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WITHDRAWAL SHEET Ronald Reagan Library

Collection: Executive Secretariat, NSC

Country File

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File Folder: Japan (11/09/83 - 01/26/84)

Archivist: mjd

FOIA ID: F00-037 (1539), Oberdorfer

Date: 02/09/2004

	SUBJECT/TITLE	DATE	RESTRICTION
NO. & TYPE			
1. Memo	Donald Fortier to Robert McFarlane re Asian Security Environment, 5p R 7/24/06 F00-037/1# 556	11/9/83	BI
2. Memo	Gaston Sigur to McFarlane re Japanese Election Results, 1p	12/19/83	-B1
3. Memo	Sigur to McFarlane re Implications of Japanese Elections, 2p	12/22/83	BI
4. Memo	Sigur to McFarlane re Nakasone's Re-election (annotated), 2p	10/29/83	81
5. Cable	022322Z JAN 84, 3p	1/2/84	B1
6. Memo	Douglas McMinn/Sigur to McFarlane re Trip to Japan, 2p R 7/24/06 F00-037/1 #56/	1/5/84	Bi
7. Memo	Sigur to McFarlane re Japan Trip, 2p	1/20/84	B1.
8. Paper	re Visit of Shintaro Abe, 1p	nd	AST
9. Talking Points	for Abe Meeting, 2p	' nd	81
10. PAPER	1p	nd	B1,63
11. Memo	Sigur to McFarlane re Briefing Materials for Abe Meeting, 2p	1/26/84	RI
12. Memo	Don Gregg/Walt Doran to the Vice President re Visit to Japan, Pp R #36 The Meeting on Ahe, /P R 7/24/06 F00-037/1 #568	7-1/26/84 NP	R1
13. PAPER	D 11 11 # 569	10/5/83	B1,83
14. Paper	Background Material for Abe Luncheon, 2p	nd	BL
15. Memo	George Bush to Secretary of State, et al re Meeting with Abe, 1p	1/25/84	181

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

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Withdrawer

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File Folder

JAPAN (11/09/1983-01/26/1984)

FOIA

F00-037 (F1539)

Box Number

ID Doc Type	Document Description	No of Pages	Doc Date	<u>.</u>	
1 MEMO	FORTIER TO MCFARLANE RE ASIAN SECURITY ENVIRONMENT (F00-	<u>5</u>	-11/9/1983 -	WAH	5/2:/08
3—MEMO	SIGUR TO MCFARLANE RE IMPLICATIONS OF JAPANESE ELECTIONS (F00 037/1#558)	2	12/22/1983	UMH	5/21/08
4—MEMO	SIGUR TO MCFARLANE RE NAKASONE'S RE-ELECTION (F00- 037/1#559)	2	10/29/1983	wh	5/21/08
6 MEMO	MCMINN/SIGUR TO MCFARLANE RE TRIP TO JAPAN (F00-037/1#561)	2	1/5/1984	MVH	5/21/08

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TO

MCFARLANE

FROM FORTIER

DOCDATE 09 NOV 83

FORTIER

KEYWORDS.	JAPAN	KOREA			
	USSR	CHINA P R			
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SPECIAL INSTRUCTIONS/REMARKS:

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MEMORANDUM

SECRET/SENSITIVE NATIONAL SECURITY COUNCIL

INFORMATION

November 9, 1983

EYES ONLY

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

DONALD R. FORTIER

SUBJECT:

Follow-on Thoughts on the Asian Security

Environment

During the course of the Asian trip preparations, I submitted some political-military ideas that seemed to me relevant for discussions by heads of state during the Asian trip, e.g., new strides in U.S.-Japanese foreign assistance to help bolster our badly eroded resource base; comprehensive safeguards; and seizing upon the recent brutality in the region to advance quiet, new forms of Japanese-Korean cooperation. (Defense agrees with me that the best candidate for the latter lies in the area of civilian air traffic control -- a function with obvious political-military implications.)

I have also been discussing the regional military situation with our former and current CINCPACs, with Andy Marshall, and with others. With this and my own thinking as background, I have been attempting to put together a TOR for the informal Asian security panel which I mentioned to you just before you left. What follows, then, is a rather crude and unsystematic cut at fleshing out some key issues for future policy work. I thought it might be useful background for you while you are in the region and, perhaps more important, worth reading on the return flight as you reflect yourself on the key imperatives of an evolving U.S.-Asian military strategy.

- Unlike the European theater which--despite its strains--has remained inherently stable over the last two decades, Asia has been the scene of dramatic shifts in regional alignments. We have seen a Soviet-Chinese alliance turn into a deep and strategically significant antagonism, while U.S.-PRC relations have steadily improved. At the same time our relationship with Taiwan has been abruptly altered and the PRC's support for Vietnam has turned to bitter enmity. As we look to the future we see the possibility of Japanese and Chinese attitudes toward South Korea softening, while the Soviet Union tries to outflank both by deepening its relationship with North Korea.
- A serious look at long range U.S. strategy in Asia is itself seriously overdue. We need to evaluate our options in terms

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NARA, DATE 7/24/06

of existing assets and vulnerabilities and with a clear sense of the uncertainties we face owing to possible future shifts in existing alignments.

- Our position in Asia is generally quite sound, a fact which puts us, to some extent, in the position of trying to maintain and build upon the status quo. Clearly the Soviet Union's influence in Asia is almost exclusively military in orientation. The Soviets have been unable to even begin to penetrate the region in any significant economic sense. The lop-sidedness of the Soviet Union's Asian involvement is both a danger and a plus insofar as the West is concerned. Of course, the Soviets believe that Japan will ultimately be driven--or coerced--into helping the Soviets develop Siberia. This is an issue we need to understand more clearly and monitor.
- Looking at the Asian balance in the context of a global war, we find--as a result of our ASW lead--that we have retained and increased our capability to attrite, at a favorable cost-exchange ratio, Soviet SLBMs in bastion areas in the North Pacific. But the Soviets have also made significant progress and indeed have pushed their defense perimeter further into the Pacific, thereby encapsulating our forces, increasing our operational burdens, and creating uncertainties among our Asian allies about our ability to adequately defend them in time of war. We need to pay more attention to the political and military dimensions of this problem.
- Compounding this problem is the fact that the U.S. has (good) but few bases for effectuating a reinforcement strategy during war. (The Soviets by contrast have far more numerous staging and reinforcement points.) Moreover, the few facilities we do have are now increasingly at risk as a result of the growth in Soviet regional nuclear forces. Unless we do a better job of countering this threat through an increased nuclear capability of our own and greater base redundancy—the Soviets will continue to be perceived as capable of quickly breaking the "ties that bind." (This, by the way, suggests an important tactical application of the President's strategic defense initiative.)
- Another major problem is the growing capability of Soviet naval airpower. The Japanese have probably underestimated the extent to which the Backfire is now a threat to Japan itself. To date, the Japanese have assumed that Backfire would be primarily oriented against the U.S. fleet and that,

as a result, the Japanese requirement would be to deal with the less capable Badger. For a variety of reasons it is likely we will both have to contend with the Backfire. We need therefore to begin talking to the Japanese about how to jointly deal with this problem; e.g., Japanese procurement of AWACS; increased F-15 buys; Japanese assistance in fleet defense (a politically acceptable "defensive" role) while we conduct offensive strikes at the source of Backfire attacks. We ourselves need to come to grips with the implications of Backfire's greater range, a range which enables it to attack the fleet along multiple axes, thereby posing more stressful surveillance requirements.

- The Japanese also have a serious problem which we may have underestimated; namely, dealing with the possible Soviet invasion of Hokkaido. In order to control the islands that dominate the waters to their SSBN bastion areas, the Soviets may try to seize not only Hokkaido but also the outer Aleutians. The Soviets know that, in allied hands, these islands could serve as bases from which fighter aircraft could operate to attack Soviet ASW aircraft and to protect allied ASW patrol aircraft that could assist our SSN's in their hunt for Soviet submarines. Of course the Soviets have long had an interest in Hokkaido; have themselves sponsored "autonomy" movements on Hokkaido; and have now garrisoned their own force on immediately adjacent islands.
- Working with the Japanese on the defense of Hokkaido would also be important for bureaucratic reasons, inasmuch as it would deepen our ties to the Japanese ground forces -- forces which continue to have more internal political weight than either the Air Force or the Navy. As we look toward building internal incentives in Japan for increased defense, the bureaucratic dimension will assume greater importance. Andy Marshall made the point to me recently that for all of our interest in Japan, we have a very thin understanding of the internal dynamics of the Japanese defense establishment. Future analysis on this point could therefore be quite helpful. I suggested that Andy might want to initiate some research drawing systematically on the observations of American defense attaches who have been been stationed in Japan over the last decade. Operationally, and over the near term, we should think of encouraging the Japanese to improve inter-island mobility -- something that is poor even in peace time and therefore useful as a kind of basic, nonthreatening, infrastructural improvement.

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- There are a number of more practical concrete measures the Japanese could take over the near term. Some of these would be of low visibility but important. For example, we believe that Japan still lacks a plan through which the Defense Agency can -- in time of crises -- obtain the cooperation of other key industries (communications, transportation, etc.) in mobilizing the powerful civilian resources of the country. Second, even though Japan has placed high priority on ASW, it is not now capable of conducting sustained ASW operations over broad areas under wartime conditions. present, its ability to mine the Tsushima, Tsugara, and Soya Straits is limited. Fully assembled mines are not adequately dispersed; and several months would be needed to assemble the mines and lay the mine field. Moreover, if Japanese air defenses were destroyed, mine laying vehicles would themselves be vulnerable to Soviet attack. We know though that Japan has the technological potential to develop and manufacture such items as smart mines with encapsulated homing torpedoes. Such high technology mining equipment could vastly complicate Soviet plans. We need to think about how to channelize, rather than obstruct, Japan's technological agenda in areas such as this one.
- We also need to take seriously the Soviet Union's political options for outflanking our friends. Dick Solomon has looked at the extent to which increased PRC influence in Southeast Asia could trigger Indonesia and Malaysia (both of which have large ethnic Chinese populations) to seek closer offsetting ties to the Soviet Union. A more immediately worrisome possibility is that the Soviets will try to secure a stronger foothold in North Korea -- capitalizing on internal differences over Kim Il Sung's successor. In addition to increasing their political options, the Soviets would of course be interested in access to North Korean ports not subject to winter icing. South Korean views on the robustness of these Soviet options would be worth knowing.
- In mentioning Korea, one is reminded that Asia is more than simply an element of our own strategic global balance. It is also the place of important and constantly shifting regional sub-balances—between the Soviets and the PRC, the PRC and the Vietnamese, and North and South Korea. The Soviet PRC balance, as I had occasion to discover more concretely during our technology transfer project, has worsened steadily over time. Although the public tends to focus on the possibility of a massive Soviet invasion which bogs down quickly in a prolonged People's War, we need to



think about lower order escalatory contingencies in which the Soviets try--not to conquer China--but rather to embarrass it dramatically and thereby promote trends toward accommodation and internal disintegration. Two contingencies worth looking at would be, first, a Soviet move aimed at the thinly settled, but strategically significant, northern edge of Inner-Mongolia; and, second, into Sinkiang, where half the existing population is non-Chinese. As Luttwak has pointed out, any reductions in PRC territory would undermine the political strength of a regime whose principal claim to legitimacy has been its ability to preserve the integrity of national territory.

