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Collection: Executive Secretariat, NSC: Meeting File
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for Visit of Japanese Prime Minister] (1 of 2)

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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: MEETING FILE

Withdrawer

RBW 11/18/2009

File Folder NSC 00071 01/14/1983 (1 OF 2)

FOIA

F07-151/1

Box Number 4

ITAYAMA

2

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
79439	MINUTES	RE. NSC MTG. [INCLUDES COVER PG.] R 9/26/2013 M325/2	5	1/14/1983	B1
79440	MEMO	WILLIAM CLARK TO RR RE. PRIME MINISTER NAKASONE VISIT TO WASHINGTON R 9/26/2013 M325/2	1	ND	B1
79441	MEMO	CLARK TO RR RE. MTG. W/NAKASONE R 9/26/2013 M325/2	4	ND	B1
79442	TALKING PTS.	RE. MTG. W/NAKASONE [ATTACHED TO DOC. 79441] R 9/26/2013 M325/2	2	ND	B1
79443	PAPER	RE. VISIT OF NAKASONE [ATTACHED TO DOC. 79442] R 9/26/2013 M325/2	7	ND	B1
79444	TALKING PTS.	RE. MTG. W/NAKASONE [W/FAX COVER] R 9/26/2013 M325/2	4	1/15/1983	B1
79445	BRIEFING PAPER	RE. JAPAN R 11/30/2012 M325/2	9	ND	B1
79446	MEMO	DONALD GREGG, PAUL BREMER, ET AL., RE. NSC MTG. ON NAKASONE R 1/6/2011 GUIDELINES	1	1/13/1983	B1 B3

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
79447	PAPER	RE. VISIT OF NAKASONE [COPY OF DOC. 79443] <i>R 9/26/2013 M325/2</i>	7	ND	B1
79449	MEMO	ROBER TOBINSON, GASTON SIGUR, DOUG MCMINN AND HENRY NAU TO CLARK RE. NSC MTG. <i>R 9/26/2013 M325/2</i>	1	1/13/1983	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

CONFIDENTIAL

NATIONAL SECURITY COUNCIL MEETING:

DATE:

1/14/83
Cabinet Rm
10:45-11:30

SUBJECT:

Preparations for
Visit of
Japanese Prime
Minister

PARTICIPANTS:

The President
The Vice President
Admiral Daniel J. Murphy
STATE:

Secretary George P. Shultz
Mr. Paul Wolfowitz (Asst
Secy for East Asian and
Pacific Affairs)

TREASURY:

Secretary Donald T. Regan
Dep Sec R. T. McNamar
Mr. Marc Leland (Asst Secy
for International Affairs)

OSD:

Sec Caspar W. Weinberger
Dep Sec Paul Thayer

COMMERCE:

Dep Sec Guy Fiske
Mr. Lionel Olmer (Under
Secy for Trade)

AGRICULTURE:

Acting Sec Richard Lyng

ENERGY:

Secretary Donald P. Hodel

CIA:

Mr. William J. Casey

USUN:

Amb Jeane J. Kirkpatrick

USTR:

Amb William E. Brock

Amb David Macdonald

JCS:

General R. H. Barrow

OMB:

Dr. Alton Keel (Associate
Director for National
Security and Interna-
tional Affairs)

WHITE HOUSE:

Mr. Edwin Meese III
Mr. Michael K. Deaver
Judge William P. Clark
Mr. Robert C. McFarlane

NSC:

Dr. Gaston Sigur
Mr. Charles Tyson
Col Michael O. Wheeler
Mr. Roger Robinson

DECLASSIFIED

Sec. 3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2008
BY NARA RW DATE 11/18/09

**National Security Council
The White House**

Package # _____

'83 JAN 13 P4:46

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	_____	<u>✓</u>	<u>✓</u>
Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	_____	_____	_____
Staff Secretary	_____	_____	_____
Sit Room	_____	_____	_____

I-Information A-Action R-Retain D-Dispatch N-No further
Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other _____

COMMENTS

NATIONAL SECURITY COUNCIL

January 12, 1983

CAROL/DONNA/KATHLEEN -

Add to our list of invitees for the
Friday NSC meeting on Japan the following:

- Agriculture
- Energy
- Henry Nau

NW

~~CONFIDENTIAL~~

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

January 13, 1983

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: MICHAEL O. WHEELER **MW**

SUBJECT: Attendance List for National Security Council Meeting, January 14, 1983

The following officials plan to attend the National Security Council on preparations for the visit of the Japanese Prime Minister which is scheduled for January 14, 1983, at 10:45 a.m. in the Cabinet Room. (C)

The Vice President
Admiral Daniel J. Murphy

State:

Secretary George P. Shultz
Deputy Secretary Kenneth Dam

Treasury:

Secretary Donald T. Regan
Deputy Secretary R. T. McNamar
Mr. Marc Leland (Assistant Secretary for International Affairs)

OSD:

Secretary Caspar W. Weinberger
Deputy Secretary Paul Thayer

Commerce:

Deputy Secretary Guy Fiske
Mr. Lionel Olmer (Under Secretary for Trade)

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Declassify on: OADR

~~CONFIDENTIAL~~

DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA **RW**, DATE **11/18/09**

Agriculture:

Acting Secretary Richard Lyng

Energy:

Secretary Donald P. Hodel

CIA:

Mr. William J. Casey

USUN:

Ambassador Jeane J. Kirkpatrick

USTR:

Ambassador William E. Brock

Ambassador David Macdonald (Deputy United States Trade Representative)

JCS:

General R. H. Barrow (Acting Chairman)

OMB

Dr. Alton Keel (Associate Director For National Security and International Affairs)

WHITE HOUSE:

Mr. Edwin Meese III

Mr. James A. Baker III

Mr. Michael K. Deaver

Judge William P. Clark

Mr. Robert C. McFarlane

~~Admiral John M. Poindexter~~

Mr. Richard G. Darman

NSC:

Dr. Gaston Sigur

Mr. Charles Tyson

Mr. Henry Nau

Col Michael Wheeler

Mr. Robert Robinson

Approved _____ As Amended _____

Attached is a proposed seating plan for this meeting. (U)

~~CONFIDENTIAL~~~~CONFIDENTIAL~~

NSC Meeting
January 14, 1983
10:45 - 11:40 a.m.
Cabinet Room
Subject: Preparations for Visit of Japanese Prime Minister

VP
State
Treasury
OSD
JCS
CIA
Commerce *Lionel Oliver*
USUN
USTR
OMB
Meese
Baker
Deaver
Darman
Clark
McFarlane
Poindexter

Sigur
Wheeler
Tyson

44-3651

Commerce

60 File

~~SECRET~~

NSC Meeting
14 Jan 83
Japan

DECLASSIFIED

REF M325/2 #79439

BY KML NARA DATE 9/26/13

~~SECRET~~

NSC Mtg

14 Jan 83

preparations
for Japanese
visit)

45 - 11:30

WPC: (introductory remarks, referencing NSDD 62) - high risk
venture - N's political stake linked to relation w/ R2 -
must speak w/ one voice

Shultz: particularly underscore importance of visit - it can be
made to go very well - ~~but they are~~ Japan outsiders
since war, not taking responsibility - in process of shifting
gears - we need to encourage that gen'l lines of
movement ... N. a forceful person - he'll be straight forward
which is different for Japan ... many issues (discuss
tactics for private meetings & public statements) ...
mention LOS treaty w/ him so he knows it's on
your mind

President: I agree generally - delicate line, recognize they've
moved, but encourage them to move faster

Shultz: he has moved (cites examples) - he's able to
make tough calls

Weinberger: spoke w/ Hamb yesterday ... it's not our plan
to attack publicly on defense, but it is an area
of concern - they need to do much more - what
was cut from their budget to stay under 1%
of GNP was significant - you may wish to ask
him whether more public pressure from us
would be helpful

Shultz: just the number in defense budget, 6.5,
Doesn't stand alone

Amb Mansfield: several weeks ago, the best they thought
they could do was 5% - N. personally
took it up to 6.5% - there have been
specifics cut, but if you give N. time,
he'll get it up - Japanese spend \$16
for upkeep of our mil. personnel
... goes from 0.93% to 0.98% of
the GNP ... they don't include other
elements (e.g., pensions) that do take
them above 1% of GNP

Weinberger: (jokes about money)

WPC: move to trade & agriculture

Brock: the two main issues are defense & trade
- he is good - we want ① commitment (good signs)
② strengthened process (good signs)
③ understanding of specifics of what more
is required, so we can sustain relationship
(cites example) - we can't give his
bureaucrats the impression that they've
come far enough and can delay again
(cite another example - telecommunications)

President: should I reserve some comments for him privately, w/ his bureaucrats?

