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solution to the Ryukyu and Bonin issues. Rusk then proposed the following US position during the upcoming talks with Miki:

- (1) Adopt a "listening brief" on the Ryukyus and Bonins, leaving the way open for more conclusive talks with Prime Minister Sato in November, but pointing the Japanese in the direction of interim steps to reduce the disparities in the standard of living in Okinawa and Japan and thus ease US problems with the 1968 Ryukyuan elections and Japanese public opinion.
- (2) Spell out the heavy burden the United States shoulders for both security and economic development in Asia.
- (3) Press the Japanese to take a greater share of regional leadership, of the financial burden of economic assistance, and of redressing the imbalance in the US balance of payments.

More specifically, Rusk listed the following as major objectives to be sought from the Japanese:

- Support on key Vietnam issues.
- Continued support and responsible action on Vietnam with greater economic aid to the Government of Vietnam.
- Adherence to the nonproliferation treaty.
- Matching contributions on major East Asian economic development programs, including the Asian Development Bank Special Funds.
- Significant reduction in the US bilateral balance of payments deficit which had resulted, in part, from increased military-related expenditures in Japan during the Vietnam conflict.

Rusk argued that basically the United States wanted a more "mature and responsible" attitude on the part of Japan toward the threat posed by Communist China and by internal instability in the countries on the periphery of China. Japan should be made to understand that the US ability to maintain continued support from Congress and the American public for the US commitments in Asia could depend on Japan's assuming responsibilities commensurate with its stake in regional security and stability.

McNamara, in his reply to President Johnson, argued that during the Miki visit the United States should listen to any proposals Miki might present on the reversion problem and then explain to the Foreign

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Minister that the issues were much larger than the narrow subject of reversion. The basic question was not whether reversion should occur, but whether Congress and the US public would support the following:

- (1) Extension beyond 1970 of what McNamara quoted as the "one-sided" US-Japanese security treaty.
- (2) Retention of US military bases in the Ryukyus for the protection of Japan.
- (3) Retention of stockpiles of nuclear weapons in the Pacific for the protection of Japan.

McNamara suggested that the President propose to Miki that the United States be permitted to compete on equal terms with Japanese manufacturers for the sale of military equipment to the GOJ. The objective should be to increase Japanese purchases of US military equipment from the current \$60 million per year to about \$200 million. In summary, McNamara urged that the US approach to the Japanese be based on the following: the US bases in the Western Pacific are for the protection of the Japanese as much as they are for the defense of the United States, and it would be impossible for the United States to maintain the bases unless the Japanese moved gradually toward sharing the "very heavy political and economic costs of providing security to the area."

In a joint State-Defense message of September 6 to the ambassador in Tokyo and the high commissioner on Okinawa, the position the United States planned to take during the Miki visit was spelled out. As described in the message, the United States would adopt a "listening brief" with Miki on problems relating to reversion of the Ryukyus and Bonins and would be willing to discuss possible interim measures to reduce disparities, thereby easing US problems in both Japan and the Ryukyus. Furthermore, the United States was prepared to take a forthcoming attitude on any specific interim measure the Japanese might propose as long as such measures did not infringe on the US tenure of administrative authority.

In mid-September, Foreign Minister Miki met in Washington with Secretary Rusk and other US and Japanese Government officials. During the course of the discussions, Miki stated that great expectations

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for progress on the reversion issue had been aroused in Japan and that the greatest difficulty would ensue if no steps forward were taken. A lack of progress on the issue could, Miki contended, endanger the political life of the Sato government. Secretary Rusk countered by stating that the United States was ready to receive any suggestions with respect to partial steps that would make clear that the United States anticipated reversion but was unable to give any answer on the Okinawa question before 1969, at the earliest, because of the forthcoming presidential election and the attitude of Congress toward the Vietnam situation. That is, the United States agreed to the principle of reversion, but a decision as to the timing or the circumstances of reversion could not be made prior to 1969. Rusk told Miki that there was "no possibility" of reversion in the immediate future. Miki inquired as to whether or not the nuclear base on Okinawa was an absolute requirement, and Rusk replied that it was indeed an absolute requirement. In conclusion, it was agreed that the problem should be pursued further during the Sato visit in November.

F. THE SATO VISIT, NOVEMBER 1967

In preparation for the Sato visit, the State Department considered the issues which it anticipated would arise. Regarding the Ryukyus, the State Department was prepared to enter negotiations for the return of administrative rights subject to the following GOJ undertakings:

- (1) Agreement to US retention of all current military facilities and other areas as necessary.
- (2) Assurances of effective use of this action to stem pressures for immediate reversion of the Ryukyus.
- (3) Agreement to assume gradually responsibility for assisting in maintaining current facilities and for expanding, over a period of time, ASW and other defense operations in the area.

The State Department was not prepared to make any specific commitment on the reversion issue at the time. State felt that recent GOJ proposals, such as for "interim measures" to be undertaken by the

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United States, took the United States too far down the road to a specific commitment. Rusk is reported to have felt that an expression of willingness to enter into negotiation for reversion as described above, coupled with the return of the Bonins, would provide a manageable basis for handling the Ryukyus problem.

On November 10, Rusk informed President Johnson on the issues which were likely to arise during the course of the Sato visit. Rusk told the President (in a memorandum) that Sato would reiterate Japan's hopes for an early return of the Bonins in exchange for a general understanding that the return of Okinawa would be feasible when Japan was able to assure effective US use of the bases there to fulfill its security commitments. Sato would not seek immediate reversion, but would hope for sufficient forward motion to satisfy public opinion. Rusk felt that Sato hoped to dispose of the Okinawa issue prior to 1970 and thus prevent the opposition from peaking its attacks on the Ryukyuan question when the security treaty was being debated.

Rusk suggested that President Johnson might want to inform Sato that:

- (1) The United States was prepared to return the Bonins, but wished to reserve the right, during negotiations for their reversion, to discuss the contingency of possible nuclear storage on the islands.
- (2) The United States was unable at the present to make any commitment on reversion of the Ryukyus given the key role of the bases in the Vietnam conflict and in deterring Communist China. But, the United States was prepared to work out arrangements and the language within this framework to meet Sato's problems with public opinion at home.
- (3) The United States was prepared to review the status quo of the Ryukyus periodically, but any future resolution of the issue must provide the necessary commitments from Japan to assure that effective means, including nuclear storage, are available for the United States to carry out its security commitment to Japan.

Along with Rusk's suggestions regarding the Sato visit, the State Department (EA) also provided a background paper for the President on the Sato visit. Dated November 8, 1967, the paper

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laid out the State Department recommendations regarding the reversion issue and suggested that in addition to an agreement to enter negotiations on arrangements for accomplishing a return of the Bonins, the following be entered into:

- (1) Agreement to a new public statement on reversion relating it to the mutual security interests of both countries.
- (2) Agreement to review periodically with the Japanese the status of the Ryukyus taking into account the desires of the Japanese and Ryukyuan people for reversion and the need to maintain and strengthen the security of the East Asian region.
- (3) Agreement to interim measures, not derogating the US responsibility for governing the Ryukyus, for further identifying the Ryukyuan people with Japan and promoting their economic and social welfare specifically by:
 - Establishing an advisory committee to the HICOM, composed of representatives of the United States, Japan, and the GRI, to be charged with a responsibility for developing recommendations for removing barriers between Okinawa and Japan and minimizing stresses likely to arise at such time as administrative rights are restored to Japan.
 - Broadening the role of the GOJ Liaison Office to permit broad consultations with the HICOM.

During his visit, Prime Minister Sato consulted with both President Johnson and Secretary Rusk. During his conversations with Rusk on November 15, the Ryukyu question was discussed. Rusk informed Sato that the United States was in a "sensitive position" because anything that weakened the US position in Vietnam would be badly received by the Congress and the public, that Communist China's nuclear weapons added a new dimension to the US security commitments to Japan, Korea and other nations, and that, given the forthcoming 1968 presidential elections, there were constitutional limitations to what commitments the President could make in the name of his successor. Even assuming that Johnson would be reelected, a commitment beyond the election date might be criticized by his opponent. Sato noted that he was aware of these problems, but still desired some steps forward on the issue. Rusk in turn impressed upon Sato the need to act with the backing of the congressional leaders,

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whether or not specific legislation was involved. He then noted that the sense of Congress at that time was that there should not be any dramatic movement for immediate reversion of the Ryukyus.

In the joint communiqué issued on November 15 following the Sato-Johnson talks, it was announced that negotiations for the reversion of the Bonins were to begin immediately. Following reversion, the Mutual Security Treaty provisions were to be extended to the US facilities there. Regarding the Ryukyus, no reference was made to security conditions in the Far East as a factor in Okinawa's reversion. Rather, the Prime Minister emphasized that agreement on the reversion question should be reached "within a few years."¹⁵ It was agreed that the two governments would "keep under joint and continuous review" the status of the Ryukyus, "guided by the aim of returning administrative rights over these islands to Japan." It was also agreed that an Advisory Committee to the high commissioner would be established for the purpose of further identifying the Ryukyuan people with Japan proper and to promote the welfare of the Ryukyuan residents. This action was intended to help conform conditions in Okinawa to those in Japan proper, thereby minimizing "the stresses which will arise at such time as administrative rights are restored to Japan."

G. 1968: REVERSION IN ABEYANCE

There were no further basic policy decisions or shifts on the reversion issue until the Nixon administration came to office. The steps taken by the Johnson administration, as announced in the 1967 joint communiqué, seemed to placate the Japanese somewhat, and the reversion issue remained relatively quiescent throughout 1968. Indeed, in August 1968, Ambassador Johnson was able to report that he saw no significant moves in prospect with respect to the basic

15. The phrase "in a few years" caused some confusion in Japan, because in the Japanese-language version of the communiqué it read, literally, "in two or three years."

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reversion issues and that he saw something of a "truce" in effect with the Japanese Conservatives heavily involved in assisting the Okinawan Conservatives in their campaign for the fall elections.

Throughout 1968 (as had been true during much of 1967), frequent, informal contacts took place among senior US civilian and military officials who were involved in the Okinawa reversion issue. In particular, Ambassador Johnson, Admiral McCain, and the members of the Joint Chiefs of Staff were in frequent contact on an informal and individual basis. The value of this sort of contact should be noted, for in this case it helped to move these officials to something of a consensus on the reversion issue.

There was, however, one notable difference of opinion within the US Government in 1968 over US policy on Okinawa. The issue which became the bone of contention was the stationing of B-52s.

The first B-52s were deployed to Okinawa on February 5, 1968,¹⁶ in response to the seizure on January 23 of the USS Pueblo by North Korea. On the first of February, the Secretary of Defense had authorized the deployment of fifteen B-52s from Omaha, Nebraska, to Kadena AFB.

