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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

Withdrawer

SMF 1/9/2009

File Folder PRESIDENT REAGAN MEMORANDUMS OF
CONVERSATION (7) [MARCH 20-30, 1981]

FOIA

F2002-072/1

Box Number 48

COLLINS

10

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
60755	MEMCON	SUMMARY OF RR MEETING WITH FORMER PM FUKUDA <i>R 6/22/2015 M371/</i>	4	3/20/1981	B1
60756	MEMCON	SUMMARY OF RR MEETING WITH JAPANESE FM MASAYOSHI ITO <i>R 6/22/2015 M371/</i>	4	3/24/1981	B1
60757	MEMO	DON GREGG TO ALLEN RE ITO VISIT <i>R 6/22/2015 M371/</i>	1	3/24/1981	B1
60758	MEMO	HAIG TO THE PRESIDENT RE AUTOMOBILE IMPORTS <i>R 6/22/2015 M371/</i>	2	3/23/1981	B1
60759	MEMO	ALLEN TO THE PRESIDENT RE MEETING WITH FM ITO <i>R 6/22/2015 M371/</i>	1	3/21/1981	B1
60760	MEMO	HAIG TO THE PRESIDENT RE MEETING WITH ITO <i>R 4/9/2018 M371/1</i>	2	3/19/1981	B1
60761	BIO	BIO <i>PAR 8/30/2012 M371/1</i>	1	7/18/1980	B1 B3
60762	MEMO	GREGG TO ALLEN RE UPCOMING MEETING WITH FM ITO <i>R 6/22/2015 M371/</i>	1	3/20/1981	B1

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]

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WITHDRAWAL SHEET

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Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

Withdrawer

SMF 1/9/2009

File Folder PRESIDENT REAGAN MEMORANDUMS OF
CONVERSATION (7) [MARCH 20-30, 1981]

FOIA

F2002-072/1

Box Number 48

COLLINS

10

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
60763	MEMO	DUPLICATE OF 60760 <i>R 4/9/2018 M371/1</i>	2	3/19/1981	B1
60764	MEMCON	SUMMARY OF RR MEETING WITH JAPANESE FM ITO <i>R 6/22/2015 M371/</i>	4	3/24/1981	B1
60765	MEMCON	RR TELEPHONE CONVERSATION WITH CHANCELLOR HELMUT SCHMIDT OF THE FEDERAL REPUBLIC OF GERMANY <i>R 6/22/2015 M371/</i>	5	3/30/1981	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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NSC/S PROFILE

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ID 8100710

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

RECEIVED 16 MAR 81 16

TO PRES

FROM HAIG, A *sent 1/9/89*

DOCDATE 16 MAR 81

GREGG

24 MAR 81

KEYWORDS: JAPAN

AP

FUKUDA, TAKEO

SUBJECT: TALKER FOR PRES MTG 19 MAR W/ FUKUDA & MEMCON OF 20 MAR MTG

ACTION: PREPARE MEMO FOR ALLEN

DUE: 26 MAR 81 STATUS X

FILES BY *PA*

FOR ACTION

FOR COMMENT

FOR INFO

GREGG

LILLEY

COLSON

COMMENTS

REF# 8108033

LOG 8100284

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NSCIFID

(L / B) *B*

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

(see #0485 for action & file)

<i>Allen</i>	<i>X 3/24</i>	<i>Fwd. to Pres Info</i>	<i>3/26</i>	<i>CT, JL, ID</i>
<i>Pres</i>	<i>IP 3/31</i>	<i>for info</i>		<i>VP/EM/IB</i>
	<i>C 4/16</i>	<i>noted by Pres</i>		<i>DG/CT</i>

DISPATCH

W/ATTCH

FILE *Pa*

(C) *MB*

~~SECRET~~

#0710

60755

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

2

MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with Former Prime Minister Fukuda

PARTICIPANTS: President Ronald Reagan
Vice President George Bush
Secretary of State Alexander Haig
Assistant to the President for National Security Affairs Richard Allen
Assistant Secretary of State for East Asian Affairs-designate John Holdridge
NSC Staff Member Donald Gregg (Notetaker)
Cornelius Iida (Interpreter)

Former Prime Minister Takeo Fukuda
Ambassador Yoshio Okawara
Minister Hisashi Owada
First Secretary Sadaaki Numata (Interpreter)

DATE, TIME March 20, 1981
AND PLACE: 11:10 - 11:40 A.M., Oval Office

President Reagan asked Former Prime Minister Fukuda if he was having a constructive visit to Washington.

Mr. Fukuda replied that this was his first visit in three years, and that he was glad to see many old friends. He added that he had met with the Vice President and with Secretary of State Haig twice. Mr. Fukuda said that he had stressed to both men his view that the world is in a dangerous state that could threaten the 36 years of peace that have been enjoyed by Japan, the US and the Free World since the end of World War II. In this difficult period, Mr. Fukuda said, he looked with anticipation for strong American leadership.

President Reagan responded and said that he shared Mr. Fukuda's view of the dangerous world situation. The President added that the US had not done as well as it should have in terms of exerting leadership, and that he was determined to do better. The President said the US will search for peace, but it will have to be peace through strength.

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ORIGINAL CL BY Richard V. Allen
☐ DECL ☒ REVW ON March 24, 2011

EXT BYND 6 YEARS BY Richard V. Allen
REASON NSC 1.13(a)

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DECLASSIFIED

NLRR M3711/1 #60755

BY RW NARA DATE 6/22/15

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Mr. Fukuda nodded his agreement to the President's statement, and said that he had been struck by what the President had said in his message to Congress. In that message, the President had drawn a parallel between the current situation and that prevailing in the 1930 era. Mr. Fukuda said that he had been impressed by that parallel. He said that in the 1930 era, political problems had not been handled well, and that World War II had resulted. Mr. Fukuda said that Japan was determined to see that another war did not occur, and that he fully agreed that peace can best be sought through strength. Mr. Fukuda added that the US plays the central role in seeking peace, and that the West must rally around America. Mr. Fukuda said he felt that the West may have been lacking in its efforts to build consensus as to what the world situation means, and what should be done about it. Mr. Fukuda concluded his statement by saying that a strategy is needed, and that he looked forward to what a strong Reagan Administration could do to build consensus in the West.

President Reagan replied that the US was determined to do just this, and that we would increase our efforts to produce a stronger and more durable Western alliance. Referring more directly to Japan, the President said that we do not want the Japanese to violate their own Constitution, but that we hope that they can do more to respond to the Soviet threat. The President noted that we are moving to increase our naval strength, that we want to work closely with our allies in formulating our plans, and that we also must restore our economic strength at home.

Mr. Fukuda replied that he earnestly hoped that US plans to restore the American economy would be successful. He said that the plans were very comprehensive, and that he could compare them with President Roosevelt's "New Deal."

Turning to Summit Meetings held among leading Western nations, Mr. Fukuda said that he had attended two of the six Summits held so far. He noted that the Summits had been largely oriented toward economic issues, perhaps because the first Summit had been called in response to the "oil shock" of 1973. Mr. Fukuda said that he believed that Summits could do more than talk about import allocations. He said that he hoped that the agendas for future Summits could include political issues, such as East-West relations, how to maintain peace, and the building of consensus among Western allies. Mr. Fukuda noted that he had mentioned this hope to Vice President Bush when they met in Tokyo in August of 1980.