- The Sino-Vietnamese balance is also much worse than one would suppose giving the Soviets options against the Chinese in two directions. Moreover, an ill-advised PRC move against Vietnam could trigger the kind of limited Soviet move I have just described.
- Part of the long term answer is to be found in our China technology transfer program. We need to think, however, about other near term expedients as well; e.g., working with the Chinese to increase the cost and complexity of the small scale Soviet coercive options to which I just alluded. seeking criteria for appropriate military transfers and cooperation, we should keep this kind of contingency-specific "gap-closing" uppermost in our minds. We also need to build more carefully on the strengths the Chinese already possess. One of these, interestingly enough, is in the area of tactical, mobile nuclear weapons. There, by virtue of extraordinarily effective concealment techniques, the Chinese have managed to keep the Soviets' anxiety threshold quite high. Moreover, the more the Chinese can tie down Soviet regional nuclear capability, the better off we are with regard to the vulnerability of our own key reinforcement points. Thus, additional nuclear cooperation can have important and direct complementary effects for our posture.

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TO MCFARLANE

FROM SIGUR

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NAKASONE, YASUHIRO

TANAKA, KAKUEI

SUBJECT: JAPANESE ELECTION RESULTS

ACTION: FOR INFORMATION

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NATIONAL SECURITY COUNCIL

December 19, 1983

INFORMATION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM:

GASTON J. SIGUR XX

SUBJECT:

Japanese Election Results

I think it is important to understand that the big winner in the Japanese elections on Sunday was former Prime Minister Kakuei Tanaka. He remains the head of the biggest faction in the LDP and his personal position has been strengthened. He has told Nakasone in effect, "All right, you can continue to govern, but remember to whom you are beholden. You seemed to be forgetting this prior to the election, but now you understand the realities." He is saying to those two factions in the party that opposed him most vociferously, the Fukuda and Suzuki factions, "You see how the land lies - oppose me and you get hurt." To aspiring claimants to the prime ministry, he says, "It is clear now, if you want to be prime minister in the future, you will need my backing - act accordingly."

We don't have to be overly concerned about Tanaka's increase in power. Tanaka fundamentally thinks the way Nakasone does about foreign policy issues and relations with the U.S.

One of Tanaka's closest lieutenants is Shin Kanemaru. He was once Minister of Defense and a strong believer in a larger role for Japan in the defense area. He is a person I have had good and close relations with for a long time. This morning's rumors are that he may become the new Secretary-General of the LDP - a key post, as you know.

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FROM SIGUR

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MEMORANDUM

NATIONAL SECURITY COUNCIL

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December 22, 1983

INFORMATION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: GASTON J. SIGUR

SUBJECT: Implications of Japanese Elections

The results of the Japanese elections were a disappointment in a number of ways. Most importantly, Prime Minister Nakasone's position as party leader has been weakened and the Liberal Democratic Party's capacity to organize and handle Diet affairs has become more difficult. However, we should not overdramatize what has happened, and should assess the results in as objective a way as possible.

First, the LDP has secured a small but workable majority in the Lower House with the addition of some nine independents to the party roster.

Second, the percentage of the votes cast for the LDP was higher than in any election since 1972, except for the extraordinary "Ohira sympathy election" of 1980 -- not greatly higher, but higher nevertheless. What has actually happened is that the LDP's traditional percentage appeal to the Japanese voter was restored to its more normal rate.

Third, while the Socialists gained 11 seats, the Communists lost a couple and the Centrist Komeito and Democratic Socialist parties made major gains. In other words, the moderate, conservative forces in the Diet remain very much in a majority. Japan has not moved to the Left.

Fourth, Nakasone has already announced that he will remain as prime minister. It is unlikely that he would have said this, if he had not had the go-ahead from the real winner in the Japanese elections, former prime minister Kakuei Tanaka. Also, there is no reason to believe that Tanaka does not fully support Nakasone's determination to ease trade problems with the U.S. and to move more positively in the defense area.

Sixth, the elections were not decided on foreign policy issues. The U.S.-Japan relationship was not an important factor in what

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occurred. Local concerns and political maneuvering and manipulation within the LDP probably accounted for the heavy LDP loss of seats in key rural districts.

* * *

Our policy toward Japan should remain constant now. This is particularly important. We should continue to press for what we believe is fair and needed in the trade and defense areas. While Nakasone and other LDP leaders may be less able to deliver or at least will say they are less able, we should not retreat from our basic positions and from what the President and Nakasone both agree has to be done.

We should also attempt to broaden our relations with individuals high-up in the Tanaka faction and in the Democratic-Socialist Party. My personal ties with a number of these politicians are strong and we should have Ambassador Mansfield and his staff in Tokyo broaden and deepen their connections with certain selected individuals -- I have already discussed this with Paul Wolfowitz and he is in agreement.





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TO

MCFARLANE

FROM SIGUR

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NATIONAL SECURITY COUNCIL

December 27, 1983

INFORMATION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

GASTON J. SIGUR

SUBJECT:

Comments on Nakasone's Re-election as Prime

Minister and the New Cabinet

The re-election of Yasuhiro Nakasone as Prime Minister took place after considerable maneuvering by the Prime Minister within his party. Nakasone's public statement that he would reduce Tanaka's influence in his government was necessary to allow the Komoto and Fukuda factions to continue to support him for the premiership. In point of fact, Tanaka retains great power with six of his factions holding major posts within the government and party. One of his close aides, Shin Kanemaru, has become the chairman of the LDP's executive committee -- a key power position. Nakasone has achieved a certain success by bringing the New Liberal Club (NLC) into the government and by naming the head of that political group to be the new Home Affairs Minister. If the NLC rejoins the LDP during the course of next year, Nakasone will have pulled off a kind of coup.

Two things of major importance to U.S.-Japan relations have emerged from the naming of the new Cabinet:

- 1) By keeping Abe and Takeshita in their posts in Foreign Affairs and Finance, Nakasone strongly reaffirms the continuity of a foreign policy centered on relations with the United States.
- 2) Nakasone has named Toshiro Komoto, a major rival of his for the premiership in November, who had earlier served as head of the Economic Planning Agency, to be a kind of de facto Deputy Prime Minister. This may mean that Komoto will be "counterpart" to the Vice President in the follow-up activities stemming from the President's Tokyo visit. However, I would anticipate that the Prime Minister, himself, will be deeply involved in these activities whether or not Komoto, or someone else such as Nikaido or Abe, is formally assigned the responsibility.

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TO

MCFARLANE

FROM MCMINN

DOCDATE 05 JAN 84

SIGUR

05 JAN 84

KEYWORDS. JAPAN

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WOLFOWITZ, PAUL

GREGG, D

SUBJECT: PROPOSED TRIP TO JAPAN BY SIGUR / WOLFOWITZ / GREGG ON 13 JAN

ACTION. FOR DECISION

DUE: 09 JAN 84 STATUS X FILES

W/ATTCH FILE

FOR ACTION

FOR CONCURRENCE

FOR INFO

MCFARLANE

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NATIONAL SECURITY COUNCIL

January 5, 1984

ACTION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM:

DOUGLAS W. McMINN

GASTON J. SIGUR

SUBJECT:

Proposed Trip to Japan by Sigur, Wolfowitz and

Gregg

In the wake of the Japanese Parliamentary elections and the disappointing outcome for the Liberal Democratic Party (LDP), it is important that we:

- Press the Japanese firmly for resolution of many or all of our key, bilateral economic problems over the next 3 to 4 months (in connection with the Vice President's follow-up activities);
- Press the Japanese to continue their leadership role internationally for further trade liberalization (e.g., in the context of the London Economic Summit and Nakasone's call for a new round of trade negotiations);
- Restate our firm views on the need for Japan to contribute more to her own self-defense and to implement her defense expansion program; and
- Determine clearly Prime Minister Nakasone's own assessment 0 of his political future and what implications this may have for U.S.-Japanese relations in the coming year.

To address the above, we believe that we need a political-level dialogue with the Japanese, specifically with Prime Minister Nakasone, as soon as possible (much like we had prior to President Reagan's November trip). We say this because the immediate response by the Japanese bureaucracy has been and will continue to be that the losses suffered by the LDP in the recent elections, and the subsequent uncertainties created for the Nakasone government, mean that follow-up activities will be virtually impossible in the short-term. Foreign Minister Abe, who will be coming to Washington on January 27 and 28, already has been speaking with colleagues in this vein. Moreover, the Japanese bureaucracy will call for a diminished leadership role for Japan internationally. We cannot and should not accept these possible courses of action by the Government of Japan.

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NLS <u>F00-037/1 # 56/</u>
7/24/04

NLS .





We need to meet again quietly with Prime Minister Nakasone to discuss political realities and our bilateral and multilateral objectives. It is important that we reemphasize to Nakasone that resolution of our outstanding bilateral economic problems is a top priority for us in election year 1984. We were understanding of Nakasone's domestic difficulties last year, and we fully expect reciprocal action on his part this year.

We could also take the occasion while in Tokyo to meet with other old friends of ours now in key political positions. These include, among others, Chief Cabinet Secretary Fujinami and Shin Kanemaru, Chairman of the Policy Committee of the Liberal-Democratic Party.

RECOMMENDATION

We have discussed with State (Paul Wolfowitz) and the Vice President's staff (Don Gregg) the possibility of a mission to Tokyo to meet quietly with Prime Minister Nakasone. They are enthusiastic about the idea, as is the Vice President. Paul tells us that George Shultz also goes along. Both Rich Armitage and Dave Gries strongly support this initiative as well. If you believe this type of meeting has merit, we would recommend that Gaston arrange to see Nakasone sometime within the next week or 10 days, and that Wolfowitz and Gregg be included in this informal delegation to Tokyo. The plan would be to leave Washington Friday, January 13 and spend 3 or 4 days in Japan.

