

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 6, 1972

~~SECRET/EXDIS~~

MEMORANDUM FOR THE PRESIDENT'S FILE

FROM: James J. Wickel (Interpreter), American Embassy Tokyo

SUBJECT: Meeting with Eisaku Sato, Japanese Prime Minister,
on Thursday, January 6, 1972 at 1:30 p.m. at San Clemente

PARTICIPANTS: Prime Minister Eisaku Sato
Ambassador Nobuhiko Ushiba
Ambassador Genichi Akatani (Interpreter)

The President
Dr. Henry A. Kissinger, Assistant to the President
for National Security Affairs
James J. Wickel, American Embassy Tokyo (Interpreter)

Presidential Visit to Japan

The Prime Minister, first of all, conveyed to the President the sincere appreciation of HIM the Emperor who was deeply impressed with the warm welcome and unforgettable hospitality accorded him and the Empress by the President and Mrs. Nixon at Anchorage.

The President said that the visit was a great occasion for us too, and had left a fine impression in the U. S., particularly because of the excellent TV coverage.

The Prime Minister said that HIM the Emperor had been particularly pleased at his discussion with the President of a possible visit to the United States. However, he (the Prime Minister) has been "putting on the brakes" because such a visit would naturally lead to an invitation to the President to make a return visit to Japan, which the Socialists and Communists would certainly oppose. Recalling the demonstrations in 1960 which prevented his brother (then Prime Minister Kishi) from welcoming President Eisenhower to Japan, he said that he wished to be certain that the President could indeed make the visit before extending an invitation. He did not want it said that each of the brothers (Kishi and Sato) had invited the President but neither had been able to welcome him to Japan.

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ISCAP letter, 3-9-98

By AMG NARA, Date 1-4-99

The President said that he understood and felt the Prime Minister was acting wisely. He noted that all the advanced countries, including the United States and Japan, had similar problems with unpleasant radical minorities. However, he pointed out, the majority of Americans have been deeply impressed by the visit of HIM the Emperor, and by the Prime Minister, and are favorably inclined toward Japan.

Okinawa Reversion

An example of the favorable attitude toward Japan, the President said, was the speedy Senate approval of the Okinawa Agreement, in the absence of any of the opposition indicated earlier.

The Prime Minister expressed deep appreciation for all the President had done to insure the smooth approval of the Okinawan Reversion Agreement. Noting that he and the President would discuss Okinawa in detail tomorrow, he wished to limit himself today to this expression of appreciation.

The President said that the Prime Minister knew from his recent meeting with Secretary Connally in Tokyo that he (the President) wished to have emerge from this meeting a helpful announcement of our position regarding Okinawa. He agreed to reserve detailed discussions for tomorrow morning, and suggested that Secretary Rogers and Foreign Minister Fukuda might join in at that time. He wished to work out an arrangement which the Prime Minister could announce at his press conference following the conclusion of these talks.

Summit Talks -- Present and Future

The Prime Minister noted the President's series of meetings with President Pompidou, Prime Minister Heath and Chancellor Brandt, and said that he was pleased to take part in the President's first summit meeting this new year. He lauded the President's efforts to achieve real communication with the leaders of the Free World, at this time when a new poly-polar world is taking shape, and suggested that it might be desirable to develop a more permanent arrangement for the leaders of the five leading nations of the Free World (joined perhaps by several others) to continue their summit-level contacts on a multilateral basis. If the President had no objection, he said, Japan would endorse a proposal for a multilateral summit any time the President might wish to make it.

The President, first of all, noted the concerns expressed in Japan that he was meeting with the Prime Minister only after meeting first with the European leaders. He assured the Prime Minister that he had no thought of setting any one ahead of the others. What was involved, he explained, was that he felt it was important to discuss European matters with the French, British and Germans, and then to discuss Pacific matters with the Prime Minister. One advantage of their meeting now, he said, was that he could review for the Prime Minister the concepts developed in his earlier meetings with the other three leaders.

