MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Nixon
Ambassador James Hodgson, U.S. Ambassador
Brent Scowcroft, Deputy Assistant to the
President for National Security Affairs

DATE AND TIME: Tuesday, July 9, 1974
12:00 - 12:25 p.m.

PLACE: The Oval Office

The press comes in for photos.

The President: When do you leave?

Hodgson: Thursday. I spend a couple of days at CINCPAC with
Gayler and arrive Tokyo on the 15th.

The press leaves.

Hodgson: My greatest acquaintance is the Labor Minister, with
whom I have lost contact.

The President: It's one of the greatest posts in the world. The
energy crisis has hit them hard. It is amazing that they are the
world's second economic power without any energy resources.

Scowcroft: They have two things: unity, and people who work.

The President: Tanaka lost a bit but nothing disastrous.

Scowcroft: State says they may make personnel changes but no
policy changes.

The President: They have never been comfortable with him.

Ikeda is our best friend.
Scowcroft: I thought so.

The President: As a matter of fact, if the Liberals change, he could still be in. You must keep contact with all of them.

You should assure the Japanese on the defense arrangements and in the economic area. We consider them partners equal to Europe. When I talk with the Europeans, I always insist the Japanese be included. The Europeans complain the Japanese have no defense expenses. The Japanese are hard bargainers -- they usually get back two for one. We want the Japanese to pick up some of the economic load we have been carrying.

It's a different world -- they are hard to read even though they maybe not appear so. On the other hand, they talk rather freely.

You will be asked about my visit. It has been under active consideration for some time but there's nothing specific yet. I would hope some time this year -- perhaps in November. Just say we are planning for this year -- then if we have to slip we could at least announce it this year.

When the Emperor and his wife can come, just say they are welcome. They planned to come once and had to postpone. I hope it will be soon.

Pay attention to the old guard -- Kishi and Sato. Pay courtesy calls on them. Anyone you see I probably will have met. The problems generally should be right down your alley. They will undoubtedly get a labor push -- they sure have controlled it. Their vertical structure -- keeping everyone employed -- is amazing.

Hodgson: On energy, can I say we hope to work with them?

The President: Absolutely. If we go into business for ourselves we will all be pushed against the wall. We must consult, cooperate, and try to get prices down to a reasonable level.

In terms of our own hopes for self-sufficiency, we will share our results with them. We are sympathetic to their moves with the Soviet energy projects.
Hodgson: We have to be careful there about the Chinese attitude.

The President: My, yes.

Hodgson: Like the pipeline is so emotional. Later it may be offensive.

Another thing -- are we serious about the NPT?

The President: Go through the motions. This is our position, but you have seen the country. You know our position.

On trade -- we are trying to get the Trade Bill through. There is Jewish opposition.

Hodgson: Our traveling Senators!

The President: The problem is our economy is so strong. Unemployment is steady but inflation is so strong. How do you feel?

Hodgson: I am not discouraged. I thought the first half would be tough. It is amazing how employment has held up.

The President: The major concern now is the financial markets, interest rates and inflation. The country needs to cut $5-10 billion from the budget but what impact will that have in a trillion-dollar economy?

Hodgson: Businessmen bitch when it's good and when it's bad.

The President: I wouldn't trade our problems for anyone's else's -- Britain, France, for example.

I am sure you will like it. Hurley built the residence. It's splendid, marvelous for entertaining. Probably one of the best in the world.

Hodgson: We will ramble around in it.

The President: Don't go overboard on entertaining. Stay within your budget. You are not expected to lose money.

Hodgson: When you come, bring Pat.


In the near future, spend couple of days at C/N/C/AC/or

Comm. + this vacation (cww)

many great ideas and things can happen here. home. home. home.

when I have left will be

on our way back home. amazing that they will

grow up, have relationships.

She has 2 things: family + people where at.

Feeling that a bit that nothing changes

still, may even make permanent changes

but no u/u u/s.

They have taken too much of her.

She is more lost.

thought so

as something else. at least change, he

and still in. some must keep contact

with.

Assume you can do many projects + other

also.

Planning to make another 2-3 times

with her. wish we were doing at the moment.

Judy has available. E make beautiful.

Judy has a lot of reponses. Judy now had

longer one. really quite back to it, 1,

We want Judy to give up some it seem hard

can learn anything. For different world.

They have to work upon the much, but

appear so. On other hand, they talk.
Another feeler.

You will be asked about my work. Have been
making extra contributions for some time -
but nothing specific that would help
someone else this year - perhaps in 80
just to reinforce this year when
we know it's going to be at least
around this year.

When you and wife seeing first
in the USA, welcome. Well meant to
come but found it just too much.
It would have been

Peg writes to add farewell - Kashi
+ Sato. For reading career. Appears you
are 2 partners until home work.

Pete should be sight changing
ally. They will undoubtedly get a lot of
work - they and have excellent.el. Their
assured locations - keeping anyone
involved

Just be very - can do my best to
work with them.

Absolutely. If we go into business for
ourselves and work is not a problem
overall. Must consider, cooperate, try
to get prices reasonable.

Letters from ex wife hoped for 47th week.
We will phone you with them.
We sympathetic to their move. All 80.
energy projects

- don't know what China
  attending

- my guys,
  - like Lego alike no onboard coating
  - informed
    - another deal and things about NPT
  - go through motions. This one position
    - but now from country, you know
    - on the position
    - trade - not trying to - get trade bill thru

- job creation program

- Dear Treasury

- Front some earning - to change, thought
  - think but inflation - strong
  - how you feel

- don't be wronged - thought it's temporary
  - thought - managing these - employment
  - has held up

- major concern now - in financial markets
  - interest rate inflation
    - the reality
    - cut 5-10
t  - from budget, but what impact
  - in trillion's

- Brownie - switch
  - not to go slow
  - said.

- shouldn't trade our jobs for anyone else -
  - for Europe, for example.
  - I can some season will hate it. From
  - some season, I think
  - make it around. [Loud, unclear]
for entertainment and锅炉
A. vs. will end normal in it
B. don't focus on entertaining stay
when your right. don't forget to
read man
C. When you are doing fuse