to bring the economy back from a self-induced slowdown, and no one knows how long it will take. The surcharge and even a limited revaluation have a deflationary effect. The Japanese ministers will of course, be taking all of this into consideration.

Dr. Kissinger: (to Mr. Peterson) Pete, what do you think?

Mr. Peterson: (to Mr. Trezise) Phil, I just received two conflicting reports on textiles.

Dr. Kissinger: Both of them are probably true.

Mr. Peterson: (to Mr. Trezise) What is your assessment?

Mr. Trezise: I was told on Wednesday that Fukuda had met with the industry and that he was stonewalled. He put on a good performance, I understand, and he went back the following day, but there were still no more results.

Mr. Peterson: Is it likely then that they will come here with nothing?

Mr. Trezise: That's right.

Mr. Johnson: The signs point to that.

Dr. Kissinger: (to Mr. Peterson) What do you think of the substance of what we should all say?

Mr. Peterson: It's not clear to me what emphasis we are going to put on the balance of payments goals. Do you think we should talk to them in specifics?

Mr. Johnson: You saw our memorandum and the draft of the Secretary's opening remarks.⁶ We put an adjustment of the exchange

⁶ The memorandum to which Johnson is referring is Document 92. Rogers' opening remarks as delivered at the conference are printed in Department of State *Bulletin*, October 4, 1971, pp. 346–350.

rate and revaluation at the top of the list. We presume these subjects will be discussed somewhat in the large group and by Connally and Mizuta [Japanese Finance Minister] in private.

Mr. Volcker: We thought that would not come up for discussion in the large group.

Mr. Johnson: It probably will be discussed, but in broad terms.

Mr. Volcker: Will we go beyond those broad terms?

Mr. Johnson: Probably not.

Dr. Kissinger: Will we discuss percentages?

Mr. Volcker: Needless to say, the percentages are very important.

Mr. Johnson: We will make it clear that we won't negotiate percentages in the meeting.

Dr. Kissinger: Can we say something about percentages privately?

Mr. Volcker: I don't think we should be very specific. We gave them an indication that we wanted a bigger revaluation.

Mr. Samuels: You know, if we go through the various measures we want them to take, there is not one item where they are not already doing something. It's a question of getting them to accelerate and expand those measures. We have to tell them that they are not doing enough. I think it's important to make that point.

Mr. Volcker: Phil's point about the recession is important. Do we recognize it in any of our papers?

Mr. Johnson: Yes, we do—in the Secretary's opening statement.

Mr. Volcker: Secretary Connally will probably discuss in some depth our balance of payments problem. He will point out that our multilateral objective is to achieve a rough balance, and we hope the Japanese can accept that.

Mr. Johnson: Hopefully, we will also get a response on this subject in the general meeting. I don't know what they will say about their balance of payments.

Dr. Kissinger: I have two concerns. The first is the problem we could have if we all say something different to the Japanese. If we disagree, we should know it now and get it resolved so that they don't go from agency to agency, brokering our views. I assume the President's memorandum will be scrupulously adhered to. There should be no variation from it—either on the tough side or the soft side—and we will present a united front. The tough decisions that they have to make will be delayed if they see disunity on our side.

Mr. Johnson: I'm glad you said that. We know the proclivity of the Japanese for using the back door, with such things as special meetings and emissaries. I have gone through it for years. To the degree that we can force the Japanese to deal with us in the established channels, the better off we will be.

Dr. Kissinger: That is also the President's view [have the Japanese deal with us in established channels].

I guess I should read the memo the President is sending to the Secretary of State. If someone cannot live with this memo, we had better hear about it right now.

(Reads memorandum through point 3.)

Mr. Volcker: How did we come up with those figures? [referring to the last sentence of point 3, which reads: "While negotiations on the exact amount of yen revaluation sought should be carried out multilaterally, Secretary Connally is authorized privately, if he wishes, to inform the Japanese Ministers that a revaluation in the range of 15 to 20 percent is necessary."]

Dr. Kissinger: If you think the figure [for revaluation] should be bigger, we should know about it.

Mr. Johnson: Is it credible to start out with a higher figure than 20 percent?

Mr. Volcker: Yes, I think so. If we start out by saying 15 to 20 percent, we will end up with 15 percent, and that's not enough.

Dr. Kissinger: This is the sort of point we should know about now.

Mr. Volcker: If we want a 15 percent adjustment overall, I think we should start out with a bigger figure than 20 percent.

Mr. Samuels: Should we tell the Japanese that it would take more than a 20 percent revaluation to bring our trade account into bilateral balance?

Mr. Volcker: No. I didn't say we should tell them that.

Dr. Kissinger: The Japanese will not be forced to say anything. If we say, however, that we want more than a 15 to 20 percent revaluation, that would become more of a political point than an economic one.

Mr. Volcker: They might say they are thinking of an 11 percent revaluation, but they certainly would not expect us to say that.

Dr. Kissinger: They are not required to say anything. The 15 to 20 percent figure merely gives us a judgment of where we would like to end up. If we are going to say we want more than a 20 percent revaluation, we ought to know about it right now.

Mr. Johnson: I agree.

Dr. Kissinger: (to Mr. Volcker) Do you agree that if the Secretary feels like discussing a 15 to 20 percent revaluation, that would be all right? However, if he wants to discuss a higher figure, we ought to know what he will say.

Mr. Volcker: I assure you he will not want to talk about a 13 percent revaluation.

Dr. Kissinger: Can you assure us he will not say that a 25 percent revaluation is necessary?

Mr. Trezise: We came up with the 15 to 20 percent range as a result of interagency discussion.

Mr. Volcker: For an overall adjustment, we need a yen revaluation of 15 percent or more.

Dr. Kissinger: (to Mr. Peterson) Pete, what do you think?

Mr. Peterson: Paul [Volcker], as you know, the paper has a number that is in the ball park, as you gave it to us.

Mr. Volcker: I said I was cautious about the figures.

Dr. Kissinger: I think it would be better to distribute the President's memorandum instead of reading the rest of it. Everyone will follow it, unless we are told about objections beforehand. If there are objections, the President will adjudicate them.

Mr. Volcker: Is it correct to say that nobody except Connally will discuss exchange rates?

Dr. Kissinger: That's correct. No one except Treasury will speak about revaluation. As I said before, though, if you want to go beyond 20 percent, we ought to know about it.

Mr. Volcker: I understand.

Dr. Kissinger: I will have the memo distributed. That's better than forcing you to react orally. I hope we can have your responses to the memo in the morning.

Mr. Peterson: On another matter, when I saw Ushiba [Japanese Ambassador to the U.S.] recently, he mentioned the mandarin orange issue. The Japanese want the right to sell mandarin oranges here. Hardin [Secretary of Agriculture] mentioned this problem to the President and told him that Illinois and two other states were not orange-producing states. Our response up to now has been that the Japanese not be allowed to sell mandarin oranges in places where our orange-producing trees might be damaged. Now that Cliff [Hardin] has volunteered three states where there are no orange-producing trees, perhaps we can be more forthcoming to the Japanese.

Mr. Helms: It sounds like bacteriological warfare to me.

Mr. Johnson: I think we can put something in the communiqué about it.

Dr. Kissinger: Is everyone prepared to speak about mandarin oranges?

Mr. Johnson: If Cliff wants to do something, it's okay with me.

Dr. Kissinger: Let me return now to the second general concern I have. On the political side, we have a delicate problem. We want to reassure the Japanese and have their confidence in us restored. On the other hand, there is the China problem. We want to avoid creating the impression that we are in collusion with the Japanese on our China

policy. Therefore, we must strike a delicate balance of friendship with Japan and not give the impression that they have a veto power over our China policy.

The worst outcome would be if we convinced the Chinese we were getting into bed with the Japanese, and if, at the same time, we antagonized the Japanese. This could happen, for example, if we follow an extreme economic policy against Japan and follow it up by issuing flowery statements of friendship. It could also happen if we have press leaks.

Mr. Johnson: You are right. That could happen.

Dr. Kissinger: (to Mr. Johnson) Alex, you should monitor the situation.

Mr. Johnson: I will. In this connection, let me bring up the matter of the Japanese purchasing arms here. We see no need to mention it in the communiqué. They will buy the arms if they are interested—and we know that. There would be no advantage—from either the Chinese or Japanese view point—in putting this in the communiqué.

Dr. Kissinger: I think we've covered the major points that had to be discussed.

Mr. Johnson: We should bear in mind that Fukuda's main rival is Tanaka [Minister of International Trade and Industry]. Therefore, Fukuda has his own delicate problem within the delegation. In our dealings with the Japanese ministers, we have got to realize that there is feuding and fighting going on for Sato's mantle. We have also got to remember that the Japanese system is Parliamentary, not Presidential.

Dr. Kissinger: I would think that the economic agencies would stay out of the political issues because of the impact it could have on the Japanese domestic scene.

Mr. Johnson: I agree. As I said before, China is *the* issue in Japan.

Dr. Kissinger: Anyway, no economic agency should have an interest in discussing the political issues.

Mr. Volcker: It's good for us that the China issue has now become more important than the economic ones.

Mr. Johnson: No. It's not good because it puts added inhibitions on Sato on the economic issues.

This should be an interesting meeting. A big problem will be the press, particularly the Japanese press, which is coming in full strength. The Japanese delegation is planning to have briefings on a regular basis.

We should consider the question of having a joint press conference at the end of the meeting. That's the normal procedure, and failure to do so now would certainly be marked in Japan as a sign of our not being able to get together. On the other hand, if we hold a joint press

conference, Secretary Rogers would be faced with a barrage of unanswerable questions.

Dr. Kissinger: Would it be better if Fukuda has a press conference of his own?

Mr. Johnson: I'm sure he will do so in any event. One alternative might be for Fukuda and the Secretary to hold back-to-back press conferences.

Dr. Kissinger: That could result in some discrepancies.

Mr. Johnson: That's right. We have to know what our story is and what the Japanese will say. The Secretary has often asked: "If we don't know what we want to say, how do we say it?" We will have to deal with some difficult questions. The press will want to know, for example, if revaluation was discussed and when the surcharge will be removed.

Dr. Kissinger: Those questions can be dealt with. The answer to the question on the surcharge is: "When external conditions permit." The Secretary could also say that revaluation was discussed and that it will be negotiated in a multilateral framework.

Mr. Volcker: He's sure to be asked what agreements came out of the meeting.

Mr. Johnson: The answer to that question is simple: "The agreement to disagree."

We will circulate a draft communiqué and get all your comments and suggestions. Yoshino, the Japanese equivalent of Marshall Green for the U.S., is with the delegation. Phil Trezise will be getting together with him this evening to work on the communiqué. It will be tough to draft. Hopefully, though, we can get it to you tomorrow.

Mr. Trezise: Hopefully.

Mr. Johnson: Once we get a draft, we can circulate it and get your comments. In my experience, if there are 25 drafters, it's not an effective way of producing a paper. We will have to have a small group working on the communiqué throughout the meeting.

There are a couple of other items I would like to mention. One is that the Secretary had suggested that he meet with his Cabinet colleagues before the meeting starts. In light of the President's memorandum, though, I'm not sure we need this meeting.

Dr. Kissinger: Let's wait until we see what the reaction is to the memo.

Mr. Johnson: Okay. We'll wait. The other thing is that the President's speech to Congress will cut in on the counterpart lunches because most of the Cabinet members will probably be on the Hill with the President. They won't get back from the Hill until about 1:30. Therefore, I'm having my staff shift the counterpart lunches to Friday.

Mr. Volcker: That's a good idea. Friday is better.

Mr. Johnson: I also hope the counterparts will accompany the Japanese ministers to the Kennedy Center on Thursday evening. I think that would be a graceful thing to do. I understand the President will be attending the symphony, but I don't know how many Cabinet members will be going with him.

Amb. Brown: Will we be getting copies of the decision memorandum?

Dr. Kissinger: Yes, within the next hour. On a final note, let's agree that everyone keep everyone informed of all significant conversations. And let's agree that everyone follow the memo, unless objections are registered here.

Mr. Johnson: Let's also stay in the proper channels. If I'm not informed about something, then the Secretary should be.

94. National Security Decision Memorandum 130¹

Washington, September 7, 1971.

TO

The Secretary of State

SUBJECT

U.S.-Japan Joint Economic Committee Meeting

The President has reviewed your memorandum of September 1, 1971 on this subject, as well as the CIEP paper of August 24, 1971.²

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 364, Subject Files, National Security Decision Memoranda, Nos. 97–144. Secret. On September 5, Kissinger and Peterson sent this memorandum to Nixon who initialed his approval. (Ibid., NSC Institutional Files (H-Files), Box H-227, National Security Decision Memoranda, NSDM 130) on September 6, Hormats sent a memorandum to Kissinger, recommending that he send the draft of NSDM 130 to the President. Hormats stated: "On balance I believe this scenario deals fairly with State, Treasury, and CIEP's positions, it minimizes the possibilities of creating political friction with Japan over economic issues, but makes a strong case for measures which we believe highest priority—i.e., yen revaluation and trade liberalization. And we would not give the Japanese so much in the technology field that it would jeopardize the China trip." (Ibid., Box H-059, Senior Review Group Meetings, SRG Meeting—Japan 9/7/71) Copied to 16 relevant officials including the Secretaries of the Treasury, Defense, Agriculture, Commerce, Labor, Interior, and Transportation.

² Document 92 and see footnote 4 to Document 93.

The President has directed that in the ECONCOM meetings,³ the U.S. Delegation be guided by the following principal points:

1. Throughout the meetings, as proposed by the Secretary of State, we should endeavor to re-establish in the minds of the Japanese the significance and closeness of the U.S.-Japanese relationship through a series of forthcoming political and psychological measures. We should:

—Assure the Japanese that shortly after the ECONCOM meeting the President will send the Agreement for Reversion of Okinawa to the Senate with a strong recommendation for its early ratification.

—Reaffirm our offer to explore with Japan and other countries the possibility of selling them U.S. technology for use in gaseous diffusion plants in third countries for enrichment of uranium.

—Indicate our desire for closer scientific collaboration in seeking solutions to common problems in the fields of transportation and ecology.⁴

—Indicate our desire to cooperate to seek liberalization of the trade policies of the European Community.

—Indicate our desire to work within the OECD High Level Group to prepare the way for a major multilateral attack on trade barriers.

—Indicate our desire to develop international procedures for adjudicating investment disputes in developing countries.

2. The U.S. new economic policy, with special emphasis on our balance of payments goals, should be clearly explained to the Japanese delegation. We should state strongly that it is our conviction that a reasonably balanced trade account between our two countries is necessary, and feasible by the end of 1973. It should be pointed out that, as we understand Japanese balance of payments and trade projections, they are incompatible with our objectives. It should be proposed that we work together to achieve mutually agreed compatible balance of payments goals.

3. The overriding U.S. objective is to obtain a revaluation of the currencies of our major trading partners, which will include a substantial revaluation of the yen. While negotiations on the exact amount of yen revaluation sought should be carried out multilaterally, Secretary Connally is authorized privately, if he wishes, to inform the Japanese Ministers that a revaluation in the range of 15 to 20 percent is necessary.

4. We should indicate that we would remove the 10 percent surcharge only when our external position is assured.

³ "ECONCOM 8," the eighth U.S.-Japan Joint Economic Committee Meeting at the cabinet level, was scheduled for September 9–10, 1971, in Washington.

⁴ In an earlier undated draft of this NSDM the next point read, "Indicate willingness to support election of a Japanese Chairman of the GATT this November." This proposal was dropped in the final version. (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-227, National Security Decision Memoranda, NSDM 130)

5. Beyond this, we wish to achieve our balance of payments goals primarily through trade liberalization, and we expect the Japanese to remove quotas and other import restrictions illegal under the GATT. We are particularly interested in prompt removal of quotas on agricultural items, computers, aircraft, and integrated circuits.

6. We should welcome the Japanese eight-point program, commend their efforts so far, and urge them to go further.

7. It should be made clear to the Japanese that we still seek a negotiated voluntary restraint agreement for textiles but will be prepared to solve the problem in other ways if an agreement is not forthcoming. Our continuing need for a voluntary restraint agreement for steel exports should also be made clear.

8. We should stress our desire for even closer economic cooperation in the future. To this end, we should propose periodic meetings with the Japanese, starting with a special interagency mission to Japan by next January to assess with the Japanese specific progress toward agreed upon balance of payments goals, compatible economic policies and the eight-point program, to identify remaining or emerging trade problems, and to work out constructive, timely solutions to common economic problems.

9. In discussing lower priority economic objectives, including increased Japanese defense procurement in the United States, increased aid on softer terms, and investment liberalization, our delegates should make clear our wishes in low key, relating such secondary points to our overall balance of payments goals.

Henry A. Kissinger⁵

⁵ In his September 6 memorandum to Kissinger, Hormats indicated that Peterson wanted to co-sign this NSDM since it dealt with international economic affairs. Hormats noted, however, that "having two Assistants to the President sign the memorandum might look awkward to the agencies, and the memorandum was developed in response to NSC directives." Haig, acting on behalf of Kissinger, disapproved Peterson's request. (Memorandum from Hormats to Kissinger, September 5; *ibid.*)

95. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, September 9, 1971.

SUBJECT

Japanese Prime Minister Sato Comments on U.S.-Japan Economic Relations and Other Issues

In an interview September 1 with James Reston of the *New York Times*, Japanese Prime Minister Sato went to some lengths to keep current U.S.-Japanese problems in a balanced perspective. Specifically, he:

—Said he has “great expectations” for the U.S.-Japan Econ Com cabinet exchange next week, noting that the most important need would be for a frank exchange of views with no “mincing of words” that left room for misunderstanding. (Japan will clearly request as its highest priority removal of the surcharge as soon as possible, citing the fact that it is now floating the yen, and will ask for a clear and specific indication of what the U.S. requires in order to remove the surcharge.)

—Acknowledged that there had been a serious Japanese domestic political problem brought on by U.S.-China and economic initiatives.

—Expressed the concern that U.S.-Japan relations could be “impaired” by political repercussions from our economic problems, but said “We are in the same ship, so we must make every effort not to sink together.”

—Expressed his preference for tackling our basic economic problems in a multilateral form such as the IMF or the Group of Ten. (This would avoid the appearance of the U.S. directly inflicting its will on Japan, and make it easier for Japan to acquiesce to our requests.)

—Said the current primary Japanese economic need was to stimulate its economy, which would facilitate increased imports (including finished goods as well as raw materials).

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul–Sep 71. Secret. Sent for information. A notation on the memorandum indicates Nixon saw it. Kissinger forwarded this memorandum to the President as Hormats and Froebe recommended in their September 3 memorandum. (Ibid.) Kissinger edited the Hormats/Froebe draft by eliminating a paragraph that read: “In retrospect, the effect of our China and economic initiatives was probably to accelerate Prime Minister Sato’s departure from the Japanese political scene—his opponents added their heavy criticism of his handling of U.S.-Japan relations and China policy to their earlier mounting criticism of him on several other scores. On China policy, they claimed that Japan had to develop an independent policy to keep the U.S. from getting out in front in normalizing relations with Peking.” (Ibid.)

Basic US-Japan Relationship

—Reaffirmed several times that Japan's relationship with the U.S. is the basis and pivot of its foreign policy, and said that the Mutual Security Treaty is the basis of Japan's security.

—Cited his "very close relationship" with you, and again welcomed a visit by you to Japan (although saying it would be better following the visit by the Emperor to the U.S.).

China Policy

—Attributed Peking's fears of resurgent Japanese militarism to "scars left by Japanese militarists," and cited political and constitutional blocks to such a development.

—Reiterated Japan's "One China" policy, and said Peking and Taipei should resolve their differences by peaceful means.

Comment

Within recent days the Chinese representation issue has become the major political issue in Japan. Sato's opposition apparently believes that he is most vulnerable on this issue, and that his government will fall if he associates himself with a Chirep strategy that fails. Most importantly, two of Sato's Liberal Democratic Party (LDP) leaders, former Foreign Ministers Miki and Ohira, have publicly come out in opposition to Japanese support for our two Chirep resolutions. Both want a Japanese position more in line with Peking's demands. Miki's opposition was expected and tolerable, but that of Ohira is somewhat different. Ohira, who is leader of the LDP's second strongest faction (next to Sato's), has previously supported Sato policy and has been given the best chance of succeeding Sato as Prime Minister.

Adding pressure to Sato on the China issue has been the just-concluded visit of Wang Kuo-chuan, Vice Chairman of Peking's China-Japan Friendship Association. Wang was quite successful in stimulating heightened Japanese interest in improved relations with Peking, particularly among Japanese business leaders.

Embassy Tokyo reports that the Sato Government now apparently wants to defer further consultations with us on Chirep until Foreign Minister Fukuda arrives in Washington next week for the Econ Com meeting.

96. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, September 10, 1971.

SUBJECT

Conclusion of the ECONCOM Meetings

The ECONCOM meeting with Japan concluded early this afternoon with an exchange of pleasantries and an expression on the part of both governments of their desire to work together to solve amicably their economic problems. The more salient aspects of the communiqué (Tab A)² are:

—Japan stressed that the U.S. import surcharge had seriously affected the Japanese economy, and a request that it be removed as soon as possible since it would, if prolonged, encourage protectionism and threaten the free trade system.

—Japan indicated that the eight-point trade and investment liberalization program would be continued, although some adjustments would be necessary as a result of the changed situation following the announcement of the New Economic Policy.

—The U.S. expressed concern at Japanese trade and investment restrictions, and emphasized the importance of achieving full reciprocity in the U.S.-Japan economic relationship.

—The U.S. took the strong position that Japanese imbalance would require it to eliminate its remaining quotas and other important restrictions, as well as non-tariff barriers and export incentives, as rapidly as possible.

—The U.S. noted that the overly rapid expansion of exports can create serious dislocations and political problems, and pointed out the need for an orderly evolution of trade.

—Japan stated that within the context of its Eight-Point Program residual import quota restrictions, now numbering sixty items, would be reduced to forty items by the end of the month and that further liberalization in 1972 was under study.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-059, Senior Review Group Meetings, SRG Meeting—Japan 8/27/71). Confidential. Sent for information. A stamped notation on the memorandum indicates the President saw it.

² The communiqué of the U.S.-Japan Joint Committee on Trade and Economic Affairs is attached but not printed. It is printed in the Department of State *Bulletin*, October 4, 1971, pp. 350–353.

—Japan expressed its strong apprehension over the increase of protectionist views in the United States.

—The U.S. and Japan agreed on the importance of promoting joint cultural activities, and the desirability of expanding joint U.S.-Japan research in the natural and social sciences and such fields as transportation, occupational health, and environmental problems.

On the whole discussions were amicable, but pointed up several unresolved economic issues, the most important being how much the yen will be revalued and how far Japan will move in the future to liberalize imports.

97. Memorandum of Conversation¹

Washington, September 10, 1971, 7:30 p.m.

PARTICIPANTS

Mr. Takeo Fukuda, Foreign Minister of Japan
Ambassador Nobuhiko Ushiba
Ambassador Genichi Akatani, Ministry of Foreign Affairs (Interpreter)
The President
Dr. Henry A. Kissinger, Special Assistant to the President for National Security Affairs
Secretary of State William P. Rogers
Deputy Undersecretary of State U. Alexis Johnson
Mr. James J. Wickel, American Embassy, Tokyo (Interpreter)

SUBJECT

China and Internal Politics in Japan

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1025, Presidential/HAK Memcons, Memcon—The President, PM Takeo Fukuda, et al., Sept. 10, 1971 re: China/Japan. Secret; Nodis. On September 9, Rogers submitted a memorandum and talking points to Nixon for this meeting. (Ibid., RG 59, Central Files 1970–73, POL 7 JAPAN) Fukuda had asked Ushiba to meet with Kissinger, prior to Fukuda's meeting with Nixon, in order to brief Kissinger about Japan's domestic problems. This meeting took place on September 8 at 2 p.m. in Kissinger's office. (Memorandum of conversation; *ibid.*, Nixon Presidential Materials, NSC Files, Box 536, Country Files, Far East, Japan, Vol. V, 1 Jul–Sept 1971) As preparation for Nixon's September 10 conversations with Fukuda, Hormats sent Kissinger a memorandum on September 10, which provided advice on issues to raise, including yen revaluation, import liberalization, and the textile controversy. (Ibid., Box 402, Subject Files, Trade, Vol. IV, Jul–Dec 1971) On September 9, Rogers also sent the President a memorandum with attached talking points for his meeting with Fukuda. (Ibid., Box 285, Agency Files, Department of State, Vol. 13, 1 Sept–31 Dec 1971)

The President and Minister Fukuda exchanged warm greetings and congratulatory remarks on the successful conclusion of the 8th U.S.-Japan Joint Cabinet Committee on Economics and Trade.

Minister Fukuda noted his previous two visits to the White House, first, during a 3-day visit by Prime Minister Kishi during the Eisenhower administration, and second, during the Johnson administration as Finance Minister.

Minister Fukuda conveyed Mr. Kishi's warm regards to the President, as well as Kishi's message that he wished to call on the President even though he had no particular business to discuss.

The President said that he would welcome a visit by his old friend Mr. Kishi at any time.

Minister Fukuda also conveyed Prime Minister Sato's warm regards to the President.

Minister Fukuda then reviewed the changes in the political situation in Japan, of which he had already informed Secretary Rogers in detail.

The President noted that this had been reported to him.

Minister Fukuda noted that the ruling Liberal Democratic Party (LDP) had won its greatest post-war victory (303 seats) in the general election (House of Representatives) of December, 1969, and that Prime Minister Sato last fall won re-election to a 4th term as LDP President. (The President of the majority party is then elected Prime Minister by the Diet.) In the process, however, Prime Minister Sato announced that he would not run for a 5th term, and ever since then unity within the LDP has been weakening.

Following the June, 1971 House of Councillors election Fukuda pointed out an unprecedented political development: a sufficient number of dissident LDP Councillors joined the opposition party coalition to elect an anti-Sato LDP candidate as President of the House of Councillors, rejecting the incumbent regular candidate backed by Prime Minister Sato.

In the Diet to be convened October 15, Minister Fukuda explained that China would be the biggest, by far, of all the political problems. Both he and Prime Minister Sato agreed the development of the China question is being greatly influenced by the President's announcement of his forthcoming visit to Peking. Both also regretted that Japan has been unable, as yet, to develop its own relations with such a large neighboring country as China, and they both agreed that Japan should somehow normalize relations with Mainland China. However, both were fully aware that Japan should exercise great caution lest the process of normalization "shake" its relations with Taiwan and the other nations in the region. He noted that Japan could also lose the

respect of the 700–800 million Mainland Chinese if it appeared to be moving opportunistically with the tide. The majority of the LDP supported this position.

With respect to handling of the Chinese representation question in the UNGA this fall, Minister Fukuda explained that the fundamental view of the LDP is to support the entry of the PRC and to oppose the exclusion of Taiwan. How to attain this common objective has been a subject of close consultation between the governments of Japan and the United States, he said, and the GOJ would support and campaign in favor of the two resolutions about to be put forward in the U.N. by the USG. However, Minister Fukuda cautioned that the LDP is not united in favor of co-sponsorship. The China question does provide excellent ammunition for the LDP factions seeking to undermine the Sato government and the slightest mistake in handling Chinese representation could precipitate the greatest political crisis faced by the Sato government since coming to power.

Minister Fukuda noted that he wished to repeat this to the President in detail even though he had already reviewed it thoroughly with Secretary Rogers because he was not certain they really understood the magnitude of the political crisis in the offing.

Minister Fukuda explained that the anti-Sato forces within the LDP opposed co-sponsorship for a variety of other reasons, but all were united in their suspicion that the United States must have made a promise to the PRC during the discussions about the President's visit to Peking, that the United States would abandon Taiwan and "shake hands" with Peking. Therefore, they are urging, Japan should not be left out. Even if one conceded a certain amount of campaign rhetoric in this, Minister Fukuda pointed out that this argument is pervasive.

The President expressed understanding for the delicate political position of the GOJ. It is important, he said, to recognize what the United States position is, to respect the position the GOJ is in, and to point out the need for each government and nation to determine its own course of action on the basis of its own national interests. We, like Japan, have a long and close relationship with Taiwan; we, like Japan, believe that peace in the Pacific, in the long run, requires the participation of the PRC. With respect to the technical problem with the U.N., Secretary Rogers has stated the United States position publicly, and to Minister Fukuda privately, that is, that we would support the PRC entry but would oppose the expulsion of Taiwan from the U.N. We believed this to be a correct position.

For Japan's part, the President said, the GOJ needed to consult its own interest to determine whether to support our position, which the GOJ agrees is the right one, or whether to go further and co-sponsor the two resolutions. However, he felt that Japan must do this in terms

of its own view of the situation. We would proceed to work for our position; he said, but would respect other nations' rights to make their own decision with respect to the degree of support it would give, especially a nation so closely identified with this question.

With respect to the long term, the President said that as realists we both knew that we are only beginning what might be a better relationship with the PRC. The President assured Minister Fukuda (as he assured Prime Minister Sato) that when we begin our discussion with the PRC there are no conditions on either side; there is no condition for the PRC to do something in Southeast Asia, and there is no condition that we do anything about other situations. Each side is as aware as the other that we are beginning a basic dialogue. In the light of it, he said, the necessity is clear for continued close relations between the governments of the United States and Japan, because, even though we are strong economic competitors as discussed in the ECONCOM, our friendship is essential to the peace of East Asia and the Pacific, and indeed the entire world.

By this, the President said, he did not mean that our positions should be identical, for each nation is a strong independent power, which must consult its own interests.

The President suggested that we continue our personal relations, and the consultations between us, noting that he would see Minister Fukuda again in Anchorage September 26, together with Secretary Rogers. This situation is difficult for both of us, but the President noted that our interests are somewhat common.

The Secretary pointed out the illogical and false position of Sato's political opponents who did not wish to help maintain Taiwan's seat in the U.N.

Minister Fukuda said that the LDP and GOJ leadership had no doubts about the President's position; but some dissident factions were using this issue to undermine the Sato government. Therefore he welcomed the President's encouraging remarks, and expressed the wish to convey their substance to the political leaders in Japan. Although he had earlier promised the Secretary to keep this conversation in complete confidence, he now believed that it is best to say something.

The President noted that the United States' position has been stated publicly by the Secretary. He understood that the GOJ supported that position, but was also presented with political problems, and recognized that the GOJ must make its own decision based on its evaluation of the situation, just as we do. He said that he was not putting pressure on the GOJ.

Minister Fukuda said that he wished only to inform political leaders in order to correct erroneous reporting about the President's visit to

Peking. As he said earlier, neither he nor Sato had entertained any doubts, but he did wish to inform other political leaders of these encouraging remarks by the President.

The President did not believe there would be any harm in doing so.²

² At 7:50 p.m., following this conversation, Nixon, Fukuda, Kissinger, and the two interpreters met privately to discuss the textile issue before dinner. Fukuda informed Nixon of his unsuccessful efforts to resolve the textile dispute, and Nixon expressed appreciation for Fukuda's comments and stressed the importance of reaching an agreement as soon as possible. (Memorandum of conversation, September 10; *ibid.*, Box 1025, Presidential/HAK Memcons, Memcon—The President PM Takeo Fukuda, et al., Sept. 10, 1971 re: China/Japan)

98. Memorandum of Conversation¹

Washington, September 10, 1971.

PARTICIPANTS

Mr. Takeo Fukuda, Foreign Minister of Japan

The President

Dr. Henry A. Kissinger, Special Assistant to the President for National Security Affairs

Mr. James J. Wickel, American Embassy, Tokyo (Interpreter)

SUBJECT

Textiles

During dinner Minister Fukuda noted Mr. Kishi's reluctance to call on the President until he could bring a "gift" (i.e.—on textiles). Mr. Kishi, he stressed, wished very deeply to visit his old and highly regarded friend (the President) but felt that he could not do so until he could offer something on textiles.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1025, Presidential/HAK Memcons, Memcon—The President, PM Takeo Fukuda, et al., Sept. 10, 1971 re: China/Japan. Secret; Nodis. The President's Daily Diary indicates that the President hosted a dinner in honor of the Joint U.S.-Japanese Committee on Trade and Economic Affairs from 8:16 to 10:20 p.m. (*Ibid.*, White House Central Files) In another memorandum of conversation from the same dinner, Fukuda described to Nixon the Japanese Government's Cabinet reshuffle that had taken place in July. (*Ibid.*, NSC Files, Box 1025, Presidential/HAK Memcons, Memcon—The President, PM Takeo Fukuda, et al., Sept. 10, 1971 re: China/Japan)

The President requested that Minister Fukuda convey his own warm regards to Mr. Kishi.

The President explained that his own political position was most difficult, and that it has become almost impossible to restrain the explosive forces building up in the United States. October 15 is the latest date, he felt, that he could wait for a governmental agreement on textiles.²

Minister Fukuda asked what would happen on that date, but the President replied that he could not say.

² In a September 9 memorandum for the President, Peterson wrote, "Ambassador Kennedy told Ministers Fukuda and Tanaka that if the textile issue were not resolved satisfactorily on a voluntary basis by October 15 the United States would probably have no alternative but to take unilateral action." (Ibid., Box 402, Subject Files, Trade, Vol. IV, Jul–Dec 71) In a September 21 memorandum for the President, Peterson noted, "At the August 15 Camp David meeting, you will recall deciding that if we could not get a voluntary textile deal by October 15th, you would then impose a settlement under the Emergency Banking Act Amendment of the Trading with the Enemy Act." (Ibid., Box 400, Subject Files, Textiles, Vol. IV, Jul–Dec 71)

99. Paper Prepared by the Interdepartmental Group for East Asia¹

Washington, undated.

NSSM 122 Addendum III

US-Japan Relations in the Near Future

I. *The Japanese Scene*

A. Political

When the first drafts of NSSM 122² were prepared early this summer, most observers believed that US-Japan relations, while under

¹ Source: Washington National Records Center, RG 330, OSD Files: FRC 330–76–197, Box 67, Japan, 092. Secret. During its August 27 meeting, SRG attendees had requested this paper, see Document 91. Brown sent this study to Kissinger on October 1. (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H–182, National Security Study Memoranda, NSSM 122 [3 of 3]). Davis sent it to members of the review group on October 5, and noted: "It will be considered by the Senior Review Group at an early meeting." (Washington National Records Center, RG 330, OSD Files: FRC 330–76–197, Box 67, Japan, 092) There is no indication that the Senior Review Group discussed this document.

² Document 84.

some strains primarily in economic affairs, were basically sound, and that in Japan itself the relationship rested on a stable domestic political base. In fact, we said that political elements favoring a close and cooperative relationship with the US would in all likelihood remain in power for at least the next five years.

We could not make the same statements today. The relationship is currently going through its most difficult period since the end of World War II. The President's intention to visit Peking and our new economic policies, both, however justifiably, announced without prior warning or consultations with the Japanese, have had a profoundly unsettling effect on the internal political situation in Japan. The current government and its supporters now find themselves wide open to attack on what have always been their fundamental political assets—the special relationship with the United States, public confidence in their ability to manage the economy, and their ability to deal profitably with both Peking and Taipei. Their most effective opponents come from within the ruling party's own ranks, and the mainstream elements led by Prime Minister Sato are now in real danger of losing control of the government.

This issue may well be decided by the UN debate on the Chirep issue. The LDP could not reach a consensus on the question of co-sponsorship of the IQ and DR resolutions proposed by the US.³ After weeks of intra-party wrangling, the party polarized on this issue. Major factional leaders—Miki, Nakasone, and most critically, Ohira—declared their firm opposition to co-sponsorship. They and their factional adherents probably constituted a majority of the party. The responsibility for the decision, however, was handed to Sato. In a rare demonstration of decisiveness, Sato opted to co-sponsor. In his press interview he attempted to make it plain that this decision was based only on what he conceived as Japan's best interest and carefully avoided any indication that pressure from the United States had been a factor.

For Sato the political risks are high whether the resolutions succeed or not. If they pass, Peking has grounds to accuse Sato of being the decisive factor and, given the intensity of the present pro-China mood now prevalent in Japan, Peking's wrath could be very harmful. If the resolutions are defeated, Sato would be accused of having blindly followed US leadership and of permitting the US to use him as a

³ During the debate concerning Chinese representation in the United Nations, the U.S. delegation introduced the IQ and DR resolutions: the first would have made any proposal to expel the Republic of China an "important question" requiring support from 2/3 of the United Nations member states; the second, "dual representation" resolution advocated that the People's Republic of China be admitted to the United Nations but also affirmed that the Republic of China have continued right of representation.

scapegoat. Peking's reaction will doubtless still be negative and the loss of face and confidence in his judgment would probably be politically fatal. But Sato was aware that if he decided not to co-sponsor and the resolutions were defeated, American opinion would put the blame on him. He clearly identified this as the greatest risk of all.

This fluid domestic political situation will be further roiled in the coming weeks. On October 15, a special Diet session convenes for a debate on the US-Japan relationship. The immediate occasion for this is the need to ratify the Okinawa Reversion Agreement. While there is little doubt that the Agreement itself will pass, the GOJ is already under severe attack for its willingness to permit the US to maintain its extensive base network on Okinawa. It is argued that the President's forthcoming visit to Peking demonstrates that the risks from a hostile China are so diminished that the bases are no longer necessary and in fact constitute an obstacle to Japan's own rapprochement with Peking. There are other potential areas of embarrassment in the Okinawa Agreement, including the financial settlement and the nuclear weapons question. The latter in particular has explosive political potential in Japan, and the Senate's requests for information on some aspects of this question should be answered only in executive session.

Finally, the US Government has stated that it will impose quotas on imports of textiles on October 15 (the day the Diet convenes), unless Japan and other major exporting countries reach satisfactory government-to-government agreements with us. It is difficult to predict what the Japanese government's response will be. Domestic opposition to an agreement is formidable and the unilateral imposition of quotas would also further consume a fair portion of what remains of the present government's political capital.

It is clear then that Sato's days are numbered and that problems associated with the United States are to be the proximate cause of his downfall. The problem for the United States is that the political fabric in Japan on which we must rely to obtain decisions and actions favorable to our interests has worn perilously thin. It can take only so much more weight. Sato's passing does not concern us, and in any event it now seems inevitable. What does concern us is that his passing not be precipitated by an issue in US-Japan relations or in a highly-charged emotional atmosphere. It is very much in our interests that he be able to pass the Prime Ministership to a successor who will be disposed favorably to maintain a cooperative relationship with the US and to see that the atmosphere is such that this will be possible.

B. Economic

Japan has reemerged as a major power via its economic strength. Gross National Product has been held as the summum bonum of domestic economic policy and there is little doubt that the policy has

been successful. Real Japanese economic growth over the last decade has averaged near 10%. GNP at market prices has risen from \$43 billion in 1960 to \$196 billion in 1970.

This growth has been achieved through close cooperation between the Government of Japan, the business community and the financial community. The basic strategy for growth has been progressively to develop more technically advanced industrial sectors where labor productivity will be significantly increased. Given Japan's static labor pool, the implementation of this policy has meant a steady re-distribution of the labor force out of less productive sectors and into new industrial sectors. Japan has made the policy choice to allow less productive industries to wither away while helping to alleviate the social problems associated with such a change. As in the United States, the shift in industrial production has resulted in significant domestic political problems. This is especially true due to the strong support given by the rural areas to the Liberal Democratic Party.

To carry out this program of economic development Japan has protected her technically advanced industrial sectors from foreign competition while applying similar protection to her declining industries to ease the socio-cultural and political problems associated with this industrial transition. (Japan's restrictions against foreign investment are founded more on socio-cultural and institutional structures than on economic rationale, but this makes them less, rather than more, susceptible to amelioration.) Within this policy lies the essence of Japan's present international trade problems. Japan has fostered a protective economic policy for its domestic economic development while needing a free trade world to support its economy and future economic growth.

Japan needs a free trade world because it is almost devoid of natural resources. Importing these resources is the key to any possibility of economic growth. To pay for these imports Japan must export to get foreign exchange. To export it must have access to world markets. A free trade world is therefore critical to Japan's national interests.

Japan is presently going through a very difficult transition in economic policy. The protectionist domestic economic development policy that has been so successful in the past must be altered as a quid pro quo for continued free access to the United States and other major markets for Japanese products. This transition is causing and will continue to cause economic loss and business anxiety among politically prominent interest groups in Japan which are the foundation of the LDP. The present government is committed to such a change in policy but the tendency will be to implement this policy as slowly as possible to minimize the political repercussions.

II. *US Objectives*

Our fundamental objectives with respect to Japan, against which the relevance of our short-term goals must be judged, can be categorized as follows:

A. Political

Maintenance of a Japanese government that perceives a cooperative and interdependent relationship with the US as an important national interest, and contributes much more to the development and welfare of the less developed countries.

B. National Security

1. Continued use of American military bases on Japanese soil with a minimum of restrictions on their use.

2. A Japan militarily allied with the United States and capable of defense of its national territory against conventional military attack, but which eschews the acquisition of nuclear weapons.

C. Economic

1. A continued growth of the economic interdependence of the two nations that will facilitate a freer flow of goods, services, capital and technology between the two countries.

2. A reasonably well-balanced bilateral trade account between the two countries within the most effective multilateral free trade system possible.

In terms of all of these objectives our first priority remains as stated in NSDM 130: to reestablish in the minds of the Japanese the significance and closeness of the US-Japan relationship.⁴ Without this, the political base in Japan needed to achieve our pressing economic and military objectives will become progressively weaker and narrower, and the departure of Sato, a certainty within the time frame of this paper, would probably bring into power a government less cooperative with the United States, more vulnerable to Chinese pressure (for a while at least), and less stable domestically and less predictable in the conduct of its international affairs.

We should not ignore the fact that our movements on China, our economic measures, the textile issue, and the divisive debate on the Chirep issue have resulted, on the Japanese side at least, in a palpable crisis of confidence. The importance of maintaining good relations with Japan for security, economic and political purposes, if the United States is to retain any influence or interest in East Asia, is too obvious to require discussion here. What may not be so obvious, however, is that Japan is not a monolithic society, permanently ruled by a cabal of like-

⁴ Document 94.

minded politicians, bureaucrats and businessmen who see Japan as tied to the US come what may. Japanese history demonstrates that the response of these emotional people to foreign pressure has often been a drastic and unpredictable change in national policy and outlook.

A crisis of confidence between nations is admittedly hard to dispel, especially when the policies which caused it in the first place must be pursued, as is the case with the China *détente* and the amelioration of our economic difficulties. We could do some things, however, in the political-psychological field which might improve the situation:

1. Consultation on China

Above all a mood of resentment and mistrust toward the U.S. in Japan could be dispelled by visible evidence that we are consulting with the Japanese leadership about our intentions and expectations with respect to the President's Peking trip and its aftermath. Security is admittedly a problem here but personal talks by senior Americans with Fukuda and Sato under clearly identified ground rules could be maintained in security. The Japanese need not be informed of particularly sensitive aspects of the problem—the form and style of consultation is perhaps as important for them as the substance—but it is doubtful that the position of our friends in Japan could withstand further surprises on this issue of the magnitude of the July 15 announcement.

The Japanese sensitivity on this subject is heightened by their analysis of why the Chinese have agreed to permit the President to visit Peking. It is that Chinese objectives have less to do with Vietnam, the Soviet dispute or the establishment of a permanent peace in Asia, than with the destruction of the US-Japan relationship, the removal of the US presence from Asia, and the replacement of the present leadership with one more amenable to Peking's bidding.

Our consultation with the Japanese might take the form of asking the Japanese to tell us what it is that they are afraid we might do in Peking which would cause difficulty for them, so that we could have this clearly in mind during the visit and be able more effectively to carry out our assurance that we will make no decisions with Peking which would be harmful to the interests of our old friends.

It may be felt that consultations with the Japanese will lead them to attempt unduly to influence the course of our move with respect to Peking. This has not been our experience with the Japanese to date. Moreover, were they to object to any particular action, it would probably be for a good cause and we would be in a position to determine whether or not the move we intended to make would in fact be more destructive of our relations with Japan than helpful with respect to China. If then we proceeded against Japan's advice and/or the Japanese were to make our intentions public, the reaction in Peking would doubtless be more favorable than otherwise.

If it is considered impossible to consult in a meaningful way with the Japanese before the visit to Peking, it would be vitally necessary to inform them immediately thereafter of the results as they affect Japanese interests. A high official, best of all the Secretary of State, might return from Peking via Tokyo for this purpose.

2. EconCom Consultation

Consultation on economic matters is also a continuing need. Obviously, the Cabinet-level meetings should continue, augmented by the sub-Cabinet meetings agreed to at EconCom VIII to review progress toward our economic objectives. This is an excellent means of maintaining pressure on the Japanese Government. If these consultations do not prove adequate to the purpose, they might be the means to develop other types of surveillance actions—perhaps a joint US/Japan commercial complaints board or a joint statistical “early warning” committee to pinpoint adverse developments and trends before they become major problems.

3. Exchange of Visits

Where a problem is psychological with the Japanese, form and symbolism become as important as substance. The Japanese are deeply conscious of and uncomfortable in the knowledge that the President has announced his intention to visit Peking when there has never been a visit by either head of state between Japan and the United States. The President’s trip to Anchorage to greet the Emperor has helped to meet this lack, but it is no real substitute.⁵ Many Japanese friends of the US are urging that the President visit Japan en route to or from Peking. From the point of view of US/Japan interests it would be preferable to have a Presidential visit prior to the Peking trip. Next in preference would be a Presidential visit subsequent to but announced before the Peking trip takes place. Less effective, but still worthwhile, would be an Imperial visit to the United States before, or again less usefully, after but announced before, the visit to Peking.

4. Promotion of Exchanges

During EconCom VIII, Foreign Minister Fukuda mentioned his desire for a major expansion of personnel exchanges, an idea generated by his perception of the need for better communications between our two countries. The effects of such a program would be apparent only in the long term but we should take concrete steps to explore this

⁵ Nixon met with Emperor Hirohito in Anchorage, Alaska, on the morning of September 26. See footnote 10, Document 90.

idea further with Fukuda, to demonstrate our understanding of his intentions in suggesting this program and to encourage its realization.

5. *Okinawa Reversion Treaty*

A smooth passage of this major international agreement is of critical importance to the preservation of political stability in Japan. This suggests that the Administration should seek means of ensuring early passage and opportunities to publicize awareness of its importance. As the Senate debate nears, the President and high Administration officials might raise this issue with important Senators and make the Japanese press aware that this had been done. There is no point in attempting to avoid negative testimony by Senators who feel they must speak out on trade or other issues. What is essential is evidence that the Administration is urging passage of the Treaty and that it should pass, and pass soon. The Presidential message to the Senate, of course, has already laid the groundwork.

6. *Handling of Textile Issue*

The importance, both to us and to the Japanese, of a satisfactory settlement of our difference on this issue need not be elaborated here. The problem is being dealt with in another forum.

7. *Support Japan's Status as a Major Power*

We should acknowledge Japan's status as a major power by such measures as considering seriously and supporting by all means possible Japan's desire for a permanent seat on the Security Council, by including a place for Japan in any great power conference, particularly one designed to bring about a settlement in Southeast Asia, by coordinating policies with Japan well in advance of any US policy decisions affecting Japanese interests and by supporting a more prominent Japanese role in certain multilateral organizations such as the OECD, the UN Secretariat and the specialized agencies.

8. *Other Actions*

Other actions in the political/psychological field are listed in NSDM 130. They include cooperation with a multilateral effort including Japan to develop gaseous diffusion plants for the refinement of uranium and closer scientific collaboration in efforts to solve common transportation and ecological problems.

On the economic side it is difficult for the GOJ to take steps to meet our requirements in the face of threats and strong pressure, and the longer the surcharge is maintained, the more deeply established the adjustment becomes on both sides and for the US the more difficult it becomes to remove it. In dealing with the Japanese on this subject we might consider the following:

1. Leave the Japanese in no doubt that the surcharge will not be removed until there has been established a realistic realignment of currencies adequate to reestablish equilibrium in world trade and payments system.

2. Encourage them, however, to believe that it will in fact be lifted when we are satisfied that our trade and payments problems have been solved and that Japan's contribution to this is a firm offer to provide a mixture of actions of the nature of those set forth in part III of this paper adequate to bring our bilateral trade account into reasonable equilibrium. In dealing with the Japanese it would be useful to have them first announce a revaluation in the range acceptable to us and that they would not undertake other steps desired by us unless and until the surcharge is removed. Privately, they would agree to take these measures when the surcharge is lifted. An arrangement of this nature would achieve our objectives while permitting the Japanese government to preserve the all important element of face.

We should not, however, attempt to use the surcharge as leverage to obtain more than is possible. Revaluation and some improvement on trade and defense procurement are about all that can be expected. We do not expect a willingness by the Japanese to assume a share of the financing of US local military costs, although this subject is under continuing review within the US Government. Injecting the surcharge into this emotion packed area of Japanese policy would already endanger our security arrangements with the Japanese.

3. We should consider the possibility of improving anti-dumping procedures in view of the bargaining leverage that this might give us with the Japanese. If the US Treasury Department were in a position to inform the Japanese Ministry of International Trade and Industry when complaints against Japanese exports first start to come to the Treasury Department's attention, the MITI could conceivably take corrective measures sooner and avoid continuation of an unfair practice.

4. We should inform the Japanese that we will support their efforts to eliminate the EEC discriminatory policies toward Japan. If successful, this would also lessen the pressure for Japanese exports to the US.

III. Japanese Actions to Reinforce the Cooperative Relationship

The major steps we want the Japanese to take are on the economic side. As part of our world-wide effort to reverse our adverse balance of payments position, we should continue to urge and seek to have Japan adopt mutually compatible economic goals and to pursue measures appropriate to the responsibilities of a major industrial country in chronic balance of payments surplus. This means in particular the realization of a better equilibrium in our bilateral trade. Cooperation from Japan in this field is in Japan's own interest, and would go far

toward dispelling the animus toward Japan which now pervades some US business and political circles.

Specifically, measures to be sought from Japan should include the following in a mixture appropriate to achieve our desired results:

1. *Revaluation of the Yen*

Negotiations toward this goal should and are being carried out multilaterally, which achieves the all important purpose of avoiding the appearance of discrimination against Japan. However, to prevent misunderstandings and to maintain pressure on the Japanese, private discussions in confidence as the situation requires may be warranted. Japan has already permitted the yen to float to a limited degree and there are indications that the Japanese are prepared for a revaluation of something in excess of 10 percent.