For example, the President said, he discussed with the Europeans the future course of NATO, our alliance with Western Europe, of which France is still a part, and American and European force levels in Europe. The forthcoming entry of the UK, and possibly other countries, into the EEC was also a subject for discussion, and, accordingly, so was the United States relationship to this new European community.

The President noted that the United States relationship with Europe differed from its relationships in the Pacific. He said that he made the point with each of the leaders he met (Pompidou, Heath and Brandt) that while we have a responsibility to maintain the closest consultations between the United States and the major European powers we must look at the world as a whole, which indicates a responsibility to also consult closely with Japan. The reason he believes this important is that in viewing the Free World, the great economic powers, the United States, Japan, Germany, Britain, France, and possibly Canada, must consult closely if we are to build a stable and productive Free World economy with trade and monetary stability. In a geopolitical sense also we cannot view the world as two halves, the Pacific half and the European half, but must view it in global terms. England, France and Germany no longer maintain a significant military presence in Asia, where Japan is the major Free World nation. Therefore, he believed that the development of a 5-power consultative process (adding Italy, perhaps, and Canada) would not only serve the economic needs of the entire Free World, but would also contribute to the development of cohesion in policy for handling all the difficult political and security problems that arise.

The United States, the President added, is in a unique position, having separate security treaties with Japan and the Western European nations, but since its policy must be global the United States cannot separate the two. Interestingly enough, he reported, all three European leaders expressed great interest in having closer relations with Japan in the

economic as well as other areas. A bad situation would result if the new Europe built a wall from behind which it could have an economic confrontation with Japan and the United States, just as it would be bad for the United States to isolate itself against Japan and Europe. The President stressed his belief that we all must inevitably compete, which is good, but must do so on fair terms. Therefore, he believed it important to get the Europeans to think as we do in the United States, that is, view the world as a whole, and to recognize that Japan must be an important part of the Free World community. Chancellor Brandt, he reported, explained Germany's arrangement for semi-annual bilateral consultations with Japan at the Foreign Minister level.

In summation, the President said that close consultations should continue for the time being on a bilateral basis, but might perhaps develop into multilateral consultations among the 5 powers later. In any case, he believes that closer consultations are indispensable in the maintenance of world peace.

The Prime Minister said there were many points in the above with which he agreed. He recalled Japan's earlier alliance with Britain (1903) and its joining of the Tripartite Alliance before the War, which he characterized as a mistake. While Japan in the past may have presented different faces to Europe and the United States, it now must present the same face to both with respect to the path it is following. Setting aside the separate matter of how the Free World might ultimately coordinate with the Communist nations, he agreed that it would be most significant to develop close consultations among the nations of the Free World. Apart from regular consultations between Foreign Ministers, he supported the concept of a 5-power summit conference, as suggested by the President.

The President asked him to clarify whether he meant a 5-power summit conference.

The Prime Minister responded that he did, but with the addition perhaps of Italy and Canada he did not feel any need to involve other countries. In view of the President's busy schedule, especially in this election year, he thought it better to hold such a 5-power summit later, first in the United States, the leading nation of the Free World, and then subsequently in rotation in the other Free World nations.

The President commented that the formation of the G-10 in the economic area has worked out for the good of the world.

The Prime Minister recalled that he was serving as Finance Minister when Mr. Black invited Japan to join the G-10. The monetary problem had been resolved, but he felt it would also be significant if the Free World military powers could coordinate in the interest of world peace and prosperity. He hoped the President would keep this idea in mind as he moved forward with his visits to Peking and Moscow; perhaps he could announce a formal proposal at some later date, not necessarily now.

The President said that this idea had some appeal. He recalled thinking to the same end in earlier discussions of his summit meetings with Dr. Kissinger. In fact, he said that he raised this point with each of the three leaders in his summit meetings, that we could no longer think only in terms of NATO alone as a separate matter, but felt it important to bring Japan, the major power in the Pacific more fully into the Free World community.

