



OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON DC 20301

UNCLASSIFIED

24 APR 1981

MEMORANDUM FOR Mr. Craig L. Fuller
Deputy Assistant to the President

SUBJECT: Suzuki Visit Preparation (U)

(U) We concur with the principal objectives listed in Cabinet Staffing Memorandum #018503CA.

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(S) In general, we agree with the "Issues and Commentary" section of the memorandum, and refer you to the Secretary of Defense's Memorandum For The President, "Japanese Defense Efforts," dated April 20, 1981 for those issues and talking points that we believe are of particular interest to Defense. Of the defense issue talking points provided in the April 20 memorandum, the following three deserve special emphasis from the President:

• The U.S. is not suggesting any open-ended military role which might exceed Japan's constitutional limitations; Japan can share in a rational division of labor within political and legal constraints.

• Japan needs to take immediate steps to make its presently ineffective self-defense forces capable, largely by procuring needed logistic items. (A JFY 1981 supplementary budget should be suggested although an increase in JFY 1982 is probably the most we can hope for--but even this is unlikely unless the President asks for a supplementary.)

• The U.S.-Japan Security Subcommittee (SSC) will meet in Hawaii June 10-12 to discuss the specifics of a rational division of labor between the two countries in the security area (both military roles and missions and host-nation support measures.) Prime Minister Suzuki should be encouraged to authorize his delegation to the SSC to discuss the implementation of a realistic mutual security arrangement whereby the United States revitalizes its military capabilities and Japan achieves its Standard Defense Force Program Outline in the next five years and doubles its maritime and air defense capability in the Northwest Pacific within this decade.

Declassified by: Col James A. Whitmore, DOD ExecSec
Declassified on: 16 September 2002
Declassification Authority: DOD/WHS FOIA Case 95-F-0580

Classified by The Special Assistant
Declassify on April 23, 1987

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(S) Without at least this degree of specificity the Prime Minister will promise to study the issue seriously and try his best to do more, but the results most likely will be very minimal. We can and will advise the Japanese Foreign Ministry in advance as to what will be raised so that there are no surprises, but it is critical that these points be made by the President himself and not just by the Secretaries of Defense and State.



J. H. Rixse
The Special Assistant

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Declassified on: 16 September 2002
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Declassified by: Col James A. Whitmore, DOD ExecSec
Declassified on: 16 September 2002

THE SECRETARY OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA

JUN 1 1961

His Excellency Zenko Suzuki
Prime Minister of Japan
2-3-1 Nagato - Chu,
Chiyoda-ku,
Tokyo, 100
Japan

Dear Mr. Prime Minister:

It was indeed a pleasure to meet with you on the occasion of your recent visit to the United States. The porcelain flower vase you gave to Mrs. Weinberger and me is lovely and it will do much to enhance the beauty of our home. I also appreciate having your photograph in the very handsome frame.

Again, thank you for your thoughtfulness. Perhaps I will have the pleasure of visiting in your beautiful country at some future time.

With best wishes,

Sincerely,



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INTERNATIONAL
SECURITY AFFAIRS

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ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

9 APR 1981

In reply refer to:
I-06726/81

MEMORANDUM FOR THE SECRETARY OF DEFENSE

THRU: UNDER SECRETARY OF DEFENSE FOR POLICY (Acting)

SUBJECT: Japan Prime Minister Suzuki Visit to Washington
DC - INFORMATION MEMORANDUM (U)

~~(C)~~ Press, intelligence and embassy reports since Foreign Minister Ito's visit here last month confirm that we did not get our message across on the USG commitment to a more rational division of labor with Japan in the security area. This underscores how critical it is that the President convey this message to PM Suzuki in May and that Suzuki come to the Pentagon to meet with you.

~~(C)~~ Accordingly, we are pushing hard with State and the NSC for a one hour visit to the Pentagon on May so that you can provide Suzuki with a strategic overview and a general outline on how we envision sharing defense responsibilities consistent with Japan's constitutional and political constraints. Ambassador Mansfield supports a stop at the Pentagon.

~~(C)~~ We are also preparing a memorandum to the President for your signature urging defense as a major topic for his discussions with Suzuki and will forward it to you next week.

F. J. West, Jr.
Francis J. West, Jr.
Assistant Secretary-Designate

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BY: APA

DATE: 1 Jul 96

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Declassify on: 1 Apr 1981

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SECRETARY OF DEFENSE

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301



INTERNATIONAL
SECURITY AFFAIRS

22 April 1981

In reply refer
to: I-21574/81

MEMORANDUM FOR THE SPECIAL ASSISTANT

THRU: Under Secretary of Defense for Policy *71-23 APR 1981*

SUBJECT: Suzuki Visit Preparation

After obtaining the Secretary's approval
Recommend you forward the attached memorandum to Craig L. Fuller,
Deputy Assistant to the President, Director, office of Cabinet
Administration 456-2823. Suspense is COB 23 April.

R. L. Armitage

R. L. Armitage
Acting

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THE SECRETARY OF STATE

WASHINGTON

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April 30, 1981

MEMORANDUM FOR: THE PRESIDENT
FROM: Alexander M. Haig, Jr. 
SUBJECT: Visit of Japanese Prime Minister
Zenko Suzuki, May 6-9, 1981

I. SETTING

Prime Minister Suzuki's principal objectives are to establish a comfortable relationship with you, exchange views on a number of international and bilateral questions, and bolster his political position at home by avoiding mis-cues and thereby show that Japan's most important relationship is in good hands. We view the visit as a means of reaffirming our alliance with Japan and nurturing a more ambitious security role.

Our relations with Japan are generally good: Japan's foreign policy complements our own. Tokyo has adopted a hard nosed posture vis-a-vis the Soviet Union; it has expanded its aid to strategically sensitive countries, assumed a larger share of the international refugee burden, and acknowledged its need to expand its defense capabilities. Aside from autos, there are no major sectoral trade problems at the moment. Nevertheless, some clouds have appeared in recent weeks: the collision of the US Navy nuclear submarine with a Japanese freighter has created a furor in Japan; and Suzuki's public remarks on our lifting of the grain embargo have added to the strain.

II. OBJECTIVES

Reaffirm our bilateral ties; promote expanded security cooperation (defense, foreign aid, and diplomacy); encourage parallel Asia policies; obtain Japan's understanding and cooperation regarding relations with the Soviets; discuss Ottawa summit collaboration; facilitate cooperation on energy matters; nail down satisfactory resolution on autos and promote greater market access for US goods; prevent submarine collision from marring overall relationship.

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III. ISSUES

1. Overall Relations

Although our relationship is fundamentally in excellent shape, it has been buffeted about in recent weeks by the submarine collision incident, by our lifting of the grain embargo, and by the automobile question. Advance consultation has been an obsession with the Japanese since the "Nixon Snocks" and they expect us to do better by them. We wish to assure Suzuki of Japan's place in our strategy as a senior ally; that this implies our ties with Japan are not only important, but vital to us; that we will try to consult in advance while frankly acknowledging the practical problems of doing so in every instance; and that we are counting upon our relationship with Japan as we meet the challenges of the Eighties.

2. Security Cooperation

We want to establish a framework for security burden-sharing that includes a strengthened Japanese defense posture, expanded financial support for US forces in Japan, increased economic aid to countries of strategic importance, and diplomatic support on issues of common concern. But security issues remain politically sensitive in Japan and Suzuki is not yet convinced that substantially greater defense efforts justify the serious political risks. We should signal to Suzuki that our Persian Gulf presence is designed to protect Japan and Europe as well as the US, and means that our allies must pick up some of the slack. While we appreciate Japanese aid efforts to strategically important countries, Japan must also improve its defenses.

3. Asia

The Japanese believe cooperative US-China relations are vital to the global balance of power. You should reassure them of our wish to maintain good relations with China, while improving relations with Taiwan under the Taiwan Relations Act. While our relations with Korea have been restored to normalcy, Japanese-Korea relations remain uneasy. This poses obstacles for more forthcoming Japanese trade and assistance measures toward South Korea (which we would like to encourage). In Southeast Asia, the Japanese have committed their full economic and political support to ASEAN. We look forward to working closely with Japan in supporting ASEAN's strategy on Kampuchea and stepping up pressures on Vietnam.

4. East-West Relations

Japan looks to us to forge an allied consensus on East-West issues and has declared its readiness to play a supportive

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role. Suzuki will expect an exposition of your approach to relations with Moscow, reaffirmation of your commitment to allied consultations, an expression of our determination to pursue a consistent line and some acknowledgment of Japan's contributions. Since the Afghanistan crisis, Japan has maintained a tough line towards Moscow. It has sustained economic sanctions, rebuffed Moscow's propaganda overtures, issued blunt warnings and received NATO briefings on Poland, has taken a positive interest in the Caribbean Basin, and boosted economic aid to countries facing Soviet-inspired pressure (e.g. Pakistan and Thailand). The lifting of our grain embargo will bring Suzuki under intense pressure from business and opposition political groups to modify Japan's present stiff sanctions policy.

