

Background Notes

JAPAN



Population: 97 million (1964 estimate)
Capital: Tokyo

Japan is a chain of rugged, mountainous islands lying in a 2,000-mile-long arc off the east coast of Asia. It comprises four main islands--Hokkaido, Honshu, Shikoku and Kyushu--and over 3,300 smaller islands. They lie at approximately the same latitude as the United States. The total area of Japan, 147,000 square miles, is somewhat less than that of California. About four-fifths of the country is covered by hills and mountains, a number of which are inactive or active volcanoes. Japan's unstable geological position beside the Pacific deeps accounts for the numerous earthquakes felt throughout the islands.

Temperature variations range from the subtropical climate of Kyushu, which is similar to that of northern Florida, to the cool climate of Hokkaido, which is like that of southern Maine. The climate of most of Japan is dominated by the Asiatic monsoon, which brings a pronounced summer rainy season, most intense in early July, and mild, sunny winters. Rainfall throughout the country is over 40 inches per year and greatly in excess of this amount in certain areas. During the late summer and early fall Japan is often buffeted by torrential rains accompanying Pacific typhoons.

THE PEOPLE

The population of Japan, which reached 97 million in August 1964, exhibited a phenomenal rate of growth during the past 100 years as a result of scientific, industrial, and sociological changes. There is evidence, however, that this period of rapid increase has now ended. In 1962, birth and death rates for Japan were 17 and 7.5 per thousand respectively--below those of the United States. High sanitary and health standards produce a life expectancy approaching that of the United States and account for the low death rate. The Government encourages birth control and family planning.

Japan had a labor force of 47,860,000 persons in September 1964. The number of employed has risen by over 6 million in the past decade, and employment in agriculture has declined by 2 1/2 million. Less than 1 percent of the labor

force is unemployed, and in 1959 the shortage of labor began to be keenly felt.

The Japanese are a Mongoloid people, closely related to the major groups of east Asia. However, there is some evidence of admixture with Malayan and Caucasoid strains. The only important minority group at the present time is the approximately 600,000 Koreans. There are also much smaller groups of Chinese and Caucasian residents.

Religion

Buddhism occupies by far the most important place in the religious life of the nation. It has exerted profound influence on the fine arts, social institutions, and thought, and remains an important though relatively inactive religious force.

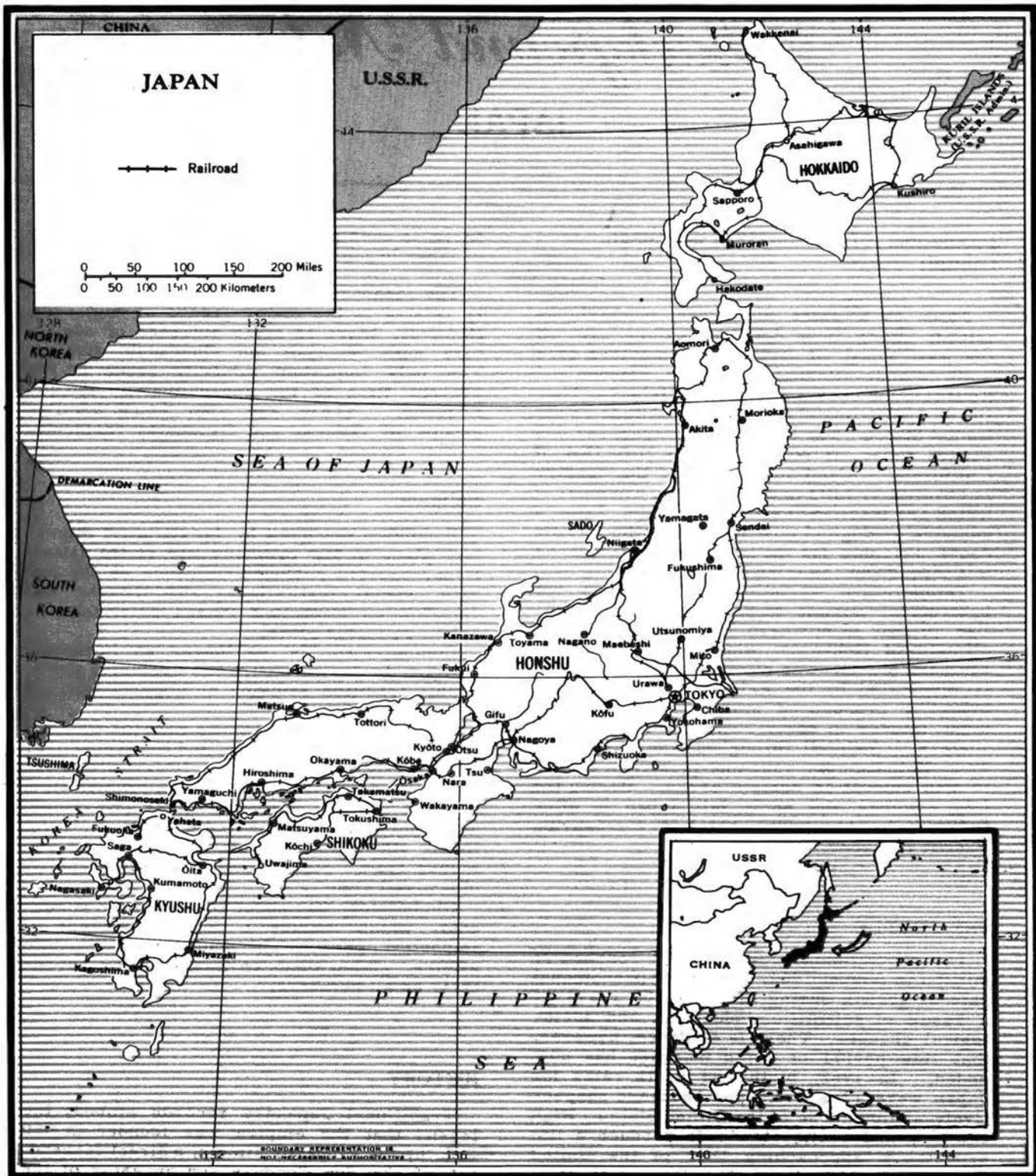
Confucianism is no longer an important religion in Japan, though the Confucian philosophic tradition remains an important strand in Japanese thought.

Shintoism is an indigenous religion which is founded in myths, legends, and ritual practices of the early Japanese people. It was recognized by the Meiji government as the official state religion and was cultivated by the government as a spur to patriotic and nationalistic feelings. Under the occupation, state support was removed from "State Shinto," and the Emperor disavowed divinity.

Christianity has about half a million adherents, which include a high percentage of important persons in education and public affairs, giving them an influence far beyond their small numbers.

HISTORY

Traditional Japanese records embody the legend that the empire was founded in 660 B.C. by the Emperor Jimmu, a direct descendant of the Sun Goddess and ancestor of the present ruling dynasty. About 405 A.D. the Japanese court officially adopted the Chinese script. During the 6th century Buddhism was introduced into Japan from China. These two events, which revolutionized Japanese culture, were the beginning of a long series of cultural borrowings from China that have re-



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sulted in a strong feeling of affinity toward China by the Japanese people.

From the establishment of the first fixed capital in Nara in 710 until 1867, the Emperors of the Yamato dynasty were the nominal rulers, but actual power was usually held by powerful court nobles, regents, or shoguns.

Contact With the West

The first contact with the West occurred about 1542 when a Portuguese ship was blown off course and arrived in Japan. It was followed by Portuguese traders and Jesuit, Dominican, and Franciscan missionaries; and Dutch, English and Spanish traders. During the early part of the 17th century growing suspicion that the traders and missionaries were forerunners of a military conquest caused the Shogunate to place successively greater restrictions on foreigners, culminating in 1638 with the expulsion of all foreigners and the severing of all relations with the outside world except severely limited commercial contacts with Dutch and Chinese merchants at Nagasaki. This isolation persisted until 1854, when Commodore Perry "opened" Japan by the convention of Kanagawa.

Renewed contact with the West brought to Japan a breakdown of feudalism, industrialization, and rapid achievement of the status of a modern power. In 1868 the Shogun was forced to resign and the Emperor Meiji was restored to temporal power. The feudal system was subsequently abolished, and in 1889 a constitutional government, parliamentary in form, was established. During this period Japan sought to use Western technology to strengthen and modernize the state and the economy. The "Meiji Constitution," promulgated during this period, instituted many needed reforms. The success of the carefully controlled revolution of the Meiji leaders was tremendous. In a few decades these leaders created the strong Japan which was their goal.

Japan proceeded to establish herself on an equal basis with the leading nations of the West. Along with the introduction of modern transportation, steps were taken to build up a modern army and navy, modernize education, adopt some Western customs, and create a modern industry. Of prime psychological importance was the introduction of a Western system of justice, enabling Japan to remove in 1898 the last of the "unequal treaties" which were particularly galling to the Japanese.

War With China and Russia

The Japanese leaders of that time, alert to "power politics" both homegrown and Western, regarded the Korean Peninsula as "a dagger pointed at the heart of Japan," and it was over Korea that Japan became involved in war with the Chinese Empire in 1894-5 and with

Russia in 1904-5. As a result of the war with China, Japan acquired a part of southern Manchuria, the Pescadores Islands, and Formosa. Japan defeated Russia in 1904-5, and the resulting Treaty of Portsmouth awarded Japan certain rights in Manchuria and southern Sakhalin; Russia had received southern Sakhalin in 1875 in exchange for the Kurile Islands. The two wars gave Japan a free hand in Korea, which she formally annexed in 1910.

World War I to Present

The First World War permitted Japan, the only Asian member of the Allies, to expand both its influence in Asia and its territorial holdings in the Pacific and brought unprecedented prosperity to the land. Japan went to the peace conference at Versailles in 1919 as one of the great military and industrial powers of the world and received official recognition as one of the "Big Five" of the new international order. It joined the League of Nations and received a mandate over the Pacific Islands north of the Equator formerly held by Germany.

During the 1920's Japan made progress toward establishing a democratic system of government. However, parliamentary government was not deeply rooted enough to weather the pressures in the thirties from economic and political forces, and the military leadership played an increasingly influential role in the ruling of Japan.

Japan invaded Manchuria in 1931 and set up the puppet state of Manchukuo. In 1933 Japan resigned from the League of Nations. The Japanese invasion of China in 1937 followed Japan's signature of the so-called anti-Comintern pact the previous year and was one of a chain of developments which culminated in the Japanese attack on Pearl Harbor on December 7, 1941. After 3 years and 9 months of warfare which resulted in the loss of hundreds of thousands of lives on both sides and included the atomic bombing of Hiroshima and Nagasaki, Japan signed an instrument of surrender on the U.S.S. Missouri on September 2, 1945.

As a result of the war, Japan lost all its foreign possessions and retained only the main islands. Manchukuo was dissolved and Manchuria was returned to China, Japan renounced all claims to Formosa, Korea was made independent, southern Sakhalin and the Kuriles were occupied by forces of the U.S.S.R., and the United States became the sole administering authority of the Ryukyu, Bonin, and Volcano Islands.

Japan was placed under the international control of the Allied Powers through the Supreme Commander for the Allied Powers (SCAP), Gen. Douglas MacArthur. The objectives of the United States were to insure that Japan would become a peaceful nation and to establish democratic self-government supported by the freely expressed will of the people. Reforms were introduced in the

political, economic, and social spheres. The method of ruling through Japanese officials and a freely elected Japanese Diet afforded a progressive and orderly transition from the stringent controls immediately following the surrender to the restoration of full sovereignty when the treaty of peace with Japan went into effect on April 28, 1952.

Since the peace treaty Japan has been ruled by conservative governments whose policy has been to maintain a close orientation to the West. The institutions of parliamentary democracy have become progressively stronger. The post-treaty period has also been marked by tremendous economic growth.

GOVERNMENT

Japan's parliamentary government--a constitutional monarchy--operates within the framework of a constitution which became effective on May 3, 1947. Sovereignty, previously embodied in the Emperor, is vested in the Japanese people, and the Emperor is now defined as the symbol of the state. Japan has universal adult suffrage with a secret ballot for all elective offices, national and local. The government has an executive responsible to the legislature and an independent judiciary.

Legislative

The Diet is constitutionally designated as the highest organ of state power and is the sole lawmaking organ. It consists of the House of Representatives, with 467 members elected for a maximum term of 4 years, and the House of Councillors, with 250 members elected for a 6-year term, with one-half of the Councillors elected every 3 years. One hundred members of the House of Councillors are elected from the nation at large.

The Emperor, with the advice and approval of the Cabinet, may dissolve the House of Representatives. Dissolution necessitates a general election of the House of Representatives within 40 days after dissolution. The House of Representatives may force the resignation of the Cabinet by passing a motion of non-confidence, unless the House of Representatives is dissolved within 10 days.

Bills, which may be submitted by the government or by individual members of the Diet, become law on passage by a simple majority of both houses. Should the House of Councillors exercise a legislative veto on bills passed by the House of Representatives, such a veto may be overridden by a two-thirds vote of the House of Representatives. When the House of Councillors disagrees with the House of Representatives on budgetary matters or on Diet approval of treaties, the decision of the House of Representatives prevails if the disagreement cannot be resolved within 30 days.

Executive

Executive power is vested in the Cabinet composed of the Prime Minister and the Ministers of State, all of whom must be civilians. The Prime Minister, who must be a member of the Diet, is appointed by the Emperor on designation by the Diet. He has the power to appoint and remove his ministers, the majority of whom must be from the Diet. The Prime Minister and Ministers of State may be required by the Diet to appear before it to answer questions and to give explanations.

In addition to its general executive functions, the Cabinet is responsible for the conduct of foreign affairs, the conclusion of treaties (with the approval of the Diet), the submission of a budget, and the enactment of Cabinet orders to execute the provisions of the Constitution and of the law.

The Cabinet must resign en masse (1) when it no longer enjoys the confidence of the House of Representatives, unless the House is dissolved within 10 days after the no-confidence vote; (2) when there is a vacancy in the post of Prime Minister; and (3) upon the first convocation of the Diet after a general election for the House of Representatives.

Judiciary

Judicial power is vested in the Supreme Court and in such courts as are established by law. These include district courts and high courts (courts of appeal). The Chief Justice is appointed by the Emperor upon designation by the Cabinet. All other members of the Supreme Court are appointed directly by the Cabinet. Appointments are reviewed by the people at the next general election and again after 10 years.

Local Government

The Constitution requires that regulations for the organization and administration of local governments be "in accordance with the principle of local autonomy." Japan, however, does not have a federal system, and the 46 Japanese prefectures are not sovereign entities in the sense that American States are. Most of them are not financially self-sufficient but depend on the central government for subsidies. Governors of prefectures, mayors of municipalities, and prefectural and municipal assemblymen are elected by the people for 4-year terms.

Conservative Rule

Conservative governments have ruled Japan since the end of World War II except for a brief period of socialist-conservative coalition

rule in 1947. Changes in government have generally occurred when a Prime Minister has lost the support of the majority of his own party rather than through action by the opposition. The conservatives have maintained a broad base of popular support and are particularly strong among businessmen and in the rural areas, where the occupation-sponsored land reform created conditions of stability reinforcing the basically conservative outlook of the Japanese farmer.

Political Parties

The post-war pattern has been a dominant conservative party or coalition of parties, commanding the support of a substantial majority of the electorate, and an opposition party or coalition subscribing to socialist ideas. In 1955 rival factions within the conservative and socialist camps united to form the Liberal Democratic Party (LDP) and the Japan Socialist Party (JSP), respectively. These parties have dominated the political scene since that time. In the fall of 1959 a group of right-wing socialists separated from the JSP to form the Democratic Socialist Party (DSP). In the November 1963 lower house elections the opposition parties (JSP, DSP, and Japan Communist Party) received 40.4 percent of the popular vote. The LDP received 54.7 percent of the vote; conservative independents, 4.9 percent.

The Liberal Democratic Party, headed by Prime Minister Eisaku Sato, holds 288 of the 467 seats in the lower house and 145 of the 250 seats in the upper house. The LDP and the Sato government are pledged to continuation of Japan's alliance with the United States and membership in the free world and to an expanding level of economic development and social welfare within a free economy.

The leading opposition party is the Japan Socialist Party, headed by Chairman Jotaro Kawakami, with 145 seats in the lower house and 65 seats in the upper house. The JSP advocates a policy of "positive neutralism" for Japan: abrogation of the U.S.-Japan Treaty of Mutual Cooperation and Security and elimination of U.S. bases in Japan; withdrawal of U.S. forces from Okinawa and immediate reversion of the Ryukyus to Japan; establishment of diplomatic relations with the Chinese Communist regime and abrogation of Japan's treaty with the Republic of China; opposition to the establishment of diplomatic relations with the Republic of Korea; and conclusion of a peace treaty with the Soviet Union leaving the return to Japan of the Soviet-occupied islands of Kunashiri and Etorofu, if necessary, for subsequent negotiation.

Traditionally Marxist in ideology, the JSP sanctions the use of extraparliamentary mass movements in opposing conservative governments and "monopoly capitalism." It advocates nationalization of certain large indus-

tries and ultimate establishment of a socialist economy.

The Democratic Socialist Party was formed in early 1960 under the leadership of its present party chairman, Suehiro Nishio. Alienated by JSP extremism, particularly the JSP's retention of the concept of class warfare, the anti-Communist Democratic Socialists attempted to form a responsible, moderate socialist opposition along the lines of socialist parties in West Germany and Great Britain. Starting with 40 lower house seats and 16 upper house seats, the DSP suffered serious setbacks in successive national and local elections. In the November 1963 lower house elections, however, the party made an unexpected comeback from 17 to 23 seats. It currently holds 10 seats in the upper house.

The major source of strength for both socialist parties has been the trade union movement. JSP is supported by Sohyo, the General Council of Trade Unions of Japan. The DSP is supported by Domei, the Japan Confederation of Labor. The socialist parties are generally strongest in urban industrialized areas. Intellectuals and youth are other important sources of support.

The Japan Communist Party (JCP), legalized in 1945 under the occupation, at present holds 4 seats in the lower house and 3 in the upper house. Present membership is estimated at about 100,000. The JCP received 4 percent of the total votes in the November 1963 lower house elections. The Communists have wielded their influence primarily through front organizations, student groups, and the labor movement.

Soka Gakkai (Value Creation Society), a lay organization of the Nichiren Buddhist sect, entered the national political arena in the 1956 upper house elections. The Komei Party, the political arm of Soka Gakkai, with 15 seats is the third largest grouping in the upper house and has a sizable representation in some local assemblies. Soka Gakkai has taken few positions on current political issues, domestic or foreign. It has not to date entered elections for the all-powerful lower house of the Diet, although it recently announced its intention to do so in the next general election.

DEFENSE

After World War II Japan was completely disarmed by the victorious allies. Article 9 of the Constitution adopted in 1947 provides that "land, sea, and air forces as well as other war potential, will never be maintained." In 1950 during the Korean hostilities this position was modified by the establishment of the National Police Reserve. Before the end of the occupation in April 1952 the first steps had been taken to expand this force and make it a self-defense force. At the same time, the Japanese Government derived from article 51 of the United Nations Charter the doctrine that each nation has the right of

self-defense against armed attack and that this right is not inconsistent with article 9 of the Constitution.

In 1954 a National Defense Agency was created with the specific mission of defending Japan against external aggression. Ground, maritime, and air self-defense forces were established, with a Joint Chiefs of Staff organization following the U.S. pattern.

U.S. Military Assistance

The United States has made a large contribution to Japan's defensive power, both under the mutual security program pursuant to a Mutual Defense Assistance Agreement signed March 8, 1954, and under the 1952 security treaty and its successor, the 1960 Treaty of Mutual Cooperation and Security. These treaties have provided for the stationing of U.S. forces in and about Japan to help maintain international peace and security in the Far East and the security of Japan. The presence of U.S. forces in Japan has had an important stabilizing influence in the Far East and has contributed significantly to the security of the United States and the free world as well as to that of Japan.

Japanese Self-Defense Forces

Over the years U.S. forces in Japan have steadily decreased in numbers. By 1958 all U.S. combat ground forces had been withdrawn, their role in the defense of Japan being assumed by the growing Japanese Ground Self-Defense Force. Roles in the defense of Japan formerly undertaken by some U.S. Air Force units have been assumed by the Japanese Air Self-Defense Force.

Political, economic, and psychological factors have retarded the rate of development of the self-defense forces. An important minority in Japan continues to advocate strict interpretation of article 9 of the Constitution, and the government's freedom of action is seriously restricted. Competing demands of popular social welfare programs also serve to limit the percentage of the overall budget that can be devoted to the defense establishment. Above all, there remains in the minds of the Japanese people a strong antipathy toward all things military and particularly toward military uses of nuclear energy, stemming from their pre-war and wartime experience with Japanese militarism and their position as the only people in the world who have suffered from nuclear warfare.

ECONOMY

In a total area less than California, and with only one-sixth of its land arable, Japan

supports a growing population of more than 96 million.