Dr. Kissinger said that indeed when the President first began to think of his summit conferences he considered a Big-5 Summit, but on reflection realized that he would be discussing with Japan matters of no concern to the others, such as Okinawa and Korea. For that reason the President decided to hold a series of summit meetings, but had indeed initially given some consideration to a Big-5 summit.

The President said that he would consider the idea later, and would pursue it after Moscow and Peking. He hoped that the Prime Minister would also pursue it in his meetings with the Germans and the French.

Japan's Position and Role

The Prime Minister explained that Japan has been limited to playing an economic role in Asia, hopefully of some use, because it cannot play a military role. He noted that during consideration of the Okinawa Reversion agreement and related legislation it became apparent that strong anti-war and anti-security treaty feelings persist, and even the PRC itself has criticized the revival of Japanese militarism. Japan thus finds it difficult to convince anyone that it is not going militaristic, which is considered to be inevitable in view of Japan's great economic power. He believed that Japan's present position is correct, that it should not seek to become a military power, and should seek to play a larger economic role within that context.

The President said that he understood the difficult position in which Japan finds itself: as the third strongest economic power in the world Japan must still depend on a commitment by another country, the United States, for its defense. He felt it extremely important for Japan to play the role it is, that is, an increasing economic role in Asia, particularly Southeast Asia, for the more such free nations as Indonesia and Thailand develop economically, the more difficult it will become to overthrow them by subversion.

However, the President pointed out, Japan lies on the rimland of Asia, with two great power neighbors, the USSR and PRC, both of which are military and nuclear powers. Japan's GNP is twice that of China's and is gaining on the USSR, but with all that economic power, and being linked to the economic fate of the free world (even if it is increasing its trade with Mainland China) Japan is naked before the world in terms of its self defense. The United States nuclear deterrent not only serves the United States, he said, but also Japan, under the Mutual Security Treaty. He realized this presented a major political problem in Japan, which the Prime Minister and his brother, former Prime Minister Kishi, have handled with skill in the face of radical opposition, but it seemed to him that Japan is faced with an unacceptable choice: either Japan develops its own deterrent power however unpalatable vis-a-vis its neighbors, who are armed with nuclear weapons, or it comes to an accommodation with them. He felt that the Prime Minister is more acutely aware of this than himself, but to put it into proper context he assured the Prime Minister that his forthcoming visit to Peking would in no way be at the expense of the commitments the United States has to its friends and allies in the Pacific, Japan, the ROK and Taiwan.

The President recalled the speculation at the time his China visit was announced, which he knew embarrassed the Prime Minister, that the United States would move toward mainland China at the expense of its allies, including Japan, but he emphasized that he has assured his friends, both publicly and privately, that there were absolutely no conditions attached to his visit.

The Prime Minister appreciated the President's remarks about China. With respect to nuclear weapons, however, he explained that Japan has adopted by unanimous resolution of the Diet a policy based on the three non-nuclear principles (non-production, non-introduction and non-possession of nuclear weapons). Therefore, Japan must rely on the United States nuclear umbrella under the Mutual Security Treaty. He suggested that the President might respond to any expression of fear

in Peking of Japanese militarism that the United States would not provide Japan any nuclear weapons, therefore Japan is not going militaristic. He also expressed concern about the depth of American criticism of Japan's "free-ride."

The President responded that this feeling is not directed only at Japan, but Europe as well, even though the Europeans have more of a military capability. Speaking personally, he emphasized that the United States has a Mutual Security Treaty with Japan in its own interest as well as Japan's, which is true also of its other treaties with the ROK and Europe. Unless the United States can justify these as being in its own interest, he did not believe the public would support them. As a good politician, he knew the Prime Minister would understand that as Japan's economic power grew and as Japan became more and more able to engage in healthy competition pressures inevitably would arise in the United States for Japan to assume a greater responsibility toward the defense of the Free World, if not by direct military means, then through economic means.

The Prime Minister agreed that it is quite natural that Japan should play a larger economic role, but in defense it has no other recourse except to the United States nuclear umbrella.