5. Ottawa Summit

Both you and Suzuki will attend your first Economic Summit at Ottawa. Japanese leaders favor including political topics and a thorough airing among the Allies of East/West economic relations. We aim at tightening up strategic trade with the USSR and reducing vulnerability from dependence on Soviet raw materials and markets. They are concerned the Europeans will use the trade item as an opportunity to criticize Japan's trade performance and policies. You should assure Suzuki we will oppose any attempt to gang up on Japan on trade.

6. Energy Cooperation

We expect within this year to achieve a long-term agreement on Japanese reprocessing of U.S.-origin nuclear fuel so that Japan can move into commercial reprocessing at its own pace. We plan to extend the temporary agreement to accommodate Japan's immediate requirements. We want Japan to make long-term commitments to import coal in order to encourage US investment. Japan also wants US support for its candidacy for Director-General of the International Atomic Energy Agency (no US decision yet).

7. Trade Issues ("Autos" to be furnished later)

Despite the continuation of a large and politically sensitive trade deficit, we have made great progress in reducing Japan's trade barriers. Our current trade agenda consists of proposals for mutual reduction of duties on semi-conductors and constant pressure to open agricultural markets further. We are beginning to examine possible trade initiatives with Japan addressing services, trade-related investment, and informal access problems.

8. Submarine Collision (To be furnished later.)

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MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

Meeting with Secretary Haig (May 6, 4:30 p.m. - Blair House)

- * 1 - M (Overall relations)
- * 2 - H (Security cooperation)

US Participants: Secretary Haig, Under Secretary (State) Stoessel, Assistant Secretary (State) Holdridge, Ambassador Mansfield, Deputy Assistant Secretary (State) Armacost, Deputy Assistant Secretary (Defense) Armitage.

Japanese Participants: Prime Minister Suzuki, Foreign Minister Ito, Deputy Chief Cabinet Secretary Kawara, Ambassador Okawara; Private Secretary of Prime Minister, Tanino; Deputy Foreign Minister Katori; Director General, North American Bureau, Foreign Ministry, Asao; Director General, Economic Bureau, Foreign Ministry, Fukada.

Meeting with the President (May 7, 10:30 - 10:50 a.m. - Oval Office)

Private meeting: The President, Prime Minister Suzuki

Meeting with President (May 7, 11:00 - 12:00 noon, Cabinet Room)

- * 1&8 - (Overall relations; submarine handled as unfortunate aberration)
- * 4 - M (Soviet Relations)
- * 2 - M (Security Cooperation)
- * 5 - L (Ottawa Summit)
- * 3 - L (Asian)
- * 7 - L (Trade)
- * 6 - L (Energy)

US Participants (seated at table): The President, Vice President, Secretary Haig, Secretary Weinberger, Secretary Regan, Secretary Baldrige, Ambassador Brock, Counsellor Meese, Chief of Staff Baker, Deputy Chief of Staff Deaver, Assistant to the President for National Security Affairs Allen, Ambassador Mansfield.

US Participants (seated behind table): Assistant Secretary (State) Holdridge, Deputy Assistant Secretary (State) Armacost, Special Assistant to the President Janet Colson, NSC Senior Staff Member Donald Gregg, Japanese Country Director (State) Bill Clark, Deputy Assistant Secretary (Defense) Armitage.

Japanese Participants: Prime Minister Suzuki, Foreign Minister Ito, Deputy Chief of Cabinet Secretary Kawara, Ambassador Okawara, Mr. Tanino, Mr. Katori, Mr. Asao, Mr. Fukada; Director First North American Div, Foreign Ministry, Karita.

Luncheon at State (May 7, 1:00 p.m.)

- * 148 - M (Overall and Submarine)
- * 4 - M (Soviet relations)
- * 2 - M (Security)
- * 3 - M (Asia plus PLO Issue)

US Participants: Secretary Haig, Secretary Weinberger, Director of Central Intelligence Casey, Richard V. Allen, General Jones, Under Secretary (State) Stoessel, Assistant Secretary (State) Holdridge, Ambassador Mansfield.

Japanese Participants: Prime Minister Suzuki, Foreign Minister Ito, Deputy Chief Cabinet Secretary Kawara, Ambassador Okawara, Mr. Katori, Mr. Asao, Mr. Fukada, Mr. Karita; Private Secretary to Foreign Minister, Hirabayashi.

Second Meeting with President (May 8, 10:30 a.m. - Cabinet Room)

Themes and objectives will be developed and distributed following the meetings on the 7th.

US Participants (seated at table): The President, Secretary Haig, Secretary Weinberger, Secretary Regan, Secretary Baldrige, Ambassador Brock, Counsellor Meese, Chief of Staff Baker, Deputy Chief of Staff Deaver, Assistant to the President for National Security Affairs Allen, Ambassador Mansfield.

US Participants (seated behind table): Assistant Secretary (State) Holdridge, Deputy Assistant Secretary (State) Armacost, Special Assistant to the President Janet Colson, NSC Senior Staff Member Donald Gregg, Japanese Country Director (State) Bill Clark, Deputy Assistant Secretary (Defense) Armitage.

Japanese Participants: Prime Minister Suzuki, Foreign Minister Ito, Deputy Chief Cabinet Secretary Kawara, Ambassador Okawara, Mr. Tanino, Mr. Katori, Mr. Asao, Mr. Fukada; Director First North American Div, Foreign Ministry, Karita.

Meeting with Secretary Weinberger (May 8, 2:30 p.m. - Blair House)

- * 2 - H (Security cooperation)
- * 8 - M (Submarine)

US Participants: Secretary Weinberger, Ambassador Mansfield, Deputy Assistant Secretary (State) Armacost, (Other DOD officials.

Japanese Participants: Prime Minister Suzuki, Foreign Minister Ito, Deputy Chief Cabinet Secretary Kawara, Ambassador Okawara, Mr. Tanino, Mr. Katori, Mr. Watanabe, Mr. Kimura, Mr. Ishi, Mr. Kato, Mr. Shimojo.

REG. DEPUTY CHIEF CABINET SECRETARY KAWARA, AMBASSADOR OKAWARA,

Meeting with Vice Presidents (May 8, 5:30 p.m. - Roosevelt Room)

- * 1 - L (Overall relations)
- * 5 - M (Ottawa Summit)
- * 6 - M (Energy)

US Participants: Vice President, Secretary Haig, Assistant to the President for National Security Affairs Richard Allen, Secretary Edwards, Assistant Secretary (State) Holdridge, Ambassador Mansfield, Assistant to the Vice President for National Security Affairs Nancy Bearg Dyke, Admiral Murphy, NSC Senior Staff Member Donald Gregg.

Japanese Participants: Prime Minister Suzuki, Foreign Minister Ito, Deputy Chief Cabinet Secretary Kawara, Ambassador Okawara, Mr. Tanino, Mr. Katori, Mr. Asao, Mr. Fukada, Mr. Karita.

Economic Group Breakfast (May 9, 7:45 a.m. - Blair House)

- * 1 - M (Overall economic relations)
- * 6 - M (Energy, i.e. coal investment)
- * 7 - H (Trade)

US Participants: Secretary Regan, Secretary Baldrige, Block, Murray Weidenbaum, David Stockman, Deputy STR McDonald, Under Secretary (State) Rashish, Assistant Secretary (State) Holdridge, Ambassador Mansfield.

Japanese Participants: Prime Minister Suzuki, Foreign Minister Ito, Deputy Chief Cabinet Secretary Kawara, Ambassador Okawara, Mr. Fukada, Mr. Asakai, Mr. Kato, Mr. Matsuura, Mr. Fujiwara.