Except for its surrounding waters, which are rich in aquatic life, Japan is poor in the land and natural resources. Only 19 percent of the land is presently suitable for cultivation. Even with great ingenuity and technical skill, which result in per-acre crop yields among the highest in the world, Japanese farmers can produce on the 13.3 million acres under cultivation only about 85 percent of the food needed by the present population. The rest must be imported. The country lacks almost all important raw materials and therefore must also import the commodities necessary to produce industrial goods with which to pay for its essential food and raw material.

Foreign trade is the vital element in Japan's economy. The nation must have access to dependable sources of raw materials at reasonable prices and have the opportunity to develop expanding and reliable markets for its exports. With a growing population and an even faster-growing labor force, expanding export markets are essential to economic expansion and domestic political stability.

Native resources to meet the needs of modern industry are few. Hydroelectric power, although highly developed, now generates less than half of the total supply of electricity, and Japan relies increasingly on thermal power to satisfy its rapidly growing energy requirements. The country has many of the ingredients of chemical fertilizers and also of ceramic clay. Coal, found principally on Hokkaido and Kyushu, is plentiful, but only 25 percent of that mined is coking coal suitable for industrial purposes. Chromite, copper, gold, magnesium, silver, and zinc meet current minimum requirements, but for many of the minerals essential to modern industry Japan is dependent upon foreign sources. Iron, petroleum, and coking coal head the list of Japan's mineral needs.

Although about two-thirds of the total land area is forested, Japan cannot fully meet its enormous requirements for lumber and wood pulp.

Japan's reservoir of industrial leadership and technicians, its intelligent and industrious working force, its high investment rate, and intensive promotion of industrial development and foreign trade have resulted in the development of a mature industrial economy. Japan now constitutes, along with North America and Western Europe, one of the three major industrial complexes of the free world.

Although Japan has a well developed economy, its dependence on foreign trade makes it unusually vulnerable to external economic influences over which it has no direct control. Influences such as marked price changes in raw materials and declining foreign markets can affect the Japanese economy as seriously as a domestic business depression.

Economic Growth

Japan's rate of economic growth in postwar years has been phenomenal, averaging over the past decade 9 percent a year in real terms. Japan ranks third in the world in production of crude steel (surpassing West Germany), fourth in electric energy production, first in shipbuilding and in fishing, and fifth as a maritime nation. It leads the world as an exporter of textile products. The rate of savings in Japan (about 30 percent of the gross national product (GNP)) is perhaps the highest in the world, and the rate of investment is extremely high, accounting in large measure for Japan's rapid economic growth.

Japan's GNP reached \$59.9 billion in 1963. This was less than one-tenth that of the United States but about two-thirds that of the United Kingdom and of West Germany. The per capita national income (\$509), although high by Asian standards, is about one-seventh that of the United States, one-fourth that of the United Kingdom, and one-third that of West Germany.

Japanese leaders consider it essential to continue a high rate of economic growth that will provide employment for the growing labor force and raise the living standards of the populace and thereby maintain political stability in Japan. The government's drive for economic growth is epitomized by its "Double-the-National-Income" plan. This plan calls for an average annual increase in the GNP of 7.2 percent over the 10-year period ending in 1970 in order to achieve a GNP of \$72 billion by that year.

Balance of Payments

Historically the Japanese economy, highly dependent on international trade and finance, has displayed a persistent tendency toward deficits in its balance of payments. In the early postwar period the occupation instituted far-reaching controls over Japan's foreign economic relations. The Japanese Government, fearing the consequences of an unbridled international movement of goods and services, continued many of these controls after the peace treaty. A semiannual import budget was maintained to allocate the use of foreign exchange by traders. Investment by foreigners was regulated, and Japanese travel abroad was severely limited. Despite these controls, the economy in the past decade has weathered three balance-of-payments crises induced by excessive import demand created by rapidly rising investment activities and rising living standards.

Japan experienced its most recent balance-of-payments difficulty in 1963-64, brought on by the accelerated rate of economic growth and the accompanying rise in imports. The crisis appeared to be coming to an end by late 1964, with the help of restrictive monetary policies

and a sharp increase in exports based on buoyant business conditions in Europe and the United States and the rising import capacity of the developing nations.

With the liberalization of foreign exchange controls in 1964, Japan will enter a new phase in its international economic relations. Until the impact of this "open economy" upon the balance of payments becomes clear, the Japanese Government will carefully weigh its actions bearing on Japan's foreign exchange position.

FOREIGN TRADE

With total foreign trade at an alltime high of \$12.2 billion in 1963, Japan ranked among the seven top trading nations in the world. Some major features of its trade scene are: (1) rapid growth over the past decade, (2) heavy imports of foodstuffs and industrial raw materials and exports of processed goods, (3) great reliance upon commerce with the United States, (4) a persistent tendency for imports to exceed exports by a considerable margin, and (5) the gradual liberalization of trade and foreign exchange controls.

Japan - U.S. Trade

The United States has long been Japan's leading trade partner, supplying in 1963 over 30 percent of her imports and buying 28 percent of her exports. Japan is second only to Canada as a market for U.S. exports.

The United States usually sells more to Japan than it buys, and over the past decade this imbalance has totaled \$2-3/4 billion. Products sold to Japan range from raw materials to the most advanced products of American technology. Japan is our best market for farm products. Principal U.S. agricultural exports to Japan include raw cotton, soybeans, cattle hides, nonfat dry milk, and instant coffee. The United States also sells large quantities of machinery and vehicles, metals and manufactures, chemicals, coal, and petroleum products.

In recent years the range of U.S. imports from Japan has widened and the quality of Japanese merchandise has improved markedly. Machinery, vehicles, metals, and manufactures have become of major importance, in addition to textiles. Other leading U.S. imports from Japan include fish, clay products, toys, leather goods, raw silk, and photographic apparatus.

The Japanese believe that they must continue to rely upon a substantial share of the U.S. market in order to sustain their economic growth. Consequently, they are concerned over protectionist pressures in the United States and are alert to any sign of possible departure by the United States from its declared liberal trade policy. In addition, they fear that such a policy retreat by the

United States would inevitably lead to increased import restrictions on the part of other countries.

In an effort to forestall restrictive U.S. measures against imports from Japan, the Japanese have adopted so-called voluntary controls on a number of commodities exported to this country. These controls, which relate to quantity, and, to a lesser degree, to quality and price, are intended to promote an orderly development of a share of the U.S. market. The major commodities over which the Japanese exercise voluntary controls on exports to the United States are cotton textiles, wool suits, hardwood plywood, transistor radios, chinaware, sewing machines, wood screws, stainless steel flatware, and tuna fish.

Economic Relations With the Less Developed Countries

Japan has a pronounced commercial interest in political stability and economic development in the less developed countries. In 1963 such countries accounted for about half of Japan's exports and supplied 43 percent of its imports. In its efforts to expand exports, Japan has found many of these countries short of purchasing power and foreign exchange and unable to balance the trade by supplying sufficient goods needed by Japan. Recognizing that future trading relationships require economic development in these areas, Japan has embarked upon a sizable program of economic assistance. The largest part of this assistance has been to Southeast Asian countries in the form of reparations.

Japan has also played a prominent role in the World Bank-sponsored consortia for India and Pakistan and is an active donor participant in the Development Assistance Committee of the Organization for Economic Cooperation and Development and in the Colombo Plan. In addition to providing financial assistance, Japan furnishes technical assistance through participation in the U.S.-sponsored AID Third Country Training Program and through bilateral arrangements, and it is a leading member of the Asian Productivity Organization.

Economic Relations With the Sino-Soviet Bloc

Japan's trade with the Sino-Soviet bloc amounts to less than 6 percent of its total trade. The U.S.S.R. has been Japan's leading bloc trading partner, followed by Communist China. Japan participates with other free-world nations in the system of voluntary export controls designed to deny strategic commodities to Communist countries.

Trade with Communist China, while a minor part of Japan's total trade, has grown steadily since 1961. In the first 6 months of 1964

Japanese exports reached \$61.5 million and imports \$68.3 million. This trade is conducted on the basis of a private trade agreement. The Japanese Government has followed a policy of separating politics and economics, under which it allows private trade on substantially the same terms as Western European countries do, so long as it is separate from the question of recognition of Communist China.

Trade and Foreign Exchange Controls

Since 1960 Japan has made steady progress in removing trade controls. As of 1964, over 92 percent of Japan's imports were freed of foreign exchange restrictions and further steps were planned. Many nontrade transactions, particularly those relating to the movement of capital, have also been liberalized.

Japan accepted full membership in the Organization for Economic Cooperation and Development in early 1964. Japan has participated in the General Agreement on Tariffs and Trade since 1955 and is expected to participate actively in the Kennedy Round of tariff negotiations in 1964.

ATOMIC ENERGY

Their experience with atomic weapons made the Japanese slow to accept the peaceful potentialities of the atom. Although the deep-seated Japanese fear and dislike of nuclear weapons persists, by 1956 Japan had begun a coordinated program of atomic energy development for peaceful purposes. Development has proceeded rapidly with substantial assistance from the United States and, to some extent, the United Kingdom and Canada. Laboratories have been built and equipped and scientists and technicians trained in substantial numbers. Eleven research reactors are in operation, including three designed and made in Japan. Japan's first nuclear power reactor, a U.S.-made demonstration type, was placed in operation in August 1963.

The Japanese plan to be among the world's leaders in the development of atomic power. They possess the requisite scientific resources and have a strong incentive in that thermal power, Japan's principal source of power, is not cheap and the possibilities for expansion of hydroelectric power are limited. By 1965 Japan plans to have in operation its first commercial nuclear power reactor, with a rated capacity of 165,000 kilowatts, imported from the United Kingdom.

The Japanese Government's long-range program calls for a nuclear capacity of 1 million kilowatts by 1970 and 9.5 million kilowatts by 1975. Japan plans also by 1972 to have completed construction of its first nuclear-powered vessel, an oceanographic research ship.

TRANSPORTATION

Japan has a well-developed international and domestic transportation system, although highway development still lags. The ports of Yokohama, Kobe-Osaka, and Nagoya and the Tokyo International Airport are important terminals for sea and air traffic in the Western Pacific, with modern facilities for passengers and freight.

The domestic transportation system is heavily dependent on the government-owned rail network. This is supplemented by private railways in and near the large cities, a developing highway system, coastwise shipping, and several air lines. The rail system is well distributed throughout the country, has modern equipment, is well maintained, and offers efficient service, moving more passengers more miles than any other rail system in the world.

In recent years there have been increasing appropriations for highway building and maintenance in an effort to bring the inadequate road system abreast of the rapidly increasing numbers of cars and trucks.

EDUCATION AND MASS MEDIA

The Japanese educational system is based on free public schooling for all children through 6 years of elementary school and 3 years of junior high school. Students who are able to pass the stiff entrance examinations go on to 3-year senior high schools, and from there to 4-year universities or 2-year junior colleges. There are both public and private high schools, colleges, and universities; but public institutions, as well as private, require tuition.

Japan's population problem severely burdens the educational system. High schools, colleges, and universities can take in only a fraction of the applicants; and government, business, and industry have usually not had a sufficient number of suitable openings for college graduates. The choice of jobs traditionally go to graduates of well-known universities such as Tokyo, Keio, and Waseda. The competition to enter these universities is particularly intense, extending down the line to the lower schools that have established reputations as preparatory schools for the good universities.

The system was extensively reorganized during the occupation to eliminate courses regarded as having contributed to militarism. The administration of education was considerably decentralized to make it more difficult to use the educational system as an instrument of indoctrination.

Most Japanese believe these occupation reforms went too far and that there is a connection between the absence of moral education in the schools and the rising rate of juvenile delinquency. The government, therefore, has reintroduced into the curriculum a course of moral education based on democratic principles and has taken a number of steps to give the Minister of Education a greater voice in

the administration of education throughout the country. These actions have been strongly opposed by the left wing, led by the Japan Teacher's Union, which claims that these moves are designed to restore prewar authoritarianism.

Mass Communications

Mass communications in Japan are comparable to those in advanced industrial nations of the West. The mass media are highly competitive even though dominated to a considerable extent by three organizations based on nationally distributed daily newspapers: Asahi (circulation 4.1 million as of March 1963), Mainichi (3.8 million), and Yomiuri (3 million). These three major newspaper companies and several smaller ones publish weekly magazines and have interests in commercial radio and television. There are many other national and prefectural newspapers of significance and four English-language dailies.

The Japanese publishing industry brings out more new titles each year than its American counterpart. There is a tremendous variety of magazines, appealing to all tastes, many of which have very large circulations.

Radio and television follow the British or Canadian pattern, with nationwide government-owned networks competing with commercial networks. Nearly all Japanese homes have radios. As of October 1963, more than 75 percent of Japanese households had TV, placing Japan second in the world after the United States in the number of TV sets. The Japanese movie industry similarly ranks as one of the largest in the world.

LABOR

Japanese trade unionism in its present form is largely a post-World War II phenomenon. The peak prewar union membership (in 1936) was 420,000, or 7 percent of Japan's nonagricultural labor force. At present about 9 million or 37 percent of the nonagricultural labor force belong to 48,000 unions. Over 6 million union members are organized in three major union federations. Consequently, labor is the largest organized group in Japan.

Sohyo, the largest (4.2 million members) and most powerful organization in the Japanese labor movement, was established in 1950 in protest against the Japan Communist Party's domination of the then leading union federation. No sooner had the new organization been founded, however, than the Communist element left the old federation (which quickly went out of existence) and joined Sohyo en masse. Non-Communist elements have been in control of Sohyo since 1957.

The Communist and pro-Communist minority is currently at its lowest point in Sohyo's history. Even the non-Communist wing of

Sohyo is Marxist in orientation, however, and endorses concepts such as class warfare and tactics such as the political general strike. Since 1960 Sohyo has moved in the direction of moderation, placing greater emphasis on economic "struggles" and objectives and somewhat less on political agitation.

Sohyo is the major organizational and financial prop of the Japan Socialist Party and its position on international questions parallels that of the party.

Two-thirds of Sohyo's membership are national and local public service workers, including railwaymen, postal workers, teachers, and municipal and prefectural government employees. The federation's president is Kaoru Ota; Akira Iwai is Secretary General.

Domei (Japan Confederation of Labor) consists for the most part of unions in the private enterprise sector. It was formed in 1962 by the union of Zenro and Sodomei labor federations and at present claims a membership of 1.8 million. Domei is the principal source of support for the Democratic Socialist Party, just as Sohyo is for the Japan Socialist Party. Churitsu Roren, a loose amalgam of industrial workers who decline affiliation with either Sohyo or Domei, came into existence in January 1961. It has a total membership of approximately 800,000 drawn mostly from the Electrical Manufacturing Workers and workers in the various construction trades.

SOCIAL WELFARE

In Japan as in other parts of Asia, the care of the sick, aged, and infirm has been, until recent times, the responsibility of the family, employers, or private organizations. To meet the needs of an urbanized modern industrial society, this system has changed greatly in recent years, and the government is now conducting a very broad range of still modest but successful social welfare programs. These include health insurance, old age pensions, a minimum wage law, and the operation of a variety of hospitals and social welfare institutions for orphans, the physically handicapped, older people, etc.

Both major political parties are firmly committed to providing increased and more effective social welfare services.

FOREIGN RELATIONS

Japan stands today as a fully independent and influential member of international society.

It has made a spectacular recovery from the low point of 1945 and is the only highly industrialized nation in the Asian-African area. Given its demonstrated capabilities and its aspirations for international prestige and leadership, Japan will have a growing impact on the balance of power in Asia in the years that lie ahead.

Since the peace treaty Japan has sought through her foreign policy to promote the prosperity and welfare of her people, while at the same time contributing to the establishment of world peace. Japan has pursued these goals principally through a three-point policy: (1) close support of and reliance on the United Nations as an instrument of world peace, (2) alignment with the free world, and (3) recognition of her status as an Asian nation with many interests in common with the Afro-Asian group of nations. Japan's commitment to the free world depends directly on her ability to meet her indispensable national requirements, i.e. to achieve a position of equality and partnership in free-world councils and to have continued access to a fair and reasonable share of U.S. and other free-world markets.

Japan as of May 1, 1963, had diplomatic relations with 96 countries, including the Soviet Union and the East European satellites with the exception of Albania and East Germany. Japan recognizes the Republic of China and maintains an embassy in Taiwan. It has no relations with the Chinese Communist regime, North Korea, or North Viet-Nam. A member of the United Nations since December 1956, Japan is a member of all the U.N. specialized agencies and has served a 2-year term (1958-59) as a non-permanent member of the Security Council.

U.S. POLICY

The United States believes that Japan is an important member of the free world in the Far East and that we should assist it in resisting Communist pressures and threats. The United States believes, moreover, that a healthy, strong Japan has much to contribute to world progress and order and to the strength of the free world. It is the policy of the United States, therefore, to maintain relations of friendship, trust, and equality with Japan, to assist it in developing strength to resist aggression, and to give it encouragement and assistance, where practicable, toward achieving a viable economy necessary for the development of its democratic institutions as well as for a rising standard of living.

PRINCIPAL GOVERNMENT OFFICIALS (As of December 1, 1964)

Prime Minister --Eisaku SATO
Minister of Justice --Hitoshi TAKAHASHI

Minister of Foreign Affairs -- Etsusaburo SHIINA
 Minister of Finance -- Kakuei TANAKA
 Minister of Education -- Kiichi AICHI
 Minister of Welfare -- Hiroshi KANDA
 Minister of Agriculture and Forestry -- Munenori AKAGI
 Minister of International Trade and Industry -- Yoshio SAKURAUCHI
 Minister of Transportation -- Shutaro MATSUURA
 Minister of Postal Services -- Jitsuzo TOKUYASU
 Minister of Labor -- Hirohide ISHIDA
 Minister of Construction -- Osanori KOYAMA
 Minister of Autonomy -- Eiichi YOSHITAKE
 Director General of the Administrative Management Agency; Director General of Hokkaido Development Agency -- Keikichi MASUHARA
 Director General of the Science and Technology Agency; Chairman of the Atomic Energy Commission -- Kiichi AICHI
 Director General of the Economic Planning Agency -- Mamoru TAKAHASHI
 Director General of the Defense Agency -- Junya KOIZUMI
 Director of Administrative Affairs in the Prime Minister's Office -- Soichi USUI
 Minister of State -- Ichiro KONO
 Chief Cabinet Secretary -- Tomisaburo HASHIMOTO

PRINCIPAL U.S. OFFICIALS

Ambassador -- Edwin O. Reischauer
 Minister, Deputy Chief of Mission -- John K. Emmerson
 Minister-Counselor for Economic Affairs -- Laurence C. Vass
 Minister-Counselor for Cultural Affairs and Information -- Charles B. Fahs
 Counselor of Embassy for Political Affairs -- J. Owen Zurhellen, Jr.
 Counselor of Embassy for Economic Affairs -- Keld Christensen
 Counselor of Embassy for Commercial Affairs -- Carney G. Laslie, Jr.
 Counselor of Embassy for Administration -- James F. Magdanz
 Consul General, Tokyo-Yokohama -- Thomas H. Murfin
 Consul General, Kobe-Osaka -- John L. Stegmaier
 Consul, Naha, Okinawa (administered by Embassy Tokyo) -- Richard W. Finch
 Consul, Fukuoka -- Thomas P. Shoesmith
 Consul, Nagoya -- Philip F. Dur
 Consul, Sapporo -- John Sylvester, Jr.
 Commander, U.S. Forces in Japan -- Lt. Gen. Maurice A. Preston, USAF
 Chief, Military Assistance Advisory Group -- Rear Adm. George R. Luker, USN

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Background Notes is a new series of State Department publications. These are short, factual country papers which briefly describe the land, people, history, government, economic conditions, and United States relations with each country. Some 40 of these leaflets are now being readied for the printer. In time there will be Background Notes on nearly every country in the world. Listed below are those now available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. (There is a 25% discount on all orders of 100 copies or more of each publication.)

<u>Country</u>	<u>Price</u>
Brazil (pub. 7756)	5 cents
Cambodia (pub. 7747)	5 cents
Canada (pub. 7769).....	10 cents
Ceylon (pub. 7757).....	5 cents
Colombia (pub. 7767).....	5 cents
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DEPARTMENT OF STATE PUBLICATION 7770

Released December 1964

Office of Media Services

Bureau of Public Affairs

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

December 28, 1964

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 92-135

By ju, NARA, Date 2-2-93

MEMORANDUM FOR

THE PRESIDENT

SUBJECT: The Sato Visit

Prime Minister Sato's visit to Washington of January 11-14 is primarily an occasion for him to develop rapport with you and to exchange views on the problems we jointly face in the Far East. There will be minimal business to conduct.

Sato will have two sessions with you: the first at 11:30 a.m. on Tuesday, January 12 (lasting an hour and a half); the second at 11:30 a.m. on Wednesday, January 13 (very brief, for the approval of a Joint Communique).

Sato understands a great deal of English but prefers to use an interpreter on official occasions. Since Ambassador Reischauer speaks fluent Japanese, both sides will rely on the Japanese Government's excellent interpreter.

In order to prepare both sides for the conversations, State plans to give Ambassador Takeuchi an Aide Memoire to take with him to Tokyo this week; this paper reviews the subjects that we expect will be the focus of your talk with Sato. The Japanese will probably respond with a paper suggesting two or three additional items.