Almost immediately (February 10), the GRI passed a resolution calling for an immediate withdrawal of the B-52s. The stationing of the B-52s on Okinawa became a highly controversial act and served as a focus for anti-US political activities in Japan proper and in Okinawa throughout 1968 and 1969.

In spite of the political implications, the role of the B-52s was expanded in February when the JCS authorized the use of Kadena-based B-52s for sorties over Vietnam. The use of Kadena continued to grow in importance throughout early 1968 as the sortie rate rose. In early April, in response to the deteriorating situation in Vietnam, Deputy Secretary of Defense Nitze approved an increase in the B-52

16. Prior to that time, B-52s had used Kadena AFB only as a haven when typhoons forced the closing of the field on Guam.

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sortie rate from 1200 to 1800 per month, approximately 400 of which were flown from Kadena.¹⁷

As opposition to the continued use of Kadena mounted in Okinawa, some officials in the US Government began to press for the removal of the B-52s. Under Secretary of the Army McGiffert, for one, was concerned with the price the United States might have to pay over the long run in terms of administering Okinawa if the B-52s stayed.¹⁸ Deputy Secretary of Defense Nitze also recognized the serious political implications of continued use of Kadena, and in April and again in June 1968 he requested that the JCS review the feasibility of reducing the sortie rate and of restricting B-52 operations to Guam and Thailand. On both occasions, the JCS recommended a continuation of 1800 missions a month and continued use of Kadena.

The JCS argued in the following terms for the continued use of Kadena.¹⁹

- (1) The B-52s were sent to Okinawa in response to the Pueblo crisis, which had not yet been satisfactorily resolved.
- (2) Withdrawal under Japanese political pressure could result in permanent constraints on US action.
- (3) Military considerations overrode the political fact that continued use of Kadena allowed opposition elements in both Japan proper and Okinawa to discredit the conservatives and the United States.
- (4) It was cheaper to fly B-52s from Okinawa than from Guam.
- (5) The increased flight time from Guam reduced operational flexibility.
- (6) The Okinawa base offered a capability for rapid reaction not otherwise available in the Western Pacific.

17. In 1966 and 1967 the sortie rate had been increased from 400 to 600 to 800 a month. In November 1967, it was raised to 1200.

18. Memo of April 15, 1968, to the Deputy Secretary of Defense.
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19. JCS memorandum to Secretary of Defense, July 1, 1968. SECRET

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The JCS noted that 1800 sorties could be flown per month without using Okinawa if the base at U-Tapao in Thailand was expanded. However, the continued use of Kadena was thought necessary to support US policy.

A specific issue on which the anti-B-52 forces focused was the effect of the bombers on the November 1968 elections in Okinawa. The IRG investigated this issue, and, in a paper entitled "US Policy on Forthcoming Ryukyu Elections" (approved by the SIG, July 1968), concluded, inter alia, that the election of the Okinawa Liberal Democratic Party (OLDP) candidate was "of crucial importance" to the United States and, the military situation permitting, the B-52s should be temporarily removed so as to remove the actual and potential adverse effect of their presence upon the election prospects of the OLDP.²⁰ The JCS did not concur in the recommendation for the removal of the B-52s and in fact continued to call for a sortie rate of 1800 a month through December 1968 with continued basing at Kadena.

The State Department, the Department of the Army, and High Commissioner Unger himself were by mid-1968 in favor of a removal of the B-52s at least temporarily, during the November elections. The JCS view prevailed, however, and the planes were not removed for the election, and indeed were not phased out until the fall of 1970. How significant a factor the B-52s were in the election for chief executive (the OLDP candidate was defeated and opposition candidate Chobyō Yara was elected) is beyond the scope of this paper. It is noteworthy, however, that for almost two years, the JCS position on the B-52 question (priority of the Vietnam effort) was supported in the face of the possible detrimental effects of such policy actions on US-Japanese relations and on the continued US military presence in Okinawa.

20. In the words of the report, "... if the military situation permits, the withdrawal of the B-52s at a time sufficiently prior to the election, so as to reduce the impact of that basing on the election, and avoiding if possible new military operations likely to arouse public concern...."

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III

THE YEAR OF DECISION--1969

A. POLICY DECISIONS

When the Nixon administration entered office in 1969, it faced the necessity of making the decision on the reversion of Okinawa that had been deferred by the Johnson administration until after the election. The need for action was widely understood among US officials concerned with the Okinawa problem and with US-Japanese relations. Not only had Prime Minister Sato staked much of his political future on a settlement of the Okinawa issue, but events within Okinawa were also building up to a threatening level, including the possibility of a general strike against the presence of US B-52 bombers. By January 1969 a strong consensus had already developed within the US Government that it would be necessary to agree to reversion in order to maximize the useful life expectancy of US military facilities not only in Okinawa but also in Japan proper.

There were, however, some problems that, if not resolved, could block agreement in 1969 on the reversion of Okinawa. These problems involved the timing of the reversion; the status of US military facilities in Okinawa; whether the United States could continue to store nuclear weapons on Okinawa; and whether the United States could retain the right to conduct freely combat operations from the bases in support of its military obligations throughout the Far East, but most importantly in support of contingencies in Korea and Taiwan and current operations in Indochina.

Most of the Japan specialists in the Department of State believed that no Japanese government could formally agree to the storage of nuclear weapons on Okinawa once it reverted to Japanese administration, although there was at the outset some hope that a formula

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might be devised whereby the United States would have the right to reintroduce such weapons under crisis conditions, and whereby it would continue to have relatively free use of the bases for conventional military operations. Prime Minister Sato and Foreign Minister Aichi had made various statements early in 1969 implying that the GOJ might agree to some kind of transitional status for Okinawa, whereby the United States would temporarily retain its unhampered use of the bases before they came fully under the restrictions that applied to US military facilities in the home islands of Japan.¹ However, even at that time State Department specialists, particularly Ambassador U. Alexis Johnson, expressed doubt that the Japanese could "deliver" on such an agreement,² and by March 20 the US embassy in Tokyo was reporting that Prime Minister Sato's position on the details of reversion was becoming "murky."

The question of what base rights were vital to the US defense posture in the Far East was controversial within the US Government. The JCS believed that nuclear storage and free conventional use of the Okinawa facilities were essential. At the same time, various studies had been made that indicated that restrictions on the utilization of the bases would not necessarily be crippling, whereas it would become politically more and more costly to utilize the facilities on the same basis as in the past. The Nixon administration looked upon these problems as part of broader questions of US relations with Japan and Japan's future role in East Asia--something Nixon as a candidate had discussed in a major article in Foreign Affairs in October 1967. This viewpoint was in line with the thinking of the Sato administration that the time had come to set a firm

1. On January 11, Aichi told Ambassador Johnson that the GOJ might propose a formula whereby the United States would agree to "homeland" level in principle (i.e., no nuclear storage and no prior agreement to the reintroduction of nuclear weapons, with a requirement for prior consultations for conventional military operations as well), but with an understanding that the United States had a temporary right of nuclear storage and free conventional use of the Okinawa bases. On January 21, Aichi made a speech carrying a similar implication.

2. Ambassador Johnson's report of the January 11 interview with Aichi.

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date for the termination of US administration of Okinawa, which the GOJ viewed as the last vestige of the occupation and therefore inconsistent with Japan's status and prestige in Asia.³ Not only the State Department, but also, for example, the Department of the Army was inclined to weigh a possible loss in strategic flexibility against political gains.⁴

1. NSSM-5

It was against this background that the newly reorganized National Security Council on January 21, in one of its first actions, instructed the East Asian Interdepartmental Group (IG--successor to the IRG) to prepare a National Security Study Memorandum (NSSM) on US policy alternatives relating to Japan and the reversion of Okinawa. Most of the NSSM was to be drafted by Richard B. Finn, State's Country Director for Japan. By late February an early draft of the sections on Okinawa was being sent on a closely held basis to the embassy in Tokyo and to HICOM on Okinawa.

While the NSSM was under preparation, a number of apparently unrelated efforts were made to establish the dimensions of the problems that would be involved in the reversion of Okinawa. The Department of the Army completed a lengthy study in April 1969 dealing with various secondary problems (i.e., other than the major strategic questions): the attitude toward reversion of the Republics of China and Korea and of the United Nations; the possible format of reversion negotiations (whether the GRI would be a party to any agreement); the range of financial problems involved (dollar-to-yen conversion, various US claims and assets in Okinawa); and a wide range of military-related problems (land and labor requirements,

3. The point was made, for example, by Ambassador Shimoda in a call on Secretary Rogers, February 4.

4. Memo dated April 9, 1969, from the Chief of the Ryukyuan Affairs Division, ODCSOPS/International and Civil Affairs, commenting on the fact that Sato no longer mentioned special transitional arrangements in regard to the "homeland" level for Okinawa after reversion and that therefore a balance had to be struck between political and military considerations.

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status of third-country nationals employed or in training on US facilities, status of military and USIA communications facilities, sea and air traffic controls, and problems of applicability of the US-Japan Mutual Security Treaty (and Status of Forces Agreement). Also considered were civil problems, such as the question of textile quotas for Okinawa and the status there of private US firms and individuals.⁵ Although it was made available to other concerned agencies, there is no indication that the US embassy in Tokyo received a copy of the Army study until much later.

On April 24, the Deputy Chief of Mission of the embassy in Tokyo wrote to the Country Director expressing his concern over the relative lack of study of the various administrative problems that would arise, as opposed to the major problems that he supposed would be solved fairly readily. The embassy submitted a paper prepared by FSO R. E. Armstrong on "Okinawa: The Economic, Legal, and Administrative Aspects of Reversion" that independently covered some of the same ground as the Army study mentioned above. Armstrong mentioned also the relative lack of Japanese concern or knowledge of the problems involved in reversion. The problems treated by Armstrong included land problems, including base delimitation and the post-reversion need of the Japan Self-Defense Forces for facilities; legal problems, including adjustments in the Okinawan legal system to bring it into line with that of Japan before the SOFA could work; economic and fiscal problems, including dollar-to-yen conversion and balance of payment implications; civil air agreements; routine organizational problems the GOJ was likely to face in extending its administration to the islands, and similar problems the United States would face due to the relative lack of contact with Okinawa matters in the embassy in Tokyo, and the fact that HICOM worked through Defense rather than State Department channels. Armstrong's memo recommended the assignment of a senior Foreign Service Officer to

5. This study was prepared by Edward O'Flaherty, Special Assistant for Ryukyuan Affairs, International and Civil Affairs Directorate, ODCSOPS.