With respect to economic assistance, the Prime Minister noted that Japan's aid now totalled .93% of GNP, close to the OECD-DAC goal of 1% of GNP, and said that the GOJ would increase its governmental assistance to bring the total up to 1%.

In addition, the Prime Minister noted that all five permanent members of the UNSC are nuclear powers, but of these neither France nor the PRC have signed and ratified the NPT. He asked whether the United States, UK and USSR could persuade the other two to sign and ratify. He also noted that Japan has signed the NPT.

The President doubted that we had that kind of influence with China. He did not discuss this point with President Pompidou, who in any case did not seem ready yet to depart from DeGaulle's policy, but he did expect that France would sign at some future date. He did not expect China to do so. He added that Dr. Kissinger might have a different view.

Dr. Kissinger offered his impression that the PRC attitude is dominated by fear of the USSR, and that the Chinese are reluctant to do anything which might be useful to the USSR as blackmail.

The Prime Minister noted that the discussion was getting off the rails of its principal theme (China), but added that someday a way must be considered to get the PRC and France to accede to NPT.

The President asked whether Japan has signed the NPT.

The Prime Minister said that only ratification remains, which is being held in abeyance until the problem of inspection is resolved. If a fair system of inspection can be worked out, then this difficult problem of ratification would be resolved.

Hot-Line

The Prime Minister, turning back to China, said there was no need to dwell on the well-known shocking impact on other countries of the announcement of the President's visit. The Japanese evaluate highly this forthcoming visit to China, but in simple words he warned that the shock of the announcement on Asian countries ran much deeper than the President could even imagine. He realized that full consultation on such an affair would have been impossible, and even if informed, there was nothing he could have done anyway. However, this event pointed up the absence of a channel of communication with a major nation. Some time ago he had agreed in principle that a "hot-line" was necessary, but now the time had come for Japan to consider its installation positively.

The President agreed, and said that we could now implement the agreement to install a hot-line, which would be consistent with what he said earlier about consulting with the leading Pacific nation on the same basis as with the three European powers.

China

With respect to China, the President said that several steps are involved. First, the decision was made to make the visit; second, we were consulting and informing our friends before the visit regarding its substance; and third, we would consult with and inform our friends as appropriate after the visit. Therefore, he wished in particular to inform the Prime Minister of the purpose of his visits to the PRC and the USSR, as he has done with the European leaders. Following the visit, if desired by the Prime Minister,

he wished to make arrangements to inform him of the visit, and to present him reassurances regarding our commitments. He now wished to name Dr. Kissinger to follow-up on making arrangements to so inform the Prime Minister. He also explained that Dr. Kissinger has been present at all the meetings up to now, and if the Prime Minister thought it useful, perhaps Dr. Kissinger could explain the reasons for the visit and what is expected of it.

By way of preface, in a broader context, the President said the Chinese agreed to see us for reasons of their own, and we agreed to see them for reasons of our own, which sometimes coincided. Looming over all are US-USSR and PRC-USSR relations, and the fact that the PRC inevitably will become a major nuclear power within 20 years. He affirmed his own belief that the United States should attempt at this time to establish communications with China and not leave the PRC isolated in the heart of Asia, checked on the west by the USSR, its ideological enemy; on the south by India, with which it came in conflict in 1962; and on the east by the free nations of Asia, extending from Japan down through Southeast Asia. He pointed out that the great gulf in philosophy would always remain between the United States and the PRC, as long as they are Communists and we are non-Communist and have a great difference in interests. We should, he urged, use our influence to the extent that we can to discuss and resolve these differences, without which there would be an inevitable confrontation.

The President explained that what would come out of the meeting is not normalization, for there could be no normalization in the conventional sense between the United States and the PRC because the United States recognized the ROC and has a defense treaty with it, neither of which it intends to change. What will come out, he hoped, is a channel of communication and progress in other areas.

The Prime Minister said that Japan's view is quite different, and he asked how the President evaluated the UN invitation to seat Peking by adopting the Albanian Resolution.

