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THE PRESIDENT HAS SAID...

THE WHITE HOUSE

WASHINGTON

March 10, 1976

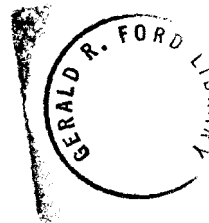
MR PRESIDENT -

Reply to Prime Minister Miki
Concerning Charges of Lockheed Bribery

Jack Marsh just returned from Texas and made the following comments concerning the reply to Prime Minister Miki:

"I concur in the purpose and text of the letter but question if the President should be the signatory. I would prefer he not personally involve himself to this extent."

Jim Connor



THE PRESIDENT HAS SEEN....

THE WHITE HOUSE

WASHINGTON

March 10, 1976

MR PRESIDENT:

Reply to Prime Minister Miki
Concerning Charges of Lockheed Bribery

The attached package prepared by Brent Scowcroft
was staffed to Messrs. Marsh and Morton.

Rogers Morton concurs in the NSC recommendation.

Jack Marsh is attending the Wright Patman funeral
and will return to the White House this evening
at approximately 7 P. M.

NSC is pressing that this matter be brought to
your attention immediately.

As soon as Jack Marsh's comments are received
we will send them forward. — attached

Jim Connor



Letter signed 3/11/76 + sent to NSC

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

March 10, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT *BS*

SUBJECT: Reply to Prime Minister Miki Concerning
Charges of Lockheed Bribery

The disclosure by the Subcommittee on Multi-National Corporations of the Senate Foreign Relations Committee of alleged payments by the Lockheed Corporation to high officials of the Japanese Government to secure favored treatment has stimulated great political turmoil in Japan. The continued stability of the Japanese Government and relations between the United States and Japan will be heavily influenced by the effectiveness with which both governments move to investigate the matter and bring it to a conclusion.

Not long after the allegations became public both Houses of the Japanese Diet passed resolutions urging that the United States Senate and the Executive Branch make available unpublished material relating to the Lockheed matter and, to facilitate cooperation between the two governments, that Japan dispatch a special envoy to the United States for discussions. Following the passage of these resolutions, Prime Minister Miki wrote to you (Tab B) to ask your cooperation in facilitating access to the "relevant" information, to include the names of Japanese officials involved. Informal discussions since the Prime Minister's letter was written have resulted in a tentative scenario for cooperation between our two governments in the investigation. The proposal calls for talks to be held between law enforcement officials of both governments as soon as possible, directed at reaching agreements on procedures for providing access on a confidential basis to relevant information held by U.S. investigatory agencies. These procedures would include safeguards against the compromise of evidence relevant to U.S. investigations by the SEC or Justice.

This proposal has been formalized in a draft reply to the Prime Minister's letter for your consideration (Tab A). In addition, the

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EO 11652 (as amended) SEC 33

11-044, #2

State Review 9/20/11

del 2/12/12



CONFIDENTIAL

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letter expresses your support for the need to develop new rules to cope with corrupt practices in international commerce. Although the Japanese Government has not finally agreed to the approach outlined in the letter, it is our understanding that Prime Minister Miki is personally committed to it and will give it vigorous support. Following receipt of your reply, it is anticipated that the Japanese Government will announce the dispatch of appropriate officials to the U. S. and that discussions will commence immediately upon their arrival.

RECOMMENDATION:

That you sign the letter at Tab A (the text has been cleared by Mr. Hartmann's office). Phil Buchen concurs.

CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

Dear Mr. Prime Minister:

I have received your letter of February 24. I wish to assure you that I share fully your desire that the allegations concerning Lockheed activities in Japan be clarified without delay. The United States Government will continue to support your efforts to pursue further an investigation of this matter.

The Department of State has forwarded to the Senate and to the Securities and Exchange Commission your requests for all available information in their possession pertinent to Japan. I believe that much of the material that your government has asked for from the Senate Subcommittee on Multinational Corporations has been provided. We are prepared to make arrangements to share with your government the information developed by the SEC in the course of its inquiry.

I suggest that officials of our two governments meet without delay to work out such arrangements. These procedures would permit law enforcement officials from Japan to work in close cooperation with their counterparts here, with access, on a confidential basis, to relevant information held by United States investigatory agencies. The legal and administrative practice of the SEC is not to make public any material relating to an investigation until the investigation is completed. Premature disclosure of such information could well prejudice the investigation and any law enforcement actions which might ultimately be taken in the United States. It could

DECLASSIFIED

E.O. 13526 (as amended), SEC 3.3

REF ID: A66444 # 3

State Review 9/20/11

dal NARA Doc 2/2/12




also prejudice the rights of individuals, whether or not they may ultimately become defendants in criminal actions. These basic requirements of United States law and practice must be respected, as of course must those of Japan. If these principles are protected, I am sure we can work together effectively.

Arrangements such as I am describing would allow your government's inquiry into this matter to go forward without hindrance. I hope that such arrangements will prove satisfactory to you.

I agree completely, Mr. Prime Minister, that it is in the interest of both our countries that this matter be cleared up as soon as possible. I also welcome your expression of the need to develop new rules covering corrupt practices, and I hope the Government of Japan can support the United States proposal for an international agreement to curtail such practices. Finally, Mr. Prime Minister, I am confident, as I know you are, that this unfortunate affair will not damage the fundamental and permanent friendship between our countries, which continues to be of crucial importance to the cause of peace and progress in Asia and in the world.

Sincerely,

His Excellency
Takeo Miki
Prime Minister of Japan
Tokyo



OFFICE OF THE PRIME MINISTER
TOKYO

February 24, 1976

Dear Mr. President,

As you may recall, we agreed last summer to cooperate with each other for the protection of democracy and for the furtherance of amicable relations between the United States and Japan, affirming the permanent friendship between the two countries. We also promised to exchange our frank views with full confidence in each other.

As both the United States and Japan are now confronted with the unpleasant problem concerning Lockheed, it is with this confidence that I wish to convey to you my concern about this problem.

Yesterday, both Houses of the Japanese Diet adopted important resolutions on this matter, the copies of which are enclosed herewith for transmittal to your Government. That the Japanese Diet, the highest organ of state power under the Constitution, adopted such resolutions is a matter of great note and indicates the importance the Diet attaches to the clarification of the problem.