Strongly Support,

Disapprove____





SECDEM

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RECEIVED 21 JAN 84 11

TO

MCFARLANE

FROM SIGUR

m3104

DOCDATE 20 JAN 84

KEYWORDS. JAPAN

ECONOMICS

NAKASONE, YASUHIRO

SUBJECT: JAPAN MISSION 13 - 17 JANUARY

ACTION: FOR INFORMATION

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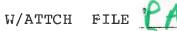
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NATIONAL SECURITY COUNCIL.

January 20, 1984

INFORMATION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM:

GASTON J. SIGUR 96

SUBJECT:

Further on Japan Mission of January 13-17, 1984

In our message from Tokyo (#2240), I covered mainly the discussions I had with Prime Minister Nakasone at our semiprivate dinner of January 15 dealing with the follow-up. We talked about many other matters, however, and I will deal with those of importance in this memorandum.

- 1) Nakasone showed great confidence in his ability to take action to ease the strains in our relationship in the economic and defense areas. He assured me that he understood the political imperatives of this U.S. election year and that he would prove to "Ron" just how firm and reliable a friend he is.
- 2) The Prime Minister spoke strongly of his commitment to defense and said that he intended to move forward as rapidly as possible in building up Japan's military forces in accordance with U.S.-Japan understanding. He said that while he may not be able to do everything we or he would like, he will break the "magic figure" of 1% this year for the increase in the defense budget. He believes that once this is done, the psychological barrier to a much increased defense budget for succeeding years will be crossed. This is highly sensitive information because the Prime Minister has publicly stated that he will not go over
- 3) On night landing rights for U.S. carrier aircraft, he explained at some length his determination to provide these rights on the island of Miyake. The villagers have opposed the idea of a landing strip on their island, but Nakasone is putting on political pressure to get them to go along. He believes he can succeed, but he needs some time.
- 4) Nakasone says that he is prepared to fully support the President at the London Summit and will do what the President wants him to do. Using the baseball simile, he will again be the catcher for the President's pitching. I suggested that he do a little pitching of his own, as he did at Williamsburg.
- 5) The Prime Minister told me that he had spoken by phone with President Marcos a few days before and had given him a promise of low-interest loans, as well as commodity credits. low interest loan part is not public knowledge.

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- 6) The Prime Minister expressed some concern about the situation in South Korea. He said that he had reports that President Chun was getting serious opposition from several quarters. Financial scandals involving Mrs. Chun and her family were part of the reason for this, he said.
- 7) On his own political situation, the Prime Minister deferred to a mutual friend of ours at the dinner, political commentator Kiyoshi Iijima, to speak. Iijima gave me a lengthy run-down on how he sees the situation which I took to be Nakasone's own view. The gist of what Iijima said was that Nakasone's position is now strong, the LDP factions have no one individual upon whom they could agree to replace him next November and the personal influence of both Tanaka and Fukuda will weaken during the next several months. Nakasone then answered my question about possible elections by saying that he will use the threat of dissolution of the Lower House to whip the opposition to him (both inside and outside the LDP) into line. He said it is conceivable, however, that he might call an election if the situation warranted it. If he calls an election, Iijima said that the LDP would gain quite a few seats.

We had meetings also with the Foreign Minister, the Finance Minister, the MITI Minister, the Agriculture Minister, the head of the Economic Planning Agency, and the chief of the LDP's International Economic Committee. Reports on these meetings, which I think all went well, are being written up by the Embassy in Tokyo. Interestingly, none of the ministers expressed the opinion that the poor election results would hinder the Japanese government from taking action to ease the problems with the U.S.

I also received a briefing on the political situation from Toshio Honma, Executive Managing Director of the Mitsui Corporation. He gave me a detailed run-down of how business sees things and told me that Nakasone's position is relatively strong. Honma gives Nakasone a 60% chance of being re-elected as LDP president in November.

In case you haven't seen any of the media accounts of our visit to Tokyo, I attach a few for your perusal (Tab A).

Attachment:
Tab A Cables from Tokyo

SECRET



JAPAN-US

TOKYO (RP) -- PRIME MINISTER YASUHIRO NAKASONE TOLD SENIOR AMERICAN OFFICIALS TUESDAY THAT HE IS HOPEFUL JAPAN AND THE UNITED STATES CAN COMPROMISE ON TRADE ISSUES, NAKASONE'S RIDES SAID.

NAKASONE SPECIFICALLY MENTIONED U.S. DEMANDS THAT JAPAN BUY MORE AMERICAN TELECOMMUNICATIONS EQUIPMENT AND AGRICULTURAL PRODUCTS SUCH AS BEEF AND CITRUS FRUITS, THE AIDES SAID.

THEY SAID NAKASONE TOLD THE AMERICAN OFFICIALS DURING A MEETING THAT.

HE HOPED FOR PROGRESS ON THE TOUCHY BEEF AND CITRUS ISSUES WHEN FOREIGN

MINISTER SHINTARO ABE VISITS WASHINGTON AT THE END OF THIS MONTH.

BUT NAKASONE ADDED THAT WHILE ABE WOULD NEGOTIATE WITH THE UNITED STATES SIDE, THE PRIME MINISTER PLANNED TO TAKE PERSONAL RESPONSIBILITY FOR SUCCESSFUL RESOLUTION OF THE ISSUES, THE AIDES SAID.

A SIX-YEAR AGREEMENT ON QUOTAS FOR JAPAN'S BEEF AND CITRUS IMPORTS EXPIRES AT THE END OF MARCH, AND THE UNITED STATES HAS PRESSED HARD FOR SIGNIFICANT INCREASES IN ITS QUOTAS WITH THE EVENTUAL AIM OF COMPLETE LIBERALIZATION OF THOSE MARKETS. JAPAN'S POWERFUL FARM LOBBIES HAVE STRENUOUSLY OBJECTED.

PRESIDENT REAGAN; DONALD GREGG, ASSISTANT TO VICE PRESIDENT GEORGE

BUSH; ASSISTANT SECRETARY OF STATE PAUL MOLFOWITZ AND U.S. AMBASSADOR
TO JAPAN MIKE MANSFIELD.

SIGUR TOLD NAKASONE THAT AREAS OF TRADE FRICTION MUST BE RESOLVED, THE AIDES SAID,

THE OFFICIALS SAID NAKASONE TOLD THE AMERICANS HE HOPED TO CUT TARIFFS FURTHER THIS YEAR SO JAPANESE INDUSTRY COULD PURCHASE U.S. TELECOMMUNICATIONS SATELLITES IF THE NEED AROSE.

HE SRID HE WANTED TO SEE THE EXTENSION OF A THREE-YEAR AGREEMENT UNDER WHICH NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORP. OPENS UP PROCUREMENT BIDDING TO U.S. FIRMS.

THE UNITED STATES HAS BEEN UNHAPPY WITH THE AGREEMENT, WHICH WAS TENTATIVELY EXTENDED FOR THREE MONTHS AFTER EXPIRING AT THE END OF LAST YEAR, BECAUSE NTT PURCHASES OF AMERICAN GOODS ARE STILL MINIMAL. AP-WX-01-17-84 1505EST

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UNCLAS (SECTION 2 OF 3)

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS JANUARY 18:
FOR P/P, P/PFF, VOA; STATE FOR EA/P, EA/J, STATE/PASS TO
USTR; SECDEF FOR JCS/J-5/FE/JAPAN, ASD/ISA/EAPR/JAPAN; CIA WASHOC;
TREASURY/IMA; WHITE HOUSE TO GASTON SIGUR; COMMERCE; USFJ/PA;
USCINCPAC/PA; COMSEVENTHFLT/PA.

THREE US GOVERNMENT REPRESENTATIVES, INCLUDING SPECIAL ASSISTANT TO THE PRESIDENT SIGUR, CALLED ON FOREIGN MINISTER ABE, TOGETHER WITH US AMBASSADOR TO JAPAN MANSFIELD, ON THE AFTERNOON OF THE 17TH, AND EXCHANGED VIEWS WITH HIM, CENTERING ON THE JAPAN-US ECONOMIC FRICTION PROBLEM. AT THIS MEETING, FOREIGN MINISTER ABE SAID THAT "IN REGARD TO (THE INCREASING OF) THE DEFENSE BUDGET, I WISH TO MAKE ALL-OUT EFFORTS FROM THE SIDE, AS FOREIGN MINISTER." IN CONNECTION WITH HIS FORTHCOMING WISH TO THE US FROM THE 26TH, THE FOREIGN MINISTER ALSO SAID THAT HE WISHES "TO HOLD PROBING TALKS IN REGARD TO AID TO THE PHILIPPINES AND MATTERS PERTAINING TO JAPAN-US CO-OPERATION RELATIONS, INCLUDING THE PROBLEM OF THE KOREAN PENINSULA," BESIDES PENDING PROBLEMS BETWEEN JAPAN AND THE US.

VIEWS FAIL TO MESH ON AGRICULTURAL PRODUCTS: AGRICULTURE-FORESTRY-FISHERIES MINISTER AND SPECIAL ASSISTANT SIGUR US GOVERNMENT REPRESENTATIVES, INCLUDING SPECIAL ASSISTANT TO THE PRESIDENT SIGUR, WHO ARE NOW VISITING JAPAN, CALLED ON AGRICULTURE-FORESTRY-FISHERIES MINISTER YAMAMURA AT THE AGRICULTURE-FORESTRY-FISHERIES MINISTRY ON THE AFTERNOON OF THE 17TH, AND HELD TALKS FOR ABOUT 28 MINUTES ON THE PENDING PROBLEM OF THE OPENING OF THE MARKET FOR BEEF AND ORANGES. AT THE TALKS, SPECIAL ASSISTANT SIGUR AND OTHERS POINTED OUT THAT "IT IS NECESSARY TO HASTEN THE SETTLMENT OF THE JAPAN-US AGRICULTURAL PRODUCTS PROBLEM, EVEN IN ORDER TO PREVENT IT FROM BEING USED AS A POLITICAL TOOK IN THE US PRESIDENTIAL ELECTION," AND SOUGHT THE JAPANESE SIDE'S CONCESSION. IN RESPONSE TO THIS, AGRICULTURE-FORESTRY-FISHERIES MINISTER YAMAHURA REPLIED AS FOLLOWS: "WHEN VIEWED FROM TY STANDPOINT OF JAPAN-US TRADE IN AGRICULTURAL PRODUCTS AS A WHOLE, BEEF AND ORANGES ARE NOT A BIG PROBLEM. HOWEVER, THE US SIDE'S REQUESTS ARE TOD SEVERE, WHEN VIEWED IN THE LIGHT OF THE ACTUAL STATE OF JAPANESE AGRICULTURE. I WILL ALSO MAKE EFFORTS FOR ITS SETTLEMENT, BUT I HOPE THAT THE US SIDE WILL ALSO SHOW A REALISTIC RESPONSE." IN THIS WAY, THE

TALKS ENDED WITHOUT THEIR VIEWS COMING TO AGREE.