- * SEE SCOPE PAPER - III. DISCUSSION OF OBJECTIVES + for Analysis of Objectives in Order of Priority:

- 1 - Overall Relations
- 2 - Security Cooperation
- 3 - Asian
- 4 - Soviet Relations
- 5 - Ottawa Summit
- 6 - Energy
- 7 - Trade
- 8 - Submarine

OVERALL ORDER OF IMPORTANCE OF TOPICS KEY:

- H - Heavy Emphasis
- M - Medium Emphasis
- L - Light Emphasis

VISIT TO U.S. OF JAPANESE PRIME MINISTER SUZUKI
MAY 4-9, 1981

Monday, May 4

- Depart Tokyo
- 4:00 p.m. -- Arrive JFK, New York
- 7:00 p.m. -- Reception hosted by Japanese Community at Waldorf

Tuesday, May 5

- 8:30 a.m. -- Japanese business group
- 10 or 11 a.m. -- New York Times Meeting
- 1:00 p.m. -- Luncheon aboard Forbes Yacht "The Highlander"
- 7:00 p.m. -- Japan Society Speech at Waldorf

Wednesday, May 6

- 10:00 a.m. -- Visit to Crasenko (tea master)
- Noon -- Luncheon with American Business Group at Lynx Club
- 4:00 p.m. -- Arrive Washington (Andrews AFB)
- 4:35 p.m. -- Meeting with Secretary Haig at Blair House
- 5:30 p.m. -- Wreath-laying at Arlington Cemetery
- Private dinner at Blair House

Thursday, May 7

- 10:00 a.m. -- White House Arrival Ceremony
- 10:30 a.m. -- Meeting with President
- 1:00 p.m. -- Luncheon hosted by Secretary Haig
- 3:00 p.m. -- Meeting with Senate Foreign Relations Committee
- 4:15 p.m. -- Meeting with House Foreign Affairs Committee
- 7:30 p.m. -- Official Dinner at White House

Friday, May 8

- 8:00 a.m. -- Breakfast with Katherine Graham at Washington Post
- 10:30 a.m. -- Meeting with President
- Noon -- Luncheon and speech at National Press Club
- 2:30 p.m. -- Meeting with Secretary Weinberger at Blair House
- 4:30 p.m. -- Tree planting at the Freer Gallery
- 6:00 p.m. -- Press Conference at Hotel Washington
- 8:00 p.m. -- Dinner at Japanese Embassy

Saturday, May 9

- 7:45 a.m. -- Breakfast with economic-oriented Cabinet Group at Blair House
- 9:30 a.m. -- Departure Ceremony at Washington Monument helipad
- 10:00 a.m. -- Depart Washington - Dulles
- (approx.) -- Luncheon with PM Trudeau in Ottawa

10:00 a.m. -- Depart Washington - Dulles



DEPARTMENT OF STATE
BRIEFING MEMORANDUM

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To: The Secretary
From: ZA - John Holdridge ~~CTD~~
Subject: Visit to Washington of Japanese Prime Minister
Zenko Suzuki, May 6-9

SUMMARY: On his first visit to the United States as Prime Minister, Suzuki will be looking forward to establishing a personal relationship with the President and other members of the administration as well as to exchanging views on international and bilateral problems.

I. LIST OF OBJECTIVES

1. To reinforce the partnership between Japan and the United States, to reaffirm the political, economic and security ties which are Japan's main lines of strength and prestige in the world.
2. To promote deeper US-Japan security cooperation, including expanded Japanese self-defense efforts, increased financial support for US forces in Japan, enlarged economic assistance targeted on countries of strategic consequence, and a more active diplomacy.
3. To encourage complementary approaches on Asian issues (i.e., China, Korea, and Southeast Asia).
4. To obtain Suzuki's understanding and support for our approach toward the Soviet Union, including countering Soviet-inspired difficulties in Third World areas such as Southwest Asia and the Caribbean Basin.
5. To coordinate our approaches toward political and economic issues for the Ottawa Summit.
6. To facilitate expanded cooperation on energy questions through the resolution of differences

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on nuclear energy issues and promotion of Japanese investment in Western states' steam coal.

7. To nail down an understanding concerning the auto problem and urge further liberalization of access to Japan's market.
8. To reassure the Japanese that the collision of a U.S. submarine with a Japanese freighter was a regrettable incident which should not mar our future relations.

VI. SETTING

Our relationship with Japan is fundamentally sound. Japan's increasingly active diplomatic efforts are consonant with our interests. With counted exceptions, such as autos, sectoral trade problems have been resolved one by one (e.g., WTT, tobacco) and bilateral trade is flourishing; defense cooperation is growing. The Japanese welcome the Reagan Administration's robust stance vis-a-vis the Soviets, its expanded defense spending, its attack on the basic sources of inflation and lagging productivity, and the prospect of adjustments in US policy toward nuclear energy. Japan looks for US recognition of the diplomatic and strategic aid efforts they have made.

Nonetheless, prospects for the Suzuki visit have been clouded by these recent developments:

-- Unanswered questions concerning the SSBN collision with a Japanese freighter are complicating the political environment in Japan for expanded defense cooperation.

-- Uncertainties remain as to whether the Japanese will announce satisfactory auto export restraints measures by May 7, although all signs point in that direction.

-- The lifting of the grain embargo without adequate prior consultation has provoked Suzuki to complain publicly. We also fear that it may undercut Japan's tough overall policy toward the USSR.

One of Suzuki's main objectives is to enhance his stature as a political leader. This will require that he avoid the appearance of submitting to pressure on either automobiles or defense. An earthy man with little foreign policy experience (except on fisheries issues), Suzuki is

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looking for reassurances that he will have a comfortable, unantagonistic relationship with the Reagan Administration. Our task, in turn, will be to keep Suzuki's feet to the fire, but in ways that do not complicate his ability to accommodate us.

You will have four substantive encounters with Suzuki, including a private meeting with him at Blair House on May 6, immediately following his arrival. (Most likely you will also have a side meeting with Foreign Minister Ito.) We suggest you use your talk with Suzuki to foreshadow key themes of the visit, with major emphasis on our desire for expanded security cooperation and coordination of our respective comprehensive security efforts. It is important that you hit these issues straightforwardly, since Foreign Minister Ito returned to Tokyo from his Washington visit last month uncertain as to our priorities on the defense question. Reportedly, Suzuki expects security issues to constitute the focal point of his discussions here and will misread our emphasis if they are not stressed.

Both the submarine and grain embargo issues could affect the way the defense issue plays out during the visit. While Suzuki has tried very hard to avoid having the issues linked, it is apparent that public opinion is less well disposed toward serious consideration of defense issues at this time. The grain embargo denouement tends to undercut psychologically our argument that Suzuki should take domestic political heat on defense improvement as a reaction to Soviet behavior.

While we are in accord on nearly all foreign policy issues, Japan's uneasiness regarding our China policy, Japan-Korean dissonance, and the continuing possibility that Arafat will visit Japan this year, are examples of topics where our perceptions differ. The White House believes that the issue of Arafat's proposed visit should be flagged for Suzuki but prefers that the President not expend his personal capital if it looks like a losing cause. On the issue of PLO observer status at IMF/World Bank meetings, it will be important that you leave the Japanese with no doubts about our position, especially as regards PLO observer status and our need for their support.

III. DISCUSSION OF OBJECTIVES

(Attached)

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OVERALL RELATIONSHIP

Objective: To reinforce the partnership between Japan and the United States, to reaffirm the political, economic and security ties which are Japan's main lines of strength and prestige in the world.

Our fundamental relationship with Japan remains exceedingly good although subjected in recent weeks to some buffeting about. Owing to Japan's great dependence on its ties with the United States for security, economic prosperity, and political support, Japan is unusually sensitive to being consulted closely, adequately, and in advance of any action which affects it. Since the Nixon shocks of the early seventies, Japan has been obsessed with this problem. Each succeeding US administration has attempted to reassure Japan on this point, but practical problems all too often have prevented full, prior consultation. In an extremely uncharacteristic move, Prime Minister Suzuki recently criticized the US publicly for lack of prior consultation on the lifting of the grain embargo; Foreign Minister Ito also called attention to the disparity between our words about consultation and our actions when he was here in March. Japanese decision-makers have become skeptical of the US reassurances they receive for the future each time such an event occurs. If not corrected, this problem would erode the foundation of trust upon which our relationship is based.

The Japanese remain deeply concerned about the collision of the SSBN with a Japanese freighter and question the subsequent failure of the submarine to offer assistance to a vessel in distress. This has again raised lingering doubts about Americans' regard for Japanese as human beings (i.e., the Hiroshima syndrome) and has been used by the political opposition to question the US reliability as an ally.

The US/Japan relationship has suffered such frictions in the past and has always come away from the problems stronger than before. Summit meetings, especially, have been highly useful in solidifying our friendly working atmosphere by emphasizing our admiration for Japan, and the great importance which we attach to our alliance.

--NO SINGLE COUNTRY IS MORE IMPORTANT TO THE UNITED STATES AS A FRIEND THAN JAPAN.

--WE CONSIDER JAPAN A SENIOR ALLY. COOPERATION WITH JAPAN IN SECURITY, ECONOMIC RELATIONS, AND DIPLOMACY IS VITAL TO OUR OWN INTERESTS.

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--WE HAVE NOT JUST A TREATY COMMITMENT TO PROTECT JAPAN'S SECURITY; US PUBLIC CONCERNS IS MORE CLEARLY IN FAVOR OF DEFENDING JAPAN THAN EVER BEFORE. THIS IS EVIDENCE THAT OUR RELATIONSHIP REACHES BEYOND GOVERNMENTAL CONTACTS TO THE HEARTS OF THE AMERICAN PEOPLE.

--AS AN ALLY, WE CONTINUE OUR COMMITMENT TO CONSULT WITH YOU AS CLOSELY AS POSSIBLE ON ISSUES AFFECTING YOU. THE ENTIRE US GOVERNMENT IS AWARE OF THIS, AND I THINK THAT WE HAVE MADE GREAT STRIDES RECENTLY IN ACHIEVING THIS GOAL AS WITNESSED BY OUR CONSULTATIONS ON POLAND, THE MIDDLE EAST, SOUTHWEST ASIA, AND AFRICA.