The President said he agreed with Mr. Fukuda's suggestion.

Turning to the subject of automobile imports from Japan, the President said he was a strong believer in free trade, but that the US auto industry was in a desperate plight. The President noted

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that within Congress there is growing support for protectionist legislation, setting import quotas. The President said that it would be very difficult for him if such legislation were to be passed by Congress. Noting Prime Minister Suzuki's upcoming visit, the President asked Mr. Fukuda if he had any ideas as to how such a situation could be headed off.

Mr. Fukuda replied that it was clear that protectionism is the enemy of peace. Mr. Fukuda recalled that tariffs used in the 1930s had caused a drastic economic decline, both in global trade and gross national product. Mr. Fukuda acknowledged the difficulty of the situation depicted by the President, and said he believed that there were voluntary steps that could be taken to keep the US and Japan from being "blocked in" by protectionism. Mr. Fukuda said that Japan is well aware of the difficulties in which the US automobile industry finds itself, and that an American Task Force is now studying the problem. Mr. Fukuda said he hoped that the report submitted by the Task Force would have constructive suggestions for restoring the health of the American automobile industry. He said that Japan would study the report carefully and that the Japanese response would be taken in full consideration of the saying that "a friend in need is a friend indeed." Mr. Fukuda noted the upcoming visits of Foreign Minister Ito and Prime Minister Suzuki, and said that he hoped that Ito and Secretary Haig could have a full discussion of the problem.

The President said that he appreciated Mr. Fukuda's point of view. He reiterated that he was faced by possible acts of Congress that would be extremely difficult to deal with. The President noted that the automobile industry is so basic to the US economy that its collapse could bring on a depression like that of 1931. The President noted that the US is eliminating regulations that have hampered the US automobile industry, but that these will take time to take effect.

Richard Allen noted that with regard to the agenda of upcoming Summit meetings, Secretary Haig had instructed his staff to negotiate a wider range of topics for discussion, to include East-West issues and specific political problems.

The President noted that the combined strength of the leading Free Nations of the world is far greater than that of our adversaries.

Mr. Fukuda responded enthusiastically, "take leadership." (Meaning exert leadership.)

Turning to the subject of Korea, Mr. Fukuda said that he was expressing the appreciation of both Koreans and Japanese when he thanked the President for holding a successful meeting with President Chun of South Korea. As a result of the meeting, Mr. Fukuda noted, the situation within South Korea has undergone marked change, with calm and optimism now the predominant feelings. Mr. Fukuda noted that within Japan as well, those issues relating to Korea are being dealt with more easily.

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The President expressed his pleasure at hearing this report, and the meeting ended.

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MEMORANDUM

The President has seen 6

THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED
SECRET Attachment

March 31, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *Ris*

SUBJECT: Your Meeting with Former Prime Minister Fukuda

Attached is a memorandum of conversation of your meeting with
Former Japanese Prime Minister Fukuda held on March 20, 1981.

cc: The Vice-President
Ed Meese
Jim Baker

UNCLASSIFIED
SECRET Attachment

RECEIVED

81 MAR 25 A 9: 10

JANET COLSON

JP 25/937

BUD NANCE

JP 25/1510

DICK ALLEN

WV 29/1417

IRENE DERUS

WV 30/6841

JANET COLSON

JP 30/0930 @C

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for
state
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KAY

CY TO VP

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CY TO MEESE

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SHOW CC

MEMORANDUM

NATIONAL SECURITY COUNCIL

UNCLASSIFIED
SECRET Attachment

March 24, 1981

8

ACTION

MEMORANDUM FOR: RICHARD V. ALLEN
FROM: DONALD GREGG dg
SUBJECT: The President's Meeting with Fukuda

Attached is a memorandum of conversation covering the President's meeting with Fukuda on March 20, 1981. I recommend that it be forwarded to the President for his review.

UNCLASSIFIED
SECRET Attachment

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURES

RECEIVED 20 MAR 81 07

TO PRES

FROM HAIG, A

DOCDATE 19 MAR 81

URGENT

KEYWORDS: JAPAN

AP

ITO, MASAYOSHI

ECONOMICS

MIDDLE EAST

ARAFAT

MILITARY POSTURE

SUBJECT: TALKERS FOR PRES MTG W/ FORN MINISTER ITO OF JAPAN ON MAR 24

ACTION: PREPARE MEMO FOR PRES

DUE: 20 MAR 81 STATUS S FILES

FOR ACTION

FOR COMMENT

FOR INFO

GREGG

LILLEY

SCHWEITZER ✓

TYSON

DEAL ✓

KEMP

COLSON FOR RA

KIMMITT

✓ - concur 3/20/81

COMMENTS ** CABINET LEVEL CORRESPONDENCE - PLEASE NOTE 3 HOUR

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REF# 8108278

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ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

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DISPATCH

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#1404

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

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60756

MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with
Japanese Foreign Minister Masayoshi Ito

PARTICIPANTS: President Ronald Reagan
Vice President George Bush
Secretary of State Alexander Haig
Counsellor Edwin Meese
Chief of Staff James Baker (Partial)
Deputy Chief of Staff Michael Deaver (Partial)
Assistant to the President for National Security
Affairs Richard Allen
Assistant to the President and Press
Secretary James Brady (Partial)
Assistant Secretary of State for East
Asian Affairs-designate John Holdridge
NSC Staff Member Donald Gregg (Notetaker)
State Department Officer Cornelius Iida (Interpreter)

Foreign Minister Masayoshi Ito
Deputy Minister for Foreign Affairs Yasue Katori
Ambassador Yoshio Okawara
First Secretary Sadaaki Numata (Interpreter)

DATE, TIME March 24, 1981
AND PLACE 11:45 A.M. - 12:15 P.M., Oval Office

Foreign Minister Ito said that he had had a very good series of meetings, and that he was looking forward to attending the Prime Minister's meeting with the President. (U)

The President welcomed Ito, said he looked forward to the May meeting with Suzuki, and added that he was happy with US-Japanese relations and looked forward to their continuation. (U)

Foreign Minister Ito said he would pass along the President's greeting to Prime Minister Suzuki. Ito commented that he had hoped to come to Washington at an earlier date, but that budget considerations had prevented his coming. Ito said that his main

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ORIGINAL CL BY Richard V. Allen
☐ DECL ☒ REVW ON March 25, 2011

EXT BYND 6 YEARS BY Richard V. Allen
REASON NSC 1.13(a)

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DECLASSIFIED

NLRRM37111 #60756
BY RW NARA DATE 6/22/05

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purpose in visiting Washington had been to strengthen the mutual trust existing between the two countries. He said that he is more convinced than ever that this mutual trust can be strengthened by the joint efforts of both countries. Ito added that the US relationship is the basis of Japanese foreign policy. (U)

The President said that he was delighted to hear Mr. Ito's views, and that the United States feels the same way about the Japanese relationship. The President said that there are many ways in which we can cooperate, and that he would like to mention one in particular. The President said that the US is pledged to help Jamaica, which has just had an important election in which an overwhelming vote returned political power to moderate leaders. The President added that Jamaica faces many problems in the economic sphere, and that anything Japan could do to help would be highly appreciated. (S)

Foreign Minister Ito responded that Japan had already decided to send \$10M as part of a World Bank effort to help Jamaica. The President replied that he was very pleased that the Japanese had moved so quickly. (S)