Shultz: he'll have a chance to hear Bill and others to get details

Regan: his support in int'l agencies is a necessity — some success, but too many areas where they've not accepted their responsibilities — their inflation record is very good (2.1% '82) ... real growth increasing (mid 3%'s) ... deficit higher than ours ("borrowing feature of budget") ... Yen ~~is~~ manipulation has been charged, but we find no "hard evidence" ... today on the "Today Show," he said he hoped Japan can buy American oil

Pres: blocked by Cong?

Hodel: yes, but working strategies

WPC: we'll do workup on oil

Lyng: important to ~~remember~~ remember Japan's our best customer (\$76 aq'l last year) — we have some symbolic problems

WPC: draft NSDD circulate tonight on all the issues

Pres.: haven't we surplus naval vessels of the sorts they need?

Weinberger/Barrow: not what they need - we'll take a look again

Meese: tech assis from Cap

REQUEST FOR APPOINTMENTS

To: Officer-in-charge
Appointments Center
Room 060, OEOB

Please admit the following appointments on January 14, 19 83
for The President of White House:
(NAME OF PERSON TO BE VISITED) (AGENCY)

The Vice President
Admiral Daniel J. Murphy

USUN:
Ambassador Jeane J. Kirkpatrick

State:
Secretary George P. Shultz
Deputy Secretary Kenneth Dam
Ambassador Mike Mansfield

USTR:
Ambassador William E. Brock
Ambassador David Macdonald

Treasury:
Secretary Donald T. Regan
Deputy Secretary R. T. McNamar
Mr. Marc Leland

JCS:
General Robert H. Barrow

OSD:
Secretary Caspar W. Weinberger
Deputy Secretary Paul Thayer

White House:
Mr. Edwin Meese III
Mr. James A. Baker III
Mr. Micahel K. Deaver
Mr. Robert C. McFarlane
Mr. Richard G. Darman

Commerce:
Deputy Secretary Guy Fiske
Mr. Lionel Olmer

NSC:
Dr. Gaston Sigur
Colonel Michael Wheeler
Mr. Roger Robinson

Agriculture:
Acting Secretary Richard Lyng

Energy:
Secretary Donald P. Hodel

CIA:
Mr. William J. Casey

MEETING LOCATION

Building West Wing White House Requested by Carol Cleveland
Room No. Cabinet Room Room No. 372 Telephone 3044
Time of Meeting 10:45 a.m. Date of request January 14, 1983

Additions and/or changes made by telephone should be limited to three (3) names or less.

APPOINTMENTS CENTER: SIG/OEOB - 395-6046 or WHITE HOUSE - 456-6742

Macdonald

Poindexter

Olmer

Darman

Kirkpatrick Lyng Dam Shultz President Weinberger Thayer Hodel Fiske

Keel

Brock

Murphy

Barrow

Casey

Clark

VP

Regan

Meese

Baker

Deaver

Nau

McFarlane Sigur

Tyson

LeLand

Robinson

Wheeler

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NATIONAL SECURITY COUNCIL

January 11, 1982

MEMORANDUM FOR CAROL, DONNA, KATHLEEN

FROM: MIKE WHEELER *MW*

SUBJECT: Meetings to Set Up

° NSPG on Thursday, 13 Jan, ^{1:00} 3:00 p.m. (1 hr)

(Boverie) -- follow-up to yesterday's NSPG, same subject, same attendees, still close hold (i.e., use secure phone, caution your contacts to keep knowledge of subject to absolute minimum) - meeting location same as yesterday

° NSC on Friday, 14 Jan, 10:45 a.m. ^{45 min.} (1-hr)

(Sigur) -- preparations for visit of Japanese Prime Minister -- check w/Sigur to see if any others need to be added to the following list:

(Pres/VP/State/Treasury/OSD/JCS/CIA/Commerce/
USUN/USTR/OMB/M-B-D/Darmon/WPC/Bud/Poindexter
/Sigur/Wheeler/Tyson)

I need memo (with or without background papers) to circulate by tomorrow noon. We can make calls as soon as we have a list of agencies together (I can approve it once we have Gaston's input) -- meeting location will be Cabinet Room

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Sec.34(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA *RW*, DATE *11/18/09*

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UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

RECEIVED 13 JAN 83 18

TO CLARK FROM ROBINSON DOCDATE 13 JAN 83

SIGUR 13 JAN 83

MCMINN 13 JAN 83

KEYWORDS: JAPAN VISIT NAKOSONE, YASUHIRO

NSC

SUBJECT: PRES BRIEFING PAPER & BACKGROUND PAPERS TO AGENCIES FOR 14 JAN NSC

MTG RE NAKASONE VISIT

ACTION: FWD TO PRES FOR INFO DUE: STATUS C FILES IFM O

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS

REF# LOG NSCIFID NSC00071 (B / B)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
	1/15			
	1/15			
	1/15			

DISPATCH W/ATTCH FILE (C)

THE WHITE HOUSE

SYSTEM II
90034

WASHINGTON

~~SECRET~~

MEETING WITH NATIONAL SECURITY COUNCIL

DATE: Friday, January 14, 1983

LOCATION: Cabinet Room

TIME: 10:45 a.m.

FROM: William P. Clark

I. PURPOSE

To discuss the visit of Prime Minister Nakasone to Washington.

II. BACKGROUND

Prime Minister Nakasone assumed office less than two months ago. He is coming to Washington in order to establish a personal relationship with the President and to discuss global and bilateral issues of major concern to both countries. Matters of special concern are the differences that exist between the U.S. and Japan in trade and defense areas.

III. PARTICIPANTS

To be provided.

IV. PRESS PLAN

No press coverage.

V. SEQUENCE OF EVENTS

The President will chair the meeting.

Introduction (Judge Clark)

Discussion of paper at Tab B by Cabinet officers.

President makes comments.

NSDD to be issued after meeting.

Attachments

Briefing Memo

Tab A Talking Points

Talking Points (cards)

Tab B Paper sent to agencies

Prepared by:

Gaston J. Sigur

Roger W. Robinson

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NR M325/2 # 79440

~~SECRET~~

DECLASSIFY ON: OADR

BY KML NLR DATE 9/26/13

~~SECRET~~SYSTEM II
90034THE WHITE HOUSE
WASHINGTON~~SECRET~~ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *wpc*

SUBJECT: NSC Meeting, Friday, January 14, 1983 - Visit
of Prime Minister Nakasone of Japan

Issue

Prime Minister Yasuhiro Nakasone of Japan will spend about 2-1/2 days in Washington and will be visiting with you on Tuesday, January 18. This is a crucial visit. It comes at a time when the U.S.-Japan alliance structure is strained by problems over trade and defense. Nakasone has placed his political future on the line on his ability to deal with these problems and to be able to manage the U.S.-Japan relationship. We should understand his visit with this in mind.

Facts

Prime Minister Nakasone has been in office less than two months and has already taken a number of initiatives affecting our bilateral relations in the trade and defense areas. We have a long way to go to resolve our serious bilateral disputes, but we should capitalize on his positive "first steps" to advance our economic, political and military objectives and forge a closer partnership with this critical ally.

Discussion

The NSC meeting has been set up in order to discuss and to make decisions on the Nakasone visit as it relates to our overall relations with Japan. It is necessary that we get from this meeting a coordinated approach to the Japanese by our government agencies.

The decisions we expect to get from the NSC meeting will: 1) reaffirm the importance of the US-Japan alliance in global and regional terms; 2) recognize that while Nakasone has taken initiatives to accede to certain of our requests in the trade and defense areas, there is still a long way to go; and, 3) establish that during this delicate stage in the bilateral relations between Japan and the U.S. our side speak with one voice and avoid unnecessary public condemnation of the inadequacy of Japan's actions, so far, in trade and defense.

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BY KML NAE DATE 9/26/13

As US-Japanese relations are central to peace and security in the Asia-Pacific region and Japan's status as the world's second largest free world economy makes it fundamental to global economic recovery, it is crucial that this first meeting between you and Prime Minister Nakasone has a positive outcome. In the short period since Nakasone took office, he has announced bold initiatives affecting our bilateral relations in the trade and defense areas and has made a pro-U.S. posture the centerpiece of his foreign policy.

Although we have a long way to go toward resolving increasingly serious bilateral disputes, particularly in the trade area, it is essential that we capitalize on these positive "first steps" to advance our economic, political and military objectives and forge a closer partnership with this critical ally. Failure to maintain this positive momentum would not only jeopardize U.S. objectives in these areas but would represent a major setback for your foreign policy. The latter development would, in part, manifest itself in portraying the Administration as unable to cope with Japan's uneven economic policies and, as a consequence, worsen our already serious unemployment situation. Our task will also be increasingly difficult given growing protectionist sentiment on Capitol Hill and more frequent charges in Congress of inadequate Japanese burden-sharing in defense. Finally, the inability to successfully resolve outstanding disputes in 1983 would also directly imperil Nakasone's political future because of the public emphasis he has placed on improving relations with the U.S.