--HOWEVER, DESPITE OUR BEST INTENTIONS, THERE ARE TIMES WHEN ADVANCE CONSULTATIONS BEFORE TAKING A DECISION IS JUST NOT POSSIBLE BECAUSE OF OTHER CONSIDERATIONS WHICH MAY AFFECT THE IMPACT WE SEEK. AT THOSE TIMES WE WISH TO GIVE YOU PRIOR NOTIFICATION.

--WE CAN COMMIT OURSELVES, HOWEVER, TO NEVER DECEIVING YOU AS TO OUR POLICIES. DISCUSSIONS ABOUT AN ISSUE--SUCH AS THOSE WE HELD ON THE GRAIN EMBARGO--ARE TO ACQUAINT YOU WITH THE POSSIBILITIES REGARDING THE FINAL OUTCOME, IF NOT PROVIDE SPECIFIC TIMING.

--WE CONTINUE TO SUFFER FROM THE PROBLEM OF CRITICIZING EACH OTHER IN PUBLIC. THIS MAY BE UNAVOIDABLE, BUT WE MUST MAKE EVERY EFFORT TO KEEP OUR DIFFERENCES TO OURSELVES.

--WE HOPE THAT TRANSITORY ISSUES, E.G., THE SUBMARINE COLLISION, ARE NOT ALLOWED TO CLOUD THE EXCELLENT BILATERAL RELATIONSHIP THAT WE ENJOY, TO THE DETRIMENT OF BOTH OUR COUNTRIES.

--ONE OF THE MOST IMPORTANT CORNERSTONES FOR BOTH OUR COUNTRIES AS WE MEET THE IMPORTANT WORLD CHALLENGES OF THIS DECADE IS THE PRESENCE OF A FIRM AND UNSHAKEABLE US-JAPAN ALLIANCE. IT IS IN THIS SPIRIT THAT WE HOLD THESE TALKS.

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SECURITY COOPERATION

OBJECTIVE: To promote deeper U.S.-Japan security cooperation including expanded Japanese self-defense efforts, increased financial support for U.S. forces in Japan, enlarged economic assistance targeted on countries of strategic consequence, and a more active diplomacy.

The key issue in US-Japan relations during the 1980's will be the strengthening of our security partnership. The GOJ knows that it must undertake a more ambitious security effort, but there is no consensus -- within the GOJ or among the Japanese public -- on the specific measures needed. The GOJ must contend with Japanese Constitutional limitations on its armed forces, public opinion constraints, and the need for its leadership to be seen as setting its own policy in defense and foreign assistance rather than following a path prescribed by the US.

These factors contributed to our mutually embarrassing confrontation with Japan last year over the size of its defense budget. We must avoid misunderstandings that inevitably arise from measuring progress by arbitrary numerical standards and approach the Japanese with a clear concept of what we are doing, what we want them to do, and how complementarity in our respective efforts can best be assured. We seek to accomplish this by constructing a comprehensive framework of security burden-sharing which includes stronger Japanese defense capabilities, improved cooperation with US forces, (e.g. more clearly defined roles and missions, increased host nation support), economic aid to strategically sensitive countries, and diplomatic support on issues of common interest.

Japan has been very supportive of our recent requests for aid to key countries. Tokyo currently donates one-third of all foreign aid to Pakistan, two-thirds of all aid to Thailand, and substantial amounts to Turkey, Egypt, and now Jamaica. Its refugee programs also serve strategic interests. However, Suzuki reportedly wants to use aid to downplay defense, and Foreign Minister Ito favors aid in the context of North/South rather than East/West issues.

-- IN VIEW OF THE WORLD SITUATION AND OUR OWN EXTRAORDINARY DEFENSE EFFORTS, WE LOOK TO JAPAN -- AS OUR ALLY AND LEADER AMONG WESTERN INDUSTRIAL DEMOCRACIES -- TO INCREASE ITS SECURITY EFFORTS.

-- THE US NOT ONLY CONTINUES TO FULFILL ITS TRADITIONAL DEFENSE MISSIONS, BUT HAS UNDERTAKEN A MAJOR NEW COMMITMENT IN THE INDIAN OCEAN. OUR ALLIES MUST HELP US BY ASSUMING MORE RESPONSIBILITY IN THEIR RESPECTIVE REGIONS.

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-- WE BELIEVE THAT US-JAPAN SECURITY COOPERATION CAN BEST BE DEVELOPED IN A BROAD FRAMEWORK THAT INCLUDES: IMPROVED JAPANESE SELF DEFENSE CAPABILITIES; CLOSER US-JAPAN DEFENSE COOPERATION (CLEARLY DEFINED ROLES AND MISSIONS, GREATER JAPANESE CONTRIBUTIONS TO MAINTAIN US FORCES IN JAPAN); INCREASED JAPANESE ECONOMIC ASSISTANCE FOR COUNTRIES OF STRATEGIC IMPORTANCE; EXPANDED DIPLOMATIC COOPERATION ON ISSUES AFFECTING FREE WORLD SECURITY.

-- ALL ASPECTS OF SECURITY COOPERATION-- MILITARY, POLITICAL, AND ECONOMIC -- REQUIRE OUR MUTUAL EFFORTS. EXPENDITURES IN ONE FIELD DO NOT JUSTIFY NEGLECT OF OTHER AREAS.

-- WE ARE AWARE OF THE CONSTITUTIONAL AND POLITICAL CONSTRAINTS ON JAPAN'S SECURITY POLICY AND WE WILL CONTINUE TO RESPECT THEM. WE HOPE TO AVOID PUBLIC CONFRONTATIONS ON THESE ISSUES. NONETHELESS WE THINK JAPAN CAN DO CONSIDERABLY MORE THAN IT IS DOING AT PRESENT.

-- MORE SPECIFIC DISCUSSIONS ON DEFENSE COOPERATION SHOULD OCCUR AT THE UPCOMING MEETING OF THE SECURITY SUBCOMMITTEE (SCC) AND THE VISIT OF MINISTER FOR DEFENSE OMURA.

-- WE GREATLY APPRECIATE JAPAN'S AID TO SUCH STRATEGICALLY SENSITIVE COUNTRIES AS THAILAND, PAKISTAN, TURKEY, EGYPT, AND JAMAICA, AS WELL AS ASSISTANCE TO KEMER, AFGHAN, AND SOMALI REFUGEES. THESE ARE EXCELLENT EXAMPLES OF SECURITY BURDEN SHARING, BUT WE MUST BOTH DO MORE. WE HOPE THAT ENHANCED EFFORTS IN AFRICA AND SOUTHWEST ASIA WILL NOT COME AT THE EXPENSE OF THE SOUTHEAST ASIA REFUGEE PROGRAM.

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OBJECTIVE: To seek complementary approaches on Asian issues --
China, Korea, and Southeast Asia

We pursue generally parallel policies on Asian issues and must continue to concert our efforts. U.S. policies in the Pacific are directed at: 1) maintaining an effective military presence, 2) strengthening our alliances and other strategic relationships, 3) isolating the Soviets and their clients, and 4) limiting Soviet military access. We are generally well positioned to protect our strategic interests as Moscow has been unable to translate its growing military power into effective political influence. Nevertheless, we are counting on a more active Japanese role and commitment of substantial resources in this endeavor.

CHINA. Japan is committed to close relations with China, and it hopes the U.S. will further develop its friendly ties. Tokyo has been reassured by evidence of continuity in our policy toward China and Taiwan. While Japanese views are divided over the future development of US-China security ties, Japanese officials generally believe policy initiatives in this area should be cautious and gradual, and should be preceded by consultations with Japan.

-- BECAUSE THIS ADMINISTRATION APPRECIATES THE VITAL STRATEGIC IMPORTANCE OF COOPERATIVE U.S.-PRC RELATIONS, IT HAS REAFFIRMED RESPECT FOR THE JOINT COMMUNIQUE AS THE BASIS OF OUR RELATIONS.

-- WE INTEND TO CAPITALIZE ON OPPORTUNITIES FOR COORDINATING RESPONSES TO GLOBAL PROBLEMS THROUGH EXPANDED CONSULTATION WITH THE CHINESE.

-- WE DO NOT REGARD CHINA AS A STRATEGIC ADVERSARY; WE -- LIKE JAPAN AND OTHER ALLIES -- HAVE BEGUN TO ADJUST OUR EXPORT CONTROLS ACCORDINGLY.

-- AT THE SAME TIME, WE WILL IMPROVE THE STYLE AND QUALITY OF OUR DEALINGS WITH TAIWAN WITHIN THE FRAMEWORK OF NON-GOVERNMENTAL AND UNOFFICIAL RELATIONS AS ENVISAGED BY THE JOINT COMMUNIQUE AND ITS DOMESTIC IMPLEMENTING LEGISLATION--THE TAIWAN RELATIONS ACT.