The President replied that we opposed the expulsion of the ROC, and of course are most grateful for the high degree of leadership Japan exercised in this difficult situation. We felt, he said, that a bad precedent would be set by the expulsion of any UN member, and did not believe the expulsion of the ROC by the UN over our objection could be allowed to change, or abrogate our treaty with the ROC, or change our policy of continuing to recognize the ROC.

The Prime Minister agreed with him in that respect, but pointed out that we could not ignore the fact that the PRC is seated in the UN.

The President replied that we accept that fact, because as a member of the world body, we should accept majority rule. However on the other hand we would stick to our national policy of continuing to have relations with the ROC and of maintaining our defense agreement. In his view, he said, important as the UN is, it could not be allowed to dictate the policy of a great nation. The UN is one world, and there the PRC is the only government of China. Of course, he added, there are other worlds, and there we have relations with the government on Taiwan and are beginning discussions with the PRC. He recognized that this seems inconsistent, but the world we live in has many divided states, East and West Germany; and North and South Korea. He found it interesting to note that the one point on which the PRC and ROC did agree is that there is one China; their debate is which of them is it's government. We believe that in the long historical process this should be decided peacefully by the two of them. Meantime, he said, we have a long history of friendship, alliance and defense arrangements with the ROC and will continue this relationship. At the same time, on the basis he described above, we would meet the PRC on a pragmatic basis to see whether we had matters of mutual interest. In these terms, he did not feel that recognition in the formal sense is so important, and did not expect to reach such an agreement in Peking.

At the President's suggestion, Dr. Kissinger said that the President could hardly get out of line since Ambassador Ushiba checks up on him every three or four days. In general, he said that our assessment, as the President pointed out, is that China and ourselves have been brought together, each for reasons of our own. Had the President announced last year at this time that a United States delegation would visit Peking within four days of bombing North Vietnam and would receive a warm welcome he would have been accused of a monstrous credibility gap, We do not have to give up our old friends to visit the PRC, he observed, but we did need room for maneuver to demonstrate that Moscow did not speak for the entire Communist Bloc. He gave assurance that no friend of the United States need fear that we would jeopardize their interest, especially Japan.

The Prime Minister felt it necessary to discuss this subject at greater length because there were points difficult for him to understand: the United States did not seem to understand Japan's position and Japan did not understand the United States position. Obviously, more time was needed for discussion.

The Prime Minister then explained Japan's view. Japan had concluded a peace treaty with the ROC, at a time when it was not an error to select the ROC with which to conclude a peace treaty with China. However, since the UN adopted the Albanian Resolution, Japan must view the PRC as the representative of China. Still, no progress has been made in convincing Peking to talk to Japan. With respect to Taiwan, both Chiang Kai-shek and Mao agree there is only one China, which therefore leaves Taiwan as a domestic affair. Japan is attempting to normalize its relations with Peking, but does not intend to abrogate its treaty with Taiwan prior to normalization and feels that the handling of the treaty with Taiwan will be resolved in the process of normalization.

The Prime Minister cautioned that a great problem would be caused by an attempt to create two Chinas, or an independent Taiwan. Another point to consider, he added, is that the Soviets would probably come into Taiwan if the United States were to withdraw.

China is one, the Prime Minister reiterated, but he wished to hear the United States view of the future of its treaty with the ROC, or whether the United States felt that Taiwan represented all of China. Should the United States try to push through this latter view he warned that it would be too big a fiction. Should a separate Taiwan be created, apart from China, he said that it would add another divided state to the list of Germany, Korea and Vietnam. To recognize Taiwan as it is now would simply create a great problem.

Therefore, the Prime Minister said he found the United States position difficult to understand, just as the United States might find it difficult to understand Japan's position.

Japan, the Prime Minister recalled, had no right to speak about Taiwan, having abandoned all such rights at the time of surrender, but Japan could say that Taiwan is a part of China, and that Japan has a treaty with the government of which Chiang Kai-shek is the elected head.

The Prime Minister also hoped that Dr. Kissinger would keep in mind the need to protect the ROC seat in the IMF and World Bank and other international financial organizations in which it is seated.

