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WITHDRAWAL SHEET

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File Folder: Japan (11/09/84 – 01/03/85)

FOIA ID: F00-037 (1539), Oberdorfer
Date: 02/09/2004

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Paper	Arms Control, 1p <i>R 7/24/06 F00-037/1 #640</i>	nd	B1
2. Memo	Paul Thompson to Robert McFarlane re Meeting with Len Garment, 2p <i>R " " #641</i>	10/30/84	B1
3. Memo	Douglas McMinn to McFarlane re Japanese Electronic Products Antitrust Litigation, 2p <i>R " " #642</i>	10/25/84	B1
4. Memo	Same as Item # 2, 2p <i>R " " #643</i>	10/30/84	B1
5. Memo	Same as Item # 3, 2p <i>R " " #644</i>	10/25/84	B1
6. Memo	Charles Hill to McFarlane re Tokyo Declaration, 1p	11/5/83	B1
7. Paper	re Tokyo Declaration, 1p	nd	B1
8. Memo	Gaston Sigur to McFarlane re Meeting with Ambassador Okawara, 1p <i>R 7/24/06 F00-037/1 #647</i>	12/7/84	B1
9. Report	8p <i>D " " #648</i>	12/21/84	B1, B3
10. Memo	Sigur, et al to McFarlane re Talking Points for SIG-IEP, 2p <i>R " " #649</i>	1/3/85	B1
11. Talking Points	for SIG-IEP meeting, 3p <i>R " " #650</i>	nd	B1

RESTRICTIONS

- B-1 National security classified information [(b)(1) of the FOIA].
- B-2 Release could 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 commercial 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-7a Release could reasonably be expected to interfere with enforcement proceedings [(b)(7)(A) of the FOIA].
- B-7b Release would deprive an individual of the right to a fair trial or impartial adjudication [(b)(7)(B) of the FOIA].
- B-7c Release could reasonably be expected to cause unwarranted invasion or privacy [(b)(7)(C) of the FOIA].
- B-7d Release could reasonably be expected to disclose the identity of a confidential source [(b)(7)(D) of the FOIA].
- B-7e Release would disclose techniques or procedures for law enforcement investigations or prosecutions or would disclose guidelines which could reasonably be expected to risk circumvention of the law [(b)(7)(E) of the FOIA].
- B-7f Release could reasonably be expected to endanger the life or physical safety of any individual [(b)(7)(F) 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].


OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON

20506

November 9, 1984

MEMORANDUM

TO: Robert M. Kimmitt

FROM: Dennis Whitfield 

Subject: Comments on NSSD on Japanese Language Education
for Industrial Growth

USTR supports the formation of an interagency group to explore the development of Japanese language skills in the American business and scientific/engineering communities. However, we have some reservations about the NSSD as presently drafted, as well as some suggested revisions to the section proposing the establishment of an Assistant Secretary level group to explore the problem.

Our reservations to the draft concern the argument implicit in the first page that only by creating a corps of American businessmen and engineers fluent in Japanese will we be able to solve our trade problems with Japan. An inadequate supply of Americans capable of doing business in Japanese, and of keeping up with the technical literature in Japanese, is indeed a problem we face. But it is hardly our major problem in dealing with Japan in trade. The major trade problem we have with Japan remains our inadequate access to Japan's market. That market is still substantially less open than our own, and imports confront real barriers regardless of whether our firms' managers and salesmen speak Japanese or not. Similarly, Japanese researchers enjoy far greater access to U.S. labs and R&D projects than is available to foreigners in Japan. The NSSD need not dwell on these realities of our trade problem with Japan, but neither should it read, contrary to U.S. trade policy, as if our trade problems with Japan are the result simply of our inadequacies in Japanese language training.

Our suggestions with respect to the group proposal concern both the principles to guide the group's work as well as the "possible concept" for the initiative. The lack of American businessmen and engineers capable of reading and speaking Japanese is a problem for the United States to deal with and resolve. We should not put ourselves in the position of seeking the assistance of the Japanese to help us develop a corps of businessmen and

engineers fluent in Japanese. This is a national need of the United States which this country can--and should--meet on its initiative. We should not of course, be unreceptive to Japanese offers of assistance. But we should not solicit them. And we should not make the initiative a joint effort with Japan. It should be a U.S. initiative, responding to a U.S. national need.