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the Ambassador's staff to negotiate directly with the Foreign Ministry at the vice ministerial level; he suggested that a legal specialist also be provided.⁶

The Japanese had been apprised by Assistant Secretary of State Bundy of the forthcoming review of US policy toward Japan, in a "general way," as early as January 24; while the NSSM was not otherwise discussed with the GOJ, there were numerous contacts with Foreign Minister Aichi and others in which the Japanese urged that a firm date be set for reversion. The embassy in Tokyo, in addition to recommending the assignment of a senior US negotiator, reported on April 24 that the Japanese were similarly prepared to designate a senior official to handle the negotiations. The embassy said it would be necessary to draw HICOM and the GRI into the negotiations--but as "junior partners" since the GOJ did not want the GRI to participate in government-to-government talks. The embassy described the Japanese concept of the negotiations as follows: US-Japanese committees would identify various problems, but a solution would not be negotiated until after Prime Minister Sato and President Nixon, at a meeting scheduled for November, had agreed on a date for reversion. The Foreign Ministry estimated that eighteen months might be needed for the negotiations. (While this implies that the GOJ viewed the negotiations taking place principally in Tokyo, Ambassador Tanaka was designated roving ambassador to travel back and forth between Tokyo and Washington to assist Ambassador Shimoda in the negotiations, as Tanaka told Deputy Assistant Secretary of State Brown on May 20.)

The major strategic problems involved in the reversion were also getting some high-level attention at this time, both within the

6. The later assignment of FSO Richard Sneider to the embassy as Special Assistant for the Okinawa negotiations was apparently not in response to this recommendation, but was independently worked out between the State Department and the White House.

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US Government and in discussions with the Japanese. For example, in April Under Secretary of State Johnson met twice with the JCS on the Okinawa question, going over the same ground that he had covered in numerous contacts with the Service Chiefs and various military commanders while he was serving as Ambassador to Japan (September 1966 to February 1969). He stressed that the GOJ could not agree to nuclear storage, but that it might privately agree to the reintroduction of nuclear weapons under emergency conditions. He said that it would be difficult for the United States to get agreement on free (conventional) use of the Okinawa bases, but that Japan might make a special concession in regard to Korea and Taiwan. Johnson again emphasized that if the GOJ, under pressure from the United States, agreed to more than that it might not be able to deliver when required. At the meetings, the Acting Chairman of the JCS, General McConnell, replied that the United States could agree to reversion only if it retained all current military rights.

In contacts with the Japanese, US officials stressed the importance of nuclear weapons to the US deterrent posture in East Asia. Upon request, a statement of the purpose of US nuclear weapons was prepared on April 16 by State and Defense for transmission to the GOJ. Similarly, on May 23, the US embassy in Tokyo was given a Japanese Self-Defense Agency study on the military aspects of US bases in Okinawa, which included among other points a realistic appraisal of the military importance of nuclear weapons in Okinawa, but noted that this was outweighed by "social and political" considerations. The paper said that in the event of a contingency in Korea or Taiwan that affected Japan's security, bases in Japan proper would be more important than those in Okinawa and that therefore in any event the prior consultation formula under the Mutual Security Treaty would apply.

The Japan NSSM (designated NSSM-5) came up for discussion before the National Security Council on April 30. While the records of that meeting were not examined for this study, the key issues and

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positions taken are identifiable from State Department memorandums and from interviews with some of the participants.

NSSM-5 identified two main issues: (1) continuation of the Mutual Security Treaty (MST--which after its decennial anniversary in 1970 could be terminated on one year's notice by either party, continued in effect without action by either side, or continued in effect with some amendments) and (2) the reversion of Okinawa. The two points were related in that a reversion agreement could substantially reduce the sentiment in Japan for termination or major amendment of the Mutual Security Treaty.

The NSSM identified various alternatives in regard to Okinawa's reversion as follows:

A. Timing⁷

1. Reversion of Okinawa in 1972, if agreement can be reached in 1969.
2. Agreement in 1969 but reversion to take place only when all negotiations are completed.

B. US Military Rights.⁸ In regard to nuclear weapons, the maximum would be the status quo, and the minimum "homeland" level. Within this range the following options were identified.

1. Status quo
2. Interim agreement for storage and free use
3. Emergency re-entry only
4. Transit rights only
5. Re-entry only for weather or humanitarian reasons
6. Homeland level

C. Conventional Use.⁹ (Note that in Japan proper, prior consultation is required unless Japan itself comes under attack.) Options were listed as follows:

7. State (joined by ASD/ISA on this as on most other issues) argued in favor of the first alternative, since the second would not be responsive to Japanese political requirements.

8. State-ISA and the JCS diverged sharply on this, State-ISA favoring (3) and JCS (1).

9. State-ISA favored (3); JCS favored (1).

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1. Status quo
2. Interim free use
3. Limited free use for key areas such as Taiwan and Korea, this to apply to bases in Okinawa and in Japan proper
4. Present "homeland" level

D. Japanese Defense Effort.¹⁰ (Tangentially related to the Okinawa question was the discussion in the NSSM of the overall Japanese defense effort.) Two options were listed:

1. Press Japan to develop substantially larger defense forces with regional capabilities
2. Encourage modest increases in Japanese defense forces and qualitative improvements

There was a considerable consensus among agencies on most aspects of the NSSM (including points unrelated to Okinawa that have not been summarized here), with the significant exception of the acceptable level of US military rights in Okinawa after reversion. The JCS insisted on the retention of existing rights. The principal presentation at the NSC meeting was made by U. Alexis Johnson, at the President's request. Johnson stressed the importance to the United States of the security relationship to Japan, and the obstacle that Okinawa could become in that relationship. The discussion at the meeting led to the decision to proceed with the reversion of Okinawa, although the underlying interagency differences remained largely unresolved.

2. NSDM-13

The National Security Decision Memorandum (NSDM) 13, dated May 28, 1969, resulting from the NSC meeting, stated that the United States would seek to maintain and improve its relationship with Japan, including maintenance of the security treaty and reductions of irritants pertaining to the base structure; and that the United States would seek to encourage moderate increases and qualitative

10. All participants except Treasury favored (2), which presumably was considered to be consistent with the additional defense responsibilities Japan would accept in the reversion of Okinawa. Treasury favored (1).

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improvements of Japan's defense efforts while avoiding pressure on her to develop substantially larger forces or to play a larger regional role. With respect to Okinawa, NSDM-13 stated that the President had directed that a strategy paper be prepared by the EA/IG, under the supervision of the Under Secretaries Committee, for negotiations with the GOJ over the next few months on the basis of the following elements:

- (1) Our willingness to agree to reversion in 1972 provided there is agreement in 1969 on the essential elements governing US military use and provided detailed negotiations are completed at that time (i.e., in 1972).
- (2) Our desire for maximum free conventional use of the military bases, particularly with respect to Korea, Taiwan, and Vietnam.
- (3) Our desire to retain nuclear weapons on Okinawa, but indicating that the President is prepared to consider, at the final stages of negotiation, the withdrawal of the weapons while retaining emergency storage and transit rights, if other elements of the Okinawa agreement are satisfactory.
- (4) Other commitments to be sought from Japan with respect to Okinawa.

NSDM-13 thus left for later presidential resolution the major policy difference revealed by the NSC meeting on the storage of nuclear weapons in Okinawa, while indicating--somewhat vaguely--that on other matters, such as the conventional use of the bases, the best feasible outcome would be sought in the negotiations. However, that the United States would eventually defer to Japan and relinquish its right to store nuclear weapons on Okinawa seems to have been implied in the high-level State Department view--in which ASD/ISA, the Department of the Army, and the White House staff presumably concurred--that no Japanese government could agree to reversion on the basis of continued nuclear storage on Okinawa, and that agreement on reversion was essential to the survival of a conservative, pro-American government in Japan. If the United States was going to insist on nuclear storage, there would, in the eyes of the State Department, be no point at all in proceeding with the reversion negotiations.

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In early June, Foreign Minister Aichi visited Washington and had conversations with US officials, including President Nixon, Secretaries Rogers, Laird, and Kennedy, and U. Alexis Johnson. Rogers stressed to Aichi the problems the United States faced in regard to Korea, Taiwan, and the SEATO area, particularly that of maintaining the credibility of our security position. Aichi agreed, particularly in regard to Korea. (He made a similar point also to President Nixon.) There was some discussion of the meaning or "prior consultation" in current homeland arrangements. In his conversations with Secretary Kennedy, Aichi stressed that the GOJ needed more detailed data from the United States on financial aspects of the reversion. With Johnson, Aichi discussed the assumption by Japan of defense responsibilities in Okinawa. The basis was thus laid for much of the negotiation that would take place during the second half of the year, preparatory to the Nixon-Sato meeting scheduled for November, at which the reversion decision was to be formally announced. Aichi left with the State Department a Japanese proposal for the communiqué that was to be issued by Nixon and Sato and also for a unilateral Japanese statement that would stress the importance of South Korea to Japan's security (this was to become the important Press Club speech by Prime Minister Sato).

Whether Aichi raised the question of nuclear storage in Okinawa is not clear; in any case, none of the US officials with whom he conferred could have given him any assurances on this point, given the NSC deferral of the issue. However, on June 3, 1969--the day after Aichi met with President Nixon--Hedrick Smith reported in the New York Times that the decision had been made to proceed with the Okinawa reversion without insisting on nuclear storage. The Smith article correctly reflected in all other respects the substance of the Japan NSSM and of the NSDM, and was obviously based on an informed source, possibly with the aim of reassuring the Japanese on a point on which no formal agreement could be reached until President Nixon met later in the year with Prime Minister Sato. (However, in dealing with the Japanese officially, it was later stressed that

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contrary to the press report no decision on the nuclear issue had been made.)

B. TACTICS AND PRINCIPLES

1. EA/IG Negotiations Strategy Paper

Pursuant to NSDM-13, Japan Country Director Richard B. Finn prepared a detailed strategy paper that was approved by the EA/IG and by the Under Secretaries Committee in early July. The principal points in Finn's paper were as follows:

A. Basic Strategy. Focus on major military rights we want--nuclear and conventional--and certain other commitments from Japan, such as assumption of some financial and defense obligations. The objective is to get agreement for Nixon-Sato formalization in November.

The Aichi talks in Washington in early June and the draft communiqué presented by Japan are a useful start. There are now three major cards available to the United States:

(1) The government of Japan is most reluctant to push the reversion issue to the point of a break with the United States.

(2) Reversion on terms that are palatable to the Japanese public would be a political plum for the conservatives.

(3) Our willingness to consider withdrawal of nuclear weapons later in the negotiations (of which the Japanese have definite hints) provides bargaining leverage.