(TN: ALL OTHER PAPERS ALSO CARRIED SIMILAR REPORTS.)

CAR EXPORTS (NIHON KEIZAL -PAGE 9)

THE EXPORT FRAMEWORKS BY MANUFACTURERS FOR FISCAL 1984. CONCERNING THE SELF-IMPOSED RESTRICTIONS ON PASSENGER CAR EXPORTS TO THE US, HAVE BEEN DECIDED. THEY WERE FINALLY DECIDED AS OF THE 17TH THROUGH CONSULTATIONS BETWEEN THE EIGHT JAPANESE PASSENGER CAR MANUFACTURERS, INCLUDING TOYOTA MOTORS, AND MITI. TOWARD ISUZU AJD SUZUK! MOTORS, THE WHEREABOUTS OF THE EXPORT FRAMEWORKS FOR WHICH COMPANIES HAVE BEEN NOTED DUE TO THEIR RELATIONS WITH GENERAL MOTORS (GM) OF THE US, A TOTAL OF ABOUT 50,000 CARS ARE TO BE APPORTIONED AS A "SPECIAL FRAMEWORK" OUT OF THE FRAMEWORK OF 170,000 CARS, THE INCREASE OVER FISCAL 1983. FOR THE REMAINING SIX COMPANIES, THE FRAMEWORKS ARE TO BE PROPORTIONALLY APPORTIONED GENERALLY IN ACCORDANCE WITH THEIR ACTUAL EXPORT RESULS TO DATE. DUE TO THIS, THE PROBLEM OF SELE-IMPOSED RESTRICTIONS ON EXPORTS TO THE US FOR FISCAL 1984 AN EXTENSION OF WHICH RESTRICTIONS BY ONE YEAR WAS DECIDED AT THE JAPAN-US GOVERNMENT-TO-GOVERNMENT NEGOTIATIONS IN THE FALL OF LAST YEAR, WILL BE SETTLED, FOR THE TIME BEING.

FRAMEWORK FOR EXPORTS TO US FOR FISCAL 1984, BY MANUFACTURERS (UNIT: NUMBER OF CARS; THE FIGURES IN PARENTHESES SHOW THE PRESENT FRAMEWORKS.)

TOYOTA	551,800	(516, 659)
NISSAN	487,100	(456, Ø3Ø)
HONDA	372,400	(348, 631)
MITSUBISHI	122,400	(112,584)
FUJI	75,800	(7B, Ø14)
ISUZU	50,000	(16, 8BB)
SUZUKI	17,000	•
TOTAL	1,850,000	(1,680,000)

(TN: ONLY THE NIHON KEIZA) CARRIED THIS REPORT.)

(MORE COMING) USIS TOKYO

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E.O. 12356: N/A

SUBJECT: MEDIA REACTION REPORT ON

GREGG/SIGUR/WOLFOWITZ DISCUSSIONS WITH JAPANESE

LEADERS, JANUARY 18, 1984

SUMMARY: JAPANESE MEDIA GAVE MODERATE TO PROMINENT COVERAGE TUESDAY AND WEDNESDAY TO REPORTS ON TRADE TALKS HELD BETWEEN THREE U.S. GOVERNMENT OFFICIALS AND JAPANESE GOVERNMENT LEADERS. THE OFFICIALS ARE VICE-PRESIDENT BUSH'S ASSISTANT GREGG, NATIONAL SECURITY COUNCIL MEMBER SIGUR, AND ASSISTANT SECRETARY OF STATE WOLFOWITZ. THE REPORTS SAID PRIME MINISTER NAKASONE TOLD THE U.S. OFFICIALS THAT HE HOPES FOR PROGRESS ON THE FARM TRADE PROBLEM DURING FOREIGN MINISTER ABE'S WISIT TO WASHINGTON AT THE END OF THIS MONTH.

1. NHK-TV. TBS-TV AND FUJI-TV CARRIED REPORTS WHICH FOCUSED ON NAKASONE'S MEETING WITH THE U.S. OFFICIALS. THE NETWORKS SAID THE U.S. SIDE CALLED FOR FURTHER EFFORTS TO OPEN THE JAPANESE MARKET IN ORDER TO RESOLVE ECONOMIC FRICTIONS BETWEEN THE TWO COUNTRIES NHK SAID FOREIGN MINISTER ABE STATED AT HIS MEETING WITH THE U.S. GROUP THAT HE HOPES TO HOLD FRANK TALKS ON TRADE PROBLEMS DURING HIS FORTHCOMING VISIT TO THE U.S.

NHK SAID THE U.S. OFFICIALS MET AGRICULTURE MINISTER YAMAMURA AND CALLED ON JAPAN TO RESOLVE THE BEEF AND DRANGE PROBLEM. THE NETWORK SAID YAMAMURA REPLIED THAT THE U.S. SIDE SHOULD TAKE A FLEXIBLE STAND TOO.

2. TOKYO DAILIES GAVE FRONT-PAGE AND INSIDE-PAGE COVERAGE TUESDAY EVENING TO REPORTS ON THE U.S.-JAPAN TRADE TALKS.

THE ECONOMIC JOURNAL NIHON KEIZAI, MAINICHI, SANKEI AND

THE TOKYO SHIMBUN PUBLISHED PAGE ONE REPORTS ON THE TRADE TALKS. THE HEADLINES SAID NAKASONE EXPRESSED HOPE THAT PROGRESS WOULD BE HADE ON THE FARM TRADE ISSUE DURING FOREIGN MINISTER ABE'S VISIT TO THE U.S. THE NIHON MEIZAL SAID GREGG AND THE OTHER OFFICIALS MET PRIME MINISTER NAKASONE TO DISCUSS U.S. - JAPAN ECONOMIC AND POLITICAL PROBLEMS. THE REPORT SAID THE U.S. SIDE CALLED FOR SETTLEMENT OF ECONOMIC DISPUTES IN ORDER TO PROMOTE U.S. - JAPAN RELATIONS.

ON THE DEFENSE PROBLEM, THE NIHOH KEIZAI SAID THE U.S. OFFICIALS HOPED FOR VOLUNTARY EXPANSION OF JAPAN'S BULLDUP PROGRAM.

THE NIHON KEIZAI SAID NAKASONE REPLIED THAT "THERE ARE VARIOUS PROBLEMS BETWEEN THE U.S. AND JAPAN WHICH SHOULD BE RESOLVED SATISFACTORILY THROUGH COMPROMISES BY BOTH SIDES."

THE MAINICH! SAID NAKASONE MET PRESIDENTIAL ASSISTANT SIGUR AND OTHERS TO DISCUSS U.S. - JAPAN PROBLEMS. THE - REPORT SAID NAKASONE EXPRESSED HOPE THAT PROGRESS WOULD BE MADE ON THE BEEF AND ORANGE PROBLEM DURING ABE'S TRIP TO THE U.S. FROM JANUARY 26.

THE YOMIURI AND THE ASAHI CARRIED SIMILAR REPORTS ON INSIDE PAGES.

THE YOMIURI SAID NAKASONE TOLD THE U.S. GROUP THAT HE WOULD SEEK EARLY SETTLEMENT OF PENDING ISSUES SUCH AS FARM IMPORTS, TARIFF REDUCTION AND PROCUREMENT OF NTT COMMUNICATIONS EQUIPMENT.

3. THE U.S.-JAPAN TALKS RECEIVED INSIDE-PAGE PLAY IN

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E.O. 12356: N/A

SUBJECT: MEDIA REACTION REPORT ON

THE WEDNESDAY MORNING EIDTIONS. THE REPORTS DEALT WITH THE U.S. GROUP'S MEETING WITH ECONOMIC PLANNING AGENCY DIRECTOR GENERAL KOMOTO AND AGRICULTURE MINISTER YAMAMURA.

THE NIHON KEIZAI SAID KOMOTO TOLD THE U.S. OFFICIALS THAT JAPAN WILL MAKE FURTHER EFFORTS TO OPEN THE JAPANESE MARKET, EXPAND COMESTIC PURCHASING POWER AND CORRECT THE VALUATION OF THE YEN. THE REPORT SAID KOMOTO CALLED FOR A LOWERING OF U.S. INTEREST RATES IN ORDER TO SETTLE PENDING TRADE ISSUES.

THE NIHON KEIZAI ALSO PUBLISHED A REPORT ON AGRICULTURE MINISTER YAMAHURA'S MEETING WITH THE U.S. GROUP TO DISCUSS THE FARM TRADE PROBLEM. THE REPORT SAID SIGUR CALLED FOR EARLY SOLUTION OF THE FARM ISSUE TO PREVENT IT FROM BEING USED AS A POLITICAL TOOL IN THE U.S. PRESIDENTAIL ELECTION.

THE NIHON KEIZAI SAID YAMAMURA REPLIED THAT THE U.S. SIDE SHOULD ALSO MAKE A REALISTIC RESPONSE AFTER STATING THAT HE WOULD MAKE EFFORTS TO RESOLVE THE AGRICULTURAL ISSUE. THE REPORT SAID YAMAMURA POINTED OUT THAT BEEF AND ORANGES ARE NOT A BIG PROBLEM WHEN LOOKING AT U.S.-JAPAN FARM TRADE AS A WHOLE. THE NIHON KEIZAI SAID THE AGRICULTURE MINISTER STATED THAT THE U.S. SIDE'S REQUESTS ARE TOO SEVERE, THE ASAHI ALSO REPORTED ON YAMAMURA'S MEETING WITH THE U.S. GROUP WITH HEADLINE EMPHASIS ON AVOIDING TURNING FARM ISSUE INTO A POLITICAL TOOL.