2. *Stimulation of the Japanese economy, accompanied by heavier investment in the domestic infrastructure, less emphasis on exports, and greater emphasis on import promotion.*

Next to revaluation of the yen, this type of stimulus to the Japanese economy could be the most effective means of all in terms of improving compatibility of the US and Japanese economies. Measures required would include deliberate efforts to promote imports from the US, the reduction of Japanese tariffs to the overall levels of the US and EC, the removal of non-tariff barriers, elimination of subsidies and tax incentives for exports, and heavy domestic investment in non-productive areas. We should also seek a change in Japanese policies and practices to permit US suppliers the same opportunities to compete for Japanese Government procurement as Japanese suppliers enjoy with respect to US Government procurement contracts.

Such a program would not be easy for the Japanese. For the past twenty years the national psychology has regarded growth in production and exports as the ultimate good. Change is, however, already underway. The GOJ is under heavy pressure to correct the vast gap between industrial growth and the quality of Japanese life. Japan has also explored the idea of a new round of tariff negotiations, has stated its willingness to make some unilateral tariff reductions, and to dismantle NTBs.

3. *Elimination of remaining Japanese import quotas*

Remaining quotas inhibit opportunities in the burgeoning Japanese market for some important US products (computers, aircraft, integrated circuits, agricultural products). Moreover, Japan's inability to come to the negotiating table with clean hands on import quotas is clearly a major liability in terms of US Congressional and public attitudes.

The following steps by Japan would be of minor significance in terms of our immediate balance of payments problems, but would have a useful political/psychological impact in this country and could have significant long range economic benefits for the US.

1. *Removal of restraints on foreign capital investment and adherence to investment obligations Japan has undertaken in the OECD and the US-Japan FCN Treaty.*

In NSDM 130 the opening of Japan to foreign investments is stated as of lower priority than the foregoing. Nevertheless, it is an important long-term objective which faces formidable obstacles. We will have to try to make the Japanese realize how much these restrictions are resented by US business leaders. American business increasingly recognizes the depth of Japanese fear of foreign control over any major Japanese industry. While Americans feel this fear is unfounded, the Japanese argue that the high capital/equity ratio in Japan makes Japanese business vulnerable to foreign takeover at a relatively low cost. Americans nevertheless feel that the Japanese system confers non-reciprocal advantages on Japanese firms at their expense. We should, therefore, continue to remind the Japanese of their obligations under our Treaty of Friendship, Commerce and Navigation, and of the obligations which they have assumed to others as well as ourselves in the OECD. We should, of course, continue to give normal assistance to individual U.S. firms which have problems in this field.

For the short term, our interest would probably be best served by concentrating our efforts in investment and business activities by US firms in the field of sales and distribution which would offer the promise of increasing US exports to Japan.

2. *A substantial increase in Japanese official development assistance to developing countries, both bilateral and multilateral.*

Possible forms for this might be a greatly increased contribution to IDA, to the special funds of the Asian Development Bank and/or the development of a fund to assist in the rehabilitation of the Indochina states. Even more important than the amount of Japanese aid would be the softening of terms; e.g. less emphasis on export promotion and more on simple grant assistance. Pressure should be maintained to ensure Japan does take steps to bring the percentage of DAC-defined official development assistance up to one half of all DAC aid, as they assured us they would do during EconCom VIII.

3. *Introduction of a Japanese system of orderly marketing in its export trade.*

This concept is already included in the 8-point Japanese program and could avoid overly rapid expansion of exports with attendant serious adjustment and political problems. We should continue to probe

to find out precisely what the Japanese intend to do to put this concept into operation.

4. *Increased Japanese military procurement in the US as the Japanese defense budget rises.*

The Japanese have already indicated that under the new five-year defense plan that will go into effect in 1972, purchases from the US are scheduled to rise from an average of about \$100 million to \$200 million annually, or a total of about \$1 billion through 1976. There is, however, probably room to expand this figure and the Department of Defense should actively explore opportunities.

IV. *Cooperative steps to reinforce the relationship*

We might expect Japan to cooperate with us in all or some of the following:

1. Cooperate with us within the OECD High Level Group to prepare for a major attack on trade barriers. The Japanese and the Canadians have already expressed deep interest in a new round of tariff negotiations.

2. Cooperate with us to support the International Center for Settlement of Investment Disputes and the proposed International Insurance Agency, both in the World Bank group.

3. Cooperate with us in the development of investment opportunities in third countries. A threat of expropriation applies to us both and could be diluted if we, the Japanese, and perhaps other major countries were to combine efforts to develop joint ventures. These might be encouraged by special fiscal inducements.

4. Engage in a joint review of developmental assistance needs, particularly for South East Asia, both with regard to country programs and channels through which the assistance might be funneled.

V. *The China Involvement*

Peking is doubtless pleased by the strains that have been created in US-Japan relations in recent months. It has, indeed, through its propaganda and invitational diplomacy, sought to exploit these strains. Peking will doubtless be aware that, even as we seek to attain our economic objectives, we will be attempting to ameliorate the difficulties in our relations with Japan. It may in fact, for its own purposes, attempt to give the appearance of being particularly sensitive to steps we may take to accomplish this.

We should not, however, overreact to this possibility. Peking's reaction to our efforts in the UN are a case in point. They have shown strident disapproval in public of what we have done to preserve the GRC seat; they have not however slammed shut the door to Peking. Nor has their reaction to the bombing of North Vietnam targets had this effect.

Obviously, a Presidential visit to Japan en route to or from Peking would, of all the actions discussed earlier in this paper, cause Peking the greatest amount of trouble. That is why we have suggested consideration of a Presidential visit separate from the Peking trip. For the rest, Peking will perhaps be most sensitive to steps we might take in the military/security field. Peking should know, however, that we intend to maintain our security treaty with Japan and our base structure on Okinawa. It also knows that we are a military ally of Japan, that we have sold and intend to sell military equipment to Japan, that we have conducted and intend to conduct military exercises with Japan. This is a period when Peking will be testing our will to maintain our Japanese relationship. It has already begun to do so (see Hong Kong 6837 for an analysis). It would therefore be wise to avoid any major new initiative with Japan in the military field that Peking could justifiably claim is directed at Peking such as providing Japan with an offensive capability. On the other hand, there is no reason why we should not continue to conduct the kind of military exercises we have conducted in the past with Japan, to sell equipment for the defense of Japan, and in other ways to behave as we normally would with an ally whose interests lie in defending its own territory. The PRC probably does not expect to effect any substantial short-range change in US-Japan relations and, although they might voice objections, the Chinese will not permit normal activity to stand in the way of their readiness to explore means of improving relations with us.

The most effective way to prevent our moves toward Peking from having adverse effects on our relations with Japan is to consult with the Japanese and to avoid presenting them with any startling and unpleasant surprises. Matters which might affect Japan's relations with Taiwan are of high sensitivity in this regard, particularly so long as the present mainstream of the LDP remains in control of the Japanese government. Any developments with respect to diplomatic recognition between Washington and Peking or any exchange of any type of representative would also be of high sensitivity. The Japanese, who have extensive trade, travel and other non-official relations with Peking, would have little basis for objecting to any agreements we might reach with the Chinese in these areas, provided they knew about them in advance.

Much has been made in recent public analyses of the US-Japan-China situation of the fact that the Sino-Japanese relationship must develop apace with any Sino-US relationship if peace and stability in Asia is to be maintained. There is much truth in this, but the Chinese have made it very clear that they have no intention of dealing with a Sato (and presumably also a Fukuda) government. There is nothing we could do that would be better calculated to improve Japanese

receptivity of our approach to Peking than to make it known that one of our primary objectives is specifically to make possible a similar rapprochement between Peking and the Government of Japan.

100. Editorial Note

On August 15, 1971, Nixon announced a new economic policy, issued a proclamation that placed a 10 percent surcharge on imports, and declared a “national emergency.” (Document 89; *Public Papers: Nixon, 1971*, pages 886–891; *Federal Register*, “Imposition of Supplemental Duty for Balance of Payments Purposes,” Proclamation 4074, vol. 36, no. 159, page 15724) Nixon’s language was important because it seemed to lay the basis for invoking the “Trading with the Enemy Act,” which gave the President power over international trade during any “period of national emergency declared by the President.” (I.M. Destler, Haruhiro Fukui, and Hideo Sato, *The Textile Wrangle: Conflict in Japanese-American Relations, 1969–1971*, Ithaca: Cornell University Press, 1979, pages 271, 292–293) In order to indicate firmness, Nixon indicated indirectly that he would refuse to meet with former Prime Minister Kishi until a textile agreement had been concluded. (Telephone conversation between Haig and Wakaizumi, October 8, 9 p.m.; National Archives, Nixon Presidential Materials, NSC Files, Haig Chron File, Box 998, Haig Telcons, 1971, 1 of 2)

According to the President’s Daily Diary, on Friday, October 8, from 11:35 a.m. until noon, Nixon conferred with Ambassador at Large David Kennedy, Assistant to the President for National Security Affairs Henry Kissinger, and Assistant to the President for International Economic Affairs Peter Peterson. The topic was textile negotiations in the Far East. (Ibid., White House Central Files) During this meeting, David Kennedy, who had assumed responsibility for negotiating a textile agreement, reported that Japanese Minister Tanaka, speaking to Anthony Jurich, Kennedy’s personal aide, “says they are going to have agreement.” Kennedy indicated that according to Jurich, “There are about six sticky items, yet. Four of them he thinks they can clear away. Two of them, we couldn’t give on and keep our textile people with us.” Nixon and Kennedy agreed that Kennedy would fly to Guam and stay there while Jurich negotiated with Japanese officials. (Ibid., White House Tapes, Oval Office, Conversation 587–7)

At the same meeting, Nixon criticized “the goddamn State Department,” which, he declared, is “always so concerned about the other

side." Nixon remarked, "State'll raise—They'll say, 'Kennedy is not a good negotiator,' and I say, 'Why?' 'Because he's too tough.' I say, 'What the hell!' I say, 'That's the way to get a negotiation. You make a shrewd deal, and the rest, because you were tough. You got this far because you were tough.'" In regard to Japan, Nixon stated, "I don't want this ever breathed, but the Trading with the Enemy Act would be very bad." Nixon added, however, "You've got to hold it out." Nixon said of his November 1969 summit with Japanese Prime Minister Sato (whose name he apparently confuses here with that of Sato's brother, former Prime Minister Kishi): "I had Kishi in here two years ago. He talked to them. We gave him Okinawa, and by God we shouldn't have given a goddamn thing 'til we got the bastards on the line. All we got was a promise. Never again." (Ibid.)

Peterson wrote a summary account of the October 8 meeting for the President's file that indicated the results of the meeting: "1) That maximum exposure should be given to the meeting so as to make clear to the world the President's commitment to solving this problem. Accordingly, it was agreed to give the session photographic coverage. 2) That everyone should indicate a position of firmness and Dr. Kissinger agreed to continue to emphasize to the State Department the need for firmness. 3) That David Kennedy should not go to Japan from Guam until a deal was confirmed." (Ibid., White House Special Files, President's Office Files, Box 84, Memoranda for the President, beginning October 3, 1971)

101. Memorandum of Conversation¹

Washington, October 15, 1971, 9:30 a.m.

PARTICIPANTS

Nobuhiko Ushiba, Ambassador of Japan

Yukio Satoh, Second Secretary, Japanese Embassy

Henry A. Kissinger, Assistant to the President for National Security Affairs

John H. Holdridge, Senior Staff Member, NSC

SUBJECT

US-Japan Textile Agreement, President's Trips to Peking and Moscow

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VI, October–31 December 1971. The meeting took place in Kissinger's office. According to an October 21 covering memorandum from Froebe to Haig, Kissinger approved the October 15 memorandum and requested that no further distribution be made. (Ibid.)

Mr. Kissinger remarked that if his job didn't prohibit it, he could become quite angry with Ambassador Ushiba, who was the only Ambassador who had ever accused him, Mr. Kissinger, of betraying that Ambassador's country. Mr. Kissinger wondered what Ambassador Ushiba would be doing if he were in Mr. Kissinger's shoes. Ambassador Ushiba laughed, and changed the subject to that of textiles. He noted that a US-Japanese textile agreement had just been signed by Minister Tanaka and Ambassador Kennedy in Tokyo.²

Mr. Kissinger expressed his pleasure at the signing of this agreement, and informed Ambassador Ushiba that the President wanted three minutes with the Ambassador after the present conversation in order to express his, the President's, thanks to Prime Minister Sato. Ambassador Ushiba said that the conclusion of this agreement was a great relief for him, to which Mr. Kissinger commented that he couldn't say that events had always been made easy for him, either. He used to suffer from the illusion that he was dedicated to the preservation of Japanese-US friendship, but when he read the newspaper accounts from Japan these days it appeared that he was portrayed as a villain.

Ambassador Ushiba said that the Japanese Government could not control the press—this was outside governmental power. The same thing was true about the Japanese textile industry, and this was why it had taken so long to conclude an agreement.

Mr. Kissinger referred to the President's Peking trip, and declared that what we had to do was to find a relationship of confidence between us. If the Japanese thought that we were going to betray them, the situation would be hopeless. In fact, we should be the ones to be suspicious, since the Japanese had many more delegations in China than we did. In any event, we had no intention of shifting our emphasis in our relations from Japan to China. The President was also going to the Soviet Union, but this didn't mean that we would shift our policy in favor of the USSR.

Ambassador Ushiba, referring to the fact that he was acting under instructions from Tokyo, expressed the hope that when Mr. Kissinger returned from Peking he would tell him what had taken place. Mr. Kissinger said he would of course do so. However, a way had to be found to keep what he said from leaking to the press. The information about his trip would need to be handled in a channel that would not leak. This hadn't always been possible, but if Ambassador Ushiba could

² On October 15, David Kennedy and Tanaka agreed to a "Memorandum of Understanding," which restricted Japanese exports of wool and synthetic textiles to the United States. Kennedy and Ushiba signed a formal agreement to this effect on January 3, 1972. (*United States Treaties and Other International Agreements*, vol. 23, pt. 3, 1972, TIAS 7495, pp. 3167–3189)

find such a channel, there would be no problem. Ambassador Ushiba stated that he would communicate this information to Tokyo. He had just come back from meeting Emperor Hirohito and Foreign Minister Fukuda in Anchorage, and Mr. Fukuda had expressed considerable interest in Mr. Kissinger's trip. Mr. Kissinger assured Ambassador Ushiba that he would see the Ambassador a few days after his return. But he could tell the Ambassador ahead of time that his trip would mostly be concerned with technical matters and drawing up the agenda for the President's trip, with very little of a concrete nature to be discussed. Ambassador Ushiba accepted this, noting that Mr. Kissinger's trip had already been portrayed as being of a technical nature.

Mr. Kissinger went on to say that of course some substance would be involved, but this wouldn't go beyond what had been discussed during his last visit to Peking. Ambassador Ushiba asked that if the subject of Japan came up, could Mr. Kissinger emphasize the importance of the US-Japan Security Treaty? This Treaty was, in fact, a big element in the security of China. Mr. Kissinger observed that he had made this point in July, and the Ambassador could be sure that he would make it again. The alternative to the Security Treaty was a re-armed Japan. There just couldn't be a country like Japan without security and without arms. The Security Treaty was to the advantage of both of our countries.

Ambassador Ushiba said that Chou En-lai should not be misled by some of the pious Japanese who went to China and said things against the Security Treaty. He was personally against a nuclear Japan or a re-armed Japan, and the Security Treaty was a safeguard against this.

Ambassador Ushiba stated that with respect to the President's visit to the Soviet Union, there was a great interest in Japan over the triangular relationship involving Japan, Peking, and the Soviet Union. Perhaps Mr. Kissinger could visit Tokyo and express his thoughts on this relationship to Ambassador Ushiba's people. Mr. Kissinger commented that he had offered to do so as early as last July, but various things had transpired which had prevented his visiting Japan. Ambassador Ushiba mentioned that he had asked Tokyo to send its fundamental views about the Japan-China-Soviet relationship, but Tokyo had so far not responded. Perhaps after Mr. Kissinger's Peking visit, Tokyo would be better prepared to address this issue. Mr. Kissinger declared that he was prepared from the White House side to have the closest relationship with Japan of any other country, and would be willing to go to Tokyo to tell people there what he thought. The relationship would involve the US as well as Japan and Peking.

Ambassador Ushiba asked, was Mr. Kissinger confident that by May major US-USSR problems would be solved? What about a SALT

agreement? Mr. Kissinger replied affirmatively. Our impression was that the Soviet Union was serious about solving problems. Mr. Kissinger remarked jokingly that the real truth was that we were going to give Okinawa to Russia before giving it back to Japan. Ambassador Ushiba commented, equally jokingly, that this was indeed big news. Mr. Kissinger said, speaking more seriously, that he didn't expect any Asian problems to be on the agenda for discussions with the Soviets. This agenda would address such matters as SALT, European security, and so forth. Ambassador Ushiba asked if Mr. Kissinger thought the subject of a European security conference would be on the agenda, and Mr. Kissinger said, "yes."

Ambassador Ushiba raised the possibility that the President's visit to Moscow would neutralize his visit to Peking. Mr. Kissinger remarked that we couldn't let either communist country have a veto over our relationship with the other communist country. We would not become involved in the Sino-Soviet conflict, and he frankly didn't care where the Sino-Soviet border was. We did not want to become involved. When Ambassador Ushiba wondered whether the Chinese and the Soviets might come closer together, Mr. Kissinger asserted that this was out of our control. We would neither drive them apart nor closer together. We would have to let them work out their relationship, and would deal with both.

Ambassador Ushiba asked for Mr. Kissinger's opinion on what would happen if, after Mr. Kissinger's trip to China, and if the UN Chirep vote was unfavorable for us, Nationalist China walked out of the UN. Mr. Kissinger declared that we would naturally continue to maintain our relationship with Taiwan. Ambassador Ushiba asked, would Mr. Kissinger make this clear to Peking? This was a most important issue. Mr. Kissinger stated that there was absolutely no question of our maintaining relations with Nationalist China, regardless if the vote went against us. The Japanese would not be faced with any surprises in our relations with Taiwan, and if we should ever consider changing these relations we would certainly let the Japanese know. But there was no such consideration now, and none could be foreseen for this term of the President. Mr. Kissinger explained he was only putting it in this way because the President's present term was all the farther he could look ahead.

Mr. Kissinger informed Ambassador Ushiba that we wanted to send Secretary Connally on an Asian trip. Secretary Connally was being sent to attend the inauguration of President Thieu, but we thought that he might take this occasion to visit Japan. Ambassador Ushiba wondered, would Secretary Connally have full power to negotiate on the exchange rate, and on economic matters? Mr. Kissinger noted that we were not going to hit the Japanese over the head; we merely felt

that while Secretary Connally was in the Far East it would be useful for him to visit Japan. He had never been there before. Ambassador Ushiba indicated that he felt some confusion over where to go to discuss all these various economic matters. He had been told that Secretary Connally had full power, that Ambassador Kennedy had full power, that Mr. Peterson had full power—. Mr. Kissinger interjected to say that he personally had full power. Ambassador Ushiba laughed. He observed that the textiles question had been brought to a conclusion, but hoped that we wouldn't take this as a precedent for handling any other matters. Mr. Kissinger told Ambassador Ushiba not to construe Secretary Connally's visit as an attempt to pressure Japan. We had the impression that one of the innumerable Japanese emissaries had told Secretary Connally that Ambassador Ushiba's Government wanted to see him. But Ambassador Ushiba could be assured that Secretary Connally was not coming to force Japan on the exchange rate. Another thing, he, Mr. Kissinger, would have just come from Peking and Secretary Connally could fill in Prime Minister Sato about this. Was this inconvenient?

Ambassador Ushiba asked when Secretary Connally might be coming, and Mr. Kissinger replied that we were thinking of early November. The inauguration of President Thieu was on October 31, and Secretary Connally could get to Japan by about November 7. He again assured Ambassador Ushiba that we had no intention of using this visit to force a discussion of something else.³ Ambassador Ushiba said that the Japanese would be happy if Secretary Connally were to come over the exchange rate. Mr. Kissinger again told Ambassador Ushiba that this was not the reason for Secretary Connally's visit; we just wanted him to get to know Japan and thought that the visit would also be a friendly gesture. Mr. Kissinger asked Ambassador Ushiba to let us know by early next week if the visit would be convenient.

³ Connally visited Asia October 28–November 14. See *Foreign Relations, 1969–1976*, vol. III, Foreign Economic Policy; International Monetary Policy; 1969–1972, Document 187.

102. Memorandum of Conversation¹

Washington, October 22, 1971, 3 p.m.

PARTICIPANTS

The President
 Brig. Gen. Alexander M. Haig, Deputy Assistant to the President for National Security Affairs
 James J. Wickel, Department of State (Interpreter)
 Nobusuke Kishi, Former Prime Minister of Japan

SUBJECT

- 1) Textile Agreement and Other Economic Issues
- 2) Okinawa Reversion
- 3) Chirep
- 4) Secretary Connally Visit to Tokyo
- 5) President's Visits to Peking and Moscow
- 6) Prime Minister Sato Succession
- 7) Kishi's Impressions of Korea and Taiwan
- 8) Possible Initiation for Presidential Visit to Japan
- 9) Press

The President welcomed former Prime Minister Kishi warmly as an old friend.

Mr. Kishi expressed appreciation on behalf of the Japanese people that President and Mrs. Nixon had gone to Anchorage to welcome Their Imperial Majesties the Emperor and Empress on September 26, when they stopped there to refuel enroute to Europe.²

Mr. Kishi also expressed appreciation for the gracious hospitality the President extended Foreign Minister Fukuda and his colleagues during the Joint Cabinet Committee Meeting held in Washington September 9 and 10. All the Ministers, he said, were deeply impressed and fully appreciative.

1) Textile Agreement and Other Economic Issues

Mr. Kishi expressed warm personal appreciation to the President for the message conveyed to him through Foreign Minister Fukuda that he would be pleased to receive him (Mr. Kishi) at the White House any time. He apologized for any inconvenience caused by the several

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1025, Presidential/HAK Memcons, Memcon—The President, Former PM Nobusuke Kishi, Oct. 22, 1971. Secret. On October 21 Haig sent Nixon a memorandum in preparation for the meeting with Kishi. In this memorandum, Haig reported that Kishi "is coming as the unofficial emissary of the Sato Government and the LDP." (Ibid., Box 537, Country Files, Far East, Japan, Vol. VI, October–31 December 1971)

² See Document 90, footnote 10.

postponements of his visit, and explained that he felt that it would have been awkward to call before the textile issue was settled. He felt strongly that the resolution of the textile issue would benefit the people of both countries.

The President expressed his own appreciation to Mr. Kishi and his colleagues, whose efforts had contributed greatly to the textile agreement. He expressed awareness that the textile issue would now pose a political problem for the Government in Japan, just as it had for the Government here before it was resolved, but stressed that the settlement would now permit both countries to move forward to resolve other issues important to both of them.

Mr. Kishi agreed that there were other subjects on which Japan and the United States should move ahead. Personally, although he did not feel that the relations between Japan and the United States are fundamentally bad, frankly speaking he noted concern about the undesirable aspects of the prevailing mood between both countries. He, too, was pleased that the textile settlement would permit both countries to take up the other economic issues now, including the monetary problem, but in light of our experience in dealing with the textile issue he urged strongly that each nation cooperate fully with the other to resolve the other outstanding economic issues as smoothly as possible.

2) Okinawa Reversion

The President noted his concern over reports that Prime Minister Sato's Government is facing a political problem in providing the continued use of the land for the American military bases in Okinawa following reversion, and asked Mr. Kishi how he might help the GOJ meet this problem.

Mr. Kishi explained that all of the opposition parties oppose the Okinawa Reversion Agreement, but that the Liberal Democratic Party (LDP) is united in its support of the GOJ. Further, the Japanese people overwhelmingly support reversion. The LDP, which has an absolute majority in both the House of Representatives and the House of Councilors, could in any case force Diet approval of the Reversion Agreement, but in view of the nature and the significance of reversion the GOJ wished to secure support from at least some part of the opposition, perhaps from the Democratic Socialist Party (DSP). As a condition for its support of the Agreement, however, the DSP is demanding the return of some of the bases presently used by the American forces in Okinawa. Mr. Kishi felt that it would be helpful if the United States could make known in some way that it would return some bases, not necessarily in the immediate future, but soon enough after reversion to accommodate Japanese wishes.

The President replied that he would authorize Secretary Connally to discuss this problem with Prime Minister Sato during his visit to

Tokyo. He suggested that Mr. Kishi could wire the Prime Minister, on a private basis, that he is prepared to negotiate anything reasonable, because he wished to help the GOJ gain as broad support as possible for the Reversion Agreement. He said that Secretary Connally, after returning to Washington, could discuss the results of his talks with Prime Minister Sato. (The President excused himself to take an urgent telephone call from Governor Holton.)

General Haig explained that the President wanted Mr. Kishi to know, on an immediate and private basis, that the United States is prepared to be flexible in consolidating real estate after reversion. He said that Secretary Connally keeps fully abreast of this problem, and could discuss it in Tokyo; on his return, the special requirements of the GOJ could be studied here and we would then try to work something out. He cautioned that while we have bureaucratic problems with this issue, it could be worked out slowly, over a period of time. (The President rejoined Mr. Kishi.)

Mr. Kishi noted reports that the Senate Foreign Relations Committee is expected to conclude hearings on the Okinawa Reversion Agreement rather quickly, but that the Senate might delay a final vote until early next year. He warned that any Senate delay beyond the end of this year would adversely affect Diet consideration of this Agreement. The current Extraordinary Diet Session must be completed by December 25, at the latest, to permit convocation of the Regular Diet Session before the end of the year as required by the Constitution, and the GOJ feels strongly that it must complete the Diet approval process by about December 20. Mr. Kishi cautioned that Senate delay beyond the end of the year would greatly strengthen the opposition parties in their determination to oppose the Agreement by means of delaying tactics in the Diet deliberations.

The President assured Mr. Kishi that the Administration would push for early approval by the Senate.

General Haig noted that the Reversion Agreement might be reported to the full Senate by the Foreign Relations Committee as early as November 2 or 3.

The President directed General Haig to inform Senators Mansfield and Scott of the need for early Senate approval. He assured Mr. Kishi that there was no doubt about Senate approval of the Agreement, and advised him to ignore the inevitable statements which would be made during the Senate debate. He reiterated his absolute assurance that the Senate would give its advice and consent to this Agreement.

The President then asked whether Okinawa reversion posed any other problems beside land.

Mr. Kishi replied that the DSP has set two other conditions for its support of the Reversion Agreement: 1) termination of VOA broad-

casts,³ and 2) firm assurance that nuclear weapons have been removed from Okinawa by the time of reversion. However, he said that these latter two conditions were not being taken as seriously by the LDP as the first condition, return of some bases.

The President said that Secretary Connally would discuss this first issue (land) with Prime Minister Sato with a view to working out a solution helpful to the GOJ.

3) *Chirep*

Mr. Kishi, turning to the UN, said that the IQ Resolution co-sponsored by Japan and the United States still faced great difficulties. Although there is no clear prospect for its adoption, he said that Japan is making an all-out effort to secure its passage. He expressed the hope that the United States would also exert its maximum influence on those governments with which it has greater influence than Japan.

The President noted that he had just reviewed the situation in an hour-long discussion with Secretary Rogers and Ambassador Bush. He assured Mr. Kishi that the United States is doing all that it can, particularly to persuade ten nations now on the fence to support the resolution. He added that Secretary Rogers had asked him to report that the Japanese delegation is doing an excellent job in New York to muster support for the resolution. He assured Mr. Kishi of full United States support, and said that he is doing all that he can to influence the outcome of the vote.

Mr. Kishi said that he himself did not believe that the GOJ would ipso facto have to resign to take the responsibility if the IQ should fail. Of course, the GOJ took this consideration fully into account in assessing the situation before deciding to co-sponsor and is now doing its best to assure victory in the vote, which is expected to be very close, because failure would place it in a difficult political position. Since victory would be most helpful to the GOJ, he appreciated the efforts being made by the United States.

The President said that the UN vote might come as soon as next Tuesday,⁴ and assured Mr. Kishi that the United States is exerting all the leverage it can. For example, he himself has tried to influence some votes by oral messages and telephone calls to some leaders. He emphasized that it would set a bad precedent to expel a member by a simple majority vote in the UN. If this were done, no one could be sure when another country which had lost favor with many other countries, such as Portugal, might be expelled.

³ The U.S. Government used Okinawa as a base for VOA broadcasts.

⁴ October 26.

The President stressed his belief that it is consistent to favor the admission of the PRC and to oppose the expulsion of the GRC. Support for the PRC has risen through recent years until now a majority favors its admission, but he reiterated that a dangerous precedent would be set if a simple majority were to expel a member.

Mr. Kishi noted his visit to Taiwan just before coming to Washington, and said that Generalissimo Chiang and other leaders he met in Taiwan generally accepted the reverse-IQ Resolution and wished to see it adopted. However, he added, Chiang questioned him very closely on the possible effects on Japan if the GRC should walk out of the UN. Chiang believed that the GRC has been a most loyal member of the UN for more than 25 years, and told Mr. Kishi that he could not bear the humiliation of being expelled by the vote of those more recently admitted to the UN who do not understand the purpose of the UN and who do not behave responsibly. Mr. Kishi said that he interpreted Chiang's remarks to mean that the GRC would voluntarily walk out of the UN if the reverse-IQ Resolution failed, although, he added, Chiang did not say so in so many words. Chiang only told him that the GRC is considering how to deal with the worst possible eventuality, i.e., that the reverse IQ does not pass, and that the GRC has not yet reached any conclusions on its response to such a contingency.

The President said "let us hope we win."

Mr. Kishi urged that both countries continue to push as hard as they could up to the vote on Tuesday.

The President wholeheartedly supported continued cooperation in this effort.

4) Secretary Connally Visit to Tokyo

The President said that he would authorize Secretary Connally to discuss fully during his visit to Tokyo how both countries might make progress toward resolving the monetary and other problems. The GOJ could talk to him with great confidence, but he pointed out that Secretary Connally would not be able to make decisions by himself while in Tokyo.

Mr. Kishi said that just before leaving Tokyo he had discussed Secretary Connally's visit with both Prime Minister Sato and Foreign Minister Fukuda, before it was announced publicly. To prepare for frank and fruitful discussions of all the economic issues, including of course the monetary problem, Mr. Kishi said that Minister Fukuda, Finance Minister Mizuta and Minister of Trade and Industry Tanaka would meet to discuss and coordinate Japan's position.

The President said that Secretary Connally would also be prepared to discuss these subjects fully. He added that this would be Secretary and Mrs. Connally's first visit to Japan.

Mr. Kishi expressed the hope that the Secretary and Mrs. Connally could set aside half a day in their busy schedule to come to his home in Gotemba on the slopes of Mount Fuji. He noted that Roving Ambassador Kennedy had come there twice for discussions.

5) President's Visits to Peking and Moscow

The President assured Mr. Kishi that in any relations with Peking he has uppermost in his mind the paramount importance of our friendship and close association with Japan. He is aware, he said, of concern that the United States is seeking new relations at the expense of old friends. That, he denied emphatically, is not true. He assured Mr. Kishi that we would continue to maintain close contact with our Japanese friends through this period. He was sure that Mr. Kishi understood the great stakes involved, and asked him to reassure any doubters that United States-Japan friendship is at the top of the list if we are to maintain peace in the Pacific.

The President assured Mr. Kishi that the same is true with respect to his visit to Moscow. Further, he assured Mr. Kishi and his colleagues that the United States would consult fully with Japan, both before and after his visit to Moscow, on any discussions which involve the interests of the United States and Japan.

The President said that Mr. Kishi is aware that his approach is very pragmatic. He knows communism, he said, and is fully aware of the differences in our and their views of the world, which his visits will not change, but, he stressed, the important thing is to talk, not fight. He said that he is under no illusion that his meetings in Peking will cause all the differences in views and ideology to evaporate. Both we and the Chinese know that, he said, and would meet to discuss areas where we could find common ground. He said that he would not discuss anything, either in China or the Soviet Union, except on this basis.

Mr. Kishi said that the announcement of the President's visit to Peking had prompted the press in Japan to conclude immediately that the United States would normalize relations with the PRC, and that Japan had fallen far behind. At the same time, the press severely criticized the Sato Government. However, Mr. Kishi noted his own belief that normalization could not be achieved that easily. Nations like Canada, with no special relationship to Taiwan, could normalize their relations with Peking easily, but countries like Japan and the United States could not ignore Taiwan as Peking insists without disposing of their treaties and other obligations to Taiwan. He said that he knows that the United States would not do so, and expressed appreciation for this clear reassurance by the President which confirmed his own belief that the United States would not sacrifice old friends in its discussions with the PRC.

The President asked whether it would be useful to consult with the GOJ about his trip to the Far East, either here or in Japan, in the same manner he planned to consult in advance with the European nations about his visit to Moscow. He felt that Secretary Rogers could stop off in Tokyo, if he were travelling in the Far East about that time.

Mr. Kishi interjected that consultations would be most useful. If the President perceived no obstacle, he strongly supported the desirability of previsit consultations before both the President's trips, to Peking as well as Moscow, either directly through Prime Minister Sato, or through Foreign Minister Fukuda via the Department of State.

The President agreed that we would work out a procedure for consultations, directly with the Prime Minister if he so desired, or through Foreign Minister Fukuda, whom he knew the Prime Minister trusted.⁵

6) Prime Minister Sato Succession

Turning to domestic affairs, Mr. Kishi explained that the main reason for moving Minister Fukuda from the Ministry of Finance to Foreign Affairs in the cabinet reshuffle this past summer was the belief that he would be the best man to improve Japan-United States relations. Conditions within the LDP are such that Minister Fukuda is also considered most likely to succeed Prime Minister Sato when he steps down soon (although no date has been decided yet) not just because Prime Minister Sato wants him to, but because the situation requires it.

The President said that he too believed that Minister Fukuda is an excellent man, and wished him well.

7) Kishi's Impressions of Korea and Taiwan

Mr. Kishi reviewed his impressions of the situation in the ROK and Taiwan, both of which he had visited immediately before this visit to Washington. In contrast to the "healthy, stable" economy of Taiwan, he observed that the ROK economy has been shaken by three events this year: (1) devaluation of the won, (2) the President's dollar defense program announced August 15, and (3) the floating of the yen by Japan. As a further element of instability he noted the high degree of dependence of the ROK economy on foreign loans. The GOJ, he said, is giving the ROK all the aid it can, as indeed it should.

Mr. Kishi then noted the widespread impression in Japan that a "peace mood" prevails in Korea as a result of the opening of the North

⁵ Additional remarks made between the President and Kishi about Nixon's upcoming visits to Peking and Moscow are in a separate memorandum of the same conversation. (National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VI, October–31 December 1971)

and South Korean Red Cross talks at Panmunjom to relocate members of families who have been separated. In fact, however, he found no such peace mood in the ROK: North Korea has recently stepped up its infiltration of armed guerrillas; Kim Il-sung continues to train even North Korean women and children in the use of arms; the Soviets and Chinese Communists continue to supply arms aid to North Korea, which is itself making great progress in developing an indigenous arms industry; and the ROK air force is not necessarily superior to the North Korean. Consequently he found a great deal of uncertainty in the ROK, which is heightened by the withdrawal of half the American forces and the fear that the remaining half might also be withdrawn.

Mr. Kishi said that he had been told that North Korean agents recently infiltrating into the ROK are armed with poisoned needles, rather than pistols or knives, which could be used to assassinate key leaders (the poison is fatal in two hours) or to commit suicide in case of capture.

Despite PRC statements that it will liberate the island by armed invasion across the straits, Mr. Kishi found Taiwan calm. In contrast he found the South Koreans apprehensive about the North Koreans from whom they are separated only by the 38° parallel, and not a strait. He said they well remember the invasion of 1950.

The President said that discussions like this with his old friend of many years are most helpful. He suggested that Mr. Kishi talk freely about these subjects with the other ten or twelve guests at dinner at the White House later this evening.

8) Possible Invitation for Presidential Visit to Japan

Mr. Kishi said that he would be delighted to invite the President to visit Japan, but felt that it is more proper for the GOJ to first consult his wishes and then extend an official invitation. Oriental etiquette, he explained, would require a prior visit to the United States by Their Imperial Majesties the Emperor and Empress, in view of Japan's indebtedness to the United States for its great post-war assistance, at which time the President might be officially invited to Japan. However, Mr. Kishi stressed that it would be proper for the GOJ to arrange for the invitation through official channels.

The President commented that he would like to visit Japan.

9) Press

The President suggested that Mr. Kishi might tell the press that they had discussed (1) the whole range of United States-Japan relations, (2) Okinawa Reversion problems, and (3) economic and monetary problems, and that he had expressed the desire of the United States Government to work closely with the GOJ for the satisfactory resolution of

these problems, which Secretary Connally would be prepared to discuss fully during his forthcoming visit to Tokyo.

Mr. Kishi suggested that he might also mention the President's assurances that he would do nothing in Peking to improve relations at the expense of old friends.

The President agreed, and suggested that Mr. Kishi might say that the President assured him that he would do nothing during his visits to Peking or Moscow to seek to improve relations at the expense of old friends.

Mr. Kishi suggested that he also tell the press that he had informed the President of his impressions of Korea and Taiwan.

The President agreed, and added that Mr. Kishi could also say that they had discussed the UN vote, since both countries are working closely in support of the IQ Resolution.

103. Telegram From the Department of State to the Embassy in Japan¹

Washington, October 28, 1971, 1720Z.

196864. For the Ambassador from the Secretary. Following is the text of a message from the President to be delivered to Prime Minister Sato.

1. Dear Mr. Prime Minister: I know that you share my disappointment over the United Nations General Assembly vote to expel the Republic of China from the UN. I have kept in the closest touch with all developments pertaining to the Chinese representation issue at the

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VI, October–December 31, 1971. Secret; Immediate; Nodis. Drafted by Herbert Levin, Politico-Military Officer for Japan; cleared in substance with Herz and Ericson, and by Special Assistant to the Secretary of State Peter Johnson, Miller, and Haig; and approved by Green. After receiving an earlier draft of this message, Holdridge sent a memorandum to Haig on October 27, noting: "The idea of the message originated with Secretary Rogers (although Under Secretary Johnson approved the State draft). The second paragraph of State's draft is objectionable, I believe, because it pictures the PRC as a problem in the U.N. and could easily be interpreted by Peking, if leaked, as implying collusion between the U.S. and Japan as regards our approach to China. I have substituted language which would have the President take note of recent progress in removing frictions from our relationship and reaffirms the primary importance of the U.S.-Japan relationship in our Asian policy." Haig approved Holdridge's changes, which were included in the final version of the telegram sent to Tokyo. (Ibid.)

United Nations and at world capitals and I am therefore deeply mindful of the full cooperation and the tireless endeavors of the Japanese representatives in support of our common position. Your own courageous decision to cosponsor the United States resolution is one that is deeply appreciated and respected by the American people and by your many other friends in all parts of the world.

2. As we look to the future, we can be encouraged by the progress which has recently taken place in the relationship between Japan and the United States. Your leadership in resolving the textile question is something for which I am particularly grateful. Mr. Kishi's discussions with me last week helped me better understand your views of current Asian situation, and I hope that these talks were similarly useful to you. I am confident too that, as I discussed with Mr. Kishi, our consultations on China policy will improve our mutual understanding on this most important question. All of these steps should contribute significantly to strengthening the alliance between our two countries.

3. As always, you have my highest personal regards and warmest good wishes.²

Rogers

² The message does not include a signature.

104. Memorandum of Conversation¹

Washington, October 29, 1971.

PARTICIPANTS

Nobuhiko Ushiba, Ambassador of Japan

Ryohei Murata, First Secretary, Embassy of Japan

Henry A. Kissinger, Assistant to the President for National Security Affairs

John H. Holdridge, Senior Staff Member NSC

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VI, October–December 31, 1971. Secret; Sensitive. The meeting took place in Kissinger's office. Kissinger approved the memorandum of this conversation after editing a passage that had created the misleading impression that he had met with Kishi. The previous day, Holdridge had sent Kissinger talking points for his meeting with Ushiba. (Ibid.)

SUBJECT

Mr. Kissinger's Visit to Peking, Chirep Vote in the UN, and US-Japanese Relations

Mr. Kissinger began by confirming his interest in making a visit to Japan. The Japanese press would need to be kept quiet on this, but the visit was definitely on Mr. Kissinger's schedule and the President had agreed to it.

Ambassador Ushiba mentioned that he had recently met Mr. Kissinger's brother. When Mr. Kissinger noted that his brother had business connections in Japan, Ambassador Ushiba commented that Mr. Kissinger also had a lot of business there. Mr. Kissinger said that his brother was a great admirer of Japan, and that he himself would also be a great admirer of Japan if only the Ambassador would get off his back. The Ambassador seemed determined to have him an enemy of Japan.

Ambassador Ushiba apologized for having pressed Mr. Kissinger. Mr. Kissinger stated in response that he had wanted to see Ambassador Ushiba, who he assumed wanted to know what had gone on in Peking. Ambassador Ushiba confirmed that this was his intention; he had read Mr. Kissinger's backgrounder, but wondered if there was anything else which Mr. Kissinger could tell him. Mr. Kissinger noted that he had described the make-up of the Peking party in the backgrounder, which was three-quarters technical. It had looked into such things as how to communicate between Washington and Peking while the President was there in Peking. This would be a terrible problem. In addition we needed to set up communications for the press. A lot of things which Ambassador Ushiba and Mr. Kissinger could settle between themselves here were still a problem in Peking. He had had to explain to the Chinese why we needed so many people in the Presidential party, several hundred, in fact, with so much press, so many telephones, etc. To us, this was not earth-shaking, but the largest party the Chinese had had before was 40, and we were taking several hundred. They had never before had anyone arrive in more than one airplane. Thus, Ambassador Ushiba could see the problem.

On substance, Mr. Kissinger noted, the Chinese went again through much of what they had gone through in July. With respect to Japan, he himself had made a strong pitch on the continuing US-Japanese alliance and the fact that the Mutual Security Treaty remained in full force. Nothing could happen to this as a result of the Peking trip. We placed the greatest emphasis on the Treaty, and as he, Mr. Kissinger, had told Ambassador Ushiba before, we would not give up our relationship with Japan to please our opponents. He had told the Chinese that we wouldn't give up our friendship with Japan, and Ambassador Ushiba could assure his Prime Minister that there would be nothing coming out of the President's visit which could be taken in the slightest

way as a criticism of Japan, implied or otherwise, even though the Chinese for their part had expressed privately their feelings over the possibility of Japanese expansion.

Ambassador Ushiba wanted to know whom Mr. Kissinger had dealt with in general—was it Chou En-lai? Mr. Kissinger confirmed that he had dealt with Chou En-lai and the Acting Foreign Minister. When Ambassador Ushiba asked the name of the Acting Foreign Minister, Mr. Holdridge noted that it was Chi P'eng-fei.

Continuing, Mr. Kissinger indicated that the discussion had indeed been a general one. With the President going to Peking, we had had no interest in making the discussions more specific. Ambassador Ushiba asked, did the question of the agenda for the President's conversations come up? Mr. Kissinger stated that they would probably insist on discussing Taiwan, but the Ambassador could be assured again that we would not agree to anything that would impair our commitment to anybody. Even if Taiwan were discussed, we would not give up our defense commitment to Taiwan. There would be no cataclysmic changes in our friendships.

Ambassador Ushiba referred to what Mr. Kissinger had said about his not discussing third countries in Peking. Mr. Kissinger observed that we would not try to settle the Vietnam war with Peking, and while they obviously would want to discuss the war, the emphasis throughout would be on bilateral issues. Ambassador Ushiba assumed that one of these issues would be how to normalize US-PRC relations. Mr. Kissinger agreed, and added that another point was how we might continue the US-PRC relationship.

Ambassador Ushiba raised the question of whether economic matters had been discussed, or were these not so important? Mr. Kissinger jokingly remarked that on economic matters the Japanese were getting all the bonuses. We were being accused of betrayal while Japan was cornering the China market. Ambassador Ushiba denied that Japan was trying to corner this market. Mr. Kissinger went on to say that economics had not been the principal item discussed. It had been raised to some extent, but not much.

Ambassador Ushiba asked, had cultural matters and the exchange of persons been discussed? Mr. Kissinger said, "yes."

Ambassador Ushiba expressed the opinion that the President's visit to Peking was too much of an event just to stick to a discussion of bilateral relations. Mr. Kissinger declared that we would, of course, discuss general views of the world, but the settlement of bilateral affairs would take precedence.

Ambassador Ushiba inquired about the timing of the President's visit—would March be the date? Mr. Kissinger replied that the date would be selected very soon.

Ambassador Ushiba remarked that Mr. Kishi regretted not to have been able to see Mr. Kissinger, and sent his best. Mr. Kissinger remarked that he would hope to see Mr. Kishi when he went to Japan.²

Ambassador Ushiba surmised that the Soviet Union had certainly been discussed by Mr. Kissinger and the Chinese in Peking. Mr. Kissinger dismissed this by saying that the Chinese problems with the Soviets were of no concern to us, and vice versa. The biggest Sino-Soviet problems were ideological, and there was also a border dispute. We didn't care where the border should be, and would not get involved. Ambassador Ushiba wondered whether this had really been made clear?

Of course, the Chinese views of the Soviets were of a different nature. Mr. Kissinger observed that we all had an interest in a peaceful Soviet Union as well as in a peaceful China, but the location of the border was their affair—whether the Ussuri River or some place else. Did the Japanese have an opinion on this? Ambassador Ushiba disclaimed any interest in the border situation. He wanted to know, though, whether the Chinese were trying to find a peaceful solution with the Soviets. Mr. Kissinger stated that they indeed were. If a war started, it would not be by the Chinese.

Ambassador Ushiba felt that the Chinese would be unwilling to give up their political and ideological position. Mr. Kissinger agreed. It was his guess that Sino-Soviet relations would remain rather cool. It was almost inconceivable that a Sino-Soviet conflict would be provoked by Peking. Mr. Kissinger jokingly observed that Ambassador Ushiba should be the one to go to Peking. Ambassador Ushiba always attacked frontally, while he, Mr. Kissinger, used an oblique approach. He followed the Asian way, once he understood it.

Ambassador Ushiba laughed, and said that he would like to ask one last question about the Soviet Union. Were the Chinese very afraid about a military attack? Mr. Kissinger said that this was his impression. Ambassador Ushiba expressed the view that the Chinese were living under constant pressure, and Mr. Kissinger remarked that this was also his impression.

Ambassador Ushiba wondered whether Mr. Kissinger had any impressions of the domestic political situation in the PRC. Mr. Kissinger asserted that he couldn't tell—he had seen nothing which proved one thing or another. As far as the leaders whom he had met were concerned, there had been no change since last summer. Chou En-lai appeared to be in complete control, and with respect to the foreign

² Kissinger was in the People's Republic of China at the time of Kishi's October 22 meeting with President Nixon. See Henry Kissinger *White House Years*, p. 779.

policy part of the President's visit, while he had said before that he had to check with Mao, this time, except for one item, he always made the decision himself. He had made a big point of putting us on public display, and we had been accompanied not simply by protocol personnel but by senior members of the Government and Party such as Yeh Chien-ying. Yeh had met him, Mr. Kissinger, at the airport; had taken him to Peking opera where he had applauded him and other members of the U.S. party; and had taken him to the Summer Place [*Palace?*]. Everywhere he and the party had gone, people could see that they were being escorted by senior personnel. Ambassador Ushiba found it very interesting that the Chinese people could see Mr. Kissinger together with such senior Chinese leaders. Mr. Kissinger jokingly attributed this to his charming personality.

Ambassador Ushiba wanted confirmation of the fact that Mr. Kissinger hadn't known of the UN voting before he left Peking. Mr. Kissinger explained that the voting had taken place at the precise moment he had left Peking. The party had departed from the guest house at 9:30 a.m., and arrived at the plane at 10:15 a.m., which was exactly the time of the vote. The Chinese had not informed him about the voting, which was right because it had happened just before the departure. He had learned afterwards that the vote was completed ten minutes before the party had left.

Ambassador Ushiba referred to the fact that there had been some press play alleging that Mr. Kissinger's presence in Peking had adversely affected the voting. Mr. Kissinger retorted that some of his colleagues in Washington had not discouraged this view. However, it was a malicious, outrageous lie. Why would we not want to win the vote? It would be nothing but trouble to have the Chinese in the UN, because they would do and say many things in New York which could cause problems for us. We didn't want Taiwan out of the UN, and had established this position weeks before. Despite the shameful stories being put out, Mr. Kissinger declared, it could be argued that his being in Peking would show that we could still have good relations with the PRC while trying to keep it out of the UN.

Mr. Kissinger referred to the Belgian vote, with respect to which he had told our people that the Belgians would never vote with us. The same was true for Cyprus. In Cyprus, where the population was divided between Turks and Greeks, there was no conceivable interest in dual representation; in Belgium, the population was divided between the Walloons and the Flemings. We were always counting countries which would never vote with us.³

³ Apparent reference to Chinese representation issue.

Ambassador Ushiba mentioned that some countries abstained instead of voting in favor of the resolution, for example Morocco and Chile. Mr. Kissinger noted that Morocco was going to vote “no,” but the President personally called the King and moved him from a no vote to abstention. Nobody could tell him, Mr. Kissinger, that what he had subsequently done in Peking could have affected the King’s decision. When Ambassador Ushiba questioned whether the Belgians might have been affected by Mr. Kissinger’s visit to Peking, Mr. Kissinger retorted that the Belgians were saying this just as an excuse, and this was just a cheap little stunt. The Belgian Foreign Minister was all right, but the Government was too weak.

Ambassador Ushiba observed that the circumstances of the UN vote and Mr. Kissinger’s visit to Peking had caused a lot of trouble in Tokyo. Mr. Kissinger explained that the timing of his visit had been set when he thought that the UN vote would probably be in the middle of November. In fact, he had been assured by some of his colleagues in Washington that the vote would not take place before November 1, and if it could have been held 5 or 6 days after his return, he could have given the press a briefing to the effect that the U.S. could be on good terms with the PRC while still voting for dual representation in the United Nations. However, the vote had then been moved up.

Mr. Kissinger, asking Ambassador Ushiba not to repeat what he said, went on to note that he didn’t understand why there had been night sessions, and nobody had given him an explanation of why the voting was so early. It should have been possible to control that madhouse, and he was personally outraged. He had wanted to win, and was absolutely convinced that going to Peking could have been turned into a plus, for example by explaining how well he had been treated at the same moment Secretary Rogers was lining up votes. He had had every intention of making such a statement, and had received a written assurance that the vote would not take place before October 29, and with luck, Monday, November 1. It was only while in Peking that he had heard the vote would be earlier.