Foreign Minister Ito said that extending aid to Jamaica was just one example of the extensive efforts Japan is making to help other countries by giving economic aid. He added that the Japanese Diet is sensitive to such matters, and does not like to approve actions which appear to have been taken at the direct request of the US. Mr. Ito added that it was important for Japan to be able to say that such efforts were undertaken in their own interests. Turning to the situation in the United States, Mr. Ito said that he was well impressed by the economic goals, and plans for revitalization that have been drawn up by the Reagan Administration. He said that America's efforts to regain its economic strength were appreciated by Japan as the difficult period of the 1980s is faced. He said that Japan wants to fulfill its role as a member of the Western World, and to this end hoped that the US and Japan would keep in close touch on matters of concern, so that consultation and cooperation could be maintained fully. (S)

The President said that he was aware that Mr. Ito had held several meetings with US officials, and that he assumed that the automobile import question had arisen. The President said that he wanted to raise the issue personally, since it was so central to all of the matters being discussed with the Japanese. The President said that he had held two meetings earlier that day with members of the Senate, where there is legislation being developed that would impose quotas on automobile imports from Japan. The President said that he was not in favor of protectionism, and that he wanted to avoid having to deal with such legislation. He said that he hoped a solution to the automobile

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import question could be reached before Prime Minister Suzuki's visit. The President said that he was trying to keep the Senators from formally proposing restrictive legislation. He added that such legislation would be very hard to veto from a political point of view, and that in all likelihood, a veto would not be sustained. The President said that he looked with interest to what voluntary measures the Japanese could adopt to limit their imports, adding that he hoped that voluntary measures could be taken to solve the automobile import question, rather than having to face legislation from Congress that would impinge on the free trade principle. He asked Mr. Ito what his views were on this question, and what might be the answer to the problem. (S)

Foreign Minister Ito responded by saying that he appreciated the President's frankness in speaking of the automobile issue. He said that the Japanese would draw heavily on the President's thoughts as they try to work a way out of the problem. Mr. Ito then said that he had discussed the problem with Secretary Haig, and that the Vice President had also touched on the matter. He said that before he had left Tokyo on March 21, he had received a message from Secretary Haig, via Ambassador Mansfield, that contained specific proposals which could give substance to a solution. Mr. Ito admitted that the automobile issue causes controversy in the Japanese Diet. He said that Japan abides by the free trade principle, that they have made high quality, fuel-efficient cars, and that they believe they should not be penalized for this. Nevertheless, Mr. Ito said that Japan recognizes the difficult situation in which the US automobile industry finds itself. It also recognizes the views of Congress, and the importance of upholding free trade. Mr. Ito emphasized that all of these issues had been covered fully in his meetings with Secretary Haig. Mr. Ito said that Japan will consider doing something voluntary to help solve the problem. He said that the specifics of import levels, and methods to be used in implementing the voluntary methods would need to be worked out in Japan, so that he would not be able immediately to respond to the President's question. Mr. Ito said that he had suggested to Secretary Haig that an American delegation go to Tokyo to discuss the specific measures to be taken. (S)

The President said that he would be pleased to accept this arrangement. He noted that the US was doing all it could to help its own industry, because the failure of the automobile industry could by itself cause a depression. He reiterated that voluntary and temporary measures by Japan would be the best way to solve the problem. (S)

Foreign Minister Ito said that he hoped to see the report of the US Task Force in the near future, and that when the US delegation goes to Tokyo, he wanted to learn more of what the US is doing to help its own cause. He said that knowledge of such measures would help persuade the Japanese people of the need for Japan to take additional

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voluntary measures themselves. Mr. Ito noted that the discussion on the automobile problem would cause a great controversy in the press, when it becomes public. He added, however, that Japan does believe in free trade, and that the matter should be solved before Mr. Zuzuki's visit. (S)

Secretary Haig stated that his meetings with Mr. Ito had been extremely constructive and cordial. He said that the meeting with the President had been "the frosting on the cake." (U)

The President said that when the press is faced, both sides should say that a number of issues had been discussed, and that both countries are determined to keep relations on their present high level. (S)

In a short general discussion, it was agreed that specifics would be avoided in speaking of the automobile issue by noting that talks will continue on this and other issues. (S)

The President ended the meeting by saying that both countries support free trade, and that they keep actions voluntary, the principle of free trade will be supported. (S)

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MEMORANDUM

#1404 Add-on

091

14

NATIONAL SECURITY COUNCIL

UNCLASSIFIED
SECRET Attachment

March 25, 1981

ACTION

MEMORANDUM FOR RICHARD V. ALLEN

FROM: DONALD GREGG *Dg*
SUBJECT: The President's Meeting with Ito

Attached is a memorandum of conversation covering the President's meeting with Ito on March 24, 1981. I recommend that it be forwarded to the President for his review.

UNCLASSIFIED
SECRET Attachment

~~SECRET~~

24 March 1981

MEMORANDUM

NATIONAL SECURITY COUNCIL

NEEDS CHU HAN

15

60757

TO: Richard Allen

FROM: Don Gregg *DG*

SUBJECT: The Ito Visit

I have some feed-back on the meetings at State between Ito and Secretary Haig. The following points emerge:

- there was minimal discussion on defense. Ito was guarded, and the US was largely reactive
- Latin America was not mentioned at all, even though Japan has come up with \$10M in aid for Jamaica, and has made very helpful public statements on El Salvador
- the auto issue seems to be on the tracks. Haig sent a memo to the President last evening, saying that an American mission would be sent to Japan shortly to discuss measures to be taken.

RECOMMENDATIONS

- We should be a bit more forthcoming on the security issue, stressing the joint planning now under way that will spell out more specifically what we hope Japan will do.
- Thank Japan for what it has done in Latin America
 - aid to Jamaica- a vital test case
 - supportive statements on El Salvador
- Express our determination to make the US automobile industry truly competitive, so that restraints adopted by the Japanese can be temporary, not permanent.
- Express our interest in sending a delegation to Japan to discuss specific measures to be taken in the immediate future to give our auto industry some running room.

DECLASSIFIED

NLRR M3711 #60757

BY *RW* NARA DATE *6/20/15*

THE SECRETARY OF STATE
WASHINGTON~~SECRET~~

March 23, 1981

16

60758

MEMORANDUM FOR: THE PRESIDENT

From : Alexander M. Haig, Jr. *AMH*

Subject : Automobile Imports -- Your Meeting
with Foreign Minister Ito, Tuesday,
March 24 at 11:30 a.m.

Background

My meeting with Foreign Minister Ito included an extensive discussion of the automobile problem. We discussed the possibility that the Japanese might limit voluntarily their shipments of automobiles to the U.S. while the U.S. auto industry endures a difficult adjustment period. Ito was forthcoming and we have reached agreement on the procedures for the consultations between our two governments. The Foreign Minister wants a quick, amicable and voluntary solution that can be concluded before Prime Minister Suzuki departs for Washington on May 4.

Ito tried to outline Japan's difficulties including the same internal bureaucratic problems familiar to every other democratic government. We think it is useful to work closely with him and his Ministry in solving the automobile import problem. He will be more forthcoming than Trade Minister Tanaka, who will also be involved in Japan's decision.