-- WE WILL CONSULT CLOSELY AND IN ADVANCE WITH JAPAN ABOUT DEVELOPMENTS IN OUR CHINA POLICY.

~~CONFIDENTIAL~~
REF ID: A67878
MAY 9/10/01

KOREA. Japanese-Korean relations remain fractious. The Koreans feel Tokyo does not fully appreciate the North Korean threat or the extent to which Seoul's heavy defense effort contributes to Japanese security. They have also begun to press Japan for additional economic assistance to offset the defense burden. Japanese resent Seoul's pressure tactics and frequent lack of sensitivity to Japanese political constraints.

-- U.S. RELATIONS WITH SOUTH KOREA ARE BACK ON AN EVEN KEEL.

-- SMOOTH RELATIONS BETWEEN KOREA AND JAPAN ARE AN EQUALLY VITAL ELEMENT OF THE WESTERN POSITION IN ASIA.

-- THE ROK FACES A DIFFICULT ECONOMIC SITUATION. WE WONDER WHETHER JAPAN MIGHT BE ABLE TO EXPAND ITS EFFORTS TO PROVIDE NEEDED ECONOMIC HELP THROUGH BOTH GOVERNMENT AND PRIVATE CHANNELS.

-- WE WILL NOT ALTER OUR DEALINGS WITH NORTH KOREA, WHOSE THREAT TO THE SOUTH REMAINS REAL AND SERIOUS, WITHOUT FULL PRIOR CONSULTATIONS WITH TOKYO AND SEOUL.

INDOCHINA. The Japanese, like ourselves, wish to see a solution in Kampuchea that preserves Thai security, effects the withdrawal of Vietnamese forces from Kampuchea, eliminates Soviet access to the Indochina states, and strengthens ASEAN.

-- WE LOOK FORWARD TO CONTINUING TO WORK CLOSELY WITH JAPAN IN SUPPORTING THE ASEAN STRATEGY ON KAMPUCHEA.

-- WE HAVE TOLD ASEAN THAT WE WILL SUPPORT ITS APPEAL TO WALDHEIM TO CONVENE AN INTERNATIONAL CONFERENCE ON KAMPUCHEA (ENCOURAGE JAPAN ALSO TO SUPPORT THIS ASEAN INITIATIVE).

-- JAPAN'S SUSPENSION OF AID TO VIETNAM IS AN IMPORTANT COMPONENT OF THE AGGREGATE OF PRESSURES WHICH MUST BE APPLIED TO PROMPT VIETNAM TO NEGOTIATE A SETTLEMENT IN KAMPUCHEA.

-- WE BELIEVE THE CAMBODIAN RESISTANCE TO VIETNAMESE OCCUPATION SHOULD BE BROADENED: WE ARE WATCHING NEGOTIATIONS BETWEEN THE VARIOUS CAMBODIAN FACTIONS CLOSELY; AND IF ASKED BY ASEAN TO SUPPORT A UNITED FRONT, WHEN FORMED, WE WOULD, OF COURSE, CONSIDER THE MATTER SERIOUSLY.

ASEAN TO SUPPORT A UNITED FRONT, WHEN FORMED, WE WOULD, OF COURSE.

~~CONFIDENTIAL~~

EAST-WEST POLICY

Objective: To obtain Suzuki's understanding of and support for our approach to relations with Moscow, including the countering of Soviet-inspired disturbances in the Third World, especially the Caribbean Basin and Southwest Asia.

Japan has persisted in a remarkably hard-nosed approach to Moscow, counting on us to provide firm leadership for coordinated allied policies. However, Suzuki criticized the US for lifting the grain embargo without full consultations and Japanese officials have expressed concern that our action might erode basic allied unity and complicate coordination on Poland. The Japanese have been supportive in the Caribbean (providing \$10 million to Jamaica and verbal support on Central America) and in Southwest Asia (doubling assistance to Pakistan last year, seeking at your personal request to assuage Indian concerns over increased Western aid to Pakistan, and looking for ways to buttress our Indian Ocean and Persian Gulf position through aid elsewhere).

-- GRAIN EMBARGO LIFTED IN ACCORD WITH PRESIDENT'S COMMITMENT.

NO WEAKENING OF OUR RESOLVE TO OPPOSE SOVIET BEHAVIOR OR LES-
Sening of our concern over Poland. ADMINISTRATION RECORD AND
OUR SUBSTANTIAL EFFORT TO REBUILD MILITARY DEFENSES SHOULD
LEAVE MOSCOW UNDER NO ILLUSION.

-- IMPORTANT TO MAKE CLEAR TO MOSCOW THAT AFGHANISTAN WILL NOT
GO AWAY. MUST MAINTAIN INTERNATIONAL PRESSURE.

-- ON POLAND, WE VALUE OUR CONSULTATIONS ON CONTINGENCY PLAN-
NING. MUST COORDINATE EFFORTS AND EXACT HIGH COST IF SOVIETS
INTERVENE. HOPE JAPAN AND EUROPEAN ALLIES CAN DEVELOP WAYS TO
WORK TOGETHER MORE CLOSELY.

-- WE BELIEVE A CAUTIOUS APPROACH TOWARDS YAMAL GAS PIPELINE
REMAINS PRUDENT. WEST EUROPEAN SENSITIVITY TO THE SECURITY
IMPLICATIONS OF THE PIPELINE HAS RECENTLY INCREASED.

REMAINS PRUDENT. WEST EUROPEAN SENSITIVITY TO THE SECURITY

CONFIDENTIAL

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-- CURRENT SOVIET APPROACH APPEARS TO BE TO TAKE PROPAGANDA HIGH ROAD TO DIVIDE U.S. FROM ALLIES AND UNDERMINE DEFENSE EFFORTS. AGREE THAT SOVIET INTENTIONS SHOULD BE JUDGED BY THEIR ACTIONS. NEED FOR CLOSE CONSULTATIONS, ALLIED UNITY AND CONSISTENCY TO SHOW MOSCOW NO ALTERNATIVE TO RESTRAINT.

-- DESPITE SOVIET ALLEGATIONS, WE'RE CONTINUING DIALOGUE WITH MOSCOW. NEED TO MAKE CLEAR TO THEM DIRECTLY WE ARE SERIOUS ABOUT NEED FOR GREATER SOVIET RESTRAINT IF THERE IS TO BE PROGRESS IN AREAS OF IMPORTANCE TO THEM.

-- WE REMAIN COMMITTED TO ARMS CONTROL. CONSULTATIONS WITH ALLIES ON NATO TNF TALKS. UNREALISTIC TO EXPECT DRAMATIC PROGRESS UNLESS SOVIETS SHOW RESTRAINT.

-- CONCERN OVER SITUATION IN CENTRAL AMERICA AND CARIBBEAN. SALVADORAN GOVERNMENT MAKING PROGRESS AGAINST SOVIET-SUPPORTED INSURGENCY. NEEDS WESTERN SUPPORT IN FACE OF INTERNATIONAL PROPAGANDA. WELCOME JAPANESE ECONOMIC AID TO JAMAICA AND ENCOURAGE PARTICIPATION IN CARIBBEAN GROUP.

-- SHARE JAPANESE CONCERN FOR SECURITY IN SOUTHWEST ASIA. NEED FOR REGIONAL SECURITY ARRANGEMENTS TO DISCOURAGE SOVIET ADVENTURISM. APPRECIATED INCREASED JAPANESE ASSISTANCE TO PAKISTAN AND EFFORTS TO ASSUAGE INDIAN CONCERNS.

CONFIDENTIAL

~~CONFIDENTIAL~~

OTTAWA SUMMIT

OBJECTIVE: To coordinate our approaches toward political and economic issues for the Ottawa Summit.

The Ottawa Summit provides an opportunity to increase allied understanding of and cooperation with basic US domestic economic and international policies. Preparations for the Summit, in which the Japanese participate fully, are well underway.

The major focus of the Summit will be the economic agenda, with emphasis on East-West economic relations, relations with the developing countries, energy, and inflation and growth. The political and strategic, as well as the economic, implications of these issues will be fully considered. In addition, the heads of government will have ample opportunity for political discussion at their meals together where they may be joined by their foreign ministers.

The Council of the European Community proposed last February that, inasmuch as "trade with Japan has implications for all major industrial trading nations", the Summit discuss Japan's trade performance. We, of course, oppose singling out Japan or any other participant in this way.

-- SEE SUMMIT AS FORUM FOR HEADS OF GOVERNMENT OF MAJOR DEMOCRACIES TO SHARE VIEWS ON GLOBAL PROBLEMS AND TRY TO REACH AGREEMENT ON COOPERATIVE ACTION TO DEAL WITH THEM.