Japan also has some good cards--the US interest in maintaining the alliance relationship; the US realization that pressure for reversion is strong and that it requires careful handling.

B. Tactics and Timetable

Phase I: Approach by Ambassador Meyer during period prior to Joint Cabinet Meeting in late July. Review the Aichi Talks and probe further. Present US counterproposal for communiqué. Keep US view on nuclear storage "on the negotiating table."

Phase II: Joint Cabinet Meeting. Rogers will probe, especially on maximum flexibility on conventional use and financial and other arrangements. If Japanese resist nuclear storage, he will propose negotiations

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to proceed on all other aspects in Tokyo, for consideration of reversion package by principals during Aichi visit to Washington in September. Nuclear question to be left aside.¹¹

Phase III: August Negotiations. Reach agreement on public and private language on conventional use, financial, and other arrangements. Defer nuclear storage, but touch on emergency storage and transit rights.

Phase IV: Aichi September Visit. Rogers and Aichi to seek agreement ad referendum on most elements of package. Nuclear storage to be referred to the President if Japan is still adamant, trying for US reply by end of September "in the light of other agreements."

Phase V: Final Negotiations. Between September and November, final draft agreement and communiqué negotiated subject to final Nixon-Sato approval. Congressional soundings at this time.

Phase VI: Nixon-Sato. Principals consider and approve agreements.

C. Timing. Assume 1972 reversion if agreement is reached on other matters in 1969.

D. Free-use Question. What will Japan say publicly and privately, especially in regard to Korea, Taiwan, and Vietnam, under the prior consultation formula?

E. Nuclear Question. Japan will stress its "uniquely sensitive public opinion." We should continue to stress nuclear aspects of our military capability and deterrent. We should use this to gain maximum advantage on the "free conventional use" issue. We should stress emergency storage rights without yielding on our basic position. Also: should try for written agreement on transit rights. Exceptional cases to be explored, such as weather diversion of SAC bombers.

F. Financial. Principle that there should be no dollar windfall to Japan from reversion. "Trade-off" on our assets, such as power and water companies. A working group has been set up. We agree with Aichi that we will provide data required by Japan.

11. The meeting referred to is the cabinet-level Joint Economic Committee that was to meet in Tokyo and that Secretary Rogers expected to attend. It was not intended to raise the Okinawa question in the context of the agenda of the meeting, but rather Rogers was to take the opportunity of his presence in Tokyo to raise the issue with Japanese officials.

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G. Other Commitments. Explore some other areas listed in NSSM-5:

- (1) Local Defense Assumption. The GOJ has already indicated willingness. The JSDF will need some base areas. Coordination with US services. Possibility of integrated command in emergency. US working group is now exploring these problems.
- (2) Payment of costs for relocating special weapons off island (est. \$50 million). Raise only after United States agrees to remove nuclear weapons.
- (3) Retention of VOA relay facility in Okinawa. (Japanese law would preclude continuation of transmissions without special agreement.)

The strategy paper noted that working groups had been set up on certain aspects of the negotiations. The EA/IG on June 12 established working groups on the draft communiqué (chaired by Country Director Richard Finn), on economic-financial aspects (chaired by Deputy Assistant Secretary of State Robert Barnett), and on the Japanese defense takeover of Okinawa (chaired by Dennis Doolin of ASD/ISA). The most active of these groups was the economic-financial one, which established definitive guidelines for negotiations to be carried out by the US Treasury Department with the Japanese Ministry of Finance. The defense working group also established guidelines, but these were not negotiated with the Japanese prior to the Nixon-Sato meeting and the group became relatively inactive. The working group on the communiqué did not formulate guidelines corresponding to those of the other groups, because the negotiating strategy paper already adequately covered the subject. The group did meet occasionally, but was generally used informally (i.e., by telephone) to obtain interagency clearance for State Department guidance for various aspects of the subsequent negotiations in Tokyo of the communiqué.

2. Economic-Financial Guidelines

Barnett's economic financial working group met on June 24, July 9, and July 17 to consider principles for the financial aspects of reversion, preparatory to the meetings between Secretary of the

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Treasury Kennedy and Finance Minister Fukuda that were scheduled for Tokyo in July and Washington in September.¹² The group had available to it the papers prepared earlier by the Army Staff and the embassy that sought to identify the problems involved in reversion. In addition, the group discussed precedents, such as the Bonins reversion and the Saar reversion to Germany. It was decided that currency conversion could take place in one step (dollar-to-yen) or via an intermediate step involving MPCs or more likely an overprinted dollar currency. While some participants might have liked to somehow sanitize or demonetize the dollar holdings that would result from conversion, it was pointed out that the dollars circulating in Okinawa represented valid claims on the United States, which would have to be honored. Barnett stressed the fact that Okinawa had prospered under US rule and said he would ask the Federal Reserve to prepare a study on economic development there during the postwar period.¹³ The guidelines that were developed in these meetings, with a wide degree of interagency agreement, were circulated by the IG/EA on July 18 as follows:

- (1) The Japan SOFA will apply to Okinawa after reversion except for possible minor arrangements that will be worked out.¹⁴
- (2) The Okinawa prefecture will have the same relationship to the GOJ as any other prefecture.

12. Kennedy was later replaced by Assistant Secretary of the Treasury Petty at the July meeting in Tokyo.

13. The excellent paper by Reed Irvine on Okinawa's economic growth that resulted from this request was received too late to have much impact on the negotiations. The recommendation was later made to have the study reflected in the Nixon-Sato communiqué, but this came too late to be included.

14. This decision that the Japan SOFA would apply referred, of course, only to the financial aspects of the SOFA. Whether the Mutual Security Treaty, the SOFA, and the "bookshelf" of subsidiary agreements that had been worked out in Japan over the years would apply to Okinawa and how various resulting problems would be reconciled were issues that required considerable attention subsequently.

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- (3) Private US firms will operate in Okinawa under the same law as in Japan, but some latitude will be allowed during a transitional period.
- (4) The dollar-to-yen conversion will be worked out subject to the principle that there should be no net foreign exchange (dollar) gain to the GOJ and no balance of payment loss to the United States.
- (5) There should be fair reimbursement to the US Government for facilities and assets transferred to the GOJ.
- (6) The United States will claim compensation for some past expenditures such as GARIOA.¹⁵
- (7) The United States will seek to have the GOJ finance the cost of alternate facilities required because of reversion (e.g., relocation of military facilities that are now collocated with civilian facilities at the Naha airport and port).
- (8) US claims are not to be used to bargain for GOJ concessions in the military field.
- (9) Reversion should not be used as leverage to assist in settlement of bilateral economic difficulties with Japan.¹⁶

While the above principles were apparently relatively noncontroversial, some differences of emphasis arose. The Army (Siena), for example, wanted to leave open the possibility of a US claim for compensation for some bases that the United States would continue to use, on the grounds that under the SOFA the GOJ is obligated to furnish facilities required by the United States--and yet in Okinawa, the United States had acquired through leasehold much of the land it used and had financed the cost of all facilities constructed, costs for which it should be compensated when title passed to Japan. Siena conceded such a claim could raise excessive hopes in Congress, but

15. "Government and Relief in Occupied Areas." When US claims against Japan for GARIOA expenditures were settled, Okinawa was specifically excluded. Subsequent research indicated that GARIOA for Okinawa was not a legally supportable claim against the GOJ, and the matter was not pressed in the actual negotiations.

16. Despite interagency agreement on this point, the suspicion persisted that the Commerce Department may have tried to use the Okinawa reversion issue as a pressure point in textile negotiations with Japan.

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that it might help the GOJ in the Diet if it was made clear how much the United States asked for in its opening gambit. The Treasury, for its part, wanted to stress that the financial settlement should not be compromised to settle bilateral economic problems--so much so that Treasury suggested listing point (9) first.

3. Japanese Defense Takeover Guidelines

The working group on the Japanese takeover of the defense of Okinawa seems to have operated more slowly, possibly because the matters under its purview, while required for planning purposes, were not to be negotiated with the Japanese at this stage. The working group submitted a report, circulated early in October, that included the following recommendations:

- (1) The GOJ is to assume air defense responsibilities for Okinawa. The warning system is to be modernized and integrated with that of Japan proper and Korea. The home island US-Japan cooperative defense system is to apply. The United States is to receive compensation from the GOJ for air defense facilities in excess of US requirements that GOJ wishes to take over.
- (2) The United States should concur if GOJ wants to transfer a squadron of fighter aircraft (F-104s and F-4Js) to Okinawa.
- (3) GOJ is to assume responsibilities for internal security in Okinawa. One brigade (3000 men) should be sufficient; we should discourage additional transfers because of the strain on facilities.
- (4) The GOJ should finance construction of new facilities for US use in the sparsely settled northern part of the island in exchange for US facilities in the more heavily settled south.
- (5) Similarly, the GOJ should be encouraged to build a new airfield for US military use so that the United States could relinquish military use of the Naha airfield, which would be turned over to the GOJ.

The foregoing recommendations were accepted with relatively little dispute. The Department of the Army concurred in the recommendations, subject to comment from the high commissioner in Naha, particularly regarding the feasibility of the proposed relocation of US-used facilities. HICOM responded, pending detailed comment from

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the individual Service commanders in Okinawa, that there might be some problems but that in general he concurred with the procedures recommended.

The JCS (J-5) originally had been skeptical about turning too many responsibilities over to the GOJ. A JCS (J-5) memo of August 26 (discussed by the working group on September 29) stated:

Security of Okinawa is not the main mission of the US forces and is largely incidental. Introduction of JSD forces--if they replace US forces--will therefore deteriorate total readiness unless they are committed to some regional security missions (e.g., air defense) as well as to purely local defense missions. The JSD should develop its own facilities instead of taking over US facilities. Excessive deployment should be discouraged. There will be various stresses during transitional period; for example, due to training required before JSD can assume anti-aircraft responsibilities. In this period US requirements should have priority. Air defense of Okinawa should be integrated with Korea and Taiwan. (Emphasis added.)

Other points in the JCS memorandum, not summarized above, were essentially similar to those reflected in the working group recommendations, which appear in fact to have been based largely on the JCS memo.

At the end of May, HICOM established a Special Task Group (STG) as a contact point in Naha. On July 29, General Lampert submitted a list of problems drawn up by the STG for consideration, noting incidentally his concurrence with the Okinawa negotiations tactics paper prepared by Richard Finn and with the April O'Flaherty study on reversion problems. Most of the STG list duplicated problems already noted by others. A difficult issue was raised, however, in a section dealing with Japan/MST/SOFA modifications that would be required by special circumstances in Okinawa, such as special communications requirements, the presence of third country nationals, both as employees and trainees of US forces, and the provision of US-Japan agreements, whereby US use of facilities could be terminated upon the demand of the GOJ--the latter said to be inappropriate in Okinawa.

