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MEMORANDUM OF CONVERSATION

TIME & PLACE: 10:00 a.m., November 20, 1974
Guest House

PARTICIPANTS: Prime Minister Kakuei Tanaka

Foreign Minister Toshio Kimura

Ambassador Takeshi Yasukawa

Deputy Foreign Minister Kiyohiko Tsurumi

Toshio Yamazaki, Director General
American Affairs Bureau, MOFA

Hidetoshi Ukawa, MOFA (Interpreter)

Akitane Kiuchi, Private Secretary to
Prime Minister

The President
Secretary Kissinger
Ambassador Hodgson
General Scowcroft
Assistant Secretary Habib
James J. Wickel (Interpreter)

SUBJECT: President Ford - Prime Minister Tanaka -
Second Meeting

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CLASSIFIED BY: HENRY A. KISSINGER

President: Mr. Prime Minister, our discussion yesterday impressed me as being constructive and beneficial. I know we have other subjects to discuss today. I feel that the frank constructive exchange of views we have had will make my trip worthwhile.

PM Tanaka: We also found our talks yesterday very helpful. You have probably already sensed that Japan is different from other countries in its political division: the LDP is confronted by four opposition parties, two of which might be called moderate, and two which are extremely left wing, the JSP and JCP. Relations between these latter two are somewhat like U.S.-Soviet relations. Even though the leaders have changed over the years within the LDP, the party has maintained its majority for about 30 years, providing a continuity of philosophy in the GOJ.

President: Governor Minobe called to pay his respects yesterday, and tried to involve me in a discussion of a certain subject. But I respectfully said that any discussions of that subject should be conducted by our government with the GOJ.

PM Tanaka: Yes, that was reported clearly in the press this morning.

One important problem in the Far East is the Korean peninsula. The Koreans are excellent people, and like China have a history 4,000 years long. Through most of it, however, they have been under pressures from the continent and elsewhere, and as a result, in all frankness, have developed a sense of persecution. Most unfortunately, the peninsula has been divided into North and South Korea at the 38th parallel, making Korea one of the four nations divided since the war, including East and West Germany, North and South Vietnam, and China and Taiwan. It is difficult for both Koreas to talk to each other realistically. When I visited Moscow I proposed to the Soviets that they should not support

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one part of Korea, lying under Japan's nose, because a dispute there could disrupt peace in the Far East. I also made the same suggestion to the Chinese during my visit to Peking.

President: Of course, we strongly support our courageous and strong ally, South Korea. We feel they are doing a fine job, and have strong relations with them. I am looking forward to my visit to South Korea. We appreciate the caution of our allies in dealing with North Korea, and have no desire ourselves to move closer to North Korea under the present circumstances.

Secretary Kissinger: I might point out, Mr. President, that our position is that we will talk to North Korea only when the Soviet Union and China talk to South Korea, and will not talk to North Korea if the major communist states do not talk to South Korea.

PM Tanaka: In that sense, Mr. President, your visit not just to Japan but to South Korea as well has deep significance.

President: As you pointed out yesterday, there have been four divided nations since the second World War. We feel as strongly about another one of them, South Vietnam, as we do about South Korea, and intend to continue our support for South Vietnam. Our support is based on the need to have a strong South Vietnam, which should have the opportunity to rebuild its own nation, the opportunity to have free elections, and the opportunity to withstand pressure from North Vietnam. Therefore we intend to continue our economic and military assistance to South Vietnam. I hope the Congress would support this administration's requests for economic and military aid. At the same time, we believe it is vitally important for Japan to expand its support for South Vietnam in our mutual interest.

PM Tanaka: As I said yesterday, we hope to increase our aid to South Vietnam in JFY 75, to the extent possible; we will

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continue to provide assistance to both South Korea and South Vietnam at least at the same level as last year.

President: We hope you will expand your aid to the maximum extent possible, because this will be a critical year for South Vietnam--if it can get by this year, with its potential for oil development we are hearing about, South Vietnam would be well on its way toward economic and military self-sufficiency.

PM Tanaka: Are American companies drilling for oil on the South Vietnamese continental shelf?