The President said that this is our position. We are aware of the difficulties of this problem over-all, wrestling with them as the Japanese do, but, he added, there is one more dimension to consider, since Taiwan is part of a defense complex to safeguard the security of free Asian nations. Our treaty with Taiwan, he stressed, is also related to this free Asia defense complex.

The Prime Minister understood this, and assumed it was related to the President's statement that he would not abandon old friends. He then asked whether the President would open a liaison office in Peking during his visit there, even if he did not establish an embassy.

The President replied that this would be a matter for discussion, but there were no conditions as to what might develop.

Dr. Kissinger added that no form, as such, has been discussed, but felt perhaps that an emissary might visit Peking from time to time, although no one knew for sure what would develop.

The Prime Minister asked whether the United States is considering an independent status for Taiwan, or some revived form of the Nationalist-Communist Common Front (Kokkyo-Gassaku). He also asked whether the United States would agree to withdraw its forces from Taiwan if the PRC agreed not to liberate it by force.

The President replied that there are possibilities there. Nothing, however, could be predicted because these would be subjects for discussion. He emphasized that both sides begin with the understanding that what is not negotiable is the United States treaty with the ROC, or its recognition of the ROC. On other matters, all he could say at this time is what he has said in general terms about our position. In the future, he felt, both governments would make adjustments. He believed that he would stand firm on that position at this time with the PRC. Of course, he said, he strongly opposed the resolution of the Taiwan situation by force.

To rephrase his views, the President did not believe the China problem would soon be solved. As he said initially, to put this in perspective, one of the principal reasons (not a secondary one) the PRC is meeting us is not Taiwan, which while important ranks down the scale. Our reason for meeting them is not Vietnam, although this is a special problem. Without knowing more, he declined to speculate on the motives of the PRC, but in their view of history he felt that they see themselves surrounded by a wall of enemies. The United States and PRC are not ideological friends, but it serves the interest of both not to act as enemies. We disagree with respect to the difficult problems of Taiwan, Vietnam and Korea, but despite these, he said, there are other compelling, overriding reasons for both countries to develop a new relationship.

For example, the President said, Dr. Kissinger was firm in his discussions of Korea with the Chinese, and as an indication of firmness we are adding \$250 million in funds for the ROK to the budget which will be published in two weeks, as a clear signal on Korea.

Dr. Kissinger said that the budget would also make clear our intent to maintain the present force level in the ROK through FY 73, not that we intended to reduce them afterward, but our budgets are on an annual basis.

The Prime Minister said the Koreans fear a troop cut after FY 73. In fact, he said, Taiwan and the ROK are both deeply concerned, but he believed this new budget would help allay their fears.

The Prime Minister also noted that he had been approached by ROK officials in Tokyo, just as the USG has been approached by the ROK Ambassador in Washington, to request that the United States not cut its troop level. More than that, however, the ROK wishes to have Japanese assistance in building its defense industry, he said, but Japan cannot engage in joint ventures to produce arms. He said that the United States could help in this area.

The President suggested that Japan could help in other ways.

The Prime Minister agreed, and Japan is, for example, by extending \$300 million in economic assistance over the next couple of years to help finance a new subway in Seoul.

Returning to the question of Japan normalizing relations with the PRC, the Prime Minister again said that the PRC represents China, but Japan has friendly relations and a treaty with Taiwan, and is completing all loans to Taiwan previously negotiated. Japan is even prepared, he said, to work out new loans, wishing of course to do so without upsetting Peking.

As previously explained, the Prime Minister said that Japan has separated economics and politics in dealing with China up to now; it has political relations with Taiwan and economic relations with both Taiwan and the PRC. Now, if Japan's normalization policy succeeds, it will have its principal political and economic relations with Peking, and only economic relations with Taiwan.

The Prime Minister felt that he should also add that the position of Taiwan has not changed in terms of the Mutual Security Treaty between Japan and the United States.

