MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with Toshiki Kaifu, Prime Minister of Japan, August 5, 1990 (U)

PARTICIPANTS: The President
Toshiki Kaifu, Prime Minister
Interpreter: Frances Seeds
Notetaker: Douglas Paal, NSC

DATE, TIME AND PLACE: August 5, 1990, 7:05 - 7:15am EDT
Camp David

The Prime Minister telephoned the President to report on a decision of the Japanese government concerning Iraq and Kuwait. (U)

The President: Toshiki, how are you today, sir? (U)

PM Kaifu: Good morning, George, good morning. (U)

The President: Good morning. (U)

PM Kaifu: Well, we have spoken the other day about the gravity and seriousness of the situation. There has been no change since then. Since we spoke, I have given great thought to what we should do. As a result, although this is Sunday, I had an emergency meeting with my Cabinet. We decided on measures which will be announced shortly. I wanted to inform you in advance. (Q)

Given the urgency of the situation, these measures were decided whether or not UN action comes into force. First, we will embargo all imports of oil from Iraq and Kuwait. Second, we will embargo exports to both countries. Third, we will take measures to suspend loans, credits and investment with respect to Iraq and Kuwait. Fourth, we will suspend economic cooperation with Iraq. (Q)

These four measures are what we decided today. Of course, as I told you, we have frozen their assets. Needless to say, measures that the UN will implement will be administered in good faith as well. I can assure you we will implement these measures. (Q)

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The President: Toshiki, I am very grateful for these four important steps. They are very helpful. (U)

PM Kaifu: As you can see, these results arose from our telephone conversation the other day. I have a question for you, George. (☑)

The President: Certainly. (U)

PM Kaifu: According to press reports on Kuwait, Iraqi forces are on the Saudi border. Is there any news? (☑)

The President: Yes, I am informed... I just had a call and I am more concerned about the tenseness. We are not seeing Iraq going ahead with a withdrawal. Rather, we are concerned. We are in close touch with His Majesty the King. I talked with him for one hour yesterday. There is interesting diplomatic activity going on. The following countries support an immediate Iraqi withdrawal and the restoration of the Kuwait government. I will then give you the list. All our friends in the G-7. So does Syria, Iran and the GCC countries. King Hussein is almost a spokesman for Iraq. This is very troubling and will hurt him later on. When the UN acts, with China going along, to curtail exports, once there is Chapter Seven action, this will be possible. So the diplomacy is going well, but you put your finger on it, if Iraq is to go against Saudi Arabia. We are very concerned about it. (☑)

PM Kaifu: That is the most crucial point. (☑)

The President: Thank you. I would like to commend the Japanese government publicly. What time will you announce it? (U)

PM Kaifu: In Japan at 8:30pm, in fifteen minutes time, announced by the Chief Cabinet Secretary. (U)

The President: It certainly is viewed very favorably here. I will call the Press Office and issue praise publicly. Certainly that will go down well here. Thank you very, very much. Let’s stay in close touch as this develops. (U)

PM Kaifu: Yes, let’s stay in touch. (U)

-- End of Conversation --