The Japanese political circle has been profoundly shaken by the reported allegation made at the public

hearings



hearings of the Senate Sub-Committee on Multinational Corporations that Japanese government officials received payments from Lockheed. A grave concern is spread throughout Japan at present that, if the whole issue is kept unsolved with the names of the officials involved remaining in doubt, democracy in Japan may suffer a fatal blow. I share this concern. The disclosure of all the relevant materials including the names of the officials involved, if any, would serve better the interest of Japanese politics and of the everlasting friendship between the United States and Japan.

Mr. President, the utmost efforts are being made here to unveil the truth, and I hope that the United States will continue to cooperate with us for the further clarification of the problem. I am convinced that Japanese democracy is strong enough to stand the test. The truth must be sought with courage and we have the confidence to face up to its consequences.

I also share your view of the need to make new international rules on the behavior of multinational enterprises. I look forward to our close consultation to this end.

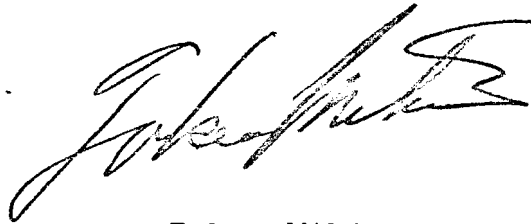
Mr. President, at this moment when you are otherwise heavily engaged in your immediate duties, it is my earnest

hope



hope that you will understand my genuine concern in this matter. I would appreciate your consideration in securing continued cooperation by the United States Congress and Administration in clarifying the whole matter, in response to the requests by the Diet and the Government of Japan.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Takeo Miki', written in a cursive style.

Takeo Miki
Prime Minister of Japan



Resolution on the Lockheed Problem

(House of Representatives, February 23, 1976)

WHEREAS, the Lockheed problem, which has arisen in connection with the testimonies at the recent hearings of the Subcommittee on Multinational Corporations of the Committee on Foreign Relations of the United States Senate, has profoundly affected the national sentiment of the Japanese people; and

WHEREAS, the true picture of the problem should be explored and made known thoroughly and promptly; now, therefore

BE IT RESOLVED by the House of Representatives that the House requests the United States Senate and the Government of the United States of America for their special consideration in making available all unpublished materials on the Lockheed problem, as it pertains to Japan, including the names of the so-called high government officials; and

BE IT FURTHER RESOLVED that the House firmly believes that to clear all doubts on the problem is important for the true friendship between Japan and the United States and is the way to respond to the desire of the Japanese people; and

BE IT FURTHER RESOLVED that the Government of Japan, in pursuit of the above, should on its part take every possible measure, including inter alia the dispatching of a special envoy to the United States, for the clarification of the problem.



Resolution on the Lockheed Problem

(House of Councillors, February 23, 1976)

WHEREAS, the Lockheed problem, which has arisen at the recent hearings of the Subcommittee on Multinational Corporations of the Committee on Foreign Relations of the United States Senate, has profoundly affected the national sentiment of the Japanese people; and

WHEREAS, the true picture of the problem should be explored and made known thoroughly and promptly in order to remove the feeling of political distrust mounting among the Japanese people and to protect parliamentary democracy; and

WHEREAS, the House of Councillors firmly believes that to clear all doubts on the problem is the way to respond to the desire of the Japanese people and is most important for the true friendship between Japan and the United States; now, therefore,

BE IT RESOLVED by the House that the House requests the United States Senate and the Government of the United States of America for their special consideration in making available, without exception, unpublished materials on the Lockheed problem, as it pertains to Japan, including the names of the high government officials; and

BE

BE IT FURTHER RESOLVED that the Government of Japan, in pursuit of the above, should positively take every possible measure, including inter alia the dispatching of a special envoy to the United States, for the clarification of the problem.



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 10, 1976

Time:

FOR ACTION:

cc (for information):

EYES ONLY

✓ Jack Marsh
✓ Rogers Morton

FROM THE STAFF SECRETARY

DUE: Date: IMMEDIATE TURNAROUND Time:

SUBJECT:

Brent Scowcroft memo 3/10/76
regarding Reply to Prime Minister Miki
Concerning Charges of Lockheed Bribery

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Your immediate attention to this matter is required. Please return all papers with your decision.

Morton - concurs



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James E. Connor
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 10, 1976

Time:

FOR ACTION:

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EYES ONLY

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For Your Comments

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REMARKS:

Your immediate attention to this matter is required. Please return all papers with your decision.

I concur in the purpose and text of the letter but question if the President should be the signatory. I would prefer he not personally involve himself in this extent.

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For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

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- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Your immediate attention to this matter is required. Please return all papers with your decision.

Morton concurs
RCM



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James E. Connor
For the President

THE WHITE HOUSE
WASHINGTON

August 2, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: MAX L. FRIEDERSDORF *mf*

SUBJECT: Senator Mike Mansfield

Senator Mansfield requested the attached report on his trip to Japan be brought to the personal attention of the President.



THE WHITE HOUSE
WASHINGTON

August 6, 1976

ADMINISTRATIVELY CONFIDENTIAL

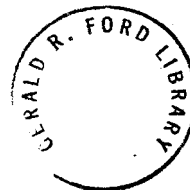
MEMORANDUM FOR: BRENT SCOWCROFT
FROM: JIM CONNOR *JEC*
SUBJECT: Report by Senator Mansfield
on Trip to Japan

The President returned the attached report by Senator Mansfield covering his trip to Japan and asked that it be sent to you with the following notation:

"I have read.
Very interesting.
I suggest a thank you letter to
Senator Mansfield"

Please follow-up with appropriate action.

cc: Dick Cheney
Max Friedersdorf



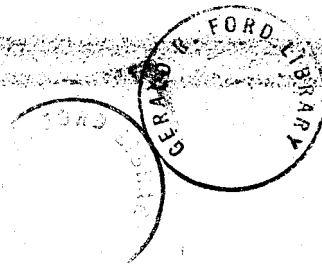
THE WHITE HOUSE
WASHINGTON

Brent Swartz

I have read.

Very interesting.

I suggest a thank
you ltr. to Sen. Mansfield.