The President felt he must make two points. First, Japan and the United States are each sovereign countries and each must make its own decision. Second, even though we lost the vote in the UN, it was very much noted in the world and very much appreciated in the United States that the United States and Japan stood close together on this issue.

In Europe, the President commented, some Europeans with a deep sense of history feel that France and Germany are competing on the road to Moscow. He could not guess whether this is true, but in any such race neither Paris nor Bonn could win, only Moscow. When his own visit to Peking was announced there was, he knew, criticism that Japan had been left behind, but he cautioned that if Japan and the United States were to engage in a competition to see who could normalize its relations with Peking quickest, it would serve the interests of neither. By this he did not mean to say that we should do everything together. Indeed, he recalled, in 1965 and 1967 he told Mr. Kishi why he felt that it was in Japan's interest to have trade relations with the PRC. The last thing we want to do, he avowed, is to normalize our own relations with Peking at the expense of Japan, leaving Japan behind. Instead we seek relations that serve the interests Japan seeks to serve, which serve both our interests because of the security problem we share in the Pacific. We should, he urged, consult closely on what we would do.

The Prime Minister agreed emphatically that we should consult.

Korea and Okinawa

Turning to Korea, the Prime Minister reported that former ROK Prime Minister Chung Il-Kwon had recently visited Japan to request additional Japanese economic aid, and to report on the latest intelligence on North Korea's plans, which could bear watching.

Incidentally, the Prime Minister noted that the PRC has recently required that all Japanese visitors to Peking also go to Pyong-yang. The PRC is now helping North Korea greatly, and North Korea which once leaned toward the USSR is now leaning toward the PRC. PRC military aid is primarily directed to the army, he said, but North Korea is still dependent on the USSR for aircraft and shipping, for example new planes and the shipyard built at Seishin with Soviet aid.

The Prime Minister cautioned that ROK fears are related to Okinawa reversion, but added that the Pentagon is well aware of this.

The President replied that the point was strongly made in the Senate during hearings on the Okinawa Agreement that the United States should maintain its bases in Okinawa to meet its security commitments not just to the ROK but also Japan. We wished to be as forthcoming as we could regarding Okinawa, but he emphasized that we had no wish to be put in the position that those who supported the Okinawa Agreement in the Senate would feel that we had not maintained an adequate defensive capability.

The Prime Minister noted that Secretary Rogers and Foreign Minister Fukuda are now discussing Okinawa in their meeting. He hoped to discuss Okinawa with the President tomorrow.

The President said that he and the Prime Minister would finish what they started.

Indochina

Perhaps the timing is bad just at the end of the bombing of North Vietnam, but the Prime Minister noted that the President had not said much today about Indochina. If an occasion arose to discuss the subject in Peking, he wanted the President to know that Japan would be prepared to contribute to a special rehabilitation fund for Vietnam. However, he cautioned, this should be established outside the ADB, in which Taiwan is a member but the PRC is not.

The President expressed appreciation for this offer. The possibilities, he suggested, would depend on whether an agreement could be reached for a cease-fire, the withdrawal of forces and the return of all our POWs. Whether this matter is discussed in Peking depends on the situation at that time, he said, but meanwhile, we are pressing forward on the negotiating front. We have, he said, made many forthcoming offers to North Vietnam without success. He explained that the objective of the bombing of the North was to protect our troop withdrawals, reduce our casualties and enable the ARVN forces to contain a North Vietnamese offensive being planned for sometime between January and March. He revealed that he planned to announce another withdrawal later this month. While current intelligence indicated an enemy offensive in preparation, he expressed confidence that the ARVN forces are strong enough to defend themselves, although he conceded they will lose a few battles and win a few.

The President explained that our activities in Cambodia and Laos are related to Vietnam and Thailand, because if North Vietnam overran either or both it would imperil the future of South Vietnam and Thailand. He assured the Prime Minister that the Vietnamization program has succeeded, and the RVN now has the military potential to defend itself. American forces, he noted, are no longer engaged in ground actions. He also assured the Prime Minister that we are making every effort to negotiate a solution, including a cease-fire, withdrawal and return of POWs. North Vietnam should agree, he felt, because it no longer could expect to take over South Vietnam by military forces.