-- BELIEVE STRESS SHOULD BE ON REACHING A MEETING OF MINDS ON ECONOMIC RELATIONS WITH THE SOVIETS AND EASTERN EUROPE, COOPERATION ON ENERGY ISSUES, ECONOMIC RELATIONS WITH DEVELOPING COUNTRIES, AND MACROECONOMIC POLICIES.

-- TRADE SHOULD BE DISCUSSED WITHIN A POSITIVE GLOBAL FRAMEWORK AND THE PERFORMANCE OR POLICIES OF INDIVIDUAL COUNTRIES SHOULD NOT BE SINGLED OUT FOR REVIEW.

~~CONFIDENTIAL~~
GDS 4/20/87

~~CONFIDENTIAL~~

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-- THE POLITICAL AND STRATEGIC DIMENSIONS OF AGENDA
ITEMS SHOULD BE FULLY EXPLORED.

-- HOPE WE COULD FOCUS LESS ON THE COMMUNIQUE AND MORE
ON A GENUINE SEARING OF PERCEPTIONS AND MEETING OF MINDS THAN
IN PAST SUMMITS.

~~CONFIDENTIAL~~

ENERGY COOPERATION

OBJECTIVE: To facilitate expanded cooperation on energy questions through the resolution of differences on nuclear energy issues and promotion of Japanese investment in western states' steam coal.

COAL. The Japanese express interest in purchasing US steam coal but have thus far declined to sign long-term purchase contracts or to invest in US mines or transportation infrastructure. They want the US government to play a more active role in West Coast coal port construction to facilitate exports to Asia, but the USG has no such plans. The USG does not participate in or provide incentives for coal production or transportation. Nevertheless, new construction and improvements underway or planned could add up to 150 million tons of port capacity nationwide by 1985 if developers are confident of demand.

-- US COAL COMPANIES WANT ASSURANCES OF LONG-TERM DEMAND PRIOR TO DECIDING ON INVESTMENTS. WE HOPE JAPANESE COMPANIES WILL MAKE LONG-TERM PURCHASE CONTRACTS AND/OR INVEST DIRECTLY IN US COAL DEVELOPMENT BECAUSE OF THE SECURITY OF THE SUPPLY AND IMPROVED TRANSPORT BEING BROUGHT ABOUT BY PORT DEVELOPMENT.

NUCLEAR REPROCESSING. The reprocessing issues between Japan and the US are: Extension of the US-Japan agreement for reprocessing US-origin fuel at the Tokai Mura pilot facility, construction of a follow-on commercial reprocessing plant, and timely approval of Japanese requests to retransfer US-origin fuel to the UK and France for reprocessing. Japan would prefer a long term settlement on these matters as soon as possible and generic approval for reprocessing US-origin fuel.

-- WE UNDERSTAND YOUR CONCERNS ABOUT REPROCESSING US-ORIGIN FUEL AND HOPE TO ACHIEVE A LONG-TERM SETTLEMENT OF THIS MATTER SOON.

-- MEANWHILE WE WILL DEAL WITH YOUR IMMEDIATE REQUESTS IN A TIMELY MANNER AND WILL EXTEND THE CURRENT TOKAI MURA ACCORD UNTIL THE END OF THE YEAR WHILE WE WORK OUT A PERMANENT AGREEMENT.

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GDS 4/20/87

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- 2. -

IAEA CANDIDACY. The Japanese have requested US support for the candidacy of their Ambassador to Kuwait, Ryukichi IYAI, to replace Director General Eklund at the IAEA. They have been uncharacteristically persistent in their repeated requests for a US endorsement over the past several months. Several other candidates have also been nominated or will likely be nominated soon. The US is giving the most serious consideration to four candidates: Wilson from Australia, Haunschild from the FRG, Imai from Japan and Holm from Denmark. The USG has not reached a decision on which candidate to back. The successor is to be selected at the IAEA Board of Governors meeting in June.

-- WE UNDERSTAND THE IMPORTANCE WHICH YOU PLACE ON AMBASSADOR IYAI'S CANDIDACY.

-- WHILE THE USG HAS NOT MADE ANY DECISION ON ITS POSITION REGARDING THE VARIOUS CANDIDATES, I CAN ASSURE YOU THAT YOUR REQUEST WILL BE GIVEN THE MOST SERIOUS CONSIDERATION BEFORE ANY DECISION IS MADE.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
TRADE ISSUES

OBJECTIVES: To nail down satisfactory solution of quotas and promote greater market access for U.S. goods

In the 1970's such progress was made in reducing Japan's formal trade barriers. We continue, however, to run a large and politically sensitive trade deficit (\$10 billion) with Japan, which primarily reflects structural factors. Nonetheless, even competitive US firms find Japan a difficult market to penetrate in contrast to Japan's highly visible export successes in the US. (Informal barriers posed by cultural distance and traditional Japanese business practices are part of this elusive problem.)

With the conclusion in 1980 of the Multilateral Trade Negotiations, (Japan joined all the codes and tariff reductions) and of bilateral agreements to improve foreign access to Japan's markets for telecommunications and manufactured tobacco products, the current agenda of market-expanding trade initiatives is limited to a proposal, recently tabled by the US, to reduce tariffs on semiconductors to 4.2% next year instead of in 1987 as would normally occur under the MTN agreement. This will remove the most visible inequality in bilateral semiconductor trade, an important high technology market which the US and Japan dominate globally. Hopefully, it will also represent the first step in a broader commitment to free trade in technologically advanced products.

The US and Japan, as well as the Europeans, have come to recognize that we must maintain a constant "positive" agenda of trade initiatives in order to resist protectionist pressures and encourage the flow of resources into the competitive sectors of our economies. Movement has begun toward a broad new package of 1980's trade initiatives, which may address services, trade-related investment, and informal market access problems. (There is general recognition that most of the possibilities for conventional negotiations to reduce tariffs and other government-imposed trade barriers have been exhausted.)

Beginning early in 1982 we will also reopen negotiations to increase Japanese quotas for agricultural imports, primarily beef and oranges. (Quotas through 1983 were set in the MTN package.) In addition, we have ongoing bilateral programs to expand Japanese imports of US lumber, leather, and fish. (Auto issue to be handled separately).

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GDS 4/22/87

GDS 4/22/87

CONFIDENTIAL

- 2 -

-- WE LOOK FORWARD TO DEVELOPING NEW TRADE INITIATIVES FOR THE 1980'S THROUGH BROAD-RANGING DISCUSSIONS WITH JAPAN AND THE OTHER ADVANCED TRADING NATIONS.

-- AS WORLD LEADERS IN HIGH TECHNOLOGY, JAPAN AND US SHOULD QUICKLY REDUCE SEMICONDUCTOR TARIFFS AS A FIRST STEP TOWARD A FREE TRADE AND INVESTMENT ENVIRONMENT FOR THIS AND OTHER DYNAMIC, HIGH TECHNOLOGY INDUSTRIES.

-- JAPAN SHOULD CONTINUE TO OPEN UP ITS MARKETS TO FOREIGN AGRICULTURAL PRODUCTS BY INCREASING AND EVENTUALLY ELIMINATING QUOTAS. JAPANESE CONSUMERS BENEFIT FROM INCREASED ACCESS TO LOWER-PRICED FARM IMPORTS.

CONFIDENTIAL

DEPARTMENT OF STATE
BRIEFING PAPER

JAPAN AND THE MIDDLE EAST

In mid-April NEA held bilateral consultations with a Japanese delegation headed by the Director General for Middle East Affairs. The Japanese indicated that they are increasing their involvement in the region, especially through financial or technical assistance to countries which they have identified as strategically influential actors in the region (Pakistan, Egypt, Saudi Arabia and Iraq). They seek to be supportive of our efforts to enhance regional security and to move the peace process forward. They believe that while the Soviets have made some gains, we should not exaggerate their influence. They see the Soviet influence as basically deriving from military supply relationships and exploitation of political issues such as the Arab-Israeli dispute rather than from ideological or cultural affinity.

PLO Observer at IMF/IBRD Meetings: We want the Japanese to have no doubts as to the strength of our feeling that the PLO has no role to play in the IMF/IBRD. The PLO issue should be addressed only in the broad context of the Middle East peace process. The President has already signalled his willingness to have the US contest this issue. We have instructed Embassy Tokyo to raise the subject with the Japanese, who voted with us last year but are leaning toward abstention. We want the IMF/IBRD Executive Boards to keep the issue of observers under review until a consensus can be achieved. Until that time, last year's limitation on expansion of the observer list should continue to hold.

Arafat Visit: In response to your discussion last month with Foreign Minister Ito on Arafat's proposed visit, the head of the Diet group, which had extended the invitation, informed us he had resolved to delay formal agreement with the Palestine National Congress on its timing until after the Ottawa Summit. Arafat, according to Japanese press reports, however, has announced he has decided to visit Japan in June.