THE YOMIURI, MAINICHI, AND THE SANKEI ALSO REPORTED ON THE U.S. GROUP'S MEETING WITH KOMOTO WITH EMPHASIS ON THE MEED TO CORRECT HIGH U.S. INTEREST RATES.
THERE WAS NO EDITORIAL COMMENT ON THE U.S.-JAPAN TRADE

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UNCLAS (SECTION 1 OF 3)

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS JANUARY 20:
FOR P/P, P/PFF, VOA; STATE FOR EA/P, EA/J, STATE/PASS TO
USTR; SECDEF FOR JCS/J-5/FE/JAPAN, ASD/ISA/EAPR/JAPAN; CIA WASHDC;
TREASURY/IMA; WHITE HOUSE TO GASTON SIGUR; COMMERCE; USFJ/PA;
USCINCPAC/PA; COMSEVENTHFLT/PA.

LEAD STORIES: THE YOMIURI PLAYED UP A REPORT ON THE DRAFT RECOMMENDATION, DRAWN UP BY THE TELE-COMMUNICATIONS DELIBERATION COUNCIL YESTERDAY, AS ITS FRONTPAGE TOP STORY, CARRYING THE FOLLOWING HEADLINES:

"PRIVATE CIRCLES' ACVANCE INTO TELE-COMMUNICATIONS SERVICE URGED; DELIBERATION COUNCIL DRAWS UP DRAFT RECOMMENDATION; MONOPOLY BY NIPPON TELEGRAPH AND TELEPHONE PUBLIC CORPORATION (NTT) TO BE ELIMINATED; TO ADOPT PRINCIPLES OF COMPETITION, INCLUDING KDD (KOKUSAI DENSHI DENVA CO. (INTERNATIONAL TELEGRAPH AND TELEPHONE CO.)); ALSO, EFFECT OF SECURING REDUCTION OF CHARGES" OTHER MORNING PAPERS CARRIED THE FOLLOWING FRONTPAGE TOP-STORY HEADLINES:

SANKEI: "HEALTH INSURANCE BENEFITS TO BE REDUCED BY

18 PERCENT; BY 28 PERCENT FROM FISCAL 1986; HEADING TOWARD
CARRYING IT OUT FROM JULY; NEW MEDICAL SERVICE SYSTEM FOR RETIRED
EMPLOYEES TO BE ESTABLISHED, TOO"

N.HON KEIZAI: "FINANCE MINISTRY'S DRAFT BUDGET BILL TO BE INFORMALLY FRESENTED TODAY; 58,627 BILLION YEN FOR GENERAL ACCOUNT; GENERAL ANNUAL EXPENDITURES TO BE REDUCED BY 33 BILLION YEN; MOST SUPER STRINGENT TYPE SINCE FISCAL 1955; RATE DF INCREASE IN GOVERNMENT INVESTMENTS AND LOANS TO BE FISXED AT 1 PERCENT; DEGREE OF RELIANCE ON GOVERNMENT BONDS TO BE LOWERED TO 25 PERCENT*

TOKYO SHIMBUN: "SOUTHERN KANTO AREA HIT BY RECORD-BREAKING HEAVY SNOWFALL; MEASURED 22 CENTIMETERS IN COTER OF TOKYO METROPOLIS; FREEZING OF ROAD SURFACES THIS MORNING FEARED"

ASAH): "BENEFIT RATE FOR PERSONS INSURED TO BE LOWERED TO 98 PERCENT IN FISCAL 1984 AND 1985--HEALTH INSURANCE; TO 88 PERCENT FROM FISCAL 1986; DECIDED BY GOVERNMENT AND LDP; TO BE CARRIED OUT FROM JULY"

MAINICHI: "BENEFIT RATE FOR PERSONS INSURED TO BE LOVERED TD 9B PERCENT IN FISCAL 1984 AND 1985; TO 8B PERCENT FROM FISCAL 1986; TO BE APPLIED ALSO TO DEPENDENTS AND PARTICIPANTS IN NATIONAL HEALTH INSURANCE SYSTEM; PART OF BURDEN TO BE IMPOSED AT TIME OF HOSPITALIZATION; SETTLED BY GOVERNMENT AND LDP"

DEPUTY USTR SMITH (NIHON KEIZAI -PAGE 3)

DEPUTY USTR SMITH, WHO IS NOW VISITING JAPAN, CALLED ON FOREIGN MINISTER ABE AT THE FOREIGN MINISTRY ON THE 19TH, AND EXCHANGED OPINIONS ON TRADE PROBLEMS BETWEEN JAPAN AND THE US.

ON THAT OCCASION, DEPUTY USTR SMITH REFERRED TO THE LOWERING
OF THE TARIFF RATES ON ABOUT 30 ITEMS INCLUDING PLYWOOD, WHICH
LOWERING THE US GOVERNMENT HAS BEEN REQUESTING FOR SOME TIME PAST.
HE STATED: "IT SEEMS THAT IMPLEMENTATION FROM APRIL, 1984 HAS
BEEN SHELVED, BUT THE US GOVERNMENT IS CONTINUOUSLY ENTERTAINING
HIGH INTEREST." SO SAYING, HE EMPHASIZED AGAIN THAT IT IS ONE
OF THE PRIORITY TASKS IN THE TRADE NEGOTIATIONS WITH JAPAN.
IN RESPONSE TO THIS, FOREIGN MINISTER ABE SAID THAT "I INTEND
TO CHECK INTO IT SERIOUSLY IN THE FUTURE, TOO." HE THUS SHOWED
THE POSTURE OF TACKLING THIS MATTER IN A FORWARD-LOOKING WAY.

CONCERNING THE PROBLEM OF OPENING THE MARKETS FOR BEEF AND ORANGES, WHICH PROBLEM IS THE BIGGEST PENDING PROBLEM AT PRESENT, DEPUTY USTR SMITH STATED THAT "THIS IS AN IMPORTANT PROBLEMS FOR BOTH JAPAN AND THE US. WHEN FOREIGN MINISTER ABE VISITS THE US, YOU WILL COME TO HOLD TALKS WITH USTR BROCK." AS TO THIS, THE FOREIGN MINISTER SAID THAT "THIS IS THE MOST TROUBLESOME PROBLEM, BUT EFFORTS BY THE TWO SIDES ARE INDISPENSABLE." HE SOUGHT THAT THE US SIDE ALSO MAKE DUE CONCESSIONS. (MORE COMING) USIS TOKYO

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UNCLAS (SECTION 2 OF 3)

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS JANUARY 20: FOR P/P, P/PFF, VOA; STATE FOR EA/P, EA/J, STATE/PASS TO USTR; SECDEF FOR JCS/J-5/FE/JAPAN, ASD/ISA/EAPR/JAPAN; CIA WASHDC; TREASURY/IMA; WHITE HOUSE TO GASTON SIGUR; COMMERCE; USFJ/PA; USCINCPAC/PA; COMSEVENTHELT/PA.

CONCERNING THE RESTRICTIONS ON FOREIGN CAPITAL-AFFILIATED ENTERPRISES CONCERNING VAN (VALUE ADDED NETWORKS), MOVES TOWARD WHICH RESTRICTIONS ARE SEEN WITHIN THE JAPANESE GOVERNMENT, AND THE CONCEPT FOR A "PROGRAM RIGHTS LAW" TO PROTECT THE INTERESTS OF THOSE WHO ARE DEVELOPING COMPUTER SOFTWARE, DEPUTY USTR SMITH PROPOSED THAT FOREIGN MINISTER ABE HOLD CONSULTATIONS WITH PERSONS CONNECTED WITH THE US GOVERNMENT WHEN HE VISITS THE US. THE FOREIGN MINISTER AGREED.

DEPUTY USTR SMITH, WHO IS \mathbf{v} ISITING JAPAN, CALLED ON POSTAL SERVICES PARLIAMENTARY VICE-MINISTER SEKIYA AT THE POSTAL SERVICES MINISTRY ON THE AFTERNOON OF THE 19TH, AND EXCHANGED OPINIONS ON THE PROBLEM OF THE TELE-COMMUNICATIONS FRICTION BETWEEN JAPANA AND THE US. ON THE FACT THAT IN THE LAW BILL CONCERNING REFORM OF TELE-COMMUNICATIONS, WHICH THE MINISTRY IS SCHEDULED TO PRESENT TO THE CURRENT DIET SESSION, WHICH THE MINISRY IS SCHEDULED TO PRESENT TO THE CURRENT DIET SESSION, THERE ARE MOVES TO RESTRICT FOREIGN CAPITAL-AFFILIATED ENTERPRISES' PARTICIPATION IN VAN ENTERPRISES, DEPUTY USTR SAID THAT "IF THESE MOVES RESULT IN SHUTTING OUT US ENTERPRISES AND RESTRAINING JAPAN-US TRADE, THIS WILL BE A PROBLEM." REQUESTED THAT RESTRICTIONS ON FOREIGN CAPITAL-AFFILIATED ENTERPRISES CONCERNING VAN NOT BE ESTABLISHED.

IN RESPONSE TO THIS, THE POSTAL SERVICES MINISTRY SIDE WENT NO FARTHER THAN TO STATE AS FOLLOWS: "AT PRESENT, WE ARE CHECKING INTO MINIMUM NECESSARY RESTRICTIONS. IT SEEMS THAT THERE IS THE VIEW THAT ENTERPRISES WHERE FOREIGN CAPITAL ACCOUNTS FOR MORE THAN 20 PERCENT SHOULD BE RESTRICTED. HOWEVER; THIS MATTER IS A CLEAN SLATE AT PRESENT. WE WILL FULLY CONSIDER THE US ASSERTION, TOO, IN THE FUTURE." ALSO, DEPUTH USTR SMITH EMPHASIZED THAT "SUCH JAPAN-US DISCUSSIONS AS TO MAKE IT POSSIBLE TO AVOID TRADE FRICTION IN ALL FIELDS ARE NECESSARY." (TN: SIMILAR REPORTS APPEARED IN SOME OTHER PAPERS.)