MIKE MANSFIELD
MONTANA

United States Senate
Office of the Majority Leader
Washington, D.C. 20510

August 2, 1976

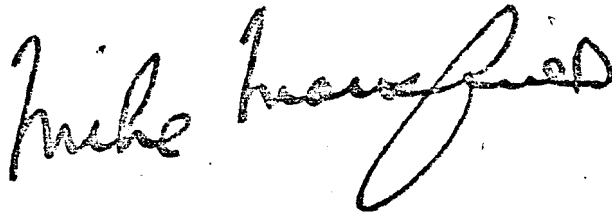
Dear Mr. President:

During the July recess, I made a trip to Japan to study the state of United States-Japan relations and Japanese attitudes concerning a number of important foreign policy questions. During my stay in Japan, I had discussions with Prime Minister Miki and a number of members of his cabinet. In order that you have a full report on those discussions, I am enclosing a copy of the notes of the meetings.

I will, of course, send you a copy of the public report of my trip as soon as possible.

With best personal wishes, I am

Sincerely yours,



Enclosures

The President
The White House



PERSONAL AND CONFIDENTIAL

Notes of a Meeting Between Senator Mansfield and Prime Minister of Japan Takeo Miki, Friday, July 13, 1976, in the Prime Minister's Office.

The meeting began by Miki saying: "I am pleased to welcome you. You are an old friend. I know you have been very kind to meet with visiting Japanese in Washington. We are very grateful for your contributions over the years to our country during the many years of your service in the Senate. You have been Majority Leader for 16 years, I believe, the longest in history. It is being said that the industrial democracies all over the world are facing a crisis and I would like to know how you see the future of the industrial democracies."

Mansfield: "First, I would like to say that it is a personal privilege to meet the Prime Minister. I look on him, not just as a leader of his country, but as a world statesman. He has carried the message for Japan far beyond his own country, and with prestige, honesty and dignity. Now to your question.

"I think, first, that democracy is like what Winston Churchill said -- it is the worst of all governments, except for all of the others. It is the most fragile form of government and because of its delicacy it has to be nurtured all of the time. Because the government is not really made up of people like the Prime Minister, the Ambassador or myself; government is really the people who are responsible for putting us in a government. Democracy, in my opinion, is in no danger of declining. But as changes occur we have to change with them. It appears that what democracies face is a period of transition. Perhaps we are approaching the end of an era. We have to learn from the past, build anew on the past, and look to the future. No one in the democracies can carry that burden. That is why we have to work together -- bilaterally and multilaterally with Europe. We are all in the same boat. We will make it together.

"Now I would like to turn the tables. Instead of asking the Prime Minister questions, maybe the Prime Minister would like to ask me questions. I have seen several of your cabinet members and have asked them many questions. Perhaps you would like to ask me about the future?"

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AUTHORITY State RAC Review 2/20/04

BY ML NLF, DATE 6/9/05



Miki: "My first question is, what is the outlook for U. S. foreign policy; what is the future of your foreign policy? Which way is it going?"

Mansfield: "We will maintain the treaty relationship with Western Europe. This is a very important aspect of our policy. We will maintain more interest in the Far East, especially in Japan because we think the future of the Pacific lies within the hands of our two nations. I would assume that, when a new Administration is elected in November, there would be a closer relationship between the Pacific nations and the United States. The campaign will be over and there should be a four-year period of permanence ahead. Just as Ford is now being buffeted and is being forced to take positions he may not like, if he is elected. But I don't think that he will be elected. I believe that Carter will be elected. Then the newly-elected President will have a period when he will be free from this kind of buffeting."

Miki: "Yes, it might differ as to who is elected but he will have four years. And, during that period, what do you think will happen?"

Mansfield: "I believe you have a good idea as to what Ford would do. I don't know about Reagan. But Carter has indicated, in his trip to Japan with a Tri-lateral group and his speech at the Waldorf, that he thinks relations with Japan should be closer. And on Asian mainland matters there would be no shock treatment; there would be consultation beforehand."

Miki: "I read the speech by Carter in New York. Last May when he was here I met him at lunch."

Mansfield: "Were there any pictures taken?"

Miki: "Yes."

Mansfield: "Then give me one and autograph it and I will take it to Carter personally." Then he will write you back and you can start a dialogue."

Miki: "Yes. The relations between our two countries are very good. My relations with Ford have been good. Unfortunately, we had the



Lockheed incident but I will do my best to retain our good relationship. The fact that relations are good is the fundamental reason for maintenance of stability in the Pacific."

Hodgson: "Senator Mansfield served in the Senate with Senator Mondale, the new Vice Presidential nominee, for many years. Maybe he can tell you a little bit about him."

Miki: "I know Humphrey well, but I don't know Mondale. What can you tell me about him?"

Mansfield: "He has been in Humphrey's shadow but has a mind of his own. He has a very good mind. He is well versed on tax matters, on labor, and on health and welfare matters. I know that he will develop an interest in the Far East and Japan. You will like him."

Miki: "In your opinion, what is the matter of highest interest for America in the Far East now?"

Mansfield: "First, to maintain and strengthen our alliance with Japan. Second, to improve our relationship with China. Third, working out mutually satisfactory base arrangements with the Philippines. Korea is also an important part concerning stability in this area.

"I hope before too long that we will establish diplomatic relations with Vietnam and Cambodia and send an ambassador to Vientiane. The sooner we put the Indochina war behind us and face up to the future the better off we will all be. I believe in time we will establish relations with all nations in the area on a new plateau which will help maintain stability of the entire area, including Southeast Asia."

Miki: "Just the other day the Ambassador from Hanoi visited me. He was rather moderate about the ASEAN nations. He believes that Vietnam should maintain relations with its neighbors. Japan has diplomatic relations with Hanoi. I hope we can maintain good relations with ASEAN and Vietnam and encourage cooperation between them. I hope we can help them in working on Indochina's problems."



Mansfield: "I agree. I hope Japan can help. Maybe ASEAN can be expanded to include Indochina and then, eventually, Burma to the West. It would be an important grouping and could play an important role in Asia."

Miki: "Vietnam is trying to recover from a long war. They have a lot of work to do to recover. Poverty and peace cannot co-exist. I believe that Japan can help in the economic development in that region."

Mansfield: "It's a natural."

Miki: "What about United States relations with China?"