It would be difficult, the President said, for either the PRC or the USSR to be helpful in Vietnam, because neither could fail to support a sister socialist state.

The Prime Minister asked whether the PRC and USSR had more influence on North Vietnam.

The President replied that PRC influence was predominant in 1964 and 1965, but as the USSR began to furnish most of the heavy equipment between 1967 and 1969 its influence increased, and now is greater because it provides more equipment. The Chinese, however, have influence for other reasons, principally that the PRC is a big, neighboring country.

The President stated that the principle we are defending has broader application than Southeast Asia; if military actions with the support of the USSR and/or PRC succeed in overrunning another country, with no reaction by the non-Communist powers, this would encourage both to engage in such acts.

India-Pakistan

The President said that we face a situation in South Asia in which India, a nation of 600 million people with a democratic government moved against Pakistan, a smaller nation with some 60 million people under a military junta. However big and democratic India might be, if it swallows its neighbor with USSR support, the future of any small country is endangered.

The Prime Minister noted that PRC and USSR involvement differed in each case, Vietnam, Korea and India and Pakistan. In particular, there is a glaring difference in approach between the two with respect to the Indo-Pakistan conflict, which he believed could be exploited. He had expected a protracted conflict, but the Indo-Pakistan war ended quickly in a truce.

While Japan wished to cooperate in providing humanitarian aid for international relief for refugees, he felt time would be required before recognizing Bangla Desh.

The President said that we take a forthcoming view with respect to humanitarian aid, and the Congress is opposed to aid which can be converted to war-like purpose. He agreed that it would be premature to recognize Bangla Desh because it had not yet established a government secure enough to give assurances of its survival. He said that the United States would not recognize until the situation clarified.

The Prime Minister instructed Ambassador Ushiba to keep in touch with Dr. Kissinger on this matter.

The President explained his position. Important as he considers India's survival as a non-Communist nation, we opposed its military action against a neighbor to resolve a political question, not because of any difference in philosophy of government, but because India's actions set a bad precedent. Therefore, we opposed India and the USSR at the UN. Perhaps, he concluded, lady chiefs of state are dangerous, since both India and Israel have been led in war by women.

The Prime Minister felt it was better when India was completely neutral, but with Soviet support, and access across a land frontier India felt itself strengthened against Pakistan.

The President reviewed our attempt to work out a settlement on a political basis, including \$500 million for refugee relief, and getting Yahya Khan to agree to a unilateral troop withdrawal, but India moved in its own interest.

Dr. Kissinger reviewed a study which disclosed that the United States provided India some \$2 billion in economic aid since 1965. During the same period, India purchased \$800 million worth of arms from the USSR and produced an additional \$175 million itself. In effect, he concluded, we financed India's military build-up. During the same period, we provided \$50 million in aid to Pakistan, which received an additional \$100 million in military aid from the PRC. This 10-1 increase in military capability gave India an enormous advantage.

The President said this rendered ridiculous any charge that Pakistan attacked India; it knew it would lose. It was India that attacked Pakistan, with Soviet assistance.

Southeast Asia Economic Aid

The Prime Minister noted that Thailand in particular depended on United States assistance, and would be seriously troubled by a withdrawal of American forces. He requested that assistance for Thailand as well as Vietnam be kept in mind by the President.

The President urged that Japan not forget Indonesia, a nation of 140 million people in possession of tremendous natural resources, which could serve as a great prize. He noted that Cambodia, which is receiving assistance, differs from Vietnam where there is a civil war; actually Cambodia is being invaded by a foreign power.

The Prime Minister explained that the Rehabilitation Fund he discussed earlier should be made available to rebuild Cambodia and Laos as well as Vietnam. He agreed on the need to help Indonesia, where Suharto, unlike his predecessor, is inclined toward the Free World and should be supported.

The Prime Minister concluded by thanking the President for taking so much time with him.