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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

January 4, 1968

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MEMORANDUM FOR MR. ROSS

Subject: Space Cooperation with Japan

The attached memorandum from Ben Read forwards for White House clearance instructions on space cooperation with Japan. The cable instructs Alexis Johnson to explore with the Japanese arrangements whereby we would supply them advanced space equipment and technology, subject to agreement that the Japanese would use them for peaceful purposes, under third country control, and consistent with INTELSAT. Alexis Johnson is very interested in this proposal and would like to get a go-ahead as soon as possible.

The cable, which has now been cleared by the interested offices in State, Defense, ACGA, and NASA, involves some important issues on our policy toward INTELSAT and the diffusion of missile technology. Therefore, when it was decided not to have SIG review the matter, I asked that the cable be cleared with the White House in view of its policy and political implications.

On balance, I agree that we should go ahead with this although I believe it may well present more problems -- including domestic politics -- than are apparent from the cable. Some action is clearly called for as a result of the recent Johnson-Sato Joint Communiqué (relevant paragraph attached). Moreover, unless we take some action, the Japanese will probably go it alone which would be undesirable. One can also argue that this will not really undercut our policy of not assisting Nth countries to develop strategic nuclear forces since the Japanese are formally committed against doing so. (In this connection, I would note that the broader technological coverage of NSAM 294 was specifically directed at France with its existing strategic nuclear program.)

I am somewhat troubled by the fact, however, that the arrangements would permit direct industry-to-industry licensing of space technology (such as advanced rocket guidance) since the Japanese want to build the equipment themselves rather than purchase it from us.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-357

By ap, NARA, Date 5-17-95~~SECRET~~

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Whatever the limitations of the proposed agreement, the development of this indigenous Japanese capability to produce advanced missile equipment will raise questions as to whether it will get to other countries, including Communist China.

Al Jenkins believes that it is unrealistic to expect that unclassified information and equipment we give to Japan will not reach the Communist Chinese, one way or another. However, he believes we should take the chance in order to reap the benefits of cooperation with the Japanese and to discourage Japanese development of a possibly non-compatible, competitive Japanese satellite communications system.

I have also cleared the cable with General O'Connell who concurs "with mental reservations." He is concerned that by giving the Japanese a special position we may complicate our other international negotiations and that the unleashing of the aerospace industry abroad will accelerate the proliferation of missile and space technology to our disadvantage.

The present plan is for Alexis Johnson to explore this proposal with the Japanese first and then for us to take Congressional consultation prior to formal agreements. Although I am not able to judge whether there will be a Congressional problem here, this is clearly a more substantive issue than the usual debates with the Joint Committee on the export of technology with security implications, and I do not think this aspect of the problem has been given very critical attention.

I recommend that you clear the attached cable if you are willing to defer Congressional consultation until after we have made the offer to the Japanese.

Atts. :

1. Memo Read to Rostow
att'g draft cable to Tokyo
2. Excerpt fm para IX of
Johnson-Sato Communique

Spurgeon
Spurgeon Keeny

Approved
 Disapproved
 See me

*With understanding Sat. Peak
will review*

*Mr. Rostow notified
Per Read 1/4/68*

~~SECRET~~