Mansfield: "The Shanghai communique said that there is only one China. Both Chiang and Mao have always said this. The President stopped in Honolulu after his visit to Peking and said that the goal of the United States was to continue to move to full normalization of relations of China. When that will be, I don't know. Also, the communique said we would reduce our forces on Taiwan, pending the end of the war in Vietnam. We have reduced our forces from 10,000 to 2,000 and recently five U. S. advisors were withdrawn from Quemoy and Matsu. But the question of full normalization can be faced up to more fully after the election. I can't say how long it will take to normalize. I believe that China is not prepared to use force to bring Taiwan into the People's Republic but is prepared to use patience, depending upon events, because, in their mind, there is no question that Taiwan will eventually be part of China. There is no question in many minds in the world. But as long as the treaty is in effect it will be upheld. In my mind, when recognition comes, I believe it will negate the treaty. I can't say when that will come. But I believe that it is inevitable, although not in the immediate future, sometime in the future."

Miki: "Did you know that in 1973 when you were in Peking and watched a ballet, I was there too. Chiang Ching was there, also. (They then reminisced a bit about the incident, which actually happened in 1972.)"

Miki: "What about relations with the Soviet Union?"



Mansfield: "I believe that our relations will continue to be difficult and delicate. There is more public uncertainty about the Soviet Union than the People's Republic. The results of the SALT talks and other events have raised questions in the minds of the American people and also about detente in general. But I believe detente will continue, in spite of the word being dropped temporarily, because it is better to talk than to let things deteriorate and grow worse. The United States is concerned about the Soviet buildup in the Indian Ocean but I personally believe there has been some exaggeration about this. There is also concern about the Soviet naval maneuvering in this part of the Pacific. It is a tenuous relationship. We are observing with interest the possibility of Japan's joining with the Soviets in resource development. Also we are observing the Chinese aspects of this situation. We are watching, waiting, and keeping our guard up."

Miki: "How about the Korean peninsula and U. S. relations there?"

Mansfield: "We had a high of some 50,000 troops there and now they are down to 40,000. Carter stated that he thought there should be a gradual reduction on the peninsula over a period of time. I do too. We have a treaty which covers outside aggression, not internal aggression. Maybe Kim Il Sung did have designs after Vietnam fell, but I don't really know for sure. But apparently China and the Soviet Union helped to calm him down. I believe a gradual reduction in our forces would be a reasonable possibility. It would not mean that we were not honoring our treaty. The important factor is air power and there would be an air umbrella as there is for Japan. It brings me to a question. Do we have too many bases and military personnel in your country?"

Miki: "As far as the bases in Japan, the problem is in Okinawa. It is a very small island and the area your bases take up is 20% of the main island and 12% of the entire area. They elected a governor recently from the opposition party. We have tried to explain to the Okinawa people about the cornerstone of the treaty relationship. But there is a land problem and we have to deal with it. Overall, the problem is on Okinawa at present."

Mansfield: Didn't I read that 12 bases are to be reduced bringing down to 10% our holdings in the area? We have reduced all of our



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PERSONAL AND CONFIDENTIAL

Notes of a Meeting Between Senator Mansfield and Deputy Prime Minister and Director General of the Economic Planning Agency, Takeo Fukuda, on Wednesday, July 14, in Fukuda's Office

Fukuda began by speaking English. He asked: "When were you here last?"

Mansfield: "Seven years ago."

Fukuda: "Are you going to visit any other countries this time?"

Mansfield: "Mr. Valeo is going to Korea, and Mr. Jones to Taiwan and Okinawa, but I have to go back to Washington."

Fukuda: "At present, Japan is having quite a bit of publicity about the Lockheed affair. We call it the Lockheed 'typhoon.'"

Mansfield: "The typhoon is all over the front pages."

Fukuda: "The Japanese newspapers don't seem to get tired of reporting about it since the affair started in February. But everybody else is getting tired. Many reporters have been mobilized from regional offices and brought to Tokyo to work on the story. They are working very hard. They even follow prominent figures all around town. They are harrying their human rights."

Hodgson: "Japanese reporters are also active in Los Angeles and Washington."

Fukuda: "I understand that the Lockheed matter is not being written about much in the States."

Mansfield: "Not much. It is dying down. But I don't know about what's happening in Los Angeles. Here, it is certainly a big thing."

"How much progress is being made in developing the treaty with China?"

Fukuda: "When Foreign Minister Miyazawa was at the United Nations last year, he had a talk with Chinese Foreign Minister Chiao, a seven- or eight-hour talk. During the meeting, Miyazawa said the Japanese would consider making some of the assertions they want. They are four points. All are interrelated. In essence, it would mean the treaty would not be concluded with the Soviet Union in mind -- it would be clear that it was not directed at them. Other than that problem, Japan is ready to conclude the treaty. China has not made a formal reply. There have been one or two approaches at lower levels since then but nothing else. That is where we stand."

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BY ld NLF, DATE 6/4/05



Mansfield: "No meeting of the minds in sight?"

Fukuda: "Of course, there have been major changes in China since then. There was the death of Chou, the ouster of Teng, and Mao's illness. There were changes as well on the Japanese side -- the Lockheed 'typhoon,' which is causing instability in Japan. All result in making no progress. As far as the Japanese are concerned, we have a policy of waiting and seeing."

Hodgson: "The ball is in their court?"

Fukuda: "Yes, that is the problem. How they will throw the ball back is one problem. But another is what we should do when it is clear that they will not throw the ball back. At one time in the past, we suffered from China fever but now, because of instability there, we pay less attention to China. How is it in your country?"

Mansfield: "The Shanghai communique still holds. As you know, it calls for reduction of the U.S. military bases on Taiwan and it recognizes that there is only one China. In the campaign so far, both parties seem to be in support of furthering the normalization of relations with Peking. I don't think anything will happen before the elections. After the elections, I don't know. China seems to have in mind the Japanese formula as a way to approach the Taiwan problem. The feeling in the U.S. is that we should proceed to normalization as Presidents Ford and Nixon indicated. The question is when. Sometime a solution must be found. The question is how much patience Peking has and what formula can be agreed to. Peking has indicated patience. She has said that she will not take Taiwan by force and expects a return by peaceful means. We are dealing with an imponderable here, but the trend is toward further normalization."

Fukuda: "May I ask: when normalization of relations with China happens, what would be the view in the U.S. about the U.S.-China defense treaty?"

Mansfield: "The question of recognition lies in the hands of the President, not the Congress. As far as the defense treaty is concerned, there is a one-year notice as a part of it. It is a ticklish situation. But it seems to me that, if relations with Peking are established, the treaty would automatically lapse. But that is a matter for the legal people to work out. That appears to be the situation to me. Again, I say that recognition is up to the President. It is not subject to Congressional approval or disapproval."