State's Aide Memoire now includes the following items: the problem of Communist China, the situation in Southeast Asia, the urgent need for a Japan-Korea settlement, and miscellaneous bilateral problems.

In this last category we may expect Sato to refer in passing to several current economic sources of friction in U. S. -Japan relations and to express the hope that we will not permit such issues to disturb our generally good relations. (He will be particularly concerned with the interest equalization tax, with Japan's desire for civil air rights to

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New York and beyond, with the renegotiation of the North Pacific Fisheries Convention, and with U. S. attempts to limit Japan's exports of wool and cotton textiles.)

Next week Secretary Rusk will chair a meeting of all U. S. agencies with an interest in these bilateral problems. Out of this meeting should emerge an agreed position on each of these subjects. Sato will also undoubtedly raise the general subject of our defense arrangements in the Pacific, with particular reference to the Ryukyu and the Bonin islands.

We are working closely with State and will have briefing papers and suggested talking points available for you on your return.


James C. Thomson, Jr.

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Sato
V. Ad
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**DEPARTMENT OF STATE
FOR THE PRESS**

DECEMBER 28, 1964

NO. 530

HIS EXCELLENCY EISAKU SATO, PRIME MINISTER OF JAPAN
TO VISIT THE UNITED STATES
JANUARY 9 - 16, 1965

Arrangements are being completed for the Visit of His Excellency Eisaku Sato, Prime Minister of Japan, who will visit the United States next month at the invitation of President Johnson. The Prime Minister's Party will include the Foreign Minister, Mr. Etsusaburo Shiina, and the Secretary General of the Liberal Democratic Party, Mr. Takeo Miki.

Prime Minister Sato will arrive at Washington, D.C. from San Francisco, California at 5:45 p.m. EST on Monday, January 11, 1965. The party will depart from Washington by air at 9:55 a.m. EST on Thursday, January 14, 1965 for New York City.

The itinerary for Prime Minister Sato's visit, with local times of arrival and departure is as follows:

January 9	9:15 p.m. HST	Prime Minister Sato will arrive Honolulu International Airport, Honolulu, Hawaii.
January 9	11:15 p.m. HST	Depart Honolulu (Honolulu International Airport).
January 10	6:00 a.m. PST	Arrive San Francisco, California (San Francisco International Airport).
	3:00 p.m.	Press Conference.
	7:00 p.m.	Dinner by the World Affairs Council of Northern California, the World Trade Association of the San Francisco Chamber of Commerce, and the Japan Society of San Francisco.
January 11	10:15 a.m. PST	Depart San Francisco, California (San Francisco International Airport).
January 11	5:45 p.m. EST	Arrive Washington, D.C. (Andrews Air Force Base, Maryland).
January 12	11:15 a.m.	White House Arrival Ceremony.
	11:30 a.m.	Meeting with President Johnson.
	1:30 p.m.	Luncheon by National Press Club.
	3:30 p.m.	Meeting with Secretary Rusk.
	8:00 p.m.	Dinner by President and Mrs. Johnson.

January 13	10:35 a.m.	Visit to Arlington National Cemetery.
	11:30 a.m.	Meeting with President Johnson.
	1:00 p.m.	Luncheon with Secretary Rusk.
	4:30 p.m.	Press Conference.
	6:30 p.m.	Reception by Ambassador Takeuchi.
January 14	9:55 a.m. EST	Depart Washington, D.C. (Andrews Air Force Base, Maryland).
January 14	11:10 a.m. EST	Arrive New York City. (John F. Kennedy International Airport).
	12:00 noon	Welcome by Mayor Wagner, City Hall.
	1:15 p.m.	Luncheon at UN by Secretary General U Thant.
	3:00 p.m.	Press Conference.
	7:15 p.m.	Dinner by the Japan Society, the Japanese Chamber of Commerce, the Nippon Club and the Far East America Council of Commerce and Industry.
January 15	9:10 a.m. EST	Depart New York City (John F. Kennedy International Airport).
January 15	11:55 a.m. PST	Arrive Los Angeles, California (Los Angeles International Airport).
	12:30 p.m.	Luncheon by the Los Angeles World Affairs Council in cooperation with the City of Los Angeles.
	2:45 p.m.	Press Conference.
January 15	3:45 p.m. PST	Depart Los Angeles, California, (Los Angeles International Airport).
January 15	7:15 p.m. HST	Arrive Honolulu, Hawaii (Honolulu International Airport).
	7:50 p.m.	Dinner by Japanese-American Community.
January 16	2:55 p.m.	Visit the National Memorial Cemetery of the Pacific.
	3:20 p.m.	Reception by Governor Burns.
January 16	5:30 p.m. HST	Depart Honolulu for Tokyo (Honolulu International Airport).

The detailed program for the visit of the Prime Minister of Japan
will be announced at a later date. * * *

SATO Visit

NATIONAL SECURITY COUNCIL

Thomson H21

② ②
② ②

~~Done by phone~~

THE WHITE HOUSE
WASHINGTON

48a

Mr. Cooper

Bundy wants
to talk about this
after staff meeting
Monday a.m.

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NATIONAL SECURITY COUNCIL

December 24, 1964

Note for Mr. Bundy


Subject: Aide Memoire for Sato Visit

State requests White House clearance for the attached Aide Memoire which we propose to give to Ambassador Takeuchi next week to take to Japan when he leaves on Wednesday. The purpose of this paper is to alert the Japanese to topics which may be covered in the Sato-Johnson conversation of January 12.

This seems satisfactory to me. We can anticipate, I think, a Japanese memorandum in response which will add such topics as U. S. Defense Arrangements in the Far East, with particular reference to the Ryukyus and the Bonins.

OK with you?


James C. Thomson, Jr.

Cooper concurrence 

118-c

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E.O. 12356, Sec. 3.4
NLJ 92-133
By fw, NARA, Date 1-15-93

~~CONFIDENTIAL~~

AIDE MEMOIRE

In order to help provide a general focus for the January 12 meeting at the White House between President Johnson and Prime Minister Sato, the Department of State has the honor to submit to His Excellency the Ambassador of Japan the following major subjects which President Johnson will wish to raise for discussion:

may

Communist China: Communist China continues to proclaim and pursue a policy of militant revolution, is exerting expansionist pressures against bordering countries especially in Southeast Asia and, having recently exploded a nuclear device, refuses to agree to any limitations on nuclear testing or prevention of nuclear proliferation.

The President will wish to discuss the policies and measures which the United States and Japan could most advantageously take to meet this situation and to express his hopes for the closest consultation possible between our two countries, both with regard to the question of Communist China as well as the preservation of our common interests with regard

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to Taiwan.

The discussions could take up the question of diplomatic and political pressures which Peiping is bringing to bear to force its admission into the United Nations and the expulsion therefrom of the Republic of China. It is felt that this would be a particularly bad time for Peiping to gain admission to the United Nations. Success in this regard would provide a considerable stimulus to Peiping to ~~continue~~^{pursue} its aggressive course, which, if continued, could well lead to a major clash in the Pacific. It is therefore felt that every effort should be made to prevent Communist China's admission to the United Nations at this time, to hold the line on Cocom controls against Communist China, and to avoid actions which would tend to erode the current stance which the United States, Japan and other countries are taking against Communist China. Meanwhile, Peiping has made it clear in the course of our many talks at Warsaw as well as in recent

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public statements that there is no possibility of a general improvement in relations unless the United States agrees to the surrender of Taiwan with its twelve million inhabitants. Since this is a totally unacceptable demand, it raises the question whether there is any real basis for improving relations with Communist China bearing in mind the hostility, unacceptable demands and intransigence of Communist China's present leadership. If there were any disposition on the part of Peiping to follow a less hostile and more peaceful, accommodating course, then a number of things would become possible. This is an opportunity which we would wish to exploit. ^{A ~~perceived~~} ~~Our~~ danger, it is felt, derives from premature actions which would tend to confirm the Peiping leadership in its view that current militant-subversive tactics are successful and its expansionist objectives realizable.

Southeast Asia: The President will be prepared to give our latest appraisal with regard to Southeast Asia and to discuss United

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-4-

States objectives and policies in the area, including our plans to assist the Republic of Viet-Nam to maintain its independence in the face of Communist aggression and subversion. We recognize that the internal

? || political situation in South Vietnam is extremely fragile and that this has detracted from the effective implementation of the soundly conceived counter-insurgency program. A second important aspect of the problem we face there is infiltration from North Vietnam, particularly through Laos. The President will wish to discuss frankly the various alternatives open for us in the current situation and to have the benefit of the Prime Minister's judgments and views.

We believe that all free nations have a direct stake in the outcome of the current struggle in Viet-Nam. For its part, the United States is prepared to continue to do all that it can usefully do to preserve the freedom and integrity of South Vietnam, although it is aware that this will depend in the last analysis upon the attitudes and resolve of

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-5-

the people of that country. The President would hope to discuss plans for making more effective the program of assistance to the Republic of Viet-Nam which the United States, Japan and many other Free World nations are participating. ✓

Japan-Republic of Korea Relations: The President will be keenly interested to hear from the Prime Minister about progress being made in establishing normal and mutually beneficial relations between Japan and the Republic of Korea. Since the President considers normalized relations between Japan and the Republic of Korea to be in the interests of security and progress of all Free World countries, he will be most interested in the Prime Minister's estimate of prospects for success. ✓

Other Subjects: The President will wish to express his desire to move forward as rapidly as possible, in forthcoming cooperation with the Japanese Government, toward a mutually agreeable resolution of bilateral economic problems in United States-Japanese relations. ✓
Because of limitations of time, it is felt that these issues can be

~~CONFIDENTIAL~~

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covered in more detail in the course of discussions which the Prime Minister will be having with the Secretary of State and other high officials in Washington.

The Department of State would be happy to receive any suggestions which Prime Minister Sato may have with regard to additional topics which he would wish to raise with the President.

FE:MGreen:ej
12/22/64

DEPARTMENT OF STATE
Washington, D.C.
OFFICE OF THE CHIEF OF PROTOCOL

SUGGESTED PROGRAM FOR THE VISIT TO THE UNITED STATES OF AMERICA OF
HIS EXCELLENCY EISAKU SATO, PRIME MINISTER OF JAPAN

January 10 - 16, 1965

SUNDAY, JANUARY 10

6:00 a.m. PST His Excellency Eisaku Sato, Prime Minister of Japan, and his party will arrive at the San Francisco International Airport, San Francisco, California, aboard Japan Airlines Flight 800.

6:10 a.m. Departure from the airport.

6:40 a.m. Arrival at the Mark Hopkins Hotel.

12:30 p.m. Prime Minister Sato will have luncheon at the residence of Mr. Tsutomu Wada, Consul General of Japan at San Francisco.

3:00 p.m. Prime Minister Sato will hold a press conference at the Mark Hopkins Hotel in _____ Room.

7:00 p.m. The World Affairs Council of Northern California, the San Francisco Area World Trade Association, and the Japanese Society will give a dinner in honor of the Prime Minister of Japan at the Peacock Court of the Mark Hopkins Hotel.

Dress: Black tie.

MONDAY, JANUARY 11

9:30 a.m. Departure from the Mark Hopkins Hotel.

10:00 a.m. Arrival at the San Francisco International Airport.

10:15 a.m. PST The Prime Minister of Japan and his party will depart from San Francisco aboard a United States Air Force special flight. (Four hours and 30 minutes flying time, three hours change in time zone.)

5:45 p.m. EST Arrival at Andrews Air Force Base, Maryland.

6:00 p.m. Departure from Andrews Air Force Base by motorcade.

6:30 p.m. Arrival at Blair House.

MONDAY (Cont'd.)

MONDAY, JANUARY 11 (Continued)

7:50 p.m. Departure from Blair House.

8:00 p.m. Prime Minister Sato will have dinner privately at the Embassy of Japan, 2516 Massachusetts Avenue.

TUESDAY, JANUARY 12

11:13 a.m. Departure from Blair House.

11:15 a.m. Prime Minister Sato and his party will arrive at the White House where he will be greeted by the President of the United States, the Secretary of State, the Chairman of the Joint Chiefs of Staff, the Dean of the Diplomatic Corps, and other officials. Military honors will be rendered.

11:30 a.m. Prime Minister Sato will meet with President Johnson at the White House.

1:00 p.m. Departure from the White House and return to Blair House.

1:30 p.m. The National Press Club will give a luncheon in honor of the Prime Minister of Japan at the National Press Club Building, Fourteenth and F Streets, Northwest.

3:30 p.m. The Prime Minister of Japan will meet with Secretary Rusk at the Department of State.

Departure from the Department of State and return to Blair House.

8:00 p.m. The President of the United States of America and Mrs. Johnson will give a dinner in honor of the Prime Minister of Japan at the White House.

Dress: Black tie.

WEDNESDAY, JANUARY 13

a.m. Possible breakfast at Blair House.

10:25 a.m. Departure from Blair House.

10:35 a.m. Arrival at Arlington National Cemetery where the Prime Minister of Japan will place wreaths at the Tomb of the Unknown Soldier, the grave of the late John Foster Dulles, and the grave of the late President John F. Kennedy.

WEDNESDAY (Cont'd.)

WEDNESDAY, JANUARY 13 (Continued)

11:30 a.m. Prime Minister Sato will meet with President Johnson at the White House. A joint communique will be issued.

12:00 noon Departure from the White House and return to Blair House.

1:00 p.m. Secretary Rusk will give a luncheon in honor of Prime Minister Sato in the _____ Room, Department of State.

4:30 p.m. Prime Minister Sato will have a press conference in the Ambassador Room, Shoreham Hotel.

6:30 p.m. His Excellency Ryuji Takeuchi, Ambassador of Japan, and Mrs. Takeuchi will give a reception in honor of Prime Minister Sato at the Embassy of Japan, 2516 Massachusetts Avenue, Northwest.

8:00 p.m. Prime Minister Sato will have dinner privately at the Embassy of Japan.

THURSDAY, JANUARY 14

a.m. Possible breakfast at Blair House.

9:15 a.m. Departure from Blair House.

9:20 a.m. The Prime Minister of Japan will arrive at the Ellipse where an Armed Forces Full Honor Departure Ceremony will be conducted.

9:35 a.m. Departure from the Ellipse by helicopter.

9:45 a.m. Arrival at Andrews Air Force Base.

9:55 a.m. EST The Prime Minister of Japan and his party will depart from Andrews Air Force Base aboard a United States Air Force special flight. (One hour and fifteen minutes flying time.)

11:10 a.m. EST Arrival at the John F. Kennedy International Airport, New York.

11:20 a.m. Departure from the airport.

12:00 Noon Arrival at City Hall. The Prime Minister of Japan will be greeted by the Honorable Robert F. Wagner, Mayor of New York City, who will present the New York City Medallion of Honor to Prime Minister Sato.

THURSDAY (Cont'd.)

THURSDAY, JANUARY 14 (Continued)

12:30 p.m. Departure from City Hall.

12:45 p.m. Arrival at the Headquarters of the United Nations.

1:15 p.m. U Thant, Secretary General of the United Nations, will give a luncheon in honor of the Prime Minister of Japan at the United Nations Headquarters.

2:30 p.m. Departure from the United Nations Headquarters.

2:40 p.m. Arrival at the Waldorf Towers.

3:00 p.m. Prime Minister Sato will have a press conference at _____ Room, Waldorf Astoria.

7:15 p.m. The Japan Society, the Japanese Chamber of Commerce, the Nippon Club, and the Far East America Council will give a dinner in honor of the Prime Minister of Japan in the Grand Ballroom, Waldorf Astoria Hotel.

Dress: Black tie.

FRIDAY, JANUARY 15

8:30 a.m. Departure from the Waldorf Towers.

9:00 a.m. Arrival at the John F. Kennedy International Airport.

9:10 a.m. EST The Prime Minister of Japan will depart New York aboard a United States Air Force special flight. (Five hours and forty-five minutes flying time; three hours change in time zone.)

11:55 a.m. PST Arrival at the Los Angeles International Airport, Los Angeles, California.

12:10 p.m. Departure from the airport.

12:30 p.m. Arrival at the Biltmore Hotel.

The Los Angeles World Affairs Council in cooperation with the City of Los Angeles will give a luncheon in honor of Prime Minister Sato at the Biltmore Bowl, Biltmore Hotel.

FRIDAY (Cont'd.)

FRIDAY, JANUARY 15 (Continued)

2:45 p.m. The Prime Minister of Japan will hold a press conference in the Galleria Room at the Biltmore Hotel.

3:15 p.m. Departure from the Biltmore Hotel.

3:35 p.m. Arrival at the Los Angeles International Airport.

3:45 p.m. PST The Prime Minister of Japan and his party will depart Los Angeles aboard a United States Air Force special flight. (Five hours and thirty minutes flying time; two hours change in time.)

7:15 p.m. HST Arrival at Honolulu International Airport, Honolulu, Hawaii.

7:30 p.m. Departure from the airport and proceed to the Kanraku Tea House, 750 Kohou Street.

7:50 p.m. The Japan-American Community will give a dinner in honor of Prime Minister Sato at the Kanraku Tea House.

Dress: Business suit.

Prime Minister Sato and his party will reside at the Royal Hawaiian Hotel.

SATURDAY, JANUARY 16

9:00 a.m. Possible - Prime Minister Sato will play golf with the Honorable John A. Burns, Governor of Hawaii, at the Waialae Country Club.

2:45 p.m. Departure from the Royal Hawaiian Hotel.

2:55 p.m. Arrival at the National Memorial Cemetery of the Pacific where Prime Minister Sato will place a wreath at the Garden of the Missing.

3:10 p.m. Departure from the National Memorial Cemetery.

3:20 p.m. The Honorable John A. Burns, Governor of Hawaii, will give a reception in honor of Prime Minister Sato at the Governor's Mansion.

4:50 p.m. Departure from the Governor's Mansion.

5:10 p.m. Arrival at the Honolulu International Airport.

SATURDAY (Cont'd.)

SATURDAY, JANUARY 16 (Continued)

5:30 p.m. HST

Prime Minister Sato and his party will depart Honolulu aboard Japan Airlines Flight 809 for Tokyo.

* * * * *

Protocol
December 22, 1964

~~CONFIDENTIAL~~
CLASSIFICATION

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

December 18, 1964

Date

Mr. McGeorge Bundy
The White House

The enclosed is for White House
clearance prior to transmission.

Benjamin H. Read
Executive Secretary

Enclosure:

Telegram to Tokyo re
Sato Visit

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
NOT NAT'L SECURITY
INFORMATION, E. O. 12958,
SEC. 1.1(a)

BY Out ON 9-5-90

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CLASSIFICATION

JAPAN
Sato
Visit

Chet Cooper - 62
has original 50

CUC Allen
said he is
getting
aircraft.

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Ambassador TOKYO PRIORITY

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-133

By ju, NARA, Date 7-16-92

SATO VISIT

Japanese have accepted our offer to provide all air and ground transportation in US, use of Blair House in Washington, hotel accommodations in New York, Los Angeles, and Honolulu, and other expenses for official party of 12. We are trying to reserve Presidential jets (executive configuration) for long segments of trip, conventional aircraft for Washington-New York hop (also executive configuration). USG aircraft will take party through to Honolulu on return trip.

Tentative schedule for Washington portion of visit as follows (note changes from preliminary schedule pouched Embassy Dec. 11):

January 11, 5:45 p.m., arrive Andrews Field, Washington. Private evening

January 12, 11:30 a.m., hour and half meeting with President

1:30 p.m., Secretary's luncheon at Department

3:30 p.m., two-hour meeting with Secretary at Department

8:00 p.m., State Dinner at White House

January 13, 10:35 a.m., visit Arlington National Cemetery

11:30 a.m., half-hour meeting with President, release of
joint communique

FE:EA:RWPetree:RAFearey:sas 12/18/64

FE - Marshall Green

O/CPR - Mr. King

White House -

S - Mr. Streater (subs).

S/S -

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Amembassy TOKYO

~~CONFIDENTIAL~~

1:00 p.m., Prime Minister's luncheon for Secretary Rusk
at Embassy

4:00 p.m., half-hour press conference

6:30 p.m., reception at Japanese Embassy

January 14, 9:30 a.m., departure ceremony at Ellipse, military honors

9:45 a.m., to Andrews Field via helicopter

10:05 a.m., departure for New York from Andrews Field

Possible changes in above schedule include substitution Press Club luncheon (speech by Prime Minister) for Secretary's lunch January 12, and substitution Secretary's lunch for Prime Minister's lunch January 13.

State dinner at White House expected to include 80-90 guests. Guest list not completed, but will include top-flight American governmental, business, financial, cultural, educational and scientific figures.

GP- .

END

Corrections made on original green MUST be made on this and other flimsy work copies before delivery to Telegraph Branch

FOR RELEASE AT 8 p.m. EST, DEC. 4

51
DECEMBER 4, 1964

Office of the White House Press Secretary

THE WHITE HOUSE

Responding to the suggestion of Prime Minister Sato that it is important for the United States and Japan to have comprehensive discussions of the world situation at the earliest possible time, President Johnson has invited the Prime Minister to Washington for this purpose. The visit has been scheduled for January 12.