Ambassador Ushiba asked, would the timing of the President’s visit be fixed soon? Mr. Kissinger said that the date would be picked by the end of the month. Ambassador Ushiba pressed on the agenda—there would, he assumed, be questions of bilateral relations and a general view? Mr. Kissinger replied in the affirmative. He would let the Ambassador and Prime Minister Sato know.

Ambassador Ushiba inquired when Mr. Kissinger could come to Japan. Mr. Kissinger said that he was thinking of December or early January. Ambassador Ushiba asked how he could be of assistance in this, to which Mr. Kissinger replied, “by keeping quiet.” Ambassador Ushiba suggested that Mr. Kissinger might be invited by a private

organization. Mr. Kissinger stated that this was how he wanted it done, but he had the means himself to make the arrangements, and would tell the Ambassador about them when the time came. He did not want any press stories. Ambassador Ushiba assured Mr. Kissinger that there would be no leak.

Mr. Kissinger raised the question of whether it would still be useful for him to go to Japan even after his most recent China visit. Ambassador Ushiba explained that people in Japan thought Mr. Kissinger was such a “great planner,” but if he showed himself in Tokyo he could demonstrate that he was an ordinary human being and not a superman. As things now stood, people in Tokyo thought that everything had been planned by Mr. Kissinger. Mr. Kissinger wondered how he could demonstrate that he was not engaged in planning, to which Ambassador Ushiba replied, “by your charm.” This would be a good thing for Mr. Kissinger, and it would also be quite profitable for him to see Japan. Mr. Kissinger asserted that he would like to go, and let the Japanese people know what an absurd position they had put him in. U.S. intellectuals attacked him for being too anti-Communist, and our Japanese friends attacked him for selling them out to the Communists. But he would try to come, and in fact was going to come. Was Ambassador Ushiba’s Prime Minister still going to be in office, though? Ambassador Ushiba said he didn’t know. The UN voting was a very serious blow, and there had already been two no-confidence votes. Nevertheless, if there was a real crisis, the Party would rally around him, as had been the case with the Okinawa issue. Ambassador Ushiba did not want to make a prediction, but felt that Sato’s position was assured until the Okinawa Reversion Treaty passed. Mr. Kissinger asked if the Japanese were going to ratify the Treaty only after the U.S. had ratified it. Ambassador Ushiba disclaimed any such intention on Japan’s part.

Mr. Kissinger wondered whether January would be a bad time for him to go to Japan, to which Ambassador Ushiba replied that January would be satisfactory, although some of the Ministers might not be available. Mr. Kissinger then remarked that he would come either in the first half of January or the first half of December. Ambassador Ushiba said that the Reversion Treaty should pass the Lower House by mid-November, and even if the Upper House didn’t pass the measure, it would become law after one month. In conclusion, Ambassador Ushiba suggested to Mr. Kissinger that the two get together at the Ambassador’s house for lunch from time to time. Mr. Kissinger thought that this would be a good idea.

November 1971–December 1972: Toward a New Equilibrium

105. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, November 16, 1971.

SUBJECT

Comments and Recommendations of Professor Reischauer on the Current State of U.S.-Japan Relations

At Tab A is a letter² to you from Professor Edwin O. Reischauer of Harvard, our former Ambassador to Japan, expressing his deep concern over the present state of our relations with Japan. Citing doubt, distrust, and hostility toward the U.S. which he finds building up in Japan and which he asserts could strongly affect the next election there, he sees these two years as a possible watershed in Japan's relationship with us and the outside world generally.

He recommends greater attention on our part to style and tone in our dealings with Japan (avoiding the straight-forward, frank, tough bargaining approach and relying more on a somewhat slower, less unpredictable, and more consultative approach). He believes that a Japan visit by you could be extremely helpful, but should not take place until Prime Minister Sato has left office. He suggests that you add persons to your staff having a very sensitive feel for Japan.

In an attached statement which he planned to deliver November 8 before the House Foreign Affairs Subcommittee on Foreign Economic Policy he elaborated his concerns:

—The Japanese are in the midst of going through two great transitions with us and the rest of the world: (1) assuming international economic responsibility in their trading and financial relations that is commensurate with their new-found status as the world's third economic power; and (2) adjustment away from assumed subservience to

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VI, October–December 31, 1971. Confidential. Sent for information. A notation on the memorandum indicates the President saw it. On November 12, Holdridge sent Reischauer's letter to Kissinger along with a memorandum to the President, summarizing and commenting upon Reischauer's remarks, and a courtesy letter that Kissinger signed and sent to Reischauer. (Ibid.)

² Attached but not printed. A stamped note on Reischauer's letter indicates the President saw it. Reischauer also included the statement that he intended to make on November 8 before the House Foreign Affairs Subcommittee on Foreign Economic Policy.

the U.S. in their political and defense relations with us. (Professor Reischauer suggests that we ease this latter transition by giving the Japanese a greater feeling of equality in our political-security relationship, but makes no specific recommendations.)

—These two great transitions merge and interact on the question of Japanese reactions to whether or not the U.S. and other Western nations accept them as full and equal partners. If we do not, the Japanese, feeling discriminated against culturally and racially and rejected, could revert to behavior similar to that of the 1930s.

—On the economic side, if trading blocs and heightened restrictions emerged, Japan might react by attempting to reassert a more exclusive economic domination over other Asian countries.

—On the defense side, if the Japanese lose confidence in our security guarantee and in consequence we lost effective use of Japanese bases and retreated to the mid-Pacific, Japan would probably rearm seriously, which would touch off an arms race in Asia.

Comment: Professor Reischauer has presented something of a “worst case” projection of U.S.-Japanese relations, probably out of his belief that the executive and legislative branches are not sensitive to the drift of our relationship with Japan. While we are certainly not out of the woods in our more troubled relations with Japan of the last year, there is good reason to believe that this trend has bottomed out. We are over the hump on the long-standing nettlesome textile issue, and we will both have to tackle the remaining economic issues with great patience, perseverance, determination, and skill—although I think we should avoid further ultimatums. On China policy, on which we probably gave Japan a greater shock than on our economic initiative, we are in reasonably close touch, and I think Japanese leaders are beginning to realize that the feared millenium in Sino-U.S. relations is not just around the corner.

I would agree with Reischauer that we must continue to pay close heed to our style in relations with Tokyo, trying to accommodate Japanese sensitivities as they adjust to their new role in the world, and at the same time educate them to be more sensitive to some of our unique problems. Both of us can do this without compromising our basic interests.

106. Memorandum From Robert Hormats of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, November 16, 1971.

SUBJECT

Pete Peterson's Meeting with Ambassador Ushiba, Japan

Pete Peterson's memorandum (Tab A)² reports on his meeting of November 1 with Ambassador Ushiba. The major points are:

—Peterson asserted that we needed reform in the monetary system and that we had no interest in going back to the pre-August 15 situation. He added that there had to be a better mechanism for changing exchange rates when that became necessary.

—Ushiba indicated that Japan was clearly opposed to floating rates but would consider revaluation. Peterson stated that it would be helpful if Japan were to lift restrictions on the import of agricultural items, computers, integrated circuits, and aircraft. Japan's reported intention to double its defense procurement in the U.S. over the next five years was also helpful.

—Ushiba said it would take time to achieve the sought after turn-about in the U.S. balance of payments, and asked what was needed immediately in the trade field in order for the surcharge to be removed. Peterson indicated that, in addition to the above items, a reduction of taxes on automobiles and the easing of various administrative procedures on imports would be useful.

—The Ambassador's priorities for action by the U.S. were a ratification of the Okinawa treaty, removal of the surcharge, and an end to the discriminatory "buy American" provisions of the investment tax incentive.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VI, October–31 December 1971. Confidential. Sent for information. Kissinger initialed the memorandum, indicating that he saw it.

² Attached but not printed.

107. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, December 17, 1971.

SUBJECT

Status of Our Offer to Japanese Prime Minister Sato as Regards U.S. Bases and the VOA Transmitter on Okinawa under the Okinawan Reversion Treaty

You have asked for a report on the status of our offer to Japanese Prime Minister Sato as regards U.S. bases and the VOA transmitter on Okinawa under the Okinawan Reversion Treaty.²

During your conversation with former Prime Minister Kishi October 22,³ he asked that the U.S. assist the process of Diet ratification of the Treaty by indicating our willingness to return additional bases on Okinawa after reversion. You responded that we would negotiate anything reasonable, and said you would ask Secretary Connally to discuss the question during his Tokyo visit. (In your absence during a phone call, General Haig added that we could be flexible in consolidating real estate after reversion, noting that our problem could be worked out slowly over a period of time.)

The Japanese have not asked for reconsideration of the VOA transmitter's status at this point. The Treaty provides for review of this question after two years, with removal to take place after five years if the Japanese insist. (The Japanese would compensate us for the relocation of the transmitter.)

During Secretary Connally's Tokyo visit, Foreign Minister Fukuda defined Japan's request vis-à-vis base consolidation as follows:

—That U.S. facilities in Okinawa be reduced soon after reversion by 10% in terms of acreage and numbers.

—That bilateral working-level discussions begin as soon as possible before reversion, given the considerable preparations needed for implementation.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VI, October–31 December 1971. Secret. Sent for information. A notation on the memorandum indicates the President saw it. On December 4, Froebe sent a draft of this memorandum to Kissinger for him to sign and forward to the President. (Ibid.)

² According to a November 29 memorandum from Haig to Holdridge, "The President asked after reading the Friday briefing item reporting the passage of the Okinawan Reversion Treaty by the Japanese Lower House for a report on the status of our offer to Prime Minister Sato concerning the treaty's provisions on U.S. bases and the VOA transmitter. Would you please, on an expeditious basis, prepare a brief memorandum for the President answering his questions on this subject." (Ibid.)

³ See Document 102.

—That the Japanese Government announce during the current Diet consideration of the Treaty that the above two considerations have been agreed to by the U.S.

Secretary Connally told Fukuda that our sympathetic consideration of additional base reductions was premised on the hope of further significant Japanese reduction of trade barriers, of which he said little was so far observable.

With the Treaty itself now having cleared the Lower House of the Diet, its ratification is virtually assured. The remaining problem is Diet approval of the implementing legislation, the most important of which to us is that concerning land acquisition for U.S. bases. Sato will probably use the fact of his January meeting with you to try to lever this through before the December 24 adjournment of the Diet, arguing to the Diet that with their approval of the complete reversion package in hand he will be able to ask you that reversion take place in April rather than July and that the U.S. move expeditiously on further consolidation of U.S. bases on Okinawa. If Sato does not succeed by December 24, he will probably ask you to be more forthcoming on additional base reduction after reversion in order to help secure passage of the legislation when the Diet reconvenes early next year.

In light of Sato's intentions, I believe we should wait to see what the Diet does before adjourning and what position Sato takes with you at San Clemente, and then consider further action.⁴

⁴ Under this paragraph, the President wrote, "*K Be generous.*"

108. Memorandum of Conversation¹

Washington, December 22, 1971, 5:30 p.m.

PARTICIPANTS

Nobuhiko Ushiba, Ambassador of Japan
Yukio Satoh, Second Secretary, Japanese Embassy

Henry A. Kissinger, Assistant to the President for National Security Affairs
John H. Holdridge, Senior Staff Member, NSC

SUBJECT

Mr. Kissinger's Discussion with Ambassador Ushiba on Preparations for the Meeting Between the President and Prime Minister Sato at San Clemente

After a brief exchange between Ambassador Ushiba and Mr. Kissinger concerning the Bermuda talks, Ambassador Ushiba remarked that Mr. Kissinger had been getting a bad press over the situation in the sub-continent. The line had been that both the Indians and the Soviets had gained. Mr. Kissinger asserted that the Administration's policy would prove to be essentially correct. If we had been neutral, the Indians would have attacked West Pakistan as well. As for the role of the Soviets, the Indians had no interest in being a Soviet satellite, and would come back. As had happened with respect to Secretary Connally, who had been criticized for being too harsh, our policy would pay off with results. We had had the choice between letting India destroy the whole country, or of saying what we had said. Mr. Kissinger stressed again that the Indians had no interest in being a Soviet satellite.

Turning to the subject of the San Clemente meeting, Mr. Kissinger passed to Ambassador Ushiba a suggestion which had been made personally by the President. Assuming that the San Clemente talks would end around noon on the 7th of January, the President thought that if Prime Minister Sato so desired the President would invite the Prime Minister and a few others of his party to fly with him to Palm Springs that afternoon. The President had in mind that Foreign Minister Fukuda, Ambassador Ushiba, and the Finance Minister might accompany Prime Minister Sato. On our side would be Secretary Rogers, Secretary Connally, and perhaps Mr. Kissinger himself.

They would go to the home of Ambassador Annenberg, play two foursomes of golf, have a friendly working dinner followed by a social

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, VIP Visits, Box 925, Japan, Sato (San Clemente) Jan 72, [2 of 2]. Secret; Sensitive. Holdridge sent the memorandum under a December 29 covering memorandum; Kissinger subsequently approved the memorandum. (Ibid.)

evening, and leave the morning of the 8th. Mr. Kissinger remarked that the Annenberg estate was a beautiful place—very big, and very well arranged.

At this, Ambassador Ushiba wondered what kind of business Ambassador Annenberg was engaged in. Mr. Kissinger explained that Ambassador Annenberg was the owner and publisher of the *Philadelphia Inquirer*, and was a very rich man. Mr. Kissinger went on to note that the President's thought in inviting Prime Minister Sato to a nice social affair of this sort was that it would provide the Prime Minister with something extra which had not been given to the other heads of state or government. It would make the Prime Minister the only head of government with whom the President had ever played golf. Mr. Kissinger indicated that it was an easy flight over from San Clemente, and the party could either be brought back that night or stay over until the next day. This question could be settled later.

Ambassador Ushiba termed the President's invitation "very interesting." Mr. Kissinger said that it showed the President's personal touch. As another example, the dinner on the first night of the talks would be in the President's private house. It would be a small, private affair due to the smallness of the dining room. The President was trying in this way to show his close connections with the Japanese.

Ambassador Ushiba asked, would the President talk to Prime Minister Sato alone? Mr. Kissinger replied affirmatively, adding that he himself was usually present. If this was the case, one additional person from the Japanese side could be present. Ambassador Ushiba queried whether this additional person might be Foreign Minister Fukuda, to which Mr. Kissinger stated that Foreign Minister Fukuda should talk to Secretary Rogers, who would be present in San Clemente for this purpose. The additional Japanese could be an aide to the Prime Minister. Ambassador Ushiba noted that in such an event Prime Minister Sato might appoint him, Ambassador Ushiba. However, this could embarrass the American side with respect to the U.S. Ambassador in Tokyo. Mr. Kissinger expressed confidence that the Japanese could find someone appropriate, although depending on who was named he personally might not sit in. Ambassador Ushiba asked if Mr. Kissinger did, in fact, usually sit in, to which Mr. Kissinger replied, "yes," because he knew the details. Ambassador Ushiba said that when he returned from his visit to Tokyo he would bring back a suggestion.

Mr. Kissinger indicated that the Japanese Finance Minister would meet with Secretary Connally, and Foreign Minister Fukuda with Secretary Rogers. Ambassador Ushiba pointed out that in addition to the Japanese Finance Minister, their Minister of International Trade and Industry would also be attending. In that case, Mr. Kissinger stated, both could talk to Secretary Connally. Ambassador Kennedy was also

coming, and could sit in with Secretary Connally. Secretary Rogers would bring Marshall Green.

Mr. Kissinger asked, how many thousands of press people were the Japanese bringing? Ambassador Ushiba jokingly referred to possibly two or three thousand. More seriously, he speculated that there might be around 70 Japanese reporters. A large group would be coming with the Prime Minister, and some might join from Washington. He anticipated far more problems in taking care of these press people than he did with the official party.

Ambassador Ushiba wondered, while the President was talking to the Prime Minister, would the others be sitting in another room? Mr. Kissinger replied that the President would probably talk to the Prime Minister in his own house, and the others would meet outside. Ambassador Ushiba was familiar with the layout: there were plenty of meeting rooms which could serve. If any problems arose in the President's conversations with Prime Minister Sato, the others could come over. There would also be one plenary session of about a half hour at the end in which everybody would join.

Ambassador Ushiba asked for confirmation that the President would first greet everybody, which would be followed by expert discussions, and then by a final meeting. Would the U.S. Ambassador from Tokyo be present? Mr. Kissinger replied affirmatively to both questions. Ambassador Ushiba speculated that the agenda for the San Clemente talks might include U.S.-Japanese commercial problems, China, the USSR, and a review of the Asian situation, particularly the India-Pakistan conflict.

Mr. Kissinger asked, what was Ambassador Ushiba's view of the India-Pakistan conflict? Ambassador Ushiba replied that the Japanese were firmly of the opinion that it was not right for one country to try to destroy another by stirring up an insurgency within its borders and then extending help from outside. That was why Japan had cooperated with the UN resolution on the situation. Ambassador Ushiba expressed the view that the Security Council session had concluded with "some honor." Mr. Kissinger felt that there had not been too much honor—the way the UN was going it had become a means of legitimizing an accomplished fact. It was helping the aggressor, and that was the reason we had taken our own position. Mr. Kissinger told Ambassador Ushiba not to worry about the Indians, who didn't want India to be a satellite. He remarked wryly that the Indians had bought \$300 million worth of Soviet weapons while we had given them \$10 billion in aid. They would come back to us because their new satellite (Bangla Desh) would be a nightmare. If the Indians held on to it, it would be very expensive; if they gave it independence, it would become a hotbed of radicalism.

Ambassador Ushiba mentioned that the Soviets in a brief period had gained influence, and might be able to get naval bases in the Indian

Ocean. Mr. Kissinger agreed that there had been some gains, but we would have to see how permanent these were. Ambassador Ushiba asked, didn't Mr. Kissinger see India falling into Soviet hands? Mr. Kissinger said he did not. What had happened would be healthy for the Indians, who had treated our aid like a regular part of their budget. Now, however, India had to ask itself what the U.S. attitude would be. Six months from now the Indian attitude would be much healthier and better.

Ambassador Ushiba asked Mr. Kissinger how he thought the Chinese had come out of the situation. According to Mr. Kissinger, they had come out weaker than the world had expected. Ambassador Ushiba surmised that the Russians had been trying hard to humiliate the Chinese, and Mr. Kissinger declared that they had done so indirectly. From this, Ambassador Ushiba asked, had Mr. Kissinger's evaluation of China changed any? Mr. Kissinger replied no, not in the long term. He had told the Ambassador for months what our evaluation of China was, and the Ambassador wouldn't believe him. The Ambassador would see that there was no chance of our moving our emphasis in our relations from Tokyo to Peking. Indeed, it was more likely for the Japanese to do this than the Americans. For ourselves, we had wanted over the long term to have some relationship with the Chinese, but the short term was not affected. We were prepared to be very frank in our discussions of China at San Clemente, but we had to be sure to find a way for whoever kept tabs on the press for the Prime Minister not to talk. This, Ambassador Ushiba believed, could be done.

Ambassador Ushiba asked, was there any possibility that in the President's discussions with the Chinese he would ask if Peking was ready to talk with Taiwan? Mr. Kissinger said that he was not going to get into the details of the Taiwan question; these details could be looked into in San Clemente. We could make an agreement between ourselves that we would do nothing surprising with respect to Taiwan.

Ambassador Ushiba brought up the newspaper stories to the effect that the U.S. would be withdrawing forces from Taiwan before the President's talks in Peking. Mr. Kissinger declared that we were not going to withdraw any forces before the talks, and not necessarily after them. No forces had been withdrawn since he, Mr. Kissinger, had been in Peking. Besides, Taiwan wasn't being defended by the U.S. forces stationed there. Ambassador Ushiba remarked that these forces were symbolic of the U.S. defense commitment. Mr. Kissinger indicated that these forces were mostly for intelligence, logistics, and similar functions.

Ambassador Ushiba said that, moving on to more practical affairs, Okinawa had to be included on the agenda for San Clemente. Mr. Kissinger asked jokingly if the Japanese wanted to give it back to us

already? Ambassador Ushiba observed that there were two points which the Japanese would want to cover. First, they would want to see the reversion date for Okinawa moved up from July 1, which was the date the U.S. had in mind. This point had already been raised with Ambassador Johnson. Mr. Kissinger said that we would look into this matter.

Continuing, Mr. Kissinger noted that we now had settled textiles and currency problems, and he thought that we should settle the issue of short-term trade before the San Clemente talks so that there would be nothing emerging from them suggesting a short-term hassle. Ambassador Ushiba could be assured that if this were done, we would do something with respect to Okinawa. We would look into such matters as the size of our bases along the lines of the President's conversation with Mr. Kishi. The details could be looked into.

Ambassador Ushiba raised the question of a joint communiqué—would there be one? Mr. Kissinger said this was up to the Japanese. What did Ambassador Ushiba think? Ambassador Ushiba thought that it would be better not to have one, since it might create problems. However, this was up to the Prime Minister, and he personally didn't know. He would ask in Tokyo. Mr. Kissinger recalled that we had had a joint communiqué with the French and the British; however he didn't know whether we would have one with the Germans or not. Again, it was up to the Japanese and we didn't care one way or the other.

Ambassador Ushiba speculated that the Prime Minister might wish to bring up something he wanted the President to tell the Chinese in Peking. He wasn't sure about this, though. Mr. Kissinger emphasized that our intention was to have this a warm, successful meeting symbolizing the enormous attention which we paid to Japan. This was the spirit in which we approached the meeting. It would be the last big meeting before the President's Peking trip, and would leave no doubt as to who our friends were in the Pacific. Ambassador Ushiba thanked Mr. Kissinger for these words.

Mr. Kissinger received confirmation from Ambassador Ushiba that Prime Minister Sato would be arriving in El Toro on the 5th of January. He suggested it to the Ambassador that they might meet together for lunch at San Clemente on the 4th. Learning that Ambassador Ushiba would be back in Washington from Tokyo on December 30, Mr. Kissinger then suggested that the two get together for lunch in Washington on January 3 at 12:30 p.m. This wouldn't be as good a luncheon as Ambassador Ushiba had given him. Ambassador Ushiba expressed the hope that he could invite Mr. Kissinger to the Embassy for dinner prior to the Peking trip. Mr. Kissinger could bring two beautiful ladies.

On his way out of Mr. Kissinger's office, Ambassador Ushiba expressed some concern over Mr. Kissinger's recommendation that the

trade issue be settled prior to Prime Minister Sato's meeting with the President. Mr. Kissinger reiterated as his "strong suggestion" that this indeed be done. In the first instance, the President did not like to discuss economic matters, and in addition, injecting trade into the discussions at San Clemente would make it appear to an undesirable extent that Japan had offered something on trade and had received something in return, e.g., concessions regarding Okinawa. It would be much better if the President could treat Okinawa as a matter entirely unrelated to trade, since he could then make some moves on Okinawa purely as a warm gesture of friendship. Mr. Kissinger gave his personal assurances that the President would in fact act in this way. The Japanese did not need to offer too much; even some fairly limited moves would do. Ambassador Ushiba said that he would pass this on to Prime Minister Sato, bearing very much in mind what Mr. Kissinger had just said about how far Japan needed to go. Mr. Kissinger clarified his position by noting that the Japanese measures would of course have to be of some significance.

109. Memorandum From Acting Secretary of State Johnson to President Nixon¹

Washington, December 29, 1971.

SUBJECT

Meetings with Sato

The Japanese view San Clemente as potentially of great significance to Japan's adjustment to a changing world order and a less comfortable alliance with the U.S. Sato has weathered a series of rough jolts over the past six months centering on events in the U.S.-Japan relationship—China, the NEP, textiles, and the Chirep debate. Recent polls show

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, VIP Visits, Box 925, Japan, Sato (San Clemente), Jan 72, [2 of 2]. Secret. This memorandum was included in the President's briefing books for his meeting with Sato at San Clemente, January 6–7, 1972. (Ibid.) A January 6 memorandum from Kissinger, outlined the agenda items that Nixon and Sato were to discuss at the summit. (Ibid.) Kissinger, on the advice of Froebe, rejected a request in a December 29 memorandum from Russell Train, Chairman of the Executive Office of the President's Council on Environmental Quality, to raise with Sato the issue of excessive hunting of whales. Kissinger suggested in a January 17 memorandum to Train that given the crowded agenda, the problem should be raised "at other levels." (Both *ibid.*)

his public support at an all-time low. However, the Senate's strong endorsement of the Okinawa Treaty and the prospect of this meeting have bolstered Sato's position and eased strains in our relations. There is also a general sense of relief that the textile issue has been settled, and the latest assessments indicate that the Japanese economy will adjust satisfactorily to the currency realignment. Thus, Sato will probably remain in office at least until the reversion of Okinawa.

The Japanese approach San Clemente with a mixture of gratification and uncertainty. Sato hopes the meeting will strengthen his hand for the succession struggle. His objective is to preserve the cohesiveness of the Liberal Democratic Party, now at odds over China, and to pass the leadership to successors who share his policy views. Fukuda remains the immediate heir apparent. Sato will look to conditions governing the reversion of Okinawa for concessions to satisfy his immediate political needs. He hopes to resolve our trade differences beforehand, and to avoid a detailed discussion of trade and monetary problems. He will also be keenly interested in prospects for your visit to Moscow.

For Sato, the focus of the meeting will be your discussion of our intentions with respect to Peking and Taiwan. The Japanese fear and suspect that we have made or will make deals with Peking which, when revealed, will embarrass Japan and alter the Asian situation to Japan's detriment. Sato will therefore seek as clear a basis as possible for assessing the impact of our China initiative on our security relationship, the future of Taiwan, support for the ROK, Japan's own prospects vis-à-vis Peking, and how all of these affect domestic Japanese politics.

San Clemente will be a success if Sato leaves reassured that we understand and will protect Japan's concerns in dealing with Peking, and that there will be future opportunities for similar consultations.

An issues and talking points paper is attached.²

U. Alexis Johnson

² Attached but not printed.

110. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, January 3, 1972.

SUBJECT

Views of An American Businessman Long-Resident in Japan on U.S.-Japanese Relations

Senator Hugh Scott forwarded to me recently a lengthy letter from Mr. Robert A.G. Strickland, an American businessman long-resident in Japan who runs a bus line, restaurant chain, and tourist agency. Originally having gone to Japan as a student, having immersed himself in the Japanese scene, and having married a Japanese national, Strickland evidences in his letter the deep empathy he has developed for the country and its people.

At the same time, Strickland is critical of the parochialism he finds in the way Japanese deal with foreigners in their midst and abroad—particularly the double standard they apply in what they insist on from the outside world as opposed to what they are willing to extend to the outside world. Strickland is almost equally critical of American businessmen, diplomats, and scholars in Japan whom he claims are isolated from the real society, and names former Ambassador Edwin Reischauer in particular.

Strickland says he has been moved to write Senator Scott, in the hope his views will reach you, by the present frictions in U.S.-Japan relations. As a sympathetic American with deep roots in Japan, he is basically concerned with suggesting more effective means of dealing with the Japanese in order to get our relationship on a more stable long-term footing.

Focussing on the areas with which he has had most experience—trade, and investment (as well as immigration)—Strickland postulates that Japan's economic success is due principally to its comparatively free access to the U.S. market, while it has restricted the outside world's access to its own markets. (He also mentions the decided under-capitalization of Japanese business as an important contributing factor to this success.)

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VI, October–31 December 1971. Limited Official Use. Sent for information. A notation on the memorandum indicates the President saw it. An additional handwritten notation indicates that Kissinger saw it. In a December 18, 1971, memorandum, Holdridge had recommended that Kissinger sign this memorandum to the President, which summarized the views of Strickland on U.S.-Japanese relations. (Ibid.)

Characterizing Japanese as hard bargainers who respect strength and deplore weakness, who have developed a competitiveness unknown in the U.S., and who will not give in so long as they have the faintest hope of getting their way, Strickland offers the following suggestions for ameliorating our frictions:

—Vigorous efforts on both sides to resolve our differences, but in an atmosphere of mutual understanding and without forcing solutions. (“A forced solution will be as harmful as no settlement at all.”)

—An even-handed U.S. insistence on reciprocity in dealing with the Japanese.

—The use of a “firm, quiet stand” with irrevocable, firm time limits on negotiations in order to neutralize the Japanese tactic of dragging negotiations out *ad infinitum* to preserve a situation that is to their advantage.²

—Persistence in maintaining a position³ in the face of Japanese attempts to wear an adversary down through repeated assaults on that position.

² Nixon highlighted this sentence and wrote in the margin: “K—vitally important.”

³ Nixon underlined, “Persistence in maintaining a position.”

111. Memorandum for the President’s File¹

San Clemente, California, January 6, 1972, 1:30 p.m.

SUBJECT

Meeting with Eisaku Sato, Japanese Prime Minister, on Thursday, January 6, 1972 at 1:30 p.m. at San Clemente

PARTICIPANTS

Prime Minister Eisaku Sato
Ambassador Nobuhiko Ushiba
Ambassador Genichi Akatani (Interpreter)

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, President’s Office Files, Box 87, Memoranda for the President, Beginning January 1, 1972. Secret; Exdis. Prepared by Wickel. The meeting took place at the Western White House. Holdridge sent Kissinger this memorandum under a January 21 covering memorandum; Kissinger approved it with no further distribution. (Ibid., NSC Files, VIP Visits, Japan, Sato (San Clemente), Jan 72 [2 of 2]) On January 3, U. Alexis Johnson and Ushiba discussed some of the issues to be raised at the January 6 meeting. (Ibid., RG 59, Central Files 1970–73, POL 7 JAPAN)

The President

Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs

James J. Wickel, American Embassy Tokyo (Interpreter)

Presidential Visit to Japan

The Prime Minister, first of all, conveyed to the President the sincere appreciation of HIM the Emperor who was deeply impressed with the warm welcome and unforgettable hospitality accorded him and the Empress by the President and Mrs. Nixon at Anchorage.²

The President said that the visit was a great occasion for us too, and had left a fine impression in the U.S., particularly because of the excellent TV coverage.

The Prime Minister said that HIM the Emperor had been particularly pleased at his discussion with the President of a possible visit to the United States. However, he (the Prime Minister) has been “putting on the brakes” because such a visit would naturally lead to an invitation to the President to make a return visit to Japan, which the Socialists and Communists would certainly oppose. Recalling the demonstrations in 1960 which prevented his brother (then Prime Minister Kishi) from welcoming President Eisenhower to Japan, he said that he wished to be certain that the President could indeed make the visit before extending an invitation. He did not want it said that each of the brothers (Kishi and Sato) had invited the President but neither had been able to welcome him to Japan.

The President said that he understood and felt the Prime Minister was acting wisely. He noted that all the advanced countries, including the United States and Japan, had similar problems with unpleasant radical minorities. However, he pointed out, the majority of Americans have been deeply impressed by the visit of HIM the Emperor, and by the Prime Minister, and are favorably inclined toward Japan.

Okinawa Reversion

An example of the favorable attitude toward Japan, the President said, was the speedy Senate approval of the Okinawa Agreement, in the absence of any of the opposition indicated earlier.³

The Prime Minister expressed deep appreciation for all the President had done to insure the smooth approval of the Okinawan Reversion Agreement. Noting that he and the President would discuss Oki-

² On September 26, 1971, President Nixon and the First Lady greeted Emperor Hirohito and Empress Nagako during a brief stopover by the Japanese couple in Anchorage, Alaska. See Document 90, footnote 10.

³ On September 21, 1971, Nixon submitted the Okinawa reversion agreement to the Senate. The Senate approved the agreement on November 10, 84–6.

nawa in detail tomorrow, he wished to limit himself today to this expression of appreciation.

The President said that the Prime Minister knew from his recent meeting with Secretary Connally in Tokyo that he (the President) wished to have emerge from this meeting a helpful announcement of our position regarding Okinawa. He agreed to reserve detailed discussions for tomorrow morning, and suggested that Secretary Rogers and Foreign Minister Fukuda might join in at that time. He wished to work out an arrangement which the Prime Minister could announce at his press conference following the conclusion of these talks.

Summit Talks—Present and Future

The Prime Minister noted the President's series of meetings with President Pompidou, Prime Minister Heath and Chancellor Brandt, and said that he was pleased to take part in the President's first summit meeting this new year. He lauded the President's efforts to achieve real communication with the leaders of the Free World, at this time when a new poly-polar world is taking shape, and suggested that it might be desirable to develop a more permanent arrangement for the leaders of the five leading nations of the Free World (joined perhaps by several others) to continue their summit-level contacts on a multilateral basis. If the President had no objection, he said, Japan would endorse a proposal for a multilateral summit any time the President might wish to make it.

The President, first of all, noted the concerns expressed in Japan that he was meeting with the Prime Minister only after meeting first with the European leaders. He assured the Prime Minister that he had no thought of setting any one ahead of the others. What was involved, he explained, was that he felt it was important to discuss European matters with the French, British and Germans, and then to discuss Pacific matters with the Prime Minister. One advantage of their meeting now, he said, was that he could review for the Prime Minister the concepts developed in his earlier meetings with the other three leaders.

For example, the President said, he discussed with the Europeans the future course of NATO, our alliance with Western Europe, of which France is still a part, and American and European force levels in Europe. The forthcoming entry of the UK, and possibly other countries, into the EEC was also a subject for discussion, and, accordingly, so was the United States relationship to this new European community.

The President noted that the United States relationship with Europe differed from its relationships in the Pacific. He said that he made the point with each of the leaders he met (Pompidou, Heath and Brandt) that while we have a responsibility to maintain the closest consultations between the United States and the major European powers we must

look at the world as a whole, which indicates a responsibility to also consult closely with Japan. The reason he believes this important is that in viewing the Free World, the great economic powers, the United States, Japan, Germany, Britain, France, and possibly Canada, must consult closely if we are to build a stable and productive Free World economy with trade and monetary stability. In a geopolitical sense also we cannot view the world as two halves, the Pacific half and the European half, but must view it in global terms. England, France and Germany no longer maintain a significant military presence in Asia, where Japan is the major Free World nation. Therefore, he believed that the development of a 5-power consultative process (adding Italy, perhaps, and Canada) would not only serve the economic needs of the entire Free World, but would also contribute to the development of cohesion in policy for handling all the difficult political and security problems that arise.

The United States, the President added, is in a unique position, having separate security treaties with Japan and the Western European nations, but since its policy must be global the United States cannot separate the two. Interestingly enough, he reported, all three European leaders expressed great interest in having closer relations with Japan in the economic as well as other areas. A bad situation would result if the new Europe built a wall from behind which it could have an economic confrontation with Japan and the United States, just as it would be bad for the United States to isolate itself against Japan and Europe. The President stressed his belief that we all must inevitably compete, which is good, but must do so on fair terms. Therefore, he believed it important to get the Europeans to think as we do in the United States, that is, view the world as a whole, and to recognize that Japan must be an important part of the Free World community. Chancellor Brandt, he reported, explained Germany's arrangement for semi-annual bilateral consultations with Japan at the Foreign Minister level.

In summation, the President said that close consultations should continue for the time being on a bilateral basis, but might perhaps develop into multilateral consultations among the 5 powers later. In any case, he believes that closer consultations are indispensable in the maintenance of world peace.

The Prime Minister said there were many points in the above with which he agreed. He recalled Japan's earlier alliance with Britain (1903) and its joining of the Tripartite Alliance before the War, which he characterized as a mistake. While Japan in the past may have presented different faces to Europe and the United States, it now must present the same face to both with respect to the path it is following. Setting aside the separate matter of how the Free World might ultimately

coordinate with the Communist nations, he agreed that it would be most significant to develop close consultations among the nations of the Free World. Apart from regular consultations between Foreign Ministers, he supported the concept of a 5-power summit conference, as suggested by the President.

The President asked him to clarify whether he meant a 5-power summit conference.

The Prime Minister responded that he did, but with the addition perhaps of Italy and Canada he did not feel any need to involve other countries. In view of the President's busy schedule, especially in this election year, he thought it better to hold such a 5-power summit later, first in the United States, the leading nation of the Free World, and then subsequently in rotation in the other Free World nations.

The President commented that the formation of the G-10 in the economic area has worked out for the good of the world.

The Prime Minister recalled that he was serving as Finance Minister when Mr. Black invited Japan to join the G-10. The monetary problem had been resolved, but he felt it would also be significant if the Free World military powers could coordinate in the interest of world peace and prosperity. He hoped the President would keep this idea in mind as he moved forward with his visits to Peking and Moscow; perhaps he could announce a formal proposal at some later date, not necessarily now.

The President said that this idea had some appeal. He recalled thinking to the same end in earlier discussions of his summit meetings with Dr. Kissinger. In fact, he said that he raised this point with each of the three leaders in his summit meetings, that we could no longer think only in terms of NATO alone as a separate matter, but felt it important to bring Japan, the major power in the Pacific more fully into the Free World community.

Dr. Kissinger said that indeed when the President first began to think of his summit conferences he considered a Big-5 Summit, but on reflection realized that he would be discussing with Japan matters of no concern to the others, such as Okinawa and Korea. For that reason the President decided to hold a series of summit meetings, but had indeed initially given some consideration to a Big-5 summit.

The President said that he would consider the idea later, and would pursue it after Moscow and Peking. He hoped that the Prime Minister would also pursue it in his meetings with the Germans and the French.

Japan's Position and Role

The Prime Minister explained that Japan has been limited to playing an economic role in Asia, hopefully of some use, because it cannot play a military role. He noted that during consideration of the Okinawa

Reversion agreement and related legislation it became apparent that strong anti-war and anti-security treaty feelings persist, and even the PRC itself has criticized the revival of Japanese militarism. Japan thus finds it difficult to convince anyone that it is not going militaristic, which is considered to be inevitable in view of Japan's great economic power. He believed that Japan's present position is correct, that it should not seek to become a military power, and should seek to play a larger economic role within that context.

The President said that he understood the difficult position in which Japan finds itself: as the third strongest economic power in the world Japan must still depend on a commitment by another country, the United States, for its defense. He felt it extremely important for Japan to play the role it is, that is, an increasing economic role in Asia, particularly Southeast Asia, for the more such free nations as Indonesia and Thailand develop economically, the more difficult it will become to overthrow them by subversion.

However, the President pointed out, Japan lies on the rimland of Asia, with two great power neighbors, the USSR and PRC, both of which are military and nuclear powers. Japan's GNP is twice that of China's and is gaining on the USSR, but with all that economic power, and being linked to the economic fate of the Free World (even if it is increasing its trade with Mainland China) Japan is naked before the world in terms of its self defense. The United States nuclear deterrent not only serves the United States, he said, but also Japan, under the Mutual Security Treaty. He realized this presented a major political problem in Japan, which the Prime Minister and his brother, former Prime Minister Kishi, have handled with skill in the face of radical opposition, but it seemed to him that Japan is faced with an unacceptable choice: either Japan develops its own deterrent power however unpalatable vis-à-vis its neighbors, who are armed with nuclear weapons, or it comes to an accommodation with them. He felt that the Prime Minister is more acutely aware of this than himself, but to put it into proper context he assured the Prime Minister that his forthcoming visit to Peking would in no way be at the expense of the commitments the United States has to its friends and allies in the Pacific, Japan, the ROK and Taiwan.

The President recalled the speculation at the time his China visit was announced, which he knew embarrassed the Prime Minister, that the United States would move toward mainland China at the expense of its allies, including Japan, but he emphasized that he has assured his friends, both publicly and privately, that there were absolutely no conditions attached to his visit.

The Prime Minister appreciated the President's remarks about China. With respect to nuclear weapons, however, he explained that

Japan has adopted by unanimous resolution of the Diet a policy based on the three non-nuclear principles (non-production, non-introduction and non-possession of nuclear weapons). Therefore, Japan must rely on the United States nuclear umbrella under the Mutual Security Treaty. He suggested that the President might respond to any expression of fear in Peking of Japanese militarism that the United States would not provide Japan any nuclear weapons, therefore Japan is not going militaristic. He also expressed concern about the depth of American criticism of Japan's "free-ride."

The President responded that this feeling is not directed only at Japan, but Europe as well, even though the Europeans have more of a military capability. Speaking personally, he emphasized that the United States has a Mutual Security Treaty with Japan in its own interest as well as Japan's, which is true also of its other treaties with the ROK and Europe. Unless the United States can justify these as being in its own interest, he did not believe the public would support them. As a good politician, he knew the Prime Minister would understand that as Japan's economic power grew and as Japan became more and more able to engage in healthy competition pressures inevitably would arise in the United States for Japan to assume a greater responsibility toward the defense of the Free World, if not by direct military means, then through economic means.

The Prime Minister agreed that it is quite natural that Japan should play a larger economic role, but in defense it has no other recourse except to the United States nuclear umbrella.

With respect to economic assistance, the Prime Minister noted that Japan's aid now totalled .93% of GNP, close to the OECD–DAC goal of 1% of GNP, and said that the GOJ would increase its governmental assistance to bring the total up to 1%.

In addition, the Prime Minister noted that all five permanent members of the UNSC are nuclear powers, but of these neither France nor the PRC have signed and ratified the NPT. He asked whether the United States, UK and USSR could persuade the other two to sign and ratify. He also noted that Japan has signed the NPT.

The President doubted that we had that kind of influence with China. He did not discuss this point with President Pompidou, who in any case did not seem ready yet to depart from DeGaulle's policy, but he did expect that France would sign at some future date. He did not expect China to do so. He added that Dr. Kissinger might have a different view.

Dr. Kissinger offered his impression that the PRC attitude is dominated by fear of the USSR, and that the Chinese are reluctant to do anything which might be useful to the USSR as blackmail.

The Prime Minister noted that the discussion was getting off the rails of its principal theme (China), but added that someday a way must be considered to get the PRC and France to accede to NPT.

The President asked whether Japan has signed the NPT.

The Prime Minister said that only ratification remains, which is being held in abeyance until the problem of inspection is resolved. If a fair system of inspection can be worked out, then this difficult problem of ratification would be resolved.

Hot-Line

The Prime Minister, turning back to China, said there was no need to dwell on the well-known shocking impact on other countries of the announcement of the President's visit. The Japanese evaluate highly this forthcoming visit to China, but in simple words he warned that the shock of the announcement on Asian countries ran much deeper than the President could even imagine. He realized that full consultation on such an affair would have been impossible, and even if informed, there was nothing he could have done anyway. However, this event pointed up the absence of a channel of communication with a major nation. Some time ago he had agreed in principle that a "hot-line" was necessary, but now the time had come for Japan to consider its installation positively.

The President agreed, and said that we could now implement the agreement to install a hot-line, which would be consistent with what he said earlier about consulting with the leading Pacific nation on the same basis as with the three European powers.

China

With respect to China, the President said that several steps are involved. First, the decision was made to make the visit; second, we were consulting and informing our friends before the visit regarding its substance; and third, we would consult with and inform our friends as appropriate after the visit. Therefore, he wished in particular to inform the Prime Minister of the purpose of his visits to the PRC and the USSR, as he has done with the European leaders. Following the visit, if desired by the Prime Minister, he wished to make arrangements to inform him of the visit, and to present him reassurances regarding our commitments. He now wished to name Dr. Kissinger to follow-up on making arrangements to so inform the Prime Minister. He also explained that Dr. Kissinger has been present at all the meetings up to now, and if the Prime Minister thought it useful, perhaps Dr. Kissinger could explain the reasons for the visit and what is expected of it.

By way of preface, in a broader context, the President said the Chinese agreed to see us for reasons of their own, and we agreed to

see them for reasons of our own, which sometimes coincided. Looming over all are US–USSR and PRC–USSR relations, and the fact that the PRC inevitably will become a major nuclear power within 20 years. He affirmed his own belief that the United States should attempt at this time to establish communications with China and not leave the PRC isolated in the heart of Asia, checked on the west by the USSR, its ideological enemy; on the south by India, with which it came in conflict in 1962; and on the east by the free nations of Asia, extending from Japan down through Southeast Asia. He pointed out that the great gulf in philosophy would always remain between the United States and the PRC, as long as they are Communists and we are non-Communist and have a great difference in interests. We should, he urged, use our influence to the extent that we can to discuss and resolve these differences, without which there would be an inevitable confrontation.

The President explained that what would come out of the meeting is not normalization, for there could be no normalization in the conventional sense between the United States and the PRC because the United States recognized the ROC and has a defense treaty with it, neither of which it intends to change.⁴ What will come out, he hoped, is a channel of communication and progress in other areas.

The Prime Minister said that Japan's view is quite different, and he asked how the President evaluated the UN invitation to seat Peking by adopting the Albanian Resolution.⁵

The President replied that we opposed the expulsion of the ROC, and of course are most grateful for the high degree of leadership Japan exercised in this difficult situation. We felt, he said, that a bad precedent would be set by the expulsion of any UN member, and did not believe the expulsion of the ROC by the UN over our objection could be allowed

⁴ On December 20, 1971, U. Alexis Johnson sent Kissinger a memorandum to prepare the President for his meeting with Sato. Johnson's advice "came out of a long, private luncheon I had with Ambassador Ushiba today." Johnson suggested that "Japan, including a large part of the LDP and business community, is 'rushing ahead' on China policy in the conviction that we have decided to 'dump Taiwan' for the sake of relations with Peking, therefore it is important that Japan not again be 'left behind.'" Johnson advised, "It will therefore be most important that the President be able to give Sato convincing arguments to the contrary. Otherwise the pressure in Tokyo to 'leapfrog' the U.S. by conceding to Peking's demands on Japan will be overwhelming. This could extend to our use of Japanese bases to carry out our commitments to Taiwan and thus jeopardize our whole Security Treaty relationship." (National Archives, Nixon Presidential Materials, NSC Files, Agency Files, Box 285, Dept of State, 1 Sep–31 Dec 1971, Vol. 13)

⁵ On October 25, 1971, the UN General Assembly voted to adopt the Albanian Resolution, which admitted China and excluded Taiwan (Nationalist China) from the United Nations.

to change, or abrogate our treaty with the ROC, or change our policy of continuing to recognize the ROC.

The Prime Minister agreed with him in that respect, but pointed out that we could not ignore the fact that the PRC is seated in the UN.

The President replied that we accept that fact, because as a member of the world body, we should accept majority rule. However on the other hand we would stick to our national policy of continuing to have relations with the ROC and of maintaining our defense agreement. In his view, he said, important as the UN is, it could not be allowed to dictate the policy of a great nation. The UN is one world, and there the PRC is the only government of China. Of course, he added, there are other worlds, and there we have relations with the government on Taiwan and are beginning discussions with the PRC. He recognized that this seems inconsistent, but the world we live in has many divided states, East and West Germany; and North and South Korea. He found it interesting to note that the one point on which the PRC and ROC did agree is that there is one China; their debate is which of them is its government. We believe that in the long historical process this should be decided peacefully by the two of them. Meantime, he said, we have a long history of friendship, alliance and defense arrangements with the ROC and will continue this relationship. At the same time, on the basis he described above, we would meet the PRC on a pragmatic basis to see whether we had matters of mutual interest. In these terms, he did not feel that recognition in the formal sense is so important, and did not expect to reach such an agreement in Peking.

At the President's suggestion, Dr. Kissinger said that the President could hardly get out of line since Ambassador Ushiba checks up on him every three or four days. In general, he said that our assessment, as the President pointed out, is that China and ourselves have been brought together, each for reasons of our own. Had the President announced last year at this time that a United States delegation would visit Peking within four days of bombing North Vietnam and would receive a warm welcome he would have been accused of a monstrous credibility gap. We do not have to give up our old friends to visit the PRC, he observed, but we did need room for maneuver to demonstrate that Moscow did not speak for the entire Communist Bloc. He gave assurance that no friend of the United States need fear that we would jeopardize their interest, especially Japan.

The Prime Minister felt it necessary to discuss this subject at greater length because there were points difficult for him to understand: the United States did not seem to understand Japan's position and Japan did not understand the United States position. Obviously, more time was needed for discussion.

The Prime Minister then explained Japan's view. Japan had concluded a peace treaty with the ROC, at a time when it was not an error

to select the ROC with which to conclude a peace treaty with China. However, since the UN adopted the Albanian Resolution, Japan must view the PRC as the representative of China. Still, no progress has been made in convincing Peking to talk to Japan. With respect to Taiwan, both Chiang Kai-shek and Mao agree there is only one China, which therefore leaves Taiwan as a domestic affair. Japan is attempting to normalize its relations with Peking, but does not intend to abrogate its treaty with Taiwan prior to normalization and feels that the handling of the treaty with Taiwan will be resolved in the process of normalization.

The Prime Minister cautioned that a great problem would be caused by an attempt to create two Chinas, or an independent Taiwan. Another point to consider, he added, is that the Soviets would probably come into Taiwan if the United States were to withdraw.

China is one, the Prime Minister reiterated, but he wished to hear the United States view of the future of its treaty with the ROC, or whether the United States felt that Taiwan represented all of China. Should the United States try to push through this latter view he warned that it would be too big a fiction. Should a separate Taiwan be created, apart from China, he said that it would add another divided state to the list of Germany, Korea and Vietnam. To recognize Taiwan as it is now would simply create a great problem.

Therefore, the Prime Minister said he found the United States position difficult to understand, just as the United States might find it difficult to understand Japan's position.

Japan, the Prime Minister recalled, had no right to speak about Taiwan, having abandoned all such rights at the time of surrender, but Japan could say that Taiwan is a part of China, and that Japan has a treaty with the government of which Chiang Kai-shek is the elected head.

The Prime Minister also hoped that Dr. Kissinger would keep in mind the need to protect the ROC seat in the IMF and World Bank and other international financial organizations in which it is seated.

The President said that this is our position. We are aware of the difficulties of this problem over-all, wrestling with them as the Japanese do, but, he added, there is one more dimension to consider, since Taiwan is part of a defense complex to safeguard the security of free Asian nations. Our treaty with Taiwan, he stressed, is also related to this free Asia defense complex.

The Prime Minister understood this, and assumed it was related to the President's statement that he would not abandon old friends. He then asked whether the President would open a liaison office in Peking during his visit there, even if he did not establish an embassy.

The President replied that this would be a matter for discussion, but there were no conditions as to what might develop.

Dr. Kissinger added that no form, as such, has been discussed, but felt perhaps that an emissary might visit Peking from time to time, although no one knew for sure what would develop.

The Prime Minister asked whether the United States is considering an independent status for Taiwan, or some revived form of the Nationalist-Communist Common Front (Kokkyo-Gassaku). He also asked whether the United States would agree to withdraw its forces from Taiwan if the PRC agreed not to liberate it by force.