President: Some American companies are participating in exploration, but I'm not sure which ones.

Secretary Kissinger: As far as I know, Mr. President, some American companies are involved in the search for oil, and others are engaged in discussion with the government of South Vietnam.

President: We would have no objection to broader participation in the development of these resources; we feel it would be more beneficial to have broader international participation, by American companies and even by companies from Japan.

Secretary Kissinger: We would be prepared to encourage the GVN to accept participation by others. This year, though, South Vietnam needs about \$100 million more in assistance, which will help determine whether they could become self-sustaining or not. If they can get by, in a few years the anticipated oil revenues will permit South Vietnam to deal with their economic problem, which we view as a greater threat than the military threat.

President: With respect to oil, Secretary Kissinger has just concluded a long trip to the Soviet Union, the sub-continent and the Middle East. If I could summarize our reactions to it, we feel that it is of the utmost importance that progress be made toward resolving the Middle East issue.

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We believe the best way to do so, is step by step. The progress achieved up to now has encouraged us, and we feel, despite the Arab Summit at Rabat, that there is a possibility of continuing to make progress in resolving the issue between Israel and the Arab nations. I assure you we will continue to push hard to make that progress because we recognize the damages that could result if no progress is made.

Secretary Kissinger: One difficulty with the step-by-step approach is the intense rivalry among the Arabs themselves, for which reason those leaders who most want to take steps must make the most noise in public. We saw an example of this at work on Sunday, when the press carried pictures of President Sadat meeting with the Egyptian War Council, but only after Syria and Israel both gave assurances that they were not going to war.

PM Tanaka: Turning to China, Japan is aware that it was able to normalize its relations with the PRC, thanks to the United States. Although China had long viewed the U.S. and the Soviet Union similarly, as imperialists, and took identical measures against them, I told the Chinese leaders I met in Peking that the United States is not an aggressor, and that it was making a strong effort on behalf of peace, which of course was demonstrated by its withdrawal of troops from Vietnam and the Ceasefire Agreement it signed in Paris. I told the Chinese that the United States returned Okinawa to Japan--after having taken it at great cost during the war--and that the United States has no desire to expand its territory. I also told the Chinese that the United States is not a threat to them.

The question of Taiwan, however, will take a long time to resolve, and I made clear to the Chinese leaders in Peking that it would not be in the interest of the United States to return to a state of confrontation with the PRC over Taiwan, nor would it be advantageous to the PRC to make Taiwan a difficult issue. While the United States does not have full formal diplomatic relations with the PRC, I pointed out to the Chinese leaders that each country maintains

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a liaison office in the capitol of the other, which perform the same functions as an Embassy, and that unlike the Soviet Union they could view the United States as a friend in view of the genuine friendly relations between them. The differences between the United States and the Soviet Union, I said,^{1s} that the former is a force for peace. The Soviet Union acquired territory equivalent to the size of East and West Germany combined after the war, but the United States took no territory after the great sacrifices it made, which should be the best evidence that the United States is a force for peace.

President: I wish to express our appreciation for your comment on the United States' attitude after the second world war, Mr. Prime Minister. We think our action was constructive, and a show of good faith, to restore an area to a nation formerly an enemy in the war. This is the best evidence of our good faith.

The historical breakthrough in U.S.-PRC relations, we feel, is one of the most outstanding diplomatic actions of the post-war era. President Nixon's decision has given great impetus, we feel, to the enhancement of stability and good relations in the Pacific area. Our policy continues to be predicated on the Shanghai Communique. Progress in improving our relations is being made, and in fact Secretary Kissinger will visit Peking after Vladivostok. We feel strongly that step-by-step progress is in the best interest, of not only the nations in the Pacific but also the world as a whole.

We do not view our relations with Peking as being aimed against the Soviet Union, nor vice versa. We believe that improving our relations with both is important to the world as a whole. A broader detente, and successful conclusion of SALT II would be beneficial to all. At the same time we feel that progress with the PRC can't help but be beneficial. It is for that reason that I am going to Vladivostok, and afterward Secretary Kissinger to Peking.