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MemCons



DEPARTMENT OF STATE
WASHINGTON

~~SECRET~~ ENCLOSURES

S/S-1631

February 3, 1965

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

In accordance with your request of February 3, there are enclosed the original copies of three memoranda of conversation between the President and Prime Minister Sato which contain hand written amendments. Also enclosed are copies of the final amended versions which are now being distributed.

J. J. del Valle
Benjamin H. Read
Executive Secretary

Enclosures:

1. President Johnson-Prime Minister Sato
MemCon (Private) - January 12 at
11:30 a.m. - Original and Amended Versions.
2. President Johnson-Prime Minister Sato
MemCon - January 12 at 12:15 p.m. - Original
and Amended Versions.
3. President Johnson-Prime Minister Sato
Memcon - January 13 at 11:30 a.m. - Original
and Amended Versions.

~~SECRET~~ ENCLOSURES

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DEPARTMENT OF STATE

680

536

DECLASSIFIED Memorandum of Conversation
E.O. 12958, Sec. 3.6

NLJ 98-157

By its, NARA Date 4-28-99

DATE: January 12, 1965
Office of the President
The White House
Time: 11:30

SUBJECT: Current U.S.-Japanese and World Problems

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Toshiro Shimanouchi, Consul General of Japan at
Los Angeles (interpreter)

The President
Lloyd Hand, Chief of Protocol
James Wickel, Language Services
Mr. Okamoto, USIA Photographer

~~CONFIDENTIAL~~

COPIES TO:

S/S FE-6 Amembassy TOKYO White House
S/P INR/OD [Amembassy SAIGON]
G CIA

The President showed several photographs to the Prime Minister. He said that the photographer, Mr. Okamoto, was of Japanese extraction. The Prime Minister was curious whether he was a nisei. The President showed a photo of his ranch and photographic portraits of his daughters, Lynda and Luci.

The President said he would not show his entire album but did wish to demonstrate what a fine job the photographer had done. He showed a picture of Secretary of Defense McNamara, with Generals LeMay and Wheeler, which had been taken at his ranch. He said that Secretary McNamara had asked him to find out if the Prime Minister had a few billion dollars extra. The President commented that Mr. McNamara needs more money for defense. The Prime Minister asked if the President had some funds hidden in his pocket.

The Prime Minister expressed his gratification to the President for the warm reception he had been given at the White House.

The President said that he had an enduring friendship for the Japanese people and their government, especially this one. He noted that Ambassador Reischauer's reports are all good and reflect favorably upon Japan. He commented that the Prime Minister is a pragmatist, like himself.

The Prime Minister said that Japan is a democratic nation, as the President knew, and as a politician he would understand that it is important to consider the people.

EXECUTIVE SECRETARIAT
DEPARTMENT OF STATE
IN

1965 JAN 15 PM 3 48

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The President reminisced about his boyhood in Texas. He said that he was raised near San Antonio, and the Prime Minister commented that he had visited there as a young man. The President said that he had always looked west. He recalled that his grandfather had had to look east, to New York, for money in those days. Our Government leaders are proud of our European allies in NATO, to the east, but we also wish to develop another strong alliance with Japan where we turn our heads toward the sun as it sets in the west. He had tried to convey this thought in his welcoming remarks this morning. It is not a habit with us to look always east to Europe; we look as well to other parts of the world.

The President said that a number of items were listed for discussion and he wondered what were the Prime Minister's interests. The list included the Ryukyu Islands; Bonin Islands graves visits; the Saylor Amendment; Japan-Korea normalization; Communist China and Taiwan; Pacific area defense; and South Viet-Nam and Southeast Asia. The President asked the Prime Minister to mention any other issues in which he had an interest. The President said that he also was anxious to hear the Prime Minister's views on the Pacific area. He wanted to get a feeling for the Prime Minister's opinions, and afford the Prime Minister the same opportunity to sound out his views; these matters could then be discussed more profitably. The President said that he and the Prime Minister were the ones who had to take the blame when anything went wrong.

The Prime Minister said that the greatest problems center around Communist China and South Viet-Nam, and an exchange of views is needed on those issues. He added that a new problem has arisen as a result of President Sukarno taking Indonesia out of the United Nations. The Prime Minister then asked the President to explain the position of the United States with reference to holding the 38th parallel in Korea and regarding the defense of Taiwan. He inquired whether the President could make a commitment not to withdraw from South Viet-Nam.

The President said, first, that the Prime Minister could depend on us fully for defense in the Pacific area. He said it is clear that Japan relies on the United States for defense, or else Japan would be creating its own independent defense systems. Second, he said that the Prime Minister could rely on the United States to consult closely with Japan before making any crucial decisions involving policy changes on the China problem and matters of comparable importance. The President expressed a desire to discuss these issues with the Prime Minister and understand fully the problems involved before taking action.

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- 3 -

The President said that the main problem involving the Republic of China's retention of its United Nations seat is that the Nationalist Chinese not get angry and walk out of the United Nations. If the Nationalists do not walk out then the Chinese Communists will not soon gain admission to the United Nations. The President said that what we want to do is keep down the Nationalist Chinese blood pressure, so that they won't do something rash that might enable the Communist Chinese to enter the United Nations.

Photographer Okamoto entered the office and was introduced by the President as his friend. The President asked whether he was born in the United States or Japan. Mr. Okamoto said that he had been born and raised in this country, and that his home is in Bronxville, New York. His father is in Japan, in his home town near Yokohama; his mother is in New York, and her home town is Kyoto. He has no brothers or sisters in Japan, but had been told that he has many uncles.

Continuing his comments on the China situation, which he remarked is a problem for him as it is for the Prime Minister, the President said that what we must do is to keep the Nationalist Chinese from upsetting the situation, or to forestall their doing so as long as we can. In order to keep the Chinese Communists from walking in, we don't want the Nationalist Chinese to walk out. He affirmed that the United States and Japan should have the closest consultation on this matter and commented that Ambassadors Reischauer and Takeuchi are already devoting their attention to it. He said that he had asked Ambassador Reischauer to remain at his post and to keep the Prime Minister informed of developments.

The President said that attention would have to be given to the problem of trade with China, as it is a nation of 600 million people. The President noted that Japan regards trade and political relations with Communist China as separate matters.

The Prime Minister confirmed that politics and trade are differentiated in Japan's contacts with mainland China. He said that Japan cannot ignore the mainland's propinquity and its long history of cultural contact with the Chinese. Therefore, Japan has developed trade relations with the mainland. However, Japan maintains diplomatic and treaty relations with the Republic of China. He said that Japan is in the same boat as the United States, and does not wish to anger CHIANG Kai-shek.

The President solicited the Prime Minister's analysis of the China situation as it might emerge in two or three years.

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The Prime Minister reiterated that it is essential that we consult closely on this matter. We cannot deny that a situation might develop in which Communist China could be admitted to the United Nations. This possibility puts us in a critical position. He said that the Communist China question is of an even more urgent nature than the Viet-Nam problem.

The President emphasized our hope that the Communist Chinese will leave their neighbors alone and turn their attention to internal affairs.

The Prime Minister said that this would be difficult for them to do, since they are communists. However, MAO Tse-tung will not live forever. On the other hand, Chiang may not live too much longer either. He said that we should not be unduly hasty with respect to Communist China lest we create new problems. Communist China will continue to pose serious difficulties until it has completed its revolutionary phase. This evolutionary process has been witnessed before in the history of China. The Shin /Chin/ and Mongol dynasties provide examples. The Prime Minister said that 40 years have passed since the Soviet revolution, during which time the regime has matured and changed. But only a decade and a half have passed since the Chinese Communist revolution which is still in an early stage.

The President agreed. He said that this is a great problem for the Prime Minister and himself.

The President said that Viet-Nam is another major problem, and it could worsen if no stable government can be established. If none is, we could be out tomorrow. The President stressed what he said in his State of the Union message: we intend to stay in Viet-Nam and we will do more rather than less. The President asked how hopeful the Prime Minister was about the situation in Viet-Nam.

The Prime Minister said that the United States must hold out and be patient. The United States is an outsider which has sent in troops, whereas the opposition is native. He said that the United States should work for the establishment of a liberal atmosphere that would enable the government to gain the support of the people. Above all, popular sentiment must be understood and channelled in politically constructive ways.

The Prime Minister indicated that the United States should not think in terms of pursuit to the north which he rejected, but should rather lend its efforts to such ventures as the establishment of model communities in South Viet-Nam, especially around Saigon. He believed that the biggest headache for the United States is the absence of leaders who could form a reliable government.

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- 5 -

The President interposed that our headache is bigger than that. He said we intend to stay in Viet-Nam so long as our assistance is sought by the Vietnamese people. The answer to the Prime Minister's earlier question whether the United States is committed not to withdraw from Viet-Nam was yes.

The Prime Minister applauded the United States determination to maintain a firm stand in Viet-Nam and reiterated his desire that we hold out.

The President said in reply to a question the Prime Minister phrased about defense that, since Japan possesses no nuclear weapons, and we do have them, if Japan needs our nuclear deterrent for its defense, the United States would stand by its commitments and provide that defense. The President asked whether that struck at the heart of the Prime Minister's question. The Prime Minister confirmed that that is what he would like to ask but said that he is unable to say so publicly. The President said that his reply on the defense of Japan is affirmative, adding that this exchange befits statesmen of the type he and the Prime Minister wish to be in the interest of their peoples.

The President asked whether the Prime Minister wished to discuss any foreign policy matters other than China, Viet-Nam, and security arrangements. The Prime Minister replied that he was concerned about developments in Malaysia and Indonesia.

The President explained that Sukarno's character is a crucial element in the situation. He is impulsive and impetuous, and if he gets too upset we are fearful that he will create even more serious problems. He said that the U.S. is lending its influence to ameliorate this problem in every way possible. The Prime Minister cautioned that we should avoid actions which would drive Sukarno, and with him Indonesia, into the arms of Communist China.

The President said that the United States is exercising extreme forbearance in trying to prevent this. He said that Sukarno had insulted the United States recently but he was prepared to overlook this in the light of our larger interests. The week following Sukarno's statements, the United States delivered food valued at several million dollars to Indonesia under the terms of an agreement reached three years ago. President Kennedy had been severely criticized in the Senate when he executed this agreement. The President said that the United States is following a policy of conciliation in regard to the Indonesian problem and is trying not to be inflammatory.

The Prime Minister said that Japan is still on speaking terms with Indonesia, and is willing to do what it can. The Prime Minister indicated that consultations with Great Britain about Indonesia might be desirable. The President replied that any contributions to a solution would be welcomed.

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The Prime Minister said that he wished to refer to one major problem in which the prospects were somewhat brighter. He said that a settlement between Japan and South Korea should be forthcoming soon. He noted that internal political considerations in Korea seem to be the only barrier to an early settlement. The President said yes, he understood.

The Prime Minister raised the question whether the President would be interested in visiting Japan. The President said that he hoped very much that he would have an opportunity to do so. He characterized Japan as a country that excites and interests him. He noted that many members of his Cabinet family had been there, including the six Cabinet members who were en route to Japan at the time of the assassination of President Kennedy. In time, such a visit could be worked out.

The Prime Minister asked whether he could reply to a question in his press conference that he had asked the President about making a trip to Japan. The President expressed his approval and said that he would confirm that the Prime Minister did extend an invitation during one of his own press conferences. The President said that he is most interested in being a close friend to Japan. He commented that Secretary Udall had gone mountain climbing in Japan; and he and other Americans have all reported that Japan is a wonderful country. He expressed the hope that he would be able to visit the Prime Minister during his term of office.

The Prime Minister said that Foreign Minister Shiina would proceed to London following the present talks to participate in a regular British-Japanese consultation. Since Britain is one of the nations which recognizes Communist China, the Prime Minister wondered whether it would be useful to have the Foreign Minister consult with the British to gain their assistance with respect to the Viet-Nam question.

The President said that he would speak to Secretary Rusk about this, but that we have already made strong appeals to our friends to do all they can. But it seems that all of our friends are under the bridge or hiding in caves. It would be useful if they would take some constructive action. Even a strong speech would help. The United States has 25,000 men in Viet-Nam and we need dollars to continue this assistance. Some would like us to withdraw but we will not do so.

The President said that the United States will be dealing increasingly with major powers such as Britain, Japan, and Germany in trying to resolve the Viet-Nam and other crisis situations in Asia. With respect to Japan's security, Japan need not give even a second thought to the dependability of its American ally. If Japan is attacked, the United States will contribute

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to its defense. Similarly, the United States will abide by commitments to its other allies. The United States will remain in Viet-Nam as long as the Vietnamese let us. It would be very helpful, however, if the President were able to point out to the American people tangible assistance extended to Viet-Nam by our friends, such as money or the medical task force which Japan has sent there. The United States investment in Viet-Nam is four or five billion dollars. We seem to be alone, and the President wondered where Britain, Japan and Germany were.

The President said that he would summarize his statements in conclusion because the others were waiting in the Cabinet Room and they would also like to talk with the Prime Minister. The United States is conciliatory toward Indonesia. When Sukarno told us off, the President turned the other cheek. When he told us to go jump in the lake, we sent him food. We have no desire to drive Sukarno into the arms of Communism. If he does go, he will do so out of his own decision.

The Prime Minister said that Japan will do all it can to assist in these problems, and noted the success of the medical task force which Japan had sent to South Viet-Nam.

The President said he understood that Japan's contribution cost \$1.5 million. He appreciated dispatch of the medical task force and said that it would be helpful if Japan could show the flag. If Japan gets in trouble, we would send our planes and bombs to defend her. We are now in trouble in Viet-Nam and ask how Japan can help us. He indicated that the Prime Minister need not publicize these views at home. The President said, however, that he himself would do so with the members of the Senate. Any statement of support by the Prime Minister would, of course, help.

The President said that he heard a lot about trade problems between our two countries, related to cotton textiles, woolen goods, television sets such as Sony, and other things the Japanese produce so efficiently. He had also been informed of the Japanese desire to extend their air routes. He invited the Prime Minister's views on the major outstanding bilateral trade problems.

The Prime Minister said that, in his view, the major problem is to sustain the prosperity of the United States.

The President said that textile representatives in the United States are extremely concerned about the import of Japanese woolsens. The Prime Minister indicated that he preferred to reserve the discussion of the textiles and civil aviation problems for his meeting with Secretary Rusk.

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- 8 -

The President observed that, while we have worked out the problems of cotton textiles, we now have a problem with woolen textiles. The President said that he daily confronts a number of Senators who jump down his throat because of problems arising from Japanese imports. He said we have to watch that and exercise restraint. He said that RCA is fussing with him about Sony television sets. He commented that, nevertheless, he had some Sony television sets and led the Prime Minister into his private study where he showed him three miniature Sony television sets, each tuned to a different network. He demonstrated for the Prime Minister a control device by which he could tune in on the audio portion of any of the three. He said that he had these sets on constantly.

With respect to trade with Japan, the President said the United States wants to trade and considers its commercial relationship with Japan to be extremely important. Japan buys American cotton. On the other hand, Japanese woolen exports to the United States create difficult problems because the industry is depressed. The President said that he would appreciate anything Japan could do to help alleviate this situation, for he had 50 Senators after him on it.

The Prime Minister said he wondered why so relatively small an export item as woollens should be such a problem when Japan buys so much from the United States. The President said this is because the industry is badly depressed. When a baby does not get milk he cries.

The Prime Minister said that he still found it difficult to understand complaints about Japanese trade, particularly those which originate in areas of soy bean production, since Japan purchases \$100 million worth of soy beans from the United States and exports only \$1 million worth of woolen textiles.

The President said that if the situation were reversed he is sure he would hear about it. As a politician the Prime Minister could understand why he (the President) would hear complaints from those in a depressed industry.

The Prime Minister said that since President Johnson is from Texas, a cotton-producing state, in contrast to President Kennedy, who was from a textile-manufacturing state, he had anticipated a different attitude with respect to textile problems. He said that he hoped the President could handle these problems, which he believed stem fundamentally from domestic considerations in the United States rather than from Japan's actions.

The President said he appreciated this point, but every day he sees representatives of the textile industry and, since he gets so much criticism from this area, he hoped that the Prime Minister could do something at his end to alleviate the situation. Every morning he received calls from textile

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manufacturers complaining about Japanese textiles. The President said he did not wish to make this a major point of the discussion, but he must live at home just as the Prime Minister must. The Prime Minister said that representatives of the woolen textile industry in Japan had told him prior to his departure for the United States not to raise the issue of woolen textiles in Washington.

The President commented in a lighter vein that textiles and civil aviation could probably be discussed all day. The Prime Minister made the point that civil aviation is a different matter because Japanese airlines use American planes exclusively. The President said that the American airline companies do not manufacture aircraft and this point is lost on them. The Prime Minister expressed his understanding of that situation.

The President said that both he and the Prime Minister were the new leaders of great nations which have promising futures and that problems between us could be resolved through give-and-take discussions on the basis of fairness and justice. We must understand that it is essential that we communicate with each other freely, frankly, and in a friendly manner. He said that he would be available later in the visit to discuss any problem the Prime Minister wished to raise.

The President expressed his appreciation and pleasure at the warm treatment accorded American Cabinet officers who had visited Japan. He said he was proud of the manner in which Japan has rebuilt itself over the past 20 years. He said that he could understand the problems a new Prime Minister might face and offered to help to the extent possible. The President cautioned the Prime Minister to exercise care in his statements about outstanding problems between the United States and Japan that might make it more difficult for the President to cope with United States domestic pressures on these issues.

The Prime Minister referred once again to his invitation to the President to visit Japan. The President reiterated how much he would like to make the trip. He cited his great interest in the people and the country and confirmed that he would like to visit at an appropriate time during his term of office. The Prime Minister remarked that the President's term of office will undoubtedly be eight years and it would be too long to wait until the latter part of this period to have him visit Japan.

The President said that a very good friend of his, Mr. Youngman, an insurance company executive presently working in Japan, would be at dinner. He wanted to introduce him to the Prime Minister because Mr. Youngman, just as many other Americans, speaks very favorably of the people of Japan.

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- 10 -

The President asked whether the Prime Minister had any other matters to discuss confidentially before joining the 30 people waiting in the Cabinet Room.

The Prime Minister said that it was not necessary to add to what had already been said.

The President said that he felt he had gotten to know the Prime Minister and hoped that the Prime Minister also felt that they had gotten their personal relationship off on a good footing. The President said that they now had their own private treaty which is just as binding as any treaty ratified by the Senate.

He then escorted the Prime Minister and other members of the group into the Cabinet Room.

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EXECUTIVE SECRETARIAT
DEPARTMENT OF STATE
IN

1965 JAN 15 PM 3 44

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DEPARTMENT OF STATE

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53-2

Approved in the
White House
2/2/65

Memorandum of Conversation

DATE: January 12, 1965
Office of the President
The White House
Time: 11:30

SUBJECT: Current U.S.-Japanese and World Problems

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Toshiro Shimanouchi, Consul General of Japan at
Los Angeles (interpreter)

COPIES TO:
The President
Lloyd Hand, Chief of Protocol
James Wickel, Language Services
Mr. Okamoto, USIA Photographer

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-157
By is, NARA Date 4-28-99

S/S FE-3 Amembassy TOKYO White House
S/P INR/OD
G CIA

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The Prime Minister expressed his gratification to the President for the warm reception he had been given at the White House.

The President said that he had an enduring friendship for the Japanese people and their government, especially this one. He noted that Ambassador Reischauer's reports are all good and reflect favorably upon Japan. He commented that the Prime Minister is a pragmatist, like himself.

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The President said, first, that the Prime Minister could depend on us fully for defense in the Pacific area. He said it is clear that Japan relies on the United States for defense, or else Japan would be creating its own independent defense systems. Second, he said that the Prime Minister could rely on the United States to consult closely with Japan before making any crucial decisions involving policy changes on the China problem and matters of comparable importance. The President expressed a desire to discuss these issues with the Prime Minister and understand fully the problems involved before taking action.

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- 4 -

The Prime Minister reiterated that it is essential that we consult closely on this matter. We cannot deny that a situation might develop in which Communist China could be admitted to the United Nations. This possibility puts us in a critical position. He said that the Communist China question is of an even more urgent nature than the Viet-Nam problem.

The President emphasized our hope that the Communist Chinese will leave their neighbors alone and turn their attention to internal affairs.

The Prime Minister said that this would be difficult for them to do, since they are communists. However, MAO Tse-tung will not live forever. On the other hand, Chiang may not live too much longer either. He said that we should not be unduly hasty with respect to Communist China lest we create new problems. Communist China will continue to pose serious difficulties until it has completed its revolutionary phase. This evolutionary process has been witnessed before in the history of China. The Shin [Chin] and Mongol dynasties provide examples. The Prime Minister said that 40 years have passed since the Soviet revolution, during which time the regime has matured and changed. But only a decade and a half have passed since the Chinese Communist revolution which is still in an early stage.

The President agreed. He said that this is a great problem for the Prime Minister and himself.

The President said that Viet-Nam is another major problem, and it could worsen if no stable government can be established. If none is, we could be out tomorrow. The President stressed what he said in his State of the Union message: we intend to stay in Viet-Nam and we will do more rather than less. The President asked how hopeful the Prime Minister was about the situation in Viet-Nam.