In the months following, the STG worked out detailed studies of most of the problems it had listed, providing back-up data for both

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the Department of the Army in Washington and for the negotiators in Tokyo. This included particularly considerable data on the value of US assets in Okinawa, which were provided through the Department of the Army to the Barnett working group. However, many of the problems identified and studied by the STG did not come up for negotiations until after the reversion agreement. For example, after the problems of SOFA revisions had been flagged by the STG and others, it was generally agreed that the problems were manageable and that it would be politically dangerous to raise the possibility of revising either the SOFA or the MST. (At worst, proposals for revision could have led to a crisis such as that of 1960 when the MST was revised; at best, reopening the SOFA might result in a much less favorable agreement. Sneider pointed out to the STG in one visit that more recently negotiated SOFAs gave a much more favorable position to the host country.) In addition to providing staff support for the Army and Tokyo, the STG also served as a contact point for briefings during visits to Okinawa in the course of 1969 by officials involved in reversion negotiations.

C. NEGOTIATIONS

Actual negotiations with the Japanese were conducted on three levels, following the tactics and guidelines the development of which was described above.

(1) Cabinet-level Discussions. Foreign Minister Aichi met with Secretary Rogers (and other US officials) in Washington (June and September) and in Tokyo (July) to set forth the broad outlines of the negotiations to be held in Tokyo. Finance Minister Fukuda met with Secretary of the Treasury Kennedy at Fairfield Farms near Washington in September to discuss the general principles of the financial settlement, in the process of which it was agreed that this aspect of reversion would be negotiated directly between Treasury and Finance officials, also in Tokyo. In addition, once working-level negotiations were under way, Ambassador Meyer met with Aichi on, roughly, a monthly basis.

(2) Sneider-Togo Negotiations. The bulk of the negotiations was handled by FSO Richard Sneider, who was assigned in late July as a Special Assistant to Ambassador Meyer

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for this purpose.¹⁷ Sneider was able, particularly at the outset, to work with considerable initiative with his Japanese counterpart, the head of the American Affairs Bureau of the Foreign Ministry, Togo, who also appears to have had some negotiating latitude. Within the embassy, Sneider worked directly with the Ambassador, consulting other units only as required for specific problems. Vice Admiral Curtis was later designated as the senior military member of the negotiating team; his function was to ensure that military requirements pertaining to Okinawa were adequately taken into account. The talks were held in Tokyo, but members of the group traveled to Washington and Naha for consultations and briefings. The Sneider group in Tokyo was able to operate with considerable autonomy because it included military representation and because the outlines of the negotiations had already been agreed upon through the interagency process in Washington. Sneider and Togo normally exchanged various proposals "ad referendum," subject to final approval by the State Department and Foreign Ministry, which was usually obtained fairly expeditiously.

(3) Jurich-Kashiwagi Negotiations. The economic and financial aspects of reversion were negotiated separately from, but parallel to, the Sneider-Togo negotiations by Anthony J. Jurich, a senior Treasury official, and his counterpart from the Japanese Finance Ministry, Kashiwagi. These talks began quite late, on October 21. Although the embassy (and the State Department) at the outset assumed that, in accordance with normal practice, an embassy officer and a Foreign Ministry official would participate in the talks, the Japanese Finance Ministry insisted that the negotiations be solely between Treasury and Finance officials. Since this had, in fact, been so agreed at Fairfield Farms by Secretary Kennedy, the arrangement stood as the Japanese desired.¹⁸ State Department messages made it clear, however, that Jurich would be serving under the Ambassador's direction, and so far as the available record

17. Sneider had previously served as the senior Far East specialist on the White House NSC staff, and before that as State Department Country Director for Japan.

18. The basis for this insistence is not entirely clear. Fukuda may have had a political motive in wishing to share personally in what he expected would be the substantial political advantage that Prime Minister Sato would gain from successfully negotiating the Okinawa reversion. It is possible also that Treasury and Finance had a common aim in keeping the financial negotiations separate, so that the financial settlement would not be compromised by considerations (such as the textile dispute) that were of principal interest to other agencies.

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reveals the embassy and the State Department were kept informed on the negotiations--but often belatedly and not in detail. (Instructions to Jurich were drafted in the State Department, mostly by Robert Barnett but sometimes jointly with Treasury and the Army.)

In the cabinet-level meetings, only general principles were discussed. As noted above, at the June meetings in Washington Foreign Minister Aichi had given Secretary Rogers the first GOJ draft of the proposed communiqué and the associated unilateral Japanese statement. In June and in subsequent meetings with Aichi, Rogers stated the US position, emphasizing (a) the need for a flexible understanding on the conventional use of US bases not only in regard to Korea but also Taiwan and Vietnam; (b) the importance of nuclear weapons to US military strategy and deterrent policies--without, however, pressing the question of nuclear storage; and (c) the principle that the United States should receive compensation for its assets in Okinawa and that it should not incur a balance-of-payment penalty from reversion. The Kennedy-Fukuda talks at Fairfield Farms similarly dealt with broad principles, according to the guidelines established by the Barnett working group. Fukuda indicated that the GOJ preferred to defer any agreement, even the principles of a financial settlement, until after the Nixon-Sato agreement on reversion so that it would not appear to the Japanese Diet that the GOJ was "buying" Okinawa back from the United States; Kennedy pointed out, however, that such deferment would be impossible in view of US congressional sensitivity.¹⁹ It was then agreed that financial talks would proceed.

In moving into the working-level negotiations, a number of specific issues--some still controversial within the US Government--had to be resolved:

Nuclear Storage. As noted earlier, the question of nuclear storage, the point of most concern to DoD, especially the JCS, was

19. It was to be a particular point of sensitivity for the Defense Department that US assets in Okinawa should be adequately compensated in the reversion agreement, so that there could be no congressional criticism and in order to facilitate subsequent requests for military construction appropriations necessitated in part by the relocation of some functions away from Okinawa.

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deferred by NSDM-13 for later presidential decision, but the Japanese were reminded of the US position from time to time, for example, in a briefing of the negotiating group by Vice Admiral Curtis on October 8.

Maximum Free Conventional Use. A serious attempt was never made to obtain a blanket assurance of free use (as in an "ideal" US draft communiqué that was briefly discussed in the communiqué working group in Washington in early July). The discussions between Sneider and Togo from the outset revolved about the assurances the GOJ would give regarding the "prior consultation" formula in the event of hostilities in Korea, Taiwan, and Vietnam (if the war still continued at the time of reversion). The Japanese had no difficulty with assurances regarding Korea but wished to use somewhat different language regarding Taiwan. There was some discussion about whether the Okinawa agreement should supersede existing arrangements regarding Japan proper. Despite the efforts made, some Pentagon officials felt that the aim of NSDM-13 regarding "maximum" free use was not being achieved in the negotiations. The Army staff, for example, argued that a decision should be made on the nuclear question so that this might be used as leverage to obtain a better agreement on conventional use. However, these issues did not generate major interagency discussions, since it was generally accepted that the Tokyo negotiations were proceeding satisfactorily. Not only the content of the GOJ assurances but also the format was discussed at length, including suggestions for a planned public unilateral statement by Sato, various possible types of secret agreements,²⁰ and diplomatic reassurances directly to the Republics of China and Korea.

Applicability of the MST and SOFA. Again, an attempt to exempt Okinawa from certain provisions of the MST and SOFA was not seriously pressed with the GOJ, despite some expressions of concern by the

20. The Japanese accepted a public, unilateral statement by Sato in part to avoid the need for any secret agreements. The US side in fact appears to have raised the idea of secret agreements from time to time as a means of getting the Japanese to make a satisfactory unilateral public statement.

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Pentagon on this matter. The US military initially were concerned over various problems that would be raised by applying the MST/SOFA provisions without change, such as difficulties in communications, status of third-country nationals, and the possibility that the GOJ might at some time unilaterally terminate US use of various facilities.²¹ The negotiators, with the State Department--and eventually the Joint Staff--concurring, were more concerned about avoiding raising the specter of MST revision, and therefore agreed that the MST, the SOFA, and related agreements would apply (subject to flexible arrangements that the GOJ might carry out unilaterally or might later be agreed upon, for example, in the US-Japan Joint Committee). Much of the discussion concerned the matter of which MST-related agreements should apply and whether they need be listed.

Other Understandings. Sneider also raised with the Japanese certain of the lesser points that had not been resolved, including some of the SOFA-related concerns. Separate understandings, either formal or informal, were reached regarding the equitable treatment of third-country nationals and of US firms in Okinawa during the transitional period and assurances that the VOA relay transmitter could continue to operate.

Financial Aspects. The most difficult negotiations involved financial questions. Although detailed guidelines, which had been discussed in general terms at Fairfield Farms by Kennedy and Fukuda, were prepared by Barnett's working group, additional difficult policy decisions had to be resolved at the outset of the negotiations: (a) whether to attempt to fix a sum for a financial settlement on the basis of detailed appraisals of various US claims, or whether to

21. Some of the same memorandums that complained of inadequacies in regard to free conventional use of the bases also pointed out remaining problems in regard to SOFA applicability. The October 13 memorandum referred to in the preceding footnote noted some improvements in the communiqué as reported from Tokyo, but said that the problem of base termination at GOJ option still remained.

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agree more simply on a lump sum; (b) if the latter was agreed to, what sum should be requested in an opening gambit, and what minimum sum should the negotiators be authorized to accept. The lump-sum approach was advocated by Assistant Secretary of State of Economic Affairs Trezise²² and was independently adopted by Secretaries Laird and Kennedy. However, when Jurich put the proposal to Kashiwagi, the latter strongly resisted, on the grounds that the lump-sum approach had not been raised by the United States at Fairfield Farms and the Japanese Diet would insist on a detailed account for any settlement. The Japanese position again reflected the GOJ preference for postponing the financial settlement until after reversion had been formally approved by the Nixon-Sato meeting in November. After his second meeting with Kashiwagi on October 22, Jurich telegraphed Washington that if the Japanese persisted in rejecting the lump-sum approach he would, under his instructions, have to report the failure of his mission, since an item-by-item approach would not be likely to lead to the "required result." Something of a compromise was arrived at, however, when Jurich was authorized to present a detailed derivation of the lump sum requested.