The initiative can gain the active support, and financial backing, of U.S. industry if the creation of a corps of Japanese language-trained businessmen and engineers is framed and presented as a U.S. national goal. American businessmen are keenly aware that this country is in the midst of a critical competition with Japan for economic and technological leadership. If they have reason to believe the Administration views the development of Japanese language skills in the U.S. business and scientific communities as of real importance to American competitiveness and continued leadership, they will respond.

Since the effort should not, for the reasons noted, involve Japan as a joint partner, the group should be chaired by some other agency than State. We suggest that chairing the group from the White House and perhaps linking it to the President's Commission on International Competitiveness might elevate its visibility and its appeal to the potential funding sources in the U.S. business community.

Finally, the "possible concept" for the initiative presented in the draft NSSD is perhaps a bit premature. How business, engineering, and science students might most effectively be recruited into studying Japanese language, and how they might be persuaded to persist in that difficult and tedious study are issues for experts to address.

The group should be sure to make use of existing expertise and recent studies on U.S. resources for training in Japanese. Our Director for Japan, Joe Massey, has provided me with a copy of the most recent survey of U.S. academic resources on Japanese language and area studies training, which I have attached for your information.

Attachment

JAPANESE STUDIES

IN

THE UNITED STATES: THE 1980'S

THE JAPAN FOUNDATION

SUMMARY OF HOW DIFFERENT APPROACHES TREAT
THE ASAT, START/INF AND SDI ISSUES IN VIENNA

US APPROACH	SUBJECT		
	ASAT LIMITS	START AND INF	SDI AND OFFENSE-DEFENSE
DISCUSSION	1,2*	1	1,2
FORTHCOMING DISCUSSION**		2,3,4,5	3,4,5,6*
ACTIVE NEGOTIATION	2*,3,4,5,6	6	6*

Notes:

* "Active Negotiation" depends on Soviet agreement to negotiate START/INF issues.

** The difference between "Discussion" and "Forthcoming Discussion" with regard to START and INF is whether we press the Soviets to resume offensive forces negotiations only or also outline areas of US flexibility should they agree to resume such negotiations.

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NLS E00-037/1#640
BY LOI, NARA, DATE 7/24/06

NSC/S PROFILE

~~CONFIDENTIAL~~

ID 8408011

UNCLASSIFIED UPON REMOVAL OF
CLASSIFIED ENCLOSURE(S)

RECEIVED 26 OCT 84 13

TO MCFARLANE

FROM MCMINN

*mjm
29/84*

DOCDATE 25 OCT 84

~~SUSPENSE~~

KEYWORDS: JAPAN

EXPORT CONTROLS

AM

Garment, Len

INTL TRADE

LEGAL ISSUES

SUBJECT: JAPANESE ELECTRONIC PRODUCTS ANTITRUST LITIGATION

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES PA

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FOR CONCURRENCE

FOR INFO

MCFARLANE

COMMENTS

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MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

October 30, 1984

ACTION**SUSPENSE**

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: PAUL B. THOMPSON

SUBJECT: Proposed Meeting with Len Garment concerning
Matsushita/Japanese Electronics Products
Anti-trust Litigation

This case involves a civil action by Zenith and other U.S. companies against Matsushita and several Japanese television manufacturers, alleging anti-trust and tariff violations based on sales of Japanese televisions in the U.S. at depressed prices. The U.S. District Court (E.D.Pa.) granted a summary judgment to Matsushita, thereby relieving Japanese companies from liability under U.S. anti-trust laws since their pricing patterns were apparently in conformity with Japanese export standards. (The Government of Japan had notified the Court that the export control programs had been compelled.) In December of 1983, the U.S. Court of Appeals for the Third Circuit reversed this position and in June of this year a petition for certiorari was filed with the U.S. Supreme Court.

The Solicitor General is currently reviewing whether the United States Government should become an amicus curiae to this litigation in response to the Supreme Court's request for Justice's views on the Matsushita petition. State and USTR have recommended that the Department of Justice support the review. The GOJ and the American Association of Exporters have already filed amicus briefs and official protests to the reversal by the Circuit Court have been lodged by Great Britain, Canada, Australia and France. The issue of "sovereign compulsion" and the need to recognize immunity of action when compelled by the restraints of our trading parties are important aspects of U.S. trade policies. The foreign economic policy implications, as laid out in Doug McMinn's memo at Tab A, are significant but not of the degree of urgency which would warrant a unilateral meeting by you at this time with one of the parties to the litigation.