During the recent consultations with Japan, we explained our objections to an Arafat visit. Nonetheless, the Japanese held to their position and indicated Arafat would be met by senior government officials in their capacity as government representatives. The Japanese claimed that they would, however, urge the PLO to accept UNSC Resolution 242 and Israel's right to exist.

April 29, 1981

DECLASSIFIED

BY JOS ~~SECRET~~ XDS-1 4/29/01
DATE 13 MAY 97

~~SECRET~~

BRIEFING PAPER

FEASIBILITY STUDY OF A SEA-LEVEL CANAL IN PANAMA

The United States and Panama are committed to study jointly the feasibility of a sea-level canal before the year 2000. Last Spring we responded to a Panamanian inquiry by saying that we would be favorably disposed to have Japan participate in the study. Later, we affirmed this decision to the Japanese Prime Minister, asking that Japan undertake preliminarily a unilateral review of the findings of a related 1970 USG study. Last month Panama formally proposed that we join it and "other interested nations" (read: "Japan") in undertaking the study. And on April 30 Japan informally told us that it has completed its review of the 1970 study and has a "strong interest" in the feasibility study. We judge, however, that it will not move further until we decide ourselves on how to proceed.

The question of timing is key, e.g., whether our long-term interest in efficient transisthmian transportation is better served by a study conducted early in the Treaty period, or later. While we are far from persuaded that a sea-level canal itself would be meritorious, we see several advantages in early US participation. Thereby, the US could:

-- address most effectively the issue of the feasibility of a sea-level canal versus less costly options, including improvements to the existing Canal;

-- manage the existing Canal better by providing a useful framework for decisions concerning capital improvements, decisions which will grow more difficult as the end of the US tenure in 1999 nears; and

-- enhance its bilateral relations with Japan and Panama.

With an IG review pending, the Administration has not decided on this matter to date. One approach would be a response accepting Panama's proposal in principle and offering a procedure for addressing the questions raised by a study, such as the means and timing of involving Japan, the extent of participation by others, study financing, and the various substantive issues raised by such a project. This approach could rely initially on the Panama Canal Consultative Committee, a bilateral advisory group established by the Panama Treaty to develop specific, non-binding recommendations for subsequent consideration within the two Governments.

DECLASSIFIED

BY: Dos

DATE: 13 May 97

CONFIDENTIAL
GDS - 5/1/87

May 1, 1981

DEPARTMENT OF STATE
BRIEFING PAPER

Law of the Sea

The United States has slowed the drive of the Third United Nations Conference on the Law of the Sea to conclude a treaty in 1981 because we have perceived that aspects of the Draft Convention may not be in our national interest. Earlier this year, rather than proceed prematurely to finalize a treaty that we suspect may have serious shortcomings, we decided to bear the brunt of UN criticism by announcing forthrightly our intention to review the entire subject matter. Our review will evaluate all of our national interests and objectives to determine the extent to which they are protected by the Draft Convention, and to identify necessary modifications to the Draft Convention. The review will also examine with great care whether these interests and objectives would fare better or worse in the absence of a treaty. There will be particular attention to the deep seabed mining provisions.

During the course of our review, we will consult closely with our principal allies. In that regard, we have determined that the review process, including necessary consultations, cannot be completed prior to the August 1981 session of the Conference. We must have an adequate opportunity to test our tentative views with the widest possible number of countries. As we have often done in the past, we will wish to work closely with Japan in this complex undertaking. We firmly believe that the world community will be better served if the United States returns to the Law of the Sea Conference with a realistic assessment of what will satisfy our people and our Congress. This Administration does not want to mislead other countries into concluding a treaty they will expect us to ratify, only to discover later that we are unable to do so.

Among the areas of concern are the access system for seabed minerals; the technology transfer obligation; the limitation on seabed production; and the procedures for review and amendment of the treaty.

Japanese firms participate in two multinational consortia led by American firms involved in seabed mining for manganese nodules which contain nickel, cobalt, and copper in addition to manganese. As a trading nation, Japan has an interest in free passage of merchant ships through straits and in freedom of navigation generally. In particular, almost all of Japan's oil imports pass through the Straits of Hormuz, Malacca, and Singapore. On the other hand, Japan itself is pierced by several straits of special interest to the Soviet military. As a result, the Japanese had sought language in the treaty with the effect of limiting passage of military aircraft through Tsugaru Strait (east of Vladivostok). Because such a modification would have impacted adversely on U.S. global interests, we worked out with Japan an interpretive statement on the point the effect of limiting passage of military aircraft through which seems to satisfy them.

DEPARTMENT OF STATE
BRIEFING PAPER

FISHERIES

Japan is the largest fishing nation off the United States coast and in response to increased pressure from the U.S. it has also become the largest importer of U.S. fisheries products. Fishery relations are always sensitive in Japan and especially so now because of the fisheries background of Prime Minister Suzuki. Current problems include Japanese concern over what they perceive to be a drift in U.S. policy towards elimination of foreign fishermen in U.S. waters. U.S. policy remains unchanged in this regard and we will continue to make surplus fish available to foreign fishermen. More immediate issues are concern about increased emphasis on trade and economic considerations in allocation decisions, the general level of Japanese fish allocations and the problem of the incidental catch of Dall porpoise in salmon fisheries. We have been encouraged by the progress made in opening of Japanese fisheries markets to U.S. products and hope this progress continues. We would expect Japan's 1981 allocation to reach last year's level by the end of the year. The Japanese have traditionally fished Tanner crab within the United States 200-mile fishery zone. This year the Department of Commerce determined that there is no surplus of Tanner crab available for release to foreign fishermen. We have conveyed Japan's concerns about the Tanner crab allocation to the Department of Commerce but the authority for determining the amount of fish available for foreign fishing lies solely with Commerce.

April 17, 1981

DEPARTMENT OF STATE
BRIEFING PAPER

SCIENCE AND TECHNOLOGY COOPERATION

From the standpoint of formally established programs, Japan is our oldest and foremost partner in science and technology (S&T) cooperation today. Begun in 1961, our cooperation is based on 10 major agreements and involve virtually every technical agency in both governments. The joint activities have proceeded amicably and are viewed by both sides as highly desirable and productive and politically worthwhile.

Highlights of our major activities:

-- Health. We cooperate in eight major areas of medical science at an average cost of about \$20 million per annum on each side. Cancer research, involving 11 joint panels, has been a particularly fruitful area of cooperation.

-- Space. Begun in 1962, our current activities include US assistance to Japan's program to launch a vehicle comparable to our Atlas-Centaur by 1986 and help in developing a wide variety of satellites. For Spacelab, Japan is contributing a \$20 million plasma accelerator facility (SEPAC).

-- Energy. Japan is contributing \$60 million toward one of our fusion research projects. Another major joint program, the SRC-II coal liquefaction project, is currently under review.

-- Natural Resources Development. This program focuses mainly on cooperation in marine science and technology, agriculture and the study of natural phenomena. Specific joint projects include diving technology, development of germ plasm, and studies on earthquake prediction.

A new thrust of our efforts in cooperation is toward cost-sharing in large scale R&D. In addition to the "big ticket" items cited above, we are seeking Japanese financial and other contributions, under the "umbrella" S&T agreement signed in May 1980, toward several other large projects. The outcome of our efforts is open to question because of austere conditions and the uncertainty surrounding some existing programs, notably the SRC-II project.

April 15, 1981



INTERNATIONAL SECURITY AFFAIRS

~~SECRET~~

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

28 APR 1981

In reply refer to: I-21575/81

SECRET HAS BEEN
1 MAY 1981

MEMORANDUM FOR THE SECRETARY OF DEFENSE

THRU: Under Secretary of Defense for Policy *FI* 28 APR 1981

SUBJECT: Meeting with Japanese Prime Minister Zenko Suzuki--
ACTION MEMORANDUM (U)

(U) Japanese Prime Minister Zenko Suzuki will visit Washington May 7-8 as an official guest of the President.

(C) We requested a separate meeting between you and the Prime Minister in order to emphasize the importance of the defense issue. This meeting will be a first in our relationship with the Japanese.

(S) Although the President's role is still critical in the defense area, a strong backup emphasis of the issue's importance by you will be very helpful.

(U) Your calendar has been blocked from 2:30 to 3:30 PM for a May 8 meeting with Suzuki at Blair House.

(U) Please indicate your decision below.

Francis J. West, Jr.
Assistant Secretary-Designate

Approve _____

Disapproved _____

Ok last hands touch

Refer to the calendar in the diary.

Casper W. Weinberger
1 MAY 1981

Classified by: Dir, EAPR
Declassify on: 24 April 1987

APR 29 1981

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Sec Def Cont Nr. 14060

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INTERNATIONAL
SECURITY AFFAIRS

~~SECRET~~

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20381

5 MAY 1981

In reply refer
to: I-21580/81

MEMORANDUM FOR THE SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY *FI* 05 MAY 1981

SUBJECT: Your meeting with Japan's Prime Minister Suzuki--
ACTION MEMORANDUM (U)

TIME AND PLACE: Friday, May 8, 1430-1530, Blair House

PARTICIPANTS:

U.S.