The related question of the size of the settlement proved difficult. An "initial" sum of \$650 million was agreed upon in Washington, apparently on the recommendation of the Secretary of Defense. It was understood on the American side that the final sum would have to be large enough to impress Congress and the components sound enough to impress the Diet. This caused considerable debate in Washington. At a working group meeting in Washington on October 31 (after the Tokyo talks had already begun), Assistant Secretary of Defense (ISA) Nutter insisted that there could be no agreement below \$600 million. On November 1, at another working group meeting, Barnett proposed that US budgetary savings (estimated at about \$150 million over five years) be taken into account in any congressional presentation (that is, savings flowing from the Japanese assumption

22. Memorandum for the working group, September 3, drafted by Erland H. Heginbotham.

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of various expenditures, such as land rent and social security payments to local workers). Barnett felt that the Tokyo negotiators should be authorized to accept a figure of \$400 million, a total reasonably close to the DoD requirement if estimated budgetary savings were added.²³

Another issue, more easily disposed of, was the method of dollar-to-yen conversion. Reacting to a Japanese suggestion, the Treasury Department proposed²⁴ that the \$100 million Japan was expected to realize from the exchange be deposited in the Federal Reserve Bank of New York in a 15-year interest-free account, to be drawn against prior to that time only if liquid reserves of the Bank of Japan should decline by 50 percent or more. This would create a backing for the newly issued yen and at the same time meet the requirement that the exchange not involve a statistical balance-of-payment drain for the United States.

Under the circumstances, Jurich's negotiations proceeded slowly. But agreement was essential. As late as September 29, at an EA/IG meeting, the State Department Economic Affairs representative said that Assistant Secretary Trezise believed that the United States should take the line with the GOJ that the Nixon-Sato meeting might be postponed if the financial aspects were not resolved prior to the scheduled meeting. And yet it was generally understood in State, and probably also in DoD, particularly ISA, that such a postponement

23. When Jurich first ran into opposition from the Japanese on the lump-sum concept, he was authorized by a State Department message (October 22) to agree to \$600 million (in place of the earlier \$650 million asking sum). A later message (November 2) proposed a total of \$527 million with a breakdown by major categories that the message suggested each side might treat as it chose. Jurich was to discuss the \$527 million sum with Sneider and the Ambassador. Although the message had been cleared with DoD it met with strong disapproval by Under Secretary Packard, who insisted that State (U. Alexis Johnson) send out a follow-up message denying the negotiators authority to accept any sum under \$600 million.

24. The proposal was contained in instructions telegraphed to Jurich by the State Department on November 6.

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would be disastrous for Sato's political future and, hence, US-Japanese relations.

D. AGREEMENT IN TOKYO

On November 10, shortly before the Nixon-Sato meeting (scheduled to begin November 19), the embassy in Tokyo reported that Jurich had achieved an understanding with the Japanese providing for a total settlement of \$520 million, including a \$112 million interest-free deposit for the dollars to be realized from the currency exchange. The understanding was better than State Department officials had expected, even though the total sum fell somewhat short of DoD's figure of \$600 million. (With the addition of budgetary savings, of course, the settlement substantially exceeded the target figure.) The Japanese did not want to formalize the agreement before reversion was formally approved, and they proposed an oral confirmation followed by a written agreement some weeks after the Nixon-Sato meeting. In Washington U. Alexis Johnson undertook to obtain the concurrence of Secretary Laird in what the State Department considered to be an excellent agreement, and a message of concurrence was sent to Tokyo on November 11. (While the agreement itself was good from the US viewpoint in its general outlines, many of the details agreed upon were included neither in the written agreement nor in the record of the negotiations; this led to a great many problems in the detailed negotiations that were to follow in the 1970-72 period.)

Sneider's negotiation of the communiqué for the Nixon-Sato talks and related agreements, which were to contain the assurances and understandings required before the reversion, proceeded generally more smoothly than the financial talks. Sneider began his negotiations much earlier, and fewer issues were left unresolved. Except for the problem of nuclear storage, there was in fact a wide area of agreement between Sneider and the Japanese negotiators; the chief problems were related to format and terminology. By mid-October most of the language of the communiqué and other agreements had been

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agreed upon, leaving principally editorial changes or problems unrelated to the Okinawa reversion for later resolution. The one exception was still the question of nuclear weapons.

As noted, Sneider and the Ambassador kept the US position on the nuclear question "on the table" throughout the talks. As the Nixon-Sato meeting approached, the Japanese exhibited some impatience. On September 25, Ambassador Tanaka reminded Assistant Secretary Green and Deputy Assistant Secretary Barnett that not much time remained to resolve the "last remaining issue." (As has already been noted, the Army staff at about the same time began urging that a decision be reached so that it could be used as a negotiating lever.) On October 8, Admiral Curtis gave his briefing on nuclear matters to the negotiating group in Tokyo; this was followed by a visit to Tokyo by JCS Chairman General Wheeler, who presumably made many of the same points, and who indicated no change in the US position. It was not until October 31 that the Japanese received some hint that the question might be resolved. On that day U. Alexis Johnson told Ambassador Shimoda that instructions would be issued to the embassy in about a week. Those instructions were apparently slow in receiving clearance in Washington. (A draft had been prepared by Johnson and Finn on October 29, but the message was not available in Tokyo until over a week later.) Finally, on November 12 Ambassador Meyer saw Foreign Minister Aichi and told him that the President would review the nuclear question with Prime Minister Sato personally, that the United States appreciated and sympathized with the political problem surrounding this issue in Japan, but that the proposal to limit nuclear storage created strategic as well as political problems for the United States. This may have been less than the Japanese expected, but it was enough to permit Sato to proceed with his trip. (Sato would not have made the trip if he had not felt encouraged that the United States would eventually come to a satisfactory agreement on the nuclear problem. To cancel at the last minute would have been a political disaster for Sato, exceeded only by proceeding with the trip and then failing to reach an agreement.)

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The fact that agreement was reached on all aspects of the communiqué except the nuclear problem does not mean that all issues within the US Government were resolved. The persistent doubts of the Pentagon, particularly the Army, concerning the assurances regarding conventional use of Okinawa bases, lingered, although the communiqué was substantially strengthened from the US viewpoint in the course of the negotiations. In a memorandum to the White House on November 14, Secretary Rogers noted that the communiqué language represented a definite advance over agreements pertaining to Japan proper and that Sato was taking on some domestic political risks in regard to Korea, Taiwan, and Vietnam. State felt the assurances, while not "iron clad," were "adequate" and in fact represented an advance over existing assurances pertaining to bases in Japan proper. Rogers, however, reported that DoD continued to press for a supplementary secret understanding and that it was urging the President to probe Sato on obtaining a private understanding on unconditional conventional use of the bases in the event of armed attack in the Far East. The memo noted that Sato's "only real objective" in the Washington trip was to obtain agreement to Okinawa's reversion on a nuclear-free, homeland basis and that on the nuclear question he was likely to be "difficult."

E. NIXON-SATO TALKS

Prime Minister Sato's official visit to Washington took place November 19, 20 and 21, 1969. The communiqué that was issued at the end of the visit (see text in Appendix) is based on the work that was done by Sneider in Tokyo in the preceding months. The two governments expressed their agreement that reversion of Okinawa would take place during 1972 "without detriment to the security of the Far East including Japan." Prime Minister Sato stated in the communiqué that "the security of the Republic of Korea was essential to Japan's own security" and that "the maintenance of peace and security in the Taiwan area was also a most important factor for the security of Japan." The two governments agreed that if peace in

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Vietnam should not have been realized by the time of reversion, there would be full consultations so that reversion would not affect US efforts to "assure the South Vietnamese people the opportunity to determine their own political future."

The two governments also affirmed their intention to maintain the Treaty of Mutual Cooperation and Security (which in 1970 became subject to termination upon one year's notice by either party). The treaty and its related agreements were to apply to Okinawa after reversion without modification. While this implied a nonnuclear status for US bases in Okinawa after reversion identical with that of US bases in the rest of Japan, the subject was raised specifically in paragraph 8 of the communiqué, which had not been negotiated in Tokyo by Sneider but was based on a draft prepared immediately before President Nixon's meeting with Sato. According to paragraph 8, Sato "described in detail the particular sentiment of the Japanese people against nuclear weapons and the policy of the Japanese Government reflecting such sentiment," and the President "assured the Prime Minister that, without prejudice to the position of the United States Government with respect to the prior consultation system under the Treaty of Mutual Cooperation and Security, the reversion of Okinawa would be carried out in a manner consistent with the policy of the Japanese Government as described by the Prime Minister." The communiqué, in accordance with Japanese desires, did not reflect the economic and financial agreement in principle that had been reached in Tokyo, but merely noted that "financial and economic problems, including those concerning United States business interests in Okinawa" would be solved between the two governments and that detailed discussions would be initiated promptly. In regard to military matters, Sato agreed that following reversion the Japanese Government would "assume gradually the responsibility for the immediate defense of Okinawa as part of Japan's defense efforts for her own territories." The communiqué established a Preparatory Commission on Okinawa, which would report and make recommendations to the US-Japan Consultative Committee in Tokyo, which would have overall responsibility for reversion arrangements.

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It was part of the understanding negotiated in Tokyo by Sneider that Prime Minister Sato would unilaterally amplify some aspects of the communiqué. Sato did this in his address to the National Press Club on November 21, 1969. Sato described the importance of the US-Japanese security relationship for peace and stability in the Far East. Carrying the language of the communiqué one step further, he said that "if an armed attack against the Republic of Korea were to occur, the security of Japan would be seriously affected. Therefore, should an occasion arise for United States forces in such an eventuality to use facilities and areas within Japan as bases for military combat operations to meet the armed attack, the policy of the Government of Japan towards prior consultations would be to decide its position positively and promptly on the basis of the foregoing recognition." Similarly but purposely less precisely, he described the maintenance of peace in the Taiwan area as "also an important factor" for Japan's security and said that Japan "would deal with the situation on the basis of the foregoing recognition in connection with the fulfillment by the United States of its defense obligations."

The Okinawa reversion communiqué did not fully meet the desires of some high US military officers for more specific assurances regarding US use of its military facilities in case of a military emergency in the Far East. However, the rationale behind the President's decision to accept a nonnuclear status for Okinawa and not to press the Japanese for supplementary secret agreements was understood and accepted by those concerned, including the JCS, and some concerned congressional committee chairmen (some key figures were briefed by the President himself at a White House breakfast before the Sato visit). There was, furthermore, considerable satisfaction with Prime Minister Sato's expressions of his government's interest in the security of South Korea and Taiwan. It was a persuasive argument that these statements placed the Japanese Government clearly on the record against the day that the United States might have to seek Japanese concurrence, under the prior consultation system of the Mutual Security Treaty, for the military utilization of US bases either in Japan proper or in Okinawa.