PERSONNEL CUT (NIHON KEIZAI -PAGE 2) ON THE NIGHT OF THE 19TH, PRIME MINISTER NAKASONE INVITED ADMINISTRATIVE MANAGEMENT BUREAU DIRECTOR GENERAL KADOTA AND GENERAL AFFAIRS DEPUTY DIRECTOR GENERAL FURUHASHI OF THE ADMINISTRATIVE MANAGEMENT AGENCY TO HIS OFFICIAL RESIDENCE TO ASK ABOUT THE PROGRESS OF THE SURVEY OF THE NUMBER OF PUBLIC SERVICE PERSONNEL AND THE ADMINISTRATIVE ORGANIZATIONS,

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PAGE 02 OF 02 USIS TOKYO JA 0078

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WHICH SURVEY IS BEING CONDUCTED PARALLEL WITH THE COMPILATION OF THE 1984 FISCAL BUDGET. CONCERNING THE KEY ISSUE OF REDUCTION OF NATIONAL PUBLIC SERVICE PERSONNEL, THE PRIME MINISTER ORDERED THE TWO OFFIICIALS TO CARRY OUT A REDUCTION BY "MORE THAN 3,700." HE THUS MADE IT CLEAR THAT "3,700" IS THE MINIMUM NECESSARY LEVEL FOR REDUCTION. CONCERNING THE ORGANIZATIONS, SUCH AS THE INTERNAL DEPARTMENTS AND BUREAUS OF THE MINISTRIES AND AGENCIES AND SPECIAL CORPORATIONS, THE PRIME MINISTER HOPED THAT THESE ORGANIZATIONS "WILL BE STRICTLY KEPT THEM SWELLING," AND ASKED FOR RIGID ENFORCEMENT OF THE PRINCIPLE OF SCRAP AND BUILD." (TN: SOME OTHER PAPERS CARRIED SIMILAR REPORTS.)

THE HOUSE OF REPRESENTATIVES STEERING COMMITTEE (CHAIRMAN: ICHIRO OZAWA) HELD A MEETING OF ITS BOARD OF DIRECTORS ON THE 19TH, FOR CONSULTATIONS ON THE SCHEDULE FOR THE REOPENING OF THE DIET SESSION AND THE PROBLEM OF POLITICAL ETHICS. AT THIS MEETING, THE LDP REVEALED THE IDEA OF REOPENING THE 101ST EXTRAORDINARY DIET SESSION ON FEBRUARY 6, TO HAVE MINISTERS DELIVER SPEECHES. INCLUDING PRIME MINISTER NAKASONE'S ADMINISTRATIVE POLICY SPEECH, WITHIN THE SAME DAY. IT ALSO PROPOSED A PLAN TO ESTABLISH A "CONSULTATIVE COUNCIL ON POLITICAL ETHICS" AS AN ADVISORY ORGAN OF THE LOWER HOUSE SPEAKER. THE MEETING, HOWEVER, COULD NOT PRODUCE A CONCLUSION ON THIS PROBLEM, BECAUSE THE JSP ASKED FOR A MORE CONCRETE PLAN SO, IT WAS AGREED TO CONCERNING THE PROBLEM OF POLITICAL ETHICS. HOLD CONSULTATIONS AGAIN ON THIS PROBLEM AT THE MEETING OF THE BOARD OF DIRECTORS TO BE HELD ON THE 26TH. (TN: ONLY THE YOMIURI CARRIED THIS REPORT.) (MORE COMING) USIS TOKYO

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COMMERCE DEPT WASHDC
USFJ YOKOTA JA
USCINCPAC HONOLULU HI
COMSEVENTHELT

UNCLAS (SECTION 3 OF 3)

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS JANUARY 20:
FOR P/P, P/PFF, VOA; STATE FOR EA/P, EA/J, STATE/PASS TO
USTR; SECDEF FOR JCS/J-5/FE/JAPAN, ASD/ISA/EAPR/JAPAN; CIA WASHDC;
TREASURY/IMA; WHITE HOUSE TO GASTON SIGUR; CDMMERCE; USFJ/PA;
USCINCPAC/PA; COMSEVENTHFLT/PA.

NTT PROCUREMENT (NIHON KEIZAI -PAGE 3)

THE GOVERNMENTS OF JAPAN AND THE US REACHED AGREEMENT BASICALLY, AT THE CONFERENCE HELD ON THE 19TH BETWEEN FOREIGN MINISTRY ECONOMIC AFFAIRS BUREAU DIRECTOR GENERAL MURATA AND US DEPUTY TRADE REPRESENTATIVE SMITH, IN THE DIRECTION OF EXTENDING THE JAPAN-US AGREEMENT CONCERNING THE PROCUREMENT OF INTERNATIONAL MATERIALS BY THE JAPAN TELEGRAPH AND TELEPHONE PUBLIC CORPORATION BY THREE YEARS UNTIL THE END OF 1986. AFTER GOING THROUGH DUE PROCEDURES WITHIN THE JAPANESE AND THE US GOVERNMENTS IN THE FUTURE, THE AGREEMENT WILL BE OFFICIALLY SIGNED IN THE US BETWEEN FOREIGN MINISTER ABE, WHO WILL VISIT THE US ON THE 26TH, AND US TRADE REFRESENTATIVE BROCK. IT IS PLANNED THAT THE JAPANESE GOVERNMENT WILL APPROVE THE AGREEMENT, WHICH WILL BE EXTENDED, AT THE CABINET MEETING ON THE 27TH.

ACCORDING TO THE AGREEMENT REACHED BETWEEN JAPAN AND THE US, IN REGARD TO THE PROBLEM OF PURCHASING A COMMUNICATIONS SATELLITE, WHICH HAS BEEN POSING A BARRIER TO NEGOTIATIONS, THE TWO COUNTRIES HAVE AGREED TO EXCLUDE IT FROM THE AGREEMENT AND TO HANDLE IT AS THE MATTER OF CONTINUED DELIBERATIONS, SO THAT THE TWO COUNTRIES WILL CONTINUE TO DISCUSS IT, WHILE STANDING ON EACH'S POSITION. THUS, THE JAPANESE SIDE'S ASSERTIONS HAVE BEEN ACCEPTED. ALSO, CONCERNING "STIPULATIONS CONCERNING RE-VIEWING" THE AGREEMIT EVERY YEAR, AND "STIPULATIONS CONCERNING TERMINATION," WHICH WILL ENABLE TO TERMINATE THE AGREEMENT, UNILATERALLY, IN CASE EITHER OF THE TWO COUNTRIES GIVES AN ADVANCE NOTICE, WHICH THE US SIDE WAS SEEKING AS THE CONDITIONS FOR EXTENDING THE AGREEMENT BY THREE YEARS, IT HAS BEEN DECIDED THAT THE JAPANESE SIDE WILL ACCEPT THESE TWO CONDITIONS.

IN REGARD TO THE "STIPULATIONS CONCERNING RE-VIEW," IT HAS BEEN DECIDED THAT IN VIEW OF THE FACT THAT THE OKITA-ASKEW LETTER, EXCHANGED BETWEEN JAPAN AND THE US WHEN THE AGREEMENT NOW IN FORCE WAS CONCLUDED, PRESCRIBED THAT CONFERENCES SHALL BE HELD REGULARLY, THE STIPULATIONS SHOULD BE DEFINED AS BEING ON AN EXTENSION LINE OF THIS STIPULATION. CONCERNING THE "STIPULATION AS TO TERMINATION," THE US SIDE, WHICH HAD BEEN CALLING, AT FIRST, FOR THE ISSUING OF AN ADVANCE NOTICE 60 DAYS BEFOREHAND, EASED THE CONDITION IN THE DIRECTION OF ISSUING SUCH A NOTICE "SIX MONTHS IN ADVANCE." ACCORDINGLY, THE JAPANESE SIDE HAS RESPONDED TO IT.

BESIDES THE ABOVE, CONCERNING THE EIGHT-ITEM PROCUREMENT

FACILITATION MEASURES WHICH NTT FORMULATED LAST MARCH FOR THE PURPOSE OF ENABLING US ENTERPRISES TO PARTICIPATE SMOOTHLY IN NTT PROCEDURES FOR PROCUREMENT, THESE MEASURES WILL BE PRESCRIBED IN A DOCUMENT TO BE ATTACHED TO THE AGREEMENT, WHICH WILL BE EXTENDED. (TN: ALL OTHER PAPERS CARRIED SIMILAR REPORTS.) ITEM USIS TOKYO

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MCFARLANE

FROM SIGUR

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26 JAN 84

KEYWORDS: JAPAN

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ABE, SHINTARO

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National Security Council The White House

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THE WHITE HOUSE WASHINGTON

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1/27 AM

RCM:

You will not be expected to make any remarks at this meeting.

Scenario for meeting:

- 1. VP kicks off mtg in Cabinet Room; turns over to Shultz. Presentations by Cabinet officials.
- 2. Shultz & RCM accompany Abe into Oval Ofc following Cabinet Mtg.
- 3. VP already in Oval Office.

Wilma

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MEMORANDUM



THE WHITE HOUSE

WASHINGTON

January 26, 1984

MEETING WITH SHINTARO ABE FOREIGN MINISTER OF JAPAN

FRIDAY, JANUARY 27, 1984 OVAL OFFICE 11:45 A.M.

FROM:

ROBERT C. McFARLANE

EHK

I. PURPOSE

15-minute courtesy call to show your continuing commitment to the U.S.-Japan relationship, but especially to convey to the Foreign Minister your expectations that the outstanding economic and trade issues between our two countries will be settled soon.

II. BACKGROUND

You meet with the Foreign Minister at a critical time in the negotiations taking place between Japan and the U.S. on outstanding economic and trade issues. The Vice President's follow-up activities are moving along well and decisions in a number of areas need to be made between now and the end of April.

III. PARTICIPANTS

The President
The Vice President
George Shultz, Secretary of State
Robert C. McFarlane, Assistant to the President
for National Security Affairs
Paul Wolfowitz, Assistant Secretary of State
for East Asian and Pacific Affairs
Donald Gregg, Assistant to the Vice President
for National Security Affairs
Gaston J. Sigur, Special Assistant to the President
and Senior Director of Asian Affairs

Minister Shintaro Abe, Japanese Minister of Foreign Affairs

Toshijiro Nakajima, Japanese Deputy Minister of Foreign Affairs

Ambassador Yoshio Okawara, Japanese Ambassador to the United States

Hiroshi Kitamura, Director General, North America Bureau







IV. PRESS PLAN

White House photographer only

V. SEQUENCE OF EVENTS

Brief remarks

Prepared by: Gaston Sigur

Attachments:

Tab A Briefing Material
Tab B Talking Points

Tab C Bio

cc Vice President
Ed Meese
Jim Baker
Mike Deaver

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Visit of Shintaro Abe Japanese Minister of Foreign Affairs January 27, 1984

I. SETTING

Foreign Minister Abe is the first high-level Japanese visitor to the United States since the President's November trip to Tokyo. While Prime Minister Nakasone has named himself as the Vice President's counterpart responsible for overall coordination of the follow-up process in Japan, he has given Abe responsibility for coordinating Japan's external economic affairs. The Abe visit therefore presents an excellent opportunity for the President, Vice President and our senior Cabinet officers to stress the importance that we attach to results during the follow-up, and to indicate where our priorities lie.