PM Tanaka: It is in the interest of the world as a whole that China and the Soviet Union, both powerful nations, have good relations.

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President: Very much so.

PM Tanaka: We appreciate your efforts toward that end. However, China and the Soviet Union share a 6,000 km long border, which has been a focus of dispute for more than a century. Moreover, long stretches of that border are drawn in the center of rivers, which shift course from time to time, making the border issue well nigh insoluble.

Secretary Kissinger: The Soviets claim that the far side of the river is their boundary.

PM Tanaka: In all frankness, Japan does not assess China as a major threat to Japan's security. However, the Soviet military forces deployed in Siberia along the Chinese border may at the same time also be viewed as a threat to Japan. Therefore Japan is most sensitive to the Soviet military build-up in Siberia. Would you be able to give me the American assessment of the Soviet forces there?

President: Of course, Mr. Prime Minister, it would serve the best interest of stability on a world-wide basis if SALT II could be negotiated. We are making an honest effort to do so, but we have no intention to move at the expense of the security of the United States and the Free World. We believe an honest give-and-take will best serve the security of both sides.

The people in the United States broadly feel that we should keep our military forces strong. There are elements in the Congress who feel that perhaps there could be reductions, but the American people would not accept any reductions below the level necessary to provide for a strong, flexible response. I intend to fight any move in the Congress which would undercut our military capability.

We feel that the strength of the United States, combined with the strength of our European allies, is adequate to

main stability between East and West in Europe. There are signs, however, that some Europeans (for one reason or another) no longer wish to keep their promise in the manner we think they should. We are maximizing our efforts to keep NATO strong, so it can continue to succeed as a stabilizing force in Europe. We will continue to work for this purpose within the framework of NATO, although on occasion we have been bothered by the attitude of some of our allies, when they criticize the United States publicly. We may understand their motivation, but we don't approve. The United States, working through NATO, has helped them by maintaining stability. Therefore, we don't believe open criticism of the United States is healthy, and we don't approve. Those who speak with the loudest voice seems only to wish to take advantage of the situation.

In summary, Mr. Prime Minister, we intend to keep strong military forces in the Pacific and Western Europe. This administration will vigorously oppose any attempt in Congress to which would undercut our military capability, but on the other hand we intend to negotiate--at arms length--with the Soviets to reduce the levels of strategic weapons to help stabilize the world.

Secretary Kissinger: Mr. President, I might describe the Soviet conventional strength in Siberia, not its strategic deployments. The Soviet Union is making a major effort to strengthen its forces, and now has 42 divisions in Siberia, with half of these in the Maritime Province. They have 15,000 tanks, which are being strengthened and modernized year by year.

PM Tanaka: When I visited Moscow I commented that Soviet forces in Siberia aimed at China could also be considered as being aimed at Japan; the Soviets did not respond to me.

With respect to Siberian development programs, I have informed the Soviets that Japan would not participate in building a second trans-Siberian railroad, which would reinforce

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the Soviet military capability. The Soviet Union originally insisted that Siberian development could only be considered on a package basis, but we replied that we would consider only those separate projects which are economically feasible, such as coal and gas in Yakutsk, and forestry resources, and that is the basis on which we have agreed to move ahead.

President: We understand the thinking behind your decision, and believe it quite wise. To help the Soviets in economic development, but not help them upgrade their military potential is wise. What has been their reaction?

PM Tanaka: There is more to it than that. We informed the Soviet Union that we might not be able to participate in Siberian development at all if they insisted on a "one package" deal, but also said that we would hope to have United States participation in individual development projects to diminish the possibility that the Chinese might view this development as a provocation. Thereupon the Soviets noted that Europe is too far from the project sites anyway, and proposed that the resources developed in Siberia should be shipped to the Far East, for export to Japan, and with Japan as a "window" to the United States and possibly other countries which might participate, such as the FRG.

President: We, of course, are interested in Yakutsk, but there are a number of problems related to Congressional action.