While there is no legal bar to your meeting with Len Garment, there would at the minimum be a possibility of the appearance of impropriety. We are working with Justice, State, USTR and Commerce in articulating the USG's position on this issue.

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED

NLS FOO-037/1 #611BY LOT NARA, DATE 7/24/06

~~CONFIDENTIAL~~

RECOMMENDATIONS

That you not meet with Mr. Garment at this time.

Approve _____

Disapprove _____

That you review Doug McMinn's memo at Tab A.

Approve _____

Disapprove _____

Attachment:

Tab A - Doug McMinn's Memo

~~CONFIDENTIAL~~



CONFIDENTIAL

8011

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

October 25, 1984

INFORMATION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: DOUGLAS W. McMINN 

SUBJECT: Japanese Electronic Products Antitrust
Litigation

Matsushita Electronics Industry Company is one of nineteen corporations that have requested amicus curiae participation by the United States in support of their petition for certiorari in the Japanese Electronic Products Antitrust Litigation, M.D.L. 189.

This antitrust litigation is one of the largest antitrust proceedings ever to be brought in the United States and has been ongoing for over 13 years. American television manufacturers (Zenith Radio Corporation and National Union Electric Corporation) have claimed that a large number of foreign and domestic firms, including Matsushita, participated in a 20-year conspiracy to drive American manufacturers of consumer electronic products out of business. Their argument is that Matsushita and others agreed to sell their products at artificially high prices in Japan while selling at artificially low, or predatory prices, in the United States.

Central to this case is the legal standard for assessing the existence of concerted action under federal antitrust laws. However, this case is not concerned solely with issues of domestic antitrust law and procedure.

The Japanese Government (MITI) notified the United States that export cartels had been formed by its electronic producers, but only because MITI had compelled them to do so in order to restrain excessive competition in their industry. Subsequently, it was held in U.S. District Court that Japanese companies complying with their government's mandatory export requirements are immune from liability under U.S. antitrust laws. Attorney General William French Smith also assured the Japanese to this effect. Now, however, the Third Circuit Court of Appeals has reversed this decision.

Aside from the implications for efficient administration and enforcement of our domestic antitrust laws, the Third Circuit reversal has implications for our foreign economic policy. If left to stand, it could:

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BY LOT, NARA, DATE 7/24/06

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

- o Result in endless litigation, permitting plaintiffs to wage a protectionist trade war under the guise of litigating an antitrust case; and
- o Undermine U.S. negotiating authority to enter into selective voluntary restraint agreements with foreign governments (steel is a current example that springs to mind).

The Solicitor General is currently reviewing whether the United States should recommend to the Supreme Court that this case should be heard.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

SUSPENSE

DW
10/29

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National Security Council
The White House

System # I

Package # 8011

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	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson	<u>1</u>	<u>J</u>	_____
Bob Kimmitt	<u>2</u>	<u>K</u>	_____
John Poindexter	_____	_____	_____
Tom Shull	_____	_____	_____
Wilma Hall	_____	_____	_____
Bud McFarlane	_____	_____	_____
Bob Kimmitt	_____	_____	_____
NSC Secretariat	_____	_____	_____
Situation Room	_____	_____	_____
<u>Paul Thompson</u>	<u>3</u>		<u>A</u>

I = Information **A = Action** **R = Retain** **D = Dispatch** **N = No further Action**

cc: VP Meese Baker Deaver Other _____

COMMENTS

Should be seen by: _____

(Date/Time)

Let's put a cover memo on this with your recommendation (cleared with Walker and Locke/State) as to whether Bud should meet with Garment. Let's have by COB 10/29.

UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ENCLOSURE(S)

RECEIVED 26 OCT 84 13

TO MCFARLANE

FROM MCMINN

msn 2/9/04

DOC DATE 25 OCT 84

THOMPSON

30 OCT 84

KEYWORDS: JAPAN

EXPORT CONTROLS

GARMENT, LEN

INTL TRADE

LEGAL ISSUES

AM

SUBJECT: JAPANESE ELECTRONIC PRODUCTS ANTITRUST LITIGATION / REQUEST FOR MCFARLANE TO MEET W/ GARMENT

ACTION: FOR INFORMATION

DUE: 01 NOV 84 STATUS C FILES PA

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National Security Council
The White House

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Package # 8011

1416

	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson	<u>1</u>	<u>J</u>	
Bob Kimmitt	<u>2</u>	<u>K</u>	
John Poindexter			
Tom Shull			
Wilma Hall			
Bud McFarlane			
Bob Kimmitt			
NSC Secretariat			
Situation Room			
<u>Paul Thompson</u>	<u>3</u>		<u>A</u>

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

cc: VP Meese Baker Deaver Other _____

COMMENTS Should be seen by: _____

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with your recommendation (cleared with
Walker and Justice/State) as to whether
Bud should meet with Jarment. Let's
have by COB 10/29.

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

October 30, 1984

ACTION

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While there is no legal bar to your meeting with Len Garment, there would at the minimum be a possibility of the appearance of impropriety. We are working with Justice, State, USTR and Commerce in articulating the USG's position on this issue.

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED

NLS F00-037/1#643BY LOI NARA, DATE 7/24/06

~~CONFIDENTIAL~~

RECOMMENDATIONS

That you not meet with Mr. Garment at this time.

Approve _____

Disapprove _____

That you review Doug McMinn's memo at Tab A.

Approve _____

Disapprove _____

Attachment:

Tab A - Doug McMinn's Memo

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

8011

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~
~~INFORMATION~~

October 25, 1984

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: DOUGLAS W. McMINN 

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Litigation

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Aside from the implications for efficient administration and enforcement of our domestic antitrust laws, the Third Circuit reversal has implications for our foreign economic policy. If left to stand, it could:

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BY LOI NARA, DATE 7/24/06

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2

- o Result in endless litigation, permitting plaintiffs to wage a protectionist trade war under the guise of litigating an antitrust case; and
- o Undermine U.S. negotiating authority to enter into selective voluntary restraint agreements with foreign governments (steel is a current example that springs to mind).

The Solicitor General is currently reviewing whether the United States should recommend to the Supreme Court that this case should be heard.

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~~CONFIDENTIAL~~

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UNCLASSIFIED UPON REMOVAL OF
CLASSIFIED ENCLOSURE(S)

RECEIVED 07 NOV 83 16

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2/9/04

DOCDATE 05 NOV 83

TO MCFARLANE

FROM HILL, C

KEYWORDS JAPAN

EAST ASIA TRIP

~~SUSPENSE~~

SUBJECT US RESPONSE TO JOINT NAKASONE - KOHL / TOKYO DECLARATION

ACTION PREPARE MEMO FOR KIMMITT DUE 08 NOV 83 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

SIGUR

LAUX

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COMMENTS

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RECEIVED 07 DEC 84 10

TO MCFARLANE

FROM SIGUR

DOCDATE 07 DEC 84

man 4/9/04

KEYWORDS: APAN

AM

YOSHIO, OKAWARA

NAKASONE, YASUHIRO

SUBJECT: REQUEST MTG W/ MCFARLANE FOR AMB OKAWARA PRIOR TO 2 JAN 85 VISIT OF PM NAKASONE

ACTION: FOR DECISION

DUE: 08 DEC 84 STATUS X FILES PA

FOR ACTION

FOR CONCURRENCE

FOR INFO

MCFARLANE

HALL

KIMMITT

THOMPSON

SHULL

COMMENTS

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Et.

~~CONFIDENTIAL~~

8902

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

December 7, 1984

ACTION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: GASTON J. SIGUR

SUBJECT: Meeting between Ambassador Yoshio Okawara of Japan
and You

The Japanese Ambassador has requested a meeting with you prior to the January 2nd visit of Prime Minister Nakasone with the President. I think this would be an important thing for you to do so that you would be able to convey to him our strong concerns about the trade problems between our two countries. Paul Wolfowitz agrees.

A meeting of 10-15 minutes would, I think, be sufficient.