The President replied that there are possibilities there. Nothing, however, could be predicted because these would be subjects for discussion. He emphasized that both sides begin with the understanding that what is not negotiable is the United States treaty with the ROC, or its recognition of the ROC. On other matters, all he could say at this time is what he has said in general terms about our position. In the future, he felt, both governments would make adjustments. He believed that he would stand firm on that position at this time with the PRC. Of course, he said, he strongly opposed the resolution of the Taiwan situation by force.

To rephrase his views, the President did not believe the China problem would soon be solved. As he said initially, to put this in perspective, one of the principal reasons (not a secondary one) the PRC is meeting us is not Taiwan, which while important ranks down the scale. Our reason for meeting them is not Vietnam, although this is a special problem. Without knowing more, he declined to speculate on the motives of the PRC, but in their view of history he felt that they see themselves surrounded by a wall of enemies. The United States and PRC are not ideological friends, but it serves the interest of both not to act as enemies. We disagree with respect to the difficult problems of Taiwan, Vietnam and Korea, but despite these, he said, there are other compelling, overriding reasons for both countries to develop a new relationship.

For example, the President said, Dr. Kissinger was firm in his discussions of Korea with the Chinese, and as an indication of firmness we are adding \$250 million in funds for the ROK to the budget which will be published in two weeks, as a clear signal on Korea.

Dr. Kissinger said that the budget would also make clear our intent to maintain the present force level in the ROK through FY 73, not that we intended to reduce them afterward, but our budgets are on an annual basis.

The Prime Minister said the Koreans fear a troop cut after FY 73. In fact, he said, Taiwan and the ROK are both deeply concerned, but he believed this new budget would help allay their fears.

The Prime Minister also noted that he had been approached by ROK officials in Tokyo, just as the USG has been approached by the ROK Ambassador in Washington, to request that the United States not cut its troop level. More than that, however, the ROK wishes to have Japanese assistance in building its defense industry, he said, but Japan cannot engage in joint ventures to produce arms. He said that the United States could help in this area.

The President suggested that Japan could help in other ways.

The Prime Minister agreed, and Japan is, for example, by extending \$300 million in economic assistance over the next couple of years to help finance a new subway in Seoul.

Returning to the question of Japan normalizing relations with the PRC, the Prime Minister again said that the PRC represents China, but Japan has friendly relations and a treaty with Taiwan, and is completing all loans to Taiwan previously negotiated. Japan is even prepared, he said, to work out new loans, wishing of course to do so without upsetting Peking.

As previously explained, the Prime Minister said that Japan has separated economics and politics in dealing with China up to now; it has political relations with Taiwan and economic relations with both Taiwan and the PRC. Now, if Japan's normalization policy succeeds, it will have its principal political and economic relations with Peking, and only economic relations with Taiwan.

The Prime Minister felt that he should also add that the position of Taiwan has not changed in terms of the Mutual Security Treaty between Japan and the United States.

The President felt he must make two points. First, Japan and the United States are each sovereign countries and each must make its own decision. Second, even though we lost the vote in the UN, it was very much noted in the world and very much appreciated in the United States that the United States and Japan stood close together on this issue.

In Europe, the President commented, some Europeans with a deep sense of history feel that France and Germany are competing on the road to Moscow. He could not guess whether this is true, but in any such race neither Paris nor Bonn could win, only Moscow. When his own visit to Peking was announced there was, he knew, criticism that Japan had been left behind, but he cautioned that if Japan and the United States were to engage in a competition to see who could normalize its relations with Peking quickest, it would serve the interests of neither. By this he did not mean to say that we should do everything together. Indeed, he recalled, in 1965 and 1967 he told Mr. Kishi why he felt that it was in Japan's interest to have trade relations with the PRC. The last thing we want to do, he avowed, is to normalize our

own relations with Peking at the expense of Japan, leaving Japan behind. Instead we seek relations that serve the interests Japan seeks to serve, which serve both our interests because of the security problem we share in the Pacific. We should, he urged, consult closely on what we would do.

The Prime Minister agreed emphatically that we should consult.

Korea and Okinawa

Turning to Korea, the Prime Minister reported that former ROK Prime Minister Chung Il-Kwon had recently visited Japan to request additional Japanese economic aid, and to report on the latest intelligence on North Korea's plans, which could bear watching.

Incidentally, the Prime Minister noted that the PRC has recently required that all Japanese visitors to Peking also go to Pyong-yang. The PRC is now helping North Korea greatly, and North Korea which once leaned toward the USSR is now leaning toward the PRC. PRC military aid is primarily directed to the army, he said, but North Korea is still dependent on the USSR for aircraft and shipping, for example new planes and the shipyard built at Seishin with Soviet aid.

The Prime Minister cautioned that ROK fears are related to Okinawa reversion, but added that the Pentagon is well aware of this.

The President replied that the point was strongly made in the Senate during hearings on the Okinawa Agreement that the United States should maintain its bases in Okinawa to meet its security commitments not just to the ROK but also Japan. We wished to be as forthcoming as we could regarding Okinawa, but he emphasized that we had no wish to be put in the position that those who supported the Okinawa Agreement in the Senate would feel that we had not maintained an adequate defensive capability.

The Prime Minister noted that Secretary Rogers and Foreign Minister Fukuda are now discussing Okinawa in their meeting. He hoped to discuss Okinawa with the President tomorrow.

The President said that he and the Prime Minister would finish what they started.

Indochina

Perhaps the timing is bad just at the end of the bombing of North Vietnam, but the Prime Minister noted that the President had not said much today about Indochina. If an occasion arose to discuss the subject in Peking, he wanted the President to know that Japan would be prepared to contribute to a special rehabilitation fund for Vietnam. However, he cautioned, this should be established outside the ADB, in which Taiwan is a member but the PRC is not.

The President expressed appreciation for this offer. The possibilities, he suggested, would depend on whether an agreement could be

reached for a cease-fire, the withdrawal of forces and the return of all our POWs. Whether this matter is discussed in Peking depends on the situation at that time, he said, but meanwhile, we are pressing forward on the negotiating front. We have, he said, made many forthcoming offers to North Vietnam without success. He explained that the objective of the bombing of the North was to protect our troop withdrawals, reduce our casualties and enable the ARVN forces to contain a North Vietnamese offensive being planned for sometime between January and March. He revealed that he planned to announce another withdrawal later this month. While current intelligence indicated an enemy offensive in preparation, he expressed confidence that the ARVN forces are strong enough to defend themselves, although he conceded they will lose a few battles and win a few.

The President explained that our activities in Cambodia and Laos are related to Vietnam and Thailand, because if North Vietnam overran either or both it would imperil the future of South Vietnam and Thailand. He assured the Prime Minister that the Vietnamization program has succeeded, and the RVN now has the military potential to defend itself. American forces, he noted, are no longer engaged in ground actions. He also assured the Prime Minister that we are making every effort to negotiate a solution, including a cease-fire, withdrawal and return of POWs. North Vietnam should agree, he felt, because it no longer could expect to take over South Vietnam by military forces.

It would be difficult, the President said, for either the PRC or the USSR to be helpful in Vietnam, because neither could fail to support a sister socialist state.

The Prime Minister asked whether the PRC and USSR had more influence on North Vietnam.

The President replied that PRC influence was predominant in 1964 and 1965, but as the USSR began to furnish most of the heavy equipment between 1967 and 1969 its influence increased, and now is greater because it provides more equipment. The Chinese, however, have influence for other reasons, principally that the PRC is a big, neighboring country.

The President stated that the principle we are defending has broader application than Southeast Asia; if military actions with the support of the USSR and/or PRC succeed in overrunning another country, with no reaction by the non-Communist powers, this would encourage both to engage in such acts.

India–Pakistan

The President said that we face a situation in South Asia in which India, a nation of 600 million people with a democratic government moved against Pakistan, a smaller nation with some 60 million people

under a military junta. However big and democratic India might be, if it swallows its neighbor with USSR support, the future of any small country is endangered.

The Prime Minister noted that PRC and USSR involvement differed in each case, Vietnam, Korea and India and Pakistan. In particular, there is a glaring difference in approach between the two with respect to the Indo-Pakistan conflict, which he believed could be exploited. He had expected a protracted conflict, but the Indo-Pakistan war ended quickly in a truce. While Japan wished to cooperate in providing humanitarian aid for international relief for refugees, he felt time would be required before recognizing Bangla Dosh.

The President said that we take a forthcoming view with respect to humanitarian aid, and the Congress is opposed to aid which can be converted to war-like purpose. He agreed that it would be premature to recognize Bangla Dosh because it had not yet established a government secure enough to give assurances of its survival. He said that the United States would not recognize until the situation clarified.

The Prime Minister instructed Ambassador Ushiba to keep in touch with Dr. Kissinger on this matter.

The President explained his position. Important as he considers India's survival as a non-Communist nation, we opposed its military action against a neighbor to resolve a political question, not because of any difference in philosophy of government, but because India's actions set a bad precedent. Therefore, we opposed India and the USSR at the UN. Perhaps, he concluded, lady chiefs of state are dangerous, since both India and Israel have been led in war by women.

The Prime Minister felt it was better when India was completely neutral, but with Soviet support, and access across a land frontier India felt itself strengthened against Pakistan.

The President reviewed our attempt to work out a settlement on a political basis, including \$500 million for refugee relief, and getting Yahya Khan to agree to a unilateral troop withdrawal, but India moved in its own interest.

Dr. Kissinger reviewed a study which disclosed that the United States provided India some \$2 billion in economic aid since 1965. During the same period, India purchased \$800 million worth of arms from the USSR and produced an additional \$175 million itself. In effect, he concluded, we financed India's military build-up. During the same period, we provided \$50 million in aid to Pakistan, which received an additional \$100 million in military aid from the PRC. This 10-1 increase in military capability gave India an enormous advantage.

The President said this rendered ridiculous any charge that Pakistan attacked India; it knew it would lose. It was India that attacked Pakistan, with Soviet assistance.

Southeast Asia Economic Aid

The Prime Minister noted that Thailand in particular depended on United States assistance, and would be seriously troubled by a withdrawal of American forces. He requested that assistance for Thailand as well as Vietnam be kept in mind by the President.

The President urged that Japan not forget Indonesia, a nation of 140 million people in possession of tremendous natural resources, which could serve as a great prize. He noted that Cambodia, which is receiving assistance, differs from Vietnam where there is a civil war; actually Cambodia is being invaded by a foreign power.

The Prime Minister explained that the Rehabilitation Fund he discussed earlier should be made available to rebuild Cambodia and Laos as well as Vietnam. He agreed on the need to help Indonesia, where Suharto, unlike his predecessor, is inclined toward the Free World and should be supported.

The Prime Minister concluded by thanking the President for taking so much time with him.

112. Memorandum for the President's File¹

San Clemente, California, January 7, 1972, 9:30 a.m.

SUBJECT

Meeting with Eisaku Sato, Japanese Prime Minister, on Friday, January 7, 1972 at 9:30 a.m. in San Clemente

PARTICIPANTS

Prime Minister Eisaku Sato
Ambassador Nobuhiko Ushiba
Ambassador Genichi Akatani (Interpreter)
The President
Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs
James J. Wickel, American Embassy Tokyo (Interpreter)

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, President's Office Files, Box 87, Memoranda for the President, Beginning January 1, 1972. Secret; Exdis. Drafted by Wickel. The meeting took place at the Western White House. Holdridge sent Kissinger this memorandum under a January 21 covering memorandum. Kissinger approved it with no further distribution.

Kissinger Visit to Japan

The Prime Minister began by asking whether Dr. Kissinger could stop off in Japan at the conclusion of the President's visit to Peking, provided of course he didn't have a stomach ache from eating too much rich Chinese food.

The President agreed, in confidence, provided this not be announced publicly, and instructed Dr. Kissinger to coordinate with Ambassador Ushiba.

The Prime Minister expressed his appreciation, knowing how busy Dr. Kissinger is, and suggested that it would be helpful to set a date. He agreed, of course, to keep this visit secret.

The President asked that no public announcement be made of the subject of the visit, which obviously would be China, since this would precede his own visit to Moscow. He added that Dr. Kissinger could also brief the Prime Minister on the latest developments relating to his forthcoming visit to Moscow, and assured the Prime Minister that he could talk to Dr. Kissinger as if he were the President.

Dr. Kissinger said that the latter half of March would be the best time.

The Prime Minister asked the President to consider that he also would be pleased to meet with the President at any place he might wish to designate.

The President felt that Dr. Kissinger's visit would cause some trouble with his European friends, but in view of the special relationship between the United States and Japan he felt it would be natural to have him go. The Europeans would be briefed about the Peking visit at the ambassadorial level, he pointed out, but Japan would be briefed at the Prime Minister level.

The Prime Minister expressed his approval, and inquired whether this would be Dr. Kissinger's first visit to Japan.

Dr. Kissinger replied that, with the exception of brief stops enroute elsewhere, this would be his first visit since 1962.

The Prime Minister said that consideration should be given for an appropriate non-governmental group to extend an invitation.

The President agreed that it would be desirable to have an educational or cultural organization extend the invitation.

The Prime Minister felt that (Fuji Bank Chairman) Mr. Iwasa's economic group would be pleased to extend the invitation.

The President felt that it might be better not to involve an economic forum, lest this appear to cut across Secretary Connally's lines of communication.

The Prime Minister looked forward to speaking German with Dr. Kissinger, explaining that he had taken his degree at Tokyo University

in German jurisprudence. He also added, with fervor, that he would pray for the President's success in Peking.

President's Visit and Other China Matters

The Prime Minister noted that he had expressed some reservations about the different positions of Japan and the United States vis-à-vis China. However, since Dr. Kissinger is arranging the visit to Peking, he assumed that everything would be all right.

Dr. Kissinger explained that he has had extensive discussions with the Chinese about what is, and what is not possible.

The President interjected that we have made no deal.

Dr. Kissinger said that all our friends would see, at the end of the meetings in China, that we had reaffirmed our commitments, and we would have no reason to explain that we had made a deal. China knew our needs, and had no interest in putting us on the spot; any uncertainties or doubts, he said, would soon be dispelled.

The President, by way of indicating an important difference which bears on our relations with Japan and the PRC, noted this morning's report of the Chinese press attack on him, not personally, but for the failure of the United States economic policy. The Chinese are Communists, and we, like the Japanese, believe in a free economy. He surmised that this Chinese attack was prompted by some two weeks of Soviet press criticism of the PRC for its failure to criticize the United States, and felt that it was significant that the PRC did not respond with an attack on his foreign policy. In a sense, the PRC had to prove its virginity as a Communist power.

The Prime Minister said that he was not concerned with the differences between Capitalism and Communism. Rather, he hoped there is no difference between Japan and the United States on the abstract point that China is one, regardless of whether it is represented by the PRC or the ROC, as each claimed.

The President repeated his statement of yesterday, that each nation would have to make its own independent decision, but that we should consult fully with each other with respect to changes of policy. Nor did he think that the United States and Japan should engage in an obvious race to Peking, because in that case neither would win, only Peking could win.

The Prime Minister agreed and said that Japan did not intend to engage in any race. However, he noted that the announcement of the President's visit to Peking had come as a great shock. He himself understood that this had not been arranged behind Japan's back (over its head) but the Japanese people did not share his understanding. Japan was ahead, he added, in de facto relations, such as trade.

The President said that he understood the problem presented to the Prime Minister, but emphasized that the announcement of the visit was one thing, and did not involve a change in policy; however, a change of policy would be another thing, on which he would wish to consult fully.

The Prime Minister said that Japan is the major trading partner of the PRC, which must know that it should have governmental contacts with Japan. He speculated that Peking is considering now how such contacts can be turned to its own best advantage.

Dr. Kissinger said that one thing is indicated by our own experience. When the President first made his initiative years ago through an open channel, the PRC responded arrogantly and demanded many conditions, but the President continued steadily on his own course and eventually the PRC dropped all its conditions. Our experience has shown that it would have been incorrect for us in 1969 to have acceded to their conditions in order to open a dialogue.

For example, the President explained, the PRC demanded as conditions for talks that we get out of Asia, get out of Vietnam, and abrogate our Security Treaty with the ROC. We said no, firmly, and refused to accept any conditions.

The Prime Minister thanked them with some energy for the above indications, which would be of great value to him. The opposition parties in Japan and private groups have all been demanding of the GOJ, almost as if singing the same popular song, that it normalize relations immediately. The GOJ, he explained, could only continue, as it had, to defend its own position. Since Japan is already the major trading partner of the PRC, he did not believe Japan needed to bow its head. However, as the opposition parties continued to demand relentlessly that the GOJ bow its head to the PRC their refrain had gradually been taken up by the public as well, and has become a major domestic criticism of the GOJ. It is quite helpful to know, he said, that the PRC attitude toward the United States in 1969 so resembles the PRC attitude toward Japan today.

Dr. Kissinger explained that in every meeting Chou En-lai always followed the same sequence. In the first period, Chou always states his own position in a tough and unyielding manner, but, acting under firm Presidential instructions, he always replies in an equally tough manner. Following this phase, Chou would always change his attitude and move on to discuss other matters. Speaking not in ideological terms, but in terms of human analysis, he observed that those who started their revolution in the mountains of China over 25 years ago are tough and hard men, and respect tough, hard adversaries; soft ones they swallow and digest. He believed, therefore, that the way to negotiate with the Chinese is not belligerently, but firmly,

without giving away the store before they come forward with something.

The President said that he could tell the Prime Minister privately, without giving away any confidences, that his reading of the records of Dr. Kissinger's conversations shows that the PRC rates the USSR as its strongest potential adversary. Japan's policy is correct, if this is any indication, because the PRC respects a strong, competitive adversary, and it does respect Japan. If Japan were to crawl, or to run to Peking, its bargaining position, he concluded, would evaporate.

The Prime Minister asked whether the Warsaw Talks provided the basis for Dr. Kissinger's visit to Peking.²

The President said the Warsaw Talks were just one part, and not the most important; there were others, which were more important. However, he added, we do not do business in public.

Dr. Kissinger observed that while Mao exercised over-all control, Chou En-lai makes all the day-to-day decisions, and he moves at his own pace. If pushed, he will do nothing.

The Prime Minister asked whether Romanian Prime Minister Ceausescu had been instrumental in arranging the contacts.

The President said that he was one contact.

The Prime Minister murmured, of course, there were many. He continued, saying that Mr. Whitlam, head of Australia's Labor Party, had passed on helpful information to the GOJ in Tokyo following his visit to Peking, but had declined to serve as any sort of emissary. More recently, Pierre Mendes-France had stopped in Tokyo enroute to Peking, and had received a briefing on the situation in Japan. He said that he would not know until later whether this had been useful.

The Prime Minister then said that Japan has two major Communist powers as neighbors. The USSR, he felt, is more concerned with Europe, and would pay little heed to Japan were it not for its problems with the PRC. With respect to normalizing relations with the PRC, which the Japanese wished to do in view of their historical relations with China, he said the GOJ would not act in haste, but neither did it wish to delay unduly.

The President agreed that the USSR looked to Europe, but noted also that it has developed an eye in its back to keep watch on China. In fact, he said, the USSR maintains more divisions on its China border than on its European border.

² The Warsaw talks, which consisted of sporadic meetings (often in Warsaw) at the ambassadorial level between China and the United States, began on August 1, 1955. The talks received an impetus in September 1968 when the Chinese Government responded affirmatively to a U.S. proposal to resume them.

The Prime Minister suggested that the President, while in China, might inform the PRC, as appropriate, that the GOJ desires to normalize its relations with the PRC. It is ironical, he said, that LDP politician Kenzo Matsumura used to urge that Japan serve as a bridge between China and the United States, but now the roles have been reversed. He reiterated his request that the President, as appropriate, inform the PRC that the GOJ wished to normalize relations. Paradoxical as this seemed, he hoped that the President would be sympathetic.

The President said that we believed it to be essential that we move together on our terms, not theirs.

The Prime Minister understood, and said that Japan would not be too anxious to normalize hastily. He suggested that the discussion of China be left at this.

SALT and Strategic Deterrence

The Prime Minister asked if there would be a SALT agreement.

The President replied that he believed there would be one. In the SALT negotiations, he said, the USSR has sought to limit United States defensive missiles, while the United States has sought to limit USSR long-range missiles. He felt it important that the Prime Minister know that we have been negotiating realistically, without any idea of seeking an agreement at any price, and with the firm intention of not allowing the negotiations to weaken the deterrent capability the United States needed to honor its security commitments in Asia (including Japan) and Europe. If any agreement were to be reached that would permanently place the United States in second place to the USSR in nuclear capability, he was well aware of the devastating effect this would have on the world balance of power and on our allies throughout the world. As long as he is in office, he vowed, he would never allow the United States by virtue of an agreement, to take second place to the USSR. They understand and respect power, he added, and we intend to keep our power.

The Prime Minister asked a simple question: what degree of superiority should the Free World maintain over the Communist side?

The President said that this is a complicated question. The USSR is primarily a land power, while the United States and its allies are both land and sea powers. Therefore, what we need to provide an adequate defensive and deterrent capability differs from what the USSR needs; we need more sea power, and they need more ground divisions. The test, he stressed, is what degree of power is sufficient to deter the USSR, and eventually the PRC if they become a super-power, from attacking any part of the Free World. Such deterrent power would, of course, include all the Free World's air, naval and land forces.

The Prime Minister asked whether it would be correct to say that it is important to keep submarines on station in the Far East.

The President agreed that it is, as well as maintaining air forces, and to continue the development of nuclear submarines.

The Prime Minister asked whether satellites are also important.

The President said that on our part satellites provided helpful intelligence, but there was no significant development of orbital nuclear weapons.

The Prime Minister stressed his belief that the Free World must continue to support a strategic deterrence, and maintain its competitive position to the maximum degree possible. Beyond any question of doubt he felt the USSR and PRC have an advantage in their ability to maintain military power, but even though they can require their people to make great sacrifices in their standard of living, there are built-in limits to their power.

The President said that the Prime Minister had struck a key point. Japan is now the world's third largest economic power, with a GNP 2½ times as great as the PRC. Fundamentally the Free World is more productive than the Communist world, and will continue to maintain and widen the huge gap between them in terms of industrial capacity. This industrial capacity would be extremely helpful if an arms buildup were required. However, he said, our motivation is to work for an arms limitation, and to avoid an arms race, since neither side could win.

The Prime Minister agreed that this is probably true. Technologically, he said, Japan is dependent in this area on the United States, and furthermore without an armaments industry, Japan must procure defensive weapons from the United States. He asked whether there was any other point he should know about SALT.

The President replied that he had discussed everything we know at this point. In March, Dr. Kissinger could update this information, when he visited Tokyo, if there were any new developments by then. He noted that an agreement may be reached, but not before he visited Moscow in May. Both sides, he reiterated, are hard-headed in these negotiations.

Burden Sharing

The Prime Minister said that Japan's purchase of United States military hardware contributes toward a better balance of trade.

The President agreed, but emphasized that the scale of our imbalance in trade is enormous. He explained that it would be most helpful if Japan decided to purchase the Northrup F-5 jet trainer. Conceding that all nations wished to build their own aircraft, nevertheless he stressed that the F-5 is the best trainer available, and costs less. Of course, as is the custom in these discussions relating to Okinawa, he reiterated that there is no direct link with trade and other problems,

which in any case he understood would be settled satisfactorily next week.

However, in terms of the political situation in the United States, the President said that it would be most helpful if Japan, not directly but indirectly, could make purchases or other financial arrangements in respect to the extensive military establishment the United States maintains in Japan.

The Prime Minister said that Minister of International Trade Tanaka is now discussing this point.

The President said that Secretary Connally would appreciate the Prime Minister's support on this.

The Prime Minister explained that Japan's 4th Defense Buildup is being scaled down somewhat, but will include the purchase of new arms from the United States. In July, Secretary Laird visited Japan, and while he praised the Self Defense Force maintenance of its equipment, nevertheless he pointed out its obsolescence, which brought home to him (the Prime Minister) the need for Japan to purchase modern equipment.³

NPT and Nuclear Strategy

The Prime Minister asked whether Japan should move rapidly to ratify the NPT.

The President replied that each nation should handle this problem in the light of its own circumstances. It is not a matter for us to decide, and we respect the right of each nation to decide for itself in the light of its own interests and its own desires. The United States, he said, is not exerting pressure on Japan to ratify.

In fact, the President continued, Japan might take its time, and thus keep any potential enemy concerned. He then asked the Prime Minister to forget the preceding remark.

The Prime Minister asked Ambassador Ushiba if inspection is the only thing holding up Japan's ratification. Ambassador Ushiba replied that it is.

The President emphasized that inspection is very important, indeed. What Japan should do about its own military establishment, he continued, is a problem for Japan to decide, in terms of all its deep-rooted historical and political ramifications. However, he pointed out, in his view Japan's position in Asia and the world would be strengthened if those who might become Japan's opponents were given cause to worry. For domestic purposes he understood that the GOJ had to

³ See Document 80 for Laird's report.

say that Japan would not develop its military power, but in terms of serving Japan's interest in foreign policy he felt it better to cause its neighbors some concern, and not say specifically what it would not do. He recalled that President Eisenhower always stressed that it is important not to tell an enemy what we would do, because he could prepare to meet it, but even more important not to tell an enemy what we would not do because it would encourage him to push us around.

The Prime Minister said that the anti-war, anti-security treaty feelings in Japan are deep-rooted. If the situation changed, Japan would wish to defend itself, but the shock of the war is still deep and more time is needed before a change could take place. This, of course, did not apply to those too young to remember the war and its aftermath. At present, Japan's policy is to build its defensive capability in consonance with its own national power and in light of national conditions. However, defense officials could not at present postulate a hypothetical enemy without being subject to intense criticism. He noted that the budget for the Self Defense Forces is a bit less than 1% of GNP.

Continuing, the Prime Minister recalled the President's first visit to Japan as Vice President, on which occasion he welcomed him at the airport in Tokyo. He also recalled the arrival remarks in which the then Vice President advocated that the Japanese draw up their own constitution.⁴ It is extremely ironical, he observed that the Japanese Socialist Party which otherwise advocates radical change is committed to defending the status quo of Japan's Peace Constitution.

The President interpreted this to mean that the Socialists wished to keep Japan weak.

The Prime Minister agreed. He commented that the younger people are beginning to want to defend Japan themselves.

However, the Prime Minister stressed that all Japanese abhor nuclear weapons.

The Prime Minister then explained that considerable data on the atom bombing has been returned to Japan recently, and put on display at the Peace Museum in Hiroshima. Last year he said that he took part in the August 6 anniversary ceremonies at Hiroshima, the first time any Prime Minister has done so, and on that occasion he visited the Museum, which made him feel even more deeply the horror of nuclear weapons.

The President said that he also saw this in 1965.

The Prime Minister said that some additional material is reported to be still in the United States, and asked whether it too could be

⁴ In the fall of 1953, Vice President Nixon visited Japan and criticized the Peace Constitution.

returned to Hiroshima, on the grounds that joint study of the material is best.

The President said that he would look into this.

The President recalled a hunting story, that a sitting duck could easily become a Peking duck.

The Prime Minister commented that he would probably have to take part in the anniversary ceremonies in Hiroshima and Nagasaki in alternate years, since it would be difficult to attend both every year.

Nuclear and CB Weapons

The Prime Minister expressed his conviction that there are no American nuclear weapons in Japan, but noted sharp Socialist and Communist Party criticism in the Diet about the alleged presence of American CB weapons. He asked whether the United States could handle this issue better than it has.

Dr. Kissinger said that he believed there are no CB weapons in Japan.

The President said that the United States has destroyed its stock of biological weapons, except for a minute quantity needed for medical research.

The Prime Minister specifically raised the code numbering system used to identify ammunition magazines, 1, 2, 3, and 4, of which it was generally believed that 4 indicated chemical weapons storage. When this issue was raised in the Diet some storage magazines at the Iwakuni MCAS were hastily repainted, which increased suspicion in Japan. He suggested that any code system is acceptable, provided it is not changed suddenly in the face of allegations.

The President assured him there are no chemical weapons in Japan.

The President then suggested that Secretary Rogers and Foreign Minister Fukuda be invited in to join the discussion of Okinawa.⁵

⁵ See Document 113.

113. Memorandum for the President's File¹

San Clemente, California, January 7, 1972, 11 a.m.

SUBJECT

Meeting with Eisaku Sato, Japanese Prime Minister, on Friday, January 7, 1972 at 11:00 a.m. at San Clemente

PARTICIPANTS

Prime Minister Eisaku Sato
Foreign Minister Takeo Fukuda
Ambassador Nobuhiko Ushiba
Ambassador Genichi Akatani (Interpreter)

The President
Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs
Mr. William P. Rogers, Secretary of State
James J. Wickel, American Embassy Tokyo (Interpreter)

Okinawa Reversion

Minister Fukuda reported that he and Secretary Rogers had worked out all the joint statement language about Okinawan reversion, except for the date which they left blank, to be filled in by the President and the Prime Minister. Secretary Rogers had proposed May 31, but had also left room for further consideration.

The President asked whether some indication should be given of the importance the Prime Minister attached to moving reversion up earlier than July 1.

The Prime Minister emphatically declared that an earlier date would be a great political plus. The GOJ had always hoped for reversion on April 1, even though this is April Fools' Day.

The President responded wryly that we didn't want to fool our military.

The Prime Minister explained that June 23 marked the end of combat on Okinawa, and there were strong desires in both Japan and Okinawa to celebrate that anniversary under Japanese administration.

The President felt that May 31 would be a good date.

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, President's Office Files, Box 87, Memoranda for the President, Beginning January 1, 1972. Secret; Exdis. Drafted by Wickel. The meeting took place at the Western White House. Holdridge sent this memorandum to Kissinger under a January 21 memorandum. Kissinger approved the memorandum of conversation without further distribution except for Eyes Only distribution to Rogers.

The Prime Minister replied that June 1 would be better, to avoid the technical problems (such as budget) which would arise if Japan were to assume control for only the one last day of May.

The President said that it is his nature to be generous, and having checked closely with our security officials to see if it would be possible to offer a better date, he proposed May 15, if that would help.

The President and the Prime Minister shook hands on this deal.

The Foreign Minister then reported on his earlier discussions with Secretary Rogers about the possibility of returning a golf course and a beach to Japan, after reversion.

The Secretary replied that the golf course would not be difficult, but the beach used by enlisted men could present a problem. Okinawan reversion itself represented a big step, and we had to make certain to maintain our military establishment in the interest of the security of both Japan and the United States. Any attempt now to renegotiate facilities would pose a political problem, and he advised the Foreign Minister to be as forthcoming as he could about his reasons for requesting such additional adjustment.

Minister Fukuda explained that he did not intend to name a specific golf course, or beach, or other facility, nor did he wish to announce any agreement by the United States to discuss the return of some facilities after reversion, but would keep it in his heart. Such an agreement, he reasoned, would strengthen the Prime Minister in Diet deliberations.

The President asked whether this meant that the Prime Minister would be better able to answer Diet questions about base realignment and consolidation.

Minister Fukuda answered affirmatively.

The President thereupon committed the United States to an understanding that we would return a golf course after reversion.

Minister Fukuda added that anything along these lines be done in accordance with the 1969 Joint Communiqué, that is, that security capabilities not be impaired, the importance of which he stressed.²

Secretary Rogers pointed out that Japan might consider some alternative for the beach used by enlisted men and again cautioned against renegotiating the agreement because of the commitments given in the Senate.

Minister Fukuda promised to bear this in mind, and did not believe, in any case, that the return of facilities even after reversion would be that easy to accomplish.

² The text of the 1969 Joint Communiqué is in *Public Papers: Nixon, 1969*, pp. 953–957.

The Prime Minister requested Minister Fukuda to give him a detailed report of his discussions with the Secretary later.

Minister Fukuda said that he was well aware that any announcement about the post-reversion return of a golf course and beach would accelerate the thrust for reversion; therefore he intended to keep this in his heart.

The Prime Minister (reminding Minister Fukuda of his political A–B–C’s) said that an early announcement would gain face for the opposition.

Minister Fukuda replied that this would not be disclosed until later.

The President said that the Prime Minister, if questioned, could respond that we had discussed this, and that representatives of the USG had indicated a willingness to be reasonable in working out something in the interest of both countries without impairing security capabilities.

The Prime Minister again expressed his appreciation for the May 15 date. The earlier the better, but he asked Minister Fukuda whether it would be necessary to explain why Japan would take over the administrative rights for half a month.

Minister Fukuda proposed to explain this on the grounds that both sides agreed that they could complete preparations by this date.

The President supported this reason, saying that we moved the date up to the earliest one that would permit completion of the preparations.

The Prime Minister asked whether Minister Fukuda and Secretary Rogers had discussed the reassurances to be given on R-day on the removal of all CBR weapons.

Secretary Rogers replied that he had agreed to transmit a letter to Minister Fukuda May 15 confirming the absence of all CBR weapons, along the lines of the testimony before the Senate.

Minister Fukuda suggested that he also might wish to confirm continued cooperation by the United States with Japan’s nuclear policy.

The Prime Minister expressed appreciation for this assurance, and noted that he and the President had discussed CB weapons earlier.

Secretary Rogers said that there are no CB weapons present.

The Prime Minister explained that suspicion in Japan had deepened when certain code markings at ammunition depots were repainted by the U.S. forces after the issue was raised in the Diet.

Minister Fukuda commented that American servicemen gave considerable help to the opposition parties in support of allegations of the presence of nuclear and CB weapons.

The Prime Minister said that anti-war groups seemed to be rather successful in this area.

Minister Fukuda turned to Naha airport and the US Navy P-3s stationed there. The United States, he said, had promised to return Naha airport to exclusive Japanese control by R-day (for civil aviation and Air Self Defense Force use) and to transfer all the P-3 aircraft elsewhere. It seemed that these P-3s might be transferred to Iwakuni MCAS (located in Yamaguchi Prefecture, the Prime Minister's home district) or Misawa AB, which would create the political problems he had reviewed for Secretary Rogers. He reported that he had made a request of the Secretary that these P-3 aircraft be transferred to another base in Okinawa, not to mainland Japan.

Secretary Rogers replied that we must consider this carefully, because while the aircraft themselves could be transferred it is unlikely that the service facilities at Naha AB which they require could be rebuilt elsewhere so quickly.

Along these lines, Secretary Rogers also noted the discussions of Japan's purchase of the Northrup F-5 trainer (which would mean much to California) and the Grumman ASW aircraft.

Minister Fukuda explained that Japan has already invested heavily in its own T-2 program, and having already produced two of these aircraft it would be difficult to stop now. The ASW aircraft, he said, is a separate matter, which he intended to restudy.

Secretary Rogers emphasized that the F-5 had much to recommend it: low cost, availability now to begin training pilots, and the fact that its purchase would help offset some of our own defense expenditures in Japan.

Minister Fukuda replied that the Ministry of Finance believed that the less purchased the better, but it is also concerned about costs and prefers the least expensive course. On the other hand, the Defense Agency, which has already built two T-2 aircraft, favors its own program, even though more costly, as a means of developing Japan's own independent aircraft industry. However, he agreed to give more thought to this problem.

The Secretary suggested that the GOJ purchase some F-5's as a transitional measure, since production of its own T-2 would probably not meet the time frame for training F-4 pilots.

The Prime Minister suggested a deal: he would consider the F-5 purchase if the United States would consider not moving the P-3's to Iwakuni MCAS.

Minister Fukuda noted the existing arrangements for coproduction of F-4's in Japan, and the possibility of training F-4 pilots in the United States. He felt that it would be better to leave discussions of these aircraft to the business firms themselves. (*Note:* This signal is consistent with others, which indicate that the GOJ might procure the F-5 if

Northrup works out a joint venture with a Japanese firm.) Otherwise he did not believe this is a subject for the political leaders to take up. He added that he would review this again, in terms of the budget.

The President asked whether the joint press statement had been agreed on.³

Minister Fukuda reported that it had been, and thereupon proceeded to read all of paragraph 4 and the economic paragraph to the Prime Minister (in Japanese).

Minister Fukuda then explained that the substance and the manner of the R-day assurances of a nuclear-free Okinawa would not be made public.

The Prime Minister asked whether the United States could consider an open-visit policy for responsible Self Defense Force officers to help eliminate any possible allegations about nuclear weapons remaining in bases in Okinawa. Of course, he said, this would constitute something other than a formal “inspection” process.

Minister Fukuda explained that the opposition recently charged in the Diet that it had photographs backed by statements by American servicemen to prove the presence of nuclear weapons at Iwakuni MCAS. At that time, a senior Self Defense Force officer, escorted by his American host, toured the facility and was thus enabled to report that he found no evidence whatsoever of nuclear weapons in the facilities in question. On this basis the Prime Minister was able to respond with confidence to these charges in the Diet. This kind of messy political problem arose from time to time, and it would be most helpful in refuting future charges if after reversion Self Defense Force officers could say they have visited the bases and found no nuclear weapons.

Secretary Rogers said the Americans in question are desertees. In principle, we could not accept inspection, but in terms of seeking a modus vivendi he said that he would consult the DOD.

The Prime Minister said that recently some stolen shipping invoices for poison gas, thinned down for training purposes, had been presented in the Diet as proof of the presence of CB weapons in Japan. He had great difficulty in answering these allegations, which were followed immediately by other charges that the United States forces kept sheep at one base as a safety measure, since everyone knew sheep were the first to die of leaking gas, and thus served as a warning device. This turned out to have no basis in fact whatsoever, but it indicated the kind of trouble he has been having.

³ The text of the joint press statement is in Department of State *Bulletin*, January 31, 1972, pp. 118–119.

The President suggested that this party join the other Cabinet Ministers in a nearby room for a brief review of their discussions.

114. Telegram From the Embassy in South Korea to the Department of State¹

Seoul, March 1, 1972, 0547Z.

1205. For Secretary from Marshall Green. Subj: Meeting with Prime Minister Sato, Feb 29, 1972.

1. Early on morning February 29 and prior to regular cabinet meeting, PriMin Sato received Amb Meyer, Holdridge and me for hour-long frank and cordial discussion of the President's visit to China. Sato obviously had been fully briefed on the substance of my discussion the previous evening with FonMin Fukuda (Tokyo 2050),² who also was present. Discussion therefore evolved as a series of responses to Sato's questions, although I went over number of key points I had made to Fukuda (and which I will not report in this message).

2. Sato opened with an expression of warm appreciation for the President's personal message sent from the aircraft enroute home. I responded that my visit to Japan was undertaken at the specific request of the President and that he had asked me to extend his warmest wishes and regards to Prime Minister Sato and to reaffirm President's view, as expressed at San Clemente, that U.S.-Japanese relations are foundation stone of peace in the Pacific.

3. Sato seemed puzzled by evident lack of discussion of third country issues during week-long talks in Peking. I replied that there was a great deal to discuss of a philosophic nature, particularly after

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 543, Country Files, Far East, Korea, Vol. V, 1 Jan–31 Dec 1972 [Part 1] Secret; Immediate; Exdis. Telegram 37964 to Tokyo, March 6, describes a meeting between Ushiba and Rogers on the afternoon of March 2, in which Ushiba expressed gratitude for Green's meetings with Japanese leaders to brief them about Nixon's trip to China, noting that these meetings had occurred "even before President had spoken to American people." (Ibid., Box 537, Country Files, Far East, Japan, Vol. VII, Jan–Apr 1972)

² In telegram 2050 from Tokyo, February 29, Green reported that on February 28 he had given Fukuda an account of Nixon's visit to the People's Republic of China and attempted to reassure Fukuda that the United States would not forsake Japan, Taiwan, and South Korea in an effort to improve relations with China. (Ibid.) Kissinger reiterated Green's message during his meeting with Ushiba on March 6. (Memorandum of conversation, March 6; *ibid.*)

more than two decades of non-dialogue between Peking and Washington. Furthermore both sides were reluctant to get into third country issues out of deference to our respective friends. Moreover, as Sato had undoubtedly noted from accounts of conversations Chou had had with visitors to China, he delighted in wide-ranging talks of a philosophic-historic nature and such discussions may have been helpful in removing certain misunderstandings with regard to our position and confirming our genuine desire to seek better relationship with PRC despite fundamental differences.

4. Sato, like Fukuda earlier, felt there was an apparent contradiction between our acceptance of the five principles and Dr. Kissinger's subsequent statement to the press that we would honor our defense commitment to Taiwan. I repeated point I had made to Fukuda about sovereign rights of self defense and added that our recognition of the five principles constituted no departure from previous U.S. policy. Indeed, these principles offer a common standard accepted by Peking which provides us with better basis to criticize any acts of interference or aggression others might commit.

5. In response to a further question re Taiwan, I called Sato's attention to fact that we had reaffirmed our interest in peaceful settlement by Chinese people themselves and that key phrase in communiqué "with this prospect in mind" referred to ultimate withdrawal of our forces. Full withdrawal is therefore contingent on a solution satisfactory to Chinese people on both sides of Taiwan Straits. This formulation was not a change in policy but simply a definition in different terms. As promised at San Clemente, we had not pulled the rug out from under our friends and allies.

6. Sato hoped I could persuade leaders in Korea and Taiwan of this "correct" understanding since they are relatively much more concerned. I commented that I was reasonably confident about reactions of Koreans, even though latter are passing through difficult period due to a number of factors. However, we had made it clear publicly in Shanghai that we would observe all our commitments (including that to ROC). Furthermore we will continue to give assistance to Taiwan and we will continue to promote trade and investment with and in Taiwan. Leaders on Taiwan would do well to focus world attention on Taiwan's own impressive accomplishments in improving conditions of life for their people. It could thus best ride out the storm. In this connection I urged that Japan stay in close touch with us on this problem and that Japan too should promote trade and investment in Taiwan.

7. At another point in our conversation when discussing outlook of PRC leadership, I stressed that PRC leaders seemed to prefer direct, forthright presentation of views and to react negatively to any attempts

to gloss over or paper-over differences where indeed such differences exist. I therefore felt that Japan would be well-advised to deal firmly with Peking as indeed Sato has been doing. Excessive conciliatory efforts would only make Peking more demanding and impair prospects for improved relations. The Peking leadership recognizes that time will be required to adjust fundamental differences with countries like U.S. and Japan. They are realistic in that regard.

8. As to PRC allegations about reviving Japanese militarism, we had rejected that viewpoint stating that Japanese people and government are strongly opposed to any return to militarism, that we understood their position and reasons for feeling that way and fully supported it.

9. On trade, I felt that PRC had limited interest in trading with us. Some Americans would be permitted to attend Canton trade fair. But all Chinese statements on increasing trade included the modification “gradually” or “step-by-step”.

10. In concluding I sought and received Sato’s agreement that substance of our talks would be held in the strictest confidence. I could assert, as we had promised, that no deals had been made under the table and that we were not colluding with the Chinese against the Russians since that would contradict the spirit of the President’s determination to promote dialogue and improve relations among all powers.

Underhill

115. Letter From the Ambassador to Japan (Meyer) to President Nixon¹

Tokyo, March 14, 1972.

Dear Mr. President,

As my mission to Tokyo draws to a close, please accept my appreciation for the privilege of having served you and our country at this critical juncture at this important capital.

Much nonsense is being written in the newspapers. One myth is that your historic visit to Peking is wrecking our relations with Japan. Another is that our Embassy in Tokyo is “demoralized”.

As you so perceptively pointed out in your Third Annual Foreign Policy Report to the Congress,² the July 15 announcement could not but have had repercussions in Japan. It is my conviction that: a) thoughtful Japanese, including Prime Minister Sato and his government, fully appreciate that your Peking visit was a historic breakthrough in the quest for a generation of peace; b) because of Japanese sensitivities and complexes about China, a certain amount of agitation on Japan’s domestic political scene was inevitable; and c) thanks to Anchorage, San Clemente and many other reminders, our pragmatic Japanese friends will continue to attach primary importance to their relationship with the United States, even as both our countries, consulting closely, address the delicate challenge of improving relations with Peking.

Most Japanese realize that a healthy relationship with the United States is indispensable for their country. Consistent with Newton’s laws of gravitation, Japan needs a counterweight to the massive and proximate power of China and the USSR. Also, despite the mirages of potential trade elsewhere, notably with Europe and mainland China, there is for the Japanese no substitute for the enormous American market for their exports.

As to our diplomatic endeavors, this is a world far different from that of Ambassador Grew 35 years ago. Instead of a ship or two per month at Yokohama, nearly 1,000 Americans de-plane daily at Haneda Airport. Aside from the upsurge of tourism, it is only natural that

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VII, Jan–Apr 1972. Confidential. Kissinger read and initialed the letter and instructed Holdridge to “Make summary for President.” Kissinger also wrote: “Meyer goes out like a pro.” A handwritten notation on an attached note reads: “Draft a nice note from the President to Armin.”

² “Third Annual Report to the Congress on United States Foreign Policy,” *Public Papers: Nixon*, 1972, pp. 194–345.

the arrivals include innumerable businessmen, seeking either to do business in Japan or to know how Japan wrought its miracle.

It is also natural that in this shrinking planet, problems are much more multilateral these days. Thus missions by Secretaries Rogers, Connally, Laird and other high-level Washington emissaries are invaluable. Some newsmen speak as though such missions were unorthodox and unthinkable, but such ventures have existed since the days when Silas Deane travelled to Paris soliciting cooperation in our nation's movement for independence.

I can assure you that this Embassy has welcomed your special emissaries. They have been able to achieve results well beyond bilateral considerations. Our Tokyo mission has enjoyed cooperating with them, backstopping their endeavors, and sending in to Washington a continuous flow of pertinent information. Meanwhile, the Embassy has been keeping busier than ever with the broadening spectrum of bilateral problems, which inevitably has developed between the Free World's two strongest economic powers.

The foregoing is not to say that our diplomatic intercourse with Japan has been uncomplicated. Our associates in Washington have had diversities of opinions, even as we have had some normal variations in view here. Those with a keen sense of political trends in Japan have been concerned that Japan's postwar orientation, so favorable to us, might be in jeopardy. Those who so understandably have been preoccupied with sustaining a healthy United States economy, without which Japan's economic exhilarations cannot last, have favored tough stances.

My own tendency has been to steer the course between Scylla and Charybdis. Tough we should and must be. Also essential is the maintenance of a political regime in Japan cooperating fruitfully with America.

In reviewing my stewardship, I believe we have weathered inescapably adverse historic forces with success. The credit is yours. You understood the importance of negotiating a mutually satisfactory resolution of the Okinawa problem. Its achievement assured the continuation of an American oriented policy in Japan, particularly the automatic extension in 1970 of our Treaty of Mutual Cooperation and Security (the issue which prompted a volcanic eruption at the conclusion of President Eisenhower's administration).

While most of our economic problems have had global overtones, we can report that much progress has been made in prying Japan loose from its self-centered policies. The sizeable yen revaluation would not have been predictable a year ago; it would not have occurred without August 15. Meanwhile, much patient but cumulatively notable progress has been made in scaling down restrictionism in Japan's trade and investment practices.

Despite adjustments achieved, Japan remains our most formidable economic competitor. As one observer phrases it, "The Japanese are guilty of unfair labor practices; they like to work". Thus your endeavors to increase American productivity and forestall work-stoppages are of critical importance, if we hope to remain competitive.

There seems little doubt but that for years to come, we shall have serious problems with Japan in the economic field (as was true in Ambassador Grew's days but now with higher quality Japanese products). Therefore, I am pleased that a fellow Illinoisan, whose credentials include guiding a major American corporation's interests adroitly and successfully through Japan's economic labyrinth, will be carrying on the Ambassadorial responsibilities in Tokyo.³

No capital is more important, no Ambassadorial work load more demanding. Having since my arrival invested circa 18 hours per day, I have often thought what is needed here is a four-platoon system: 1) one Ambassador to work the day shift, i.e. a flood of vital paper work plus a full schedule of appointments, including discussions with Japanese officialdom and opinion leaders; 2) one to work the "night shift", where unlimited social occasions afford abundant opportunities for informal consultations and problem solving; 3) one to take care of the never-ending procession of top-level American visitors, e.g. government officials, leading publishers, company presidents and vice presidents; etc.; and 4) an Ambassador who can escape from the exhausting daily grind to meditate where we are and where we are going.

If a generation of peace is to be achieved, no collaboration is more important than that between our country and Japan. During the past three years some painful adjustments to reality were required. Here in Japan, if anywhere, 1971 was a "watershed year." I am confident, however, that the linchpin relationship is stronger for it.

In the future we must expect and accept a greater degree of Japanese independence of action. At the same time, our Japanese friends now realize that with strength comes responsibility. I believe we can count on them to work closely with us in architecting the new structure of world peace.

In your historic mission, you know you have not only the well wishes of our Embassy in Tokyo, but those of all mankind.

Respectfully,

Armin Meyer

³ Reference is to Robert Ingersoll.

116. Memorandum of Conversation¹

Washington, April 3, 1972, noon.

PARTICIPANTS

Mr. Robert S. Ingersoll, U.S. Ambassador to Japan
 Mr. Henry A. Kissinger, Assistant to the President for National Security Affairs
 Mr. John H. Holdridge, Senior Staff Member

SUBJECT

Mr. Kissinger's Discussion with Ambassador Ingersoll on His Role in Japan and Related Matters

Mr. Kissinger began by outlining in some detail the role which Ambassador Ingersoll should play as the President's personal representative in Japan. Although Ambassador Ingersoll had previously been unknown to either the President or to Mr. Kissinger he, the Ambassador, came highly recommended by people such as George Shultz. Mr. Kissinger wanted Ambassador Ingersoll to know that the President had full trust and confidence in him. He should consider himself free to report back to the President directly whenever instructions from elsewhere in the bureaucracy seem to be in conflict with what he understood the President's policy toward Japan to be.

Ambassador Ingersoll urged Mr. Kissinger to try to the maximum extent possible to have him, Ambassador Ingersoll, present in Mr. Kissinger's forthcoming meetings with the top Japanese leaders.² This

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 537, Country Files, Far East, Japan, Vol. VII, Jan–Apr 1972. Secret; Sensitive. Holdridge sent this memorandum to Kissinger under an April 4 covering memorandum. (Ibid.) Kissinger approved the memorandum of conversation with no further distribution. In an April 10 letter to Sato, Nixon introduced Ingersoll as follows: "I wanted my personal representative in Japan to be someone who reflected the paramount importance which I place on continued friendly relations between our countries. It was therefore a great pleasure to me when Mr. Ingersoll, whom I have known for over 25 years, agreed to lay aside his heavy responsibilities as Chairman of the Board and Chief Executive Officer of the Borg-Warner Corporation to take up this most important diplomatic post." Nixon also wrote: "Please feel free, Mr. Prime Minister, to rely on Ambassador Ingersoll to bring to my personal attention any particular problem you may have at any time." (Ibid., Box 757, Presidential Correspondence File 1969–1974, Japan (Sato Corr) 1969–8 Jul 1972) Ingersoll was nominated Ambassador to Japan on February 29 and presented his credentials on April 12.