Suggested Talking Points

To ease his problem at home Ito clearly needs a strong statement from you on the seriousness and urgency of this problem. You may wish to make the following points:

1. We are faced with a serious problem of adjustment in a major U.S. industry. I appreciate that Japanese competition is not the basic cause of the U.S. industry's difficulties. I am pleased at the progress that was made in your conversations with the Secretary of State. It is important that Japan consider and undertake voluntary measures to limit its exports to the United States. My administration is committed to a free trade, but we have a very special problem with a very important industry. The problem is transitional, however, and Japan's voluntary efforts to limit exports would be a constructive contribution to the solution of the problem.

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DECLASSIFIED

NLRR M311/1 #60758
BY *RW* NARA DATE 6/22/15

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-2-

2. We are planning to adopt certain measures that will assist the U.S. automobile industry in its readjustment phase. We recognize that it is the responsibility of the industry to adjust by itself; nonetheless the USG must also do certain things within the framework of a free enterprise system. Above all, we need to recognize that the success of our economic recovery program will benefit both domestic and Japanese manufacturers. (The Japanese Government needs such an assurance in order to be able to sell its voluntary program to its industry and the Diet.)

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3. We need to proceed quickly to complete the discussions between our two governments. I have asked Secretary Haig to take the lead responsibility in this matter in cooperation with the U.S. Trade Representative. We are prepared to appoint a delegation to go to Tokyo in a very short time to begin the discussions with representatives of the Government of Japan. (The Japanese wish to announce the fact of a U.S. delegation following your meeting with Ito.)

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~~CONFIDENTIAL~~

#1404

The President has seen _____

MEMORANDUM

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

March 21, 1981

18

60759

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *mil*
SUBJECT: Your Meeting with Foreign Minister Ito

Your excellent meeting with Mr. Fukuda on Friday has helped set the stage for useful contact with Foreign Minister Ito. Fukuda intended to establish in our minds the fact that Japan recognizes the current state of the world for what it is, that they welcome your strong leadership, that they will be increasingly supportive on defense matters, and helpful in economic problems. Fukuda's focus was not on specific bilateral issues, and this accounts for his rather general answer ("A friend in need is a friend indeed") when the automobile issue inevitably arose.

Ito is prepared to talk on bilateral matters, and will have done so by the time he meets with you. He should be left in no doubt that the most immediate problem is automobile imports from Japan, and the resulting need to turn the rising tide of protectionist sentiment in Congress by establishing a program of voluntary restraint on Japan's part that will be helpful enough to defuse the issue. Ito will not be able to announce such a program himself, but he should carry away with him a clear view of what needs to be done.

As in the case of the Fukuda visit, I would suggest that Ito be given the chance to speak first on what he has learned during his visit. You will then have the opportunity to stress any particular point you wish.

The attached State briefing paper covers the ground succinctly and well. I would suggest that the matter of the Arafat visit be left for others to handle. If Ito raises it (highly unlikely), a negative response would be in order.

Attachment:

State Briefing Paper
cc: The Vice-President
Ed Meese
James Baker

~~CONFIDENTIAL~~
Review: March 1987

~~CONFIDENTIAL~~

DECLASSIFIED

NLRR M37111 #60759

BY RW NARA DATE 6/22/15

THE SECRETARY OF STATE
WASHINGTON

March 19, 1981

MEMORANDUM FOR: THE PRESIDENT

FROM: Alexander M. Haig Jr.

SUBJECT: Meeting with Masayoshi Ito,
Foreign Minister of Japan,
Tuesday, March 24

I. SETTING

Ito's visit to Washington will herald a visit by Prime Minister Suzuki, May 7-8. His purpose is to meet the key figures in your Administration, and to sound out U.S. intentions on major multilateral and bilateral issues. Ito himself is a strong personality and an intimate of the Prime Minister.

Our relations with Japan are in good working order and Japan is politically stable and economically healthy. Tokyo has provided strong diplomatic support on Iran and Afghanistan, is expanding its aid and directing it toward countries of strategic consequence. It has acknowledged its need to do more on defense, and consulted closely with us and other industrial democracies on international political and security issues (e.g. Poland).

II OBJECTIVES

-- To reassure Japan of our interest to consult closely on international political and security issues; signal the need for all of our allies to improve their security; urge the Japanese to handle the auto issue with sensitivity to political pressures in the U.S.; and discourage an Arafat visit to Japan.

III. ISSUES (In Priority Order)

I. Basic Relationship

We are very pleased with our present relationship: Japan's political, economic, and security importance to our interests is undeniable. We intend to advance them further through full and frank consultations.

~~SECRET~~
RDS-1 3/13/87

DECLASSIFIED

NLRR M37111 # 60760
BY RW NARA DATE 4/9/88

~~SECRET~~

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-2-

2. Security Burden Sharing

Ito will already have discussed here our views that security ought to be considered in a broad framework, entailing defense, political initiatives, and the strategic application of foreign assistance. On defense, Japan recognizes the need to upgrade its forces for self-defense purposes but has been slowed down by a tight budget situation. Japan is already contributing about 40% to the support of US Forces in Japan, but we are urging it to do even more. We also seek greater coordination in dividing up our defense missions and roles in the immediate vicinity of Japan. Diplomatically, Japan continues to be very supportive of our policies vis a vis the Soviet Union and Third World; the clear exception is dealings with the PLO (See below). On aid, we are also seeking greater emphasis by Japan on aid-giving to strategically sensitive countries.

3. Automobiles

The Administration has agreed that voluntary restraints by Japan would be helpful in ameliorating the plight of the U.S. auto industry. Additionally, Japan can demonstrate its sensitivity to the political pressures on this and other trade issues by greater investment in U.S. auto facilities, increased purchase of auto parts, and liberalization of its import policies generally. Japan's record on investment and purchases is not very good compared to the benefits it has reaped in our free market. You have asked me to handle this sensitive and important matter with the Minister.

4. Arafat Visit

Yassir Arafat of the PLO has accepted "in principle" a two year-old invitation extended by some Japanese parliamentarians to visit Japan, and may realize the trip sometime this year. If he does, Prime Minister Suzuki is committed to meet with Arafat. The Japanese Government, which first believed that the visit would enhance its image with Arab oil producers, may now be having second thoughts owing to our opposition. We believe that a reception of Arafat by Suzuki would be read as de facto recognition of the PLO achieved without any change in its objections to the principles of recognition of Israel as a state and to a peaceful settlement in the Middle East.

~~SECRET~~

60761

Sec. 3.3(b)(1)(6)
F.O. 12708
135210

Masayoshi ITO
(Phonetic: eetoh)

JAPAN

20

Minister of Foreign Affairs (since 17 July 1980)

Addressed as:
Mr. Minister



Masayoshi Ito, who was one of Prime Minister Masayoshi Ohira's closest and most trusted advisers, was named Acting Prime Minister on Ohira's death on 12 June 1980 and held that post until the Diet elected Zenko Suzuki to succeed Ohira on 17 July.

[REDACTED] As Chief Cabinet Secretary under Ohira, he played a key role in ensuring Japanese support for US moves on Iran and Afghanistan, and he apparently [REDACTED] to follow through on all aspects of Ohira's foreign policy line. Ito filled in as Acting Foreign Minister on several occasions, [REDACTED]

Ito graduated from the Law Faculty of Tokyo Imperial University in 1936 and entered the Ministry of Agriculture and Forestry, where he rose to the top post of vice minister. He resigned in 1963 to run for the Diet, and in June 1980 he was elected to his sixth term in the lower house. Ito was a vice chairman of the LDP Policy Affairs Research Council during 1976-77 and chairman of the party's Finance Committee in 1979. He was named Chief Cabinet Secretary in November 1979.