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IV

THE REVERSION DECISION IN RETROSPECT

The historical record is often studied to learn what went wrong. In the present case, we are in the unusual position of asking what went right. In the early 1960s, anyone familiar with the Okinawa problem and with the different attitudes toward it in the State and Defense Departments would have predicted that somewhere in the future lay a violent interdepartmental controversy over the timing and terms of reversion. Indeed, precisely such a controversy appeared to be building up in 1965-66 as the US Ambassador to Japan pressed for action to meet rising Japanese and Ryukyuan dissatisfaction with the status quo and as two successive high commissioners in Okinawa made clear their firm resistance to any degradation of the US military position on the island. The threatened second battle of Okinawa, however, was never fought. After a series of probes and minor skirmishes, all parties concerned joined in an orderly, reasoned attack on a common problem.

There is no simple explanation for this happy, and at one stage unexpected, turn of events. Sheer luck, in the form of a fortuitous conjunction of key personalities, played a major part. But a number of other factors were also involved which point to generalizations (or "lessons") of possibly wider applicability. These generalizations cannot be proved from the history of the handling of the Okinawa problem. They are presented below only as hypotheses which officials engaged in solving future problems of interagency coordination might want to ponder for possibly useful insights. In each instance, some illustrative or supporting data from the historical record is cited. In a few cases, we have gone beyond the written record and drawn on judgments derived from interviews with participants in the reversion decision-making process.

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A. STRATEGY

In the early 1960s, the pressure for reversion was creating heat, but not motion. There was no lack of proposed solutions: stand fast, increase Ryukyuan autonomy, step up the involvement of the Japanese Government in Okinawa, set a reversion date, and so on. What was missing was a strategy whereby the various concerned parts of the US Government could be brought to agree on a solution and put it into effect. Or if such a strategy existed, it had yet to be adopted by officials in a position to carry it out.

In mid-1966, coincident with the formulation of the IRG/FE's Ryukyus Working Group, the situation began to change. Precisely what happened can probably never be reconstructed, but key officials in State and Defense began to look for common ground and to formulate issues in a way that facilitated agreement. The key shift in emphasis was away from the reversion issue as such and toward the problem of prolonging local popular acquiescence in US rule of the islands. Once all concerned accepted the fact that the fundamental question was not "whether," but "how long," the inevitability of eventual reversion became inescapable.

Whether any participant in the working group had a detailed step-by-step plan may be doubted, but a strategic concept clearly arose for conducting a two-front negotiating campaign: (1) with the Japanese, and (2) within the US Government.¹ The great value of such a strategic concept in all situations requiring complicated interagency coordination and difficult international negotiations is the first lesson suggested by the Okinawa experience.

1. The evidence for the existence of a comprehensive strategic concept after mid-1966 is of two kinds: (1) the recollections of a few key participants and (2) the fact that the decision-making process began to move in a manner suggesting an inner sense of direction, rather than a series of improvised reactions to external events. One senior official said that he had approached the problem by asking himself what the final US-Japanese communiqué on reversion should say and then trying to fill in the steps that would lead to the desired objective.

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B. EARLY CONSENSUS

The major tasks of leadership in dealing with an interagency problem include establishing priorities among competing US objectives, achieving agreement on the basic facts, and creating at least a passive consensus on a solution to the problems under consideration. The earlier in the decision-making process these tasks can be completed, the sooner will interagency agreement be reached and the necessary actions taken.

Handling of the Okinawa problem was impeded for many years by disagreement over which objective should have priority: maintaining good relations with Japan or maintaining unrestricted use of US military bases on Okinawa. This disagreement concerning priorities was at the root of the differences between Ambassador Reischauer and General Caraway. Reischauer's view eventually prevailed, but not until after he had left the government.

It is true that in 1966 the SIG instructed the IRG/FE that a key aim of US foreign policy is "to maintain the closest possible economic and security ties with Japan." But in the same year, the JCS still adhered to the view that the United States must have unrestricted use of the bases on Okinawa in order to discharge its responsibilities for maintaining peace and security in the Far East. The escalation of the Vietnam war reinforced the JCS view and deferred clear establishment of the overriding priority of the US-Japan relationship.

Later in the 1960s, a combination of developments worked in the opposite direction. The bombing halt in North Vietnam and the expansion of bases in Thailand reduced somewhat the importance of Okinawa in relation to the war. Also, fears of a wider Far Eastern conflict stemming from the war sharply decreased. Equally important, awareness of the increasing importance of Japan and its power potentialities increased. Just when the balance tipped decisively and irreversibly in favor of the Japanese connection is not certain, but by the time

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President Nixon assumed office in January 1969 no serious doubt on this score remained.²

Full agreement on the essential facts bearing on the Okinawa problem has not been achieved to this day, but a large area of agreement was reached after 1966 by the simple expedient of having an inter-agency working group study Okinawan public opinion and Japanese policy. The requirement of periodic joint embassy-HICOM reports was also a constructive move to the same end.

Straightening out priorities and agreeing on many of the relevant facts are important, even essential, to the successful resolution of interagency problems. They are not enough, however, to account for the remarkable smoothness with which interagency coordination was effected in the later stages of the Okinawa story. The missing ingredient, which scarcely appears in the written record, was the achievement in 1967-68 of what we have called above a passive consensus on the proper solution to the basic policy problem.

What appears to have happened was that on a number of occasions during the last two years of the Johnson administration, several key officials³ conferred informally on the Okinawa problem, usually in pairs or very small groups. From these talks evolved a common recognition that reversion was inevitable in the fairly near future and that the United States would thereafter have to accept restraints on the use of the Okinawa bases. This is not to say that everyone concerned welcomed reversion, agreed on the terms, or was able or willing to enlist the unqualified support of his own institution for it. The

2. In October 1967, the influential journal, Foreign Affairs, published an article by Mr. Nixon on Asia after Vietnam, which made much of Japan's future leading role in Asia. This sign of how the president-to-be would view the question of priorities with reference to Okinawa was probably not missed by career government officials, both military and civilian.

3. The individuals involved in these informal conferences included most notably the US Ambassador to Japan, the Commander-in-Chief, Pacific, and the members of the Joint Chiefs of Staff.

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consensus was passive, rather than active, but that was enough to open the way to the solution that was ultimately adopted.

C. TIMING AND FORMULATION OF ISSUES

The most interesting timing problem in the Okinawa story relates to the US-Japanese negotiations rather than to coordination within the US Government.⁴ Timing was, however, also important in the latter connection. In theory, the way to progress in handling any interagency problem is to focus on the right question at the right time. The historical record on the Okinawa problem provides both positive and negative illustrations of this principle.

In the early 1960s, General Caraway focused attention on what in retrospect was the wrong issue: how to block Japanese efforts to diminish US authority on Okinawa. This issue was wrong in two respects. "Solving" it would not cure the really basic problem--mounting Japanese and Okinawan dissatisfaction with the status quo. And, more relevant to the present analysis, there was little prospect of interagency agreement on either the basic facts (Japanese intentions and the consequences of increased Japanese involvement on Okinawa) or what should be done about them.

In 1965-66, it was Ambassador Reischauer who focused on the wrong issue: can US bases on Okinawa function under Japanese administration? In this instance, the issue advanced was relevant to basic problems (and was in fact considered later), but it was premature. By pushing for an early answer on the feasibility of reversion, Reischauer alarmed those officials, principally military, who were responsible for

4. Most of the US participants whom we interviewed believe that the timing of the negotiations was about right. The United States held onto its legally unrestricted use of the Okinawa bases about as long as possible without damaging the overall US-Japan relationship. Nevertheless, it is possible to ask whether an earlier forcing of the issue might not have left the United States with somewhat greater freedom of action in Okinawa than it enjoyed in Japan proper. Also, by moving sooner, the United States might conceivably have been able to gain some form of autonomy for Okinawa within the Japanese nation, to the common advantage of both the local residents and US business interests. But these and other such speculations lie outside the scope of the present study.

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conducting the war in Vietnam, and interagency agreement became less, rather than more, likely. It can of course be argued that Reischauer's shock tactics were needed to get the Washington bureaucracy to pay attention to the Okinawa problem. On balance, however, we believe that his approach delayed a solution of the reversion question.

Sometimes, the way around an impasse is to move away from the "wrong" issue and substitute another for which all parties are ready. An interesting and important example of this technique occurred in 1966. The initial State draft of the Ryukyu bases paper seemed to be on the point of setting off a violent State-Defense confrontation, when Defense proposed a compromise approach. Instead of studying fundamental policy questions for which no one was really ready, Defense suggested studies of less basic subjects, such as Okinawan public opinion and Japanese policy toward the Ryukyus. State (by prearrangement) accepted this proposal, and interagency work on the Okinawa problem took a major step forward.

The Okinawa experience provides yet another useful lesson in the matter of timing. No issue was more sensitive within the US Government, as well as between the United States and Japan, than the question of whether the United States would be permitted to store nuclear weapons on Okinawa after reversion. The handling of this issue in NSDM-13 was a masterpiece of simplicity and finesse. The NSDM noted the desirability of being able to store nuclear weapons on Okinawa, but left the final decision to the President after all other issues had been disposed of. This master stroke cleared the way for handling other issues, and the nuclear issue was eventually decided by the President without any interagency confrontation or hard feelings.⁵

D. PERSONALITIES

The most important single explanation for the largely successful interagency handling of the Okinawa problem is a happy, largely

5. It might also be noted that, by keeping the Japanese in a state of uncertainty on this politically charged issue, the United States may have improved somewhat its negotiating leverage on other matters.

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fortuitous, conjunction of able, broad-gauged individuals who occupied key positions in the period 1966-69. The fact that several of them had dealt with East Asian affairs for many years added to their effectiveness. The further fact that a few well-placed individuals continued to work on the Okinawa problem after the change of administration in January 1969 was an additional favorable circumstance.⁶

Only a general familiarity with the Okinawa story is needed to realize that it was not always thus. In the mid-1960s, for example, relations between the US Ambassador in Tokyo and the high commissioner on Okinawa were personally correct, but real trust and a collegial spirit appear to have been absent. Other examples of less than ideal compatibility could also be cited.

Although assembling an ideal interagency team is largely a matter of luck, the Okinawa story does provide several examples of successful efforts to put the right person in the right place at the right time. The last two high commissioners were selected with special attention to their personal qualities. What was needed in the last years of the US administration of the Ryukyus was high commissioners with a broad appreciation of political factors and the ability to work smoothly with other responsible officials, civilian as well as military. General Unger and General Lampert fully satisfied these exacting requirements. Another leading example of successful personnel policy was the assignment of FSO Richard L. Sneider as Special Assistant to the Ambassador (later Deputy Chief of Mission) in Tokyo. Sneider, probably more than anyone else, had been responsible for moving the Okinawa problem successfully through the Washington bureaucratic jungle. Giving him the responsibility for bringing his long efforts to final fruition was a rare act of administrative wisdom.