Fukuda: "How would you visualize the future of South Korea?"



Mansfield: "I was going to ask you the same question. We cannot keep two U.S. divisions in Korea for the indefinite future. I believe there should be a gradual withdrawal over a period of time, with Japan as well as Korea brought in on the discussions concerning the withdrawal. Hopefully, there will be efforts made to bring about a union of the two Koreas. Maybe Japan, China, the U.S. and the Soviet Union could collectively exert some influence. We are fully aware of the situation Japan finds itself in vis-a-vis Korea. But I believe that the situation that exists can't last forever. We have reduced our forces from some 50,000 to 40,000. We have given South Korea aid and equipment to help overcome the military deficiencies she claimed she had vis-a-vis North Korea. But we consider Japan our most important ally in the Pacific."

Fukuda: "In Japan with the current political instability, we are going through a period -- a very important era. The Japanese as a people have never been in favor of communist or socialist political ideas. So, if the conservatives can survive this scandal and reunite themselves, there will be a time in the future when stability will be restored and the political structure will be maintained in good health."

Mansfield: "If we can survive Watergate and come out stronger, so can Japan from its present troubles. I believe you have the elements of stability here in this nation, and I hope that the close relations of Japan and the U.S., as the two major Pacific powers, will endure well into the future."

Fukuda: "I feel that way too."

Hodgson: "Me too."

Mansfield: "I notice that bases in Japan have been reduced from 2,800 to 136, and that of those 136, only six or seven are major installations. Most are minor facilities. We have reduced our personnel to about 50,000. Do we still have too many people and bases here? How do you see the future?"

Fukuda: "It is quite obvious that Japan has a responsibility for its own defense. But, for the reasons you know, in this nuclear age it would be very difficult for Japan to go nuclear. Our Constitution prohibits it. MacArthur is responsible for that Constitution which provides that Japan cannot have any offensive military strength. It would be difficult to amend this aspect of that Constitution. So Japan, even in terms of conventional weapons, is not armed sufficiently at the present. So that we think the present state is good. I am not an expert on bases or the size of forces and can't comment in that sense, but I would like to see a U.S. military presence continue in order to help defend Japan."



Mansfield: "Inside Japan or outside?"

Fukuda: "Either way."

Mansfield: "What are the significant problems between our two countries?"

Fukuda: "When it comes to bilateral relations, it is a time when Ambassador Hodgson has plenty of time to play golf."

Mansfield: "No textile, soybean, or problems of that nature?"

Fukuda: "There are no major issues. But if I venture to say, the fishing territories and rights problem might become one."

Mansfield: "I want the Minister to understand that when Congress passed the 200-mile limit bill it was almost in self-defense. The Law of the Sea Conference was getting nowhere. Mexico had extended its boundaries to 200 miles. Others had done the same. There was a provision in the bill which, in effect, said that, if in one year the Law of the Sea Conference could work out a solution, the limit would not go into effect. If a solution can't be worked out, however, the 200-mile limit becomes our perimeter."

Fukuda: "The Japanese, as you know, are very sensitive. A majority of the Japanese people depend upon fish for protein."

Mansfield: "How is Japan doing with its joint ventures in Siberia?"

Fukuda: "There are a variety of projects being discussed but none are becoming a reality. There are projects for gas, wood, railroads, petroleum, but none are making any substantial progress. They are fading away."

Mansfield: "None have been finalized?"

Fukuda: "There are two projects making some progress -- one involving the exploration for natural gas and the other for timber."

Mansfield: "Are they joint ventures?"

Fukuda: "Yes."

(Senator Mansfield was accompanied by Ambassador Hodgson and Corvill Jones. The USIS provided an interpreter. The meeting began at 3:02 p.m. and concluded at 3:47 p.m. These notes are verbatim, to the extent possible.)



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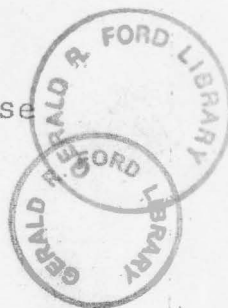
PERSONAL AND CONFIDENTIAL

Notes of a Meeting Between Senator Mansfield and Japanese Foreign Minister Kiichi Miyazawa, Monday, July 12, 1976, in the Office of the Foreign Minister in Tokyo

(The meeting began at 3:45 p.m. and concluded at 4:30 p.m.)

After opening greetings and formalities, Senator Mansfield asked: "What is the effect of Lockheed on United States-Japanese relations?"

Miyazawa: "Our relations have not been affected. You have a good Ambassador here. He has done his best to insure that the affair has not had any significant adverse affect. The Japanese people so far have no doubt as to the validity of our foreign relations. Some in certain circles -- such as gardeners, carpenters and among old people -- may have doubts about the relationship but they are not shared by many people."



Mansfield: "Have you gotten all the information you want from our government?"

Miyazawa: "Yes, I think so."

Mansfield: "There was a recent visit to the United States by a delegation from your Diet. Some of them did not seem to understand why Congress couldn't turn over the information to your government direct. We gave everything that the Committee had to the Department of Justice. The Department of Justice is helping and is now working with your people."

(The Foreign Minister then went back to his earlier comment -- to say that he did not mean that gardeners, etc. were any less intelligent than other people.)

Mansfield: "What would be the reaction in Japan to a gradual reduction of U. S. forces in Korea?"

Miyazawa: "The time may come but, so far as the Air Force is concerned, I do not believe that South Korea has sufficiently built up its forces to meet the threat. I hope that any withdrawal of your ground forces will be gradual and that there will be no 'shocks'."

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Mansfield: "I hope that it will be gradual and with consultation with all concerned."

Miyazawa: "The style of the South Korean government is a headache to me and to the Japanese people. Perhaps your Congress can convince them that there is a real threat of cutting off aid. Your Administration can use Congress' position on this matter to apply pressure on them."

Mansfield: "I think it is being done. It creates an embarrassing situation, however -- this dictatorial manner of government. I hope that it will be possible to bring about a change in the government's attitude. I know that this is an especially important problem for you with such a large Korean colony."

Miyazawa: "What we tell them is more counterproductive than productive. As a consequence, we must keep our silence. There are enough undercurrents at work in South Korea there to make an anti-Japanese current without too much effort."