² On June 7, Ingersoll telegraphed Kissinger at the White House and declared his appreciation of the "telephone message from General Haig that you wish to have me accompany you on all visits while you are in Japan except for the meeting with Prime Minister Sato and part of the meetings with other ministers." Ingersoll further explained, "I personally not concerned about you having private meetings with Foreign Minister and other ministers but believe it would not be desirable for status of Embassy here to exclude me from any part such meetings. However, you and I can discuss this on way from airport Friday night." (Backchannel message 130 from Ingersoll to Kissinger; *ibid.*, Kissinger Office Files, Box 21, HAK Trip Files, HAK's Japan Visit Jun 1972 [3 of 3])

would make life much better, and would assure that he would not be by-passed by the Japanese, as had been the case with Armin Meyer. Mr. Kissinger assured Ambassador Ingersoll that he would not be by-passed. Every effort would be made to provide Ambassador Ingersoll with the maximum visibility possible during Mr. Kissinger's visit to Japan. He would probably have private meetings with at least Sato, but Sato was on the way out anyway; Sato had been trying for at least three months to have a private meeting in his house with Mr. Kissinger. Assuredly Ambassador Ingersoll would be present at dinners or luncheons involving the Japanese leaders.

Continuing, Mr. Kissinger said that he would do his damndest to get Ambassador Ingersoll in with Fukuda, whose only interest was to succeed to the Prime Ministership. If this didn't work, Mr. Kissinger noted, he would make a strong statement emphasizing that the President had full trust and confidence in Ambassador Ingersoll. It would certainly be possible to get the Ambassador in with Fukuda and high Foreign Ministry officials, and at the dinner at which Tanaka, Fukuda, and others would be present. Mr. Kissinger's interest in building Ambassador Ingersoll up was not indirect—the reason that we had gone to such lengths to put Ambassador Ingersoll in Japan was to get our man there.

Mr. Kissinger gave his assessment of U.S. relations with the Japanese, saying that the problems were due to the fact that they were essentially a tribal society with a peculiar lack of understanding of the opinions of anyone else. The survival and glory of the Japanese leaders had been through their ability to maintain this tribal identity. Although these people did not understand social complexities elsewhere, they had a remarkable ability to mobilize opinion in Japan. This was done through a process of social consensus. It took a long time for them to make a decision, but once it was made it was carried through very effectively.

Mr. Kissinger observed that the Japanese were now moving in the direction of greater assertiveness in foreign policy. This he considered a desirable thing, unlike some people in State who still clung to the idea that the Japanese could be induced to shoulder a greater share of the U.S. economic burden without involving themselves politically. The "Nixon shock" had encouraged this trend, and in this respect had had a good effect. Anyway, it couldn't be undone. We had tried in innumerable ways to brief them, but they seemed to want to use the "Nixon shock" as an excuse to get a more autonomous position. We were not, however, opposed to a more autonomous Japanese position.

Mr. Kissinger stressed that he didn't know what precise conclusions should be drawn from this situation. It was essential for us to maintain our alliance with Japan. He did not believe, though, that we should

keep going around apologizing to the Japanese over the alleged slight that we had given them regarding the China initiative. Rather, we should play up the position that they were our key ally and that we would certainly not sell out our relationship with Japan for the sake of opening up China. Mr. Kissinger remarked again that the Japanese would inevitably assume a more autonomous position, and that they would play a bigger role in political affairs. Paradoxically, the closer were our ties with Japan, the better our relations with Peking would be.

Ambassador Ingersoll asked Mr. Kissinger for his views on the remilitarization of Japan, to which Mr. Kissinger said that he personally felt that some remilitarization of Japan would be useful because it would keep the Chinese worried, especially with respect to Japan going nuclear. This, of course, was not the State view. Regarding cables, our line was not as soft as the State line.

Mr. Kissinger described Tokyo as one of the two or three posts in the world where it was worth being ambassador, and where it made a difference who was the ambassador. He suggested to Ambassador Ingersoll that the latter should not be too apologetic in dealing with the Japanese, nor butter them up too much or be obsequious. They themselves had made a profession out of being obsequious to us in the 50's and 60's because they needed us to build them up, but they didn't need us now.

Ambassador Ingersoll asked how Mr. Kissinger felt about a possible effort on our part to make Japan a permanent member of the UN Security Council. Mr. Kissinger declared that this was inevitable in his opinion. Both Japan and India ought to be permanent members. However, as of the present moment he knew of no particular effort on our part in this direction.

Ambassador Ingersoll raised the question of economic policy with respect to Japan—could there be conflicting guidelines between State and Treasury? Mr. Kissinger assured Ambassador Ingersoll that this problem, if it developed, could be handled. He personally was of the opinion that economic consideration should be subordinate to political considerations.

117. Memorandum From Helmut Sonnenfeldt and William Hyland of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, April 7, 1972.

MEMORANDUM

Japan and Russia

The rapprochement in our relations with Peking is a psychological nightmare for Moscow, but one of its more concrete manifestations would be if both Peking and Washington managed to accommodate Tokyo into a new triangular relationship that, in effect, excluded the USSR for what the Soviet leaders consider their rightful place in Asian affairs. But Soviet counters are not that wide-ranging. They can and will try to limit and disrupt Chinese-American relations. But as a long-term contingency the Soviets will have to do their best to conciliate Japan and draw the Japanese into a Soviet rather than Chinese orbit. This process has already begun on the Soviet side. It is proceeding on the economic plane primarily, but the political aspect is moving to the forefront since Gromyko's visit to Tokyo in January.

Economic Bait

In the wake of the split with Peking, Russia's largest trading partner in Asia is Japan. But the real lure to the Japanese must be seen as the vast natural resources that could be developed in the Soviet Far East. Thus, the Soviets are pressing joint projects such as development of the Tyumen oil deposits at a cost of around \$4 billion which would supply, by a pipeline to Nakhodka, 25–40 million tons a year. In return the Japanese would extend a major credit to the USSR to develop the oil deposits and build the pipeline. A team of Japanese experts will go to Moscow early in May to explore the project. The Japanese are also interested in exploiting the coal deposits of the Soviet Far East, and have already agreed to develop a new port facility.

It is this type of approach—trading the development of Soviet natural resources for Japanese technology and credit that the Soviets hope will have a great appeal in the Japanese economic and business

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 21, HAK Trip Files, HAK's Japan Visit Jun 1972 [2 of 3]. Confidential. Sent under an April 7 covering information memorandum from Sonnenfeldt and Hyland to Kissinger, in which they stated that the attached memorandum "is largely a reminder of how things [especially Kissinger's upcoming trip to Japan] may appear in Moscow." Kissinger initialed his receipt on the covering memorandum.

communities, and, therefore, shade over into the Liberal-Democratic Party policies. Soviet indebtedness to Japan and Japanese dependence on imports from the USSR would thus become a link to Tokyo that would be strong reinsurance against Japanese involvement with China. Moreover, in view of the probable increasingly difficult economic relations between the US and Japan, the Soviets would see their own involvement as loosening American ties and, in effect, offering an alternative source to sustain Japan's obsession with economic growth.

Politics

The economic relationship should not be discounted. Over the long term it could prove a strong wedge for the Soviets. But, basically, the Soviets have to decide whether to make the concession in the political field which would be required by any Japanese government. And this comes down to a straightforward territorial issue.

The Soviets still retain what the Japanese consider their "northern territories"—Etorofu, Kunashiri, Shikotan and the Habomai Islands. These islands were supposedly handed over to the USSR at Yalta, though it is not clear that a permanent annexation was contemplated. (We, the US, say military occupation only was envisaged.) The Japanese waived their claim to Southern Sakhalin and the Kurils in the San Francisco Peace Treaty, but maintain their claim to the "Northern Territories." The joint Soviet-Japanese declaration of peace in 1956 did not settle the issue, though the Soviets offered to return Shikotan and the Habomai Islands upon the conclusion of a formal peace treaty. The Japanese, however, held out for the two larger islands of Kunashiri and Etorofu. There the matter rested until last year. (Indeed the Soviets hardened their position by claiming the matter was entirely settled, partly because they feared the implication for their Chinese border if they admitted any territorial revision.)

In the wake of the US-China rapprochement, however, and especially the reversion of Okinawa, the Soviet position has become more and more of a liability, and apparently had to be subordinated to the larger concern of a counteroffensive against Peking. Thus, the Soviets hinted that the question of the islands was not actually closed and, when Gromyko was in Tokyo last January, it was agreed to begin negotiations on a peace treaty "within the year." Since the Soviets well know that the first issue will be the territorial claims, there is an implication that the Soviets will make concessions rather than deadlock the treaty negotiations.

Peace treaty negotiations will also allow the Soviets to raise larger political issues bearing on Japan's position in Asia. It is certainly no accident that the Soviets have begun to talk about Asian collective security, and to spell out a few general principles—non-aggression,

peaceful co-existence, etc. Presumably, any Soviet-Japanese peace treaty might be an important piece in Soviet development of an Asian grouping linked to the USSR.

It is a cliché to describe Soviet policy as aimed at encircling China. Nevertheless, this is the current thrust of Soviet policy in South Asia, and to some extent in Southeast Asia. For such a policy to make much sense, however, Japan (and the United States) are the key. We would do well to realize that the Soviets have much to offer to Japan, including an implied guarantee of security against China. Despite the traditional Japanese distrust and antipathy toward Russia and its fascination with China, the role of the USSR cannot be discounted in Japanese calculations.

As for the Soviets, it is worth ending on a vignette. Western Sinologists who have talked with their Soviet counterparts report that the common complaint is that the Soviet students are enthusiastically taking up Japanese studies, including the language. When the Sinologists recently appealed to the Government for more money for research, etc., on China, they were turned down in favor of increasing the emphasis on Japan.

118. Editorial Note

On May 4, 1972, President Richard Nixon proclaimed the reversion of the Ryukyu and Daito Islands to Japan. (*United States Treaties and Other International Agreements*, Volume 23, Part 1, 1972, TIAS 7314, pages 447–448) On May 15, President Nixon inaugurated the new “hot line” between the United States and Japan by congratulating the people of Japan on the return of the Ryukyu Islands. (Hotline message from Nixon to Sato, May 15; National Archives, Nixon Presidential Materials, NSC Files, Box 757, Presidential Correspondence File 1969–1974, Japan, (Sato Corr) 1969–8 Jul 1972)

119. Memorandum From Secretary of Defense Laird to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, June 7, 1972.

SUBJECT

Topics for Discussion—Japan Trip

There are a number of US-Japan security related issues that you may be confronted with in your discussions with representatives of the Government of Japan and/or the American Embassy. I would like to convey to you my views on these issues in the event that you have the opportunity to discuss them.

Recently, Ambassador Ingersoll approached Lt. General Graham, Commander U.S. Forces, Japan (COMUSJ) with a proposal that would transfer the chairmanship of the US-Japan Joint Committee on Military Affairs from COMUSJ to the American Embassy. COMUSJ, CINCPAC, and the Joint Chiefs of Staff oppose this proposal, and I fully support their position. The preponderance of the problems considered by the committee are military in nature and range across the entire spectrum of military operations. Decisions on Joint Committee matters are in accordance with our treaty and SOFA obligations. They vitally affect US forces and must primarily be developed and made by military commanders. The Embassy politico-military advisor, who sits on the Joint Committee, is kept fully informed of all actions and problems as they are raised and staffed. The myriad of technical detail necessary for the resolution of these problems is found in military channels and can most effectively be brought to bear under military control. I strongly urge that present arrangement which has proven extremely effective since 1952 be continued.

There is some evidence that the Japanese are thinking of possible means of defining more specifically, at least in their own minds, military situations that would require "prior consultation". The prior consultation clause concerning implementation of Article VI of the 1960 MST is a flexible arrangement and has served the US and Japan well. Specific wording follows: "Major changes in their equipment, and the uses of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under Article V of the said treaty, shall be the subjects of prior consultation with the

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 21, HAK Trip Files, HAK's Japan Visit Jun 1972, [2 of 3]. Secret.

government of Japan.” However, during recent days in the GOJ Diet, opposition parties and news media have paid much attention to the prior consultation clause alleging lack of consultation in recent US Air deployments from Japan to SE Asia. Based on USG and GOJ understandings of the consultation clause, prior consultation was not required for these moves. The GOJ was informed. Nevertheless, for political reasons Foreign Minister Fukuda acquiesced to opposition pressures and stated that this subject would be addressed at the next US-Japan Security Consultative Committee meeting. Defense concern is that past arrangements not be undercut. Revision of the prior consultation clause could severely restrict flexibility of employment of US forces and use of facilities and areas in Japan and in turn bring the viability of the US-GOJ MST into serious question. US forces and bases in Japan must continue to be available for support of other US treaty commitments in East Asia with a minimum of restrictions.

We are at the onset of the typhoon season in the Pacific. Our build-up of B-52s in WESTPAC has saturated B-52 facilities at Guam and U-tapao² to the extent that neither location can be used to accommodate aircraft threatened by typhoon tracks. Kadena Air Base on Okinawa has long been used for Guam based B-52s during typhoon periods. Because of the fact that the B-52 requires 200 feet wide runways and taxiways, there are a limited number of airfields that can be utilized. These include Kadena and Yokota in Japan, Hsin Chu and CCK on Taiwan. The recent threat by typhoon Lola and a request for GOJ understanding that it might become necessary to evacuate some B-52s to Yokota, due to the large build-up of B-52s on Guam and in Thailand, resulted in Embassy Tokyo taking strong opposition due to political sensitivities within the GOJ. There was an indication that even continued use of Kadena would create political problems because of the Okinawa elections. Obviously, it is not in the U.S. interest to allow this extreme political sensitivity to persist. Typhoon evacuations are emergency situations. Safe-haven by one of our major allies should not be denied, regardless of class of aircraft. These temporary evacuations should not be considered as a parallel issue to combat operations. As long as the current high number of B-52s are deployed in WESTPAC, our planners require assurances that bases in Japan, in addition to those in Okinawa, may be used. I would greatly appreciate your effort to affirm an understanding that should the need arise, Japan bases including Yokota Air Base on the mainland, may be used for B-52 safehaven.

² U-tapao was a U.S. air base in Thailand.

In the interest of improving the morale of our Navy personnel and to provide better utilization of our forward deployed carriers in the Pacific, I have proposed homeporting to Yokosuka an aircraft carrier and airwing. As you know our carriers have been visiting Yokosuka regularly for a number of years. The essential difference between these visits and the stationing of an aircraft carrier there would be the introduction of approximately 800 families to the Yokosuka and Yokohama area. We have sufficient on base housing to accommodate approximately 500 of the families and believe that the overflow can be absorbed by the community. We are currently exchanging views with the Department of State on this issue. State has raised the issue of whether formal "prior consultation" would be required and the old issue of public/opposition speculation as to whether nuclear weapons might be aboard. I do not believe that these possible issues should discourage us from proposing to the GOJ our need for the homeporting concept. The move would be visible evidence of our intent to regard seriously our security commitments to Japan and would promote closer ties between our two countries.

The last remaining order of business directly related to the reversion of Okinawa entails relocation of US Naval air units from Naha Air Base and the transfer by June 1973 of the immediate defense mission for the islands. Plans for the latter are progressing smoothly. Plans for relocation of the P-3s have not been implemented as in December 1971, the Government of Japan failed to appropriate the required construction funds. The next move is up to the Japanese. Once appropriations action is taken by the GOJ and construction plans are implemented, both on Okinawa and mainland Japan, we are prepared to uphold our end of the agreement which will relocate this last remaining military operation from Naha airport. Embassy Tokyo believes that the GOJ will act on this issue after the Diet adjourns in June but the matter may be delayed until the anticipated new government is formed.

Lastly, consistent with our basic tenets of stated policy toward Japan, which encourages moderate increases and qualitative improvement in Japan's defense efforts, you may find an opportunity to discuss ways that Japan might play a more effective national security role. We have long encouraged the GOJ to share a greater portion of the Asian security costs. Their meager expenditures called for in their 4th Defense Build-up Plan continue to amount to less than one percent of Japan's annual GNP. Possible contributions include Japan's need to replace obsolete military equipment, incentives for retention of people in uniform, expanded air and submarine defense capability, increased participation in joint exercises, and providing economic and supporting assistance to other needy Asian allies. I believe that Japan can and should

make a greater contribution to Asian security from which it reaps substantial benefits.

Melvin R. Laird

120. Letter From the Under Secretary of State for Political Affairs (Johnson) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, June 7, 1972.

Dear Henry:

During your visit to Japan next week, it would be extremely useful if you reconfirm to the Japanese that the United States Government has a continuing interest in Japanese ratification of the Nuclear Non-proliferation Treaty.² We would then find an opportunity also to apprise the Soviets that this approach had been made.

There have been recurring indications of uncertainty on the part of the Japanese Government and general public with respect to how firmly the U.S. Government is committed to the concept that Japan should not acquire nuclear weapons. The senior Soviet official in the IAEA also raised this matter in Vienna with the senior U.S. member of the Agency staff. This subject did not arise in the course of the Vice President's recent discussions with Japanese Government leaders in Tokyo.

Assurances of continued U.S. support for Japanese ratification of the NPT have already been given, both to the Japanese and to the Soviets. I feel strongly, however, that it is important to put these fears

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 21, HAK Trip Files, HAK's Japan Visit Jun 1972 [2 of 3]. Secret.

² On April 6, Eliot had sent to Kissinger Nixon's talking points for the April 10 signing ceremony of the Biological Weapons Convention. In a memorandum discussing the talking points, Eliot noted: "Our reference, in the talking points, to the Non-proliferation Treaty reflects our judgement that it would be very useful for the President once again to endorse the Treaty. Absence of any mention of the Non-proliferation Treaty in the President's latest Annual Foreign Policy Report has given rise to the belief in Tokyo that the Administration is becoming less committed to the non-proliferation objective, particularly with respect to Japan." (Ibid., NSC Files, Box 312, Subject Files, Chemical, Biological Warfare (Toxins) Vol. V, 1972-) On April 7, Guhin sent Kissinger a memorandum, stating that he had included a general statement in the President's draft remarks addressing this concern of the Department of State. (Ibid.) The text of Nixon's remarks at the signing ceremony are printed in *Public Papers: Nixon 1972*, pp. 525–526.

to rest once and for all at a high level. Japanese participation in the NPT would in our view be greatly welcomed both in Moscow and in Peking, and could also have highly beneficial effects on progress toward wider acceptance of the NPT by other “threshold” countries.

The suggested approach would be particularly timely, coming on the heels of SALT, since agreement on strategic weapons limitations will tend to undercut criticism in Japan and elsewhere that the NPT places far greater obligations on the non-nuclear states than on the nuclear states.

While an eventual Japanese decision concerning NPT ratification will obviously depend on many factors, an important element will be their leaders’ continuing confidence in the US nuclear umbrella. It would therefore be helpful if in connection with reconfirming the US desire to have Japan ratify the NPT, you could assure the Japanese that the US-Japan Security Treaty remains the key to regional stability in Asia and continues to be an essential element in the relationship between Japan and the US.

In connection with the suggested approach, the following background information may be helpful. When the NPT came into force on May 5, 1970, 97 countries including Japan had signed the treaty. Some 70 countries have now become parties to the treaty, although the rate of accession has diminished substantially during the past year. Anticipated ratifications by the EURATOM countries during the coming year should, however, restore some of the earlier momentum.

We hope that the Japanese will now promptly begin their talks with the IAEA, since their safeguards arrangements will have to be settled before they will be ready to propose NPT ratification to the Diet. The Japanese Government has consistently maintained that the NPT safeguards should not disadvantage Japan, especially with respect to its competitive position vis-à-vis the West Europeans. The IAEA is currently in the final stages of working out a safeguard agreement with EURATOM on the basis of guidelines which Japan helped to shape.

The US has begun preliminary discussions with the IAEA on implementation of the US voluntary offer to place its non-military nuclear facilities under international safeguards. This fact should help reassure Japanese industry that it will not be disadvantaged in some fashion by safeguards.

Sincerely,

Alex

121. Memorandum of Conversation¹

Tokyo, June 12, 1972, 8 a.m.

PARTICIPANTS

Henry A. Kissinger, Assistant to the President for National Security Affairs
John H. Holdridge, Senior Staff Member, National Security Council
Kakuei Tanaka, Minister of International Trade and Industry, Japan
Mr. Itoh, Mr. Tanaka's Private Secretary
Mr. Maroumoto, Interpreter
(One additional Japanese interpreter)

SUBJECT

Mr. Kissinger's Discussions of U.S.-Japan Political and Economic Relations with Mr. Tanaka

Mr. Kissinger: I want you to know that Mr. Holdridge is my trusted assistant and that you can rely on him to maintain the confidential nature of our talk.

Mr. Tanaka: I myself have long had two trusted assistants. I told the Ambassador that I would have one of them with us today—Mr. Itoh.

I know that you have visited both China and Japan, but between these two countries I think Japan is the best. It's a pity that your time here is so limited—you should see more of our country.

Mr. Kissinger: It is a pity, but I am touched by the reception I have received here. I have established deep personal bonds here now. Of course, I have always considered Japan as America's basic friend in the Pacific.

Mr. Tanaka: A quarter of a century ago you wouldn't have seen anything like what you see today when you look out the window.

Mr. Kissinger: I was here 20 years ago, and at that time there was still great destruction; so I know what great achievements you have made, and the enormous courage and discipline you have shown in doing all this.

Mr. Tanaka: This hotel was built 11 years ago, just in time to accommodate a meeting of the IMF. This was the third time such a meeting had been held in Japan. It was the year Japan assumed a new status under Article VIII of the U.N. Charter.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 1026, Presidential/HAK Memcons, Memcon—Henry Kissinger, Kakuei Tanaka—Minister of International Trade and Industry—Japan, Jun. 12, 1972. Secret; Sensitive; Exclusively Eyes Only. Presumably drafted by Holdridge. The meeting took place in the Okura Hotel.

For what we have become today we are very grateful to the United States. I remember when I was Finance Minister, I negotiated a loan from the U.S. of \$20 million.

Mr. Kissinger: They tell me that as a Minister you're a very tough negotiator.

Mr. Tanaka: I may have been in two or three tough negotiations in the past, but I still have a feeling of gratitude toward the U.S.

Mr. Kissinger: Our feeling is the same, based on great respect for your achievements and your people.

Mr. Tanaka: I first started my political activities under Prime Minister Shigehara, who was one of the disciples of the late Prime Minister Yoshida. Since then I have remained a good student of the Yoshida school of political training. In the over 25 years of Japanese recovery, I know how much we are indebted to the U.S. Government. Between our two countries the problems are not so much on the general posture of our relations but on individual issues. Because we were occupied for some years, we still have the philosophy that we're occupied and this might come up from time to time. But on major issues, we can always agree.

Mr. Kissinger: We both start from the assumption that we are together—that we have a basic friendship in the Pacific, and whatever differences come up are family differences.

Mr. Tanaka: We share common interests. Japan would like to see U.S. leadership, economic or otherwise, become stronger. Any difficulties the U.S. may find herself in are not in Japan's interests. The Japanese people see this, and though the Liberal Democratic Party is in some difficulties, it has been supported by the people for 25 years.

Mr. Kissinger: I read in the newspapers that you are one of the leaders who may succeed Prime Minister Sato. I don't know if this is accurate.

Mr. Tanaka: The newspapers are usually 100 percent wrong.

Mr. Kissinger: Are there differences of policy between the various contenders or is it mostly a question of personalities?

Mr. Tanaka: Mostly personality. I would say that there is a religious difference between Tanaka, Fukuda, Ohira, and Miki.

Mr. Kissinger: Are these the leading candidates?

Mr. Tanaka: Yes. Among the four, three have experiences as Foreign Minister, and both Fukuda and I have been Finance Minister. All Prime Ministers in the past, Shigehara, Yoshida, Ikeda, and Sato, have been loyal members of the Liberal Democratic Party—that's how they became Prime Minister. Of course, I've always been a member of the LDP, and so has Ohira. By contrast, Fukuda did not belong to any party when he first sought a seat in the Diet. He went into politics this

way: Kishi was depurged, and came back into political life; Fukuda came with him and only entered the Party after he (Kishi) was elected. In some respects, though, he is in the Mainstream of the Party.

Miki is not from the Liberal Democratic Party, but from the National People's Party.

Mr. Kissinger: When did he join?

Mr. Tanaka: About ten years ago. At that time, his party merged with the Democratic Party, which later merged with the Liberal Party, which then became the Liberal Democratic Party.

Mr. Kissinger: I see that a former student of mine, Nakasone, is going to run, too.

Mr. Tanaka: He is not expecting to be elected—that is not his purpose. He's looking at two elections in the future.

Mr. Kissinger: Is he holding his people on the first ballot so that he can move later?

Mr. Tanaka: Actually, he will not announce his candidacy officially because he won't be able to get ten percent of the total vote.

Mr. Kissinger: He's thinking of the time after next?

Mr. Tanaka: Yes, I agree. He is hopeful he will be a strong candidate later.

Mr. Kissinger: Is that because the man who gets elected next time can't run again?

Mr. Tanaka: Like your President cannot run for a third term we have the same sort of ban. We have two six year terms.

Mr. Kissinger: Has an incumbent Prime Minister ever been defeated for election as the President of his party?

Mr. Tanaka: No.

Mr. Kissinger: So whoever gets elected President wins the Prime Ministership?

Mr. Tanaka: Mr. Hatoyama was Prime Minister but did not seek re-election. Kishi served two terms, Ikeda three, and Sato four, but Sato was there too long so the Party passed a new rule to prevent a Prime Minister from being in office so long.

Mr. Kissinger: I have found in Washington that one may think four years is a long time, but it is amazing how quickly this period is over. I spent my first year learning the job and getting to know the key people, but from the middle of the second year we were already in the election again. But it is a little different in Japan, because you know all the key people already, and whoever gets elected knows what it's all about.

Mr. Tanaka: Yes, that's the difference in our parliamentary system. All members of the Cabinet must be members of the Diet, and while

your President serves four years, our Prime Minister averages two years. We have had 11 elections in 22 years.

Mr. Kissinger: I didn't know a single member of our Cabinet when I was appointed, even though on the President's behalf I had to deal with them every day. They want me to be Ambassador to Outer Mongolia without communications, because it's my job to say *no*. The President does all the pleasant things and I do all the unpleasant ones.

Mr. Tanaka: We, for example, know every last member of the Opposition party—the governors, the Diet members, etc. So whenever someone, somewhere has an interview with me, I know exactly what's on his mind. I'm known in the press as a very rapid processor of people seeking interviews. They say I use a computer, but I don't—I know peoples' minds.

Mr. Kissinger: What is the biggest problem for Japan now?

Mr. Tanaka: China, because it's very challenging to establish a consensus and unify the view within the Party on relations with China. After all, we had two thousand years of interchange between Japan and China, culturally we are heavily indebted to China, China was our enemy in two wars, and World War II started in China, so China to us is not so simple as Cuba is to you.

Mr. Kissinger: The Cuban problem is a little larger than that for us.

What precisely is the nature of the China problem for Japanese policy?

Mr. Tanaka: What to do with Taiwan. It is a very delicate matter to attain a national consensus on what attitude we should take with respect to Taiwan, not only because Taiwan was a part of Japan for three-quarters of a century, but because there are other connections between Japan and Taiwan. This is an extremely sensitive problem.

Mr. Kissinger: Precisely what do you believe your attitude should be?

Mr. Tanaka: We need to have full agreement between Japan and the U.S. on the Taiwan issue. This is a difficult issue for Japan and China alone to settle. The U.S. and China between them can afford to solve the issue, and in a more rational manner than we in Japan can afford, and that's why at this meeting I am looking forward to hearing your views on Taiwan.

Mr. Kissinger: Does this mean that you won't take steps independently from us regarding Taiwan?

Mr. Tanaka: With respect to the Taiwan problem, it would be more logical and rational to have the U.S. involved in the solution rather than to have Japan act independently. As in the case of a man and his wife having a fight, sometimes a family friend can come in and solve the problem.

Mr. Kissinger: Who are the man and the wife, and who is the friend?

Mr. Tanaka: For sure, the good friend is the U.S. Historically speaking, the man and wife are Japan and China, but for the last three-quarters of a century Japan and Taiwan are the couple.

Mr. Kissinger: As I understand it, your view is tantamount to saying that on the disposition of the relationship with Taiwan, Japan and the U.S. should have a common policy. Is this correct?

Mr. Tanaka: I think that this would be the best thing.

Mr. Kissinger: We are prepared to do that. Incidentally, I'm not fully acquainted with the rules here in Japan—what are the rules of our conversation? Will you have a press conference? How will our conversation be reported?

Mr. Tanaka: I will have to have a press conference, but I will never reveal what we said about Taiwan.

Mr. Kissinger: Can we agree about what we'll say at the end?

Mr. Tanaka: Yes, let me talk to you about this. What I will say is that we had a very general discussion; that I wanted to get Dr. Kissinger's view on very broad international matters, but instead he pressured me to buy more from the U.S.

Mr. Kissinger: That's very good. You can also tell them that he said you should stop selling so much!

Mr. Tanaka: Excellent.

Mr. Kissinger: Then they will have to double the guard on my way to the airport.

Mr. Tanaka: I will tell the press that since Dr. Kissinger pressured me to buy more from the U.S., I was driven here this morning by a Dodge.

I won't touch on Taiwan.

Mr. Kissinger: That would be good.

We want you to know, Mr. Minister, that whoever becomes Prime Minister, we want to establish a very close and confidential relationship with him from the White House.

Mr. Tanaka: I appreciate that comment, and plan to keep my mouth very tightly closed about it. When the late Robert F. Kennedy visited Japan, we talked about Okinawa and there was some leak; the press played this up and I was embarrassed. Therefore, I will be very strict.

Mr. Kissinger: That wasn't the reason why I said it. I was not referring to this conversation. We will have many important issues to settle with the next Prime Minister, and so the President will want to set up a very close relationship with him. I didn't say what I did as a warning, but as an indication of what we want to set up in the future.

Mr. Tanaka: I am convinced that there is no problem too difficult for the two of us to solve. To do so is not only in the interests of

both of us, but in the interests of the world. It was with this spirit of determination that I was able to solve the textile problem which was nagging at us for two or three years.

Mr. Kissinger: This was very much appreciated.

Mr. Tanaka: If I could solve the textile problem, I can solve anything else. Occasionally there might be tough words in the course of the negotiations, but we can solve anything. With that spirit in mind, I'm not as concerned at your leap-frogging over our head regarding China as so many people here seem to be. I have not minded this because I knew it was difficult for Japan to establish this channel with China and that in a way you are acting on our behalf.

Mr. Kissinger: We didn't leap-frog all that much, because in many respects you have had more trade and contact than we have—and you have them still. We had the drama and you had the contacts.

Mr. Tanaka: I just want to make sure that when I speak of leap-frogging, you don't misunderstand what I'm saying.

Mr. Kissinger: I understand.

Mr. Tanaka: In my heart, I'm glad that you did what you did and I said so at the time. No matter how much Prime Minister Sato wanted to go to Peking, they wouldn't open a window or a door; however, by the President's going to Peking, they would want to smooth their relationship with Japan.

Mr. Kissinger: In some respects this is true.

Mr. Tanaka: In this regard, I would welcome your returning to Peking and solving the Taiwan problem.

Mr. Kissinger: How would you like to see the Taiwan problem solved?

Mr. Tanaka: This is a very delicate issue which must be kept strictly confidential. If it leaked there would be a scandal.

First, it is absolutely necessary that the Soviets will not be able to intervene in Taiwan the way that they have intervened in Bangladesh and North Vietnam.

Second, it should be solved as a domestic Chinese issue. This might be time-consuming, but it must be accepted.

Third, it is best solved by the Chinese people themselves.

Mr. Kissinger: With or without the use of force? The big question is whether it can be solved peacefully or through the use of force.

Mr. Tanaka: A solution by force cannot be effected and should not be effected. When you compare the Sino-U.S. relationship with the Sino-Soviet relationship, you can see that the U.S. is not an enemy of China, while the Soviets, who have a very long border with China, are shelling China. For two to three hundred years the Chinese and the

Russians have had a history of border conflicts, and the Chinese people are beginning to find out that those who are trying to contain China are not the Americans but the Soviets, as illustrated by Bangladesh and North Vietnam.

What aggravated the Sino-U.S. relationship as it concerned Taiwan was your crossing the 38th parallel in Korea, and then the presence of the Seventh Fleet in the Taiwan Strait. At that time, the Chinese felt that what the U.S. was up to was containing them. However, since then Soviet activities have been stepped up and have become so serious. Now the Chinese feel that if the Seventh Fleet was withdrawn the Soviets would immediately step in. So in the eyes of the Chinese, the Seventh Fleet is not an enemy but can even be a friend. That's why I believe that when the wills of the Japanese, American, and Chinese peoples spontaneously become unified, the Taiwan problem will be solved. It seems to me that until such a time further clarification can be sought in the U.S.-China relationship, and for us, we can leave the Taiwan question more or less in your hands. I believe that this is what the Chinese have in mind, but they would never tell us or Mr. Sato.

Mr. Kissinger: It seems to be such an easy problem.

Mr. Tanaka: In the interests of a peaceful solution of this problem, it makes good sense to divide the labor between friends. In exchange, we are willing and are prepared to cooperate on your defense problems, and to maintain a strong international position.

Mr. Kissinger: That reminds me of a story of a husband-and-wife relationship. Someone asked the wife who decided the big questions and who decided the little ones, and she said that the husband decided all the big questions. Asked what kinds of questions she decided, she said such things as what house to live in and where the children should go to school. She was then asked what does *he* decide? Oh, she said, questions such as war and peace, and international relations.

Mr. Tanaka: (Laughing) I can understand that. In Japan, and in the Orient, we say that whatever concerns there are outside the home are the husband's job, and whatever are inside the home, are the wife's. Another thing we believe in is that bilateral solutions are difficult, and that a multilateral approach is better. That is why we are making an appeal to GATT on some trade issues with the U.S.

Mr. Kissinger: I agree with the Minister that in some of the basic foreign policy problems today we have a major responsibility, and that Japan can help in economic and other relationships.

Mr. Tanaka: Yes, we can do that. Under the kind of Constitution you've so kindly left us, we can do that—we can help out economically.

During the days when the Constitution was being drafted in Japan, I insisted that Japan should have armed forces befitting our place in

the world; the U.S. refused, so that's why we have Article IX. So, under the Constitution, we were very happy to yield to the husband, the U.S., and have him deal with all of the problems outside the house. With respect to economic problems, though, we can help.

Mr. Kissinger: During the Occupation we exported many professors, who put into execution many theories they could never put into effect at home. I have studied the Occupation, and I must say you handled us with great skill. I admire your ability to use the Occupation for Japanese purposes. You gave us the illusion that we were giving you orders when we were actually carrying out your wishes.

Mr. Tanaka: You very generously provided Japan with technology and capital resources. This was very much appreciated, and we know we owe you a royalty for what you have done in the past. But I advise you to collect in a neat manner, not like a loan shark or on a balance figure, but in the spirit of friendship.

Mr. Kissinger: We can't construct a relationship on the basis of gratitude, but rather on the basis of interest. We know you are a great country, and it would be a big mistake for us to come to you and say that you owe us something. We should come and discuss as friends what we both want, and work it out. It can't be worked out on the basis of the Occupation relationship. What we really should do is to look at the problem, and see what is the best for the future and forget the debts. In fact, there aren't many debts.

Mr. Tanaka: You have given an admirable exposé. I respect very much what you have said—I am very impressed. In that spirit we should face up to and solve whatever problems there are between our two countries on a rational and positive basis.

Mr. Kissinger: You can be sure that is the spirit of our Administration. We have tremendous problems in the world, in foreign policy and in economic matters, but neither of us, Japan and the U.S., can conduct an independent policy without doing damage to both.

Mr. Tanaka: What we need is cooperation and good, constant consultations.

Mr. Kissinger: Let me ask the Minister something about economics, which is not a field I usually address in great detail. I have been impressed by the fact that issues arise only when there is already some crisis, and then businessmen come to the White House and complain about the Japanese. The next thing is that we have a confrontation, in which you think that your industry is being penalized for efficiency, and we think that you are conducting unfair practices. My major interest in economics is to make sure it doesn't disturb foreign policy, so I am not here to urge you to do anything in particular. I wonder, though, whether the Minister has thought about how to prevent these problems

from developing—whether we can take steps ahead of time to keep them from arising?

Mr. Tanaka: This is indeed a very important matter. Since we are both democratic nations, we can't prevent industries coming to governments with complaints—we have this too. Perhaps there may be institutional differences between us or different interpretations of facts, but these should be prevented from coming to the surface. That's why at San Clemente I proposed meetings of experts from our two countries at the heads of division level and more consultations between our two countries, even monthly ones. By such methods we can prevent troubles from developing, both at the public and private levels. We need mechanisms, both public and private, and on our side we are trying to establish them.

I believe we need more dialogue between our experts. There are institutional differences based on different customs and conventions. You have anti-dumping restrictions, which are a matter of course for you but to Japan look like court cases with somebody being tried. And if you have something like this between two members of a family, you will never have friendship between the two for three generations. With respect to the textile issue, I felt that I was being sued. If beforehand I had been given two months warning, and if there had been close consultations, I believe that this situation could have been avoided.

I expect to remain active in political life for ten more years, although the Japanese retirement age is 55. I was surprised when Vice President Agnew visited to hear from a member of his staff, a former U.S. diplomat who had served in Tokyo and had been an ambassador somewhere else, that he was retiring; I asked how old he was, and was surprised to hear that he was 65. Maybe like him I'll stay until I am 65, which means 10 more years. Perhaps if I stay, there won't be any bad Japan-U.S. economic problems while I'm around.

There are both good and not so good factors in Oriental philosophy. We generally believe that when a difficult problem arises, like the problem between a husband and wife, you should take time. Give it a night or two, and it will be solved. But this does not work in economic matters, for if you take time, the problem will be aggravated. It is better to settle it quickly, to reach an agreement acceptable to both in the interests of a mutual solution. The same thing can be said about diplomacy. In problems affecting the East-West relationship, time is of use, but problems between friends should be settled quickly.

Mr. Kissinger: I agree with your general approach, but as the Minister knows Americans are very impatient people and want to settle things quickly. However, our bureaucracy is such that even if we wanted to get a quick solution, we couldn't.

Yesterday some Japanese friends suggested to me that in economic fields some machinery should be set up so that if a certain point is

reached in an issue, some automatic restraints can be put into effect. Do you think that this is a useful approach?

Mr. Tanaka: In Japan, we of course believe that our basic legal instruments should handle trade and economic problems, but our bureaucracy is ineffective and not always able to handle such matters. Therefore, I would like to see the executive branch handle them because it would bring more flexibility on matters such as curbing exports, restraints on imports, managing foreign exchange reserves, etc. Already some bills have been introduced in the Diet to this effect.

Can I ask a couple of questions regarding the Soviet Union?

I think that you know the Soviets have made an offer to us on the development of the Tyumen oil fields. Some time toward the end of this month, a large Japanese private mission will go to the Soviet Union to explore the Soviet proposal. What the Soviets will ultimately want is a loan from international banks of \$1 billion, in return for which they will supply 25,000 to 40,000 kiloliters of oil in the period 1977–1987. Japan must of course consider this with great care and caution because the Chinese don't approve of what is going on. Once the Soviets have developed these Siberian lands, they can station tanks and aircraft along the border with China, and can also make Nahodhka a great naval base. But Japan wants crude oil, and wants to consummate the deal. So as I mentioned at San Clemente, I believe that U.S. cooperation is called for. Esso and Gulf have expressed a desire to subcontract some of the work. What is your view?

Mr. Kissinger: There are three problems in this: first, the immediate economic one; second, a long-term economic problem; and third, a political problem. Most businessmen only look at the immediate economic problem, but it's easy to make investments and hard to get the money back. Accordingly, in terms of the immediate economic problem, we think it is a worth while project. However, with respect to the long-term economic problem, we have already seen in the Middle East what weak countries can do once they have foreign investments on their territory. In these terms, what a big country can do, when it has several billions of dollars of investment, is really a serious matter to decide.

Of course, there is the political problem, which the Minister has already explained and to which I can add nothing in terms of China or other matters. We're studying right now how to prevent the Soviet Union from blackmailing us if we put large amounts of capital in there.

I have noticed that your businessmen are afraid we may want to maneuver you out of the oil fields and get exclusive possibilities there. That just proves your businessmen are as short sighted as ours. I can tell you that we don't want exclusive investment possibilities in Siberia, and wouldn't take them if we could get them. If you want exclusive

possibilities, though, you're welcome. If you want all those headaches alone, you won't get any quarrel from us. And if you want to deal with the Soviets and China yourself, you're welcome. Our approach is—we are now studying the problem, and will have Secretary Peterson going to Moscow in July for general discussions, and he will discuss this project among others. His instructions from us are not to do it on an exclusive basis. My view is that we should do it jointly, but if your people get ahead of us I will congratulate you. I'm being very frank now, and don't want you to say this to the newspapers. We will do it together with you if you want, but you should think very carefully how to do it because this is not a joke.

Mr. Tanaka: I fully agree, and share your view. That's why I asked you this question.

Mr. Kissinger: I think that after Peterson has been in Moscow we should send somebody to Tokyo, or you should send someone to Washington, whichever you think better.

Mr. Tanaka: I would like to see that kind of consultation. When I mentioned Gulf and Esso, what I had in mind was not an exclusive Japanese deal; in San Clemente, my interest was in getting a reading of your reaction.

Mr. Kissinger: At that time, I hadn't studied the problem very carefully. What did we say?

Mr. Tanaka: I was fully aware at that time that you had more pressing issues on your mind than the Tyumen oil field.

Mr. Kissinger: That was true at the time. If I can tell the Minister this, it was very refreshing to meet him in San Clemente. He's very direct.

Mr. Tanaka: I really think I'm good timber for managing things, although I am not a great politician because I speak directly.

Mr. Kissinger: You'll end up running the world if you are as good a diplomat as you are a politician.

Mr. Tanaka: I want to talk about the Cuba problem with perfect candor.

Mr. Kissinger: Cuba?

Mr. Tanaka: We buy \$200 to \$300 million worth of sugar from Cuba every year, but have nothing to invest there and our vessels come back with empty bottoms. The Cubans want to buy trucks and loaders from us, but we don't want to do such business without American understanding. We don't want to get a cold eye from the Americans for engaging in this kind of business.

Mr. Kissinger: Not for anything less than \$1 billion.

Mr. Tanaka: (Laughing) Maybe we Orientals are too naïve. Another question is the importation of uranium ore.

Mr. Kissinger: On the question of Cuba, I'll be candid. The Cuban issue is partly diplomatic, and partly a U.S. domestic political issue. Quite candidly, with the U.S. elections coming up, this is not a good time to discuss it rationally. I tell you honestly that if you do it before November, there will be a problem. Somebody would raise it, and we would have to take a formal position which otherwise would be unnecessary. After the elections, I think we can talk about it in a constructive way. I'm speaking very frankly.

Mr. Tanaka: Of course, in the political world we are always subject to hearsay and rumors. I have heard some report that the President won't seek re-election. I'm sure that this is groundless.

Mr. Kissinger: It's about as likely as your not running as a candidate for the Prime Ministership. In 1976 he won't run for re-election, but that's only because the Constitution prohibits it. I can tell you a joke going around in the U.S. Question: What will Mr. Nixon do if he gets elected President for life? Answer: He'll immediately start running for a second term. If you repeat this, Mr. Minister, I'll be without a job.

Mr. Tanaka: If only the LDP rules were changed, I'm sure I could run for three or four terms. However, I don't care about that.

My next topic is uranium ore. Japan is interested in purchasing 5,000 tons worth \$300 million. We are not ready yet to give a concrete commitment, but negotiations are going on with private firms and Japan is willing to go ahead. I'm interested in your passing this along to Mr. Peterson. Just like when Japan buys gold—we buy it from the U.S. Government and leave it in a bank vault in New York City—we're willing to buy the uranium from you and have you keep it in storage for us. We'll look into it this week.

Mr. Kissinger: This is not handled by Peterson, but by the Atomic Energy Commission. How can I get word to you without having 1,000 copies made of my answer?

Mr. Tanaka: All you need to do is to get government-to-government negotiations started.

Mr. Kissinger: We'll send our Ambassador privately to let you know our reaction, and then we will act formally. We'll give you our informal attitude first.

Mr. Tanaka: Ambassador Ingersoll and I have agreed to maintain a very informal relationship. He's a businessman, a Chicago businessman, and like Mr. Kennedy, who went to Europe, I've known him for some time and understand his language.

Mr. Kissinger: Mr. Ingersoll has a direct relationship with the White House, and if you want to get a message to the President or to me, just say to him to send it directly to the White House and I will see it.

Mr. Tanaka: Thank you, I'll do that.

Mr. Kissinger: Mr. Minister, you have been very frank, and I have appreciated the opportunity of talking to you. I've tried to be frank with you.

Mr. Tanaka: I pray that in the future you will consider talking to me with candor, and I will do the same with you.

Mr. Kissinger: I consider this the beginning of a long relationship, except that Mr. Minister will be in politics longer than I—I can't be involved beyond 1976.

Mr. Tanaka: My political future is nebulous.

Mr. Kissinger: Can we just agree briefly on what you, Mr. Minister, will tell the press?

Mr. Tanaka: First, I would like to be able to tell the press that if the Tyumen oil field is to be developed Japan and the U.S. would like to cooperate; however, whether we will be involved in this project is yet to be determined.

Mr. Kissinger: Yes, you can say that we haven't yet made a decision, but in principle would like to discuss it.

Mr. Tanaka: Secondly, I would like to say that I found an expression of U.S. interest in our buying 5,000 tons of uranium ore.

Mr. Kissinger: But I don't know anything about it, I just don't know—.

Mr. Tanaka: Could I say that I raised this matter with Your Excellency, and that it will be raised with others in the U.S. Government?

Mr. Kissinger: It's very unusual for me to say that there is a matter outside my expertise.

Mr. Tanaka: I'm sorry to make you look like a nonexpert on this one thing. But the press will be hard on us to get some news, so we must feed them something. Can I say that economic problems between our two countries can be solved—anything and everything?

Mr. Kissinger: (Nods)

Mr. Tanaka: I would like to be able to say that we exchanged views on U.S.-China, U.S.-Taiwan, U.S.-Soviet, and U.S.-South Korea relations, but I can't reveal the content of our discussions.

Mr. Kissinger: Good. Excellent.

Mr. Tanaka: As a fifth item, I would like to say we agreed that Japan and the U.S. should forget debts and loyalties going back to Occupation days, but should take a new stand on problems of the world today and have close consultations and cooperation.

Mr. Kissinger: You can also say that our meeting was conducted in a very friendly atmosphere, but this is up to you.

Rather than saying "debts" of the Occupation, say "atmosphere" of the Occupation, and in a spirit of cooperation.

Mr. Tanaka: I will say “as true friends”—as true friends, Japan and the U.S. should take a new world view.

Mr. Kissinger: I agree.

122. Memorandum From the President’s Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, June 19, 1972.

SUBJECT

My Trip to Japan

Overview

I believe my June 9–12 visit to Japan successfully served its basic purpose of furthering understanding between our two countries and strengthening the U.S.-Japanese partnership.

I went to explain the new shape of the world that we perceived, the overall foreign policy and specific courses that you are pursuing to meet changed conditions, the roles of the U.S. and Japan in the world, and our evolving bilateral relationship. I also went to listen to their general and specific concerns about U.S. policy and their view of the future, and to get a better feel for Japanese motivations, psychology and outlook.

Within the confines of less than three working days, I talked with the broadest possible cross-section of Japanese political, economic, intellectual and media leadership. I spent four hours with Prime Minister Sato, three and a half hours with Foreign Minister Fukuda and over two hours with the other main challenger for the succession, Minister of International Trade Tanaka. I also saw other leaders of the ruling Liberal Democratic Party, including heads of various factions and for-

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 21, HAK Trip Files, HAK’s Japan Visit Jun 1972 [3 of 3]. Secret; Sensitive; Eyes Only. Sent for information. A notation on the memorandum indicates Nixon saw it. Memoranda of conversation for most of Kissinger’s June 1972 meetings in Japan are *ibid.*, Box 22, HAK Trip Files, Japan Trip Memcons, June 1972, The President. Following Kissinger’s trip, Ingersoll reported to Kissinger that there had been annoyance expressed by some Japanese bureaucrats due to the nominally unofficial nature of his visit, which had been hosted by the Japan-U.S. Economic Council, and the problem of keeping track of Kissinger’s statements. (Memorandum from Ingersoll to Kissinger, June 23; *ibid.*, Box 538, Country Files, Far East, Japan, Vol. VIII, May–December 1972)

mer Foreign Ministers during two lengthy working meals. Private sessions were also held with leaders of the two main opposition parties, the Socialists (the first time in several years apparently that a top American had seen them) and the Komeito party. Several hours were spent formally and informally with the leaders of Japanese business, two and a half hours with top media representatives, and two hours with a cross-section of university professors. Finally, my live television press conference at the conclusion of my visit and the extensive media coverage throughout, which was generally straight and positive, served to get our major themes across to the Japanese public at large.

Additionally, I believe my visit gave our new Ambassador, Robert Ingersoll, and his top staff a fuller appreciation for your foreign policy in general and policy toward Japan in particular, and I believe the wide exposure to all leadership elements in Japan should enhance the Ambassador's prestige and entree.

On your behalf I conveyed privately and publicly announced your invitation to the Emperor to visit the United States at a mutually convenient time. I also informed Sato and Fukuda about my upcoming trip, thus making clear we were taking them into our confidence and arming them for any Japanese domestic discussion of the trip.

Following are brief highlights of the major issues that were discussed, including U.S.-Japanese relations, Japan's role in the world, China, the Soviet Union, Indochina, Korea and economic issues. There is also a brief rundown of each of my meetings.

Obviously, we cannot expect major lasting accomplishments from such a short visit by itself. In addition, the almost universally positive play in Japan to date will inevitably be subject to editorial carping in coming days by certain elements. Nevertheless, based on my own instincts, the comments we received from both Japanese and Americans, and the basic media coverage, I believe this trip cleared away much underbrush and put us in a position to make a fresh departure in our relations with Japan.