[REDACTED] Married,
[REDACTED] he has no children.

CR M 80-13598
18 July 1980

DECLASSIFIED IN PART
NLRR M10-371 #60761
BY RW NARA DATE 8/30/12



**International
Communication
Agency**

United States of America
Washington, D.C. 20547

Office of the Director

March 20, 1981

MEMORANDUM FOR: Dr. Allen J. Lenz
Staff Secretary
National Security Council

FROM: Pamela H. Smith *PHS*
Special Assistant
Office of the Director

SUBJECT: Japanese Views on Defense and Trade Issues

The attached U.S. International Communication Agency Office of Research briefing paper was prepared for the March 21 visit of Japanese Foreign Minister Masayoshi Ito. It contains highlights on defense and trade issues from Japanese public opinion polls this year as well as findings from a summer 1980 study of Japanese elites influential in defense affairs.

March 12, 1981

22

JAPANESE STILL CAUTIOUS ON DEFENSE INCREASES BUT
SUPPORT MEASURES TO ALLEVIATE AUTO PROBLEM

Japanese Public Remains Reluctant to Boost Japan's Defenses

Public sentiment in favor of strengthened Japanese defenses has risen slightly over the past two years, but predominant opinion remains opposed to major spending increases.

--Last September, 25 percent felt that Japan's defense spending "should be increased a little more," but half (49%) favored maintaining present levels of expenditure. Only 5 percent would "greatly increase" defense spending, while one in seven (14%) would actually reduce the defense budget.

--This January, about half (53%) opposed the government's policy of increasing defense expenditures "by a relatively large amount" (compared to other budget items) in the fiscal 1981 Budget; 31 percent supported this increase.

--A plurality (45%) thought that Japan should reject the U.S. request to strengthen its defense capability. Only one in ten (9%) felt that Japan should "accept" this request, while one-third (33%) thought that "accepting the U.S. request to some extent is inevitable." [Emphasis added]

Survey findings from this January and February also showed majorities (71%-75%) opposing revision of Article 9 of the Constitution in order to make possible "full-fledged" armed forces, Japan's export of weapons or weapon parts, and conscription for Japan's Self-Defense Forces.

Japanese "Defense Influentials" Favor Only Modest Defense Increases

A summer 1980 in-depth study of Japanese elites influential in Japan's defense affairs showed that:

--Most doubted the credibility of the U.S. defense commitment to Japan, questioning not American intent but ability to come to Japan's aid in a military crisis.

--Nevertheless, a majority favored only a modest defense buildup.

--Even most of those who favored defense increases saw them mainly as a means of pacifying the U.S. and smoothing relations between the U.S. and Japan.

--Most perceived the Soviet threat to Japan as psychological or political (e.g., "Finlandization") rather than military.

Public Support for Measures to Alleviate the Auto Problem

--Last June, the public agreed by a wide margin (53%-11%) that "in dealing with America on trade, our concern should be our own economic interest" as opposed to "maintaining American goodwill," and rejected (39%-16%) the idea that "Japan should limit exports to America as much as American leaders ask us to."

--Nevertheless, in September 1980, about half of the Japanese public supported measures to alleviate the auto dispute with the U.S.: 17 percent thought that Japanese automakers should reduce exports of cars to the U.S., and 32 percent thought they should build plants in the U.S. One in four opposed any controls on Japanese auto exports.

Public Perceptions of the U.S. and U.S.-Japan Relations are Favorable Overall

Problems over defense spending and auto exports do not appear to have significantly affected overall favorable perceptions of the U.S. and the U.S.-Japanese relationship.

--Last September, half of the Japanese public perceived good relations with the U.S. Only one in ten saw relations as "poor."

--Also, the U.S. received the highest rating among 30 nations as an "especially trustworthy" country.

--Monthly press polls show that U.S. standing in Japanese public opinion is at its highest level since the mid-1960's, after reaching a record low in 1974. In 1980 and the first two months of this year the U.S. stood first as the nation "most liked" in the world.

MEMORANDUM

~~SECRET~~#1026 and
#1404

60762

NATIONAL SECURITY COUNCIL

~~SECRET~~

March 20, 1981

24

ACTION

MEMORANDUM FOR: RICHARD V. ALLEN

FROM: DONALD GREGG *DG*

SUBJECT: The Upcoming Meetings with Foreign
Minister Ito, with the Fukuda Visit
as Background

BACKGROUND The Fukuda Visit

Both White House meetings with Fukuda went well, and were largely duplicative. With Mr. Bush, Fukuda stressed the centrality of the oil question, and the need to develop alternative energy sources. His preferred option is nuclear energy, with nuclear fission lying ahead perhaps thirty years in the future. With the President, Fukuda's mentioning of the need to broaden Summit Meeting agendas was new, as was his positive reference to the Chun visit. Fukuda's central message was, that strong leadership from the U.S. is welcome, they want to support us on defense, and will act as a "friend in need" re the auto issue.

The Ito Visit

The automobile issue is crucial, in terms of short term volatility. The President clearly stated his wish to avoid any protectionist measures, but cited the clear danger of strong protectionist legislation arising in Congress. The stage is clearly set for the Japanese to announce voluntary measures to restrain imports. If the Task Force Report has been issued by the time of Ito's visit, it may be appropriate to discuss some specific Japanese measures. If the Task Force report is still being worked out, the need for Japan to respond may have to be expressed in less specific terms. We should not leave out the helpful impact of increased purchase by Japan of U.S. auto parts, or a decision by a major Japanese auto firm to announce plans to build a plant in the U.S.

RECOMMENDATION

Attached are talking points for use by the Vice President and President in their meetings with ITO, and short covering memoranda from you. I recommend that these be forwarded.

Attachments
As Stated

~~SECRET~~

Review: March 1987

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NLRR M371/1 # 60762

BY *RW* NARA DATE 6/22/15

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JANET COLSON

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

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KAY

CY TO VP

CY TO MEESE

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MEMORANDUM

NATIONAL SECURITY COUNCIL

UNCLASSIFIED
SECRET Attachment

March 20, 1981

MEMORANDUM FOR: RICHARD V. ALLEN
FROM: DONALD GREGG *Dg*
SUBJECT: The President's Meeting with Foreign
Minister Ito

I have just received (March 20) Haig's talkers for the President's use in meeting with Foreign Minister Ito on March 24.

I will do my comments on the Haig paper after the Fukuda meetings later today. I will have my staffing completed before I go home this evening, and the package sent to your office.

The Haig talker is attached for your information.

UNCLASSIFIED
SECRET Attachment

THE SECRETARY OF STATE
WASHINGTON

March 19, 1981

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FROM: Alexander M. Haig Jr.

SUBJECT: Meeting with Masayoshi Ito,
Foreign Minister of Japan,
Tuesday, March 24

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DECLASSIFIED

~~SECRET~~
RDS-1 3/13/87

NLRR M37111 #60763
BY fw NARA DATE 4/9/18

~~SECRET~~

-2-

30

2. Security Burden Sharing

Ito will already have discussed here our views that security ought to be considered in a broad framework, entailing defense, political initiatives, and the strategic application of foreign assistance. On defense, Japan recognizes the need to upgrade its forces for self-defense purposes but has been slowed down by a tight budget situation. Japan is already contributing about 40% to the support of US Forces in Japan, but we are urging it to do even more. We also seek greater coordination in dividing up our defense missions and roles in the immediate vicinity of Japan. Diplomatically, Japan continues to be very supportive of our policies vis a vis the Soviet Union and Third World; the clear exception is dealings with the PLO (See below). On aid, we are also seeking greater emphasis by Japan on aid-giving to strategically sensitive countries.