Mansfield: "It is a very ticklish situation."

"What is holding up the treaty with the People's Republic of China?"

Miyazawa: "The anti-hegemony clause is the block. But we have made it clear to them that we won't oppose a clause to the main body of the treaty. Last September I met with the Chinese foreign minister at the United Nations and told him that we would not oppose such language if it is understood that Japan was not conspiring with China against the Soviet Union -- that there would be no joint action, in other words. That is against our Constitution. The fact has been made abundantly clear. But they are not ready to come to our terms."

Mansfield: "What was Chiao's reaction?"

Miyazawa: "The chances were 50-50 that they might accept but then Chou died and other things happened to lessen the chances. They are less than communicative these days. I believe that now they do not want to accept because it will affect other countries in the area with similar problems." (Notes not clear on this point). "We believe that the change of scene in China adversely affected the 50-50 possibility."

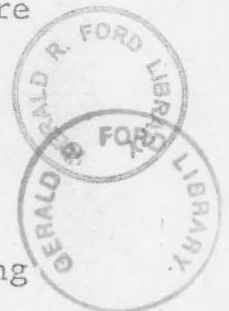


Mansfield: "Is the passing of Chou and Chu and the illness of Mao causing China to mark time to see how things may come out? How do you see the future?"

Miyazawa: "I guess that after Mao goes they will say they have a collective leadership but it will really be no leadership. I am afraid of what the private armies and the radicals may do. It will take time for Huo Kuo Feng to consolidate a leadership position. But I don't think there will be a rapprochement between China and the Soviet Union after Mao leaves."

Mansfield: "A unifying factor in the situation is the hostility to the Soviet Union. Are there too many U. S. bases and U. S. personnel here?"

Miyazawa: "I am not a good judge of this. We have not had much experience with sophisticated weapons and our knowledge is not too great. But, basically, I believe that what the United States believes is necessary and adequate is adequate. The real problem is Okinawa. They do complain and, perhaps, they have a good case. Twenty percent of Okinawa is under U. S. control -- 12 percent of the total land area of the islands. The Okinawans feel there is some gap between their comprehension of the matter and how the government sees it. The Japanese government is trying to deal with the problem. The sad part of the situation is that we know the bases are necessary for all of Japan but they feel they are carrying the burden for all of Japan."



Mansfield: "How do you see matters concerning Taiwan developing in the future? Is the Japanese formula working?"

Miyazawa: "I will speak for Japan alone. The status quo is best. We have great trade with Taiwan and there is much travel. We don't refer to it as a country, however. We have air flights to both China and Taiwan."

"The treaty relationship between the U. S. and Taiwan is a stabilizing element for Japan. If Congress or the U. S. government believes the Shanghai communique should be honored to the fullest, then the Japanese formula may be a possibility. But, if you can't tell the world that Peking has abandoned taking Taiwan by force, you would be seen as going back on your word. She (China) is not likely to say anything like that openly."

Mansfield: "What has been the effect of the U. S. withdrawal from Indochina?"

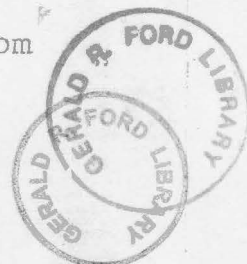
Miyazawa: "There was some initial hysteria, especially in Korea. Now everyone seems to be resigned to the new situation. The ASEAN countries are trying to strike a balance between the U. S. and China; and, to some extent, with the Soviet Union, with some success. I am rather optimistic. One worry is Hanoi -- what she will do. The fall of Saigon did give proof that the best defense is a high standard of living -- for governments to do something concrete for the people. ASEAN is moving in this direction. There was a meeting in February in Bali of the heads of state of the ASEAN countries, the first in nine years. That is a start of a drive."

Mansfield: "Is Japan trying to establish relations with Vietnam?"

Miyazawa: "Yes. We have exchanged ambassadors with Vietnam and we are in the course of paying \$40 million reparations from World War II, but we call it economic aid. There will be two payments. We sent a mission to see what they need. Their priorities are agriculture, then fisheries, forestry, infrastructure, then petroleum, perhaps. Some of our past aid to South Vietnam is repayable -- \$30 million. The question is whether the new government will repay that. Ministry people gave up on it but the Treasury did not. The Treasury may say they will not give any more aid until this issue is settled. We are trying to bring ASEAN and the other Southeast Asia countries together."

Mansfield: "I hope that we will follow the same policy. We should put Indochina behind us; establish diplomatic relations with Vietnam and Cambodia and send our Ambassador to Laos. I hope we will consider restoring full relations at all levels. It is good that you are interested in ASEAN and Indochina getting together. Perhaps Burma can come in also at some point. It would be a much better arrangement than SEATO."

Miyazawa: "Only after a President is elected can you take a more flexible approach. May I raise one subject; on the matter of arms sales to the oil rich countries? There is competition between the democracies to sell arms to them and from the Soviet Union as well. This is harmful to the economy of the whole world."



The purchase of arms by these countries is not good. It squanders their money and does not help them. They should be investing their resources in productive means. There should be an agreement among the democracies concerning arms sales in this area."

Mansfield: "I agree with you 100%. Congress passed a new arms sale bill which requires that all proposed sales of over \$25 million must be reported to Congress and Congress can then reject them by voting to do so. I expect that, as a result, there will be a decline in sales. This is a bad policy. I hope that we can halt this mad race."

Miyazawa: "The Soviets do pose a problem but they are not as generous as your country."

Mansfield: "Are there any other questions we should discuss?"

Miyazawa: "Japan is grateful for all you have done for our relations during your many years in the Senate."

Mansfield: "I look upon Japan as our greatest ally in the Pacific. You are a sovereign nation and we must deal with each other as equals. I hope the Nixon shocks will not be repeated and that our relations can be harmonized better. Peace in the Pacific depends on our two countries working together."

Miyazawa: "Your desire is 100% shared."

(Senator Mansfield was accompanied by Ambassador Hodgson, Frank Valeo, and Norvill Jones. These notes are verbatim to the extent possible.)



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PERSONAL AND CONFIDENTIAL

Notes of a Meeting Between Senator Mansfield and the Director General of the Japan Defense Agency, Michita Sakata, July 12, 1976.