Abe is a Prime Ministerial contender in Japan and a political rival of Nakasone's. He has been overshadowed by Nakasone's highly visible international profile, but he is expected to play a larger role in the second Nakasone Cabinet. He has a very healthy ego, and he no doubt looks upon his meeting with the President and other officials as bolstering his image at home. In Secretary Shultz's meetings with Abe (nine times to date), we have found him to be well-briefed. Abe has stressed often the importance that he attaches to US-Japan relations. He will be a key player and can be an important ally during this follow-up period and beyond.

During his Washington visit, Abe also will meet separately with the Vice President, Shultz, Weinberger, Brock, Regan, and Baldrige.

II. OBJECTIVES

- 1. Stress the importance that we attach to the U.S.-Japan relationship and to achieving concrete, substantial results during the follow-up process.
- Describe the political setting in the U.S. for this process.
- 3. Indicate our priorities for the follow-up period.
- 4. Stress the importance of Japan carrying through with a defense budget consonant with its defense roles and missions.

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MEETING WITH FOREIGN MINISTER ABE JANUARY 27, 1984

Suggested Talking Points

- -- Welcome; congratulations on retaining your position in new Cabinet, particularly in key role you are playing in US-Japan relations.
- -- Nancy and I have warm memories of our visit to Tokyo in November. Appreciate superb hospitality.
- -- No other relationship more important than US-Japan. We can do so much together.
- -- Appreciate the strenuous efforts Prime Minister and you undertook to strengthen Japan's defense efforts.
- -- We must work hard to resolve problems of past and present, and move to partnership of future. I will watch closely efforts of VP to lead our follow-up in resolving the difficult economic issues existing between us. We are looking for significant results during this period. I do not want the US-Japanese relationship to become a highly contentious issue in U.S. politics in this Presidential election year.
- -- Best wishes to Prime Minister; reiterate my promise to work closely with Japan and him to develop a partnership between U.S. and Japan which will increasingly benefit entire world.

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MEETING WITH FOREIGN MINISTER SHINTARO ABE

- -- CONGRATULATIONS ON RETAINING KEY ROLE IN NEW NAKASONE CABINET. SECRETARY SHULTZ & I ARE LOOKING FORWARD TO CONTINUING OUR IMPORTANT WORK WITH PM NAKASONE & YOU TO STRENGTHEN US-JAPANESE ALLIANCE.
- -- NANCY & I HAVE WARM MEMORIES OF OUR TOKYO VISIT LAST NOVEMBER. APPRECIATE SUPERB HOSPITALITY.
- -- NO OTHER RELATIONSHIP MORE IMPORTANT THAN US-JAPAN. WE CAN DO SO MUCH TOGETHER.
- -- APPRECIATE THE STRENUOUS EFFORTS PRIME MINISTER AND YOU TOOK TO STRENGTHEN JAPAN'S DEFENSE EFFORTS.

FOREIGN MINISTER SHINTARO ABE

2

- -- MUST WORK HARD TO RESOLVE PROBLEMS OF PAST & PRESENT & MOVE TO PARTNERSHIP OF FUTURE.

 AM WATCHING CLOSELY THE FOLLOW-UP ACTIVITIES FROM OUR SIDE UNDER THE V.P.'s LEADERSHIP.
- -- AM LOOKING FOR SIGNIFICANT RESULTS DURING THE NEXT 2-3 MONTHS IN THE RESOLUTION OF THE DIFFICULT ECONOMIC ISSUES BETWEEN US.
- -- DO NOT WANT THE US-JAPAN RELATIONSHIP TO BECOME A HIGHLY CONTENTIOUS ISSUE IN US POLITICS THIS PRESIDENTIAL ELECTION YEAR.
- -- BEST WISHES TO PM NAKASONE. REITERATE MY PROMISE TO WORK TOGETHER WITH JAPAN AND HIM TO DEVELOP PARTNERSHIP BETWEEN U.S. & JAPAN FOR INCREASING BENEFIT OF WHOLE WORLD.

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MEMORANDUM

NATIONAL SECURITY COUNCIL

January 26, 1984

ACTION

MEMORANDUM FOR ROBERT C. McFARLANE

THROUGH:

CHARLES P. TYSON

FROM:

GASTON J. SIGUR

SUBJECT:

Briefing Materials and Talking Points for President's Meeting with Foreign Minister of Japan, Shintaro Abe, January 27, at 11:45 a.m.

Foreign Minister Abe, a political power in his own right, is coming to Washington to meet with Secretary Shultz and others to talk over the agenda for our follow-up discussions and to find out just how tough we are prepared to be.

The President is meeting with the Foreign Minister at a critical time in the negotiations taking place between Japan and the U.S. on outstanding economic and trade issues. The Vice President's follow-up activities are moving along well and decisions in a number of areas need to be made between now and the end of April. Of most immediate concern are the ongoing discussions on agricultural products.

During the recent visit to Tokyo of Gregg, Wolfowitz and myself, Prime Minister Nakasone told me that he was aware of the political imperatives of the U.S. presidential election year and that he would do everything he could to meet the President's expectations for Japanese concessions on defense and economic matters. He has so instructed his government and party officials, he said.

Prime Minister Nakasone only two days ago took strong, positive and politically brave action on defense by raising the percentile increase of the next year's defense budget from the 5.1% recommended by his Minister of Finance to 6.55%. While this is less than we would like, it was probably all Nakasone could possibly do at this time, given Japan's economic situation.

We should make it clear that we do not want the Japan-U.S. relationship to become a political football in the Presidential election this year. Consequently, Japan has got to take immediate steps to open their market more than is presently the case.

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is what we have been seeking and that is what we continue to seek. They cannot procrastinate any longer. Protectionist sentiment is high in the Congress and among the American public. If Japan will act in areas that we have outlined to them, the U.S.-Japan relationship can move ahead in ways that the President and Nakasone agreed to in their Washington and Tokyo meetings.

RECOMMENDATION:

That you forward Tab I to the President.

Approve PMK Disapprove

Attachments:

Tab I McFarlane memo to President Tab A Briefing Material Tab C Ric Materi





ROM HAS SEL

CONFIDENTIAL OFFICE OF THE VICE PRESIDENT WASHINGTON

January 26, 1984

MEMORANDUM FOR THE VICE PRESIDENT

THROUGH:

Admiral Murphy

FROM:

Don Gregg

Walt Doran West

SUBJECT:

Visit of Japanese Minister of Foreign

Affairs, Friday, January 27, 1984

You have agreed to kick-off a multi-Cabinet meeting with Foreign Minister Abe in the Roosevelt Room at 11:00 a.m. on Friday, January 27. Later you will meet with Abe and President Reagan in the Oval Office at 11:45 and will then host a lunch in honor of the Foreign Minister at Blair House commencing at 12:15.

Foreign Minister Abe is the first high-level Japanese visitor to the United States since the President's November trip to Tokyo. While Prime Minister Nakasone has named himself as your counterpart, responsible for overall coordination of the follow-up process in Japan, he has given Abe responsibility for coordinating Japan's external economic affairs. The visit, therefore, presents an excellent opportunity for you and our senior Cabinet officers to stress the importance that we attach to results during the follow-up and to indicate where our priorities lie.

Abe will meet separately with Shultz, Weinberger, Brock, Regan and Baldrige. he will not be in a position to negotiate, but his visit offers an opportunity to reinforce at the highest level what the Japanese heard from the Gaston Sigur, Don Gregg, Paul Wolfowitz mission and our trade negotiators.

During your conversations with Abe you may wish to:

- Stress the importance the President and you attach to the US-Japan relationship and to achieving concrete, substantial results on several issues during the follow-up process.

Attachments:

1. Talking Points for the Multi-Cabinet Meeting

CARDS AT TAR 1

2. Biographic Sketch

3. Participants at Multi-Cabinet Meeting (1100-1145)

AND TAB 6.

4. Participants at Luncheon (1215)5. Schedule of Foreign Minister Abe

6. Background Material for the Vice President's Luncheon for Japanese Foreign Minister Shintaro Abe

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TALKING POINTS FOR THE MULTI-CABINET MEETING WITH JAPANESE FOREIGN MINISTER SHINTARO ABE

- -- The President and I, and indeed the Congress and the American public, attach the highest importance to the US-Japan relationship. As the President said in your Diet, we have the opportunity to become a powerful partnership for good in the world.
- -- It therefore is extremely important that we make significant progress on our "agenda for progress" during this follow-up.
- -- We are moving into a critical year in our relationship. Our trade deficit with Japan last year was \$21 billion. With economic recovery well underway in the U.S., we expect that it might go as high as \$30 billion this year.
- -- Protectionist sentiment in the U.S. is at one of its highest levels in years. In a September 1983 Gallup Poll, 73% of the American people said that the jobs of American workers are in "serious danger" because of Japanese imports.
- -- This is an election year, and many in our Congress will be tempted to take protectionist actions. For example, we can no longer be certain that the Senate will reject domestic content legislation.
- -- The best way to help blunt these protectionist pressures is through significant progress during this follow-up period. If we do not achieve it, the impact on our relationship and on the free trade system will be severe.

MULTI-CABINET MEETING--JANUARY 27, 1984

- -Pres. and I attach highest importance to US-Japan relationship.
- -Extremely important we make significant progress during follow-up.
- -Moving into critical year. Trade deficit was \$21 billion -- could go to \$30 billion.
- -Protectionist sentiment at highest level in years. During this election year many may be tempted to propose protectionist measures.
- -Significant progress during follow-up will be best way to blunt protectionism.

