MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Toshiki Kaifu, Prime Minister of Japan (U)

PARTICIPANTS: The President
Toshiki Kaifu, Prime Minister of Japan
Interpreter: Frances Seeds
Notetaker: Karl D. Jackson, NSC

DATE, TIME AND PLACE: June 4, 1990, 7:08 - 7:36pm EST
The Oval Office

The President telephoned Prime Minister Kaifu to bring him up-to-date on the Summit meetings with President Gorbachev. (U)

The President: Toshiki, good morning, its good evening over here. I am just calling to report on meetings with Gorbachev. (U)

Prime Minister Kaifu: Hi Georgie! Thank you very much. (U)

The President: Let me just give you some background and I will be glad to answer some questions. The meetings went well, particularly the relaxed exchange at Camp David. The atmosphere was positive, candid but not confrontational in any way. (U)

There were no breakthroughs on issues such as German unification and Lithuania but we made some progress on narrowing our differences. We made more progress on arms control, on CFE, on strategic arms reduction (START), and on chemical weapons (which is good for the whole world). (U)

On the Asian issues, Roh is meeting with Gorbachev. I have not heard how it went but Gorbachev was pleased to do this although he expects some complaints from North Korea. (U)

I specifically raised the question of the Northern Territories but we did not get any positive movement. However, the matter was strongly raised with him. I told him that we strongly support your position. Maybe when they send someone over for the Gorbachev visit, you can make some progress then. (U)

Incidentally, Gorbachev did share our concern about the lack of a North Korean IAEA agreement and I think that was encouraging. I am seeing Roh Tae Woo at the end of the week and may have more information then. (U)
On Cambodia, Gorbachev described himself as slightly optimistic. He felt that China was being a little more positive on that, and I am inclined to agree with him. Those were the main issues but there was also a whole lot of other discussion. The mood was pretty good. We now have a flap because of something he said about the Jews from the Soviet Union resettling in the occupied territories which, he said, would cause the Soviets to curb immigration.

Those are the main issues. While I have you on the telephone, I want to make a comment on the Final SII Report, which is scheduled for July.

I am still very grateful to you for your leadership on this whole trade issue, and the American people now understand that you took a very courageous stand. (U)

Prime Minister Kaifu: That is a wonderful thing to hear. (U)

The President: Our respective SII teams have met again and I have heard that concern exists on both sides as to the Final Report. Both countries must strengthen our commitments in at least a few areas to ensure that we get a good reception for this Final Report. Any assistance you can give us on this will help. I will try to do my best too. (U)

Prime Minister Kaifu: May I ask you two or three questions? (U)

The President: Please do. (U)

Prime Minister Kaifu: Well, first of all I would like to extend my congratulations for the U.S.-Soviet Summit that just took place. Did the Soviet Union raise its position on regional security? There was no discussion of broad security guarantees per se. We talked mainly about security as it related to the various countries. We talked about Cambodia and Korea, and I reaffirmed our position with Japan on security. I told Gorbachev we would not be concerned about greatly improved relations between the Soviet Union and Japan. I made clear to him that with China we did not want to play a China card. If China and the USSR had better relations, it did not mean that we wouldn’t also. (U)

Prime Minister Kaifu: The next question is regarding the Korean peninsula. Overall, I feel the North Koreans are sending out very positive signals to the U.S. right now, for example, by returning the remains of American soldiers that are still over there. The North Koreans seem quite upset about the meeting between South Korea and the Soviet Union. But they are sending positive signals to the U.S. How do you feel about that?
The President: We still do not want to have direct consultations with them. We want to make clear to North Korea that signing an IAEA agreement is absolutely essential before we begin to normalize in any way. (☞)

The President: I would like to talk to you in detail about that. Maybe we can have a nice, private visit at the time of the Houston Summit. (☞)

Prime Minister Kaifu: Actually I would like to take this opportunity to visit you before the summit to discuss these problems. (☞)

The President: Well, that would be fine, but we have a scheduling problem. We go out to NATO and then I fly directly from NATO down to Texas. But maybe we could meet before the NATO meeting or on the Saturday or Sunday before the Houston summit. I will juggle my schedule around to accommodate whatever you have in mind. (☞)

PM - Thank you very much. I will have Ambassador Murata contact you regarding this. (☞)

The President: Fine, and I will tell General Scowcroft about this conversation. Before the Summit in Houston, we have a lot of things to discuss -- no hidden agenda or secret problems but I just wanted to be sure to stay in touch. (☞)

Prime Minister Kaifu: That would be wonderful. Another thing I want to mention is Cambodia. Right now there is a meeting going on in Tokyo bringing together the Cambodian factions. I, myself, have met with Prince Sihanouk. There seems to be a problem from the Pol Pot faction represented by Khieu Samphan. However, the talks are going on right now. And, of course, there is a problem with the Hun Sen regime also. Khieu Samphan is expressing his irritation with Hun Sen's participation in the meeting. (☞)

As far as SII is concerned, I am personally involved. We are working hard at this, and I would like you to know that. (☞)

The President: Again, we are very grateful to you for what has taken place. (☞)

The President: Do you have any other subjects you need to talk about? (U)
Prime Minister Kaifu: That it is it for now. I must run. It is now time to go to the Diet for a session with the financial committee. (U)
The President: OK, Good Luck. (U)

Prime Minister Kaifu: Would it be alright for me to mention that we have had this telephone conversation? (♂)

The President: Yes. It would be most appropriate. I think you should say something and we will here because it shows that we keep close consultation. (♂)

Prime Minister Kaifu: Thank you very much. (U)

The President: Good luck my friend. Bye Toshiki. (U)

-- End of Conversation --