It is, therefore, necessary that we share within the Administration and with Japan the same conceptual overview and strategy for sustained improvement in our bilateral relations. This can be accomplished by using this first visit to favorably portray progress to date and clearly identify what remains to be done. A central objective of this visit should also be to reach agreement on a 1983 agenda of "benchmark" meetings to advance this urgent process, i.e., Secretary Shultz's visit to Japan later this month, Ambassador Brock's trip in February and a probable meeting between you and the Prime Minister before the Williamsburg Summit. The agenda and strategies for these meetings in the first half of 1983 should be carefully coordinated to ensure substantial results emerging from your next meeting with the Prime Minister.

Our approach to public affairs will be extremely important to the success of this visit and the management of the "1983 agenda." In this connection, speaking with one voice on the items discussed during the visit will be essential. We should avoid exciting any expectations that concrete accords are envisioned for this "first round" as well as highlighting disputes or engaging in admonitions.

Rather, we should emphasize the clear and candid assessment which will take place of the serious challenges which face our countries and an agreement to continue to achieve measurable progress toward their successful resolution over an agenda of high-level meetings this year. This will require that each agency vigilantly adhere to common press themes and guidance.

Your personal guidance of our policies is fundamental to the achievement of our objectives. The Prime Minister should be made aware as soon as possible of your personal commitment. Consistent with Japanese tradition, the most effective means to convey to Prime Minister Nakasone this important message is by means of a personal emissary from the White House. I, therefore, recommend that I communicate to Japanese Ambassador Okawara your request that I, as your emissary, accompanied by Secretary Shultz, meet privately with the Prime Minister soon after his arrival. I will emphasize your belief that there is no relationship more important to you than the one we have with Japan. I will highlight the mounting political difficulties faced by the Administration from those who seek to move us in a protectionist direction. You are determined to blunt these attacks in every way possible but need the Prime Minister's active cooperation. You greatly appreciate the positive steps he has taken since he assumed office and realize that he understands the distance that remains to be traveled in the trade and defense areas, if our mutual goals and objectives are to be attained. You know that the Prime Minister confronts a sensitive political scene himself and you are prepared to do what you can to ease his problems. We will conclude by stressing your commitment to the U.S.-Japan alliance and all that it means to our two countries and the world economy.

RECOMMENDATION:

That you approve my communicating to Ambassador Okawara your request that I, as your personal emissary, along with Secretary Shultz, meet with the Prime Minister soon after his arrival.

Approve

Disapprove

A possible visit by you to Japan this year could reap substantial benefits for both you and Prime Minister Nakasone only if, through vigorous groundwork, we can be assured of concrete accomplishments emerging from such a visit. It would also represent the most dramatic means of conveying your personal commitment to improved relations. We can assume that Prime Minister Nakasone will reiterate a standing invitation to you to visit Japan. We recommend that you hedge your response due to the number of considerations and conditions which would have to be examined prior to a final decision. Secretary Shultz's visit to Japan later this month and Ambassador Brock's February trip should advance this possibility as well as our ability

to assess the most propitious timing. April should be the initial time-frame to be assessed. Clearly Nakasone would benefit greatly by a visit from you as it would enable him to demonstrate his ability to establish a positive working relationship with you. Should Nakasone continue to take meaningful actions to diminish bilateral frictions in the trade and defense areas, a Presidential visit would, in turn, show the Congress and the American people that you have successfully addressed the thorny problems in U.S.-Japan relations. This would be very well received by the constituencies most adversely affected by unemployment and economic conditions that are actually perceptually linked to Japan's trade practices.

RECOMMENDATION:

That you agree "in principle" on the usefulness of a visit to Japan should the proper conditions exist.

Approve _____ Disapprove _____

Attachments

Tab A Talking Points
Tab B Paper sent to agencies

79442

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~~SECRET~~

TALKING POINTS FOR THE PRESIDENT
FOR NSC MEETING ON JANUARY 14, 1983
ON THE NAKASONE VISIT

- I THINK THE DISCUSSIONS HAVE GONE WELL, AND I BELIEVE ALL OF WHAT HAS BEEN SAID POINTS UP THE IMPORTANCE OF THE US-JAPAN RELATIONSHIP.
- WE HAVE SERIOUS PROBLEMS WITH THE JAPANESE IN THE TRADE AND DEFENSE AREAS, BUT WE CAN'T LET THEM OVERSHADOW THE CRITICAL IMPORTANCE OF THE US-JAPAN ALLIANCE STRUCTURE. WE HAVE GOT TO SETTLE THE ISSUES BETWEEN US WITH THIS IN MIND.
- THE NEW PRIME MINISTER IN JAPAN IS TAKING POSITIONS ON DEFENSE AND TRADE MATTERS CLOSE TO OUR OWN. HE HAS CENTERED HIS FOREIGN POLICY ON THE US-JAPAN RELATIONSHIP AND HAS TAKEN CONCRETE AND FAIRLY FAR-REACHING STEPS EARLY ON IN HIS ADMINISTRATION TO DEAL WITH THE PROBLEM AREAS. WE CAN BE PLEASED ABOUT THIS.
- PRIME MINISTER NAKASONE'S VISIT TO WASHINGTON IS A PART OF HIS POLICY PLAN TO SHOW THAT HE CAN MANAGE THE US-JAPAN RELATIONSHIP, AS WELL AS TO ESTABLISH A PERSONAL, WORKING RELATIONSHIP WITH ME.

~~SECRET~~

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NLRR M325/2 #79442
BY KML NARA DATE 9/26/13

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- I WANT THE PRIME MINISTER'S VISIT TO BE A SUCCESS BOTH FOR HIM AND FOR ME. WE NEED TO SHOW THE AMERICAN PEOPLE THAT WE CAN GET FROM THE JAPANESE THE COOPERATION WE NEED IN BOTH DEFENSE AND TRADE MATTERS.

- NAKASONE, AS I HAVE SAID, HAS MOVED POSITIVELY ON BOTH THE TRADE AND DEFENSE FRONTS--BUT IT IS NOT ENOUGH--WE HAVE TO PRESS FOR MORE AND WE HAVE COME UP WITH A NUMBER OF SUGGESTIONS TODAY ON WHAT WE SHOULD DO. MANY OF THOSE ARE GOOD AND WILL BE A PART OF OUR DISCUSSIONS WITH NAKASONE AND OTHERS IN HIS PARTY.

- OUR DEALINGS WITH THE JAPANESE ARE DIFFICULT, BUT OF FIRST IMPORTANCE AS ALL OF YOU HAVE AGREED AT THIS MEETING. WE HAVE A PRIME MINISTER IN TOKYO NOW WHO IS STAKING HIS GOVERNMENT, IN GREAT MEASURE, ON RELATIONS WITH THE US. WE MUST DO EVERYTHING WE CAN TO WORK WITH HIM TO SOLVE THE PROBLEMS WE HAVE BETWEEN US AND TO STRENGTHEN THE US-JAPAN ALLIANCE STRUCTURE.

- AS MENTIONED IN THE PAPER FOR THIS MEETING, IT IS ESSENTIAL THAT EACH AGENCY STRICTLY OBSERVE THE PRESS GUIDANCE AND THEMES THAT WILL BE DISTRIBUTED. THIS DELICATE STAGE OF OUR BILATERAL RELATIONSHIP DEMANDS THAT WE SPEAK WITH ONE VOICE AND AVOID UNNECESSARILY STIRRING THE POT.

~~SECRET~~

~~SECRET~~

~~SECRET~~

Visit of Prime Minister Nakasone

Introduction

As U.S.-Japanese relations are central to peace and security in the Asia-Pacific region and Japan's status as the world's second largest free world economy makes it fundamental to global economic recovery, it is crucial that this first meeting between the President and Prime Minister Nakasone has a positive outcome. In the short period since Nakasone took office, he has announced initiatives affecting our bilateral relations in the trade and defense areas and has made a pro-U.S. posture the centerpiece of his foreign policy. (S)

Although we have a long way to go toward resolving increasingly serious bilateral disputes, particularly in the trade area, it is essential that we capitalize on these positive "first steps" to advance our economic, political and military objectives and forge a closer partnership with this critical ally. Failure to maintain this positive momentum would not only jeopardize U.S. objectives in these areas but would represent a major setback for the President's foreign policy. The latter development would, in part, manifest itself in portraying the Administration as unable to cope with Japan's uneven economic policies and, as a consequence, worsen our already serious unemployment situation. Our task will also be increasingly difficult given growing protectionist sentiment on Capitol Hill and more frequent charges in Congress of inadequate Japanese burden-sharing in defense. Finally, the inability to successfully resolve outstanding disputes in 1983 would also directly imperil Nakasone's political future because of the public emphasis he has placed on improving relations with the U.S. (S)