U.S.-Japan Relations

The note which I struck in general was that the U.S. valued its relations with Japan very highly indeed, and believed that the maintenance of the U.S.-Japan alliance was vital to peace in the Pacific. We ourselves were satisfied with the U.S.-Japan Mutual Security Treaty and felt that it should be kept in its present form for the foreseeable future. If any changes were proposed, they would have to come from the Japanese. Of course, we recognized that Japan was an important, mature country and we would be willing to consider any adjustments in the Security Treaty the Japanese might wish to make.

This was against a backdrop in which the U.S. emphatically was not withdrawing from Asia but was determined to stay on under

conditions acceptable to the American people. In answer to Japanese concern, I made a point of saying this meant, too, that we would stay on in South Korea.

In the foregoing light I stressed that we had no intention of pushing Japan away from the U.S. If Japan wanted to pursue a more self-sufficient course, it had to do that on its own and not because we forced it in this direction. It was not the policy of this Administration that Japan should develop nuclear weapons, or develop its conventional forces beyond the capability of defending Japan's home islands. We did not see Japan playing a regional military role, but hoped that it would help stabilize the region by continuing to give economic assistance.

I noted that we saw no inconsistency between the friendly relations between Japan and the U.S. and the policies we have pursued with Moscow and Peking. We wanted to consult closely with the Japanese leaders on moves which would affect our common interests. We regretted the lack of advance notice regarding the announcement of your Peking visit, but the circumstances were unique and we foresaw no repetition.

There was no effort to rebut my position, and I believe my words sunk in.

Japan's Role in the World

Some Japanese had rather peculiar notions of the implications of your "five-power world." They thought it meant that we were pushing Japan to become a military power or that we put Japan in the same category as Russia and China.

I made clear that this was nonsense. Your philosophy under the Nixon Doctrine, I stressed repeatedly, was not to cast them adrift in a multipolar world but just the opposite: to treat Japan as an important and mature country with a significant role to play, so that our alliance was suited to modern conditions. Japan's role in the world was for the Japanese to determine.

There were many categories of power: In the military sphere there are really only two powers, and there was, and would be, no pressure on Japan from us to take on a military role. In the economic sphere it was a multipolar world, and here Japan's role was crucial. The task of statesmanship was to develop a reliable process of multilateral problem-solving among the Free World economic powers.

The Japanese were interested in this. They seemed reassured that we still saw our close tie with them as the foundation of our policy.

The People's Republic of China and Taiwan

There were two aspects of the China problem which the Japanese constantly harped upon:

—Had you struck any secret deals with Chou En-lai over Taiwan during your visit to the PRC?

—What would the reaction in the U.S. Administration be if Japan accepted Chou En-lai's three conditions for the normalization of relations with the PRC?²

In addition, there was Japanese apprehension that, now we had "leap-frogged" Japan in making high-level contact with Peking, we would move rapidly toward the normalization of U.S.-PRC relations and leave Japan in the lurch.

I assured the Japanese that no secret deals had been struck in Peking over Taiwan. In the Joint Communiqué we had acknowledged only what the Chinese on both sides of the Taiwan Strait maintain regarding the status of Taiwan and did not challenge, i.e. took note of, this position. We wanted the Taiwan issue to be settled peacefully by the parties concerned (and felt that the PRC would not use force), but we would not pressure the ROC into opening a dialogue with the PRC. Our military and political relationships with Taiwan would continue.

On Japan's acceptance of Chou En-lai's three conditions, I said that it would be extremely regrettable if the U.S. and Japan became engaged in a rivalry over improving relations with Peking. I foresaw only a gradual improvement in U.S.-PRC relations, while Japan already had extensive economic and even some political contacts with Peking. Our respective moves should be taken in such a way as to prevent the PRC from driving a wedge between us, which it wanted to do.

Incidentally, the "leap frog" theme clearly indicates that it was not so much the substance of your China initiative which bothered the Japanese as the fact that we did what they badly wanted to do *first*.

Once again it is hard to judge the impact of my words, but the headlines and news stories played up positively this aspect of my statements. Still, it will be very difficult for the Japanese to stop fulminating over China policy, given the extent to which it is involved in domestic politics and the succession question.

Soviet Union

There was not a great deal of discussion on our Soviet policy or the Moscow Summit. Our China policy clearly was of greater interest to the Japanese. Much of the interest in our Soviet policy was on economic matters, including prospective Japanese development of Si-

² Japan must (a) acknowledge that Taiwan is an inalienable part of China, (b) acknowledge that the PRC is the sole legitimate government of China, and (c) abrogate the Japan-ROC peace treaty of 1954. [Footnote in the source text.]

beria and our possible involvement. They seemed concerned about Soviet naval strength in the Far East—especially if our presence should decline.

With Moscow as with Peking, I made clear that we distinguish between our friends and potential adversaries and that the Free World should not engage in a race toward either capital.³ My general presentation was to describe the agreements in Moscow as falling into three categories: First, those like environment, science and space which reflected the fact that we were two advanced industrial countries with common problems and opportunities. Secondly, the SALT Agreement which was an exclusive problem between the world's two superpowers and which fully safeguarded our strategic posture. Thirdly, the basic principles of bilateral relations which constitute an aspiration and a framework for our future relations, although we were not naive about its binding quality. I also indicated that we expected further progress on trade issues during the summer.

Indochina

There were many questions about our Vietnam policy, particularly in my meeting with Japanese academics. I explained your policy at length, stressing that you were determined to see it through and that the only issue left was the Communist demand that we overthrow our ally to appease our enemy. I pointed out on many occasions—I think with effect—that Japan has a direct interest in our constancy toward our allies. It could only be unsettling to Japan if we did sell out an ally's interest. On the other hand, our steadfastness toward a small ally on the periphery of Asia should be particularly reassuring to the major ally on whom we founded our Asian policy.

Korea

Regarding Korea, I assured the Japanese that I knew of no present plans to reduce U.S. forces in the Republic of Korea, that any future reductions would not affect materially U.S. military capabilities there, and that in any case we would consult closely with the ROK and Japan. As in other parts of Asia we were staying on in South Korea as part of the Nixon Doctrine, and would maintain our treaty relationship with the ROK. This position answered the main area of Japanese concern—that the U.S. not pull out of Korea. I also referred in passing to the important relationship between the U.S.-Japan Mutual Security Treaty and the defense of South Korea.

The Japanese did not press me on the subject of improving U.S. and Japanese relations with North Korea. They were unanimous that

³ Nixon highlighted this sentence.

the defense of Japan made Korea an area of special sensitivity to Tokyo—though without the emotional overtures of China.

Economic Issues

Although the main focus of my talks was on political matters, there was considerable discussion of economic problems including what some Japanese believed to be protectionist, and essentially anti-Japanese, U.S. economic policies. The Japanese recognize the problems which their large trade surpluses will cause, and noted that they were making efforts to deal with the problem. I emphasized the importance of their moving promptly to decrease the surpluses.

In response to their queries on what could be done to solve economic problems between us, I stressed that Japan, along with U.S. and Europe, is one of the three pillars of the free world economy. What was required now was a cooperative effort among the three powerful economic centers to reform the international monetary and trading systems, and to work out a framework which would enable us to identify and deal with problems before they become major political issues. Such an approach would allow us to handle problems not on an ad hoc basis—which means that pressure from special interest groups often forces governments to take positions not in the overall national interest—but in a broader context which allows us rationally, and cooperatively, to set broad guidelines and policy consistent with our national interests, which can constitute a framework in dealing with individual problems.

Another issue raised at various times was whether the United States would be willing to play a part in joint ventures between Japan and USSR in Siberia. I explained that we had no objection to the Soviet Union and Japan exploring joint ventures with one another; if U.S. firms wanted to participate and required U.S. Government financing, we would have to look at our participation on the merits of the case, but in principle we would have no objection to our companies discussing this.⁴

My Meeting with Sato

I spent four hours in frank conversation with Sato over dinner at his residence, on June 10. Throughout this discussion the Prime Minister's basic conservatism [*conservatism*] shone through—in his strong support of your Vietnam policy, in his wariness that the Communist powers might attempt to split the Free World, in his preference for the

⁴ Nixon highlighted this paragraph and wrote: "K—This might [be] an interesting one to follow up on."

older, more traditional, Fukuda over Tanaka, and in his general distrust of youth.

Sato, who is among the most impressive Japanese, nevertheless demonstrated their typical quality of talking pragmatically and tactically, rather than on a philosophic or strategic basis. Almost the entire conversation consisted of his asking me questions about our policy. Thus, although one might expect that of all people this man who is leaving office in a few days could dwell on the future and broader concepts, instead we talked mostly about specific policies that we have been pursuing.

We spent a considerable time on *China*.

—I traced the development of our policy toward the PRC, emphasized that there were no secret deals, and said that we expected our relations with Peking to develop gradually.

—He indicated that he had been concerned not so much over the so-called “shokku” shock, of our policy but rather the motivations behind it. He suggested some envy that we were able to get around the Taiwan issue in our dealings with Peking, which was impossible for Japan because its domestic situation and trade interests gave Peking greater leverage.

—He approved of our line with the Chinese that the U.S.-Japan Mutual Security Treaty should reassure Peking about Japan’s future military role and he showed interest in the state of China’s nuclear program.

—He also said that Chiang Kai-shek’s views were now quite moderate on U.S. policy, that he recognized that we had to make our moves, and was showing more flexibility toward the Taiwanese, including representation for them in the cabinet.

—In response to his queries, I briefly described the powerful presence of Mao and the intelligence of Chou.

On *Vietnam*:

—I made clear your determination to see the conflict through, that our policy was to isolate North Vietnam physically and psychologically, and that we would not overthrow Thieu.

—He applauded your firm stance, said that the biggest mistake we could make would be to overturn the government, and asked how Japan could help us. I replied that they should have no contacts with Hanoi in the near term and that they should give more economic assistance to South Vietnam. He responded that they had planned to give some humanitarian aid also to North Vietnam, but would now delay this until after the war was over.

—As I pointed out in several other public and private sessions during my visit, I emphasized the implications for our major ally Japan

of our steadfastness with a small friend, South Vietnam. I concluded that we thought we had the Vietnam situation well in hand and that only a McGovern victory could bring defeat.

In response to his questions about the *Moscow Summit*:

—I gave him the rundown on the three types of agreements that I explained to other groups as well as those bilateral agreements which reflected the fact that the U.S. and USSR had common problems as advanced industrial countries; the SALT agreement involving the only two countries who could destroy the world; and the basic principles which we recognized were no instant panaceas but rather useful guideposts for future relations. I emphasized that our strategic position in the SALT Treaty firmly guaranteed our national security.

—In response to his questions I said that the Sino-Soviet split was obviously serious but that we would not try to exacerbate it.

Sato asked about the *Korea* situation.

—I replied that there might be some adjustment in our forces over time but that we would always consult Japan. I emphasized that we had made no deal with either China or Russia, and said that we had the impression that those two countries' policies with regard to Korea were prompted more by their own rivalry rather than any desire to really press North Korean demands upon us.

Toward the end of our conversation I managed to ask my only question, inviting his comments on the *succession question*.

—He made clear his preference for Fukuda because of his age and experience, his traditional education, his knowledge of international affairs and his greater world reputation. Tanaka he clearly thought was tough and intelligent, but unpolished and somewhat of an unknown factor, particularly on international affairs.

—He stressed that he would do everything he could to help Fukuda, but that even with this assistance he placed Fukuda's chances at no better than 50–50, given the support that Tanaka enjoyed in many quarters, especially among the younger elements. Either man, however, he emphasized, would pursue policies within the basic Liberal Democratic Party framework.

I forewarned Sato about my *upcoming trip to the PRC*, saying that we would give him advance notice when the date was firmly set. He indicated that the announcement of the trip might affect the debate in the Diet over some remaining legislative issues but that this would be manageable, particularly since he would be able to say that this had been discussed with him in advance. He specifically asked me to put in a good word with the Chinese on behalf of Japan and its wish to improve relations with the PRC.

The conversation ended with Sato again stressing the need for the Free World to stick together and expressing his hope for your reelection.

Although our conversation did not dwell as much on future U.S.-Japanese relations as I would have liked, I believe it was nevertheless very helpful in giving him a firsthand rundown on your perspective and policies. He clearly came away reassured about the basic U.S. course and demonstrated that, whatever the recent turbulence in our bilateral relations, he and Japan remain our good friends.

My Meeting with Fukuda

I had a three and a half hour breakfast with Fukuda on June 11. Fukuda appeared more relaxed than he seemed last January at San Clemente.⁵ The succession problem was much on his mind. He went over in some detail the complexities of the Japanese political system in choosing a new party president and prime minister, but he also gave the impression of being confident as to his chances. The tenor of his remarks on the future of U.S.-Japan relations did not suggest a man whose political career was coming to an end.

As might be expected from a Foreign Minister, Fukuda's remarks touched upon a broad range of political issues and more peripherally on economic matters. I dealt with these along the lines outlined above. There were in addition a number of points of particular interest.

—He acknowledged that your China initiative had caused him problems, since in his words Japan-PRC relations comprise the most important problem for the Japanese Government.

—He felt that the first two of Chou En-lai's three conditions for normalizing PRC-Japanese relations had been pretty well overtaken by events and would become acceptable once government-to-government negotiations began. He meant to hold firm on the third, however (abrogation of the Japan-ROC Peace Treaty) pending an actual agreement on normalization of Japan's relations with Peking. The impression he tried to convey was that he would not be pushed around by the Chinese (though he of course might not be able to resist pressures for acceptance).

—He was worried over the Vietnam war, but primarily because he felt that the war and the arms race with the Soviet Union had eroded U.S. economic strength and staying power. I suggested that Japan should hold off contacts with Hanoi over the next several months and he agreed.

—He responded very affirmatively to my statement that the White House wanted to have the closest possible relationship with the top

⁵ Fukuda was part of the official Japanese party that participated in the January 6–7 U.S.-Japanese summit, held at the Western White House in San Clemente. See Documents 111–113.

Japanese leaders. He indicated that the confidentiality of any arrangement to this end could be assured. He was receptive to the idea of a meeting between you and the new Japanese Prime Minister later this summer.

—He was concerned over the possibility of expanded Soviet efforts to exercise influence in Asia. However, he hoped for U.S. participation in Siberian development. I told him that Secretary Peterson had been put in charge of this matter, and that there would be consultations with Japan on it.⁶

—He valued highly Japanese relations with Indonesia. I said we did the same.

—He did not appear perturbed when I informed him of my impending visit to Peking, but took the news calmly. Perhaps Prime Minister Sato had already informed him of it, which had given him time to think it over.

—He handled very well the question of an invitation from you to the Emperor to visit the U.S., promising to tell me before my press conference whether I could make this invitation public, and indeed did so.

*My Meeting with Tanaka*⁷

Tanaka and I met for over two hours at breakfast on June 12. Like Fukuda, he appeared calm and confident about the outcome of the succession contest. From some of the points he made, though, I believe that there was some insecurity in his position and that he was trying in subtle ways to gain U.S. sympathy if not necessarily support. For example,

—He went to some lengths to explain that he had always been a member of the Liberal-Democratic Party (and hence inferentially was

⁶ On June 8, the day of Kissinger's departure for Japan, Peterson sent a memorandum to Kissinger, encouraging joint U.S.-Japanese economic cooperation. He noted: "At one level, it would be easy to say that the reactions or perhaps overreactions to the 'Nixon shocks' (and the related lack of consultations problem) are paranoiac and pathological, and not matter of substance. At another level, it would seem to me that there is a *psychological* problem (that we don't really care about them and are pre-occupied with the Soviet Union and China) and a *domestic political* problem (Sato and friends aren't truly leaders in our eyes or we would have treated them differently). I would state the obvious and that is that some highly *visible* methods of joint cooperation that begin to assume some of the coloration of the recent Summitry might be a temporary antidote until you can have a real Summit. I could see a variety of areas where we might cooperate with Japan in the setting up of Commissions to look at (1) trade, (2) investment—particularly third country investments, including maybe even gas in the Soviet Union, (3) the whole range of urban problems (transportation, pollution, education, etc.) which are strikingly similar in Japan to the U.S." (National Archives, Nixon Presidential Materials, Agency Files, Box 214, Commerce—Jan–Jun 1972—Vol. III)

⁷ See Document 121.

identified with stalwart pro-U.S. Prime Ministers) while some of the other contenders, notably Fukuda, arrived much later on the LDP scene.

—He said that he thought the way you had handled your China initiative was correct, and in fact he said so at the time of your July 15 announcement. He added that we should not engage in a U.S.-Japanese race to Peking.

—He expressed the belief that the U.S. should help to settle the Taiwan issue between Japan and the PRC “as a family friend.” In this way, the U.S. would participate in the settlement and help to draw the others closer.

—He claimed credit—justifiably—for settling the textile issue between Japan and the U.S.

Somewhat surprisingly, Tanaka did not take the opportunity to go much farther afield than Taiwan and the PRC in discussing political issues. Rather, he concentrated more on economic questions. In particular, he went into considerable detail in discussing the possibility of joint U.S.-Japan participation in the Tyumen oil field development scheme with the USSR. (I responded to this as outlined above.) I sense that he feels much more certain of himself in economic matters than political ones.

I took the opportunity of informing him that regardless of who became Prime Minister, the White House wanted to establish close and cordial relations with this individual. Tanaka seemed pleased.

As you know, Tanaka at 55 is about ten years younger than the other would-be successors to Sato. He appears to be a very vigorous, direct, and dynamic man, and I have no reason to believe that as Prime Minister he would take Japan down an anti-U.S. course. Being identified with economic matters, he undoubtedly has a clear concept as to where Japan’s interests lie.

Meetings with Other Leaders and Groups

Liberal Democratic Party Leaders. I had a luncheon meeting Sunday with three executives of the ruling LDP: Nakasone, Kosaka, and Mizuta (who is Finance Minister). The most interesting was Nakasone, a dynamic and ambitious young politician, a former student of mine, who was until recently their equivalent of defense minister. Nakasone expresses a vague kind of assertive nationalism: He hints vaguely at defects in the NPT and at the desirability of peaceful changes in the 1945 world settlement (territorial and UN charter revisions) to give Japan a greater role. At the same time Nakasone recognizes Japan’s role must be economic and not military. He has visions of Japan and the U.S. leading a Free World program to spur prosperity in Asia. He also had an imaginative suggestion of an automatic adjustment process

for smoothing out economic disputes between Japan and the U.S. before they become crises.⁸

Former Foreign Ministers. I had the opportunity to have dinner with four former Foreign Ministers—Fujiyama, Aichi, Miki, and Ohira—of whom the last two are also contenders for the Prime Ministership. Neither Miki nor Ohira spoke a substantive word the whole evening. I suspect that their being with me together made it difficult for each to say anything which might tip their hands. Each controls substantial blocs of votes in the LDP, and might be able to swing the election one way or another for Tanaka or Fukuda even if they cannot win themselves. One or the other could again be Foreign Minister.

Fujiyama's and Aichi's remarks were rather puerile. Fujiyama wanted a more "positive" U.S. attitude toward ending the Vietnam war, which meant in effect accepting Hanoi's terms, while Aichi was worried about a possible "anti-establishment" attitude among aid recipients in the underdeveloped world requiring the developed countries to be more generous. I took issue with both of them, and I believe with some effect.

Japanese Socialist Party. My meetings with the Japanese Socialist Party (JSP)—the first with Party leaders by a senior American official since Robert Kennedy—dealt primarily with Vietnam, U.S. bases in Japan and Japan's relations with China. The JSP leaders expressed the view that U.S. "aggression" in Vietnam should cease as soon as possible, and that they could not tolerate further use of Japanese bases for support of the war. The Party did, however, welcome your visit to Peking—although other parties in Japan were "shocked"—because it felt that your visit would contribute to a reduction of tension with China and be an element in ending the war in Vietnam. It was disappointed that it had seen no evidence of the latter.

In responding to this, I explained in some detail your Vietnam policy and the reasons why we cannot settle war on the basis of the other side's proposed "Government of National Concord." I further explained—in response to the JSP leaders' fear that the U.S. was

⁸ A memorandum of conversation of Kissinger's luncheon meeting with high-ranking LDP members reports this discussion as follows: "Nakasone: But in the economic sphere, there is an absolute necessity to work out an automatic adjustment arrangement. Kissinger: After there is a new Prime Minister, it will be very worthwhile. If we wait till there is a crisis, the problem can't be solved. But how would it work in practice? Overall? or by product? Nakasone: Overall, based on the balance sheet of the previous year. Kissinger: On individual products? Nakasone: On an overall basis. The internal item-by-item basis can be left to the discretion of business leaders and government." (Memorandum of conversation, Tokyo, June 11, 12:15–2:15 p.m.; Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 22, HAK Trip Files, Japan Trip Memcons, June 1972, The President)

restraining Japan's efforts too closely to China—that we had no judgment on what policy Japan should adopt vis-à-vis the PRC, no intention of complicating Japan's efforts in this regard, and no intention of substituting Japan's forces for our forces in Asia. With regard to the Japanese-U.S. security treaty, the JSP leaders were ambivalent, but what came through clearly was their view that if Japan felt it could not continue to rely on the U.S. for its defense, this would increase Japanese pressure to rearm.

Komeito. My meeting with officials of Komeito (Japan's third largest party) gave me the opportunity to pursue with the Party Secretary, who had just returned from North Korea, his observations on his trip. The Secretary, who had met with Prime Minister Kim, was struck by the heavy-handed police state which existed in North Korea—which exceeded his expectations—and by the self-centered character of Kim. He also made the point that—contrary to what he had earlier believed—if U.S. troops were removed from the South it was entirely possible that the North would move into the South.

JUSEC Meeting. Following my opening meeting with Embassy officials on June 10, 1972, I met for approximately two and one-half hours with my hosts, the Japan-U.S. Economic Council (JUSEC) which is composed of the leading businessmen in Japan. This semi-public session gave me a good opportunity to set the framework for my visit and all my subsequent conversations.

I began the meeting with a forty minute presentation of the major themes of your foreign policy and issues in U.S.-Japan relations along the lines described above. On economic matters, I emphasized the importance of our finding a framework to deal with economic issues in a rational way, before they become major political problems.

In the question and answer session, the Japanese businessmen asked for more details relating to our moves toward China, how we saw the Japanese role in Asia evolving, and whether we envisaged a change in the U.S.-Japanese Security Treaty. I explained further our reasons for improving relations with China, stressed the priority of our partnership with Japan and stated that the U.S.-Japan Security Treaty was in the common interest of both countries and that we saw no need to change it.

The meeting gave me a better idea of Japanese concerns, and I dealt with the questions frankly and in as specific terms as possible. My overall impression was that Japanese businessmen were concerned about how the United States saw Japan in the years ahead, where Japan itself was going, and what role we envisaged for Japan in the economic and military spheres. I believe my answers reassured them that we were not casting them adrift, that we regard their friendship as of the utmost importance to us, and that we want to pursue a policy of

cooperation to deal with political and economic issues on an amicable basis.

Meetings with Senior Editors. I began this June 11 meeting of approximately two hours with a statement similar to that with which I led off the JUSEC meeting. I also covered in some detail your Indochina policy, in response to criticism of our Vietnam policy which I had read in the Japanese press. The question and answer session proceeded in a manner similar to that of the JUSEC meeting. The editors wanted to hear our views on the concept of a collective Asian security arrangement, as proposed by Brezhnev, and I explained that if this were directed against the PRC we could not participate. I added that it would be shortsighted and foolish to attempt to play the PRC off against Moscow and vice versa.

Academic Leaders. At a luncheon I had Monday with international relations scholars, a disproportionate amount of time was taken up with answering questions from two who had signed a public letter to me on Vietnam.⁹ The others in the group were more eager to discuss other topics and were far less hostile. They asked the standard questions, particularly our policy toward Taiwan and Korea, as well as about the future of U.S.-Japanese relations. Like academics everywhere, they were sure they had figured out the rational calculation and complicated purposes that underlay all our actions.

⁹ Yoshikazu Sakamoto and Hiroharu Seki, professors at the University of Tokyo and participants in a June 12 meeting with Kissinger, had signed a public letter to Kissinger protesting U.S. Vietnam policies. (Letter from Masataka Banno, et al., to Kissinger, June 9; *ibid.*)

123. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, July 15, 1972.

SUBJECT

Tanaka Government: Early Prospects Are for Continuity in Japanese Foreign Policy

Several early indicators of Prime Minister Tanaka's² foreign policy proclivities point strongly in the direction of continuity in Japan's basic foreign policies. It is in the foreign affairs area that Tanaka has been something of an unknown quantity.

—In a television interview July 5, Tanaka reaffirmed the vital importance of the U.S.-Japan alliance to Japan, saying it was "like water and air" to Japan, without which Japan "cannot survive."

—Tanaka appointed as his Foreign Minister Masayoshi Ohira, who served earlier as Foreign Minister (1963–66) and who as the leader of the Liberal Democratic Party's second largest faction swung his weight behind Tanaka's election in mid-June. Ohira also believes Japan's foreign policy must be premised on the U.S.-Japan alliance, and in his previous stint as Foreign Minister was consistently reliable and cooperative in his dealings with us. Equally important, Tanaka did *not* choose as his Foreign Minister Takeo Miki, who is also a former Foreign Minister and who also, as a major LDP faction leader threw his support to Tanaka last month. Miki is not so committed to the U.S.-Japan alliance and is more inclined to independent Japanese initiatives. Tanaka has said he would leave foreign policy largely to his Foreign Minister and the Foreign Office. This should act as a constraint on Tanaka's reputed impulsiveness, especially until he has acquired more experience in foreign affairs.

—On China policy, Tanaka has already committed himself publicly to early normalization of relations with Peking, but has noted that

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 538, Country Files, Far East, Japan, Vol. VIII, May–Dec 1972. Secret. Sent for information. A notation on the memorandum indicates the President saw it. According to the transmittal sheet, Nixon saw it on July 18. Holdridge sent the memorandum to Kissinger under a covering memorandum on July 8 suggesting, with the concurrence of Hormats, that Kissinger sign it and send it to the President. Nicholas Platt, had sent Kissinger a memorandum on July 7 that provided an assessment of Tanaka, the new cabinet, and recent political events in Japan. (Ibid.)

² On June 17, Sato announced plans to retire from his position as president of the LDP. Tanaka won a vote within the LDP to become its president and, on July 6, the House of Representatives elected him Prime Minister.

bilateral relations between states are not a one-way street. This may reflect the toughening in Japan's position clearly articulated to Assistant Secretary Green July 6 by Vice Foreign Minister Hogen, when he said that Japan's bargaining position with Peking was stronger than previously realized. (Hogen also said that Japan would not sever its non-diplomatic ties with Taiwan, and that it would not yield to any PRC pressures on the U.S.-Japan security relationship.) Foreign Minister Ohira's views also support this approach: he has said that Japan should normalize relations with Peking on a pragmatic, balanced basis that takes account of its relations with Taiwan.

These indications of continuity in Tanaka's foreign policy are bolstered by at least two fundamental influences on him:

—Tanaka himself is basically a moderate who is deeply rooted in Japan's postwar conservative political tradition. His departures are in his having risen through early and striking success in business—and without the benefit of a university education—rather than through the traditional bureaucratic route, and in his image of youth, flair, and decisiveness.

—Tanaka's freedom of action is limited by the Japanese political system, in which the prime minister is only the first among equals, in which the cabinet—like other groups in society—is collectively responsible for its policy decisions, and in which the balance of influence in government among the entrenched bureaucracy, big business, and political groups works against non-consensus politics.

Tanaka's impact on Japan's foreign policy, at least in the near term, is likely to be more in style. He is likely to be more assertive and self-confident, and as regards relations with us, particularly in the economic field. Given his most recent post as Minister of International Trade and Industry (MITI) and his business background, it is in Japan's economic relations with us that he is likely to assert himself first. Together with his nationalistic MITI Minister, Yasuhiro Nakasone, Tanaka can be counted on to resist efforts to pressure Japan to make reforms that may assist particular U.S. trade interests but are contrary to Japan's interests. At the same time, he has strongly committed himself when he was MITI Minister to reduce Japan's large trade surplus with the U.S.

As to Tanaka's domestic policy, it is here, the area of his past experience, that he can be expected to concentrate his energies, at least for the present. His long-standing expertise in domestic problems has been the basis for his unusually broad popularity. He has proposed far-reaching social welfare measures, and has promised to bring government close to the people. Tanaka's election as LDP President probably primarily reflects the feeling within the Party that the LDP had to make itself more responsive to the demands of Japan's modernizing society, particularly in the urban areas. (The impact of your China initiative on the election was probably felt most as one among several factors

causing Sato to lose a considerable part of his previous influence within the Party, and thus not able to exert the pressure on the selection of his successor that he might otherwise have been able to.)

124. Memorandum of Conversation¹

Washington, August 9, 1972, 6:30–7 p.m.

PARTICIPANTS

Henry A. Kissinger
Peter M. Flanigan
William D. Eberle
Alexander M. Haig, Jr.
John H. Holdridge
Robert D. Hormats

Dr. Kissinger: I understand that Alex Johnson is in the process of drafting his own Communiqué over at State.²

Amb. Eberle: I gather it is primarily on political issues.

K: There should be no Communiqué without White House approval. Johnson should not be negotiating this.

Mr. Holdridge: I have told them that nothing should go out without White House approval.

K: In no negotiation in which I am involved do I tolerate study groups. No one has ever leaked on me because they do not know what I am doing. I ask a lot of questions but no one knows which I will use.

I want John to go over there to get concrete agreement or at least so that we will know what we will face when we meet Tanaka. I don't want to be faced with a State Communiqué. I don't want to go over there and get hit so that we will have to pay a high price for what we want to get.

Mr. Flanigan: It is essential to get rid of the trade deficit with Japan. The President will not want to negotiate figures. Tanaka should be able to say that he agrees that we should get rid of the deficit or, if

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 538, Country Files, Far East, Japan, Vol. VIII, May–Dec 1972. Secret. Presumably drafted by Holdridge or Hormats. The meeting took place in Kissinger's office at the White House. On August 9, Hormats prepared Kissinger's talking points for this meeting. (Ibid.)

² Reference is to the Nixon–Tanaka communiqué that was scheduled to be released following their meeting in Honolulu, August 31–September 1.

agreement has already been reached, we should announce specifics in such areas as agriculture, uranium, airplanes and opening up of Japan to investment. A general commitment from the Prime Minister would be useful for the President.

K: Ushiba will work with Eberle to see what can be done, but can these discussions be kept quiet until Hawaii? Then, if we can keep this quiet, we can say in the Communiqué that the President has been informed by the Prime Minister that Japan will do . . .

Eberle: We can keep this quiet over here. The question is can Japan. There are four ministries involved over there. However, this might be to our benefit since some may leak, but only a part of the package.

Flanigan: We can get a pretty good package. It could be three quarters of a billion dollars.

Eberle: \$600 to \$900 million. With regard to wholesale and retail packaging, letters are being prepared.

Flanigan: Can these be held up?

Eberle: Yes, they can be held until Hawaii. There is also the issue of uranium. The Japanese team has delayed coming here. The AEC wants to go quickly. The issue can be moved quickly.

K: Good. Do that.

Eberle: The Foreign Office and Finance Ministry feel that we can put together a large agricultural package. But their Agriculture Ministry feels that the present \$440 million is the best estimate of additional purchases. There will be another meeting tomorrow in Tokyo on this.

K: Do you control this?

Eberle: They report to me.

Flanigan: This goes through State. All correspondence and replies goes through State.

K: I am amazed that they haven't leaked it.

Eberle: They come to Johnson directly and he sends them to me.

K: Can you identify things for John to push in Tokyo?

Eberle: I will give him some papers.

K: Alex is working with Ingersoll. Ushiba wants to work with me. Should we let the Japanese choose which Communiqué they want. This is insanity. I want to see the State Communiqué to see if it is strong enough.

Flanigan: Also we need a talker for the President to explain what he should say to Tanaka.

K: Give me the talker ahead of time so that I can discuss this with the Japanese so when the President makes a reference they know what he means. Also, Tanaka and Ohira are diminished when they are separated. They act as one person. This means Rogers will be in the meetings.

When the Japanese say something he will be soft. Then outside he will say how tough we were. Give me a talker so that I can lean on the Japanese.

Flanigan: We are soon going to make a “dumping” finding on Japanese textiles. Tanaka is concerned with this.

Eberle: He is personally involved. He views it as a slap at him because he entered into the textile agreement and agreed to quotas and then we will hit him with a dumping case. Under statutes we will have to act by August 12. We must go through with this or we violate our agreement. Japan thinks that just because these items are under quota they can dump.

Eberle: There is one out. We can accept the Japanese price assurances. We changed our policy recently and now do not accept price assurances where the price difference is above a minimum.

Flanigan: The price difference is not within the minimum.

K: Can we get this delayed? Can we reopen the case? Can we delay for six weeks?

Flanigan: I will go back and ask about this.

K: There is only one way to get this economic stuff: 1) John, find someone in Japan who represents Tanaka to whom I can talk and who speaks for Tanaka; 2) We need primary negotiations. I will do this. Then when the President makes an elliptical comment they will know what it means. I do not want to get into negotiations. I will talk along gross categories, along the lines we had in this Communiqué. We want to put relations with Japan on a new basis. What is past is past and settled. And I want to tell them that no leaks will be tolerated.

Flanigan: Then I will prepare you with a talker to use with the Japanese.

Eberle: You want to delegate that?

Flanigan: No, because there are monetary issues involved.

Eberle: There is another issue—defense burden sharing. We can raise this question if we don’t brutalize.

K: I have no objection to raising this since we do establish the basis for going back later.

125. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, August 18, 1972.

SUBJECT

Your Meetings with Japanese Prime Minister Tanaka and Foreign Minister Ohira

Your meetings with Tanaka and Ohira come at an opportune moment. Tanaka and Ohira (who could be the next prime minister) are already convinced that to maintain a cooperative relationship with the U.S. is in Japan's and their own political best interest. Their immediate problem is to demonstrate that this relationship brings dividends for Japan while they respond to domestic pressure to undertake new departures in foreign policy with Peking and Moscow. The Japanese have been at pains to reassure us that normalization of relations with Peking will be sought on a basis that is no threat to essential U.S. interests in Japan's pursuit of these goals.

The most important outcome of the meeting will be the tone it sets for the future relationship between Japan and the United States during a period of considerable flux in international relations affecting the two countries.

Our Objectives

—To emphasize that it is essential for the Japanese to move toward elimination of the present trade imbalance between our two countries, in order to maintain our close political relationship. This meeting is not in any sense a negotiating session on specific items. Tanaka will probably not be able to go much beyond the positions he has already stated on economic matters. However, it is important that you stress the continuing urgency and importance you attach to this issue. The discussion should not be put in terms of Japanese concessions to the United States, but rather on the need to maintain our close political relationship, which we both desire, and assure continued Japanese access to the U.S. market.

—To provide evidence both within the U.S. and Japan that we are consulting with the Japanese leadership about our intentions and expectations with respect to U.S. policy in Asia.

—To provide a further opportunity to make explicit to the Japanese leadership that developments in U.S.–PRC relations should cause no

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit (Hawaii) 31 Aug–1 September [1972] [1 of 4]. Secret.

difficulties to the Japanese in pursuit of normalization of relations with Peking or in their domestic political competition. (A popular election is likely in Japan any time from late October to early 1973.)

Japanese Objectives

—Tanaka wants very much to establish his relationship with the U.S., Japan's most important ally, prior to Japan's pending negotiations with both China and the Soviet Union. At the same time Tanaka must bear in mind that it is up to him to demonstrate a more "independent" policy toward the U.S. while simultaneously stressing our mutuality of interests. It would be disastrous for Tanaka to allow the impression to arise that the U.S. was constricting the terms of Japan's approach toward the PRC.

—The Japanese also want evidence that we acknowledge and support Japan's status as a major power. (We can provide this evidence by making it clear that we support Japan's desire for a permanent seat on the Security Council.)

—The Japanese want to protect their economic position without injuring U.S.-Japanese bilateral relations.

Talks on China

—Our experience with the Chinese leaders should be shared with Tanaka to the maximum extent possible in order to provide him with a feel for the nature of negotiations with the Chinese.

—We hope the Japanese will stress to the Chinese our shared view that the Taiwan question should be solved "peacefully," and that Japan intends "to strengthen" its relationship with the U.S. based on the present Security Treaty.

William P. Rogers

126. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, August 19, 1972.

SUBJECT

Highlights of my Second Visit to Japan

My second visit to Japan occurred at a period when the new Tanaka Government is moving rapidly and inexorably toward a normalization of relations with Peking, and my visit was strongly affected by this. Prime Minister Tanaka and Foreign Minister Ohira² were very reticent as to the timing and substance of Tanaka's visit to Peking, and confined their comments to generalizations—there was a consensus in Japan on a quick normalization, this could not be denied, Japan might thus find itself with diplomatic relations with the PRC before the U.S. does, etc. It is not impossible that Tanaka will be in Peking for the October 1 PRC National Day.

In consequence, Japanese relations with Taiwan will receive little or no consideration, though some effort will be made to retain cultural and economic ties. So preoccupied are the Japanese with normalization that they displayed to me only passing interest in other political questions, including even Vietnam.

It is highly likely, on the other hand, that Tanaka will be reasonably forthcoming on U.S.-Japanese economic matters. Tanaka told me he has personally ordered his Minister to come up with an economic package before Honolulu which would reduce Japan's balance of trade surplus by next March 31 by as close to \$1 billion as possible. He does not want to be required to discuss economics at Honolulu, and this is a positive incentive. He also may feel that it is worth it to get U.S. acquiescence in his approach to the PRC. At any rate, he spoke in general terms of purchases of U.S. grain, enriched uranium aircraft,

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Kissinger Office Files, Box 22, HAK Trip Files, HAK's Secret Paris Trip, August 1972. Secret; Sensitive; Eyes Only. A notation on the memorandum indicates the President saw it. On August 29, Kissinger wrote a second memorandum to Nixon describing his August 19 conversation with Tanaka. See Document 128.

² During the morning of August 19, Kissinger met with Tanaka. Economic aspects of this conversation are printed in *Foreign Relations, 1969–1976*, vol. III, Foreign Economic Policy; International Monetary Policy, 1969–1972, Document 96. The entire conversation is in the National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit (Hawaii) 31 Aug–1 September [1972] [3 of 4]. During the afternoon of August 19, Kissinger met with Foreign Minister Ohira at the Japanese Foreign Ministry. (Memorandum of conversation; *ibid.*)

military equipment, and other agricultural and industrial products to meet our needs.

However, Tanaka did not want to be pinned down as to exact amounts or time frames because the effects of some Japanese purchases would not be felt until after March 31, 1973, and some items would be listed in the services account rather than the trade account. The important thing, he said, was to keep working toward the goal of a \$1 billion balance of trade reduction, which he and his Ministers would do. He wanted to avoid the situation, too, in which Sato had found himself: being accused of a breach of faith when he had only promised in effect to “do his best.”

I believe that we should accept the current situation both respecting Japan’s approach to the PRC and our economic relations. On China, the Japanese are determined to plunge ahead, and any U.S. attempt to slow the pace will only cause them to leak the fact we were doing so to the PRC and to the Japanese people. On economics, Tanaka wants a successful Honolulu meeting, and will certainly try hard to deliver as much as he can. Tanaka and I have now agreed to let our respective representatives (a Deputy Vice Minister of Foreign Affairs and Ambassador Ingersoll) work out the details of an economic package prior to the Honolulu meeting.³ I have also indicated, and Tanaka has concurred, that the contents of this package should be released publicly in connection with the Honolulu meeting. Of course, Peter Flanigan and Ambassador Eberle will work on the package from the Washington end.

On balance, on the political side I believe that Japan’s preoccupation with China will result in reduced consultations with us despite pious protestations to the contrary. Nevertheless, our basic close relationship should survive, even if somewhat diminished. Economically, the Japanese appreciate the value of their access to the U.S. market, and indeed of a stable world monetary system. They will take the necessary steps to assure these goals.

³ Ingersoll met with Foreign Office Deputy Vice Minister Tsurumi and Head of the Economic Section of the Foreign Ministry’s North American Bureau Ukawa to discuss the economic package that the Japanese government would offer to the United States prior to the Nixon–Tanaka meeting in Honolulu. (Telegram 8964 from Tokyo, August 22; *ibid.*, Box 538, Country Files, Far East, Japan, Vol. VIII, May–Dec 1972) Additional various information on their discussions after August 19 are *ibid.*, RG 59, Central Files 1970–73, POL JAPAN–US.

127. Memorandum From Secretary of Defense Laird to President Nixon¹

Washington, August 21, 1972.

SUBJECT

Meeting with Prime Minister Tanaka

Your meeting with Prime Minister Tanaka may present an opportunity to raise the issue of our increasing concern over signs which indicate a decline in Japan's support and cooperation in the conduct of US military activities in Japan. This untoward mounting trend has reached a point where it is undermining the purpose of the Mutual Security Treaty, the cornerstone of peace in Asia.

Although most Japanese may appreciate the importance of the US-Japan security relationship for peace in Asia and the world, they must not take for granted a continuation of such benefits which are threatened from within by irresponsible opposition-led strikes, demonstrations and impediments. Both governments must act vigorously to overcome these forces and preserve a cooperative security relationship that is vital to Asian security.

The United States remains dedicated to the cause of Asian security and has pledged to uphold its security commitments. Effective utilization of bases in Japan will continue to play an important role in our forward deployment concept which is necessary to deter aggression or provocation. Recent harassments and public opposition in Japan to US bases and activities seem to reflect a serious gap in understanding about the importance of a continuing American presence to Japanese and regional security. We would hope that the new Tanaka administration will take the necessary initiative on this issue to bring about a consensus of support for a long-term US presence in Japan and East Asia.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit (Hawaii) 31 Aug–September [1972] [1 of 4]. Secret. Another memorandum from Laird to the President, August 21, stated: "Your meeting with Prime Minister Tanaka may present an opportunity to convey to him our position concerning a number of defense issues which affect the US-Japan security relationship. These include the need for close cooperation under the terms of the security treaty, US military operations from bases in Japan, and our security relationships with the Republic of China and the Republic of Korea. Although these issues have been the subject of past discussions, I believe that a reiteration of our intent to uphold our security commitments in the Far East, and the attendant continuing need for bases in Japan, would be appropriate." (Ibid.) In addition to this memorandum, Laird sent talking points for Nixon to use in his meeting with Tanaka. (Washington National Records Center, RG 330, OSD Files: FRC 330-77-0094, Box 62, Japan, 300-399)

A continued and measured US military presence in Japan should not preclude gradual development of Japan's more autonomous defense capability without modification or termination of the Mutual Security Treaty. Our common interest is to avoid the twin specters of a defenseless Japan in the face of a nuclear threat, or a necessity for a nuclear armed Japan. In this respect, the US and Japan must convince China that the treaty does not constitute a threat to China and that there is no necessity for Japan to produce a nuclear deterrent; thus, the obstacle to a Japan-China rapprochement may be removed.

The full support by the people and government of Japan of actions necessary to attain our mutual objectives in Asia cannot help but strengthen the bond of the Mutual Security Treaty.

Mel Laird

128. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, August 29, 1972.

SUBJECT

My Conversation with Tanaka in Japan on August 19

As you prepare for your meeting with Tanaka in Honolulu, you may be interested in reading over the full transcript of my conversation with him on August 19.² The highlights were as follows:

U.S.-Japan Relations

—Tanaka considered the U.S.-Japan relationship a “family relationship,”³ not an arms-length diplomatic one. Our ultimate interests are identical, he said.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit (Hawaii) 31 Aug–September [1972] [3 of 4]. Top Secret; Sensitive; Eyes Only. A notation on the memorandum indicates the President saw it.

² Economic aspects of Kissinger and Tanaka's conversation are printed in *Foreign Relations, 1969–1976*, vol. III, Foreign Economic Policy, 1969–1972, Document 96. The entire conversation is in the National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit, (Hawaii) 31 Aug–1 September [1972] [3 of 4].

³ Nixon underlined “family relationship.”

—Tanaka observed that the U.S. had often been more Europe-oriented in the postwar period, even though Japan had been firmer in support of the U.S. leadership role. I pointed out that you, in contrast, were very Asia-oriented⁴ and believed the U.S.-Japan partnership in Asia was a key to world peace.

—Tanaka was definitely interested in establishing a special channel directly⁵ to the White House through Ambassador Ingersoll, and we agreed to set one up.

Economic Issues

—Tanaka set himself the goal of a serious effort to reduce the U.S.-Japan trade imbalance to \$3 billion by March 31, the end of the current Japanese fiscal year. (His figures showed the current imbalance as \$3.2 billion; ours showed \$3.6–3.8 billion.)

—He cautioned that not all the short-term measures the Japanese would take would necessarily show up in the figures for this fiscal year.

—He had instructed his officials to work out long-term measures to “stabilize” our economic relationship over a period of two to three years. He mentioned increased purchases of agricultural and advanced industrial products; central bank lending; bilateral consultative mechanisms; and joint efforts with us to stabilize our trade position in the multilateral framework.

Political Issues

—In areas where the U.S. has made a “great sacrifice for peace” (Southeast Asia, Korea), Japan was interested in providing economic support in parallel with our security support.

—He asked about Vietnam, and I gave him a brief account of the military and the negotiating situations.

—He expressed concern that we might withdraw troops from Korea, and I assured him we had no plans to.

—There was now a consensus in Japan on the need to normalize relations with the PRC (partly as a result of your Peking Summit). But Tanaka would not do it on an unconditional basis. China had a long-standing historical and cultural attraction to Japan—but the U.S. tie was stronger.

—Japan was becoming cautious now about joint U.S.-Japanese oil investments in Siberia, because of apparent PRC concern. Tanaka and I agreed that our experts should exchange ideas on the whole project soon.

⁴ Nixon underlined “very Asia-oriented.”

⁵ Nixon underlined “establishing a special channel directly.”

129. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, August 29, 1972.

SUBJECT

Your Meeting with Japanese Prime Minister Tanaka in Honolulu on August 31 and September 1

I. Purpose

We have four principal objectives at the Honolulu meeting:

—To reaffirm the US-Japan alliance, not only as a general proposition—which Tanaka accepts—but also as a relationship which requires concrete contributions by both sides to keep it going. E.g., while we furnish nuclear protection, the Japanese must make it possible for us to use Japanese bases. This reaffirmation will be especially important coming just before Tanaka's Peking visit and Japan's opening of peace treaty negotiations with the Soviet Union.

—To assure that Japan's moves to normalize relations with Peking will not inhibit our use of our Japanese bases in fulfillment of our defense commitments to Taiwan and South Korea. (We also want to encourage Japan to preserve its economic and cultural ties with Taiwan.)

—To agree on a Japanese commitment to reduce our bilateral trade deficit to less than \$3 billion by the end of this Japanese Fiscal Year

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit (Hawaii) 31 Aug–1 September [1972] [1 of 4]. Top Secret; Sensitive. A notation on the memorandum indicates Nixon saw it. He extensively underlined Section I and Section II A of this document. On August 10, Holdridge had sent Kissinger a memorandum concerning his upcoming meetings with Tanaka and Ohira. Holdridge suggested that Kissinger would want "to work out with them in as concrete terms as possible a) language for the post-meeting joint statement which will give it some lift and establish the maintenance of close U.S.-Japanese ties as Japan's highest priority (this against the backdrop of Tanaka's moves to normalize Japan-PRC relations); and b) agreement on what Tanaka will be able to say or announce at Honolulu, or that we would jointly announce elsewhere in conjunction with Honolulu, on Japanese measures to help reduce the great imbalance in U.S. trade with Japan." Holdridge also remarked that Kissinger should "if possible steer him [Tanaka] away from courses which could weaken the U.S.-Japan Mutual Security Treaty via Japanese moves to limit its effectiveness with respect to the defense of Taiwan. We would also like to see Japan maintain at least cultural and economic relations with Taiwan." In response to Japanese concerns, Holdridge indicated, "you will want to touch on some of the irritations in the U.S.-Japan relationship where some action by us might make Tanaka's position easier in the eyes of the Japanese people. This would involve elements in the Security Treaty relationship where we might be more forthcoming (e.g. adequate prior notification of weather diversion of B-52s to Okinawa), and amelioration of some of *our* economic and commercial policies with respect to Japan." (Ibid., [3 of 4])

(March 31, 1973), and receive from Japan specific measures by which Japan will bring about this reduction.²

—To establish via your personal contacts with the new Japanese leaders an atmosphere of “lift” in US-Japanese relations which will carry us into a mature and close relationship over the long term.

II. *Background, Participants, Press*

A. *Background*

US-Japanese relations are now in transition between an era of dependency and an era of greater Japanese self-assertion. Particularly with Japan’s vigorous new leadership, parallelism of policy is no longer automatic—even though Tanaka considers US and Japanese ultimate interests as “identical.” There is a danger of Japan’s moving in a nationalist direction, and responding to domestic pressures, behind a facade of continuing friendship for us. This has shown up, for example, in:

- increasing restrictions on movements of our forces in Japan.
- the new government’s haste to normalize relations with Peking.
- leaks in the press hinting at the need for changes in the US-Japan Security Treaty.

At the same time, the fundamentals of the US-Japan relationship are sound:

—Japan’s interests were not at all impaired by your Peking visit, and you in fact reaffirmed our tie with Japan in the Shanghai Communiqué. This was well received in Japan.

—Okinawa Reversion, a basic Japanese goal, was accomplished on schedule, in fulfillment of your promise.

—Sato’s succession by Tanaka was accomplished in a way that did not directly or significantly embroil the US. And Tanaka has repeatedly reaffirmed the continuity of LDP policy.

² In an August 17 memorandum to the President, Shultz asserted, “The strength of the Japanese economy requires that they assume greater responsibility for global equilibrium. This responsibility can be best met by an increased effort on their part to open Japan’s market to the world. There is great danger that domestic pressure will force the U.S. to take more restrictive measures against Japanese imports unless they move more quickly. Clearly this would have an adverse impact on our political relations at this critical period.” (Ibid.) A second memorandum from Shultz to Nixon, concerning “Economic Aspects of this Month’s Negotiations with the Japanese,” warned against symbolic actions that appeared to resolve U.S.-Japanese trade conflicts without actually doing so, and advised Nixon against committing his prestige to support of the present dollar-yen exchange rate. See *Foreign Relations, 1969–1976*, vol. III, Foreign Economic Policy; International Monetary Policy, 1969–1972, Document 97.

