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March 7, 1973

National Security Study Memorandum 172

TO: The Secretary of State
 The Secretary of Defense
 The Secretary of Treasury
 The Secretary of Commerce
 The Director of Central Intelligence

SUBJECT: U. S. Policy Toward Japan

In view of developments since NSSM 122 and Japan's evolving view of its new role in international affairs and in its relations with other major world powers including the U. S., the President has directed a review of our policy toward Japan. Particular attention should be given to potential conflicts between U. S. and Japanese objectives and policies over the next five years, and to alternative means by which we might deal with them. The study should:

- Identify basic U. S. interests toward Japan.
- Identify Japanese interests and objectives over the next five years, along with possible changes in Japan's post-Vietnam war foreign policies.
- Outline the U. S. objectives for the next five years that derive from these U. S. interests, paying particular attention to areas of divergence between our interests and Japanese interests and objectives.
- List and evaluate viable policy options pursuant to these interests and objectives.

In accomplishing the above, the study should focus on the following areas (consideration of the U. S. objectives and policy options under each should include, but not be limited to, the questions listed):

1. U. S. Japan Bilateral Relations

A. Nature of the basic U. S. - Japan relationship. Is our objective of moving toward a reciprocal bilateral relationship with Japan as a full partner still valid? What are the alternatives? How could we move toward each alternative objective.

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B. U.S. - Japan security relationship. Assessing prospects in Japan for continuation of the U.S. - Japan Mutual Security Treaty, what forms should our security relationship take? How should we try to help the Japanese Government obtain and sustain the necessary domestic Japanese support for its security relationship with the U.S.?

C. Japanese rearmament. What size and type of conventional defense capability do we believe Japan should develop, and for what purposes? Is Japan moving in the direction of such development? Is there anything we might do in this respect? What should be the U.S. position as regards any moves by Japan to acquire nuclear weapons?

D. Normalization of relations with PRC. How should we try to maintain the compatibility of U.S. and Japanese policies toward the PRC? (Particular attention should be given to the potential for conflict in U.S. and Japanese objectives and policies relating to normalization of relations with the PRC, especially as this will affect our respective dealings with Taiwan and the Soviet Union, as well as to U.S. and Japanese bilateral trade and political relations with the PRC.)

E. U.S. - Japan bilateral economic relations. What should be the nature of a stable, long-term U.S. - Japan balance of payments equilibrium, and how should we move towards this? (The study should estimate the prospects for effective forward movement in Japan's liberalization of its investment and trade restrictions, as well as the difficulties that would result from any adverse spill-over from our bilateral economic relations into our security relationship and our relationship with Japan as regards regional and global issues.)

F. U.S. - Japan cultural, scientific, and environmental cooperation. What forms should U.S. - Japan cultural, scientific, technical, and environmental exchange and cooperation take and how should we try to give effect to them?

2. Japan's Regional and World Role


A. Political-security. Are there any forms of political or security participation which we believe Japan should undertake regionally and globally? If so, should we attempt to encourage them toward such forms, and how might we do so?

B. Trade and monetary. What role in international trade and monetary matters do we believe Japan should fill, and how can we move them toward such a role?

C. Japanese developmental assistance. What should be Japan's regional and global development assistance role, and how might the U.S. influence Japan to assume such responsibilities?

D. The effects of the internal political situation. Indicate how the internal political situation in Japan bears on foreign policy issues including U.S. - Japan relations.

The study should be prepared by the NSC Interdepartmental Group for East Asia, and should be submitted not later than April 30, 1973 for consideration by the Senior Review Group.


Henry A. Kissinger

cc: The Chairman, Joint Chiefs of Staff
The Assistant to the President for International Economic Affairs