It is, therefore, necessary that we share within the Administration and with Japan the same conceptual overview and strategy for sustained improvement in our bilateral relations. This can be accomplished by using this first visit to favorably portray progress to date and clearly identify what remains to be done. A central objective of this visit should also be to reach agreement on a 1983 agenda of "benchmark" meetings to advance this urgent process, i.e. Secretary Shultz's visit to Japan later this month, Ambassador Brock's trip in February and a probable Presidential meeting with the Prime Minister on the periphery of the Williamsburg Summit. The agenda and strategies for these meetings in the first half of 1983 should be carefully coordinated to ensure substantial results emerging from the President's next meeting with the Prime Minister. (S)

Our approach to public affairs will be extremely important to the success of this visit and the management of the "1983 agenda." In this connection, speaking with one voice on the items discussed

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during the visit will be essential. We should avoid exciting any expectations that concrete accords are envisioned for this "first round" as well as highlighting disputes or engaging in admonitions. Rather, we should emphasize the clear and candid assessment which will take place of the serious challenges which face our countries and an agreement to continue to achieve measurable progress toward their successful resolution over an agenda of high-level meetings this year. This will require that each agency vigilantly adhere to common press themes and guidance. (S)

Setting

Charismatic, given to bold moves, Nakasone nevertheless lacks a secure base in Japanese politics. His LDP faction is one of the smallest. As his selection of Cabinet members confirms, he is heavily dependent on former Prime Ministers Tanaka and Suzuki for support. (Tanaka's political fortunes are likely to be tarnished somewhat when the final portion of the prosecution's case charging Tanaka with accepting bribes from Lockheed is made public on January 26.) Nakasone could experience difficulty in strengthening his political base because he has a reputation for opportunism among the powerful Japanese media and in some LDP circles. He has already come under public criticism from Foreign Minister Abe for "jumping the gun." (S)

On the U.S. side, the current protectionist sentiment domestically is fueled by unfair trade practices and a lack of market access abroad, as well as by unemployment and falling profits in key industries at home. In this context, Japan has become the most prominent symbol for American and Congressional frustrations over domestic economic problems and perceived inequities in the international trading system. This frustration will grow further next year. With a moderate economic recovery, the U.S. trade deficit is likely to reach a record level. This, coupled with high unemployment rates, will strengthen protectionist forces. Moreover, trade, specifically trade with Japan, has emerged as a central issue in the early stages of the 1984 Presidential campaign. (S)

Japan's Objectives

It is against this backdrop that Nakasone has decided to visit Washington sooner than has been usual for recent new Japanese Prime Ministers. His aim is to demonstrate that he has the ability to manage relations with the United States, including the ability to establish a personal relationship with the President. (S)

Nakasone's objectives are to:

- gain political strength in Japan as a consequence of a successful visit to Washington; and

- defuse U.S. diplomatic and political pressure on bilateral issues in the near term. Thus he must:
 - o blunt protectionist sentiments in the U.S.;
 - o obtain a public Presidential endorsement of free trade principles;
 - o obtain U.S. recognition of his personal commitment to an improved Japanese self-defense capability, but also of politically dictated limitations on defense spending. (S)

U.S. Objectives

The Administration has to demonstrate effectiveness (i.e., results) in dealing with the growing domestic and international discontent with Japanese international economic and particularly trade policies. Therefore, we seek a clear political commitment by Nakasone to open Japanese markets. To accomplish this, we need the establishment of a strengthened and meaningful bilateral negotiating process, as well as specific Japanese concessions immediately that make the Nakasone commitment credible. At the same time, we seek through a successful visit, to enhance the stature of a Japanese Prime Minister who has given special emphasis to the U.S. relationship and demonstrated an initial ability and future potential to tackle difficult issues. (S)

U.S. actions taken to assure a successful visit will be well received by Nakasone, who is far more sympathetic to U.S. policies than was Suzuki. On the other hand, too warm a U.S. welcome may mislead Nakasone into concluding that the politically costly steps taken in advance of the visit on trade and defense issues are sufficient to satisfy the U.S. at least over the next year. Since these steps broke little new ground on market access and defense spending issues, they are unlikely to have much impact on Washington. (S)

Knowing that he badly needs a successful visit for political reasons, Nakasone is susceptible to quiet, behind-the-scenes U.S. pressure to do more on outstanding trade problems than is presently contemplated. Accordingly, he is likely to respond to entreaties that the steps announced so far fall short of expectations. (S)

Japan's Strategy for the Visit

To promote realization of Japan's objectives, Nakasone has taken a number of steps in advance of the visit designed to soften American criticism of Japanese trade and defense policy:

- A new basket of tariff cuts was made public in December.
- The Japan Defense Agency has announced agreement on a 6.5 percent increase in defense spending.
- Reliable sources indicate that the Cabinet will soon approve defense technology transfer regulations likely to satisfy the U.S.
- Nakasone visited Seoul a few days ago and in a bold gesture solved the longstanding dispute between Japan and South Korea over a Japanese aid package.
- The Japanese have announced strengthening of the trade Ombudsman, a review of import procedures and standards with a view toward possible legislative changes, and a possible increase in access to the cigarette market.
- Nakasone has arranged to be interviewed by Dan Rather for CBS Evening News, in addition to other national media events. This is intended to demonstrate to the Japanese that he can appeal directly to Americans on their terms and in their language.
- The Japanese are taking careful soundings of U.S. opinion to gauge the success of all these measures. They are likely to make last-minute adjustments if needed. (S)

U.S. Strategy for the Visit

The U.S. should review carefully the actions taken by Nakasone in advance of the visit. These actions will not meet all of our requirements, although they may constitute, along with the strong personality of the new Prime Minister, a credible basis for showing some progress in the relationship and for laying out a set of intentions and procedures to achieve further substantial progress on outstanding issues over the next 12-24 months. The U.S. approach to the visit, therefore, should seek to:

- achieve credible but not unrealistic results from this first visit;
- fold unfulfilled expectations into an agenda and process for negotiations reflecting new high-level commitment and control by the Prime Minister and the President. (S)

Credible Results

The GOJ announced tariff reductions in December and several non-tariff initiatives on January 13. The tariff reductions included two very sensitive items, cigarettes and chocolate confectionary, which demonstrated a willingness to take on

Japanese groups with significant political clout. The other tariff cuts will be helpful but do not offer any major market openings. Many items we had requested were not included at all. (S)

The recent Japanese actions on non-tariff barriers launches several initiatives which bear significant fruit in the months ahead but offer no immediate results. No U.S. industry will be pleased. Since the future results are unclear, these initiatives are unlikely to defuse the explosive political climate in the U.S. (S)

Publicly, we can commend the Japanese for undertaking some politically sensitive initiatives but indicate that the benefits will have to be evaluated in the months ahead as the specific changes are made. Again, the Japanese have moved in the right direction, but much more remains to be done. We must redouble our efforts in the months ahead. (S)

Future Agenda

The U.S. should seek some carefully worded commitments and a time schedule to deal with the major unfulfilled elements of the trade and defense issues. (S)

Prime Minister Nakasone should commit to a concrete negotiating process to transform verbal commitments into visible and tangible progress in both near and long term market liberalization. Just as Nakasone has committed his chief Cabinet Secretary to manage the review of import procedures and standards, he might also demonstrate his personal commitment to a new beginning in achieving concrete market liberalization results over the next few months. This reinvigorated bilateral dialogue should address the problem areas identified to date as well as any new concerns arising in the future. (S)

With regard to the security relationship and the Japanese defense program:

- We should express our satisfaction with the Nakasone Government's reformulation of policy on defense technology transfers, and we should explore further the implementing procedures to facilitate the flow of information.
- We should stress how important Japanese defense is to us.
- We should press the Nakasone Government for a commitment to undertake the improvements necessary to implement the agreed "division of labor" within a reasonable period of time.

- We should make clear our desire for detailed information on JDA plans and programs and for regular consultations on force objectives and time schedule for attaining them. (S)

To achieve agreement on these issues, the U.S. would consider the following responses:

- Joint statement reflecting special U.S.-Japanese responsibilities and partnership in achieving world recovery and improved international trade and financial cooperation. It will also reference our close coordination in advancing a common approach to East-West economic relations in a security context.
- Strong reaffirmation of President's opposition to anti-Japanese domestic trade legislation.
- The President will also agree to meet Nakasone in Washington prior to the Williamsburg Economic Summit.
- The U.S. will express its understanding of the political risk the Prime Minister has taken to increase the defense budget by 6.5 percent for the coming year. However, the U.S. will agree with the Prime Minister that this is still far short of the required increases if Japan is to attain her long-term self-defense goals by the end of this decade.
- The U.S. will reaffirm its commitment to the U.S.-Japan alliance which is critical to peace and stability in the Asia-Pacific region and, indeed, the world. (S)

Summary

The positive outcome that we envision for this first meeting does not mean glossing over the serious and urgent bilateral challenges we must confront over the course of 1983-84. It means successfully establishing a realistic framework and timetable for achieving concrete steps toward resolving these pressing disputes, particularly in the trade area, that could have the most adverse domestic political consequences for the President and our bilateral relationship. As stated in NSDD-62 on U.S.-Japan relations, the Assistant to the President for National Security Affairs is directed to ensure effective coordination among the agencies in accomplishing our economic, political and military objectives while avoiding the perception of insensitive treatment toward Japan. To advance this process, we would request that each NSC member or designate be prepared to discuss any outstanding issues that have not already been coordinated in an interagency context similar

to those agencies involved with trade issues under the guidance of STR. It would also be helpful if any remaining issues or objectives be submitted in the form of a one page memorandum to the Assistant to the President for National Security Affairs at the conclusion of the meeting. (S)

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THE WHITE HOUSE
WASHINGTON

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Clay,

The judge spoke to
Sec. Shultz about this
earlier today. The
Secretary is expecting the
paper.