—The Japanese are beginning to accept responsibility for a significant share of the US-Japan trade deficit, and to assist in our determination to reduce it substantially.

Thus your principal task at Honolulu is to make sure that the Japanese are aware of our interests and that they understand that our common objectives must be the basic framework for our respective independent policies. You should try to convey this more by your demeanor than by explicit words—which they might leak. The Japanese may be seeking an atmospheric harmony at Honolulu which they would then use as a mandate to go off on their own. Tanaka lacks experience in foreign policy and is susceptible to domestic pressures. But the US alliance has always been Japan's secure anchor in the world. Thus Honolulu is a timely opportunity for you to impress upon Tanaka the importance of preserving the substantive harmony of our policies over the long term.

1. *Reaffirmation with Tanaka of the US-Japanese Alliance.* Both in his public statements and in his conversation August 19 with me, he leaves little doubt that in principle he understands the importance of the alliance to Japan's national interest. On several occasions he has invoked the metaphor of the "closely-knit family relationship." But it still needs to be established that Tanaka will conduct his policy concretely in a way that preserves this unity. This is particularly true on the security side, where we cannot acquiesce in further Japanese restrictions on our access to our bases. On the other hand, Tanaka is quite conversant with the basic economic issues (from his experience as Finance Minister and Minister of International Trade and Industry), and can discuss them in considerable detail. (A biographical piece on Tanaka is at Tab G.)

The role of Foreign Minister Ohira adds an additional area of uncertainty to the equation. Tanaka depends on him very heavily for advice on the political and security areas of foreign policy, due both to Tanaka's inexperience and to the instrumental role that Ohira played in Tanaka's election. This last factor alone gives Ohira an important voice, and it is possible that he would like to succeed Tanaka as Prime Minister. He gives the impression of being an ambitious and uncommunicative man.

Ohira, having served both as Foreign Minister (1962–64) and as International Trade and Industry Minister (1968–70), is well-acquainted with the intricacies of the issues. Substantively, he also subscribes to our alliance as the major premise of Japan's foreign policy. Within the past year, however, he has been urging that Japan act more independently of the US, in the interests of Japanese "equality." Ohira can be difficult to deal with, given his extreme caution and avoidance of taking controversial positions; he frequently resorts to studied ambiguity.

A major objective at Honolulu, therefore, should be to try to keep the basic relationship firmly on the tracks, not only by getting their commitment to it as a general proposition, but also by:

—Clarifying its meaning on major issues such as China policy and economic relations (this only by affirming what will already have been achieved).

—Indicating our willingness to ameliorate frictions in our relationship in areas such as security (US basing in Japan, where we will be more attentive to observance of Japanese laws and regulations) and trade (adjustment of certain US trade procedures).

—Reviewing major international issues of common concern such as the Korean Peninsula, relations with the Soviets, Indochina, South Asia and the Middle East.

—Stressing our intention to consult closely with the Tanaka Government on all issues of common concern.

—If the Japanese raise it, reiterating our support in principle for a Japanese permanent seat on the UN Security Council.

—Reiterating your invitation to the Emperor and Empress to visit the US next year.

(Background papers on Korea, relations with the Soviets, and the US military presence in Japan are at Tabs D, E, and F, respectively.)

2. *Japan's Normalization of Relations with the PRC.* This is a process upon which the Japanese are irrevocably embarked, and it would do us no good to call on them to “go slow” (as Taiwan has asked us to do). Tanaka now plans to be in Peking about the end of September. *On the other hand, we have a definite interest that Japan not agree to possible PRC requirements which would further restrict our access to bases in Japan and inhibit our ability to fulfill our defense commitments, particularly with respect to Taiwan and Korea. We also want to see Japan maintain its economic and cultural ties with Taiwan.*

The Tanaka Government has given us clear assurances that it will not compromise its obligations under the Mutual Security Treaty, and will not try to disavow the section of the 1969 Nixon–Sato Communiqué which holds that the defense of Taiwan is a “most important factor” for the security of Japan. Further, we have indications that Peking itself may not raise the Mutual Security Treaty in coming negotiations with Japan. There is some reason to believe that while Peking will insist on Tokyo’s breaking diplomatic relations with Taipei (which Tokyo has publicly committed itself to do), Peking will not pressure Japan to sever economic and other ties with the ROC.

The Chinese appear very anxious for Japan to normalize relations, and this should give Tanaka a good deal of bargaining flexibility.

The major possible sticking point might be a PRC attempt to have Japan acknowledge that the settlement of the Taiwan problem is an

internal Chinese problem. The Tanaka Government is working on a formula to elude this question, and agrees with us that it should try to avoid getting bogged down in the legalities. The PRC has dropped its earlier insistence on the three pre-conditions for negotiations (recognition of the PRC as the sole legitimate government of China; recognition of Taiwan as an integral part of China; and abrogation of the Japan-ROC Peace Treaty of 1952), and Tokyo wants to leave these questions for the later negotiation of a peace treaty with Peking.

At Honolulu, you should try to get from Tanaka and Ohira confirmation of the assurances already given us on the sanctity of our Mutual Security Treaty and to sound out their intentions toward Japan's future ties with Taiwan. (A background paper is at Tab B.)

3. *US China Policy.* Some of Japan's anxieties over relations with the PRC stem from continued suspicions that the US has made secret deals with Peking regarding Taiwan which could include a guarantee from us that we would not invoke the US-Japan Mutual Security Treaty in the event of a PRC attack on Taiwan. You will want to emphasize to Tanaka and Ohira that there absolutely have been no secret deals and that our policy with respect to Taiwan was and is as outlined in the Shanghai Joint Communiqué and Dr. Kissinger's press conference thereafter when he stated that our defense treaty with Taiwan will remain in effect. It is our impression that the PRC does not intend to use force to gain control of Taiwan.

[Omitted here are subsections on U.S.-Japan Bilateral Economic Relations (see *Foreign Relations, 1969–1976*, volume III, Foreign Economic Policy; International Monetary Policy, 1969–1972, Document 98), and subsections on participants and press plans, and section III, which contained the schedule. Attached but not printed are tabs on recommended talking points, Japan's normalization of relations with the PRC, Economic Issues, the Korean Peninsula, relations with the Soviet Union, U.S. military presence in Japan, biographical material on Tanaka, and memoranda to Nixon from Rogers and Laird.]

130. Memorandum of Conversation¹

En route to Hawaii, August 30, 1972, 3 p.m. PDT

PARTICIPANTS

The President
 Secretary of State William P. Rogers
 Henry A. Kissinger, Assistant to the President for National Security Affairs
 Under Secretary of State U. Alexis Johnson
 Assistant Secretary of State Marshall Green
 John H. Holdridge, NSC Senior Staff Member

SUBJECT

President's Discussion of Hawaii Talks with Members of Official Party

The President: (To Secretary of State Rogers) Bill, your conversation with Ohira is likely to be the most important of the whole meeting. Tanaka doesn't know too much about his job, and Ohira has much more experience in foreign affairs.

Mr. Johnson: That's right, Mr. President. Tanaka has no previous experience in foreign affairs. He made a deal with other leaders, including Ohira, to get the job. However, Tanaka and Ohira are very close. Ohira was Foreign Minister in, I believe, 1964.

Mr. Kissinger: When I met Tanaka in Tokyo last June, he talked mostly about economic matters. What he said about foreign policy was very sketchy.²

Mr. Johnson: Of course, it's not too bad to have a man as Prime Minister who has an economic background. We are Japan's biggest customer, and next to Canada, Japan is our biggest customer. Our most important export to Japan is agricultural products.

I have here the draft of the economic agreement which we expect to reach at Hawaii. Japanese purchases of over \$1 billion are reflected here.³ Some of this is in agricultural products—an additional \$50 million over what the Japanese had already agreed to buy—and there is also a purchase of \$320 million worth of wide-bodied aircraft. Some of this will be paid in advance, but the question is how to arrange for it. There is also an item of \$20 million for the purchase of helicopters.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit (Hawaii) 31 Aug–1 September [1972] [1 of 4]. Secret; Sensitive. Presumably drafted by Holdridge. The conversation was held aboard the *Spirit of '76* en route from California to Hawaii.

² Tanaka met with Kissinger on June 12. See Document 121.

³ On August 9, Kissinger, Flanigan, Eberle, and several members of the NSC staff met to discuss the economic agreement. See Document 124.

The President: What about the peaceful use of atomic energy?

Mr. Johnson: Yes, Mr. President, there will be a purchase of \$320 million worth of uranium, with some of this paid in advance also.

The President: It's not so important what the individual items are on the list, the round figure is the important thing.

Mr. Johnson: The agreement speaks of Japanese investment of from \$500 million to \$1 billion in a uranium separation plant to be operated jointly with U.S. interests. AEC has seen a problem over this partnership arrangement and has held up the deal so far.

The President: Are the French and the Germans participating in gaseous diffusion technology with us?

Mr. Johnson: If they want to purchase gaseous diffusion technology, we are prepared to sell. There has been some talk of the Japanese going into partnership with the Canadians, too.

The President: On the key point of the Japanese recognizing the PRC and breaking off relations with Taiwan, how soon will they kick Taiwan out?

Secretary Rogers: It looks like if Japan wants to have diplomatic relations with the PRC, it will need to break up with Taiwan. What kind of relationship Japan will maintain afterwards with Taiwan depends on the PRC attitude, and what they'll require. The Japanese want to keep private trade with Taiwan. I told Ushiba that this was important from our standpoint, but I made it clear that we anticipated nothing would happen at the Hawaii meetings which would delay things in their approach to the PRC.

The President: I agree.

Secretary Rogers: Mr. President, I told them it's our position that it's "your decision," and we weren't in any position to discourage or encourage what they did as long as they were not acquiescing in any arrangement which would interfere in our ability to use our bases in Japan to defend Taiwan. I also said, "you should keep quiet about this. It's a hell of a problem for us, but if you brief the press that the President said it was okay for you to break relations with Taiwan, that would be very bad."

The President: I agree—we can't have them say that publicly.

Mr. Kissinger: Based on my experience with them, they'll leak it to the press and tell the Chinese about it anyway.

Secretary Rogers: But we won't look as if we made a silent gesture to them to go ahead. We should take the position that the U.S. explained our policy to them and they listened, and they did the same for us.

The President: Yes. We should tell them that "what you're doing you're doing in your own interests, and we've consulted our interests also."

Mr. Green: We have told the Japanese that we assume they would do nothing to interfere with our ability to deliver on our commitments. We have also told the Japanese that they have a good bargaining position, and can stand up to the Chinese with respect to Taiwan. They (the Japanese) are beginning to catch on, although they will surely normalize relations with the PRC before the end of the year. But Peking is now anxious, and the Chinese haven't maintained their preconditions for several months. Perhaps they are worried about better Japanese relations with the USSR.

The President: Who, the Chinese?

Mr. Green: Yes, they want to sew Japan up, and strike while the iron is hot—while there is a China mood in Japan. They are smart, too. They know that if there are too many preconditions, they will get the Japanese backs up. In addition, there are people in Japan such as Fukuda, Kishi, and Sato, who remember the Gimo.⁴ Peking appreciates this and is playing a more conciliatory line.

The President: What role are the Russians playing?

Mr. Green: The Soviets are being fairly quiet on this. They are standing back. They want to sign a peace treaty with Japan, but the Japanese won't sign because of those four islands.

Mr. Kissinger: That's right—the Japanese won't sign unless they get those four islands.

The President: Are the Russians hoping to increase their trade with Japan?

(At this point there was a general discussion of Japanese interests in helping to exploit Siberian resources in cooperation with the Soviets and possibly with the U.S.)

Mr. Johnson: What the Japanese particularly want out of Siberia is to exploit natural gas and oil resources.

Secretary Rogers: Japan has more trade with China than all European countries put together.

Mr. Johnson: With respect to the Taiwan clause, and the effect of Japanese recognition of the PRC on our treaty (the U.S.-Japan Mutual Security Treaty), there is no problem in this joint communiqué.

The President: The Japanese can't have it all their own way. They want to be independent, and do things on their own without telling us, but our access to the bases is essential. (To Secretary Rogers) I've read the papers which you sent me on this, Bill, and they were very good. We've gone pretty far, it seems to me, with respect to the Japanese.

⁴ Reference is to Generalissimo Chiang Kai-shek, President of the Republic of China.

Mr. Johnson: We made this evident in the past regarding the return of Okinawa, Mr. President. There would have been serious riots there had we not given it back.

Secretary Rogers: What can we do that we haven't done so far to get over the idea that our relations with the Japanese aren't all that bad?

The President: I agree that we should knock down the idea that we're in trouble with the Japanese.

Secretary Rogers: For us to keep going around talking about "shocks" would be very bad.

Mr. Green: Public opinion in both countries (the U.S. and Japan) is about the same regarding China. We don't have to break relations with Taiwan, though, because the U.S. has the power.

Secretary Rogers: There is no anti-Japanese feeling in the U.S.

Mr. Johnson: There is a lot said in the U.S. among businessmen about economic issues in U.S.-Japan relations, but the words they use are color words and don't necessarily mean relations are bad.

Secretary Rogers: Yes, the businessmen always talk in a negative way.

The President: That's because we're so competitive with them (the Japanese)!

Mr. Kissinger: Sato got word to me when I was in Japan that he would like to come over to the U.S.

(The President and Mr. Kissinger exchanged brief remarks on the Emperor's visit next year to the United States.)

Mr. Green: Mr. President, it's an interesting thing that in Korea, our stand makes the Japanese the principle beneficiaries. This is also true in Southeast Asia. By the same token, even on our China policy the Japanese are the principal beneficiaries. We protect their interests on Taiwan, while they discuss normalization of relations with the PRC. They are also playing the Soviets against Peking, and as a result have better relations with both.

Secretary Rogers: You know, Mr. President, I don't like all this talk of the "Nixon shocks." This makes it seem that there are problems in our relations with Japan which just aren't there.

The President: All this is done now.

Secretary Rogers: What we should talk about is how good our relations are, not about how bad they are.

The President: I think you're right, Bill. A good place to do that would be at the dinner tomorrow night when we are all sitting around the table. I could subtly ease in the idea that we all know we've got good relations, but should say so publicly.

Mr. Johnson: Yes, only this might not be picked up by the press. The Japanese press is very anti-government.

The President: Like ours.

Mr. Johnson: Worse. One way for the Japanese press to attack the government is to attack us.

The President: The Japanese people read a lot, and have good newspapers.

Secretary Rogers: It's humiliating the way Japanese have treated us on this matter of normalizing relations with the PRC. They have talked to us for months and months, but have told us very little.

Mr. Kissinger: We've certainly told them more about our intentions than they have told us.

Secretary Rogers: If everything we say is on the positive side, though, this will suggest that other things are all over.

Mr. Johnson: Just as the President said.

The President: We should steer around the problem areas.

Mr. Kissinger: There is one thing we should be very careful about. Although we might want to be good to Tanaka and Ohira in a general way, we should be tough on Taiwan. When I met with Tanaka in Karuizawa,⁵ he wanted to amend the Security Treaty. I said that this would affect our whole relationship.

The President: I agree, we should be tough on this point. We're already paying the price for our military reductions in that area. A \$30 billion defense cut would leave us with no policy at all.

Mr. Johnson: With respect to economic policy, my approach to Diet members who call on me is that maintaining the market in the U.S. is very important in Japan, and that it's in their interests to continue to do so.

Secretary Rogers: This is a good rationale, but they've heard it so much they don't believe it anymore.

Mr. Kissinger: Tanaka is good on economics, and is determined not to get into the same fix that Sato found himself in over textiles. He doesn't want to get pinned down to a specific commitment on cutting down Japan's trade imbalance with us, but he will try very hard to get a substantial decrease in the imbalance.

Mr. Green: Japanese trade with Taiwan is more than that with Mainland China. In addition, the Japanese sell much more to the Chinese on Taiwan than they buy from them—they have a very favorable trade balance.

⁵ Kissinger met with Tanaka at Karuizawa on August 19. See Document 126, footnote 2, and for a summary of the conversation, see Document 128.

The President: The Japanese must realize that if they continue on their present route, they will have serious problems with the American Congress and are likely to end up with quotas.

Mr. Johnson: This is what I'm trying to tell them!

Mr. Green: The Japanese are weak on Korea and on Taiwan. Right now, we're trying to keep the Republic of China in the IFI's—the issue is coming up on September 25, when the Executive Committee meets, and we're working behind the scenes to head it off. We are trying a strategy of keeping it from coming to a substantive vote. If there is a vote, the ROC would be out. Bob McNamara and Schweitzer are cooperating with us on that. On the Japanese side, this is a matter where we would deal more with Tanaka than with Ohira. It's a place where the Japanese are weak.

One other thing we are trying to do is to keep the Korean issue out of the U.N. this fall.

(Mr. Green reviewed for the President the Korean situation and the elements of the Korean issue in the U.N.) This also is a case where the Japanese tend to stand back and not take a position. It's a subject for Ohira, not for Tanaka.

Secretary Rogers: What is the situation now?

Mr. Green: The Japanese say that they will support postponement of the debate.

Mr. Johnson: How strong are the Chinese on this (the PRC)?

Mr. Kissinger: Pretty strong. (To Mr. Johnson) We talked about that at Karuizawa.

Mr. Green: The Japanese are looking toward closer relations with North Korea, and get the South Koreans very nervous over this. It is a situation where they are prepared to go faster than we think is wise.

Secretary Rogers: When the two Koreas are getting along better, the worst thing we could have happen is to get the issue into the U.N.

Mr. Kissinger: The Chinese will insist on having a debate. I understand that the North Koreans called in Ambassadors of the countries which maintain relations with Pyongyang and told them that they might be obliged to depart unless they supported the North Korean resolution. This was to keep these countries from falling off. I don't think that Tanaka will understand all of the details of this issue, but Ohira will. But one thing that Ohira was very strong about when I talked with him in Tokyo was that we should keep our forces in Korea.

Mr. Johnson: I agree that this is his position.

The President: It's an interesting thing. I'm sitting here thinking that just three years ago I was on my way to Midway, where we made our first stinking little increment in our withdrawal from Vietnam of

25,000 men, and the Chiefs screamed. Today we have less men in Vietnam than we have in Korea.

Mr. Kissinger: This is because of the improved situation.

The President: Three years is a long time. How many troops do we have in Korea? 43,000? (The others assured the President that this was the correct figure.)

Mr. Green: It's all to your credit, Mr. President, that the South-North talks are taking place. Without your approach to the PRC, this never would have happened. The North Koreans and South Koreans have even gotten together at the Olympics.

Secretary Rogers: With respect to withdrawals from Vietnam, the military are now your strong supporters.

Mr. Johnson: On the security issue, Mr. President, there is talk now among the Japanese that with the relaxation of tensions they don't need the Security Treaty. The line I've taken is that the developments taking place in the area, such as your approach to the PRC and the Korean talks, are not despite the Security Treaty but because of it. Therefore, we don't want to dismantle it permanently.

The President: I agree. All these things are very inter-related. If we didn't have the Security Treaty, the North Koreans would not be worth talking to.

Mr. Johnson: I agree, Mr. President, and the people I've talked to understand this. They agree that NATO is important and that we should not withdraw our forces, and the same is true with respect to Japan. Tanaka talks about no withdrawal of forces, but of maintaining our troop levels.

The President: Let me say, if we do withdraw from Japan, Japan has had it!

Mr. Kissinger: Everytime I talk to Tanaka, he speaks about the great humiliation we gave to them during the Occupation. He talks about elements in the Constitution which were forced upon them by political scientists working on MacArthur's staff, for example the anti-war clause, and made it plain that he personally resented this.

Mr. Johnson: Henry, you've said one thing to me about Tanaka which is very important. Hitherto all the Japanese leaders we've dealt with have been in the Yoshida tradition, in which maintaining good U.S.-Japanese relations was an emotional thing. Tanaka comes to this same conclusion about good U.S.-Japanese relations, but more from intellectual than emotional reasons.

(At this point the President dismissed those present and the meeting broke up.)

131. Memorandum of Conversation¹

Oahu, Hawaii, August 31, 1972, 1 p.m.

PARTICIPANTS

Prime Minister Kakuei Tanaka of Japan
 Ambassador Nobuhiko Ushiba
 Hidetoshi Ukawa, Chief, Second North American Section, American Affairs
 Bureau, MOFA (Interpreter)

President Richard Nixon
 Mr. Henry A. Kissinger, Assistant to the President for National Security Council
 [Affairs]
 Mr. James J. Wickel, American Embassy, Tokyo (Interpreter)

SUBJECT

Prime Minister Tanaka's Call on President Nixon

The President greeted the Prime Minister at the entrance to the Kuilima Hotel and escorted him up to his suite on the sixth floor.

After the press photographers had taken pictures and departed, the Prime Minister began the conversation by thanking the President for his kind invitation to this meeting in Hawaii. Even before receiving it, he said, he had been planning to call on the President at the earliest opportunity after organizing his new government. He thanked the President again for the invitation.

The Prime Minister then conveyed a personal message of appreciation from HIM The Emperor to the President and Mrs. Nixon for greeting him in Anchorage during the stopover there on his trip to Europe last year. During his audience with HIM The Emperor prior

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit (Hawaii) 31 Aug–1 September [1972] [1 of 4]. Secret; Sensitive. Presumably drafted by Wickel. The meeting took place in the Presidential Suite at the Kuilima Hotel. A memorandum of conversation from a meeting that was held concurrently between Ohira and Rogers is *ibid.*, RG 59, Central Files 1970–73, POL 7 JAPAN. In a July 31 memorandum to Kissinger, Holdridge wrote that Tanaka wanted Ohira, with him during all discussions of international political issues. U. Alexis Johnson informed the Japanese Embassy that Nixon would like to meet privately with Tanaka so that the two leaders could get to know one another better. (Memorandum from Holdridge to Kissinger, July 31; *ibid.*, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit, Honolulu, 4 of 4) The next day, Holdridge wrote to Kissinger, "On Ohira's attending sessions with the President along with Tanaka, Tanaka and Ohira both feel quite strongly about being together, although they are appreciative of the President's sensitivity. The Japanese point out that Ohira as the leader of a strong LDP faction is almost Tanaka's equal in political power, and Tanaka and Ohira hope that a compromise can be reached for Ohira to be present in the sensitive discussions, with perhaps a private meeting between the President and Tanaka taking place prior to the President's informal dinner on August 31. (Memorandum from Holdridge to Kissinger, August 1; *ibid.*)

to departing for Honolulu, the Prime Minister said HIM The Emperor asked that he also convey to the President his own heartfelt desire that the cordial and friendly relations between Japan and the United States be further strengthened.

The Prime Minister also conveyed respects on behalf of former Prime Minister Sato, as well as his heartfelt appreciation to the President for effecting the reversion of Okinawa to Japan. Sato hopes to find an opportunity before too long, he added, to visit Washington and thank the President personally.

The President said that he would be pleased to welcome former Prime Minister Sato to Washington as an old friend any time that he would find convenient to come.

The Prime Minister thanked him for this response.

The President asked that his own warmest regards and respect be conveyed to HIM The Emperor. Now that the invitation has been extended and accepted he said that he looks forward to welcoming HIM The Emperor to Washington on an official state visit whenever a mutually convenient time can be worked out through the appropriate channels.

In connection with the subject of visits, the President added, after the elections, at some time during the coming year he hoped also to welcome the Prime Minister on a visit to Washington.

If this appeared to be a great many visits, the President explained, it underscored the necessity for continuing to have constant contacts between the leaders of both nations not just as official duties but also because of the deep friendship between both countries.

The Prime Minister agreed enthusiastically.

The President noted that while the Prime Minister's plane was landing last evening, he recalled his own several trips to Japan, many of which were made during the 1960s, while he was out of office. He also recalled having the opportunity to know personally five Prime Ministers of Japan, including Prime Minister Tanaka. He saw Prime Minister Yoshida in Japan in 1953, followed by Prime Ministers Kishi, Ikeda, and Sato, and now Prime Minister Tanaka. He recalled feeling that his personal friendship for Japanese Prime Ministers is not exceeded in our relations with any other country.

The Prime Minister said that he understood this feeling.

The President emphasized that he feels it most important for both countries that the chiefs of state of each meet, and said that he would welcome the opportunity.

The President explained that former Prime Minister Sato, in addition to his official contacts, had a personal channel of communication with Dr. Kissinger through a representative of his own choosing. He

hoped that the Prime Minister would wish also to maintain such contact.

The Prime Minister said that he agreed completely. He expressed appreciation that Dr. Kissinger came to Karuizawa to consult with him recently about this visit.²

Recalling the warm reception accorded by the President at his villa in San Clemente in January,³ the Prime Minister expressed pleasure at being able to meet the President again so soon, not only for official talks but also because of the personal friendship involved. He stressed his belief in the necessity for constant communication. All Japanese, he said, know and appreciate the fact that the President is the first one born on the Pacific coast, and the fact that he feels so close to Japan.

The Prime Minister noted that it is generally said that former Prime Ministers Ikeda and Sato are products of the "Yoshida school," but he pointed out that he entered the "Yoshida school" one year earlier than either of them.⁴ Sato, he said, was elected to the Diet nine times, and Ikeda ten times, as he himself has been, despite the difference in their ages. Ikeda was his senior by eight years and Sato by seventeen. Nevertheless, he said, all shared in the same general flow of thought in Japan, having been nurtured in the "Yoshida school." Yoshida stressed that Japan's relations with the United States and the United Kingdom were of the utmost importance to his foreign policy for Japan.

The Prime Minister recalled being driven by the President in a golf cart from the Western White House to Casa Pacifica and said that he feels he should learn to drive a golf cart so he can welcome the President in the same style.

The President said that golf carts are easy to drive, and safe, and save walking on the golf course.

The Prime Minister then recalled telling Dr. Kissinger recently that constant contact, both official and unofficial, is very important.

Dr. Kissinger noted that the Prime Minister said this is important in both the political and economic fields.

The Prime Minister recalled, in connection with economics, that he also said Japan must have a strong American economy. The fundamental view of the GOJ is that American prosperity means Japanese prosperity. While the current economic problems could not be resolved

² See footnote 5, Document 130.

³ Tanaka was part of the official Japanese party that participated in the U.S.-Japanese summit January 6 and 7 at the Western White House in San Clemente. See Documents 111–113.

⁴ Shigeru Yoshida, Prime Minister of Japan during the 1950s, influenced many politicians who later became leaders within the LDP.

in one move, he expressed the belief that constant communication, with meetings between officials and experts every month if necessary, while keeping watch on long-term trends would lead to a smooth solution satisfactory to both sides.

The President noted that one of the reasons he appointed Ambassador Ingersoll is that we need in Japan a businessman with a good economic background. The Prime Minister, he noted, has not only achieved success in business but has the further qualification of having served as Finance Minister and Minister of International Trade and Industry.

The Prime Minister said that he appreciated the appointment of Ambassador Ingersoll, who could foresee problems in all aspects of the relationship, not just economic ones. It was, he said, a happy choice, since he is an expert in economic affairs. The Prime Minister said that he knew Ambassador Ingersoll many years before, having met him through David Kennedy, when he was still head of Continental Illinois. He noted that he had, as Finance Minister some years ago, approved the establishment of Continental Illinois' branches in Tokyo and Kobe.

The Prime Minister cautioned that trade negotiations through government channels only tended to develop into item-by-item negotiations, and pointed out that it is more effective to have consultations between specialists, with a view toward expansion of long-term balanced trade to the mutual advantage of both countries. Therefore, he appreciated the fact that Ambassador Ingersoll does not confine himself to official contacts with himself and the Foreign Minister, but also speaks broadly to the business community in Japan, which understands him so well.

The President said that he knows negotiations to resolve the great imbalance in our trade are difficult. He is glad to hear there is some progress. He also understood that the counterparts are discussing the technical points in the other meeting. He emphasized that a skilled and experienced politician would understand that the present trade imbalance might appear to be advantageous to Japan, but if allowed to grow could lead to rising protectionism in the Congress. We should understand, he said, that it is in our mutual interest to resolve this trade imbalance as much as possible so as to prevent any move toward restriction issues, but rather to provide for freer trade, which is in the interest of both Japan and the United States, which are great economic powers. He realized that some Japanese businessmen, like our own, would tend to take a negative attitude toward any actions taken which they thought would result in a detriment to their own short-range interests. However, in viewing the long-term, he stressed that we as political leaders must create conditions which encourage the reduction of barriers. This, he said, we can do only if the members of the Diet

and of our own Congress are convinced of the long-term interest to both countries of redressing the balance. Japan's businessmen and manufacturers are competitive and efficient, he said, and our own businessmen and manufacturers have that reputation. Therefore, we should welcome competition, and as political leaders he said both of us should do all we can to see that barriers are not raised. Therefore the GOJ moves to reduce the present trade imbalance would have, he believed, a salutary effect on both public opinion and in the Congress.

The Prime Minister said that an excessive imbalance in trade did not serve either nation, and is undesirable. Therefore, he wished to do his best to reduce the current imbalance. Japan would make specific efforts to reduce the imbalance, in order to continue to benefit from expanding trade. However, he did not believe this matter could be solved in half a year, or a year. Having served as Minister of Finance some three years, as an LDP policy-maker, and also as Minister of International Trade and Industry for a year, he felt he is qualified as an expert. While in office, therefore, he said he wishes to bring about an "ideal situation." While continuing to consult between governments, he said the Government of Japan would also continue its efforts to persuade business to accept necessary measures. The Prime Minister added that the President's term of office is four years, but his own term as LDP President is only three.

The President said that he is young, the youngest to serve as a Minister and also to serve as Prime Minister.

The Prime Minister said that he was also the youngest man to serve as a Diet member, but pointed out that long life does not depend on chronological age. While the President could serve eight years, he could serve as LDP President only six years (two three-year terms).

The President asked if that is all he could serve.

The Prime Minister replied that this is all, unless LDP party regulations are amended, or unless he stepped down after two terms and later ran for another term.

The Prime Minister said that he views Japan-U.S. economic problems as being important. Therefore, he has been meeting with Ambassador Ingersoll, and Ambassador Eberle, and wishes to bring about some conclusion. Japan's entire post-war economic recovery has been based on the dollar, he said, and therefore the maintenance of the value of the dollar and continued growth of the American economy are also in the interest of Japan, inasmuch as these contribute to the maintenance of world peace and the position of the free world. Japan, he said, wishes to cooperate in the interest of expanding the American economy.

The President said this is mutual. A strong, healthy Japanese economy is in our interest. He realized that Japan has a special problem

with respect to playing a military role in the Pacific and Asia, but Japanese economic influence could be decisive in many areas. Therefore, it is in our interest that there be a strong, vigorous Japanese economy, so that Japan could play a vital role in Southeast Asia, which would help develop the whole region, and would be decisive. He commented that the Prime Minister would read in the press statements reflecting the feeling by some of our political leaders and businessmen that Japan is a serious competitor to be dealt with, but noted that he does not share their feelings. Healthy competition benefits both nations, he believes, except, of course, when the trade imbalance is too great.

The Prime Minister said that he wished to discuss the healthy balance of trade noted by the President. Within two or three years Japan wishes to restrain its surplus on current account to one percent of GNP, which would be used to finance economic aid of one percent of GNP to the LDCs. Moreover, of that amount the Government of Japan wishes to reach the ideal level of 0.7% of governmental developmental assistance as soon as possible. It is said by some that Japan has attained economic affluence, he said, but this is not true. There is an excessive concentration of population in urban centers, such as Tokyo and Osaka, which gives rise to many problems like pollution and inadequate housing. Japan lags behind the United States in social capital formation, he said, and great investments are needed for social capital and to improve living conditions. Thus, great domestic investments must be made, as well as large contributions to economic assistance to the LDCs. He said that the Government of Japan hopes to move forward toward realizing both goals.

In this connection, the Prime Minister added that Japan should cooperate with the Southeast Asian nations and the ROK in providing both aid and investment. When the tensions in Vietnam have been reduced, he said that Japan should also provide aid and investments to help stabilize the lives of the people. He noted Japan's promise at UNCTAD to attain the goal of governmental aid of 0.7% of GNP by the end of the decade. This would equal the entire budget to support the Government of Japan Defense Forces. While this is a difficult objective, he said the Government of Japan should tell the people this aid is essential, and gain their understanding. With the cooperation of the United States over the past quarter of a century Japan has achieved great economic progress and Japan now wishes to assume a larger burden in contributing to peace and the development of the LDCs, on the basis of full consultation with the United States.

The President agreed that this, of course, is in the interest of Japan as well as the United States, as a Pacific power. Healthy, growing economies in Indonesia, Thailand and Indochina, as well as India, Pakistan and Bangladesh if that time could come, would be most help-

ful. Whenever the level of the lowest is raised, he noted, the level of the highest often benefits most.

One other point the President wished to make, which Dr. Kissinger has heard him make to European leaders, is that Japan's role is not limited only to the Pacific, but that Japan is a world economic power. If we look at the world's power centers we find the U.S. and the USSR, Japan and Western Europe. Therefore he noted the importance of Japan and the United States cooperating not just with each other, but also together with the Western European nations, England, France and the other EEC nations, so as not to simply limit our actions principally to the Pacific.

The Prime Minister agreed. Japan also wishes to cooperate with the enlarged EEC. However, he noted, while Japan has expanded its economy greatly since the war, Japan does not yet stand on an equal footing with some of these nations. For example, in the UNSC, and he feared that if Japan makes the first move the Europeans will react strongly. If the U.S. would, in a sense, "introduce" Japan and help moderate European reactions, then he felt that Japan could be helpful in many areas.

The President said that Dr. Kissinger could tell how, before the meetings in China, he had discussed this very subject with Heath, Pompidou and Brandt, that is, that Japan could play a role along with the United States.

Dr. Kissinger noted, that the President, in fact, had a most intense discussion of this very point with Heath. He added that the President has given him orders to keep in close touch with the Prime Minister prior to Heath's visit to Tokyo, September 16.

The Prime Minister agreed with the President's point that it is in both Japan's and the United States' self-interest to keep in touch with respect to the newly enlarged EEC, which would constitute a powerful economic structure.

The President reemphasized the desirability of the United States and Japan working closely together in their contacts with the leaders of the EEC nations. Obviously he did not mean that neither nation would join the EEC, but it would be in our mutual interest to work closely together in expanding trade with Europe. Since both Japan and the United States have vigorous economies, and look outward rather than inward, it is in our common interest to work to ensure that the EEC does not turn inward.

The Prime Minister agreed. He noted some concern over the undesirable possibility that the expanded EEC might develop its own "Monroe Doctrine" and develop its own internal trade after January 1 when the UK enters the EEC. Therefore he agreed on the desirability of

maintaining close contact between Japan and the European nations to ensure that the EEC not move in the direction of contracting world trade, and further to consult with them on economic assistance to the LDCs. However strong the United States might be, with the example of Vietnam in mind, he felt that it is better to persuade the free world nations to maintain close ties, especially since both the USSR and PRC are seeking to expand their influence around the world. Thus, he felt that Japan and the United States should maintain communications with the EEC nations in the interest of all the free nations.

The President noted the Prime Minister's forthcoming visit to Peking and wondered if he could give an evaluation of what he foresees developing in the way of relations between Japan and the PRC.⁵ In raising this, he explained, he did not suggest that policies of our two countries should be identical for he realized that the Prime Minister served the interests of Japan, just as we serve our own nation's interests. On the other hand, our view, (which he felt that the Prime Minister reflected in his recent talks with Dr. Kissinger at Karuizawa) is that it is of overriding importance to both the United States and Japan that we not get into a conflict over China policy, while we need not have identical positions, he cautioned that neither should we allow antagonism to develop between us.⁶

The Prime Minister stated two conclusions with respect to China policy. First, Japan would not consider any restoration of diplomatic relations with the PRC that would be disadvantageous to Japan-United States relations. Second, it would be ultimately in the interest of the United States as well if Japan could normalize its relations with the PRC. He noted that containment, for example of the PRC, is one means to weaken its power, but on the other hand it could also serve the cause of world peace to open a window to the world for the PRC. The effect of this latter kind of policy could be seen vis-à-vis the USSR. In terms of the reality of the great population and low standard of living

⁵ On August 11, Tanaka accepted an invitation from Chinese Premier Chou En-lai to visit the PRC. On September 11, the Japanese and Chinese governments announced that the visit would occur from September 25 to 30.

⁶ That morning, Kissinger had learned details concerning Japan's approach to China. According to a memorandum of conversation with Ambassador to South Vietnam Ellsworth Bunker and Rodman, Kissinger said, "Of all the treacherous sons of bitches, the Japs take the cake. It's not just their indecent haste in normalizing relations with China, but they even picked National Day as their preference to go there. We have an intelligence report which says the Chinese didn't even want them then, or any foreigners. And yesterday they send me a message saying their Deputy Vice Foreign Minister Tsurumi wants to meet with me privately to work out the agenda, and the next thing you know they've told Rogers and Johnson, who were then hovering all around me. I don't know how they do it. I told (the Japanese) I wouldn't see him." (National Archives, Nixon Presidential Materials, NSC Files, Box 864, President's Files—Vietnam Negotiations, Camp David—Memcons, May–Oct 1972 [3 of 5])

of the PRC, he did not believe containment to be an effective policy, because whenever a nation with a low standard of living closed itself to the world (or was contained) it caused the people to unite, and in the case of the PRC brings about such developments as providing rear area assistance to North Vietnam.

The Prime Minister, in evaluating the effect of the President's visit to Peking, felt that one visible effect is that the PRC is not now extending such aid to North Vietnam even though the United States has intensified its "carpet bombing." In examining the United States–North Vietnam policy, the Prime Minister stated his personal view is that the President had established a "pipeline" for communication during his visits to Peking and Moscow, on the basis of which he personally anticipates an early resolution of the war, which efforts he applauds.

Turning back to Japan's relations with China, the Prime Minister said they are neighbors, but have had a number of conflicts during the hundred years following the Meiji Restoration (1867). The domestic situation within Japan has now developed to the point, he said where it is almost impossible for Japan not to normalize relations with the PRC, even though there may not be such "merit" in this as Japan's mass media or public opinion believes.

The President interjected "or our press either."

The Prime Minister observed that the popular tide favoring normalization could not be dammed up. Even though there may be no particular advantage ("merit") to normalization, he did not foresee any great disadvantage, of the kind to which the GOJ should be alert. Personally he did not see such a disadvantage. One major problem, he admitted, is Taiwan, but if Japan did open a "diplomatic path" to the PRC, it could avoid incurring the kind of strong enmity of the PRC which it did while following a policy of containment. Further examples of the benefit of opening relations were that Japan could urge the PRC not to send any aid to North Vietnam, or not to liberate Taiwan by force, or not to send aid to SEA on the same basis as the USSR, that is, arms to promote disorders. Further, Japan could conduct normal trade with the PRC, and thus avoid the situation in which the memorandum Trade Office necessary to conduct trade now interferes in Japan's domestic affairs. Opposed to these advantages, he conceded the political difficulties related to Taiwan, but observed that leaving relations which China in their present form must be considered in terms of increasing Soviet involvement and actions, for example, the large naval force the USSR maintains at Vladivostok across the Sea of Japan, ships of which pass freely through the Straits of Korea to the South China Sea. The problem of Taiwan and its relationship to the Soviets is delicate, he said, but Japan would not be deeply concerned if the United States maintained its presence in Taiwan.

The Prime Minister observed that Japan and the United States have different views of China, Japan seeing her as a close neighbor while the United States looks at it from across the Pacific. In much the same way as the United States knows all about its close neighbor, Latin America, Japan knows too much about China. He concluded by stating that it is impossible for Japan to continue not having relations with China.

The President wished to tell the Prime Minister that he received a private message this morning from Thailand's Prime Minister Thanom requesting that he raise his (Thanom's) concern with the Prime Minister with particular respect to Taiwan's economic position and investments there, and the need to preserve Taiwan's position.

The President specifically noted that we and the PRC "agreed to disagree" on Taiwan in the Shanghai Communiqué. He assured the Prime Minister that we would do all we can in the economic front to help the ROC keep its seat in the International Financial Institutions, and to help keep Taiwan a viable, strong economic power. He noted that the leaders in Taiwan obviously would be watching closely the Prime Minister's visit to the PRC. He realized that this is a difficult problem for us, as for the Government of Japan, in view of the extensive political, military, economic and personal ties with Taiwan, but added that both of us recognize, for different reasons, that we must begin the difficult process of working out some kind of relationship with the PRC.

The President said that he would not presume to tell the Prime Minister what to do; but offered to note on the basis of our experience in Peking and Moscow some essential principles to keep in mind in dealing with the leaders of these Communist governments. First of all they are pragmatic. In both capitals Japan is respected highly for its great economic power. Therefore Japan need not seek relations as a supplicant. Dr. Kissinger was our first expert and he was the second to discover that improved relations depended on mutual respect and frankness. We talk to them for reasons of our own, and they with us for reasons of their own, he said, which is similar to the position of Japan. Japan needs something for reasons of its own, but they need something from Japan for reasons of their own. If approached in that way he felt that the PRC would respect Japan.

The Prime Minister agreed with the President. The central feature of the present policy of the Government of Japan is to open relations with the PRC. But Japan wished to do this on a basis of mutuality.

The President added that this should not be done at the expense of Japan's friends, just as the United States guarded against sacrificing its friends.

Dr. Kissinger cautioned that the press should be told only that the President and the Prime Minister discussed this subject in a general way, without describing the specific substance.

The President felt that it would be useful with the press to say, if asked, that China was discussed, (because they would say we are lying if we said it was not) and secondly that every country seeks to develop its own relations on the basis of its own national self-interest.

Dr. Kissinger suggested that it would be a wiser approach to the press to say “on the basis of its own necessities.”

The Prime Minister said that he wished to emphasize with respect to China that he is not seeking to normalize relations with the PRC on “rails they laid down,” that is, that Japan would not accept all of Peking’s demands. As a basic premise, Japan would do nothing to normalize relations which would adversely affect Japan’s position in the free world, or Japan-U.S. relations, or which could not be defended as being in Japan’s own national interest. Therefore, he promised he would inform the United States of all negotiations with the PRC.

The President commented on one point that we found, which is that the Chinese leaders are wise and hard-bargainers, and that it is our impression that they keep a bargain they agree to. Another point important to note is that they take a long-term view, and do not allow any possible short-term advantage to deter them from looking down the road for long-term advantage.

The Prime Minister said that Japan hopes to understand China to some extent, even though it has had many conflicts with China over this past 100 years. While the PRC may have desired relations with Japan, Japan has not had relations with them for one-quarter of a century, but Japan is now convinced that normalization, rather than containment, would best serve the interest of peace and stability in Asia. In the absence of normalizations Peking could continue to interfere in Japan’s domestic affairs, but if relations are to be normalized Japan could insist on non interference in domestic affairs as a condition.

The President wryly commented “and hope for the best.”

The Prime Minister reemphasized that the premise on which he approached normalization is that he would not lose sight of Japan’s relations with the United States.

(Here the President checked his watch.)

The Prime Minister conceded that Taiwan is a difficult issue, and that Japan would perhaps seek American help in handling it.

The President suggested that this could be discussed tomorrow, along with the other subjects of interest we had not yet discussed, Korea, and our negotiation position with respect to Vietnam, as well as any other subjects the Prime Minister wished to raise.

The Prime Minister wished to speak one word about the ROK, which is Japan’s “lifeline” in security. He said that Japan would continue to do its best to assist the ROK economy, but added that the

ROK has asked that he convey their desire to the President that the United States not withdraw its forces from Korea.

The President said that we will not, but pointed out that we could not stay there if the use of our bases in Japan is restricted.

The Prime Minister said there would be no such restrictions on United States bases in Japan under the Security Treaty. Dr. Kissinger said that this included the right to move tanks on public streets.

The Prime Minister said he hoped to resolve this matter in the near future.

The meeting adjourned, with the President saying that he looked forward to further talks at dinner this evening.

132. Memorandum of Conversation¹

Oahu, Hawaii, August 31, 1972.

PARTICIPANTS

Prime Minister Tanaka
 Foreign Minister Ohira
 Ambassador Ushiba
 Deputy Vice Minister Tsurumi
 Asian Bureau Director Yoshida
 Minister Okawara
 Acting American Bureau Director Tachibana
 Hidetoshi Ukawa, Interpreter

 President Nixon
 Secretary of State Rogers
 Under Secretary Johnson
 Dr. Kissinger
 Assistant Secretary Green
 Ambassador Ingersoll
 Country Director Ericson
 NSC Staff Member Holdridge

¹ Source: National Archives, RG 59, Central Files 1970–73, POL JAPAN-US. Secret; Exdis. Drafted by Ericson, concurred in by Green, and approved in S and J on September 25. The memorandum is labeled Part III of V. The meeting took place in the Kuilima Hotel. According to the President's Daily Diary, Nixon, Tanaka, Kissinger, and a few other participants had concluded their meeting at the Kuilima's Presidential Suite at 3:15 p.m. (see Document 131) and then proceeded to the Alii Suite, where they met with the members of the U.S. and Japanese official delegations from 3:15–3:58 p.m. (National Archives, Nixon Presidential Materials, White House Central Files)

Japan Country Officer Dawkins
Mr. Wickel, Interpreter

*Plenary Session of U.S.-Japan Summit Meeting: U.S.-Japan Relations;
World Affairs; Trade and Economic Problems; Third Country Problems*

The President, the Prime Minister, Dr. Kissinger and Ambassador Ushiba, who had been holding a separate discussion in the President's suite, joined the Rogers/Ohira meeting. Acting on the President's suggestion, Secretary Rogers reported that he and Foreign Minister Ohira had had a useful and business-like exchange on a number of problems of mutual interest, primarily those dealing with the PRC, Taiwan, and Korea. They had been on the point of beginning a discussion of the economic matters when the Prime Minister and the President joined them.

The Secretary said it had been gratifying to hear the Foreign Minister say that Japan was proceeding with its plans for normalization of relations with the PRC with considerable care and thought to ensure that nothing would impair the Security Treaty between the U.S. and Japan, and that even though Japan establishes diplomatic relations with Peking, it would hope to maintain good contacts with Taiwan.

Secretary said he had stressed that in our desire to improve our relationship with Peking, the President had emphasized in all possible ways that this would not be done at the expense of friends and allies, that in the process we intend to preserve our diplomatic relations with Taiwan and our security arrangements, and that we have assured the ROK that nothing we do with Peking will be at their expense. The Secretary said that in this context he had also discussed the GRC's membership in the IFI, the Korean question in the UN this fall, and Cambodian membership in the UN.

Secretary continued that the Foreign Minister had given a full and frank explanation of Japan's intentions in normalizing relations with Peking. On this point, the Secretary had emphasized that we are not giving any advice to Japan, and that it is very important that Japan understand that the decision is Japan's to make and that we are in no position to approve or disapprove. He had said that in a multipolar world, each nation must follow its own interests but that through conversations such as these we can cooperate with one another.

Finally, the Secretary said he had had an opportunity to refer to the Foreign Minister's very thoughtful speech to the Japan-America Society, which emphasizes the fact that we really don't have any foreign policy differences; we have unanimity and this should emerge even though our two nations are moving in new directions which serve their individual interests.

Foreign Minister Ohira expressed appreciation to the President and the Prime Minister for joining this meeting. He said he had explained

to Secretary Rogers that the new Tanaka Government had judged that the time was ripe to begin to move toward normalization of relations with the PRC and that he had given the Secretary background for this decision. He had explained that the basic policy of the Tanaka Government in approaching the question of normalization of relations with the PRC was that the basic relationship of friendship with the United States, symbolized by the mutual Security Treaty, should not be harmed. This was Japan's determination.

The Foreign Minister continued that of course there were differences in the policy of the two countries toward the PRC. The United States is trying to improve relations with Peking and Japan wants to normalize them. Therefore, our approaches may be different, but even so we must approach this difficult problem without harming our relations with the U.S. The route to Peking that now appears to be open wide may prove to be very narrow in the end, but it seems now worth at least a try. Judging from recent PRC actions, an agreement with Peking may not be impossible. He was happy to confirm that the two governments share the same targets and that as we seek to improve or normalize relations with the Chinese we must keep in constant touch to insure mutual cooperation and understanding of each others views.

Finally, as Secretary Rogers had explained, the President and the Prime Minister had joined them just as he was about to say that under the strong leadership of Prime Minister Tanaka it is Japan's policy to seek to narrow the imbalance in our bilateral trade to an acceptable level in as short a time as feasible, and that the Tanaka Government was about to arrange its domestic economic policy to bring about an increase in imports to this end.

The President reported that his talk with the Prime Minister had been in the same vein. He thought that the key point emphasized by both the Secretary and the Foreign Minister was that while any great power naturally must develop policies to serve its own interests, the interests of Japan and the United States are best served by policies which do not place us in conflict, economically or politically. In his talks in Peking earlier this year and in Moscow, he had always kept foremost in his mind the necessity to enter into no understanding which would in any way be to the detriment of the U.S.-Japan relationship. This does not mean that the policies of two major nations such as ours will always be identical; there may be differences in tactics and timing, whether economic or political. We must avoid embarking on any collision courses and we can do so through meetings like this, which he and the Prime Minister had agreed must take place as often as possible, at high levels and at other levels as well.

Putting it directly, the President continued, we have sought better relations with the PRC because we think it in the interest of the United

States, the Pacific countries, and the world to do so, and the same is true regarding the Soviet Union. But, in pursuing these goals, the President emphasized, we do not wish to let anything harm the U.S.-Japan relationship. This is the cornerstone of our U.S.-Japan policy.

He had also discussed with the Prime Minister Japan's role, not only in the Pacific but also in the world.

Putting the relationship with Japan in the context of overall U.S. policy, the President said that in his view our policy has sometimes suffered in the past from being either too much Europe first or too much Pacific first. Our interests are best served by policies which show equal emphasis on Europe and the Pacific—in other words a total policy rather than one which tilts too far in one direction. In some quarters in the United States there is a tendency to consider Japan exclusively as an Asian power; however, as is the case with the United States, because of its enormous economic strength Japan is inevitably a world power.

The President then described the tremendous change in Japan's world position that had taken place since his first visit in 1953. Then, what the U.S., UK and Europe did was all that mattered in terms of promoting economic stability in the world. But now Japan has a gross national product greater than any European country and Japan, from an economic standpoint, does not look inside but outside to Latin America, Africa and Europe. In this situation it is essential for any free world economic policy to succeed that Japan play an equal role with the U.S. and the new EEC. In another context, that is why we support Japan's desire to be a permanent member of the UN Security Council and why, when we schedule meetings with other major Allied nations, we consider it vitally important to have the same intimate consultations with Japan.