This leads me to a new subject. We hope to get Congressional action during the waning days of this session to enact the Trade Bill, and the Exim Bank Credit Authorization Bill closely related to it. I and Secretary Kissinger have been trying hard to get the Trade Bill through the Congress, and to expand the Exim Bank credit authorization without restrictive provisions. If we get both bills passed we will be in a better position to discuss this matter.

Secretary Kissinger: Let me note, Mr. President, that we have heard that Senator Long's Committee hopes to report the Trade Bill out to the Senate on December 2. (note: PM Tanaka excused himself from the room for several minutes.)

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PM Tanaka: (on his return) Hearing about your visit to Vladivostok, Mr. President, reminds me that some 35 years ago, when I was in the Army, I was stationed near the Soviet-Chinese border, near Vladivostok. Once, from the top of a mountain I could barely see Vladivostok in the distance. That was between the Changkufeng Incident (1938) and the Nomonhan Incident (1939). However, I became sick and was invalided home without seeing any fighting.

Ambassador Yasukawa: In Russian the name Vladivostok means "Lord of the East"; the Chinese call it Namako, meaning "sea cucumber," which abound in the bay.

Secretary Kissinger: In 1941 the Soviets withdrew all their forces to the German front, and nothing was left in Siberia.

President: There is one other matter of deep interest, especially to our people in the Pacific Northwest, that is, the fisheries problem. Our technical people feel deeply concerned that the north Pacific is being overfished. They have studied this question, and have reported to me that restraint should be exercised in the North Pacific fishery. This ties in with an overall question of great significance, the Law of the Sea. There are in Congress many members representing districts along the Atlantic and Pacific seaboard, who feel that Congress should enact legislation to establish an exclusive economic zone of 200 miles. We feel this would be inadvisable at this time, but the pressure from the east and west coasts is substantial. Therefore, in the interest of alleviating this problem of possible legislation I would hope that Japan would exercise restraint in fishing in the north Pacific.

PM Tanaka: The north Pacific fishery problem is important in Japan-U.S. relations. Therefore it is essential that both sides discuss the problem, with good will, in the interest of seeking a mutually satisfactory solution. Japan derives about half of its protein from fish, 20% of which are taken in the North Pacific. Over the years Japan continues to discuss

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with the U.S., Canada and the Soviet Union such fishery problems as conservation of certain species, prevention of overfishing and even the expansion of fish cultivation. A particular problem arises from the fact that some fish (Salmon) spawn in American rivers and then migrate to sea. To avoid taking these "American fish" on the high seas Japan has agreed to refrain from fishing certain waters, which area the United States now seeks to expand. I understand that this problem is to be discussed by representatives of Japan and the United States, beginning November 25. However, we do not wish to announce to the world whatever we might decide, because it would serve as a precedent for the Soviets to bring similar pressures against us.

President: We appreciate your willingness to be forthcoming on this matter. I am encouraged by your response, and urge you to be as forthcoming as possible, because of the deep interest in this issue in the United States, which is related to political pressures which might, if they grow stronger, undermine our position on the Law of the Sea. Let us leave the specific talks to the technical people.

I understand that the Foreign Minister and Secretary Kissinger have agreed on the Joint Communique we are to issue, Mr. Prime Minister. The Secretary believes it is a good one. Do you think you and I should agree on the Communique to authenticate it?

PM Tanaka: We are in basic agreement. Earlier we were concerned that some of the language might cause us problems, but Secretary Kissinger has shown great understanding in working this out. I thank him. I also agree to this Joint Communique.

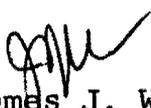
Secretary Kissinger: If the GOJ agrees, we plan to release the Joint Communique at 2:00 p.m., with an embargo until 4:30 p.m.

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President: Mr. Prime Minister, I have found our talks interesting, constructive and enjoyable. Thank you for this opportunity.

PM Tanaka: These two days of talks have been an unforgettable experience for me, since you are the President of the most friendly nation of all those with which Japan has friendly relations, and also because we met before, once when you were a Congressman and again this September in Washington after you became President. Thank you for the opportunity.


James J. Wickel
November 24, 1974

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