RECOMMENDATION:

That you agree to meet with the Japanese Ambassador prior to the January 2nd Nakasone visit.

Approve RCM

Disapprove _____

CONFIDENTIAL

Declassify: OADR

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BY

LOJ

DATE

7/24/06

Sent with PIR
to Camp Warrid

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RECEIVED 03 JAN 85 19

TO MCFARLANE

FROM SIGUR

non 2/10/04

DOCDATE 03 JAN 85

ROBINSON

03 JAN 85

MARTIN

03 JAN 85

KEYWORDS: JAPAN

INTL TRADE

SIG-IEP

SUBJECT: US - JAPAN TALKING PTS FOR SIG-IEP

ACTION: FOR DECISION

DUE: 06 JAN 85 STATUS X FILES PA

FOR ACTION

FOR CONCURRENCE

FOR INFO

MCFARLANE

COMMENTS

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National Security Council
The White House

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Paul Thompson	<u>1</u>	<u>✓</u>	
Bob Kimmitt	<u>2</u>	<u>K</u>	
John Poindexter	<u>4</u>	<u>[Signature]</u>	
Tom Shull			
Wilma Hall	<u>5</u>	<u>✓</u>	
Bud McFarlane	<u>6</u>	<u>RCM HAS SEEN</u>	<u>A</u>
Bob Kimmitt			
NSC Secretariat	<u>7</u>		<u>N</u>
Situation Room			
<u>Roseann</u>	<u>3</u>	<u>done</u>	<u>Send cc red tag to McKinn</u>

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

cc: VP Meese Baker Deaver Other _____

COMMENTS

Should be seen by: 1/4 2:30 pm
(Date/Time)

SIG-IEP readout on Nakasone.

NATIONAL SECURITY COUNCIL



~~SECRET~~

January 3, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

HE HAS SE

FROM: GASTON SIGUR *GS*
ROGER W. ROBINSON *RWR*
WILLIAM F. MARTIN *WFM*

SUBJECT: U.S.-Japan Talking Points for SIG-IEP

Attached (Tab I) please find a set of talking points describing the major points of discussion and outcome of the President's meeting with Prime Minister Nakasone for your use at the SIG-IEP. We share your view that this is a very useful approach to bringing other agencies up to speed on what transpired in Los Angeles in the SIG-IEP. It could even serve as a model for similar events in the future. We have structured your talking points so that they basically track with the framework of the SIG-IEP recommendations.

Meeting at Treasury

At Don Regan's request, Roger met with Beryl Sprinkel, Dave Mulford and Chris Hicks this morning to have a comprehensive discussion on the structure of this major follow-up effort. Treasury also compared notes with us on the major points of the President's meetings to ensure that your talking points are reinforced by Don's and vice versa. Don would like you to make some general comments concerning process for the follow-up efforts that he would elaborate on after your presentation. Treasury fully supports Roger's suggestion that a permanent restricted IG be established under the SIG-IEP whose members would be the "team leaders" (Under Secretary-Assistant Secretary level) of each of the four working groups that would be set up under the IG and other relevant agencies (including NSC). Although Secretary Shultz's lead role would be reinforced, it would be helpful at this stage to separate the trade and economic agenda from the political/military agenda of the U.S.-Japan relationship (as Roger suggested for the recent NSSD on Canada). The IG would report monthly to the SIG and work toward a March Ministerial meeting with MITI and MOFA. Treasury believes that Mike Smith of USTR should chair the IG, but this is still subject to discussion. Treasury has been helpful in moving out on this initiative and has been very receptive to

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NLS F00-037/1 #619

BY LOT A. DATE 7/24/06

~~SECRET~~

Roger's ideas. At our urging, Don Regan will talk with Secretary Shultz prior to the SIG to seek his concurrence.

RECOMMENDATION:

That you use the talking points at Tab I.

Approve Disapprove

Attachment
Tab I Talking Points

~~SECRET~~

Talking Points

Overview Points

- First, I want to express the gratitude of the President for the effective way in which each of you and the SIG-IEP pulled together these complicated economic issues for the Los Angeles meetings.
- The overall atmosphere was very good. President and Prime Minister found themselves on same wavelength on most of the issues.
- While I wish to concentrate on the economic issues here, the President was pleased with the Prime Minister's support on international security issues including the upcoming talks in Geneva, defense issues (in particular SDI). Clearly they see eye to eye on these issues.