We in the United States recognize that the economic futures of our two countries are tied together, not only in the Pacific but in the world.

Prime Minister Tanaka said he had extracted ten points from his notes on his meeting with the President. These were:

1. The close U.S.-Japan relationship of friendship must be strengthened and deepened.

2. Japan deeply appreciates the fact that over the past quarter century, cooperation from the United States had enabled the Japanese economy to grow and become strong.

3. For the maintenance of world peace and the expansion of the world economy, it is essential that the U.S. economy continue to expand and that the value of the dollar be stabilized. This is in Japan's interest and Japan wishes to cooperate in promoting it.

4. In regard to our bilateral trade imbalance, Japan will do its best to attain a better balance because over the long term good relations cannot be maintained if trade were to remain so out of balance.

5. For the development of normal trade between the U.S. and Japan, it is imperative that the two nations keep in constant touch so that their mutual efforts can profit on the basis of better understanding.

6. Japan fully appreciates the fact that the U.S. has expended great effort to maintain peace in the world. In the economic area, Japan wishes to assist the U.S. to maintain world peace and on a basis of cooperation with the U.S. Japan would like to participate in an effort with the enlarged EEC so as to seek a better world development on an enlarged basis.

7. Japan wishes to expand its economic aid to Southeast Asia and the ROK, and in the post Vietnam period Japan would wish to contribute a sizeable effort to promote continuing economic recovery and welfare programs in Indochina.

8. On Japan's relations with the PRC, the Prime Minister endorses what the Foreign Minister had said.

9. Even if the world changes, U.S.-Japan relations will not change.

10. It is imperative for U.S. and Japan to be able to communicate with each other. The Prime Minister therefore appreciates the President's effort in bringing about this meeting and would wish to call on him in Washington after his re-election in November to congratulate him. He looks forward to hearing the President's views at that time.

133. Memorandum of Conversation¹

Oahu, Hawaii, September 1, 1972, 9 a.m.

PARTICIPANTS

Prime Minister of Japan Kakuei Tanaka
 Ambassador Nobuhiko Ushiba
 Hidetoshi Ukawa, Chief, Second North American Section, American Affairs
 Bureau, MOFA (Interpreter)

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit (Hawaii) 31 Aug–1 September [1972] [1 of 4] Secret; Sensitive. Presumably drafted by Wickel. The meeting took place at Presidential Suite of the Kuilima Hotel.

President Richard Nixon

Henry A. Kissinger, Assistant to the President for National Security Affairs

James J. Wickel, American Embassy, Tokyo (Interpreter)

SUBJECT

Prime Minister Tanaka's Call on President Nixon

The Prime Minister thanked the President for dinner last night, and following an animated exchange of further amenities the President turned to the subject of Korea.

The President felt that the United States and Japan have an identical interest here in supporting a strong ROK, independent and free of foreign domination, which is indispensable to our defense commitment to Japan. Noting pressures to reduce our troop presence in the ROK, he said that he is doing all he can to resist them. One obvious strong argument to be made is the need to maintain ROK independence. But in addition, the security of the ROK is essential to the maintenance of the security of Japan. He said that we are watching with interest the current meetings between North and South Korea which could reduce tensions somewhat, but in our view he did not think we should read too much significance into them. We should not allow preliminary talks in areas other than security to [lead?] to a lowering of our defense capability. Perhaps the situation is similar to that of Germany, where West and East Germany are beginning to talk about humanitarian matters and personal contacts. However, this should not allow any reduction in NATO strength, which can only be achieved on the basis of mutual reductions by both sides. Our position, he explained, is to welcome the ROK talks with North Korea, but it would be premature for us to talk to North Korea. Our intention, he said, is to maintain our present troop level in the ROK at the present time, until there are definite changes in the security side.

The Prime Minister felt that this reflected a correct understanding of both Koreas. He did not believe that the development of talks between North and South Korea would reduce tensions as much as anticipated. Based on long association with Koreans, he felt that North Korea has its own purpose in talking to the South. Japan also is watching developments carefully in terms of working out its own contacts with North Korea gradually, in humanitarian and academic exchanges.

The Prime Minister believed it important that the ROK develop its rural agricultural areas before allowing full exchanges with the North, because these are comparatively less developed, and the ROK must eliminate possible dissatisfaction among its farm population. Therefore Japan intended to provide aid to develop agriculture and fisheries in the ROK, to insure a higher standard of living in the South than the North. Also, he said, Japan is discussing with the ROK the construction

of a steel mill, which would give the ROK a greater steel capacity than North Korea. Japan's primary intention is to cooperate to create a situation in which disaffected South Korean elements are not tempted to serve North Korean interests. Japan would soon send a six minister delegation to Seoul, headed by Foreign Minister Ohira, to take part in the ROK-Japan Ministerial conference beginning September 4. Japan, he summarized would do its best to assist ROK economic development, but he asked that the United States not withdraw any of its forces from the ROK.

The President wished to say in a general sense that what the Prime Minister said, that is knowing the Koreans well through long association, is also true of a number of other areas in Asia, where Japan is more expert than the United States. In the new era now developing, to which the Prime Minister referred before it is important that we make a mutual effort. We would do the best we could, because of our big presence, but he suggested that the Prime Minister, the Foreign Minister or any of their colleagues have ideas for a different approach about the ROK should feel free to raise it privately. Candidly speaking we do not know everything, and we do respect Japan's knowledge in this area, and he said that the United States did need advice. Continuing, the President said that the question really is one of the future of free Asia. In this connection, what he wished to see develop is not just a United States policy, but a U.S.-Japan policy for Asia, because both countries are the two strongest economic powers. He said that he is confident that we can work together with Japan as a full partner, not a junior partner but continued that we should also respect the sensitivities of the smaller nations, lest their resentment be provoked.

The Prime Minister said that basically Japan and the United States share common goals. Japan does understand the situation in the Asian nations well, and Japan wished to do its share wherever it would be logical and effective for Japan to do the talking.

(Dr. Kissinger returned to the room.) The President reviewed for him that he had told the Prime Minister that what we want is not just an American approach in Asia, but a mutual partnership between the United States and Japan. He noted the sensitivity of the small nations, and observed that the new element is Japan assuming a full partnership.

The President then continued, saying that it takes time to formalize approaches in this kind of matter, but that he is suggesting discussion, and the desirability of contacts with respect to ideas, on a confidential basis if that is desirable. For example, in another area, he recalled Secretary Connally telling him in returning from a visit to Iran of a proposal being discussed in a preliminary stage for Japanese-Iranian cooperation to develop oil resources, which would require American cooperation as well. He said that we would welcome any proposal to

cooperate with Japan. There will be cases that the United States and Japan each would wish to operate independently, he noted, but there also would be cases when both would wish to work together with a third country. Primarily our discussions have related to US-Japan relations, and Asia, but he pointed out that Japan is a great economic power, heavily dependent on Middle-Eastern oil, just as the European nations. Therefore, he felt it would be helpful if there is anything Japan or the United States can do to see that strong, friendly countries like Iran survive, and are not overrun, but remain friendly to our interests. Japan, therefore, of necessity finds itself playing the role of a global power. For our part, he assured the Prime Minister, that through Dr. Kissinger we would inform him of any developments in the Middle East which would affect their interests. Should radical governments, like those in Libya and Iraq, gain control of the Middle East they would hold up the price of oil, and choke off Japan's oil life line. Therefore, it is in our interest to support friendly governments, like those in Iran and Saudi Arabia.

Dr. Kissinger referred to another area which he has already discussed with the Prime Minister on two occasions, the development of Siberia, for which he understood there is an actual proposal in which preliminary steps are being taken to establish a mechanism to do so.

The President wished to inform the Prime Minister in confidence that he has asked Dr. Kissinger to go to Moscow September 11–13, with the purpose of following up on the Moscow summit, and to discuss matters of mutual interest. On his return, he would see Ambassador Ushiba and report to him in confidence any matters of interest.

The Prime Minister thanked him for this offer.

Dr. Kissinger cautioned that this visit would not be announced until September 6, Japan time.

The President noted that the USSR and the PRC are extremely sensitive about keeping such arrangements secret until announced, although we do inform the UK and Japan, confidentially.

Dr. Kissinger said that the trip is scheduled to be announced at noon, September 5, Washington time.

The Prime Minister said that exchanges of information between Japan and the United States with respect to the Middle East, SEA and Siberia are desirable, and that he would cooperate in maintaining the close contact the President mentioned. Not only in economics, but also in the political field he felt that our ultimate objectives are identical, for which reason Japan wished to share the burden in those areas where it could. As one example, he cited Indochina in the post-Vietnam period, for which Japan is planning to cooperate in stabilizing living conditions and economic reconstruction.

The Prime Minister also took Taiwan as an example. Should Japan be able to open diplomatic relations with the PRC Taiwan of course would become a problem, but Japan desired to continue to maintain its economic exchanges with Taiwan to the maximum extent possible. He could foresee many difficulties, however, for it is conceivable that Japan would terminate its official diplomatic relations with Taiwan. Therefore he hoped, and would be pleased if the United States could extend its good offices to Japan vis-à-vis Taiwan. He added that Japan intended to maintain its economic relations with Taiwan as of the present. For example Japan wished to guarantee the rights of the people of Taiwan who are in Japan and their economic interests, but as is evident in the cases of Canada, the UK, and France, all of whom have formal diplomatic relations with the PRC, neither could Japan have diplomatic relations with Taiwan and would have to withdraw its Embassy. This is an unavoidable development with which Japan would have to come to grips. In its heart Japan wished to remain friends with Taiwan, but as a matter of reality there would be no other course. As a real problem Japan's relations with Taiwan could become triangular, with the United States at the apex. Japan thus would be "saved" by the fact that the United States maintains its relations with Taiwan. Therefore he hoped for United States assistance, in the interest of peace in the Far East.

The President cautioned that the problem there is that three could play, not just us, but also Taiwan.

The Prime Minister said that he is confident that Taiwan will "play."

The President said that it is in Taiwan's interest to survive as a viable economic entity. To the extent that continued economic relations with Japan serve this interest perhaps Taiwan would look with favor upon such an arrangement. However, he said that he would be less than candid if he did not mention that our exchange with the Taiwan Government showed that they are watching the Prime Minister's visit to Peking closely to see what happens.

The Prime Minister said that he understood.

The President added that Chiang Kai-shek is a very proud man, who has spent his entire life fighting for his beliefs; being advanced in age it would be difficult to predict his reaction. We are doing all we can to preserve Taiwan's seat in international financial organs. There is a fine line, he warned, between what can be done to have full diplomatic relations with Peking and continue to have economic relations with Taiwan.

The Prime Minister understood. Unlike East and West Germany, and North and South Korea, however, both Peking and Taiwan claim to be the sole legitimate government of China. He explained that Japan,

in unofficial discussions with Taiwan, has pointed out that it has no other choice as long as Taiwan insists on an either-or type choice. When asked for Taiwan's feelings about becoming a separate country, they say this gets into the 2-China theory and that while they understand Japan's question they can't reply with a definitive position. He said that he knows that Generalissimo Chiang Kai-shek is a very proud and great leader, as well as his deputy Chiang Ching-kuo. They have a deep understanding of reality, but will not respond on the point relating to 2 Chinas. He agreed that we would have to wait and see, as the President said, what the conditions are to be discussed in Peking. It will also be crucial afterward, he added, for Japan to have the good offices of the United States vis-à-vis Taiwan.

The President observed that we have found one thing in our discussions with our friend Chiang Kai-shek and with Chou En-lai, that is that while they disagree on many points they agree on one point, that there is only one China.

The Prime Minister said that this poses the most difficult problem.

The Prime Minister then said that he would be pleased to hear whatever the President wished to say about Vietnam and his visit to Moscow.

Before the President could begin speaking about Vietnam, Dr. Kissinger insisted there be no press briefing by the Japanese of anything the President might say about Vietnam. The morning papers here are reporting stories from Tokyo that the President had indicated to the Prime Minister that a peaceful settlement would be reached during 1972. This is not true, and the President said no such thing.

The Prime Minister said that he would keep everything in strict confidence, and stated that neither he nor Foreign Minister Ohira had talked to the press. He pointed out that the Japanese press engages in "creative writing." He understood how a leak could create an obstacle in the negotiations, and promised to keep secret whatever he heard. However, if there is any risk, he said, he could do without anything on Vietnam.

The President assumed that the Prime Minister has followed the public reports that we have had a number of meetings in Paris, and that Dr. Kissinger has been meeting the North Vietnamese privately. Both sides have agreed to say nothing about the substance of these talks. He then explained that in his speeches of January 25 and May 8 we have put forward a complete proposal for peace, offering a cease-fire, total withdrawal of our forces, an internationally supervised election and a return of all POWs by both sides. However, the one sticking point (well publicized) is the North Vietnamese insistence on the condition for a settlement that we join them in overthrowing our ally, the Government in Saigon. Much as we wish to end the war, we will not

do so. This would be morally wrong for the 17 million people of South Vietnam, many of whom would then be slaughtered. However, more importantly, if the United States overthrew its ally in South Vietnam, when the military situation did not even require such extreme action, this would mean that all our friends and allies throughout the world could no longer depend on the United States word. If our word is not good in one place it is not good anywhere, in Japan or Europe or elsewhere. We are willing to go an extra mile in trying to arrange a settlement with North Vietnam, but are not going to sacrifice our ally and overthrow the Government of Saigon to help install a communist government. The fundamental keystone of our foreign policy is that we will not desert an ally; Japan, ROK, Europe, Israel, all can rely on that. Once we break our word and desert our ally, difficult as the war may be, no one would rely on our word.

The President explained that in our discussions with Chou En-lai, and with Brezhnev and his colleagues we made it clear unequivocally that we desire better relations with these governments but would make no secret, or public deals to do so at the expense of our friends and allies. They do not agree with us but he said if we were to say that we would throw over an old friend to become friends with you they would have no respect for us. Our new friends would have no confidence in us if we were to break our word to an old friend. On their side too, he observed, they stand by their friends, and respect us for doing so too.

With respect to the Soviets, the President said that his visit was constructive in developing new areas of cooperation in space and health on the side of peaceful activities, and on the side of arms in beginning to limit arms.

The President noted an interesting point, as the Prime Minister knows, that the Soviets and PRC agree on nothing these days, but our discussions with both disclosed that they agree on one point, they have a healthy respect for Japan, whose economic might has impressed them. Also, they both need Japanese investment and know-how. Thus Japan's position is not weak. He said Japan has something they want, which makes Japan's position strong in talking to Brezhnev and Kosygin, and to Chou En-lai.

(The President reviewed these last few remarks for Dr. Kissinger, who returned after another brief absence.)

Dr. Kissinger affirmed this estimate, noting that the USSR is interested in securing Japanese investment to develop Siberia. China also has great respect for Japan, and has a high estimate of the ability of the Japanese to achieve a dominant position in a number of regions in Asia. He felt that this respect has motivated the rapidity of the tempo of China's decision to talk to Japan.

The President said that neither the USSR nor PRC say so, but both are aware that in today's world it is impossible to be a major military

power without a strong economic base. He understands that Japan has no idea of doing more in the military field, except in the area of self defense, but Japan has this great economic power, which has gained it great respect from every country, and has the potential to become powerful in other respects as well. It is good that Japan is strong. However, the more Japan protests it does not intend to become a military power the more they do not believe Japan. This, he felt, is good.

The Prime Minister said that Japan's constitution explicitly forbids the use of force to resolve an international dispute. Nor does Japan intend to rearm, or become a military power. A $\frac{2}{3}$ majority in both the upper and lower houses of the Diet is required to amend the constitution. He expressed wry appreciation that the United States had drafted such an excellent constitution for Japan.

The Prime Minister then asked one question, whether the United States intended to seek full diplomatic relations with the PRC, or would continue along the line of the Shanghai Communiqué.

The President replied "the latter", because the PRC will not have relations with any nation which has relations with the ROC, and we are supporting the ROC. However we would explore by all means how to have healthy relations without formal diplomatic relations. Dr. Kissinger has been to Peking and we have found a channel in Paris. Dr. Kissinger could go to Paris again to keep open that channel.

The President stressed the importance of non-interference in domestic affairs, with the possibility of a diplomatic mission from the PRC.

The Prime Minister said that the point was raised when Gromyko visited Japan this past spring,² at which time it was agreed that Japan would open peace negotiation with the USSR this fall, perhaps at the highest level. One condition Japan intended to insist on for a peace treaty is the return of the four northern islands, the Habomais and Shikotan, and Etorofu and Kunashiri.

The President hoped the USSR would be as generous as we were in returning Okinawa.

The Prime Minister appreciated that American gesture, and could now tell the Soviets that the United States returned Okinawa out of friendship and that Japan hoped the Russians would do the same with the northern islands.

The President was sure that would be an interesting conversation.

² Tanaka is apparently referring to a visit by Andrei Gromyko to Japan, January 23–28. Ushiba provided U. Alexis Johnson with a briefing on this visit. (Memorandum of conversation, February 1; *ibid.*, RG 59, Central Files 1970–73, POL 7 USSR)

Dr. Kissinger noted that if Japan got back territory from the USSR then others would also demand that territory be returned, especially the USSR's Eastern European allies. Of course, Japan is free to make demands, but the Europeans have all concluded peace treaties.

The Prime Minister said that he could not get popular support for a peace treaty without the return of these islands, which conditions is non-negotiable.

The Prime Minister explained, in response to the President's question, that the Soviets expelled all Japanese from the islands when they occupied them after the end of the war. Before the war the population was about 10 to 20 thousand.

At the President's suggestion the meeting recessed to await the Secretary of State and Foreign Minister, who would join this group for further discussions.³

³ See Document 134.

134. Memorandum of Conversation¹

Oahu, Hawaii, September 1, 1972.

PARTICIPANTS

Prime Minister Kakuei Tanaka
Foreign Minister Masayoshi Ohira
Ambassador Nobuhiko Ushiba
Mr. Hidetoshi Ukawa, Chief, Second North American Section, American Affairs
Bureau, MOFA (Interpreter)

President Richard Nixon
Secretary of State William Rogers
Mr. Henry A. Kissinger, Assistant to the President for National Security Affairs
Mr. James J. Wickel, American Embassy, Tokyo (Interpreter)

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 926, VIP Visits, Tanaka Visit (Hawaii) 31 Aug–1 September [1972] [1 of 4]. Secret; Sensitive. The meeting took place at the Presidential Suite of the Kuilima Hotel. According to the President's Daily Diary, Rogers and Ohira joined Nixon and Tanaka at 10:20 a.m., remaining with them until 11:20 a.m., at which time the meeting ended. (Ibid., White House Central Files)

SUBJECT

Prime Minister Tanaka's Call on President Nixon

The President said that he believed it useful for the Secretary of State and the Foreign Minister to join this discussion, but did not believe it necessary to review his own earlier discussions with Prime Minister Tanaka or those of the Secretary of State, Foreign Minister and others in the other meeting, since he assumed both covered the same ground. Probably all that remained for discussion was the Joint Statement and the economic package.

The Secretary noted agreement on the Joint Statement and the other statement, both of which had already been released to the press, subject to embargo until 11:00 a.m. Agreement had been reached, he explained, with no serious difficulties, and the statements are satisfactory to us. He wished to congratulate those who had worked to produce them for their labors.²

The President said that one constructive result of this conference we should be sure to understand is that it provides for a continuous belt of communications, not just meetings, for example, of the Joint Cabinet Committee on trade and economic affairs but also at the highest level, not just to discuss problems which have arisen, but regular continuing consultations for foreseeable problems and consult on means to resolve them.

The Prime Minister said that these talks have been most significant in that both sides agreed on the desirability of having frequent, continuing discussions, liaison and consultations about various matters (hopefully not negotiations) before they emerged as full-scale problems. With respect to the annual Cabinet Committee meeting, he realized that one could not be held this Presidential election year, and said that Japan would be pleased to take its turn to host the meeting early next year, to discuss everything, including this year's portion as well, at the highest level. He said that he looked forward to frequent meetings, as often as possible, not just once a year. He hoped that there could be prior consultation and cooperation on such matters as the President had indicated, including investment and economic cooperation in Asia, the Middle East and Siberia. With respect to economic problems, he said that he personally views Japan-U.S. economic relations as being of paramount importance, and, as he told Dr. Kissinger recently, he believes that these problems can be solved through experts meeting, every month if necessary (not negotiations), to study up-to-date statistics and through constant and adequate liaison. The President said that

² The "Text of the Joint Statement" and the "Announcement on U.S.-Japan Economic Talks" are in Department of State *Bulletin*, September 25, 1972, pp. 331-333.

he had expressed the hope that both sides could explore the possibility of joint enterprises, and that U.S.-Japan cooperation in such areas as Siberia and Iran for example would be good for both countries, politically as well as economically. (The Prime Minister interjected Latin America as another area of cooperation.) In some cases, the President continued, one side or the other might take the lead but such cooperation would be good for both.

Being practical and candid, the President explained, he said there would also be occasions when a Japanese economic enterprise would wish to have an operation with a third country independently, just as American investors would wish to do so independently, but on other occasions both could cooperate in their mutual interest. He cited U.S.-Japan contributions to international development organs such as the ADB, where however indirectly, both countries are working together. However, he cited the exciting new prospect that the United States and Japan, the two most prosperous countries in the free world might work together in other areas. Although he had no examples in mind, he said that he would welcome any suggestions Japan might have to do so.

The Prime Minister said that he would be pleased if he could cooperate. For example, such areas as he wished to discuss included the development of Tyumen petroleum resources and Siberia, another is the Senkaku Islands petroleum resources, and the fields off-shore from Korea. Japan, he said, should not do this alone, but should consult fully with the United States, Iran is another such area, he added.

The Secretary said, on a related subject, that he would not wish to end the meeting without expressing our satisfaction with Japan's cooperation in space development, with which our space people are pleased.

The Foreign Minister expressed pleasure with other cooperation over a broad range, including culture, education, exchanges of persons and pollution control. This kind of exchange, he felt, could be developed further.

The Secretary assumed that the President and the Prime Minister had covered the same ground, but explained that the Foreign Minister had been explaining Japan's views about the forthcoming talks with Peking just when the President invited them both to join his meeting. If the President wished, he felt that it would be useful for the Foreign Minister to review here his predictions about what might develop.

The President agreed that it would be useful to hear the Foreign Minister's analysis.

The Foreign Minister explained that the date for Prime Minister Tanaka's visit has not yet been finalized, but when decided could

probably be the last part of September or the first part of October. His principal work when he went to Peking would be to discuss the fundamental problems involved in establishing diplomatic relations between Japan and the PRC. Should agreement be reached there could be an immediate opening of formal diplomatic relations. Having renounced all claim to Taiwan in the Peace Treaty of San Francisco, Japan, in the strictest sense, has no conditions, and cannot determine by itself that the territorial title to Taiwan is vested with the PRC. Therefore, he expected that if Japan is to have diplomatic relations with the PRC these would be based on a joint communiqué. If relations are thus established a treaty of peace and friendship, and a treaty of FCN, as well as agreements on civil aviation, fisheries and the like could be negotiated subsequently.

The Foreign Minister stated his analysis that Peking has shown no reactions differing decisively from Japan's views. He anticipated that diplomatic relations could be established while Prime Minister Tanaka is in Peking.

However, the Foreign Minister explained, the Prime Minister's great concern is how to deal with the Taiwan question. Japan would shift its diplomatic representation from Taipei to Peking, but to the extent possible wish to make its greatest effort to continue to provide for personal travel between Taiwan and Japan, for trade and investments, and to continue measures for tariff preferences for Taiwan.

The Secretary noted that the formula Japan plans to use is interesting. Canada and Italy "took note" of the PRC position on Taiwan, and in our own Shanghai Communiqué we used different language, that is, that the people on both sides claim there is only one China, and that we did not challenge this view. Japan, he noted, seems to favor the Netherlands formulation.

The Foreign Minister explained that Japan has relinquished all claims to Taiwan in the Peace Treaty. The question of the title of Taiwan, therefore, is in the hands of the allied powers who signed the Treaty of San Francisco, he said, but the allied powers have given no indication with respect to the title of Taiwan. Japan is not in any position to say that Taiwan belongs to the PRC. Therefore, Japan can say no more than "it understands and respects" the PRC view that Taiwan is an integral part of China. He recalled that the UK "acknowledged" Peking's claim, the Canadians "took note" and the United States "did not challenge," all of which formulations differ in nuance, but the Netherlands has gone farther than anyone else. Therefore, he felt that Japan would have to go at least as far as the Netherlands, but said that Japan would not go beyond "that fence."³

³ The eventual Japanese communiqué stated that Japan "fully understands and respects" the PRC's viewpoint on Taiwan. (*Keesing's Contemporary Archives*, Bristol: Keesing's Publications, 1971–1972, vol. xviii, 1971–1972, p. 25517) See Document 136.

The President offered one word of advice to the Prime Minister before his visit to Peking—get lots of sleep because the Chinese stay up all night to work on the Communiqué. They feel language is very important, therefore, he advised the Japanese to be prepared to stay up all night.

The Prime Minister said that the Americans are more fortunate in working out a Joint Communiqué in English and Chinese, aided by the different nuances between Chinese and English, but since Japanese and Chinese are both written in the same characters the problem of nuance is more difficult.

The President assumed that he meant that the English and Chinese texts are each subject to their own interpretation, but that this is not possible because Japanese and Chinese are written in the same script.

The Prime Minister said that he would not talk all night.

The President, in all fairness to the Chinese, said that they are meticulous in their use of words. Subsequent analysis of both texts of the Shanghai Communiqué at the State Department revealed that in the Chinese text wherever a word was subject to ambiguous translation, the Chinese invariably chose the nuance more favorable to the United States side rather than their own.

The President also pointed out that the Chinese bargain very hard but are meticulously scrupulous about honoring agreements when reached; the reason for the meticulous use of language by the Chinese is that they wish to have no misunderstanding.

The Secretary recalled that the PRC Foreign Minister said that the American interpreters were good, but unfortunately all spoke prerevolutionary Chinese.

The President asked whether the Prime Minister and Foreign Minister could read Chinese.

Neither could, they said, but the Foreign Minister said that he reads English.

The President recalled that the Foreign Minister addressed the Japan-American Society in Tokyo recently in English.

To conclude the talks with a light touch before the photographers entered, the President allowed that the interpreters for these talks were adequate enough, but could not really compare with the Chinese interpreters—all of whom are pretty girls.

135. Memorandum of Conversation¹

Washington, September 22, 1972, 10 a.m.

PARTICIPANTS

Nobuhiko Ushiba, Japanese Ambassador to the United States

Ryohei Murata, Political Counselor, Japanese Embassy

Henry A. Kissinger, Assistant to the President for National Security Affairs

John A. Froebe, Jr., NSC Staff Member

SUBJECT

Review of Mr. Kissinger's Recent Moscow Trip

Mr. Kissinger's Moscow Visit

Ambassador Ushiba asked Mr. Kissinger about the results of his recent trip to Moscow—in particular what had been said on Far Eastern problems. Mr. Kissinger said that the Asian situation had not been discussed in any depth. The Soviets asked about what had transpired at the President and Prime Minister Tanaka's Hawaii meeting. He noted that the Soviets are obviously concerned about Japan's normalization of relations with the PRC. Responding to Ambassador Ushiba's mention of recent reports that the Soviets were deploying additional ground forces to the Chinese border, Mr. Kissinger said there probably is some truth to these reports.

Mr. Kissinger explained that his talks in Moscow centered on the prospects for U.S.-Soviet agreement on trade and SALT. He quipped that the United States seemed to be able to settle its trade problems with everyone except Japan. Answering Ambassador Ushiba's question as to whether trade, lend lease, and related issues in U.S.-Soviet relations would be settled as a package, Mr. Kissinger said they would. Ambassador Ushiba asked if the U.S. had planned to extend long-term government credit to the Soviet Union, to which Mr. Kissinger replied that we would, although starting at a low level.

Replying to Ambassador Ushiba's reference to the President's mention at Hawaii of Joint U.S.-Japanese participation in the economic development of Siberia,² Mr. Kissinger said that the United States is prepared to discuss this further with Japan, and noted that he thought

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 538, Country Files, Japan, Vol. VIII, May–December 1972. Secret; Sensitive. On September 28, Haig, acting on behalf of Kissinger, approved this memorandum of conversation without further distribution. (Ibid.) Froebe drafted suggested talking points for Kissinger's meeting with Ushiba. (Ibid.)

² Nixon discussed Japan-U.S. economic cooperation in Siberia during his recent meeting with Tanaka. See Document 134.

a Japanese government representative was scheduled to visit Washington shortly to discuss this and other economic problems. Ambassador Ushiba said that an unofficial representative, Mr. Anzai (Board Chairman of the Tokyo Gas Company), is already here. Ambassador Ushiba said the Japanese government wants most of the money involved to be put up by private capital. Mr. Kissinger said that the U.S. was fully in agreement with this approach, and suggested that Mr. Anzai talk to Commerce Secretary Peterson, noting that the White House would encourage movement in this direction.

Ambassador Ushiba asked when Mr. Kissinger expected that the U.S. would reach agreement with the Soviet Union on trade and related questions. Mr. Kissinger said that on trade, agreement would probably be achieved within a month. Mr. Kissinger said that he had learned from Prime Minister Tanaka that doing it fast was the most effective approach. Replying to Ambassador Ushiba's question as to whether the Administration would have a problem with Congress over most favored nation treatment of the Soviet Union, Mr. Kissinger said he did not think so. He added, however, that the Administration would wait until after the election to submit legislation to Congress on this question.

Ambassador Ushiba asked about the opposition's charge that the Administration does not apply sufficient pressure to the Soviets on the question of the Jewish exit tax. Mr. Kissinger said that the opposition thinks this tactic will rally the Jewish vote to it. Mr. Kissinger noted that Senator McGovern is now in fact accusing the Administration of not being tough enough on the Communists.

Ambassador Ushiba asked when Mr. Kissinger thought the U.S. would reach agreement with the Soviet Union to resume discussions on SALT. Mr. Kissinger replied that this would probably come about yet this year, noting that the negotiations on this would be difficult. He explained that the problem involves two possible approaches—qualitative versus quantitative limits. Qualitative limits are much more difficult. The first month of the negotiations will be confined to a discussion of principles. Mr. Kissinger agreed with Ambassador Ushiba that manifold technical problems are also involved. He related he had taken the opportunity of the President's Moscow visit to discuss this problem with the Soviet Defense Minister and Deputy Prime Minister. Their initial reaction was that they were enraged because a foreigner knew as much of the characteristics of their weapons as he did, but later settled down to a more rational discussion of the problem.

Ambassador Ushiba asked what the situation was on the Conference for Security and Cooperation in Europe. Mr. Kissinger said that in the course of his most recent visit to Moscow the Soviets had, in a diplomatic note, agreed to hold separately the CSCE and a conference

on the MBFR, at the same time that these problems would be considered in the same general framework. The Soviets thus are ready to link the two. The CSCE will open in November and the meeting on MBFR next January. Responding to Ambassador Ushiba's reference to a rumor that the PRC wants to send an observer, Mr. Kissinger said he had heard this as a joke—along with the story that the PRC wants to join NATO.

Mr. Kissinger asked if Ambassador Ushiba knew who had given him the Japanese doll that he had brought back from the June trip to Tokyo. Ambassador Ushiba said that he did not know but that he would find out.

Tanaka Visit to Peking

Mr. Kissinger asked if Ambassador Ushiba had any additional news on Prime Minister Tanaka's upcoming Peking visit.³ Ambassador Ushiba, after reviewing the dates and the contents of the joint statement released September 20, explained that the Prime Minister's visit would not necessarily result in diplomatic relations between Japan and the PRC at this point. Ambassador Ushiba said he was not sure that Prime Minister Tanaka planned to go all-out for diplomatic relations now. The principle constraint is the strong Taiwan lobby in Japan, particularly in the Liberal Democratic Party, as well as the tough ROC reaction. At the same time, approximately 70 percent of Japanese public opinion favors immediate diplomatic relations with Peking. This sentiment, however, is strongly stimulated by Japanese media. On the other side of the question, the Prime Minister is very much aware of the hidden opinion in Japan that is opposed to moving too quickly. Therefore, Japan may move towards diplomatic relations with the PRC in two steps: for the immediate future Japan may have only improved indirect relations with Peking, somewhat like those that the U.S. now has with China, leaving full diplomatic relations for a later stage. Mr. Kissinger commented that it was the Administration's experience with American public opinion that if you do not yield to this kind of domestic opinion, you will be ahead in the long run.

Vietnam Situation

Ambassador Ushiba asked about the current situation in Vietnam. Mr. Kissinger said that we are continuing our intensive negotiations with Hanoi. It is too early yet to say what will come of them. If Japan could desist from encouraging Hanoi, at least in the near term, it would be helpful to the U.S. position. Ambassador Ushiba asked if Mr.

³ Tanaka accepted an invitation to visit the People's Republic of China, September 25–30.

Kissinger saw any prospect of a settlement before November. Mr. Kissinger said it was impossible to say. If the U.S. sets a deadline, Hanoi will wait for the deadline to see if they can extract another concession. Ambassador Ushiba asked about the Viet Cong's most recent public statement on the settlement. Mr. Kissinger said that such Viet Cong statements have in the past proved unhelpful, and added that the VC must come through with something better than this in order to be acceptable to the United States.

Ambassador Ushiba asked where the military situation stood, noting recent Communist gains around Danang. Mr. Kissinger acknowledged recent Communist tactical gains, but said that this sort of military gain is too costly to the other side. He added that the other side might still attempt some drastic military initiatives next month. Basically, however, from the military standpoint the North Vietnamese are in bad shape. They have now lost something like 600 out of the 700 tanks they possessed at the outset of the spring offensive.

Soviet Policy Toward the Korean Principle

Ambassador Ushiba, noting his government's satisfaction with the outcome of the Korean question in the General Assembly, asked if the Soviet Union had evidenced any concern over Korea. Mr. Kissinger said that the Soviets of course want to avoid any evidence of PRC influence on the Peninsula. But at the same time they are in a dilemma as to whether increased PRC influence would be preferable to that of the United States and Japan.

Soviet Position on Japan's Northern Territories

Mr. Kissinger said that in Moscow he had mentioned Japan's concern about the northern islands. In principle the Soviet Union does want better relations with Japan. The question, however, is whether they want them sufficiently at this point to make the concessions Japan is insisting on vis-à-vis the northern territories.

136. Intelligence Note¹

Washington, October 2, 1972.

JAPAN AND CHINA NORMALIZE RELATIONS

The Japan-PRC joint communiqué issued in Peking on September 29 at the conclusion of Japanese Prime Minister Tanaka's discussions with PRC leaders closely follows a mid-August version leaked in the *Mainichi* newspaper and contains no real surprises. The communiqué agrees to the ending of the abnormal situation existing between the two countries since the conclusion of World War II, calls for the establishment of diplomatic relations effective September 29 with the exchange of ambassadors at the earliest possible moment, waives Chinese war reparations claims, mutually disclaims hegemonistic aims, and promises efforts to work out specific agreements on trade, aviation, transport, and fisheries matters. The two countries also agreed to begin negotiations to include a treaty of peace and friendship.

No Chinese Surprises. The Chinese dealt easily with Tanaka in the communiqué, as they gave every intention of doing, and two of China's so-called "three principles" were, as expected, fudged. In the communiqué Japan expresses clear agreement with the first principle (the PRC is the sole legitimate government of China). With regard to the second (Taiwan is a part of the PRC), Japan "understands and respects" the Chinese position and "maintains the position based upon Article 8" of the Potsdam Declaration. The latter reference, which had not been foreseen in pre-trip speculation and hence may reflect a concession made by Tanaka during the week's bargaining, amounts to an indirect Japanese renunciation of any residual claim to Taiwan. Article 8 cites the Allied position that Japan's sovereignty after the surrender will be limited to the four main Japanese islands and such minor islands as the Allies determine, and also affirms the validity of the Cairo Declaration, which provided for the return of Taiwan to the "Republic of China."

As for the third PRC "principle" (abrogation of the 1952 Japan/ROC peace treaty), the statement makes no commentary beyond an observation that Japan "fully understands the three principles." However, in presumed compensation for this calculated vagueness, Foreign

¹ Source: National Archives, RG 59, Central Files 1970-73, POL CHICOM-JAPAN. Confidential. Director Paul Popple and Analysts Dalton Killion and Richard Williams of the East Asia and Pacific section of the Bureau of Intelligence and Research produced this Intelligence Note, which was sent as a Quick Reaction Comment. A heading near the top of the first page reads: "Quick Reaction Comment on a new development in international affairs, subject to modification in the light of further information. More complete analysis may be undertaken in subsequent INR reporting."

Minister Ohira in a post-statement press conference in Peking took pains to point out that Japan considers that the peace treaty with the ROC has “lost the significance of its existence.” In this connection, a September 30 *People’s Daily* editorial proclaiming normalized PRC-Japanese relations was content to record the observation that one of its three principles for normalization had been that the 1952 treaty “should be abrogated” and that the Tanaka cabinet had taken “many concrete steps” to improve relations.

Chinese Hospitality. The 80-odd Japanese reporters who were in Peking, as well as the host of other reporters, gave heavy play to the cordial reception, culminating with thousands of people beating drums and cymbals as Tanaka left Peking and arrived in Shanghai. Pictures of Chairman Mao’s one-hour benediction of Tanaka were shown on TV and were made much of by the Japanese media. The long-desired agreement plus the impact of TV clips and news photos of Mao and Tanaka shaking hands and chatting will endow Tanaka with additional charisma in the minds of the Japanese public, and give him and the LDP a political boost in the next Diet election.

Unsurprisingly, the joint statement made no reference to Japan’s security ties with the US, and this issue was not discussed by Foreign Minister Ohira in his follow-up press conference. However, Chinese officials told visiting Japanese privately that the US-Japan Mutual Security Treaty is not an obstacle to improved Japan-PRC relations because the “Taiwan clause” of the treaty has been “rendered meaningless” as a result of the Shanghai communiqué and the improvement in US-PRC relations.

137. Memorandum of Conversation¹

Washington, October 18, 1972, 10 a.m.

PARTICIPANTS

Masayoshi Ohira, Foreign Minister of Japan
 Nobuhiko Ushiba, Ambassador of Japan
 Sadaaki Numata, Ministry of Foreign Affairs (Interpreter)
 The President
 General Alexander M. Haig, Jr.
 James J. Wickel, Department of State (Interpreter)

SUBJECT

Foreign Minister Ohira Call on The President
 1. Japan-PRC Normalization
 2. Korea
 3. Economic Relations with the EC
 4. Vietnam Peace Prospects
 5. US-USSR Relations

The President welcomed the Foreign Minister and after they were seated press photographers entered for a photo opportunity.

1. *Japan-PRC Normalization*

After the photographers had left, Minister Ohira said that he appreciated and felt honored to have this opportunity to meet the President despite his extremely busy schedule. He realized that he should have come to Washington immediately after returning to Tokyo from Peking,² but explained that the Japan-Australia Joint Cabinet Committee Meeting had caused a delay. He expressed deep appreciation for the thoughtful hospitality and warm welcome the President extended Prime Minister Tanaka and his party during the recent summit talks in Hawaii.³ Having already reported in detail through Ambassador

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 538, Country Files, Japan, Vol. VIII, May-December 1972. Secret. On October 20, Holdridge sent this memorandum of conversation to Haig for approval. Haig approved it with no further distribution. (Ibid.) Nixon had rejected an earlier request to meet with Ohira, but Holdridge, citing support from Rogers, appealed this decision in an October 17 memorandum sent under Kissinger's name but signed by Haig. According to an attached routing slip, Haig and Nixon discussed this matter by telephone, and Haig approved the memorandum on behalf of the President. (Ibid.) Ericson produced a briefing paper for Nixon's meeting with Ohira. (Memorandum from Mueller to Kissinger, October 17; *ibid.*, RG 59, POL 7 JAPAN)

² Foreign Minister Ohira and Prime Minister Tanaka visited the People's Republic of China September 25–30.

³ The Nixon-Tanaka summit in Hawaii occurred on August 31–September 1, see Documents 131–134.

Ingersoll on the substance and results of the recent Japan-PRC talks in Peking, he did not believe it necessary to discuss the matter in depth today.⁴

The President thanked him for the full briefing we had received, and expressed the hope that this kind of consultation would continue to take place whenever either of our two Governments planned to announce important decisions.

Minister Ohira said that Japan's negotiations with the PRC in Peking were concluded successfully because of the understanding expressed by the United States and because the President himself had already broken the trail with his discussions in Peking earlier this year. Moreover, he explained, the President's visit had worked effectively to shape domestic public opinion in Japan to make possible Prime Minister Tanaka's decision. He expressed full agreement with the statement attributed to Assistant Secretary Marshall Green, that the reconciliation between Japan and China took place, not in spite of the Japan-US Mutual Security Treaty, but because of it.

The President asked whether the PRC leaders gave the Japanese any difficulties on the Security Treaty.

Minister Ohira replied "not at all."

The President characterized this as a significant shift in attitude. He recalled that he talked to the Chinese leaders in categorical terms on this point, stating that the Security Treaty serves the interests of the PRC as well as the United States in maintaining peace in the Pacific. He noted rhetorically that the Chinese had not asked Japan to abrogate the Security Treaty.

Minister Ohira observed that the Chinese indicated the Security Treaty is a matter between Japan and the United States, and that they understood that Japan feels that it needs the Security Treaty. While the Chinese feel some anxiety about the Security Treaty, he said, they did not wish to discuss it during Prime Minister Tanaka's visit to Peking because it is a bilateral matter between Japan and the United States. He added that the realistic understanding shown by the Chinese had been a great help to the Japanese side.

However, Minister Ohira continued, the success of the Japan-China negotiations in resolving the long-pending issue between them only established diplomatic relations, with the big problems still to come. As for Japan, he said, it would take up the various problems between

⁴ During a 1-hour meeting on October 3, Ohira debriefed Ingersoll on the Sino-Japanese normalization talks. (Telegram 10544 from Tokyo, October 3; National Archives, Nixon Presidential Materials, NSC Files, Box 538, Country Files, Japan, Vol. VIII, May-December 1972)

itself and China in an attitude of sincerity, after having decided for itself what it should do, and what it should not do to maintain peace in Asia.

Minister Ohira then noted that he had already visited Australia and New Zealand and planned to visit Moscow after leaving Washington, to explain the conciliation between Japan and China. Three other special envoys had been sent to Korea and Southeast Asia to make similar explanations. Up to now, he noted, these various nations have indicated a general understanding, but some, he admitted, feel a certain anxiety. His own duty, he believed, is to endeavor to remove this sense of anxiety.

With respect to Taiwan, Minister Ohira was pleased to note that the situation in Taiwan, following Japan's reconciliation with the PRC, has remained peaceful, and no unfortunate situation has arisen. Japan is prepared to create the non-governmental "contact point" that it should to maintain non-governmental relations with Taiwan, he said, and noted that civil aircraft and merchant shipping have continued to operate as scheduled. He also noted that the GOJ has taken steps to continue to provide Taiwan preferential tariff treatment, even though diplomatic relations have ended. Finally, he explained that the PRC was informed in advance that Japan planned to establish a "contact point" in Taiwan, and that its Embassy and Consulate there would be closed when the "contact point" is ready to function, to which the PRC showed its understanding by not saying "no."

2. Korea

The President asked how the Foreign Minister evaluated the current developments in Korea.⁵

Minister Ohira replied that he was surprised by the big news he heard on landing in Los Angeles, that President Park had declared martial law in the ROK. Shortly after the Hawaii Summit talks at Kuilima, he said, he attended the Japan-ROK Ministerial Conference in Seoul but saw no indications whatsoever of a trend toward martial law. Therefore, he did not feel qualified to make an accurate response since he lacked adequate information.

The President stated that he had observed one reason cited by President Park for imposing martial law was the uncertainty about international diplomatic moves, and assumed that by this he meant the United States meeting with Peking, and Japan's meeting with

⁵ On October 17, South Korean President Chung Hee Park declared martial law throughout South Korea.

Peking. He found it difficult, however, to concede that these meetings would affect Korea in any detrimental manner.

Minister Ohira agreed with him. When Special Envoy Toshio Kimura visited the ROK just recently to explain the Japan-China reconciliation, ROK officials indicated an understanding but had indicated concern about any possible sudden expansion of Japan's interchanges with North Korea. Japan, however, responded that it had no plans to do so. Accordingly, he found it difficult to believe that Japan's reconciliation with China had triggered events in the ROK.

The President stressed the importance of keeping the ROK in as stable a condition as possible. While we welcome contacts between the ROK and North Korea, he cautioned that we did not wish to give the ROK any reason to feel that it has been deserted. If Korea should blow up, he warned, the interests of Japan and the United States would be seriously affected. He knew that the Foreign Minister would agree, on the basis of his long experience in international affairs, that we tend sometimes to keep our eyes only on the big game, such as Japan's new relations with the PRC, the United States new relations with the PRC, Japan's relations with the Soviet Union, or new developments among the European nations. He cautioned, however, that wars often come about when we fail to handle small problems, such as Vietnam and Korea, which could have an extremely adverse effect on our interests. He hoped, therefore, to keep in closest touch with Japan in the interest of cooling down the situation and reassuring the ROK that it is not being abandoned. We do not want, he declared firmly to have Korea explode again.

Minister Ohira said that the ROK seems to be making steady progress on its third 5-year Plan, begun this year, which stresses energy and rural development. When it ends, the ROK Government and people both hope that their nation will have acquired a self-sufficient economy. In his view, the ROK appears at last to be getting on the track politically as well, and he felt that this present step to impose martial law might be a positive step to firm up the ROK financial and economic foundations. He understood the President's statement about the need to keep an eye on the "small game" as well as the "big game;" the GOJ also understands this need and would, he said, make an effort to help stabilize the ROK.

3. Economic Relations with the EC

The President then raised the good conversation he had with Foreign Minister Home during his recent visit,⁶ explaining that he had

⁶ According to the President's Daily Diary, Sir Alec Douglas-Home, British Secretary of State for Foreign and Commonwealth Affairs, met with Nixon from 4:04 until 5:15 p.m. on September 29. (National Archives, Nixon Presidential Materials, White House Central Files, Daily Diary)

re-emphasized (to Home) the necessity for the great economic powers, the EC (including Britain), Japan and the United States and Canada to engage in the closest consultation in the interest of developing a more stable international monetary system and programs to reduce trade barriers. He recalled saying in Hawaii that we consider it most important that Japan and the United States not be cut out of the great developments in Europe, and that it would be detrimental to increased trade and better relations if the EC became a bloc, with Japan and the United States left outside to confront it. Now, he stressed, is the time to take steps to avoid that, through frank discussions among the United States, Japan and the European nations, as equals.

Minister Ohira said that he shared this view, and explained that Prime Minister Tanaka and Prime Minister Heath reached an understanding along this line during the latter's visit to Tokyo in mid-September. He did not foresee any change in Japan's confidence that it would proceed in this direction.

4. Vietnam Peace Prospects

Minister Ohira, changing the subject, noted the recent flurry of activity related to Vietnam and asked whether the President could tell him about the present situation and the prospects for peace there.

The President obliged, stating that recently for the first time the North Vietnamese have begun to negotiate seriously. In Dr. Kissinger's twenty secret meetings in Paris all the North Vietnamese did was talk, but they did not negotiate seriously until the most recent meeting in which General Haig also participated. He cautioned that there are major differences between us, and pointed out that these negotiations involve not two parties (the United States and North Vietnam) but three (including the South Vietnamese), for which reason Dr. Kissinger, General Abrahms and Ambassador Bunker were today talking to President Thieu in Saigon, to make certain that he is fully aware of developments and to give him the opportunity to participate.

The President called attention to one point of great interest, which he asked the Minister to convey to Prime Minister Tanaka; he noted the broad speculation that with the elections only three weeks off the United States wishes to bring these negotiations to an early conclusion, but denied emphatically that this has any basis. The situation this year is totally different from 1968, he explained, when the announcement of the bombing halt had a positive effect in building up the candidacy of Hubert Humphrey, and this year Vietnam is not a negative issue. Therefore, he said, he had directed Dr. Kissinger in all negotiations not to think about the election, but to do what is right. If the right kind of agreement can be reached now we will reach it, but if it can not be reached now he said that we will wait until after the elections. This,

he emphasized, is sound policy. In that connection, he added, there will be no bombing halt before the election without a settlement. Thus, he said, there is no pressure on our negotiators to reach even a bad settlement now because of the election.

The President said he wanted the Foreign Minister and Prime Minister to know also that the speculation we would agree to impose a coalition government on South Vietnam is totally false. We do want peace, he said, but peace with honor, and would not impose a settlement on the people of South Vietnam against their wishes.

Finally, the President explained, without making a prediction, there comes a time when war should end. The ideal course was not to start a war in the first place, he commented, but we feel that this is the time for the war to end, on an honorable basis for both sides. He observed that we have some reason to believe the other side also shares this view. While we are still far apart in some critical areas, an extraordinary effort is being made to negotiate seriously. He hoped that the war would come to an end, and if the other side continued to negotiate seriously he felt that there is a “chance,” not a “certainty,” that it would end within a reasonable period of time. However, he cautioned, the American elections would not be the primary factor.

5. US–USSR Relations

In conclusion, Minister Ohira in preparation for his own visit to Moscow noted the recent development of broad areas of agreement between the United States and the Soviet Union, including progress toward negotiating a trade agreement, and asked whether the President could advise him with respect to the development of US–USSR relations.

The President said that our relations with the Soviet Union are positive, in trade, arms control and other areas. While there are some differences between both countries, positive discussions are taking place. He felt that there was no need to advise an experienced diplomat like Minister Ohira, but simply wished to observe that in working out the new relations between the United States and the USSR, as well as the United States and the PRC, we did not rely on sentimentality or emotions, but consulted our own interests, which the Communist leaders understand and respect. In Moscow, he believed the Minister would find that the Soviet leaders would show respect for Japan and its great people as a great economic power. Japan, he said, is in a good bargaining position, not a weak one, just as the Soviets are in a good bargaining position.

In conclusion, the President hoped that the Soviet leaders would be as fair in their discussions of the Northern Territories with Japan as the United States was about Okinawa. However, he added, he doubted they would be.

Minister Ohira thanked the President for sparing time for this discussion, and wished him good health and best luck for a resounding success in the election.

The President asked the Minister to convey his best wishes to Prime Minister Tanaka, and his colleagues in the Cabinet, and to his old personal friends, Messrs. Kishi and Sato, who are always welcome in his home.