Sec. 3.7(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA RW DATE 11/18/09

John P. ...

WASHFAX RECEIPT

THE WHITE HOUSE



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Talking Points for Meeting with
Prime Minister Nakasone

- The President wants me to convey to you his personal feeling of how important this meeting is for both countries.
- It offers great opportunities for both sides.
- But also carries great risks.
- The President has been very impressed with your accomplishments in the short time you have been Prime Minister.
- the way you have taken command,
- dealt with your public, your media,
- dealt with your critics in the Liberal Democratic Party,
- your straightforward responses to tough questioning in the Diet,
- and the way you have taken charge of foreign policy--and conducted some whirlwind diplomacy--especially with Korea.
- He is quite aware of the political pressures on you to return to Japan with some solid accomplishments.
- Similarly, he is under great domestic political pressure to present something tangible to the American people as a result of this meeting.
- In short, this is no ordinary meeting.
- Our people on both sides--as well as the people and leaders of other nations--are watching it carefully.
- Neither side has had the opportunity to spend a great deal of time planning for it.
- It is important that we work carefully together now--to

ensure that this meeting advances U.S.-Japanese relations, and provides both sides with successes to present to our peoples.

-- The political requirements for sustaining a cooperative relationship are very great to both countries.

-- We have to show movement as a result of this meeting in several important areas:

-- unfair trade practices, *and the technology*

-- lack of market access in Japan for U.S. goods.

--- We know you are under particularly strong pressure from your farm lobby, but we simply have to make progress on beef and citrus issues.

---- The steps so far fall short of expectations.

We are going to have to work on legislation to make sure that we can get the necessary support from the Congress to make the necessary progress.

Conf. the Japanese with the U.S. to make sure that we can get the necessary support from the Congress to make the necessary progress.

-- Greater expenditure for defense--so Japan can shoulder more of the burden.

--- Your commitments on defense affect U.S. congressional attitude toward protectionist measures.

-- Our two countries have the most powerful economies in the Free World.

-- Together there is nothing we cannot do.

-- Our alliance is central to peace and security in Asia and stability in the world.

-- This meeting will set the tone for our bilateral relations over the next few years.

-- Our relations are too important to be jeopardized by disagreements over defense spending and trade problems.

-- The President wants to establish a personal relationship with you as a result of this visit which will be useful to both sides.

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JAPANESE DOMESTIC POLITICAL SCENE

The Japanese political scene has been dominated by the conservative Liberal Democratic Party (LDP) ever since its formation 28 years ago. As a result of concurrent elections for both houses of the Diet in June 1980, the LDP held 286 out of 511 seats in the Lower House, and 135 out of 252 seats in the Upper House, thus establishing the most secure parliamentary position the party has enjoyed in many years. While the LDP is divided among contending factions, its differences for the most part center on personalities rather than issues.

Following Suzuki's unexpected decision not to seek reelection last October, Nakasone emerged as LDP President following a period of frenetic intra-party maneuvering. He has not, however, enjoyed the luxury of the "honeymoon" period of adjustment normally granted new prime ministers. Immediately upon entering office in late November he came under fire for being too closely allied with former Prime Minister Tanaka and for packing his cabinet with Tanaka loyalists. His standing then in public opinion polls was among the lowest in the post-war era for an incoming prime minister.

Since then, Nakasone has rebounded strongly. His confident, forthright answers to Diet question have won him much praise, and his oft-expressed determination to strengthen Japan's relations with the US is welcomed by the fairly large number of Japanese who have an uneasy feeling that the US relationship has not been properly looked after in recent years. Particularly against the background of former Prime Minister Suzuki's relative passivity, Nakasone's assertive leadership has appeal, and even some opposition politicians have privately expressed admiration for his style, quite apart from his policy views. Within the LDP there is agreement that Nakasone's initial strong performance has boosted the party's image, and accordingly his position within his own party is secure.

Nonetheless, Nakasone faces many problems. His approach is rather atypical in Japan, and has bred some uneasiness. There is irony that instead of being criticized as in the past for being too changeable, Nakasone is now more frequently assailed for being too unswerving in his principles. Thus the opposition and the media fear that he may be too willing to move forward on revising Japan's constitution, or that he may seek to increase defense spending too rapidly. Some thoughtful

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Japanese are also concerned that Nakasone may have raised expectations in the US regarding trade and defense spending that will be difficult to satisfy. Nakasone's close connection with former Prime Minister Tanaka still draws criticism, and that issue may come to the fore again when the Lockheed prosecution summarizes its case against Tanaka on January 26. Thorny economic questions such as how to promote economic growth in an era of fiscal austerity, while also continuing to pursue administrative reform, will likely fuel considerable Diet debate during the first half of next year.

Nakasone's task is made somewhat easier by the inability of the opposition parties to mount a telling offensive against him. During the recent extraordinary Diet session the opposition parties failed to achieve their main goal of forcing Nakasone to back down on his decision to freeze government employee wages. The opposition has been reduced to trumpeting warnings that Nakasone represents a dangerous rightist political force. The major opposition party, the Japan Socialist Party (106 seats in the Lower House) is still enfeebled by chronic internal feuding, and there is no prospect of a viable opposition party coalition.

Tokyo is rife with speculation that Nakasone might dissolve the Diet and call Lower House elections sometime during the next several months, which would give him a chance to win his own mandate. While an unexpected election upset could cost Nakasone the prime ministership, his strong performance during his first weeks in office has already led many observers to revise their earlier forecasts that Nakasone's tenure would be short-lived.

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JAPANESE ECONOMIC PERFORMANCE

Current Japanese economic performance compares favorably with that of the other industrialized countries, but is weak relative to post-war trends. Unemployment is only 2.5 percent, but is at a 26-year high. Consumer price inflation is about 3 percent, and real growth in 1982 is estimated also to have been about 3 percent. We project GNP growth will remain around 3 percent in 1983, reflecting somewhat stronger external performance and weaker private consumption.

This performance is less favorable than the Japanese have come to expect, and is worrisome to them because of considerable excess capacity and signs of deterioration in several important sectors. Growth in 1981 was largely dependent on the growth of real net exports, but exports declined in late 1981 and have remained weak since. The volume of exports fell substantially in the first half of 1982, and will probably be down for the year as a whole. In real terms, both total business fixed investment and residential construction will probably show a decline for the year. Real private consumption was boosted in 1982 by declining inflation, but should weaken in 1983 due to little change in inflation and lower nominal wage growth.

Because of concern that this trend could lead to a real slide if businessmen and consumers lose confidence, there has been debate about the need for government action to stimulate the economy. However, the GOJ believes its freedom to take major stimulative fiscal action is severely constrained by the need to eliminate large budget deficits--which recently have been around 5 percent of GNP. (Although the deficits are large relative to GNP, relative to Japan's high private saving they are not high in comparison to other OECD countries, however.) A limited stimulative fiscal package was presented as part of a supplemental budget for JFY 1982, but the JFY 1983 budget will keep the lid on expenditure growth and include little in the way of stimulative measures. The GOJ was constrained in relaxing monetary policy in 1982 by the need to prevent the yen from weakening.

Authorities gradually relaxed monetary policy in 1981, however. Money supply growth thus decelerated over the course of 1982, and interest rates were raised and then held at levels higher than desired, in view of domestic economic conditions, in an effort to counter yen weakness. With the recent sharp strengthening of the yen and continued domestic economic weakness, a cut in the Japanese discount rate (currently 5.5 percent) appears imminent. Large quantities of government bonds being floated to cover the deficit have put upward pressure on long-term interest rates.

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US-JAPAN SECURITY RELATIONS

In recent years, Japan has begun to emerge from its post-war philosophy that its security should be provided exclusively by the United States. The defense debate in Japan is now wide-ranging and alarms raised by the opposition parties or the press about the alleged re-emergence of Japanese militarism or the dangers of military cooperation with the US no longer seem to strike as acutely sensitive a public nerve as in the past. The recent Japanese government decision to assist in the deployment of US F-16s to Misawa Air Base has, perhaps for the first time, given rise to public discussion about the potential anti-Soviet role of particular US forces stationed in Japan. Whereas US forces in Japan have been hitherto portrayed as dedicated primarily to the defense of Japan, the apparent acceptance of the Misawa deployment as a counter-Soviet move indicates that public consensus on the Soviet threat and on more flexible use of US forces in Japan has widened considerably.