The Prime Minister said that the United States must hold out and be patient. The United States is an outsider which has sent in troops, whereas the opposition is native. He said that the United States should work for the establishment of a liberal atmosphere that would enable the government to gain the support of the people. Above all, popular sentiment must be understood and channelled in politically constructive ways.

The Prime Minister indicated that the United States should not think in terms of pursuit to the north which he rejected, but should rather lend its efforts to such ventures as the establishment of model communities in South Viet-Nam, especially around Saigon. He believed that the biggest headache for the United States is the absence of leaders who could form a reliable government.

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The President interposed that our headache is bigger than that. He said we intend to stay in Viet-Nam so long as our assistance is sought by the Vietnamese people. The answer to the Prime Minister's earlier question whether the United States is committed not to withdraw from Viet-Nam was yes.

The Prime Minister applauded the United States determination to maintain a firm stand in Viet-Nam and reiterated his desire that we hold out.

The President said in reply to a question the Prime Minister phrased about defense that, since Japan possesses no nuclear weapons, and we do have them, if Japan needs our nuclear deterrent for its defense, the United States would stand by its commitments and provide that defense. The President asked whether that struck at the heart of the Prime Minister's question. The Prime Minister confirmed that that is what he would like to ask but said that he is unable to say so publicly. The President said that his reply on the defense of Japan is affirmative, adding that this exchange befits statesmen of the type he and the Prime Minister wish to be in the interest of their peoples.

The President asked whether the Prime Minister wished to discuss any foreign policy matters other than China, Viet-Nam, and security arrangements. The Prime Minister replied that he was concerned about developments in Malaysia and Indonesia.

The President explained that Sukarno's character is a crucial element in the situation. He is impulsive and impetuous, and if he gets too upset we are fearful that he will create even more serious problems. He said that the U.S. is lending its influence to ameliorate this problem in every way possible. The Prime Minister cautioned that we should avoid actions which would drive Sukarno, and with him Indonesia, into the arms of Communist China.

The President said that the United States is exercising extreme forbearance in trying to prevent this. He said that Sukarno had insulted the United States recently but he was prepared to overlook this in the light of our larger interests. The week following Sukarno's statements, the United States delivered food valued at several million dollars to Indonesia under the terms of an agreement reached three years ago. President Kennedy had been severely criticized in the Senate when he executed this agreement. The President said that the United States is following a policy of conciliation in regard to the Indonesian problem and is trying not to be inflammatory.

The Prime Minister said that Japan is still on speaking terms with Indonesia, and is willing to do what it can. The Prime Minister indicated that consultations with Great Britain about Indonesia might be desirable. The President replied that any contributions to a solution would be welcomed.

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The Prime Minister said that he wished to refer to one major problem in which the prospects were somewhat brighter. He said that a settlement between Japan and South Korea should be forthcoming soon. He noted that internal political considerations in Korea seem to be the only barrier to an early settlement. The President said yes, he understood.

The Prime Minister raised the question whether the President would be interested in visiting Japan. The President said that he hoped very much that he would have an opportunity to do so. He characterized Japan as a country that excites and interests him. He noted that many members of his Cabinet family had been there, including the six Cabinet members who were en route to Japan at the time of the assassination of President Kennedy. In time, such a visit could be worked out.

The Prime Minister asked whether he could reply to a question in his press conference that he had asked the President about making a trip to Japan. The President expressed his approval and said that he would confirm that the Prime Minister did extend an invitation during one of his own press conferences. The President said that he is most interested in being a close friend to Japan. He commented that Secretary Udall had gone mountain climbing in Japan; and he and other Americans have all reported that Japan is a wonderful country. He expressed the hope that he would be able to visit the Prime Minister during his term of office.

The Prime Minister said that Foreign Minister Shiina would proceed to London following the present talks to participate in a regular British-Japanese consultation. Since Britain is one of the nations which recognizes Communist China, the Prime Minister wondered whether it would be useful to have the Foreign Minister consult with the British to gain their assistance with respect to the Viet-Nam question.

The President said that he would speak to Secretary Rusk about this, but that we have already made strong appeals to our friends to do all they can. But it seems that all of our friends are under the bridge or hiding in caves. It would be useful if they would take some constructive action. Even a strong speech would help. The United States has 25,000 men in Viet-Nam and we need dollars to continue this assistance. Some would like us to withdraw but we will not do so.

The President said that the United States will be dealing increasingly with major powers such as Britain, Japan, and Germany in trying to resolve the Viet-Nam and other crisis situations in Asia. With respect to Japan's security, Japan need not give even a second thought to the dependability of its American ally. If Japan is attacked, the United States will contribute

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to its defense. Similarly, the United States will abide by commitments to its other allies. The United States will remain in Viet-Nam as long as the Vietnamese let us. It would be very helpful, however, if the President were able to point out to the American people tangible assistance extended to Viet-Nam by our friends, such as money or the medical task force which Japan has sent there. The United States investment in Viet-Nam is four or five billion dollars. We seem to be alone, and the President wondered where Britain, Japan and Germany were.

The President said that he would summarize his statements in conclusion because the others were waiting in the Cabinet Room and they would also like to talk with the Prime Minister. The United States is conciliatory toward Indonesia. When Sukarno told us off, the President turned the other cheek. When he told us to go jump in the lake, we sent him food. We have no desire to drive Sukarno into the arms of Communism. If he does go, he will do so out of his own decision.

The Prime Minister said that Japan will do all it can to assist in these problems, and noted the success of the medical task force which Japan had sent to South Viet-Nam.

The President said he understood that Japan's contribution cost \$1.5 million. He appreciated dispatch of the medical task force and said that it would be helpful if Japan could show the flag. If Japan gets in trouble, we would send our planes and bombs to defend her. We are now in trouble in Viet-Nam and ask how Japan can help us. He indicated that the Prime Minister need not publicize these views at home. The President said, however, that he himself would do so with the members of the Senate. Any statement of support by the Prime Minister would, of course, help.

The President said that he heard a lot about trade problems between our two countries, related to cotton textiles, woolen goods, television sets such as Sony, and other things the Japanese produce so efficiently. He had also been informed of the Japanese desire to extend their air routes. He invited the Prime Minister's views on the major outstanding bilateral trade problems.

The Prime Minister said that, in his view, the major problem is to sustain the prosperity of the United States.

The President said that textile representatives in the United States are extremely concerned about the import of Japanese wools. The Prime Minister indicated that he preferred to reserve the discussion of the textiles and civil aviation problems for his meeting with Secretary Rusk.

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The President observed that, while we have worked out the problems of cotton textiles, we now have a problem with woolen textiles. The President said that he daily confronts a number of Senators who jump down his throat because of problems arising from Japanese imports. He said we have to watch that and exercise restraint. He said that RCA is fussing with him about Sony television sets. He commented that, nevertheless, he had some Sony television sets and led the Prime Minister into his private study where he showed him three miniature Sony television sets, each tuned to a different network. He demonstrated for the Prime Minister a control device by which he could tune in on the audio portion of any of the three. He said that he had these sets on constantly.

With respect to trade with Japan, the President said the United States wants to trade and considers its commercial relationship with Japan to be extremely important. Japan buys American cotton. On the other hand, Japanese woolen exports to the United States create difficult problems because the industry is depressed. The President said that he would appreciate anything Japan could do to help alleviate this situation, for he had 50 Senators after him on it.

The Prime Minister said he wondered why so relatively small an export item as woollens should be such a problem when Japan buys so much from the United States. The President said this is because the industry is badly depressed. When a baby does not get milk he cries.

The Prime Minister said that he still found it difficult to understand complaints about Japanese trade, particularly those which originate in areas of soy bean production, since Japan purchases \$100 million worth of soy beans from the United States and exports only \$1 million worth of woolen textiles.

The President said that if the situation were reversed he is sure he would hear about it. As a politician the Prime Minister could understand why he (the President) would hear complaints from those in a depressed industry.

The Prime Minister said that since President Johnson is from Texas, a cotton-producing state, in contrast to President Kennedy, who was from a textile-manufacturing state, he had anticipated a different attitude with respect to textile problems. He said that he hoped the President could handle these problems, which he believed stem fundamentally from domestic considerations in the United States rather than from Japan's actions.

The President said he appreciated this point, but every day he sees representatives of the textile industry and, since he gets so much criticism from this area, he hoped that the Prime Minister could do something at his end to alleviate the situation. Every morning he received calls from textile

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manufacturers complaining about Japanese textiles. The President said he did not wish to make this a major point of the discussion, but he must live at home just as the Prime Minister must. The Prime Minister said that representatives of the woolen textile industry in Japan had told him prior to his departure for the United States not to raise the issue of woolen textiles in Washington.

The President commented in a lighter vein that textiles and civil aviation could probably be discussed all day. The Prime Minister made the point that civil aviation is a different matter because Japanese airlines use American planes exclusively. The President said that the American airline companies do not manufacture aircraft and this point is lost on them. The Prime Minister expressed his understanding of that situation.

The President said that both he and the Prime Minister were the new leaders of great nations which have promising futures and that problems between us could be resolved through give-and-take discussions on the basis of fairness and justice. We must understand that it is essential that we communicate with each other freely, frankly, and in a friendly manner. He said that he would be available later in the visit to discuss any problem the Prime Minister wished to raise.

The President expressed his appreciation and pleasure at the warm treatment accorded American Cabinet officers who had visited Japan. He said he was proud of the manner in which Japan has rebuilt itself over the past 20 years. He said that he could understand the problems a new Prime Minister might face and offered to help to the extent possible. The President cautioned the Prime Minister to exercise care in his statements about outstanding problems between the United States and Japan that might make it more difficult for the President to cope with United States domestic pressures on these issues.

The Prime Minister referred once again to his invitation to the President to visit Japan. The President reiterated how much he would like to make the trip. He cited his great interest in the people and the country and confirmed that he would like to visit at an appropriate time during his term of office. The Prime Minister remarked that the President's term of office will undoubtedly be eight years and it would be too long to wait until the latter part of this period to have him visit Japan.

The President said that a very good friend of his, Mr. Youngman, an insurance company executive presently working in Japan, would be at dinner. He wanted to introduce him to the Prime Minister because Mr. Youngman, just as many other Americans, speaks very favorably of the people of Japan.

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The President asked whether the Prime Minister had any other matters to discuss confidentially before joining the 30 people waiting in the Cabinet Room.

The Prime Minister said that it was not necessary to add to what had already been said.

The President said that he felt he had gotten to know the Prime Minister and hoped that the Prime Minister also felt that they had gotten their personal relationship off on a good footing. The President said that they now had their own private treaty which is just as binding as any treaty ratified by the Senate.

He then escorted the Prime Minister and other members of the group into the Cabinet Room.

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DEPARTMENT OF STATE

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E.O. 12958, Sec. 3.6
NLJ 95-349

MEMORANDUM OF CONVERSATION

By mg, NARA Date 3-14-96

January 12, 1965
Cabinet Room
12:15 p.m.

SUBJECT : Current U.S.-Japanese and World Problems

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Etsusaburo Shiina, Foreign Minister of Japan
Ryuji Takeuchi, Japanese Ambassador
Takeo Miki, Secretary-General of the Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
Toshiro Shimanouchi, Consul General of Japan at Los Angeles
(interpreter)

The President
Secretary Rusk
Edwin O. Reischauer, Ambassador to Japan
William P. Bundy, Assistant Secretary for Far Eastern Affairs
Marshall Green, Deputy Assistant Secretary for Far Eastern Affairs
Robert A. Fearey, Director for East Asian Affairs
Ambassador Duke, Chief of Protocol
James Wickel, Department Language Services

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H	INR/OD		POLAD CINCPAC
FE-6	CIA		POLAD HICOM Ryukyus

The President, Prime Minister Sato, Mr. Shimanouchi (interpreter) and Mr. Wickel (interpreter) joined Secretary Rusk, Foreign Minister Shiina and other members of the group after approximately 45 minutes' private conversation. The President said that the Prime Minister and he had discussed several matters, which might perhaps be pursued further in the larger group.

The President said the Prime Minister had referred to Japan's lack of nuclear weapons and to its Security Treaty with the United States and had asked whether the United States would come to Japan's assistance under the Treaty in

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EXECUTIVE SECRETARIAT
DEPARTMENT OF STATE
IN

1965 JAN 14 PM 2 40

TO: DIRECTOR, BUREAU OF CONSTRUCTION
FROM: CHIEF, BUREAU OF CONSTRUCTION
SUBJECT: BUREAU OF CONSTRUCTION
RE: BUREAU OF CONSTRUCTION

the event of nuclear, no less than conventional, attack on Japan. The President said that he had answered yes; adding that we understood Japan's position and did not want to increase the number of nuclear powers.

Their second topic had been Viet-Nam. The President said he had told the Prime Minister that the United States would stay in Viet-Nam as long as it could, that is, as long as the South Vietnamese let us stay. We had somehow to make other people realize the seriousness of the situation there. Other countries could help and we needed all the help we could get. We much appreciated the Japanese medical task force. We were not going to come home. As he had said in his State of the Union Message, when freedom is at stake we were not going to be found wanting. The Prime Minister had expressed the hope that the U.S. would stick with the job in South Viet-Nam and not get out.

The third topic had been Indonesia. The President had told Prime Minister Sato that the situation there required patience and understanding. We sought to pursue a conciliatory policy notwithstanding much provocation from Sukarno, lest we drive him into the hands of the Communists. We would not imitate him. Rather we would be like Secretary Rusk -- dignified and quiet. When we were insulted by Sukarno, the Secretary had urged that we nevertheless meet our commitment to send food, and we had done so. As a result Congress was angry. But it was the part of wisdom not to be impetuous in the face of Sukarno's provocations. The Prime Minister had said that he would seek to be conciliatory also and was ready to help us out in any way he could.

The President said that as new heads of their respective Governments, he and the Prime Minister had an interest in bettering their countries' relations. He had told the Prime Minister that he was glad he had been able to make the trip. The Prime Minister and he had agreed that each had an obligation toward his people, that each would pursue his nation's interests diligently but in good humor and friendship, and that they would consult before taking any action affecting the other.

The President said he did not usually report on such private discussions. He enquired of the Prime Minister whether he had omitted anything. The Prime Minister reminded the President that he had urged him very strongly to hold on at the 38th parallel in Korea. *The President noted that they had also discussed the need for a Japan-Korea settlement.*

Ambassador Takeuchi enquired whether China had been discussed. The President said that it had. He had expressed the hope that Nationalist China would not walk out of the United Nations in a temper. As long as Nationalist China remained in the United Nations, there was not much likelihood that Communist China would come in. We recognized, however, that there are many hundreds of millions of mainland Chinese. The United States was determined to stand by Nationalist China and to live up to its commitments to it. The Prime Minister had said that he shared our views on Nationalist China but that Japan would continue to carry out trade with Communist China. The President said that there was complete understanding of the respective positions of our two Governments, and that we can cooperate despite somewhat different approaches to the problem of Communist China.

The President said that he and the Prime Minister had discussed Chinese Communist aggressiveness. We would like to see them slow down in Africa and

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Viet-Nam. The Prime Minister had pointed out that it took forty years for the Soviet Union to mature and sober up, but that only 15 years had passed since the Chinese Revolution.

The President joked that the Japanese think they are entitled to fly everywhere because Japanese airlines use American planes. He had told the Prime Minister that American airlines do not manufacture aircraft so this argument is lost on them. The Prime Minister said civil aviation was covered in the Communique and therefore need not be discussed further.

The President said that the Prime Minister had asked him to visit him in Japan. He had replied that he was very anxious to do so some time during his term of office. The Prime Minister had replied that he should not delay too long, until the end of his eight year term.

The President said that the United States and Japanese Governments should be careful to consult on everything of concern to the other. He said that he had great confidence in Prime Minister Sato and was very proud of the record he had made. The President said to Ambassador Reischauer that he had told the Prime Minister he was also proud of the Ambassador's record and that he had asked him to stay on in his post. The President said that he sometimes felt that Ambassador Reischauer worked part time for the United States but most of the time for the Prime Minister; -- maybe the Prime Minister was nicer to work for than the President.

Prime Minister Sato said he wished to mention briefly Okinawa and the Bonins. He said that Japan fully agreed with the United States on the importance and necessity of the U.S. military installations on Okinawa to peace in the Far East. Due to U.S. commitments under the U.S.-Japan Security Treaty, the Chinese Communist nuclear explosion had not had great impact in Japan. Japan has residual sovereignty in the Ryukyus, but administrative authority is exercised by the United States. The nearly one million Ryukyuan and 95 million Japanese ardently aspire to the return of administrative authority over the islands to Japan. It had been twenty years since the U.S. assumed control there. He was sure that the President understood what the feelings of the people of Okinawa and Japan on this matter are. He would like to see more respect by the United States for the problem of expanding the autonomy of the Ryukyuan people and of increasing their political and social freedom. Improved cooperation of the Ryukyuan people in the islands' administration would enable the United States to carry out its security mission more effectively.

The President said that the United States is prepared to broaden the scope of the Consultative Committee so that it can go in much more depth into matters of the welfare of the people of the Ryukyu Islands. As he believed he had already told the Prime Minister in their private meeting, the United States is also willing to accept in principle a Bonin Islands graves visit.

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Prime Minister Sato said that the Ryukyus and the Bonins were well covered in the Communique. He just wanted to express the aspirations of the Ryukyuan and Japanese peoples for broadening of freedom in the Ryukyus.

Secretary Rusk asked to what extent the Chinese Communist nuclear explosion had changed reservations among the Japanese people concerning the U.S.-Japan Security Treaty and concerning the U.S. military presence in Okinawa. Prime Minister Sato said that the majority of Japanese feel that Japan's security rests on the Treaty with the United States. As regards Japanese public attitudes on nuclear weapons, the public's feeling is that Japan should never possess them, nor should any situation be created where their use would be necessary. [The Prime Minister said that, ^{although he could see why it might be argued} ~~as an individual, he personally felt that if China has nuclear weapons, Japan should also. This, however, was a view which he could only broach privately to the President, and could not voice at home.~~ *→ this was not Japan's policy.*

The Prime Minister said that there was a strong desire on the part of the people of Okinawa for him to visit the Islands. He believed, however, that a visit at this time would create problems and should be deferred until it could be assured that it would be useful.

Secretary Rusk said he was sure the Prime Minister understood that the President had sent one of our most experienced and thoughtful officers to Okinawa as High Commissioner. He had served in Berlin and understood the political as well as the administrative and military aspects. General Watson's appointment had in itself improved the situation, and we would wish in the Consultative Committee to find out if further improvements could be achieved. The President said that the Prime Minister could be assured that we were prepared to broaden the consultative process in every way we could to help improve the welfare of the Ryukyuan people.

The Prime Minister said that when he met General Watson in Tokyo he had found him to be a fine individual. He would discuss the timing of his (the Prime Minister's) possible visit to Okinawa with Ambassador Reischauer, to ensure that it had a constructive effect.

The Prime Minister said that in his private discussion with the President, the President had mentioned that he was having a great deal of trouble with the U.S. woolen industry. He had told the President that before leaving Japan he had been told by the Japanese woolen industry that he should keep his mouth shut on the subject. He had told the President that he appreciated that this is a "family matter". Better understanding should be sought on both sides, in an effort to ameliorate the situation.

The President said he would like the Prime Minister to tell him frankly what he thought the U.S. could do in Viet-Nam that we are not doing and what

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Japan could do there that it is not doing. The Prime Minister said that he did not wish to comment too much on the situation in Viet-Nam, in view of the United States' thorough familiarity with that situation. He felt, however, that utmost patience and forbearance were required. Neither an advance north nor American withdrawal was desirable. The latter would provoke a "falling domino" situation. The United States should hold on. Since the Vietnamese are within their own country and the United States is an outsider, the United States must exercise patience and perseverance. The crux of the problem was to achieve stable South Vietnamese leadership. The Prime Minister said he knew the United States was endeavoring to capture public sentiment and stabilize the people's livelihood. He expressed sympathy and a desire to assist. Japan had sent a medical team and other non-military aid to Viet-Nam at a cost of \$1 1/2 million. Japan would continue to cooperate through such means to the best of its ability.

The Prime Minister said that unfortunately Japan could not utilize functional bodies of the United Nations as a channel for its assistance to Viet-Nam. If certain things could be done under the auspices of the United Nations, the Japanese Government would have greater freedom to help. The Secretary said that the United Nations relationship to Viet-Nam was under study. The Prime Minister said that in the absence of a United Nations channel the Japanese Government was trying to figure out ways and means to assist the United States more effectively in Viet-Nam. A group of conservative Diet members had gone to Viet-Nam to examine the situation at first hand. On its return to Japan it would try to create a more favorable public opinion for Japanese assistance to the United States effort there. After 20 years the people of Viet-Nam are tired of war.

Secretary Rusk said that during the President's and Prime Minister's absence Foreign Minister Shiina, Mr. Miki and he had discussed Indonesia and Cambodia in some detail. He hoped that Japan might be able to exert useful diplomatic influence in these countries.

The Secretary noted that the Prime Minister was due shortly at a luncheon in his honor at the Press Club. President Johnson said that as one with long experience in dealing with the press, he wished to offer the Prime Minister his sympathy.