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Yassir Arafat of the PLO has accepted "in principle" a two year-old invitation extended by some Japanese parliamentarians to visit Japan, and may realize the trip sometime this year. If he does, Prime Minister Suzuki is committed to meet with Arafat. The Japanese Government, which first believed that the visit would enhance its image with Arab oil producers, may now be having second thoughts owing to our opposition. We believe that a reception of Arafat by Suzuki would be read as de facto recognition of the PLO achieved without any change in its objections to the principles of recognition of Israel as a state and to a peaceful settlement in the Middle East.

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

31

UNCLASSIFIED
SECRET Attachment

March 31, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *RA*
SUBJECT: Your Meeting with Foreign Minister Ito

Attached is a memorandum of conversation of your meeting with Japanese Foreign Minister Ito held on March 24, 1981.

cc: The Vice-President
Ed Meese
Jim Baker
Martin Anderson

UNCLASSIFIED
SECRET Attachment

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

UNCLASSIFIED
SECRET Attachment

March 31, 1981

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Ed Meese
Jim Baker
Martin Anderson

3/31/81 sent / gcp

UNCLASSIFIED
SECRET Attachment

#1404

3/31 to Dick Dorman
1715

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UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

RECEIVED 20 MAR 81 07

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TO PRES

FROM HAIG, A

Dmf 1/9/07

DOCDATE 19 MAR 81

GREGG

20 MAR 81

HAIG, A

23 MAR 81

KEYWORDS: JAPAN

AP

ITO, MASAYOSHI

ECONOMICS

MIDDLE EAST

ARAFAT, YASIR

MILITARY POSTURE

SUBJECT: TALKERS FOR PRES MTG W/ FORN MINISTER ITO OF JAPAN ON MAR 24
& MEMCON OF MTG

ACTION: PREPARE MEMO FOR PRES

DUE: 20 MAR 81 STATUS C

FILES PA

FOR ACTION

FOR COMMENT

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GREGG

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COMMENTS ** CABINET LEVEL CORRESPONDENCE - PLEASE NOTE 3 HOUR

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UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURES

RECEIVED 26 MAR 81 10

TO ALLEN

FROM GREGG

smf 1/9/09

DOCDATE 25 MAR 81

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KEYWORDS: JAPAN

ITO, MASAYOSHI

SUBJECT: MEMCON OF PRES MTG W/ ITO ON MAR 24

ACTION: FWD TO PRES FOR INFO

DUE: 27 MAR 81 STATUS X FILES

FOR ACTION

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#1404

THE WHITE HOUSE

WASHINGTON

60764

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~~SECRET~~

MEMORANDUM OF CONVERSATION

SUBJECT: Summary of the President's Meeting with Japanese Foreign Minister Masayoshi Ito

PARTICIPANTS: President Ronald Reagan
Vice President George Bush
Secretary of State Alexander Haig
Counsellor Edwin Meese
Chief of Staff James Baker (Partial)
Deputy Chief of Staff Michael Deaver (Partial)
Assistant to the President for National Security Affairs Richard Allen
Assistant to the President and Press Secretary James Brady (Partial)
Assistant Secretary of State for East Asian Affairs-designate John Holdridge
NSC Staff Member Donald Gregg (Notetaker)
State Department Officer Cornelius Iida (Interpreter)

Foreign Minister Masayoshi Ito
Deputy Minister for Foreign Affairs Yasue Katori
Ambassador Yoshio Okawara
First Secretary Sadaaki Numata (Interpreter)

DATE, TIME March 24, 1981
AND PLACE 11:45 A.M. - 12:15 P.M., Oval Office

Foreign Minister Ito said that he had had a very good series of meetings, and that he was looking forward to attending the Prime Minister's meeting with the President. (U)

The President welcomed Ito, said he looked forward to the May meeting with Suzuki, and added that he was happy with US-Japanese relations and looked forward to their continuation. (U)

Foreign Minister Ito said he would pass along the President's greeting to Prime Minister Suzuki. Ito commented that he had hoped to come to Washington at an earlier date, but that budget considerations had prevented his coming. Ito said that his main

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ORIGINAL CL BY Richard V. Allen
☐ DECL ☒ REVW ON March 25, 2011

EXT BYND 6 YEARS BY Richard V. Allen
REASON NSC 1.13(a)

DECLASSIFIED

NLRR M37111 # 60764

BY RW NARA DATE 6/22/15

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purpose in visiting Washington had been to strengthen the mutual trust existing between the two countries. He said that he is more convinced than ever that this mutual trust can be strengthened by the joint efforts of both countries. Ito added that the US relationship is the basis of Japanese foreign policy. (U) 36

The President said that he was delighted to hear Mr. Ito's views, and that the United States feels the same way about the Japanese relationship. The President said that there are many ways in which we can cooperate, and that he would like to mention one in particular. The President said that the US is pledged to help Jamaica, which has just had an important election in which an overwhelming vote returned political power to moderate leaders. The President added that Jamaica faces many problems in the economic sphere, and that anything Japan could do to help would be highly appreciated. (S)

Foreign Minister Ito responded that Japan had already decided to send \$10M as part of a World Bank effort to help Jamaica. The President replied that he was very pleased that the Japanese had moved so quickly. (S)

Foreign Minister Ito said that extending aid to Jamaica was just one example of the extensive efforts Japan is making to help other countries by giving economic aid. He added that the Japanese Diet is sensitive to such matters, and does not like to approve actions which appear to have been taken at the direct request of the US. Mr. Ito added that it was important for Japan to be able to say that such efforts were undertaken in their own interests. Turning to the situation in the United States, Mr. Ito said that he was well impressed by the economic goals, and plans for revitalization that have been drawn up by the Reagan Administration. He said that America's efforts to regain its economic strength were appreciated by Japan as the difficult period of the 1980s is faced. He said that Japan wants to fulfill its role as a member of the Western World, and to this end hoped that the US and Japan would keep in close touch on matters of concern, so that consultation and cooperation could be maintained fully. (S)

The President said that he was aware that Mr. Ito had held several meetings with US officials, and that he assumed that the automobile import question had arisen. The President said that he wanted to raise the issue personally, since it was so central to all of the matters being discussed with the Japanese. The President said that he had held two meetings earlier that day with members of the Senate, where there is legislation being developed that would impose quotas on automobile imports from Japan. The President said that he was not in favor of protectionism, and that he wanted to avoid having to deal with such legislation. He said that he hoped a solution to the automobile

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import question could be reached before Prime Minister Suzuki's visit. The President said that he was trying to keep the Senators from formally proposing restrictive legislation. He added that such legislation would be very hard to veto from a political point of view, and that in all likelihood, a veto would not be sustained. The President said that he looked with interest to what voluntary measures the Japanese could adopt to limit their imports, adding that he hoped that voluntary measures could be taken to solve the automobile import question, rather than having to face legislation from Congress that would impinge on the free trade principle. He asked Mr. Ito what his views were on this question, and what might be the answer to the problem. (S)