The result of this attitudinal change is dramatically visible in the improved environment for US forces in Japan. Interaction between US forces and Japanese self-defense forces, formerly taboo, is now extensive, in the form of joint planning, joint basing, and joint training exercises. The GOJ spends roughly \$1 billion a year to support US bases in Japan, including the construction of new housing and facilities, rentals to landowners, and the assumption of some labor costs. US bases in Japan are provided rent-free.

The Japanese Self-Defense Force (SDF), although inadequately funded and equipped by US standards, and not of sufficient size or composition to perform their roles and missions in conjunction with the United States vis-a-vis the Soviet threat, is becoming one of the modern military forces in Asia. Serious deficiencies, however, remain: (1) cumulative inattention to the ability of the forces to sustain a defensive operation; and (2) the inadequate size of the Maritime and Air Self-Defense Forces for their air and sealane-defense missions. Because of the purely self-defensive role of the SDF, their development has concentrated particularly on air defense, anti-submarine warfare (ASW), maritime patrol, minesweeping, etc., which could provide for local self-defense and serve as a useful complement to US forces in the Pacific. Consequently, in recent years, both US and Japanese military planners have been looking closely at the capability of US and Japanese forces to operate together. Prime Minister Nakasone very recently publicly reiterated an earlier commitment by Prime Minister Suzuki to defend sealanes of communication (SLOCs) out to a distance of 1000 miles, and joint planning to identify and assign roles and missions in support of this objective will soon be underway.

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The recent change in Japanese public attitudes toward defense has had a far less dramatic impact on defense funding. Japanese, inside and outside of government, remain firmly fixed on maintaining civilian/political control over the military, which means that Japanese military leaders sit at the bottom of the decision ladder on any issue of defense policy. The Japanese Defense Agency (JDA) does not have ministerial status, and still relies heavily--although increasingly unwillingly--on the Foreign Ministry to promote its budgetary and policy objectives within the cabinet.

The powerful Ministry of Finance finds defense spending an attractive budgetary item to limit. Defense spending has increased every year in absolute amounts, but since the early 1960s has been held below one percent of GNP. Real growth did average more than seven percent in the 1970s, but has fallen below five percent in the 1980s. Three years ago, the defense budget was finally allowed to exceed the rate of increase of other budgets. In fiscal 83 defense spending will increase by 6.5 percent (nominal) while significant social spending, such as welfare, is held steady or reduced. The entire 6.5 percent increase for defense in 1983 is only slightly more than \$500 million. In explaining his position publicly, the Prime Minister has emphasized that he has maintained the steady increase in defense spending for the sake of US-Japanese relations, which are ultimately the foundation of Japan's defense.

It is Japanese policy which the US supports that Japan should attain the capability to defend its territory, air and sealanes to 1000 miles within this decade. Japan can accomplish its accepted goals with a defense budget less than two percent of GNP, but the rates of growth in the 1980s thus far must approximately triple in order to do so.

In the final analysis, Japanese public feelings about military power and its application are still ambivalent, with an inclination to search for alternative means of dealing with international tension. Prime Minister Nakasone is considered, in Japanese political circles, to be a "hawk" and has in the past advocated a strong, independent Japanese military capability. Although he has softened his posture on defense, he is nevertheless, by usual Japanese criteria, uncharacteristically direct and decisive on defense issues.

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US-Japan Nuclear Energy Issues

The US-Japan agreement for peaceful nuclear cooperation requires U.S. consent for retransfer of spent nuclear fuel for reprocessing in the UK or France, or its reprocessing in Japan. The Carter Administration sought to discourage reprocessing and use of plutonium abroad. In the case of Japan, the policy of begrudging case-by-case approval of Japanese requests for reprocessing raised great concern about U.S. constancy as a nuclear trading partner. Japan has viewed plutonium as essential to its long-term energy security and has sought relief from such uncertainty by asking advance long-term U.S. consent for reprocessing that would allow use of plutonium from Japan's power reactors in existing and future advanced thermal and breeder reactors, as well as in light-water reactors.

Last June, the President decided (NSDD-39) that the U.S. could offer Japan (and EURATOM) long-term consent to reprocessing and use of plutonium. This decision has been criticized by some members of Congress, who regard it as a softening of our nonproliferation policy. We have held several rounds of negotiations with Japan and have made some progress toward reaching agreement on an advance, long-term consent arrangement regarding reprocessing and plutonium use. However, our offer was made in the context of a new or amended agreement for peaceful nuclear cooperation that contained the improved non-proliferation related provisions required by the Atomic Energy Act, as amended in 1978, or equivalent provisions expressed in some other form. The Japanese have thus far been hesitant to accept these provisions primarily because that would require submission of the new arrangement to the Diet for its approval. Even though the Japanese have accepted virtually all these provisions as a matter of national policy or have agreed to them in agreements with other countries, the Japanese claim that submission to the Diet of a new or amended nuclear cooperation agreement with the US would raise serious political difficulties because of our status as a nuclear weapons state.

We have been working with the Japanese to find a formula which will fulfill the requirements of our law while enabling them to treat the matter administratively rather than requiring consideration by the Diet.

It remains our position that all elements of the package approach we have proposed regarding long-term consent arrangements for reprocessing and plutonium, including provisions meeting our need for the equivalent of a new or amended agreement for peaceful nuclear cooperation, are essential for Congressional approval of any such arrangement.

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JAPAN AND SOUTHEAST ASIA

More than any other part of the world, Southeast Asia is a region where Japan has taken strong foreign policy initiatives and displayed effective leadership in the post war era. Two important elements of Japan's foreign policy are manifest in its policies in SEA. On East-West questions Japan is firmly in the Western camp, as demonstrated in its lobbying with ASEAN against the growing Soviet threat to the region and its support of the ASEAN position on Kampuchea. On North-South questions, Japan seems to be of two minds, generally adopting a Western perspective on aid and lining up with the Asians when it comes to resource acquisition. The Japanese also believe that they have a special role to play in ASEAN as a channel between ASEAN and the industrialized West.

Japan is now the largest aid donor to the ASEAN countries. Bilateral economic aid to ASEAN is directed mainly to Thailand, the Philippines and Indonesia. Financing of refugee programs, particularly UNHCR activities in Thailand and the U.S.-Philippine-Japanese project to improve the refugee processing center on Bataan, which is becoming the main center for preparing Indochinese refugees to settle in the United States, are especially significant.

President Marcos, President Soeharto and PM Mahathir have expressed concern over a potentially threatening Japanese defense buildup. While both we and the Japanese have attempted to explain that Japan's defense buildup is limited in scope, exclusively defensive in nature, and being implemented only within the framework of the US-Japan security treaty, those in Japan opposing increases in defense spending are now using ASEAN (as well as Chinese and Korean) fears as an argument against such increases. Nakasone's forthcoming ASEAN trip appears intended in part to provide reassurance about Japan's defense policy.

While Japan continues to freeze aid to Vietnam to help ASEAN's efforts toward an acceptable Kampuchean settlement, private Japanese firms are allowed to have a role in Vietnam trade. Japan maintains an embassy in Hanoi and makes occasional gestures to Vietnam (such as planning to invite a small number of mid-to high-level VN Communist Party economic officials to Tokyo) in hopes of persuading Hanoi that an accommodation on Kampuchea will bring it tangible economic benefits. A major Japanese concern is to insure that it not be left behind in any future U.S. rapprochement with Vietnam. The Japanese support ASEAN's position on the premise that ASEAN as a whole supports the tripartite Khmer coalition. If the coalition were to come apart, and the ASEAN states disagree on policy, Japan would be spurred by pressure within the bureaucracy, political parties and business circles, to be more forthcoming toward Vietnam than would be in our interest.

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JAPAN AND THE MIDDLE EAST

The Middle East moved to the forefront in Japan's foreign relations with Japan's inclusion in the oil embargo of 1973. That traumatic experience caused the first real break with the US on a major foreign policy issue in the post-war period, as Japan sought almost frantically to develop economic and political ties with key Arab states. Japan has since pursued a two-track approach, seeking to maintain correct but distant ties to Israel and supporting the Camp David process, while cultivating relations with the PLO and most Arab states.

The Israeli invasion of Lebanon and subsequent developments have caused a major rethinking of Japan's approach to the Middle East, a process that is still underway, and which will be influenced by discussions during the Prime Minister's visit to Washington and the Secretary of State's visit to Tokyo. The initial GOJ reaction has been to align its policy more closely with that of the US on the basis that the US Administration's approach offers the best available hope of advancing the peace process. Specific steps have included:

-- Endorsement of the President's September 1 initiative, although with explicit reservations about excluding the possibility of an "independent Palestinian state";

-- A call, during King Hussein's recent visit to Tokyo, for the Arab states to take the first step by recognizing Israel's right to exist (departing from Japan's earlier policy of "simultaneous recognition");

-- Positive consideration to provide financial and material support for an expanded Multinational Force (MNF) in Lebanon, which would mark a significant step forward in direct Japanese involvement in multilateral peace-keeping activities.