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E.O. 12958, Sec. 3.6

NLJ 95-349

By lip, NARA Date 3-14-96Approved in the
White House
2/2/65DEPARTMENT OF STATE
MEMORANDUM OF CONVERSATION

Approved in S - 1/14/65

January 12, 1965
Cabinet Room
12:15 p.m.

SUBJECT: Current U.S.-Japanese and World Problems

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
 Etsusaburo Shiina, Foreign Minister of Japan
 Ryuji Takeuchi, Japanese Ambassador
 Takeo Miki, Secretary-General of the Liberal Democratic Party
 Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
 Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
 Toshiro Shimanouchi, Consul General of Japan at Los Angeles
 (interpreter)

The President
 Secretary Rusk
 Edwin O. Reischauer, Ambassador to Japan
 William P. Bundy, Assistant Secretary for Far Eastern Affairs
 Marshall Green, Deputy Assistant Secretary for Far Eastern Affairs
 James C. Thompson, Jr., NSC
 Ambassador Duke, Chief of Protocol
 Robert A. Fearey, Director for East Asian Affairs
 James Wickel, Department of Language Services
 James C. Thomson, Jr., National Security Council

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FE-6	CIA		POLAD HICOM Ryukyus

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The President said that the Prime Minister had asked him to visit him in Japan. He had replied that he was very anxious to do so some time during his term of office. The Prime Minister had replied that he should not delay too long, until the end of his eight year term.

The President said that the United States and Japanese Governments should be careful to consult on everything of concern to the other. He said that he had great confidence in Prime Minister Sato and was very proud of the record he had made. The President said to Ambassador Reischauer that he had told the Prime Minister he was also proud of the Ambassador's record and that he had asked him to stay on in his post. The President said that he sometimes felt that Ambassador Reischauer worked part time for the United States but most of the time for the Prime Minister; -- maybe the Prime Minister was nicer to work for than the President.

Prime Minister Sato said he wished to mention briefly Okinawa and the Bonins. He said that Japan fully agreed with the United States on the importance and necessity of the U.S. military installations on Okinawa to peace in the Far East. Due to U.S. commitments under the U.S.-Japan Security Treaty, the Chinese Communist nuclear explosion had not had great impact in Japan. Japan has residual sovereignty in the Ryukyus, but administrative authority is exercised by the United States. The nearly one million Ryukyans and 95 million Japanese ardently aspire to the return of administrative authority over the islands to Japan. It had been twenty years since the U.S. assumed control there. He was sure that the President understood what the feelings of the people of Okinawa and Japan on this matter are. He would like to see more respect by the United States for the problem of expanding the autonomy of the Ryukyuan people and of increasing their political and social freedom. Improved cooperation of the Ryukyuan people in the islands' administration would enable the United States to carry out its security mission more effectively.

The President said that the United States is prepared to broaden the scope of the Consultative Committee so that it can go in much more depth into matters of the welfare of the people of the Ryukyu Islands. As he believed he had already told the Prime Minister in their private meeting, the United States is also willing to accept in principle a Bonin Islands graves visit.

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- 4 -

Prime Minister Sato said that the Ryukyus and the Bonins were well covered in the Communiqué. He just wanted to express the aspirations of the Ryukyuan and Japanese peoples for broadening of freedom in the Ryukyus.

Secretary Rusk asked to what extent the Chinese Communist nuclear explosion had changed reservations among the Japanese people concerning the U.S.-Japan Security Treaty and concerning the U.S. military presence in Okinawa. Prime Minister Sato said that the majority of Japanese feel that Japan's security rests on the Treaty with the United States. As regards Japanese public attitudes on nuclear weapons, the public's feeling is that Japan should never possess them, nor should any situation be created where their use would be necessary. The Prime Minister said that although he could see why it might be argued that if China has nuclear weapons, Japan should also, this was not Japan's policy.

The Prime Minister said that there was a strong desire on the part of the people of Okinawa for him to visit the Islands. He believed, however, that a visit at this time would create problems and should be deferred until it could be assured that it would be useful.

Secretary Rusk said he was sure the Prime Minister understood that the President had sent one of our most experienced and thoughtful officers to Okinawa as High Commissioner. He had served in Berlin and understood the political as well as the administrative and military aspects. General Watson's appointment had in itself improved the situation, and we would wish in the Consultative Committee to find out if further improvement could be achieved. The President said that the Prime Minister could be assured that we were prepared to broaden the consultative process in every way we could to help improve the welfare of the Ryukyuan people.

The Prime Minister said that when he met General Watson in Tokyo he had found him to be a fine individual. He would discuss the timing of his (the Prime Minister's) possible visit to Okinawa with Ambassador Reischauer, to ensure that it had a constructive effect.

The Prime Minister said that in his private discussion with the President, the President had mentioned that he was having a great deal of trouble with the U.S. woolen industry. He had told the President that before leaving Japan he had been told by the Japanese woolen industry that he should keep his mouth shut on the subject. He had told the President that he appreciated that this is a "family matter". Better understanding should be sought on both sides, in an effort to ameliorate the situation.

The President said he would like the Prime Minister to tell him frankly what he thought the U.S. could do in Viet-Nam that we are not doing and what

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Japan could do there that it is not doing. The Prime Minister said that he did not wish to comment too much on the situation in Viet-Nam, in view of the United States' thorough familiarity with that situation. He felt, however, that utmost patience and forbearance were required. Neither an advance north nor American withdrawal was desirable. The latter would provoke a "falling domino" situation. The United States should hold on. Since the Vietnamese are within their own country and the United States is an outsider, the United States must exercise patience and perseverance. The crux of the problem was to achieve stable South Vietnamese leadership. The Prime Minister said he knew the United States was endeavoring to capture public sentiment and stabilize the people's livelihood. He expressed sympathy and a desire to assist. Japan had sent a medical team and other non-military aid to Viet-Nam at a cost of \$1 1/2 million. Japan would continue to cooperate through such means to the best of its ability.

The Prime Minister said that unfortunately Japan could not utilize functional bodies of the United Nations as a channel for its assistance to Viet-Nam. If certain things could be done under the auspices of the United Nations, the Japanese Government would have greater freedom to help. The Secretary said that the United Nations relationship to Viet-Nam was under study. The Prime Minister said that in the absence of a United Nations channel the Japanese Government was trying to figure out ways and means to assist the United States more effectively in Viet-Nam. A group of conservative Diet members had gone to Viet-Nam to examine the situation at first hand. On its return to Japan it would try to create a more favorable public opinion for Japanese assistance to the United States effort there. After 20 years the people of Viet-Nam are tired of war.

Secretary Rusk said that during the President's and Prime Minister's absence Foreign Minister Shiina, Mr. Miki and he had discussed Indonesia and Cambodia in some detail. He hoped that Japan might be able to exert useful diplomatic influence in these countries.

The Secretary noted that the Prime Minister was due shortly at a luncheon in his honor at the Press Club. President Johnson said that as one with long experience in dealing with the press, he wished to offer the Prime Minister his sympathy.

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DEPARTMENT OF STATE

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53-2**Memorandum of Conversation**

DATE: January 13, 1965
Place: The White House
Time: 11:30 a.m.

SUBJECT: Final Sato Conversation with the President

PARTICIPANTS: <u>Japan</u> Prime Minister Sato Foreign Minister Shiina Ryuji Takeuchi, Ambassador of Japan Takeo Miki, Secretary General of Liberal Democratic Party Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs Takeshi Yasukawa, Director, Bureau of American Affairs, Ministry of Foreign Affairs, Toshiro Shimomouchi, Consul General at Los Angeles	<u>United States</u> The President Secretary of State Rusk Edwin O. Reischauer, Ambassador to Japan William P. Bundy, Assistant Secretary of State, Bureau of Far Eastern Affairs Marshall Green, Deputy Assistant Secretary of State, FE Robert W. Barnett, Deputy Assistant Secretary of State, FE Mr. McGeorge Bundy, Special Assistant to the President Dr. Daniel Hornig, Science Adviser, Mr. A. B. Duke, Chief of Protocol Mr. James Thomson, NSC
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Copies to:	P	INR/OD	Amembassy TOKYO	White House
	SCI	CIA	Amembassy SEOUL	
S/S G FE-4	EUR-2	NASA	Amembassy TAIPEI	
S/P E H	O/CPR	DOD/ISA	AmConGen HONG KONG	

Medical Cooperation

The President escorted Prime Minister Sato and his party to the Cabinet room at 11:30 January 13. Prior to the start of the conversation across the table, there was extended discussion among members of the Prime Minister's party of a memorandum prepared by Dr. Hornig on a United States-Japan program of cooperation in medical science. The Japanese were given a program and asked to consider a summary paragraph for possible inclusion in the Communique.

Prime

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E.O. 12356, Sec. 3.4

NEJ 92-131

By ing, NARA, Date 8-17-93~~CONFIDENTIAL~~

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- 2 -

Prime Minister Sato said to the President that he could agree to inclusion of reference to ~~a program on~~ an expanded program of cooperation in medical science in the Communique, and found acceptable the language being proposed. As to the program itself, however, he wished to be offered the opportunity of submitting it for careful study by his Government.

President Johnson stated that it could then be agreed that reference to the program would be in the Communique. He went on to say that the program itself would require a good deal of study on the United States side. He mentioned that the Secretary of State believed that other countries might participate in the program, those likely to be the principal beneficiaries as well as those likely to have something to contribute.

The Prime Minister said, in very cordial terms, that he was glad that the President had seen fit to make the proposal of cooperation in the field of medical science and to suggest inclusion of agreement on this matter in the Communique.

Space

President Johnson congratulated Prime Minister Sato on what he had heard, he said, had been a very fine speech at the National Press Club. The President expressed gratification that the Secretary had had an extended and satisfactory conversation with Prime Minister Sato and his colleagues. He then indicated his very great interest in space exploration and said that he would like to know about Japanese planning in this field.

Prime Minister Sato replied that Japan was anxious to further space developments. It aspired to be number three, after the United States and the USSR, in this field. He set aside the French as being vitally dependent upon United States resources. Japan, on the other hand, wanted its efforts to be based on its own capability. Prime Minister Sato confessed to a special, personal interest in the program, inasmuch as he had previously been Director-General for Science in the Japanese Government. Secretary General Miki interjected that Japan regarded its space efforts to have export possibilities. In fact, Mr. Miki said, Japan had already exported equipment to Yugoslavia. The Prime Minister went on to observe that if necessity arose rocket and missile development could, of course, be converted from peaceful to military uses. Important studies were proceeding, he said, on both liquid and solid fuel propulsion systems.

Secretary Rusk inquired whether the Japanese imposed safeguards on exports of these items to forestall conversion to military use.

Prime

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- 3 -

Prime Minister Sato said he was not sure whether such conditions were applied but attempted to reassure the Secretary by stating that those already exported were not suitable for military uses. He added that India had made inquiries about the availability of rocket exports.

President Johnson said that he was pleased with the United States effort in the field of space developments and hoped to keep our programs on schedule; some \$5 billion would be appropriated this coming year for NASA plus \$2 billion for other agencies. The President said to the Prime Minister that the United States was prepared to cooperate with Japan and to be as helpful as we can in space developments.

Prime Minister Sato said that Japan's most distinguished space scientist was Dr. Itakawa of the University of Tokyo, who had come to the United States and had worked closely with the Rand Corporation. The Prime Minister said that if it was the President's wish, a visit with Itakawa could be arranged.

Saylor Amendment

President Johnson, changing the subject, said that Prime Minister Sato and the people of Japan were, he was aware, concerned over a provision of the Mass Transit Bill which called for 100% Buy America procurement of equipment. This was known as the Saylor Amendment. President Johnson said that this provision in the law had caused great displeasure to himself and the Administration. He assured the Japanese Prime Minister that we were trying in every way we can to prevent introduction of amendments of this sort by the Congress when they were opposed to United States policy. The President and the Administration would specifically try to get this provision removed from the law.

Prime Minister Sato said that he hoped that the removal would take place. He added that what was particularly displeasing to the Japanese--who themselves practice "buy Japan" from time to time--is to have "buy America" incorporated in legislation. The Japanese have no provisions in their law calling for "buy Japan." When purchasers are asked to "buy Japan," it is not, consequently, mandatory.

The President said that the Congress makes a good many things mandatory which he wished it didn't. He then referred to an exhortation of Congressman Rayburn who used to say, he said, "Let's talk before we vote: rather talk than fight." The President said that he was the target of calls from Congressmen who urged him to use his influence to take certain actions which from their standpoint had life or death implications. It was helpful for them to talk with others having different interests and viewpoints. It would be very helpful, the President added, if he could say, here in the United States, that Japan would welcome appointment of committees where things could be talked over.

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- 4 -

Prime Minister Sato replied that it seemed to him essential to resort to talks when there was any indication of imminent protective measures.

Textiles

President Johnson reminded the Prime Minister that the day before he had talked about woolen textiles. He said that he would like to consider asking members of the Congress, industry, and Ministers of Commerce to go and talk to the Japanese. The Japanese, on their side, he added, could say: "Look how much we buy of your cotton."

Mr. Sato and Mr. Miki said that Japan would like to take that kind of approach. Mr. Miki recalled that he had suggested to Senator Mansfield yesterday that there should be exchanges of legislators. Senator Mansfield was non-committal, expressing interest in how a precedent of this sort might be viewed by countries like Australia. Mr. Miki said that where enlightenment was needed, frank talk was very desirable.

President Johnson pursued further his thought. He said that he could designate a group of people representing a good cross-section of interests to discuss some particular problem with the Japanese. After talks had been held they would, of course, come back and talk over matters with much deeper understanding of realities.

Prime Minister Sato expressed the view that this was an effective way to deal with specific issues.

President Johnson charged Ambassador Reischauer with working through plans designed to serve this desired purpose of talking things over.

Secretary Rusk observed that when either the President or the Secretary claimed to report the views of foreign countries, the listener construed it as second-hand. The Japanese should have an opportunity of saying what they had on their minds directly.

Prime Minister Sato quipped that the Americans should wear even more woolen textiles--instead of synthetics. He had made this point at his San Francisco press conference. More seriously, he stated that sustained prosperity in the United States, and the market thereby created for Japan, was of vital importance to Japan.

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- 5 -

The President quipped in return that our exchanges of views had already begun with the comments he had made the night before on Texas hats. And, the Prime Minister replied that these represented an increase in United States exports to Japan. Pleasantries about Texas hats--head measurements of his guests--a call by the President for his Secretary, and making arrangements to bring in some Texas hats for the neglected members of the Prime Minister's delegation, occupied the next few minutes.

Japan Visit

Prime Minister Sato said that it was with great seriousness and friendliness that he had extended to the President an invitation to visit Japan. This had now become known and he expected great press interest. He knew the President had indicated an interest to go some time during his Administration but the Japanese would not want to wait eight years. Could the President, he asked, indicate when a visit might be practical?

President Johnson said that his Administration was just beginning. He had problems in organizing it and establishing his relations with the Congress. He had already announced his intention to make a trip or two. He would like very much, he said, to accept the gracious invitation to visit Japan. He doubted that he could go in 1965. He did want to go as early as possible. He asked for counsel from Secretary Rusk and Mr. McGeorge Bundy on what might be told the press. The President then reiterated the way he appreciated the invitation and said that he wanted so much to go. His schedule for the first half of 1965 made it impossible. The probabilities for 1966 were good. The last half of 1965 could be looked at in the light of developments in Washington.

Prime Minister Sato said that he was aware of President Johnson's very heavy duties and only hoped that the President would keep his invitation alive.

The President said that he had long felt that to know people better meant to understand them better and to like them better. If the President and the Prime Minister understood each other better and better so, he believed, could their peoples. The President expressed a wish to play a part in this process. He referred to the most favorable impression which Prime Minister Sato had produced upon guests at the White House last night. His after dinner speech had made a deep imprint on their minds. The President said that he hoped to win, when in Japan, some of the Prime Minister's supporters as effectively as the Prime Minister had won some of his.

Secretary

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- 6 -

Secretary Rusk urged all present to avoid encouraging speculation as to specific dates for a Presidential visit to Japan. The Prime Minister gave his assurance that no indication of dates would be given from the Japanese side.

Travel

Prime Minister Sato made the last comment of the meeting, in reiterating the great importance he attached to travel and exchanges back and forth between Japan and the United States even though there were no specific problem to be dealt with. He recalled the fact that in Great Britain there were many who used to charge Japan with dumping. This kind of talk has largely ended as British visitors have been to Japan and in particular after the visit of observation made by Sir Norman Kipping.

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EXECUTIVE SECRETARIAT
DEPARTMENT OF STATE
IN

1965 JAN 17 PM 12 05

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DEPARTMENT OF STATE

Approved in the White House
2/2/65

Memorandum of Conversation

Approved in S - 1/18/65

DATE: January 13, 1965
Place: White House
Time: 11:30 a.m.

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Copies to: S/S E S/P FE-4 G H	P SCI EUR-2 O/CPR INR/OD	CIA NASA DOD/ISA Amembassy TOKYO Amembassy SEOUL	Amembassy TAIPEI AmConGen HONG KONG White House
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E.O. 12356, Sec. 3.4

NEJ 92-131

By mp, NARA, Date 8-17-93~~CONFIDENTIAL~~

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- 2 -

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~~CONFIDENTIAL~~

February 2, 1965

~~SECRET ENCLOSURES~~

MEMORANDUM FOR:

Mr. Benjamin H. Read
Executive Secretary
Department of State
Washington, D. C.

SUBJECT: White House Clearance of Memoranda of
Conversation between the President and Mr. Sato

We have reviewed State's draft memoranda of conversation for the Sato visit (sent under cover of your memos of January 14, 15 and 18). They have now received White House clearance, with the following provisos:

1. I have arranged with Bob Fearey for editorial changes as indicated in pencil on pages 1, 2 and 4 of Document 604, and pages 1 and 2 of Document 760.
2. We prefer narrower distribution of Document 680 (the President alone with Sato): only 3 copies to FE, and none to Amembassy Saigon.
3. In response to your covering memo of January 15, we do not approve distribution to the additional bureaus, departments and embassies mentioned; instead, we would suggest that you excerpt and send separately any material that is specifically relevant to the interests of each of these recipients, including Amembassy Saigon.

I am returning herewith the original memcons as sent to us by your office.

James C. Thomson, Jr.

cc: Mr. Smith

Att: Files #195, 208, 223.

~~SECRET ENCLOSURES~~

~~CONFIDENTIAL ENCLOSURE~~

Cooper
7m Thomson
To Ben Read
2/2 #48

JAN 18 1965

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

Subject: Memorandum of Conversation
between the President and
Prime Minister Sato

Enclosed for White House approval prior
to distribution is a memorandum of conversation
between the President and Prime Minister Sato
which took place at 11:30 a.m. on January 13.

The President's remarks are sidelined in
blue.

Assistant Secretary Bundy has reviewed
this memorandum of conversation.

7s/ Herbert Gordon

h
Benjamin H. Read
Executive Secretary

Enclosure:

Memorandum of Conversation.

~~CONFIDENTIAL ENCLOSURE~~

~~SECRET ENCLOSURE~~

January 15, 1965

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

Subject: Memorandum of Conversation
between the President and
Prime Minister Sato

Enclosed for White House approval is the memorandum of conversation between the President and Prime Minister Sato which took place on January 12 at 11:30 a.m.

The President's remarks are sidelined in blue.

Deputy Assistant Secretary Green has reviewed this memorandum of conversation.

You may wish to consider the advisability of distributing the enclosed memorandum of conversation to the following Bureaus, other Departments of the Government and Embassies:

H	DOD/ISA	CINCPAC POLAD	Amembassy TAIPEK
E	Treasury	HICOMRYI POLAD	Amembassy SEOUL
	Commerce	USUN	AmConGen HONG KONG
		Amembassy DJAKARTA	

/s/ Herbert Gordon

Benjamin H. Read
Executive Secretary

Enclosure:

Memorandum of Conversation.

~~SECRET ENCLOSURE~~

~~SECRET ENCLOSURE~~

12/10/50
2/2/65
195-
To Ben Read
2/3 #48
54-c

January 14, 1965

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

Subject: Memorandum of Conversation between
the President and Japanese Prime
Minister Sato

Enclosed for White House approval prior to
distribution is the memorandum of conversation
between the President and Japanese Prime Minister
Sato.

The President's remarks are sidelined in
red.

Reputy Assistant Secretary Green has cleared
this memorandum of conversation.

/s/ Herbert Gordon

Benjamin H. Read
Executive Secretary

Enclosure:

Memorandum of Conversation.

~~SECRET ENCLOSURE~~

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DEPARTMENT OF STATE

EXECUTIVE SECRETARIAT

~~SECRET~~ (Attachments)

1. Cooper
2. ~~Thompson~~

January 27, 1965

TO: Mr. McGeorge Bundy
The White House

3. Bell

FROM: Benjamin H. Read
Executive Secretary

W. A. Henderson

Attached for your information
and files are various memoranda of
conversation between the Secretary
and Prime Minister Sato dated
January 12, 1965.

Attachments:

As stated.