37

Foreign Minister Ito responded by saying that he appreciated the President's frankness in speaking of the automobile issue. He said that the Japanese would draw heavily on the President's thoughts as they try to work a way out of the problem. Mr. Ito then said that he had discussed the problem with Secretary Haig, and that the Vice President had also touched on the matter. He said that before he had left Tokyo on March 21, he had received a message from Secretary Haig, via Ambassador Mansfield, that contained specific proposals which could give substance to a solution. Mr. Ito admitted that the automobile issue causes controversy in the Japanese Diet. He said that Japan abides by the free trade principle, that they have made high quality, fuel-efficient cars, and that they believe they should not be penalized for this. Nevertheless, Mr. Ito said that Japan recognizes the difficult situation in which the US automobile industry finds itself. It also recognizes the views of Congress, and the importance of upholding free trade. Mr. Ito emphasized that all of these issues had been covered fully in his meetings with Secretary Haig. Mr. Ito said that Japan will consider doing something voluntary to help solve the problem. He said that the specifics of import levels, and methods to be used in implementing the voluntary methods would need to be worked out in Japan, so that he would not be able immediately to respond to the President's question. Mr. Ito said that he had suggested to Secretary Haig that an American delegation go to Tokyo to discuss the specific measures to be taken.

(S)

The President said that he would be pleased to accept this arrangement. He noted that the US was doing all it could to help its own industry, because the failure of the automobile industry could by itself cause a depression. He reiterated that voluntary and temporary measures by Japan would be the best way to solve the problem.

(S)

Foreign Minister Ito said that he hoped to see the report of the US Task Force in the near future, and that when the US delegation goes to Tokyo, he wanted to learn more of what the US is doing to help its own cause. He said that knowledge of such measures would help persuade the Japanese people of the need for Japan to take additional

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voluntary measures themselves. Mr. Ito noted that the discussion on the automobile problem would cause a great controversy in the press, when it becomes public. He added, however, that Japan does believe in free trade, and that the matter should be solved before Mr. Zuzuki's visit. (S)

Secretary Haig stated that his meetings with Mr. Ito had been extremely constructive and cordial. He said that the meeting with the President had been "the frosting on the cake." (U)

The President said that when the press is faced, both sides should say that a number of issues had been discussed, and that both countries are determined to keep relations on their present high level. (S)

In a short general discussion, it was agreed that specifics would be avoided in speaking of the automobile issue by noting that talks will continue on this and other issues. (S)

The President ended the meeting by saying that both countries support free trade, and that they keep actions voluntary, the principle of free trade will be supported. (S)

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MEMORANDUM

#1404 Add-on

#1552

agf

39

NATIONAL SECURITY COUNCIL

UNCLASSIFIED
SECRET Attachment

March 25, 1981

ACTION

MEMORANDUM FOR RICHARD V. ALLEN

FROM: DONALD GREGG *Dg*
SUBJECT: The President's Meeting with Ito

Attached is a memorandum of conversation covering the President's meeting with Ito on March 24, 1981. I recommend that it be forwarded to the President for his review.

UNCLASSIFIED
SECRET Attachment

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

UNCLASSIFIED
SECRET Attachment

March 31, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *RA*
SUBJECT: Your Meeting with Foreign Minister Ito

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cc: The Vice-President
Ed Meese
Jim Baker
Martin Anderson

UNCLASSIFIED
SECRET Attachment

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29/1445

IRENE DERUS

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RECEIVED 01 APR 81 14

TO ALLEN

FROM BLAIR

DOCDATE 30 MAR 81

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KEYWORDS: GERMANY F R

SCHMIDT, HELMUT

SUBJECT: MEMCON OF PRES TELECON W/ SCHMIDT ON MAR 30

ACTION: FOR DECISION

DUE: 03 APR 81 STATUS X FILES

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<i>Pres</i>	<i>IP 4/07</i>	<i>for information</i>		
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THE WHITE HOUSE

WASHINGTON

43

MEMORANDUM OF TELEPHONE CONVERSATION

PARTICIPANTS: President Ronald Reagan
Chancellor Helmut Schmidt of the Federal Republic
of Germany (Calling from Bonn)

DATE AND TIME: Monday, March 30, 1981; 9:05 - 9:30 a.m.

President Reagan: Ah, Mr. Chancellor, Ronald Reagan.

Chancellor Schmidt: Ah, Mr. President, nice to hear your voice again.

President Reagan: Well it's nice to hear yours, and I just want to again; I sent a message I know, but I extend my sympathy to you about the death of your father.

Schmidt: Very kind of you sir, thank you very much indeed. I have a request, Mr. President. I would like to report to you about some deliberations and discussions that we had at our place regarding the actual situation in Poland and also a talk which I had very recently with the Soviet Ambassador on that same subject. May I proceed?

President Reagan: You were fading in and out there. I heard that you wanted to say something about Poland. I would be delighted to hear your observations on this situation. We are watching it ourselves with great care. And, what was it, I lost some of your sentence there.

Schmidt: Yes, I wanted to report to you ...

President Reagan: Oh good.

Schmidt: ... on a number of deliberations and discussions which we had in Bonn.

President Reagan: Oh wonderful.

Schmidt: Number One. We are deeply concerned and we think that we know that your government and other Western governments, and ourselves, right now, in this very moment, of our willingness to help Poland in its present economic difficulties. We must make it clear to the Soviet Union and help to make it clear that we can help only if the developments go on in a peaceful way -- if it is only without any violence. I think we have to say this publicly. I had a talk with the Soviet Ambassador last week in Bonn; to whom I made it perfectly clear that violence from the

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Classified/Extended RVAllen
Review March 30, 2011

Reason: NSC 1.13(a)

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NICR M3711, #60765

BY RW NARA DATE 6/22/15

outside from my judgment would basically change the situation in Europe and in the whole world. I used that opportunity to tell the Soviet Ambassador that for my country as much as for all the Western partners of the Atlantic Alliance, it would be unacceptable to have the moratorium on medium-range ballistic missiles in Europe as the Soviet Union already has over 220. I said, if the Soviet Union wants to contribute to the limitation of arms, they should unilaterally one-sidedly ... announce of their own testing of ... (garble).

President Reagan: That's right.

Schmidt: In that conversation, the Soviet Ambassador expressed the wish of Secretary General Brezhnev to accept (?) my invitation which I pronounced the last time I ... (garble) hear it in 1980; and he said wouldn't it be a good thing to take up the _____ of France again. I was surprised, by the way. I said that we would consider and deliver our answer.

President Reagan: Mr. Chancellor I will have to cover again, you faded on me. Hello, you faded very faintly on me. I mean I ... there now I hear you.