A number of Arab states have expressed their unhappiness about what they perceived as a GOJ shift away from the Arab position. Moreover, even among the Japanese officials who have advocated the recent policy initiatives, there are serious doubts about whether the US will have the "political courage" to force the Israeli concessions that are seen as necessary to produce a settlement. Most immediately, the Japanese see the need for an early Israeli withdrawal from Lebanon and a freeze on Israeli settlements in the West Bank and Gaza if the radicalization of the PLO and the disillusionment of the moderate Arabs are to be avoided. Failing early progress on these fronts, the GOJ will be under great pressure to take a policy initiative that underscores its continuing support for the Arab cause. The scheduled visit of President Mubarak to Japan in April 1983 may provide the impetus for such an initiative.

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JAPAN-KOREA RELATIONS

Setting

Japan regards the maintenance of peace and security on the Korean Peninsula as fundamental to its own security. It has given firm political support to the ROK -- its second most important economic partner -- and strongly advocates the continued presence of US Forces in South Korea. However, the legacy of harsh Japanese colonial rule of the Korean peninsula and the presence of 600,000 Korean residents in Japan, about half of whom are affiliated with North Korean support groups, place serious strains on and give emotional overtones to Japan's ties with the ROK.

Japan-ROK Relations

Gradually improving Japanese relations with Korea were sharply set back in 1973 by the KCIA kidnapping of opposition leader Kim Dae Jung from a Tokyo hotel. Japan-Korea relations were again largely patched up by 1979, when President Park's assassination, Kim's arrest in 1980 in the wake of serious rioting, and his death sentence again strained relations. The negative impact of these events was largely overcome when President Chun commuted Kim Dae Jung's sentence. Relations deteriorated again when the ROK "demanded" \$6 billion in Japanese aid over five years as "compensation" for the contribution that South Korea makes to Japan's security. Bilateral talks had narrowed differences last summer, when new irritants sidetracked these efforts.

In recent weeks Prime Minister Nakasone's unprecedented telephone call to President Chun, Chun's release of Kim Dae Jung and the dramatic announcement January 5 that Japan will provide \$4 billion of credits and grant aid over seven years have dramatically improved the bilateral climate. This coup for Nakasone paved the way for his visit to Seoul -- the first ever by a Japanese prime minister -- just prior to his visit here.

United States Role

Good relations between the ROK and Japan, our two allies in Northeast Asia, are very much in our interest. We have made this clear to both governments, at the same time emphasizing that we are not in a position to broker bilateral disputes.

Japan and North Korea

Japan seeks to expand unofficial economic and cultural ties with the North while barring official ties until Pyongyang's allies take parallel steps toward Seoul. There is continuing concern within the GOJ that the US might move toward the DPRK without advance consultation with Japan.

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

January 13

Brian,

Original was handcarried to the residence for the President.

I handcarried three copies to Darman's office for Meese, Baker and Deaver. These three copies did not include the 4-page memo to the President.

Kathy

NATIONAL SECURITY COUNCIL DISTRIBUTION RECORD

Log Number _____

Date JAN 13 1983

Subject: NSC MTG ON NAKASONE VISIT

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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~~with SECRET ATTACHMENT~~

January 13, 1983

MEMORANDUM FOR

Mr. Donald P. Gregg
Assistant to the Vice President
for National Security Affairs

Mr. Thomas B. Cormack
Executive Secretary
Central Intelligence Agency

Mr. L. Paul Bremer, III
Executive Secretary
Department of State

Ms. Jackie Tillman
Executive Assistant to the
United States Representative
to the United Nations
Department of State

Mr. David Pickford
Executive Secretary
Department of the Treasury

Mr. Dennis Whitfield
Executive Assistant to the United
States Trade Representative

Lieutenant Colonel W. Richard Higgins
Assistant for Interagency Matters
Office of the Secretary of Defense

Colonel George A. Joulwan
Executive Assistant to the
Chairman
Joint Chiefs of Staff
The Pentagon

Ms. Helen Robbins
Executive Assistant to the Secretary
Department of Commerce

Mr. Raymond Lett
Executive Assistant to the Secretary
Department of Agriculture

Dr. Alton Keel
Assoc Director for Natl
Security Affairs
Office of Management and
Budget

Mr. William V. Vitale
Director, Office of Executive
Secretariat
Department of Energy

SUBJECT: NSC Meeting on the Nakasone Visit (C)

A National Security Council meeting has been scheduled for Friday, January 14, 10:45 a.m., in the Cabinet Room to discuss the Nakasone visit. The background paper is attached. (C)

Michael O. Wheeler
Michael O. Wheeler
Staff Secretary

Attachment

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See 34(b), E.O. 12958, as amended
White House, Dec 11, 2008
BY NAB: *AW* 4/11

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Visit of Prime Minister Nakasone

REF M325/3 #79447

Introduction

BY KML. NARA DATE 9/26/13

As U.S.-Japanese relations are central to peace and security in the Asia-Pacific region and Japan's status as the world's second largest free world economy makes it fundamental to global economic recovery, it is crucial that this first meeting between the President and Prime Minister Nakasone has a positive outcome. In the short period since Nakasone took office, he has announced initiatives affecting our bilateral relations in the trade and defense areas and has made a pro-U.S. posture the centerpiece of his foreign policy. (S)

Although we have a long way to go toward resolving increasingly serious bilateral disputes, particularly in the trade area, it is essential that we capitalize on these positive "first steps" to advance our economic, political and military objectives and forge a closer partnership with this critical ally. Failure to maintain this positive momentum would not only jeopardize U.S. objectives in these areas but would represent a major setback for the President's foreign policy. The latter development would, in part, manifest itself in portraying the Administration as unable to cope with Japan's uneven economic policies and, as a consequence, worsen our already serious unemployment situation. Our task will also be increasingly difficult given growing protectionist sentiment on Capitol Hill and more frequent charges in Congress of inadequate Japanese burden-sharing in defense. Finally, the inability to successfully resolve outstanding disputes in 1983 would also directly imperil Nakasone's political future because of the public emphasis he has placed on improving relations with the U.S. (S)

It is, therefore, necessary that we share within the Administration and with Japan the same conceptual overview and strategy for sustained improvement in our bilateral relations. This can be accomplished by using this first visit to favorably portray progress to date and clearly identify what remains to be done. A central objective of this visit should also be to reach agreement on a 1983 agenda of "benchmark" meetings to advance this urgent process, i.e. Secretary Shultz's visit to Japan later this month, Ambassador Brock's trip in February and a probable Presidential meeting with the Prime Minister on the periphery of the Williamsburg Summit. The agenda and strategies for these meetings in the first half of 1983 should be carefully coordinated to ensure substantial results emerging from the President's next meeting with the Prime Minister. (S)

Our approach to public affairs will be extremely important to the success of this visit and the management of the "1983 agenda." In this connection, speaking with one voice on the items discussed

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during the visit will be essential. We should avoid exciting any expectations that concrete accords are envisioned for this "first round" as well as highlighting disputes or engaging in admonitions. Rather, we should emphasize the clear and candid assessment which will take place of the serious challenges which face our countries and an agreement to continue to achieve measurable progress toward their successful resolution over an agenda of high-level meetings this year. This will require that each agency vigilantly adhere to common press themes and guidance. (S)

Setting

Charismatic, given to bold moves, Nakasone nevertheless lacks a secure base in Japanese politics. His LDP faction is one of the smallest. As his selection of Cabinet members confirms, he is heavily dependent on former Prime Ministers Tanaka and Suzuki for support. (Tanaka's political fortunes are likely to be tarnished somewhat when the final portion of the prosecution's case charging Tanaka with accepting bribes from Lockheed is made public on January 26.) Nakasone could experience difficulty in strengthening his political base because he has a reputation for opportunism among the powerful Japanese media and in some LDP circles. He has already come under public criticism from Foreign Minister Abe for "jumping the gun." (S)

On the U.S. side, the current protectionist sentiment domestically is fueled by unfair trade practices and a lack of market access abroad, as well as by unemployment and falling profits in key industries at home. In this context, Japan has become the most prominent symbol for American and Congressional frustrations over domestic economic problems and perceived inequities in the international trading system. This frustration will grow further next year. With a moderate economic recovery, the U.S. trade deficit is likely to reach a record level. This, coupled with high unemployment rates, will strengthen protectionist forces. Moreover, trade, specifically trade with Japan, has emerged as a central issue in the early stages of the 1984 Presidential campaign. (S)

Japan's Objectives

It is against this backdrop that Nakasone has decided to visit Washington sooner than has been usual for recent new Japanese Prime Ministers. His aim is to demonstrate that he has the ability to manage relations with the United States, including the ability to establish a personal relationship with the President. (S)