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DEPARTMENT OF STATE

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E.O. 12958, Sec. 3.6
NLJ 98-156

MEMORANDUM OF CONVERSATION

By is, NARA Date 3-15-99

January 12, 1965
Secretary's Conference Room
3:30 p.m.

SUBJECT: Communist China

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Etsusaburo Shiina, Foreign Minister of Japan
Ryuji Takeuchi, Japanese Ambassador
Takeo Miki, Secretary-General of the Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
Toshiro Shimanouchi, Consul General of Japan at Los Angeles
(interpreter)
Susumu Nakagawa, Minister, Embassy of Japan
Masao Kanazawa, Counselor, Embassy of Japan

Secretary Rusk
Under Secretary Ball
Edwin O. Reischauer, Ambassador to Japan
William P. Bundy, Assistant Secretary for Far Eastern Affairs
G. Griffith Johnson, Assistant Secretary for Economic Affairs
Marshall Green, Deputy Assistant Secretary for Far Eastern Affairs
Robert W. Barnett, Deputy Assistant Secretary for Far Eastern Affairs
John K. Emmerson, Minister, American Embassy, Tokyo
Robert A. Fearey, Director for East Asian Affairs
Richard W. Petree, Officer-in-Charge, Japanese Affairs, Office of East Asian Affairs
James Wickel, Department Language Services

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		Amembassy CANBERRA	Amembassy WELLINGTON

Secretary Rusk welcomed Prime Minister Sato and his colleagues and said he wanted to take full advantage of the opportunity for an exchange of views with the Prime Minister on matters of mutual concern. He suggested that they discuss in detail some subjects which had been touched upon by the President in his talk with the Prime Minister, such as China, the Ryukyu Islands, and U.S. intentions

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along the 38th parallel in Korea and Southeast Asia. He asked the Prime Minister how he wished to proceed. The Prime Minister suggested that they proceed according to the previously suggested agenda: the China problem, the Ryukyu and Bonin Islands, bilateral economic problems, and the world situation.

The Prime Minister said that the China problem had reached a delicate stage. Foreign Minister Shiina had already explained to the Secretary the basic Japanese policy of maintaining diplomatic relations and ties of friendship with Taiwan and at the same time maintaining private trade and cultural contacts with mainland China. The Japanese position was to endeavor, at least in the present session of the United Nations, to prevent expulsion of Taiwan from the UN. Support for Peiping was increasing, however, while support for Taiwan was declining. He feared that the present position of the U.S., which is supported by Japan, may collapse sooner than expected. He felt that this position could be maintained this year, especially in view of the fact that it was an "important question". He said that he would appreciate the Secretary's thinking on long-term China policy.

Secretary Rusk said that as we look at the China problem today, the present situation is not merely an extension into the present and future of attitudes expressed in U.S. policies over the past 15 years; it is rather a present and urgent aspect of the world scene affecting peace in the Pacific. He could confidently say that the problems existing between the NATO and Warsaw nations can probably be managed so as to avoid war. He was not sure that one could say the same of Peiping and peace in the Pacific. He felt strongly that unless the attitude of Peiping towards its neighbors changes, we are all in for a serious time in Asia and the Pacific. It would be most unfortunate if the Chinese Communist leaders were led to believe that their present militant policies were paying dividends, because this would lead to the development of increasing pressures, especially against their neighbors to the South. We feel that the Chinese Communist leaders must be made to see that an early change of attitude is required.

The Secretary said that for this reason we believe that any move to seat Peiping in the United Nations would be most serious. It will be a close vote in this session of the General Assembly, but the majority of the delegations will vote against seating the Chinese Communists. As the Prime Minister had pointed out, we have in reserve the "important question" position as insurance against seating Peiping in the UN.

Secretary Rusk said that beyond this year the Chinese representation question is still related to the conduct of Peiping. If Peiping were to adopt policies of peaceful co-existence with the Free World and leave its neighbors alone, he doubted that it would be possible to deny the Chinese

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Communists a seat in the UN. When that time came, the problem would be to ensure that Formosa is not excluded from the UN. That may be an impasse that cannot be overcome, because both Peiping and Formosa have rejected the concept of two Chinas.

Secretary Rusk said he felt strongly that it is essential for the United States and Japan to maintain the closest contact on this problem. He personally did not believe that the Chinese representation position would change this year, but it could in future years, particularly if Peiping becomes less aggressive and follows a policy of peaceful co-existence. The Secretary said that he believed the development of the Chinese representation question will be influenced by other events in the coming period. For example, Peiping's attitude towards Indonesia's withdrawal from the UN and Peiping's statements about the UN, which have made a deep impression on the delegates in New York, will affect the attitudes of the various UN members. Also, a great many Africans are concerned about Peiping's activities in Africa. All of this will influence attitudes toward the Chinese representation question. The Secretary suggested that the Japanese and U.S. Governments stay closely in touch, not only through their respective Ambassadors, but also through the coming visit to Tokyo of Mr. Rostow, who is planning to discuss longer range problems with the Japanese Foreign Office. It is essential that both Governments follow the development of this matter in the UN closely.

The Secretary noted that the U.S. recently had had still another talk with the Chinese Communists at Warsaw. Over the past nine years, during which we have continued these talks, we have continuously encountered an implacable attitude on the part of the Chinese Communist Ambassador in Warsaw. He inevitably launches his discussions with us with the demand that we surrender Formosa. We of course reject this demand because we cannot surrender the 11 million people on Formosa. The Chinese Communists, however, have by these tactics at Warsaw made the surrender of Formosa a sine qua non for all further negotiation or adjustment in our relations with them. We of course cannot do this, because the 11 million people on Formosa have a right to be free.

Prime Minister Sato said that he fully concurred with the Secretary that we could not relinquish Taiwan, and that it was most important for the U.S. and Japan to remain in close consultation on this problem. He said that he did not expect the attitude of Communist China to change in the foreseeable future.

The Prime Minister said that at the same time many members of the UN consider that the Chinese Communist regime controls the territory of mainland China and should be admitted into the UN. He noted that Canada has

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put forward a proposal for one China, one Taiwan. He said he felt that the promotion of such a proposal at this time would be most unfortunate. Secretary Rusk said that we have had frank talks with the Canadians about this matter.

Prime Minister Sato said that he had assumed we were in close contact with the Canadians. The matter of timing of such a proposal was very important. The problem was an "iffy" one, and it was on that basis that he mentioned the Canadian proposal. If the Chinese Communists were admitted to the UN, an increasing number of nations would proceed to recognize the Chinese Communist regime diplomatically. The pressure for recognition within Japan would build up and be very difficult for the Japanese Government to manage. For this reason he hoped very much that such a situation is put off into the future as long as possible. He asked what course the U.S. would take if the Chinese Communists were admitted to the UN. Would the U.S. then consider recognition of the Chinese Communist regime?

Secretary Rusk said that it is difficult to look into the future. He found it difficult to believe that the UN would expel Formosa. Peiping would be faced with the major question whether to enter the UN with Formosa remaining a member. The same dilemma would be posed for Peiping with regard to the recognition question. In other words, if Japan were to offer to recognize both Formosa and Peiping, it is unlikely that Peiping would accept diplomatic relations with Japan. The Secretary said that this contingency lies somewhere in the future — not this year, or next. At least, he hoped so.

Prime Minister Sato said that both Peiping and Taiwan hold the one China concept, and neither has been willing to relinquish it. He asked whether it is not possible that both governments eventually will have to recognize that the other exists and will continue to exist. He said that he felt they must, and asked for the Secretary's views.

Secretary Rusk agreed that such a time may come. He said, speaking privately, that if Peiping were willing to live at peace with the world, if it did not support Hanoi, had not attacked India, was not aggressive in the Formosa Straits, had honored the agreement on Laos, and had not taken other militant actions, opinion in the U.S. might well come to feel that more normal relations with Peiping should be explored. This has been blocked by the implacable hatred of Peiping. The/ continue to insist that they must absorb Formosa. We must continue to reject this demand. Therefore, an improvement in relations between us is difficult to conceive.

The Secretary said that at the Geneva Conference on Laos he was trapped in the same room with Chen Yi, the Chinese Communist Foreign Minister. Chen

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Yi asked the Secretary what the Geneva agreement meant. The Secretary replied that it might be a first step. Chen Yi shook his head and grunted, and that was the end of the conversation.

Prime Minister Sato asked if it might not be possible for those nations which recognize Peiping, such as the United Kingdom and France — particularly the United Kingdom — to work on the Chinese Communist regime, and for Japan and the United States, which recognize the government of Taiwan, to work on it, to bring about a thaw in the attitudes of Peiping and Taiwan. Secretary Rusk said that we were deeply interested in a change in Peiping policy, because this involved the great issue of war or peace in the Pacific. But we have the impression that United Kingdom representatives have had no serious talks with the Chinese Communist leaders and almost never see them. The United States has had more opportunity for talk on important matters with the Peiping regime, matters such as peace in Southeast Asia, release of American citizens and the exchange of correspondents, than any other nation except the Soviet Union. The French appear unwilling to engage in such discussions with Peiping. The French appear to feel that Peiping does not wish to discuss the issue of Southeast Asia. We have heard privately that one or two other nations also have attempted to explore such questions with no success.

Prime Minister Sato asked Secretary Rusk's view of the danger of a coalition between Peiping and Taipei. Mr. Miki added a request for the Secretary's view of the situation in Taiwan after Generalissimo Chiang Kai-shek disappears from the scene.

Secretary Rusk doubted very much anyone who succeeded Chiang in power in Taipei would be anxious to surrender to the mainland, so long as the government in Taiwan continues to receive the support of the U.S. Of course, if the leadership in Taiwan were headed by people who were ideologically determined to create a Communist Formosa and join with the mainland, it would be a different situation. We have seen no evidence of such a possibility, however, nor is it likely. In the past Peiping has tempted Taiwan with an offer of autonomy under its present leaders if they would consent to become part of Communist China. This proposal has been firmly rejected by the government in Taiwan. It is an extremely remote contingency in any event. Such speculation apparently hinges on assessments of one or two personalities; we have seen no evidence that this is a likely possibility.

Secretary Rusk said that he would like to turn the question around: What about the possibility of changes in Peiping? The attitudes of the Chinese Communist regime in Peiping have up until now primarily reflected the primitive views of the veterans of the Long March. We have seen very little evidence of a rise to responsibility of a younger generation, as we have in the Soviet Union. A new generation of leaders might make a big difference in the attitudes of the regime. Some of the present veteran

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leaders are elderly and ill; we are approaching a time when there inevitably will be changes in the leadership simply by the forces of nature.

Prime Minister Sato said that specialists well versed in Chinese affairs in Japan hold the view that while the present revolutionary process is going on, it gathers a momentum which impels the leaders to try to extend their influence beyond Chinese borders in all directions. The Japanese experts consider this to be a traditional trait of Chinese governments. We have seen signs of expansion toward India, Viet-Nam and even toward the Soviet Union. Until the revolutionary process runs its full course, it is impossible to predict how it will go. Younger leaders may well try to create a better life for the people, as have the Soviets, but a great deal of time is required.

Secretary Rusk said that the matter of momentum is, in our minds, the central problem. He said that after World War I the U.S. sought no central role for itself in organizing the peace of the world, but after World War II the U.S. decided that it could not afford to neglect the effort to organize the peace. Since World War II the U.S. has received some 160,000 casualties in the struggle against Communism, in the Berlin airlift, Greece, Korea, S. E. Asia and throughout the world, because it feels strongly that unless the momentum of the aggressive Communist movement is stopped, there will be a greater war down the road. This is the reason why the U.S. committed its forces in Korea.

It is the reason why we have a serious purpose in Southeast Asia. The momentum of Communist China's aggressive policies will be stopped by force unless Peiping reverses its present course. The U.S. and other Free World nations halted the Soviet momentum in Europe by organizing the defensees of the West. We consider the problem of halting the militant momentum in the Pacific with the greatest seriousness.

Prime Minister Sato said, in concluding the discussion on China, that if the approach of the Chinese Communists to the outside world takes a military form, then a military response must be given. But we must not allow them to call the tune. Concerning Taiwan, he said that Japan shares the U.S. position that the retention of Taiwan is essential to our security. We must hold it even if the leaders change. The Secretary agreed.

Mr. Miki asked the Secretary's views on the self-determination principle in relation to Taiwan. Secretary Rusk said that Peiping has no rightful claim to Taiwan. The island was delivered to those to whom it was promised at Cairo. Furthermore, we see no reason to think a completely free determination of their course by the people of Taiwan would result in affiliation with the Chinese Communist regime. We do not believe that these 11 million people would wish to join the mainland Chinese.

Mr. Miki asked whether it would be possible to promote public opinion supporting our view of the China problem in other countries, such as Australia,

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New Zealand, and the Philippines. Secretary Rusk said that he believed the people of those countries share our view of the problem.

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DEPARTMENT OF STATE
MEMORANDUM OF CONVERSATION

January 12, 1965
Secretary's Conference Room
3:30 p.m.

SUBJECT: Ryukyu and Bonin Islands

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Etsusaburo Shiina, Foreign Minister of Japan
Ryuji Takeuchi, Japanese Ambassador
Takeo Miki, Secretary General of the Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
Toshiro Shimanouchi, Consul General of Japan at Los Angeles
(interpreter)
Susumu Nakagawa, Minister, Embassy of Japan
Masao Kanazawa, Counselor, Embassy of Japan

Secretary Rusk
Under Secretary Ball
Edwin O. Reischauer, Ambassador to Japan
William P. Bundy, Assistant Secretary for Far Eastern Affairs
G. Griffith Johnson, Assistant Secretary for Economic Affairs
Marshall Green, Deputy Assistant Secretary for Far Eastern Affairs
Robert W. Barnett, Deputy Assistant Secretary for Far Eastern
Affairs
John K. Emmerson, Minister, American Embassy, Tokyo
Robert A. Fearey, Director for East Asian Affairs
Richard W. Petree, Officer-in-Charge, Japanese Affairs, Office
of East Asian Affairs
James Wickel, Department Language Services

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Prime Minister Sato said that he had already discussed the problem of the Ryukyu Islands with the President. The matter of a visit by former inhabitants to the Bonin Islands is included in the draft Joint Communique. He said, however, that he would like to have some consideration given to the timing of the visit that is to be permitted. Ambassador Takeuchi asked when the visit might be

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possible, because with the release of the communique the press would ask when the visit was to occur. Ambassador Takeuchi suggested that appropriate times from the Japanese point of view would be in March or April, around the time of the vernal equinox, or at the Japanese obon time in the summer.

Secretary Rusk said that Ambassador Reischauer would be in touch with the person designated by the Prime Minister on this problem. He said that in principle we have no problem with the visit, but that we wish to discuss frankly with the Japanese Government various practical problems and to ask the Government to advise us on the best way to solve them. Ambassador Reischauer said that Minister Emmerson was returning to Tokyo on January 13 and could launch preliminary discussions with the Foreign Office immediately.

Secretary Rusk suggested that the Prime Minister might wish to designate a personal representative to make a confidential and unpublicized visit to the Islands to explore how best we might deal with the problems which might arise as a result of the visit. Such an exploratory visit would be helpful to both sides. He said that he made this suggestion not to delay the visit mentioned in the Joint Communique, but to facilitate our consultations on the visit. Prime Minister Sato said that such a confidential, unpublicized visit might be difficult, but he would like to consider it. He commented in Japanese to members of his party that any Japanese selected would probably wish to boast of it, making it difficult to keep such a visit confidential.

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MEMORANDUM OF CONVERSATION

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 92-133

January 12, 1965
Secretary's Conference Room
3:30 p.m.

SUBJECT: Viet-Nam By ju, NARA, Date 7-16-92

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Etsusaburo Shiina, Foreign Minister of Japan
Ryuji Takeuchi, Japanese Ambassador
Takeo Miki, Secretary-General of the Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
Toshiro Shimanouchi, Consul General of Japan at Los Angeles
(interpreter)
Susumu Nakagawa, Minister, Embassy of Japan
Masao Kanazawa, Counselor, Embassy of Japan

Secretary Rusk
Under Secretary Ball
Edwin O. Reischauer, Ambassador to Japan
William P. Bundy, Assistant Secretary for Far Eastern Affairs
G. Griffith Johnson, Assistant Secretary for Economic Affairs
Marshall Green, Deputy Assistant Secretary for Far Eastern Affairs
Robert W. Barnett, Deputy Assistant Secretary for Far Eastern
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The Prime Minister referred to Viet-Nam. He had expressed to President Johnson his high respect and admiration for the great and essentially unrewarding effort of the United States in Viet-Nam. He certainly hoped that this effort would succeed. He knew what a heavy burden it was for the United States, but the Free World must hold the line in Viet-Nam. Representatives of the Japanese

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Diet were visiting Viet-Nam to obtain first-hand impressions of the situation and the problems that confront us there. Viet-Nam is largely a Buddhist country, as is Japan, so the Prime Minister planned to send Buddhists to Viet-Nam. He said that Japan is precluded from offering military assistance in the Free World effort there, so it is exploring such efforts as these to help.

Secretary Rusk said that we have made a strong commitment in Viet-Nam. We have been puzzled, irritated, and frustrated at times by the difficulty the Vietnamese leaders have had in working together. There are historical reasons for these difficulties, but the disunity they have bred has had a negative influence on the development of the country. We hope that Vietnamese leaders can find a better way to pull together. The Secretary said that it would be good if Japan, through contacts with the Buddhists and through other activities, could influence Vietnamese leaders toward a unified attack on the problems facing the country. Our efforts should be to persuade them to set aside secondary considerations until the primary problem posed by Hanoi is solved.

The Secretary said that public knowledge that Japan is deeply concerned with the situation in Viet-Nam and the security of Southeast Asia is extremely helpful. We understand the reasons why Japan is prevented from offering military assistance, and Viet-Nam has not requested such assistance. Public expression of concern for the situation in Viet-Nam, however, is important to morale both in South Viet-Nam and in the United States. The American people would like to know that we are engaged in a joint effort with other nations and are not alone, because we feel very strongly that our efforts in Viet-Nam are not solely for U.S. interests, but are on behalf of the whole Free World. It is of great assistance when we know that others are with us in this effort. A public expression of concern about Viet-Nam from Japan would have a double harvest: the morale in South Viet-Nam and the United States and a deepening sense of true comradeship between the United States and Japan.

Prime Minister Sato said that his Government wants to give more than just moral support. The Free World mission there is not restricted to the objectives in South Viet-Nam, but also embraces security in Southeast Asia and world peace. He wants his people to appreciate the role being played there by the United States. He feels it important for peace in the area also to strengthen Thailand and Malaysia, which flank Viet-Nam.

Secretary Rusk noted that he had earlier remarked to Foreign Minister Shiina that there may be a way for Japan to make a very constructive contribution to the peace and stability of Southeast Asia in Cambodia. He said that the influence of the United States in Cambodia is very limited and remarked that we would be glad if Sihanouk could be worked on by Japan.

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MEMORANDUM OF CONVERSATION

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-156

January 12, 1965
Secretary's Conference Room
3:30 p.m.

SUBJECT: Japan-Korea By is, NARA Date 3-15-99

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Etsusaburo Shiina, Foreign Minister of Japan
Ryuji Takeuchi, Japanese Ambassador
Takeo Miki, Secretary-General of the Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
Toshiro Shimanouchi, Consul General of Japan at Los Angeles
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Susumu Nakagawa, Minister, Embassy of Japan
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Prime Minister Sato turned to Japan-Korea relations. He said that
his Government found the domestic political situation in the Republic

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of Korea hard to understand. Apparently both the President and Prime Minister of the Republic of Korea sincerely want to achieve an early settlement with Japan. He did not see any clear prospect for such a settlement, but his Government would do everything it could to promote normalization of relations. He felt strongly that a settlement with Korea could not be delayed.

Secretary Rusk said that a Japan-Korea settlement is very important. We have regretted the delays in the settlement, which have been costly to all of us. As we look back and realize the benefits both countries have lost this past three years, we can see how costly the delay has been. We have felt that both sides desire a settlement, but that the problem is the terms. This problem has been vexing. The Koreans very earnestly desire a settlement of their differences with Japan. One has only to recall some of the demonstrations which have taken place to see that a domestic problem exists, however. Secretary Rusk said he hoped very much that an agreement could be worked out through diligence and patience. Such a settlement would be a stimulus to the Free World position in the Western Pacific; it would be a great achievement if Japan and Korea could put their relations on a long-term, stable basis.

Prime Minister Sato said that he would be discussing this problem with Ambassador Reischauer and would see if a way could be found to move ahead with a settlement. It would be undesirable in both Japan and Korea for the U.S. to appear to intervene in the negotiations, and for that reason the Japanese side had asked for the deletion of the Japan-Korea paragraph from the Joint Communiqué. The Secretary agreed. The Prime Minister said that his Government wants the abolition of the "Rhee Line", but the Korean Government finds it difficult to get public acceptance of this idea within Korea. He suggested that Japan could accept a de facto abolition of the "Rhee Line", without a formal approach to the problem in written form, if the Treaty -- if ratified -- superseded domestic legislation in Korea; but this was a difficult point to iron out. He said another outstanding minor problem is Takeshima (Dokto).