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PARTICIPANTS IN MULTI-CABINET MEETING

Japanese Participants

Shintaro Abe, Foreign Minister Toshijiro Nakajima, Deputy Foreign Minister Ryohei Murata, Director General, Economic Affairs Bureau, Ministry of Foreign Affairs Hiroshi Kitamura, Director General, North American Affairs Bureau, Ministry of Foreign Affairs Yoshio Karita, Deputy Director General, Public Information and Cultural Affairs Bureau, Ministry of Foreign Affairs Yutaka Kawashima, Director, First North American Affairs Division, Ministry of Foreign Affairs Ryozo Kato, Director, Security Affairs Division, Ministry of Foreign Affairs Kiyohiko Nanao, Director, Second North American Affairs Division, Ministry of Foreign Affairs Toshivuki Takano Shinichi Nishimiya Yoshio Okawara, Ambassador of Japan Michihiko Kunihiro, Minister, Embassy of Japan Ken Shimanouchi, First Secretary, Embassy of Japan Mitsuaki Nagashima, Attache, Embassy of Japan

US Participants

The Vice President Secretary of State George Shultz Secretary of the Treasury Donald Regan Secretary of Commerce Malcolm Baldrige Admiral Daniel J. Murphy Robert C. McFarlane, Assistant to the President for National Security Affairs William Howard Taft, Deputy Secretary of Defense-designate Richard Lyng, Deputy Secretary of Agriculture Martin Feldstein, Chairman, Council of Economic Advisers Allen Wallis, Under Secretary of State for Economic Affairs Lionel Olmer, Under Secretary of Commerce Gaston Sigur, National Security Affairs Donald P. Gregg, Assistant to the Vice President for National Security Affairs Paul D. Wolfowitz, Assistant Secretary of State for East Asian and Pacific Affairs Clyde Prestowitz, Counselor to the Secretary of Commerce Claude Gingrich, General Counsel to the United States Trade Representative William Clark, Deputy Chief of Mission, Tokyo William Sherman, Deputy Assistant Secretary of State James Kelly, Deputy Assistant Secretary of Defense L. Desaix Anderson, Country Director for Japan Donald Nelson, Office of the United States Trade Representative Walt Doran, Office of the Vice President

Mr. K.C. Iida, Department of State Interpreter

PARTICIPANTS IN BLAIR HOUSE LUNCHEON

United States

Vice President Bush
Secretary Shultz
Admiral Daniel J. Murphy, Chief of Staff, Office
of the Vice President
Dr. Gaston Sigur, National Security Council
Donald Gregg, Assistant to the Vice President
for National Security Affairs
Paul Wolfowitz, Assistant Secretary of State
William Clark, Deputy Chief of Mission, Tokyo
Mr. K.C. Iida, Department of State Interpreter

Japanese

Foreign Minister Abe
Ambassador Okawara
Deputy Foreign Minister Toshijiro Nakajima
Director General Hiroshi Kitamura
Director General Ryohei Murata
Mr. yutaka Kawashima
Mr. Shinichi Nishimiya

TENTATIVE SCHEDULE

Visit of Foreign Minister Abe

Thursday, January 26

1:30 PM Arrive National Airport: Met by ASEC Wolfowitz

4:00 PM Meet with USTR Ambassador Brock

Friday, January 27

9:30 AM Meet with Secretary Shultz. Topics: International Political and Economic Issues

Participants

Secretary Shultz Foreign Minister Abe Under Sec. Wallis Ambassador Okawara Asst. Sec. Wolfowitz Dep. Foreign Minister Nakajima Dr. Sigur (NSC) DirGen Kitamura Mr. Gregg (V.P.) DirGen Murata Mr. Kelly (DOD) Mr. Nanao Mr. Adelman (ACDA) Mr. Kawashima Mr. W. Clark (DCM) Mr. Kato Mr. Sherman Mr. Takano Mr. Anderson (notes) Mr. Karita Mr. Iida (int) Mr. Okamoto (notes) Mr. Nishimiya (int)

- 10:45 AM End meeting. Depart with Secretary Shultz for White House
- 11:00 AM Begin multi-cabinet meeting chaired by Secretary Shultz

-12:00 PM Meet with Vice President Bush

12:30 PM Luncheon hosted by Vice President Bush with Cabinet members or their representative (one only per)

3:00 PM Meet with SecDef Weinberger at DOD

4:15 PM Meet with Treasury Secretary at Treasury

6:30 PM Cocktails and light supper hosted by Secretary Shultz

Participants

Secretary and Mrs. Shultz Asst. Secretary and Mrs. Wolfowitz Mr. and Mrs. David Packard

Mr. Iida (int)

Foreign Minister Abe Ambassador and Mrs. Okawara Depty Foreign Minister Nakajima

Mr. Shinzo Abe

8:30 PM Concert at Kennedy Center

Participants: same as dinner attendees

Saturday and Sunday, January 28 and 29

Foreign Minister Abe travels to Georgia

Monday, January 30

9:00 AM Meet with Commerce Secretary Baldrige

10:00 AM Meet with USTR Ambassador Brock

12:30 PM Luncheon hosted by Secretary Shultz

Participants:

Secretary Shultz Foreign Minister Abe
Mr. Wallis Ambassador Okawara
Mr. Wolfowitz Dep FonMin Nakajima

Dr. Sigur (NSC) DG Murata
Mr. Gregg (V.P.) DG Kitamura
Mr. Sherman Mr. Takano

Mr. Anderson (notes) Mr. Kawashima (notes) Mr. Iida (int) Mr. Nishimiya (int)

2:15 PM Meet with Foreign Affairs Committees on Capitol Hill

4:30 PM Press Conference

Tuesday, January 31

AM Depart for San Francisco and lunch. Proceed to Honolulu

Drafted:EAP/J:RGdeVillafranca 1-23-84 x3152 Wang 3678J

CONFIDENTIAL

BACKGROUND MATERIAL FOR THE VICE PRESIDENT'S LUNCHEON FOR JAPANESE FOREIGN MINISTER SHINTARO ABE

The President and I attach the highest priority to this effort. We are both pleased to know you are playing a key role in the follow-up process. Among the more important issues to be tackled are:

TARIFFS. We seek deep cuts on items such as forest products, paper products, alcoholic beverages, photographic paper and other items where we have major export potential. We are disappointed in the inability of the GOJ to reduce or eliminate these tariffs this year. We look for specific decisions for relief on tariffs in a reasonable, welldefined time frame.

BEEF AND CITRUS. We are keenly disappointed at lack of progress on this issue during discussions earlier this week in Tokyo. This remains the principle agricultural trade issue.

ENERGY. During the President's visit, we achieved agreement that Japan would continue purchases of metallurgical coal at 12-13 million tons per annum. We are interested in renewing efforts in pushing for long-term contracts for US steam coal and to move forward with feasibility studies which Japanese have agreed to encourage the private sector to undertake.

NTT. Progress on the renewal agreement appears to have progressed satisfactorily.

TOBACCO. We seek Japanese agreement to permit US suppliers to import and distribute their products and to remove current pricing disadvantages. We urge elimination or significant reduction of the price premium on imported cigarettes.

COMPUTER SOFTWARE AND VALUE ADDED NETWORKS (VAN). We continue to be concerned by apparent policy and political developments in high tech areas which appear inconsistent with the principles of free trade. We oppose new protectionist measures in development in VAN and computer software.

INDUSTRIAL STRUCTURE COUNCIL. We are interested in obtaining some form of representation on the Industrial Structure Council.

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BY 105 NARA, E 7/24/06

INTERNATIONALIZATION OF THE YEN. We look forward to continued progress on the Regan-Takeshita agreement.

- -- It will be difficult to achieve our relationships' full potential while plagued by trade problems. We have the opportunity to show the rest of the world how to tackle difficult economic problems.
- -- We are moving into a critical year in our relationship. Our trade deficit last year was \$21 billion; we expect that it might go as high as \$30 billion this year.
- -- We appreciate your interest and help in the Caribbean area. What are your future plans in this important region?
- $^{\rm --}$ We were pleased to see the 6.55% increase in the Japanese Defense Budget during a budget year marked by austerity. We hope to see continued progress in this area.

LUNCHEON FOR FM ABE-JANUARY 27, 1984

-President and I attach highest priority to this effort.

-More important issues include: TARIFF, BEEF AND

CITRUS, Energy, NTT, Tobacco, Computer Software and Value Added Networks, Industrial Structure Council Representation, Internationalization of the Yen.

-Difficult to achieve our relationships full potential while plagued by trade problems. We have opportunity to teach the world.

- -Moving into critical year. Trade deficit last year was \$21 billion -- could go to \$30 b.
- -Appreciate help/interest in Caribbean. What are your plans? ABE WANTS TO TELL ADOUT ALD TO DOMINICAN REP.
- -Pleased to see increase in defense budget -- look for continued progress.

CONFIDENTIAL

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TIAL John January 25, 1984

MEMORANDUM FOR THE SECRETARY OF STATE

SECRETARY OF THE TREASURY
SECRETARY OF DEFENSE
SECRETARY OF AGRICULTURE
SECRETARY OF COMMERCE

U.S. SPECIAL TRADE REPRESENTATIVE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT:

Meeting With Japanese Foreign Minister Shintaro Abe

You are invited to attend a meeting in the Roosevelt Room on Friday, January 27, 1984, from 11:00-12:00, to discuss follow-up to the President's November 1983 trip to Japan with Japanese Foreign Minister Shintaro Abe. One or two staff members may also attend, as is convenient for you.

I will open the meeting, but have asked Secretary Shultz to chair it. I have suggested that he begin with general remarks, to be followed by brief presentations by you dealing with the following clusters of issues:

- 1. Financial/capital markets
- 2. Tariffs and other protectionist measures
- 3. High technology issues
- 4. Agriculture issues
- 5. Defense spending
- 6. Energy

We do not expect negotiations to take place during this compact session, but anticipate that Minister Abe will comment following each of the presentations. This session will reinforce at the highest levels of this Government what the Government of Japan has just heard from our negotiators in Tokyo, and will bring together all key aspects of the follow-up process into a single meeting.

George Bush

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NLS F00-037/1451

BY 105 NARA D TE 7/24/08

THE WHITE HOUSE

WASHINGTON

MEMORANDUM

TO:

ROBERT MCFARLANE

FROM:

FREDERICK J. RYAN, JR.

SUBJ:

APPROVED PRESIDENTIAL ACTIVITY

MEETING: with Foreign Minister Abe of Japan

January 27, 1984 DATE:

TIME:

11:45 am

DURATION:

10 minutes

LOCATION:

Oval Office

REMARKS REQUIRED: To be covered in briefing paper

MEDIA COVERAGE: Coordinate with Press Office

FIRST LADY

No PARTICIPATION:

NOTE: PROJECT OFFICER, SEE ATTACHED CHECKLIST

cc: R. Darman

J. Rosebush

R. Kimmitt

1/25/84

R. Deprospero

R. Scouten B. Shaddix

B. Elliott D. Fischer

W. Sittman

C. Fuller

L. Speakes

W. Henkel E. Hickey

WHCA Audio/Visual WHCA Operations

G. Hodges C. McCain A. Wrobleski Nell Yates

B. Oglesby