Senator Mansfield began by stating that there was a resemblance between Sakata and Chinese Foreign Minister Chiao. The Minister said that he was born in Kyushu and said that, perhaps, some of his ancestors came from China.

Sakata: "How long have you been in the Congress?"

Mansfield: "34 years, but that is only a speck in history."

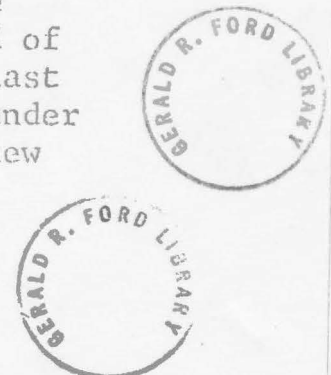
Sakata: "That is a generation and during that time we have enjoyed peace. It shows the importance of continued good relations with the U.S. It also shows how much we owe you."

Mansfield: "I am interested in your Defense White Paper. What do you expect out of it vis-a-vis the U.S.-Japan defense arrangement?"

Sakata: "In Japan there has been a striking absence of fear that we have to defend our own country. The White Paper was primarily intended to stimulate discussion of the concept that people should consider how to defend our country. We hope for results that will show that there is progress in public attitudes about this issue. Security is not only defense by our army but through basic technological strength and cultural cohesion. I like to think that our slogan for the future is a small armed force but a bigger load. As to the specific question about relations with the U.S., it is my idea that the treaty should not be interpreted as a military treaty but as a symbol of far-reaching relations encompassing economic, cultural and other matters which cement our basic relationship even tighter, making for more stability in the nations around Japan. But, at the same time, I have to say that security in this area will be maintained by this treaty and more cooperation in the field of military affairs. I had talks with Secretary Schlesinger last year and a meeting this year to set up a new subcommittee under the consultative committee. We place great value on this new subcommittee."

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Mansfield: "I think that this is a step forward. The relationship must grow on the basis of understanding and mutuality. I look upon Japan as being vitally important to the preservation of peace in the Pacific."

Sakata: "You made an important point. In terms of military power Japan can't compare to the U.S., but, given the military and strategic importance of Japan, the U.S. must understand our way of thinking and this is the best way to improve our relations."

Mansfield: "After 30 years, does the U.S. have too many bases and military personnel in Japan?"

Sakata: "This matter has been, and will be, worked out on the working level -- as to the kinds and nature that are vital. If the study shows bases are not necessary to either, they will be reduced. Consultation will be used to decide. Many bases have been reduced and consolidated."

Mansfield: "How many U.S. bases are there in the country?"

Sakata: "About 80, including the small facilities." (This was later corrected.)

Mansfield: "What was the high point for the number of bases?"

Sakata: "About 2,600 but this included many small facilities as well, which really were not bases. On Okinawa, 12% of the land is used by the U.S. This is a primary concern in Okinawa and causes community relations problems. The public impression in Okinawa is that all of that land is not necessary for Japanese security. They recently elected a member of the opposition party as governor."

(The Minister then gave some figures supplied by an aide, which showed that in 1952 there were 2,824 U.S. facilities in Japan occupying 1.352 billion square meters of territory. In 1975 this had been reduced to 133, which covered 330 million square meters. In 1952 there were 260,000 military personnel; in 1975 there were 55,000.)



Mansfield: "Twelve percent of Okinawa is occupied by U.S. bases. What is that down from?"

Sakata: "I don't have the figures. The northern part of Okinawa is used as a training area for Marines and that takes a lot of land."

Mansfield: "Montana has 148,000 square miles and only 700,000 people."

Sakata: "The perception of the public may be difficult. After Japan has developed its industry to the extent it has, there has been concern expressed by the people on the Pacific belt of Japan, which means 40% of our population -- taking in Tokyo and 28% of the country. We have a dilemma. There is an imbalance of people between the urban and the rural areas. The rural people want the government to help get the people back in the rural areas because of a labor shortage. I believe that from now on the economy will be stabilized at lower growth levels and policies adopted to encourage people to move to the rural areas. The fact that U.S. land takes 12% of Okinawa creates a difficulty. There have been discussions with the U.S. on how to reduce this further. But I believe that the U.S. presence on Okinawa will be vital to Japan, Korea and to East Asia as a whole. Large and quick reductions would not be good. We must adjust the security concerns with public dissatisfaction, however."

Mansfield: "What would be the reaction in Japan to a gradual reduction in Korea of U.S. forces over a period of time, with due notice to that effect being given?"

Sakata: "I have two points to make on that. One, an excessive reduction would create problems. First, there should be a certain guarantee that there would be no breakout of war on the Korean peninsula, because if there is a breakout it would affect Japan and all of Asia. That would run counter to the basic interests of the U.S. Don't pull out unless there can be a system of peacekeeping involving consideration of interests of the U.S. and the Republic of Korea and also of China, the Soviet Union and Japan. The second point is: before you think of how to pull out you should encourage a resumption of the dialogue between north and south."



Mansfield: "The dialogue of two years ago, what is the status of that? Did the end of the Vietnam war affect that?"

Sakata: "About the time of the fall of Saigon, Kim Il Sung went to Peking and statements he made created some dangers. China restrained him and the Soviet Union showed restraint by not accepting a visit from him. He did not go to the Soviet Union. There is no sign of an outbreak. The reason is (1) the presence of the U.S., and (2) the public statements by Ford and Kissinger that the U.S. would abide by its defense commitments. The primary concern for Korea and for us is how to develop Korea's economy. Closer relations with Japan would help. If their economy develops it would lead to better relations between President Park and the people. The people's opposition to the regime may mellow if economic conditions improve. If the social situation is stabilized and people have time to think of other things, then there would be time to think of rapprochement between North and South."

Mansfield: "The minister mentioned the restraint of China about the Kim Il Sung visit and the Soviet Union's not allowing him to visit Moscow. What are the minister's views about the increase in the Soviet fleet in this area?"

Sakata: "The naval expansion of the USSR has been evident here and everywhere. My private view is that the Soviet Union has been a land power and now they can go out and achieve their long-cherished dream of becoming an ocean power. During May and June we observed an increase in the activities of their intelligence ships. For example, they appeared near Tokyo Bay twice, near Kyoto twice, and in another area as well. Since last week they have been conducting exercises in the Okinawa area. They were led by the new commander of the Soviet Pacific fleet and included use of ASW planes and cruisers. Why did they do this? One purpose is to draw attention to their naval might or maybe demonstrate it to China, or show off in connection with the U.S.-Japanese security meeting. It is a potential threat to Japan -- but not overt yet. Their major concern is not to show their strength but how to tap our technological capacity. They are working on a cultural offensive here."