Secretary Rusk said he thought that it might be possible to work out some kind of cooperation on the "Rhee Line". Similar problems have been worked out in the past. Perhaps the Rhee Line could be left to wither away and disappear ultimately through irrelevance in terms of the overall improvement in Japan-Korea relations. An example of this is the national frontier between Luxembourg and Belgium.

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1/26/65DEPARTMENT OF STATE
MEMORANDUM OF CONVERSATIONJanuary 12, 1965
Secretary's Conference Room
3:30 p.m.

SUBJECT : Soviet Union

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
 Etsusaburo Shiina, Foreign Minister of Japan
 Ryuji Takeuchi, Japanese Ambassador
 Takeo Miki, Secretary-General of the Liberal Democratic Party
 Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
 Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
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Secretary Rusk
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Prime Minister Sato said that he wished to discuss the situation in the Soviet Union. He had received an unprecedentedly warm year-end letter from Chairman Kosygin which included an invitation to visit the USSR. Kosygin proposed that in talks during such a visit Japan and the USSR avoid touchy

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By is, NARA, Date 12-1-04~~SECRET~~

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issues such as territorial matters and concentrate on such matters as the economic development of Siberia, a consular convention and a civil aviation agreement. He said he had read the letter with great interest. He asked the Secretary's assessment of the current situation and future prospects in the Soviet Union.

Secretary Rusk said that Khrushchev's removal was as much a surprise to us as it was to Khrushchev himself. He said that at the time of his visit to India to attend Prime Minister Nehru's funeral, he had met Kosygin. He found him to be direct, business-like, friendly in an arm's-length fashion, and very intelligent and of undoubted ability. He also had had four or five talks with Foreign Minister Gromyko since Khrushchev's removal, and Ambassador Foster had also had an opportunity to discuss disarmament matters with Ambassador Tsarapkin. In general, he had observed that the atmosphere of these private talks with the Soviets was more moderate and calm than recent harsh public statements by Moscow on such matters as the Congo, Viet-Nam and the President's State of the Union Message.

The Secretary said that in the course of the talks with Gromyko they had had an opportunity to review the entire agenda of world and bilateral problems. Gromyko had probed for indications of major changes in U.S. positions since the Presidential election, while the Secretary in turn had probed for indications of changes in Soviet positions since their "election" of Khrushchev's successor. He said that he had seen little change in Soviet attitudes. On bilateral problems, we believe that we can go ahead with ratification of the Consular Convention with the Soviet Union. It is possible that if the atmosphere permits we might also go ahead with the civil air agreement, which was initialled but not signed a year and a half or two years ago. The agreement would provide for one or two flights per week between New York and Moscow. In considering our trade with the Soviet Union, we do not feel that there is an adequate economic basis for any great expansion; there is not much we wish to buy. The attitude of Congress on such matters is affected by the general atmosphere and by the attitude of the Soviet Government on such sensitive problems as the Congo, Berlin and South Viet-Nam. The Secretary said that he could assure the Prime Minister that we have no new, surprising or dramatic bilateral matters under discussion with the Soviet Union that are not already public knowledge.

The Secretary added that he wished there were, for it would help to improve relations.

The Secretary said that the references to visits and exchanges with the Soviet Union in the President's State of the Union Message were inserted to let it be known that the President felt he was not under the same constitutional limitations on his movements as during the period when there was no Vice President in office. He said that we have felt that Khrushchev's 1959 visit to the U.S. was on the whole a good idea. He said that we are not as yet discussing any dates, details or arrangements for possible visits

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and exchanges between the United States and the Soviet Union. This will await an improvement in the atmosphere and general situation.

The Secretary said that the Soviet leaders apparently have had a number of visits -- to and from the Soviet Union -- in mind. He said that in general he is inclined to think that evidence of such thinking indicates a positive commitment to the future. He believed that the Soviet leaders are not contemplating any major or dramatic new moves -- either positive or negative. They govern in committee fashion, with its inevitable inertia. No new initiatives in any event are likely until after the Communist conference that is scheduled in March.

Prime Minister Sato asked the Secretary's views on the Sino-Soviet relationship. / The Secretary said that he was concerned that the two might move closer together. The basis on which they draw closer together would make a great difference to us. If the Soviet Union drew closer to Peiping on the basis of agreement with Peiping's militant policies, it would be extremely bad for the Free World. On the other hand, if Peiping were to move closer to Moscow on the basis of the Soviet Union's co-existence principles, it would be a different matter. We see no evidence of any movement in either direction. Moscow, with the support of the Eastern European nations, adheres to its position of co-existence, which Peiping strongly rejects. The Secretary said that Chinese Communist leaders probably were disappointed that the removal of Khrushchev brought no basic change in Soviet policy on this point.

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Since the change in Soviet leadership, the public positions of Communist China and the Soviet Union have remained the same, but the temperature of their language has been reduced. They are less violent and more respectful than before. Prime Minister Sato said he felt that it was clearly unlikely that Communist China and the Soviet Union would draw closer together.

Ambassador Takeuchi asked why the U.S. had delayed ratification of the civil air agreement with the Soviet Union. Secretary Rusk said that the delay had been primarily because of problems of atmosphere and domestic political strategy. We had not wished the civil air problem to interfere with the ratification of the Consular Convention by Congress. He said we hoped that the civil air agreement could be concluded so that service between the two countries could start at the beginning of the tourist season in April or May.

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DEPARTMENT OF STATE

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 1/26/65

MEMORANDUM OF CONVERSATION

January 12, 1965
 Secretary's Conference Room
 3:30 p.m.

SUBJECT: Exchange of Journalists with Communist China

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
 Etsusaburo Shiina, Foreign Minister of Japan
 Ryuji Takeuchi, Japanese Ambassador
 Takeo Miki, Secretary-General of the Liberal Democratic Party
 Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
 Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
 Toshiro Shimanouchi, Consul General of Japan at Los Angeles
 (interpreter)
 Susumu Nakagawa, Minister, Embassy of Japan
 Masao Kanazawa, Counselor, Embassy of Japan

 Secretary Rusk
 Under Secretary Ball
 Edwin O. Reischauer, Ambassador to Japan
 William P. Bundy, Assistant Secretary for Far Eastern Affairs
 G. Griffith Johnson, Assistant Secretary for Economic Affairs
 Marshall Green, Deputy Assistant Secretary for Far Eastern Affairs
 Robert W. Barnett, Deputy Assistant Secretary for Far Eastern
 Affairs
 John K. Emmerson, Minister, American Embassy, Tokyo
 Robert A. Fearey, Director for East Asian Affairs
 Richard W. Petree, Officer-in-Charge, Japanese Affairs, Office
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Mr. Miki said that in his meeting on January 12 with Senator Mansfield, the Senator mentioned the proposal by former Secretary of State Dulles for an exchange of journalists and scholars between the United States and Communist China. He asked if this proposal was still in effect.

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Secretary Rusk said that it was still our position that if responsible American journalists could get a visa from Peiping, they would be granted a passport from the United States Government. So far, only Edgar Snow has been successful in obtaining a visa. Our attitude on this matter is open.

Mr. Miki suggested that there should be more publicity on the fact that the United States has an open attitude on this proposal and is ready to permit the exchange of journalists, while the Communists are blocking such an exchange by their attitude. Secretary Rusk said that he recently addressed a meeting of leading publishers and believed that they may publicize this matter more.

Secretary Rusk asked if Chinese Communist correspondents now in Japan published their stories in Japanese newspapers as well as in Communist China. The Foreign Minister said they did not. Mr. Miki agreed and said that only those stories wired from Peiping are carried in the Japanese press, such as the interview in Peiping with Japanese Diet member Matsumura.

Prime Minister Sato said that the exchange of correspondents between Japan and Communist China had proven to be an "unreciprocal" arrangement. Although in Japan the Chinese Communist correspondents are permitted to report freely, Japanese correspondents in China are permitted to publish only hand-outs from the regime. Further, if they do not publish such hand-outs they are expelled.

Mr. Miki said that he was amused by a recent incident in which Chinese Communist correspondents in Japan demanded admission to the Foreign Correspondents Club in Tokyo. They also demanded, however, that the current President of the club, Lee Chia of Taiwan, be expelled from the club. Secretary Rusk commented that he has been constantly amazed by the arrogance of the Chinese Communist representatives we meet with in Warsaw.

Prime Minister Sato said that he expects a more active and realistic discussion of the China problem this year among more mature columnists and foreign policy research groups in Japan, including the Liberal Democratic Party. In the past such discussions have been dominated by leftists, while intelligent, sober-minded people have kept silence. He is hopeful that these new discussions will have a constructive effect on Japanese attitudes.

Secretary Rusk hoped that discussion of the mainland China problem in Japan could emphasize Japanese national interests rather than United States attitudes. We feel that it would be unfortunate if it appeared that the United States is interfering with Japanese contacts with the mainland. The important focus of the Japanese discussion should be on the future shape of Asia that Japan wishes to achieve and how Peiping may fit in. Japanese should discuss

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the current attitudes and actions of Communist China in the context of the national interests in Asia of Japan. The Secretary said that he has often felt that the United States role has been distorted in discussions of this problem in Japan, and as a result Japan has been diverted from finding its own real national security interests in the context of realities in Asia.

Mr. Miki said that it is essential for the Communist Chinese to change heart. In Japan people who concerned about this feel that exchanges of visits between Communist China and Japan will afford the Chinese Communists opportunities to observe conditions in Japan and will promote a reform of Chinese Communist attitudes. This view is shared by some members of the Liberal Democratic Party. The United States refuses to have such relations before a change of heart takes place, but Japanese emphasize the contacts as a means of promoting the change. Secretary Rusk said that he would not object if the largest businessman in Japan went to Peiping and told the Chinese Communists that he would do a great deal of business with them if Peiping would keep the peace in India and Southeast Asia.

Mr. Miki asked whether the United States would not consider highlighting and publicizing its position on the exchange of correspondents a bit more than in the past after the Joint Communiqué on Prime Minister Sato's visit is issued. Secretary Rusk said that we might consider doing that. He said the newspaper publishers are going to take up this problem soon. Mr. Miki said he wanted to quote the Secretary on this point in Japan. Secretary Rusk said that in a television interview ten days ago he had been asked about an exchange of correspondents between the United States and Communist China. He had replied just as he had to the Prime Minister that "if you get a visa from Peiping, I will give you a passport." Ambassador Reischauer remarked that he had often made this point in Japan.

Prime Minister Sato said that those doing the most talking about the China problem were in many cases a minority of leftists. Those responsible people who support our position are often quiet and do not speak up in our support. He said he feels that we need to activate those who support policies of moderation and realism.

Mr. Miki said that in his meeting with Senator Mansfield he had in this spirit proposed an exchange of parliamentarians between the United States and Japan.

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DEPARTMENT OF STATE

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MEMORANDUM OF CONVERSATION

January 12, 1965
 Secretary's Conference Room
 3:30 p.m.

SUBJECT: Other Matters

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
 Etsusaburo Shiina, Foreign Minister of Japan
 Ryuji Takeuchi, Japanese Ambassador
 Takeo Miki, Secretary-General of the Liberal Democratic Party
 Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
 Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
 Toshiro Shimanouchi, Consul General of Japan at Los Angeles
 (interpreter)
 Susumu Nakagawa, Minister, Embassy of Japan
 Masao Kanazawa, Counselor, Embassy of Japan

Secretary Rusk
 Under Secretary Ball
 Edwin O. Reischauer, Ambassador to Japan
 William P. Bundy, Assistant Secretary for Far Eastern Affairs
 G. Griffith Johnson, Assistant Secretary for Economic Affairs
 Marshall Green, Deputy Assistant Secretary for Far Eastern Affairs
 Robert W. Barnett, Deputy Assistant Secretary for Far Eastern
 Affairs
 John K. Emmerson, Minister, American Embassy, Tokyo
 Robert A. Fearey, Director for East Asian Affairs
 Richard W. Petree, Officer-in-Charge, Japanese Affairs, Office
 of East Asian Affairs
 James Wickel, Department Language Services

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Consultations — Secretary Rusk said that his personal association with Japan and Japanese affairs had been close and had extended over many years. He was extremely interested in the development of U.S.-Japan relations. During the three or four years of his service as Secretary of State, both countries had worked hard on various bilateral problems. We had used the Joint Committee and other mechanisms for useful collaboration on problems between our two countries.

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The Secretary said he had a feeling, however, that we are now moving rapidly into still another chapter in the history of our relationship. In the new period our relations would be between two nations concerned with worldwide problems. We should seek to extend the close consultation between the two Governments to all of the major world problems which concern us. He noted that Japan is playing an international role with increasing effectiveness. This role would grow even larger under the leadership of the Prime Minister. Japan's membership in the UN and the OECD are good examples of this new role. He hoped that Japan and the U.S. could consult intimately and privately on major international problems before the two Governments got to the stage of final decisions on policy plans. The policy planning talks of Mr. Rostow with representatives of the Japanese Government are one way to develop closer consultations. The two Ambassadors are also a channel for such talks. The Secretary said that, looking ahead, the larger issues of organizing the peace and nuclear matters concern both countries. We must develop the habit of intimacy and a sharing of thoughts, as the President had earlier indicated, even before we reach conclusions about these problems. He said that the U.S. is prepared to enter into such a close relationship of consultation and feels that it would be of value to both nations.

Disarmament — Prime Minister Sato said that the U.S. had previously supported Japan's membership in the Disarmament Committee, and the Soviet Union had vetoed it. The Prime Minister suggested that at some point in the future the U.S. might wish to consider again promoting Japan's participation in the Committee.

Secretary Rusk said that we would like that very much. He said, however, that we were reaching the time when significant steps in disarmament would be unlikely unless Peiping took part. Test bans and discussions of nuclear disarmament and large regular armies are meaningless without the participation of Peiping. This obvious reality opens up the question of the composition of the Disarmament Committee. Perhaps in view of the interest expressed by the Prime Minister a new role could be opened up for Japan. Now that Peiping has conducted a nuclear test, no further progress can be made in certain disarmament and nuclear matters without the participation of Peiping. Ultimately, it will make very little sense for the rest of the world to agree to disarmament measures if Peiping remains free to do as it wishes.

Responses to the Press — Ambassador Takeuchi asked for guidance on what the Prime Minister might tell the press following the meeting. He noted that the Joint Communique would be issued at 3:00 p.m. January 13, but that the Japanese press corps would want some statement from the Prime Minister following the meeting with the Secretary. Secretary Rusk said that he would welcome suggestions from the Prime Minister on responses to the press.

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Mr. Miki suggested that the Prime Minister give the press only the topics that were discussed, with no elaboration; Ambassador Takeuchi suggested that the Japan-Korea relations problem be omitted. Secretary Rusk agreed that this would be a good way to handle inquiries. Ambassador Takeuchi said that the Prime Minister would not discuss the substance of his private discussion with the President. The Secretary said that, according to his press "spies", the Prime Minister's speech at the Press Club had been highly successful. The American press has been trained to wait for the communique and the official background briefing, but the Secretary recognized the special problem in dealing with the energetic Japanese press corps. The American press would concentrate on the Prime Minister's Press Club address January 12 and then turn to the communique when it was issued January 13.

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DEPARTMENT OF STATE

MEMORANDUM OF CONVERSATION

January 12, 1965
Secretary's Conference Room
3:30 p.m.

SUBJECT: U.S.-Japan Security Ties

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Etsusaburo Shiina, Foreign Minister of Japan
Ryuji Takeuchi, Japanese Ambassador
Takeo Miki, Secretary-General of the Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
Toshiro Shimanouchi, Consul General of Japan at Los Angeles
(interpreter)
Susumu Nakagawa, Minister, Embassy of Japan
Masao Kanazawa, Counselor, Embassy of Japan

Secretary Rusk
Under Secretary Ball
Edwin O. Reischauer, Ambassador to Japan
William P. Bundy, Assistant Secretary for Far Eastern Affairs
G. Griffith Johnson, Assistant Secretary for Economic Affairs
Marshall Green, Deputy Assistant Secretary for Far Eastern
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Robert W. Barnett, Deputy Assistant Secretary for Far
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The Secretary asked if the Prime Minister / fully satisfied with the security arrangements between the U.S. and Japan. He said he knew

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By cbm, NARA Date 4-4-01

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that the President had discussed this matter with the Prime Minister that morning, but he wished to ensure that the Prime Minister was satisfied in his mind that the U.S.-Japan security agreement, without regard for the kind of weapons involved, was in full effect.

Prime Minister Sato said that the President had not specifically mentioned the matter of nuclear weapons. He said that he was fully assured by the statement of the President guaranteeing the security not only of Japan but of Asia.

Secretary Rusk said that he wanted the Prime Minister to understand that the Chinese Communist nuclear explosion did not in any way diminish our determination to abide by our commitments to Japan. It is important that Peiping understand that there is no future in their use of nuclear weapons against its neighbors. The Prime Minister said that the President had clearly stated such a guarantee, with which he was fully satisfied.

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1/26/65DEPARTMENT OF STATEMEMORANDUM OF CONVERSATIONJanuary 12, 1965
Secretary's Conference Room
3:30 p.m.

SUBJECT: Interest Equalization Tax

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
 Etsusaburo Shiina, Foreign Minister of Japan
 Ryuji Takeuchi, Japanese Ambassador
 Takeo Miki, Secretary-General of the Liberal Democratic Party
 Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
 Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
 Toshiro Shimanouchi, Consul General of Japan at Los Angeles
 (interpreter)
 Susumu Nakagawa, Minister, Embassy of Japan
 Masao Kanazawa, Counselor, Embassy of Japan

Secretary Rusk
 Under Secretary Ball
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 Robert W. Barnett, Deputy Assistant Secretary for Far Eastern
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 John K. Emmerson, Minister, American Embassy, Tokyo
 Robert A. Fearey, Director for East Asian Affairs
 Richard W. Petree, Officer-in-Charge, Japanese Affairs, Office
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Prime Minister Sato said that he would defer detailed discussion of the interest equalization tax until his meeting with Secretary Dillon on January 13. His Government hoped that the law would not be extended when it expired. Japan also wanted treatment similar to that accorded Canada.

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Mr. Ball confirmed that this subject would be taken up in Secretary Dillon's meeting with the Prime Minister. Secretary Rusk noted that we had received disappointing information for the fourth quarter of 1964 on the serious gold problem. He said Secretary Dillon is concerned and would discuss the situation in his meeting with the Prime Minister.

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DEPARTMENT OF STATE

MEMORANDUM OF CONVERSATION

January 12, 1965
Secretary's Conference Room
3:30 p.m.

SUBJECT: Temporary Agricultural Workers

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Etsusaburo Shiina, Foreign Minister of Japan
Ryuji Takeuchi, Japanese Ambassador
Takeo Miki, Secretary-General of the Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
Toshiro Shimanouchi, Consul General of Japan at Los Angeles
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Foreign Minister Shiina raised the question of the temporary agricultural workers program in California. He said that America had been enabled by this program to cultivate among Japanese farm youths a great many pro-Americans. He said that the recent changes in the Labor Department's regulations would deny the U.S. this opportunity.

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MEMORANDUM OF CONVERSATION

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By ju, NARA, Date 7-16-92

January 12, 1965
Secretary's Conference Room
3:30 p.m.

SUBJECT: Civil Air Transport Agreement

PARTICIPANTS: Eisaku Sato, Prime Minister of Japan
Etsusaburo Shiina, Foreign Minister of Japan
Ryuji Takeuchi, Japanese Ambassador
Takeo Miki, Secretary-General of the Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
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The Prime Minister turned to the Civil Air Transport Agreement and the North Pacific Fisheries Convention. He said that these two

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matters were difficult for his Government to handle because agreements were considered in Japan to be "unequal treaties". President Johnson had said that the civil aviation problem was also posing a headache for him. Mr. Miki said that Japan is not only interested in a route to New York but also beyond New York.

Secretary Rusk said that we want to find a fair and, if possible, mutually satisfactory solution to the civil aviation problem. He said that since his talk with Foreign Minister Shiina in New York we had given the matter considerable study within our Government, both in the CAB and elsewhere. If the problem were only a bilateral matter it would be easier to handle, but United States-Japan civil aviation matters involve many precedents, equal treatment and other considerations involving other nations. In recent years we have been troubled, for example, by the civil aviation situation in the North Atlantic, where the United States provides two-thirds of the passengers but only one-third of the aircraft for the trans-Atlantic traffic. The Secretary said that every small nation east of New York, including even Luxembourg, wants to enter the trans-Atlantic route, to carry our passengers. Other nations are anxious to enter the Pacific, even though they provide very few of the passengers crossing the Pacific.

The Secretary said that we were doing our best to arrive at a fair and reasonable response to the Japanese request. He suggested that we have informal consultations on this problem in the very near future as a preliminary to formal negotiations. He hoped that we would not enter formal negotiations without proper preparations through informal consultations, to make success in the formal talks possible. He had devoted some thought to the matter since the negotiations last summer. We will have problems granting rights beyond New York, but we should keep in touch on the matter.

Prime Minister Sato asked whether this matter could be settled by the time of the next meeting of the Joint United States-Japan Committee on Trade and Economic Affairs. Secretary Rusk said that he would certainly hope so.

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