Economic Issues

- Overall presentation of PM was very good. He, in effect, took over our agenda and made his own presentation on how to move forward in the months ahead in resolving a number of the major economic questions.
- The PM recognized that the question on greater market access was at the heart of the matter, and he suggested ways in which our two countries at the highest levels should deal with this matter.
- PM said repeatedly that things had to be done and he promised the President that he would look at every issue himself personally. He said no issue would be too small.
- The President highlighted the serious problems he faces in managing the Japanese trade problem in light of the growing deficit.
- The President emphasized the sectoral approach as agreed in the SIG-IEP and the need for intensive, high level follow-up efforts.
- He made specific reference to the four categories -- telecommunications, electronics, forestry products, and medical equipment and pharmaceuticals.
- While the President did not reference specific numerical targets for manufactured goods imports, he made clear that Japan needed to significantly increase its overall imports and urged that they also give priority to this broader goal. The Prime Minister was in full agreement on this point.

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- The President referred to the pressure which would come from Congress on restrictive legislation if things did not get measurably better and indicated that if there was not significant progress these pressures would be very difficult to resist.
- The PM also called attention to the privatization of NTT and what this would mean for the purchase of a U.S. satellite system.
- On yen/dollar issues, Nakasone applauded the fine work by Secretary Regan and his Treasury team and Minister Takeshita and the manner in which they worked together. He raised the successful format for the yen/dollar talks as a model for the other sectors.
- Energy was discussed at length. Abe said the Japanese were prepared to purchase Alaskan oil if restrictive legislation could be overcome. The President responded that his Administration remains committed but that we have continued to face some difficulties.
- (Optional comment: I think Don Regan and I agree that the SIG should again take up this question as the atmosphere for getting this done is considerably better than it was even one year ago.)
- Secretary Shultz pressed Nakasone on coal purchases to which Nakasone responded that U.S. coal was less competitive internationally due to transportation costs. Nakasone said that he was urging the export of Mid-West coal via the Panama Canal at a cheaper cost.
- Secretary Weinberger highlighted the importance of greater vigilance in halting the flow of strategic technology to the East. The Prime Minister was very responsive and cited the recent example of Japan intercepting some sensitive technology designed for the Soviet Union. Nakasone noted the difficulty of educating Japanese firms to the dual use character of these technologies. Weinberger said we have the same problem. Both sides agreed that this must be a matter of high priority.
- The PM noted that he has increased his budget for overseas development assistance by 10% for the coming year.

Conclusion

- This fifth meeting was clearly a benchmark in our bilateral relationship which really focused on the issues considered by your agencies and in the SIG-IEP.

- You should all receive a copy of the President's departure statement which really summarizes the meeting effectively and in fact describes the solidness of the U.S.-Japan ties across a broad spectrum.
- Clearly, we are going to need aggressive follow-up to ensure progress by the time the leaders meet again in May.
- Consistent with the President's wishes, Secretary Shultz will lead the effort on our side with Foreign Minister Abe as his counterpart.
- I think we must sustain these follow-up efforts at highest level possible if we are to maintain the momentum of the President's initiatives.
- In this connection, one idea would be to establish a standing high level IG under the SIG-IEP to coordinate the sector working groups.
- I look forward to the SIG's recommendation on this process so that the trade issues can be effectively pursued.

National Security Council
The White House

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System # I

Package # 0063
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	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson	<u>1</u>	<u>✓</u>	
Bob Kimmitt	<u>2</u>	<u>K</u>	
John Poindexter	<u>4</u>	<u>J</u>	
Tom Shull			
Wilma Hall	<u>5</u>	<u>✓</u>	
Bud McFarlane	<u>6</u>	<u>Will HAS seen</u>	<u>A</u>
Bob Kimmitt			
NSC Secretariat	<u>7</u>		<u>N</u>
Situation Room			
<u>Roseann</u>	<u>3</u>	<u>done</u>	<u>Send cc red bag to H. Kim</u>

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

cc: VP Meese Baker Deaver Other _____

COMMENTS

Should be seen by:

1/4 2³⁰ pm
(Date/Time)

SIG-IEP readout on Nakasone.