(Senator Mansfield was accompanied by Mr. Francis Valeo and Mr. Norvill Jones and DCM Thomas Shoemsmith of the Embassy. The meeting began at 4:40 and concluded at 5:35. These notes are verbatim, to the extent possible.)



PERSONAL AND CONFIDENTIAL

Notes of a Meeting Between Senator Mansfield and
Japanese Finance Minister Masayoshi Ohira,
July 17, 1976, in the Finance Minister's Office in Tokyo

The meeting began with pleasantries and Ohira attempting to speak some English since the interpreter provided by USIS was late in arriving.

Mansfield: "What is the rate of inflation in Japan?"

Ohira: "In the last year, the commodity price index went up less than ten percent, compared to the previous year. This year we are planning on the commodity index going up only 8.8 percent."

Mansfield: "What is the unemployment rate?"

Ohira: "About two percent. It is lower than your country, but our structure is quite different here. Personal unemployment is gradually decreasing."

Hodgson: "The first thing -- they don't fire people in time of recession -- they put people on leave and then they have arrangements people can be put on public service jobs and so forth. They have other unique ways to handle the lifetime employment pattern."

Mansfield: "How much do you depend on petroleum imports for your energy requirements?"

Button: "They have little in the way of energy resources here, other than from hydroelectric power."

Mansfield: "How about coal?"

(Ohira referred to statistics provided by aides. He said Japan's energy came from these sources: imported petroleum - 77.4 percent; imported coal - 11.4 percent; domestic coal - 3.8 percent; hydroelectric power - 4.6 percent; nuclear power - .6 percent.)

Mansfield: "Do you have any domestic oil production?"

Ohira: "About 800,000 tons. It is negligible."

Mansfield: "Where does the oil that you produce come from?"

Ohira: "Offshore from near Akita and Niigata in northwest Japan."

Mansfield: "Are there any further possibilities for petroleum development around Japan?"

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Ohira: "We are exploring. Our ten-year plan for energy looks something like this: 63.3 percent petroleum imports; 11 percent coal imports; 7.9 percent liquid natural gas; 3.7 percent hydroelectric power; 9.6 percent nuclear; and 1.9 percent from domestic coal."

Mansfield: "What has been the effect of the Lockheed affair on our relations?"

Ohira: "It depends on how wisely the scandal is handled. If it is handled wisely, there will be no effect whatsoever. The opposition parties and the news media are handling the matter out of proportion to its significance. They are being unrealistic. Members of the Government Party are nervous. But I believe it will settle down."

Mansfield: "What would you think about a United Nations initiative to prevent these kinds of operations; some type of international agreement to prevent this kind of issue from developing again."

Ohira: "It must be done just the way you suggest -- through the United Nations. The multinational firms can't be checked through the individual governments."

Mansfield: "What is the degree of confidence in Japan and the J.S. security treaty?"

Ohira: "Do you mean the confidence by the Government or by the people?"

Mansfield: "Both."

Ohira: "As far as the Government is concerned, it feels that at small cost they can have big and good effect; they want to retain the agreement and value it very highly. As for the people, they do not exactly understand the agreement. The Japanese Government says it is a good thing; some elements believe the Government, others do not. The whole thing depends on how much reliance can be placed on the stability of the Government."

Mansfield: "People can see the bases. They are there. What about the Government's attitude concerning the bases? Are there too many and are there too many U.S. military personnel at them? What is the Government's attitude 30 years after the end of the war?"

Ohira: "This is a matter of a military judgment, and I cannot answer. But, as a military amateur, I think we should consolidate more of the bases without undermining confidence in their effectiveness."



Mansfield: "In other words, a further reduction?"

Ohira: "This process is taking place right now and is being done without undermining the confidence in the defense relationship."

Hodgson: "We just completed a meeting of the consultative committee last week concerning Okinawa and progress was made in the direction of consolidating more bases."

Mansfield: "That was Okinawa. What about the main island?"

Ohira: "There is consolidation going on in connection with bases on the Kanto Plain also."

Mansfield: "What is the state of your trade relations with South Korea, North Korea and the Soviet Union? Presumably, your trade with the Soviet Union goes through the maritime provinces."

Ohira: "Our trade with South Korea (referring to notes): Japanese exports were \$2.5 billion last year and imports were \$3 billion. Japan has a substantial trade with South Korea. As far as North Korea is concerned, it was on the increase, but they do not pay their bills. There have been lots of defaults on their debts to us and, unless they solve this problem, there will not be a marked increase in this trade."

"As far as the Soviet Union is concerned, last year Japanese exports were \$1.62 billion and our imports were \$1.17 billion."

Mansfield: "What does the Soviet Union export to Japan to pay for its imports from Japan?"

Ohira: "Food -- meat and sea foods -- cotton, ores, lumber and a little manufactured goods."

Mansfield: "Does Japan have any projects or proposals to undertake for economic assistance programs to the underdeveloped countries? For example, those in Southeast Asia?"

Ohira: "Yes. We have many plans to assist the underdeveloped countries. Our first area of importance is Southeast Asia, next is Latin America, then the Middle East and then, to a certain extent, Africa."

Mansfield: "Is the Middle East economic effort related to efforts to maintain good relations with the petroleum-producing states in order to assure a continued oil supply?"



Ohira: "Our relations with Saudi Arabia, Iran and Kuwait are very good."

Hodgson: "Are you including assistance to Egypt in your reference to assistance to the Middle East?"

Ohira: "Yes, We give very substantial assistance to Egypt."

Mansfield: "Speaking of petroleum, what is Japan's position concerning the Senkakus and the oil potential there?"

Ohira: "Japan did declare its sovereignty over the Senkakus, but this is something the Japanese must talk over with Peking and Taiwan. We are not doing anything about it now."

Mansfield: "It is in limbo."

(The meeting lasted from 9:30 to 10:12 a.m. Senator Mansfield was accompanied by Ambassador Hodgson, Economic Counselor Button of the Embassy, Frank Valeo and Norvill Jones. These notes are verbatim to the extent possible.)

