MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Hiroshi Mitsuzuka, Foreign Minister of Japan (U)

PARTICIPANTS: The President
The Vice President
James A. Baker, III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Deputy Assistant to the President for National Security Affairs
Richard Solomon, Assistant Secretary of State for East Asia and the Pacific (Designate)
Karl D. Jackson, Senior Director for Asian Affairs, NSC Staff (Notetaker)
Hiroshi Mitsuzuka, Foreign Minister
Nobuo Matsunaga, Ambassador to the U.S.
Tatsuo Arima, Director General of the North America Bureau, MOFA
Yoshiyasu Sato, Director General for Economic Affairs, MOFA
Yurio Okamoto, Director, First North America Division, MOFA
Koko Tsuruoka, (Interpreter)

DATE, TIME AND PLACE: June 26, 1989, 1:10 p.m.-1:25 p.m. Oval Office

The President welcomed Foreign Minister Mitsuzuka pledging full U.S. cooperation with the new government of Prime Minister Uno. (U)

Foreign Minister Mitsuzuka thanked the President for providing time for the meeting and conveyed greetings from Prime Minister Uno who is looking forward to meeting the President in Paris. The Foreign Minister raised the possibility of a one-on-one meeting of the Prime Minister and the President in Paris. In addition, the Foreign Minister indicated that Prime Minister Uno anticipates visiting the United States as soon as possible. The Foreign Minister emphasized the continuity of Japanese diplomacy; relations with the United States will continue to be the cornerstone of Japanese diplomacy. The Foreign Minister
suggested that Super 301 was an issue which should be managed quietly so that it would not affect the overall relationship among the two countries. On international issues Japan seeks a spirit of coordination and joint endeavor with the United States. Mitsuzuka said that, on China, Japan was encouraged by having the views of such a deeply knowledgeable person as President Bush, and Japan would like to proceed in coordination with the U.S. (F)

The President indicated that Japan and the United States share common interests regarding China. The best way to foster democratic change is through continuing trade and exchange of students and by convincing the PRC leaders that it is in their best interests to continue reform. The President said that emotions in Washington are running very high on China. On the U.S.-Japan trade question the President indicated that we must stay in very close contact and said he was sure that Ambassador Matsunaga was very familiar with the mood in Congress on trade. The President looked forward to seeing Prime Minister Uno in Paris and expressed the opinion that trade would dominate the summit. The President indicated that he understood that things had not been easy on the political front in Japan and said that the U.S. had been through similar periods of trauma. He assured the Foreign Minister that the U.S. will continue to deal with frankness and in depth with the Prime Minister and the Foreign Minister of Japan. The U.S.-Japan relationship means so much -- not just to the U.S. and Japan -- but to the entire world, that it must be kept on the proper path. (G)

Foreign Minister Mitsuzuka said that the political situation is very difficult and that this will be the first very difficult election in post war history. The LDP must implement political reform under Prime Minister Uno to restore the confidence of the people. (G)

The President asked how the Japanese system would work if a split developed between the upper and lower houses in terms of party control. (G)

The Foreign Minister said that he would have to think about this but that he was preparing himself for defeat in the upper house elections but hoped to maintain an absolute majority in the lower house as a result of the electoral system. (G)
The foreign Minister invited Vice President Quayle to visit Japan for the International Democratic Union meeting and to stay on as a guest of the Government of Japan. Prime Minister Uno had specifically requested that the Foreign Minister extend this invitation. (U)

Vice President Quayle accepted the invitation, saying that he would very much like to make the visit. (U)