Nakasone's objectives are to:

- gain political strength in Japan as a consequence of a successful visit to Washington; and

- defuse U.S. diplomatic and political pressure on bilateral issues in the near term. Thus he must:
 - o blunt protectionist sentiments in the U.S.;
 - o obtain a public Presidential endorsement of free trade principles;
 - o obtain U.S. recognition of his personal commitment to an improved Japanese self-defense capability, but also of politically dictated limitations on defense spending. (S)

U.S. Objectives

The Administration has to demonstrate effectiveness (i.e., results) in dealing with the growing domestic and international discontent with Japanese international economic and particularly trade policies. Therefore, we seek a clear political commitment by Nakasone to open Japanese markets. To accomplish this, we need the establishment of a strengthened and meaningful bilateral negotiating process, as well as specific Japanese concessions immediately that make the Nakasone commitment credible. At the same time, we seek through a successful visit, to enhance the stature of a Japanese Prime Minister who has given special emphasis to the U.S. relationship and demonstrated an initial ability and future potential to tackle difficult issues. (S)

U.S. actions taken to assure a successful visit will be well received by Nakasone, who is far more sympathetic to U.S. policies than was Suzuki. On the other hand, too warm a U.S. welcome may mislead Nakasone into concluding that the politically costly steps taken in advance of the visit on trade and defense issues are sufficient to satisfy the U.S. at least over the next year. Since these steps broke little new ground on market access and defense spending issues, they are unlikely to have much impact on Washington. (S)

Knowing that he badly needs a successful visit for political reasons, Nakasone is susceptible to quiet, behind-the-scenes U.S. pressure to do more on outstanding trade problems than is presently contemplated. Accordingly, he is likely to respond to entreaties that the steps announced so far fall short of expectations. (S)

Japan's Strategy for the Visit

To promote realization of Japan's objectives, Nakasone has taken a number of steps in advance of the visit designed to soften American criticism of Japanese trade and defense policy:

- A new basket of tariff cuts was made public in December.
- The Japan Defense Agency has announced agreement on a 6.5 percent increase in defense spending.
- Reliable sources indicate that the Cabinet will soon approve defense technology transfer regulations likely to satisfy the U.S.
- Nakasone visited Seoul a few days ago and in a bold gesture solved the longstanding dispute between Japan and South Korea over a Japanese aid package.
- The Japanese have announced strengthening of the trade Ombudsman, a review of import procedures and standards with a view toward possible legislative changes, and a possible increase in access to the cigarette market.
- Nakasone has arranged to be interviewed by Dan Rather for CBS Evening News, in addition to other national media events. This is intended to demonstrate to the Japanese that he can appeal directly to Americans on their terms and in their language.
- The Japanese are taking careful soundings of U.S. opinion to gauge the success of all these measures. They are likely to make last-minute adjustments if needed. (S)

U.S. Strategy for the Visit

The U.S. should review carefully the actions taken by Nakasone in advance of the visit. These actions will not meet all of our requirements, although they may constitute, along with the strong personality of the new Prime Minister, a credible basis for showing some progress in the relationship and for laying out a set of intentions and procedures to achieve further substantial progress on outstanding issues over the next 12-24 months. The U.S. approach to the visit, therefore, should seek to:

- achieve credible but not unrealistic results from this first visit;
- fold unfulfilled expectations into an agenda and process for negotiations reflecting new high-level commitment and control by the Prime Minister and the President. (S)

Credible Results

The GOJ announced tariff reductions in December and several non-tariff initiatives on January 13. The tariff reductions included two very sensitive items, cigarettes and chocolate confectionary, which demonstrated a willingness to take on

Japanese groups with significant political clout. The other tariff cuts will be helpful but do not offer any major market openings. Many items we had requested were not included at all. (S)

The recent Japanese actions on non-tariff barriers launches several initiatives which bear significant fruit in the months ahead but offer no immediate results. No U.S. industry will be pleased. Since the future results are unclear, these initiatives are unlikely to defuse the explosive political climate in the U.S. (S)

Publicly, we can commend the Japanese for undertaking some politically sensitive initiatives but indicate that the benefits will have to be evaluated in the months ahead as the specific changes are made. Again, the Japanese have moved in the right direction, but much more remains to be done. We must redouble our efforts in the months ahead. (S)

Future Agenda

The U.S. should seek some carefully worded commitments and a time schedule to deal with the major unfulfilled elements of the trade and defense issues. (S)

Prime Minister Nakasone should commit to a concrete negotiating process to transform verbal commitments into visible and tangible progress in both near and long term market liberalization. Just as Nakasone has committed his chief Cabinet Secretary to manage the review of import procedures and standards, he might also demonstrate his personal commitment to a new beginning in achieving concrete market liberalization results over the next few months. This reinvigorated bilateral dialogue should address the problem areas identified to date as well as any new concerns arising in the future. (S)

With regard to the security relationship and the Japanese defense program:

- We should express our satisfaction with the Nakasone Government's reformulation of policy on defense technology transfers, and we should explore further the implementing procedures to facilitate the flow of information.
- We should stress how important Japanese defense is to us.
- We should press the Nakasone Government for a commitment to undertake the improvements necessary to implement the agreed "division of labor" within a reasonable period of time.

- We should make clear our desire for detailed information on JDA plans and programs and for regular consultations on force objectives and time schedule for attaining them. (S)

To achieve agreement on these issues, the U.S. would consider the following responses:

- Joint statement reflecting special U.S.-Japanese responsibilities and partnership in achieving world recovery and improved international trade and financial cooperation. It will also reference our close coordination in advancing a common approach to East-West economic relations in a security context.
- Strong reaffirmation of President's opposition to anti-Japanese domestic trade legislation.
- The President will also agree to meet Nakasone in Washington prior to the Williamsburg Economic Summit.
- The U.S. will express its understanding of the political risk the Prime Minister has taken to increase the defense budget by 6.5 percent for the coming year. However, the U.S. will agree with the Prime Minister that this is still far short of the required increases if Japan is to attain her long-term self-defense goals by the end of this decade.
- The U.S. will reaffirm its commitment to the U.S.-Japan alliance which is critical to peace and stability in the Asia-Pacific region and, indeed, the world. (S)

Summary

The positive outcome that we envision for this first meeting does not mean glossing over the serious and urgent bilateral challenges we must confront over the course of 1983-84. It means successfully establishing a realistic framework and timetable for achieving concrete steps toward resolving these pressing disputes, particularly in the trade area, that could have the most adverse domestic political consequences for the President and our bilateral relationship. As stated in NSDD-62 on U.S.-Japan relations, the Assistant to the President for National Security Affairs is directed to ensure effective coordination among the agencies in accomplishing our economic, political and military objectives while avoiding the perception of insensitive treatment toward Japan. To advance this process, we would request that each NSC member or designate be prepared to discuss any outstanding issues that have not already been coordinated in an interagency context similar

to those agencies involved with trade issues under the guidance of STR. It would also be helpful if any remaining issues or objectives be submitted in the form of a one page memorandum to the Assistant to the President for National Security Affairs at the conclusion of the meeting. (S)

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MEMORANDUM

System II
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NATIONAL SECURITY COUNCIL

January 13, 1983

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ACTION

NLR M325/2 #79449

MEMORANDUM FOR WILLIAM P. CLARK

BY JSML NARA DATE 9/26/13

FROM: ROGER ROBINSON/GASTON SIGUR/DOUG MCMINN/HENRY NAU

SUBJECT: NSC Meeting on Friday, January 14, 1983

Attached (Tab II) is the paper for distribution to NSC members in preparation for tomorrow's meeting. Also attached (Tab I) is the memo for the President which draws from the introduction of that paper and includes reference to a possible Presidential visit and our recommendation that you and Secretary Shultz meet privately with the Prime Minister Tuesday afternoon. Talking points for the President for tomorrow's NSC meeting appear at Tab A. His last point will emphasize the critical need for strict adherence to common press themes and guidance to advance our "one voice" imperative. Relevant staff members are presently drafting a joint communique which will eventually be coordinated with State. You will note that an attempt was made in the Summary of the paper at Tab II to tie up any remaining "loose ends" among the agencies with the requirement that one page memos be submitted to the Judge at the conclusion of the meeting. This is not required for those agencies working on the trade issues due to their already having coordinated their objectives in an interagency cable. This will assist us in the process of structuring an NSDD of "marching orders" on Friday afternoon. The sooner the press guidance is tasked, the better, so that it can be disseminated sufficiently early.

Your talking points for the NSC meeting are at Tab III.

RECOMMENDATION:

That you sign the memorandum to the President at Tab I.

Approve ✓ Disapprove

That you authorize Mike Wheeler to sign the memo to the agencies (Tab II) forwarding the paper for tomorrow's meeting.

Approve ✓ Disapprove

Attachments

- Tab I Memo to President
- Tab A Talking Points for the President
- Tab II Paper for Agencies
- Tab III Talking Points for Clark

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