Schmidt. Let me go back. The Soviet Ambassador took the opportunity to tell me that Brezhnev had the wish to respond to an invitation which I expressed to him in July 1980 when I was in Moscow. And he said that wouldn't it be a good thing to carry on the explanations ... My answer, my immediate answer, was that I had to deliberate and that my Foreign Secretary, who will go to Moscow on a regular annual consultation on Thursday and Friday, and he can talk with _____. Now, my own deliberations of course have to report a number of things. On the one hand, there are obviously some disadvantages to the proposal of the Soviets. Obviously, ... of such a visit to drive wedges between partners of the Western Alliance. On the other hand, I do not think that they have any chance of being accepted, but they would have to _____ for the bargain that the expectation to visit France, it must be the Soviet leadership to be very careful in this difficult phase of transition in Warsaw not to intervene or otherwise as to any violence or instigate any violence. I expressed very clearly to the Soviet Ambassador, that is number one. On the other side, I think one ... garble ... the military Soviet attitude is up to the developments within the Peoples Republic of Poland. Now I have not as yet made any decision, but ... military ... I can say next Thursday that in principle we think it worth to have ... but that this should not happen before the 23rd of July, which would mean that I have not only one chance to talk to and listen to you in May when I pay you an official visit in Washington, but secondly that we will have another chance to talk about all these before we see Brezhnev in Europe. Now I would like to tell all this to you Mr. President and perhaps you could give me your instincts or your impression on these matters. The only other person to whom I would talk about this would be the French President. ... garble ... As he mentioned at the end, and giving

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you a chance to reply, let me say that of course, Mr. President, either before or just after Genscher's return from Moscow, Genscher's Deputy would bring a letter to Washington saying that the umbrella of assistance to talk about financial aid to Poland in order to get a fuller report from our side to you, or otherwise get a fuller opinion, fuller American opinion, then we could otherwise get in this brief telephone conversation.

President Reagan: Mr. Chancellor, you have been fading in and out on this. Do I gather that what you said, because I missed part of the conversation, that we are talking about a meeting? Here, in ...?

Schmidt: We are talking about Brezhnev's wish to come to Bonn...

President Reagan: Ah, Brezhnev's wish to come to Bonn.

Schmidt: Ja. He has got such an invitation since a year -- since last July, and in those days said why shouldn't I come now? We tend to give the answer principally, yes, but not before the 23rd of July.

President Reagan: Not before the 23rd of July.

Schmidt: This means not before Ottawa.

President Reagan: Not before October?

Schmidt: This means not before the meeting in Ottawa, Canada. We are scheduled, Mr. President; you and I are scheduled to meet in Washington in May.

President Reagan: That's right.

Schmidt: And secondly, we are scheduled to meet among the Seven in Ottawa, end of July or middle of July, so we would have two possibilities, two occasions, to talk about all these things before meeting the Soviet General Secretary.

President Reagan: Oh, I would look forward to that very much. I would like to keep in very close contact with you on this and talk about this matter and where we all go from here. And I have been heartened by your statements on Poland, and feel exactly the same way. I don't see, if they intervene, I think its going to be a great setback to any possibility of easing tensions, and so I shall look forward to seeing you in May and to talking this whole subject over.

Schmidt: Do we also agree Mr. President that we publicly say that our help toward Poland is conditioned under the, conditioned that there not be either internal or external violence.

President Reagan. We are agreed on that, yes.

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Schmidt: Yes. And, as regards the Brezhnev wish, I would have Genscher say on principle yes, but not earlier than the last week of July and Brezhnev will understand that this means not before we have had a full opportunity for the major Western countries for consideration and consultation.

President Reagan: Yes, I think that's fine. I agree.

Schmidt: And we also ask, Mr. President, would you be interested to have a visit of our Deputy Foreign Secretary immediately after Genscher's return. That means at the end of this week in Washington.

President Reagan: To have your Deputy Foreign Minister come here immediately after Genscher's return. Yes, that would be fine.

Schmidt: So, I will see to it that State Secretary Von Well comes to Washington at the end of this week.

President Reagan: All right, fine.

Schmidt: He will report to Mr. Haig, and if you want to see him he will of course be only too happy to report to you personally.

President Reagan: All right, I shall tell the Secretary.

Schmidt: Thank you very much Mr. President. May I mention one other business?

President Reagan: Yes.

Schmidt: I have seen in the papers that Al Haig is going to the Middle East and on to Europe.

President Reagan: He's going to the Middle East I know. I haven't gotten his full itinerary yet.

Schmidt: If he goes to Europe, please consider that a stopover just in London, but ~~also~~ ^{not} in Paris and Bonn might be misinterpreted.

President Reagan: Now, wait a minute. That if he comes to London and Paris...?

Schmidt: If he does come to London only and does not have a stopover as well in Paris and Bonn, it might be misinterpreted publicly.

President Reagan: I shall tell him.

Schmidt: Madrid, of course, would be OK.

President Reagan: I knew that he was thinking of going there. But, I did not know about any other country. But, in other words, Madrid would be all right, but if it is to London, it should include the other two?

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Schmidt: I think so, yes.

President Reagan: I shall tell him that.

Schmidt: Mr. President, how is your economic campaign going?

President Reagan: Well, I think very well. Its proceeding on schedule. We're getting some opposition, of course, from the opposition party, but the people, the public, I think is going to influence the Congress a great deal because they're just overwhelmingly in support of the package. We're getting that report from all over the country.

Schmidt: Do we have some reason to hope that the rates of interest will be a little lower in the future?

President Reagan: That [laugh]... that's what we're looking forward to.

Schmidt: [Laughing] I'm deeply concerned about the rates of interest.

President Reagan: I know. And so are we.

Schmidt: It's in our interest, you know?

President Reagan: Yes.

Schmidt: Well, in the end, Mr. President, I am not going to tie you up too long. If you agree, let me propose that we tell the press that we have been on the telephone over aid to Poland and the rest of our conversation we'll keep just to ourselves. That's OK?

President Reagan: That's satisfactory with me.

Schmidt: Very good.

President Reagan: All right; well, it's good to talk with you.

Schmidt: Thank you very much Mr. President for sharing your time with me.

President Reagan: I shall look forward to seeing you.

Schmidt: Goodbye sir.

President Reagan: Goodbye. Thank you.

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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SECRET ATTACHMENT

April 7, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *Allen*

SUBJECT: Telephone Conversation with FRG
Chancellor Helmut Schmidt (S)

We have managed to reconstruct much of the conversation you had with Chancellor Schmidt on March 30, 1981. You will recall that the connection was poor that day. (S)

cc: The Vice President
Ed Meese
James Baker
Michael Deaver

SECRET ATTACHMENT

DECLASSIFIED

Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA *any*, DATE *1/9/09*

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SECRET ATTACHMENT

April 7, 1981

1670

4/7/81 to Dick Dorman
1400

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MEMORANDUM FOR THE PRESIDENT

FROM:

RICHARD V. ALLEN *RA*

SUBJECT:

Telephone Conversation with FRG
Chancellor Helmut Schmidt (S)

We have managed to reconstruct much of the conversation you had with Chancellor Schmidt on March 30, 1981. You will recall that the connection was poor that day. (S)

cc: The Vice President
Ed Meese
James Baker
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4/7/81 dispatched/gcp

SECRET ATTACHMENT

DECLASSIFIED
Sec. 3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA *any* DATE *1/9/09*

MEMORANDUM

1670

NATIONAL SECURITY COUNCIL

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March 30, 1981

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ACTION

MEMORANDUM FOR: RICHARD V. ALLEN

FROM: DENNIS BLAIR

SUBJECT: President's Telephone Conversation with
FRG Chancellor Helmut Schmidt (S)

Attached at Tab A for your review and approval is the text of the President's telephone conversation today with Chancellor Schmidt. (S)

RECOMMENDATION

That this text be approved for the record.

Approve

[Signature]

Disapprove

SIGNED

SIGNED

DECLASSIFIED
Sec.3.4(b), E.O. 12958, as amended
White House Guidelines, Sept. 11, 2006
BY NARA *any* DATE *1/9/07*

~~SECRET~~

Review March 30, 1987.