MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Toshiki Kaifu of Japan

PARTICIPANTS: The Vice President
Michael Armacost, U.S. Ambassador to Japan
William Kristol, Chief of Staff to the Vice President
Carnes Lord, Assistant to the Vice President for National Security Affairs
Jon Glassman, Assistant to the Vice President and Deputy Assistant for National Security Affairs
Richard Solomon, Assistant Secretary of State for East Asian and Pacific Affairs
Karl D. Jackson, Special Assistant to the President for National Security Affairs and Senior Director for Asian Affairs, National Security Council
Frances Seeds, Interpreter
Toshiki Kaifu, Prime Minister
Taro Nakayama, Foreign Minister
Hisashi Owada, Deputy Minister of Foreign Affairs
Koichiro Matsuura, Director General, North American Affairs
Nobuaki Tanaka, Director of 1st North American Affairs

DATE, TIME AND PLACE: November 14, 1990 -- 8:55 - 9:30am
Akasaka Palace, Tokyo, Japan

After an exchange of pleasantries, Vice President Quayle extended President Bush's best wishes to Prime Minister Kaifu and gave him the letter from the President.

Vice President Quayle: President Bush wanted me to give you a detailed briefing on the Gulf. The President asked me to convey to you what Secretary Baker accomplished on his trip. The second matter I wish to raise will be the current GATT Round. Third, I wish to thank you for the help Japan has been extending on Host Nation Support. My people tell me everything is moving in a very positive direction. Fourth, there is a need for close consultation with the Republic of Korea before any further developments with North Korea.
First, let me discuss the trade issue. We need your help. Japan can be very helpful in the Uruguay Round. The U.S. and Japan cannot let this fail, especially in the context of the post cold war era and the Gulf crisis. The EEC really needs to be pushed to reach an agreement. I want to ask for your strong participation with us in pushing the EEC to get this thing finalized.

On the Gulf, Secretary Baker went to the Gulf, Egypt, Geneva, Paris, and Moscow. We have kept the coalition together. The President wanted you to know why we decided to deploy another 140,000 troops. The more Saddam Hussein realizes that we are willing to deploy forces, the more likely he will be to get out of Kuwait. We will continue to work through the UN. We will be working on another resolution to make clear that it is legitimate to use force. We are very appreciative of Japan's contributions, especially the $4 billion. We understand the difficulties you have been facing with the Diet but want you to know we would welcome a presence of Japan in the Persian Gulf. This is a presence that you would define through your political process but we would welcome a Japanese presence. The President wants you to know that the current thinking is still to keep the peace but that he may be required to use the last option. There is an ongoing debate in Congress. What kind of a congressional resolution will be required remains unclear. I have been in Congress where it is possible to play both sides of an issue. You and President Bush do not have the luxury of being on both sides of the issue, like people in Congress and in the Diet.

The situation is getting darker but maybe it is darkest before the dawn. Maybe Saddam Hussein will see the light and realize we are serious about getting him out of Kuwait.

Prime Minister Kaifu: If I may be frank, after my visit to New York I visited five countries in the Middle East. All the leaders expressed great concern with the current stalemate. Saddam Hussein holds the key to any breakthrough. We need to keep putting the pressure on Saddam Hussein through international measures. We should maintain economic sanctions to force Saddam Hussein to withdraw from Kuwait.

In Jordan I met with Iraqi Deputy Prime Minister Ramadan for two hours. I used the speech made by President Bush at the UN and emphasized it was up to Iraq to break the stalemate.

Regarding the Gulf, from the very beginning the U.S. dispatched forces immediately. The United States led the creation of the Multinational Force. These efforts deterred any further
destruction of peace. I have the highest regard for U.S. leadership. If military action is initiated, I fear the solidarity will break down between the West and the Arab states, and I fear that such a situation will make it difficult to maintain a stable system in the Middle East. What is needed is a peaceful resolution.

As far as the financial contribution, we will implement it responsibly.

The Vice President: Could I interject here that I have been told that disbursements to Turkey, Jordan, and Egypt have begun but are not quite there yet. Perhaps someone could check with the bureaucracy to insure that they are on time and on target.

Deputy Foreign Minister Owada: We are currently in the process of completing the legal instruments enabling us to disburse funds.

The Vice President: I was told that of the $600 million only $21 million has been disbursed according to the Treasury.

Deputy Foreign Minister Owada: You should check the figures from the Rome meeting. We can only disburse when the legal instruments have been completed at the end of the month.

The Vice President: Let me thank you for your quick response in the Gulf. I will tell the President. I know we will have the continuing cooperation of Japan in resolving this crisis. Is there any way that you can handle a presence in the Persian Gulf within the Japanese political context? Do you have a feeling for how this will work out?

Prime Minister Kaifu: First, we have just passed through a three-week long parliamentary debate. We discussed how we might contribute, how we might sweat with you (so to speak). Perhaps I was not persuasive enough. We are determined to continue to search for a way to contribute internationally in personnel terms. We will, somehow or other, continue to seek this goal. I believe the three-week debate was not wasted. Some of the media took extreme positions; other parts of the media stressed that we should not be isolated internationally. We should seek ways to contribute. We were debating what an internationalized country should be like. The election in my home town proved that we had backing. We won in the midst of the debate and in doing so we raised the consciousness of the nation.
The Vice President: We hope so. We leave it up to your skills and judgement. We appreciate the financial contribution but the lack of presence in the Gulf by one of our strongest Pacific allies is noticed. There is a need for global partnership, a need to internationalize Japan by finding some type of presence.

The Vice President: I know that your time is short. I have a press conference later this morning. I will tell the press we have consulted about the Gulf and that I gave you a detailed briefing on behalf of President Bush. President Bush wanted you to be fully informed on all aspects of the Gulf situation. I will say we talked about moving the GATT Round forward. Regarding Nakasone's visit to Baghdad I will be a little negative; these visits, in our view, are not helpful. We have problems in our own country e.g. former Attorney General Ramsey Clark, who used to go to Hanoi.

You know my respect for you, and that of President Bush, and my remarks will be in that spirit.

Prime Minister Kaifu: I will sum up that we were briefed on the Gulf and I expressed appreciation for your leadership and our hope for a peaceful resolution. We share the same basic conviction that the Uruguay Round must be successful. We will maintain close contact with the United States.

The Vice President: Please try to use your influence with the EEC.

Prime Minister Kaifu: Because the Gulf question is very important, we want to maintain close contact at all junctures.

The Vice President: That is why we want to keep close contact with you.

At the end of the meeting, the Prime Minister shook hands with each American participant. In doing so, he took Karl Jackson aside to tell him that the United States should not expect participation by the Self Defense Forces in the Gulf.

-- End of Meeting --