The Secretary
The Deputy Secretary
Dr. Ikle
Ambassador Mansfield
Mr. Koch
Mr. Rixse
DASD Armitage
DAS Armacost
BG Carl Smith, USAF
Commander Auer (notetaker)
Mr. Iida, Interpreter

JAPAN

Prime Minister Zenko Suzuki
Phonetic: sue-zoo-key
Addressed: Mr. Prime
Minister
Foreign Minister Ito
Ambassador Okawara
Director General Asao
Rear Admiral Tamura, Defense
Attache
Mr. Numata, Interpreter
Others designated by GOJ
(total 12)

CHECKLIST:

- Japanese reporters will be present at the beginning.
- Consecutive translation will be provided by Mr. Iida of State and Mr. Numata of the Japanese Embassy.
- Biography of Prime Minister Suzuki is at Tab G.

F J West Jr

FRANCIS J. WEST, JR.
Assistant Secretary-Designate

DECLASSIFIED
BY APA
DATE 1 Jul 96

~~SECRET~~

WHS #6

Classified by DR, EAPK
Date 5 May 1987
Declassify on ...

FORN WITH ATTACHMENTS
SEC DEF CONTR No. X14167

Table of Contents and Issues for Discussion

Theme/Goal: It is essential that you reiterate the points made by the President on Japan's necessity to increase its defense capabilities immediately and continuously through the decade of the 1980s.

Topics You Should Raise

Courtesy Points (Tab A)

- welcome the opportunity for the meeting
- reflects Japan's increasing defense consciousness

SSBN Collision (Tab B)

- express regrets again
- status of investigation

Defense Cooperation in the 1980s--Military Roles and Missions (Tab C)

- Free world faces a global threat which increased greatly in 1970s.
- U.S. will play a global role with revitalized defense capabilities.
- Japan's contribution is absolutely essential:
 - 1.) Supplementary budget for FY 81
 - 2.) Authorize GOJ SSC delegation to realistically plan mission sharing arrangement for sea and air defense of Northwest Pacific:
 - a.) Accomplish GOJ Standard Defense Force Concept by 1986.
 - b.) Double maritime and air forces within the decade.

Topics Visitor May Raise

SSBN Collision (Tab D)

- Suzuki will probably raise this only for political reasons.
- You will have already reassured him.

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ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20304



INTERNATIONAL
SECURITY AFFAIRS

12 MAY 1981

In reply refer
to: I-21704/81

MEMORANDUM FOR THE RECORD

SUBJECT: MEETING BETWEEN THE SECRETARY OF DEFENSE AND JAPANESE
PRIME MINISTER ZENKO SUZUKI, May 8, 1981, 2:30-3:30 PM,
BLAIR HOUSE

(S) Prime Minister Suzuki welcomed the Secretary, Mr. Allen, and the leadership of the Pentagon also in attendance. Secretary Weinberger thanked the Prime Minister and offered to let him speak first as requested the previous evening by Ambassador Okawara. The Prime Minister stated that since he had explained Japan's view on defense at some length to the President earlier in the day, that request was no longer valid and thus invited the Secretary to proceed.

(S) The Secretary stated that he felt the President had clearly stated the situation, i.e., the U.S. and Japan were equal partners facing the Soviet threat. It was necessary for the two countries to share the burden in the most effective ways by sharing tasks and missions in many quarters of the globe. The President mentioned the threat in the Pacific, as exemplified by the presence of Soviet forces in Japan's Northern Territories. The President also said that the U.S. has complete confidence in the Japanese Government's abilities to persuade public opinion in accordance with the Constitution and confidence in the strength of Japan's great economy.

(S) The Secretary stated that the U.S. looked forward to the opportunity to discuss security issues in detail at the SSC in June and during the Defense Minister's visit to Washington later the same month. But this afternoon he wished to give the Prime Minister a broad outline of the specifics the U.S. wanted to raise at those two important meeting so that there would be no surprises.

(S) The Secretary stated that underlying all specifics was the basic principle that the U.S. did not want Japan to do more so that the U.S. could do less but that both countries had to do more because of the increasing threat. He said that one of the first things President Reagan did upon taking office due to his concern about the deterioration in U.S. defense capability was to recommend a supplemental defense budget for the present fiscal year and a very significant increase for next year.

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The Secretary said he felt that the Congress was about to act favorably on those requests. The supplementary request was directed to the most glaring deficiencies such as ammunition, torpedoes, and tactical aircraft; the increase for next year concentrated on longer range items such as the strategic arsenal, the nuclear umbrella which the U.S. also felt had become vulnerable. In Hawaii the U.S. wanted to discuss ways to increase Japan's air and maritime capabilities in the area around Japan in order to help the U.S. in the Indian Ocean/Persian Gulf area where it is necessary for the U.S. to deploy forces. The Secretary said the U.S. was enormously concerned that all strengthening should be done as quickly as possible, within the next five years. Japan and the U.S. should share the burdens so that the total addition would be largely made within this period of time. He stated that the U.S. wished to create a partnership with Japan north of the Philippines and west of Guam within this five year period in order to balance the threat which needs to be countered during that period of time. By strengthening together in that area in order to counter the threat there the U.S. could release some forces for use in the Indian Ocean or other areas.

(S) The Secretary concluded that the only goal of the U.S. was to maintain peace with strength and that Japan was enormously important in that effort. If peace were not maintained with strength, if the Soviets were not balanced, we could face defeat, either in surrender or in subjugation. He expressed appreciation for this opportunity to present these views to the Prime Minister prior to the talks in Hawaii and with the Defense Minister in Washington. He hoped that these specifics provided earlier on would allow more opportunity for conclusive meetings.

(S) The Prime Minister thanked the Secretary for his concise summary of what he'd like to see within the framework of the U.S.-Japan security arrangement. He said he'd like to give the Secretary's message a great deal of thought as he hears the views of the Defense Agency, Ministry of Foreign Affairs, and the Ministry of Finance. He would listen to all these and then formulate his own judgment. The points he heard today would help him in formulating that judgment.

(S) The Prime Minister stated that as he had told President Reagan earlier in the day his basic thoughts on defense were as follows:

- 1.) that Japan should defend itself with the strength of its own hands as quickly as possible; and
- 2.) that as the other pillar of that policy Japan should give a great deal of attention to make its defense cooperation with the U.S. smoother and more effective.

With a view to achieving these two goals as soon as possible, Japan would have to make efforts on many fronts: political, economic, and with respect to public opinion. He hoped the Secretary would understand that Japan's Government needed to

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use care so as not to invite strong resistance within the country which would frustrate positive efforts. He needed to emphasize management of these many fronts but pledged to provide clear guidelines to Minister Omura when he visits in June so that he can fruitfully discuss the details mentioned by the Secretary. The Prime Minister then invited Foreign Minister Ito to comment.

(S) Ito also stated that Defense Minister Omura could discuss the subjects mentioned by the Secretary, but the Foreign Minister wanted to discuss one point now. He asked the Secretary to recall their meeting in March when the Secretary had mentioned the area north of the Philippines and west of Guam. Ito had pointed out that talking of extending Japan's defense to that area could cause difficulties in the Diet and that his suspicion had proven correct. The Government had replied to critics as follows: If this concept meant some type of exercise whereby Japan and the U.S. cut up areas to defend, this could give rise to some kind of collective self-defense responsibilities for Japan which would not be permitted under the Constitution. With regard to range, under the present National Defense Program Outline, Japan was working for a radius of defending the seas around Japan for several hundred miles and sea lanes out to 1000 miles. If what the Secretary was suggesting goes much further, it could lead to political difficulties. These were the issues raised in the Diet and the Foreign Minister wished to apprise the Secretary of them.

(S) The Secretary responded that he was not presumptive enough to try to interpret Japan's Constitution, but he said that as far as he knew nothing he had suggested was in violation of the Constitution. He said that he specifics of range could be worked out in detail but that he felt that greater cooperation in that area, by exchanging or sharing of responsibilities, could allow the U.S. to concentrate more in areas like the Indian Ocean. He said that a 1000-mile arc might be appropriate for Japan, that more or less than that might be acceptable, but that the most important thing was working together. He stated that he was pleased to hear the Prime Minister say that he felt Japan should move as quickly as possible. The Secretary said this was particularly important since we could not be sure how much time might be available. He also noted that the Prime Minister stated that Japan should do as much as possible. The Secretary felt this was necessary for both countries and for his part stated that the U.S. would like to take any actions or refrain from taking any actions which would help bring about this result.

(U) The Secretary once again thanked the Prime Minister for his time, a sentiment which the Prime Minister echoed as well.

Richard L. Armitage

R. L. Armitage
Deputy Assistant Secretary
East Asia and Pacific Affairs

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R. L. Armitage
Deputy Assistant Secretary