6. In this last category, among others, were U. Alexis Johnson, Winthrop G. Brown, Richard L. Sneider and Robert W. Barnett of the State Department, and Stanley R. Resor, James V. Siena and Morton H. Halperin of the Defense Department.

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E. FORMAL COORDINATING MACHINERY

The handling of the Okinawa problem illustrates once more an old, but sometimes forgotten, truth: formal coordinating machinery cannot make hard policy decisions. It is simply too open and too complicated. With rare exceptions (and the Okinawa experience appears to provide none), basic decisions are made in informal conferences among a few senior officials, or by the President or a senior subordinate acting alone. Decisions may of course be ratified after the event in formal interagency forums.

What, then, is the formal coordinating machinery good for? The Okinawa experience suggests that it can serve several useful purposes:

1. It can reduce parochialism, but to do this, interagency coordinating arrangements must be given a vitality of their own. Members of an interagency committee must have a sense of taking part in a common endeavor which to a degree transcends, or at least dilutes, their loyalties to their own agencies. The Ryukyus Working Group formed by the IRG/FE in mid-1966 was a good example of such a committee. In part, the success of the Ryukyus Working Group must be attributed to the personalities involved. Credit must also be given, however, to the chairman's effort to get the members of the group to understand one another's problems and to his decision to involve all members in drafting of group papers.

2. It can lessen the danger of bitter interagency confrontations late in the decision-making process. The rough edges of interagency differences tend to get worn down as a problem moves through the hierarchy of working groups and committees. Also, contending parties are to some extent "locked into" a process from which they cannot easily break away to press their cases independently before higher authorities.

3. It can keep the middle level of government informed and shape opinions far beyond those of the individuals directly involved. The educational function of interagency committees is not easily documented, but may well be underrated. Certainly, a committee, such as the Ryukyus Working Group, which involves its members actively,

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stimulates supporting research and debate in wide areas of the bureaucracy. Large numbers of mid-level officials are thereby informed on the nature of problems and on possible solutions.

4. It can organize and focus staff work on the right problems. This consequence of the activity of a participatory committee such as the Ryukyus Working Group would appear to be almost self-evident. But again the value of this function, in terms of efficiency, may be underrated simply because it cannot be measured.

5. It can monitor action on decisions. This point can best be illustrated by recounting what happened to a key recommendation of the 1961 Kaysen Committee. At the outset, high hopes for this committee would have been fully justified. It was sponsored by the Secretaries of State and Defense, chaired by a senior member of the White House staff, and included representatives of all agencies with major responsibilities affecting Okinawa. Its recommendation that Japan be given a larger role in economic aid to the Ryukyus was promptly endorsed by the President. Then nothing happened, or at least not very much happened very fast. The standard explanation is that implementation was obstructed by the high commissioner, General Caraway. But that is only part of the story. A full explanation must recognize that the Department of the Army was not at the time disposed to tangle with one of its most able and vigorous general officers and that other Washington agencies felt no responsibility for carrying out the Kaysen Committee's recommendations. Differences in the key personalities aside, it is most unlikely that a high commissioner in the late 1960s could have successfully delayed execution of an approved policy. An interagency committee system would not have left the problem to the Department of the Army, nor would the lack of prompt action have been ignored by the various other agencies concerned.

The functioning of the formal coordinating machinery on the Okinawa problem from 1966 through 1969 also suggests three additional general hypotheses.

1. Interagency committees should be composed of the most senior responsible officials able to devote continuous attention to the

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problems at hand. Again, the Ryukyus Working Group provides a successful illustration of this principle. Its membership was stable (sending substitutes to meetings was discouraged), and its key members had easy access to senior policy officials in their own agencies.

2. Adequate staff support is essential to the proper functioning of interagency committees. Such support was provided committees at all levels in the handling of the Okinawa problem from 1966 on. The Army staff in Washington appears to have been notably effective. Support from the field also was good. In mid-1969, the high commissioner, General Lampert, established the Special Task Group (STG--later the Reversion Coordinating Group) to collect information needed by senior officials in Tokyo, Honolulu, and Washington. The STG performed a highly useful (if little recognized) behind-the-scenes role.

3. The "options" approach in interagency papers, which was initiated by the Nixon administration in early 1969, is probably more realistic and useful than the "agreed recommendations" approach followed previously. By focusing on options, a thorough analysis of problems is more likely and the lowest common denominator phenomenon can be avoided.

F. ROLE OF THE STATE DEPARTMENT

As we have seen, the handling of the Okinawa problem was very much an interagency process with no department playing a dominant role. Nevertheless, the State Department chaired the various interagency committees and working groups and conducted the key negotiations with the Japanese. One important lesson of the Okinawa story is that--contrary to common belief--State Department leadership can be effective in interagency deliberations.

State's working relations with Defense, especially in the later stage of the reversion process, were remarkably smooth. In part this must be credited to the fact that the Defense Department officials most deeply involved in the coordination process had no objection to State's taking the lead. State may also have benefitted from a number of more general circumstances which are often neglected by observers concerned over State's effectiveness.

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1. State Department officials often enjoy good rapport, even close personal friendship, with their opposite numbers from the Defense Department. Years of attendance by FSOs at war colleges (and on a smaller scale, attendance by military officers at the FSI Senior Seminar) and the successful State-Defense officer exchange program are paying off.

2. Dual Defense representation on interagency committees can work to State's advantage, even if State refrains from deliberately playing the JCS representative off against the representative from OSD.

3. The JCS representatives on lower level interagency committees are handicapped by both rigid instructions and cumbersome internal coordination procedures. The State representatives, in contrast, can more easily adjust their positions in the course of interagency discussions, knowing that they will be supported by their superiors if certain limits are not exceeded. Also, a State representative can obtain a cleared departmental position in days or hours, while the JCS representative might need weeks to staff out a problem within the Joint Staff and the Services.

4. White House representation on interagency committees need not dilute the authority of a State Department chairman, but can in fact reinforce it (as appears to have been the case on the Ryukyus Working Group).

Contrary to what might have been anticipated, in handling the Okinawa problem, State had more difficulty in maintaining its leadership in the economic and financial field than in the political-military area. This may be explained by several circumstances:

1. The Treasury Department, rather than being accustomed to State's leadership, regards itself as primarily responsible for all financial problems, foreign as well as domestic. Treasury, moreover, has a strong tradition of "going it alone" and tends to take a narrower view of international problems than either State or Defense.

2. Treasury found a natural bureaucratic ally in the Japanese Ministry of Finance. The MOF had no intention of giving the Ministry

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of Foreign Affairs a piece of the action on economic and financial matters. Treasury readily accepted this point of view, and both State and Foreign Affairs were excluded from the economic and financial talks. But despite these difficulties, State played a major role in guiding these talks. The State Department chairman of the economic and financial subcommittee of the Ryukyus Working Group drafted the instructions of the Treasury negotiator. The same State Department official also performed a useful function in mediating between Treasury and Defense on economic and financial problems.

G. CONGRESSIONAL RELATIONS

The present study was confined to coordination within the executive branch. We nevertheless unavoidably came upon clear evidence of the crucial importance of executive-legislative relations in the successful handling of the Okinawa problem. Had the administration failed to convince key congressional leaders of both the need to return the Ryukyus to Japan and the acceptability of the terms negotiated with the Japanese, the successful handling of the problem within the executive branch would have come to naught.

Congressional opinion exerted an especially strong influence on three aspects of the reversion decision:

1. The size of the financial settlement. The target of \$650 million set by the Secretary of Defense almost certainly represented an estimate of what would be acceptable to Congress.
2. Nuclear storage. The administration had to overcome strong misgivings in the Senate Armed Services Committee about this part of the reversion agreement.
3. The form of the reversion agreement. Initially, the administration appears to have favored an Executive Agreement, but it decided to accede to the views of Senate leaders that a formal treaty was required.

One common feature of executive-legislative relations was conspicuous by its absence. To the best of our knowledge, no participant in the reversion decision attempted to enlist congressional support for

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his position on a disputed issue. This fact presumably reflected the general confidence of all parties in the fairness of the coordination procedures.

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APPENDIX

TEXT OF JOINT COMMUNIQUE

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TEXT OF JOINT COMMUNIQUE

White House Press Release dated November 21, 1969

1. President Nixon and Prime Minister Sato met in Washington on November 19, 20 and 21, 1969, to exchange views on the present international situation and on other matters of mutual interest to the United States and Japan.

2. The President and the Prime Minister recognized that both the United States and Japan have greatly benefited from their close association in a variety of fields, and they declared that guided by their common principles of democracy and liberty, the two countries would maintain and strengthen their fruitful cooperation in the continuing search for world peace and prosperity and in particular for the relaxation of international tensions. The President expressed his and his government's deep interest in Asia and stated his belief that the United States and Japan should cooperate in contributing to the peace and prosperity of the region. The Prime Minister stated that Japan would make further active contributions to the peace and prosperity of Asia.

3. The President and the Prime Minister exchanged frank views on the current international situation, with particular attention to developments in the Far East. The President, while emphasizing that the countries in the area were expected to make their own efforts for the stability of the area, gave assurance that the United States would continue to contribute to the maintenance of international peace and security in the Far East by honoring its defense treaty obligations in the area. The Prime Minister, appreciating the determination of the United States, stressed that it was important for the peace and security of the Far East that the United States should be in a position to carry out fully its obligations referred to by the President. He further expressed his recognition that, in the light of the present situation, the presence of United States forces in the Far East constituted a mainstay for the stability of the area.

4. The President and the Prime Minister specifically noted the continuing tension over the Korean peninsula. The Prime Minister deeply appreciated the peacekeeping efforts of the United Nations in the area and stated that the security of the Republic of Korea was essential to Japan's own security. The President and the Prime Minister shared the hope that Communist China would adopt a more cooperative and constructive attitude in its external relations. The President referred to the treaty obligations of his country to the

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Republic of China which the United States would uphold. The Prime Minister said that the maintenance of peace and security in the Taiwan area was also a most important factor for the security of Japan. The President described the earnest efforts made by the United States for a peaceful and just settlement of the Viet-Nam problem. The President and the Prime Minister expressed the strong hope that the war in Viet-Nam would be concluded before return of the administrative rights over Okinawa to Japan. In this connection, they agreed that, should peace in Viet-Nam not have been realized by the time reversion of Okinawa is scheduled to take place, the two governments would fully consult with each other in the light of the situation at that time so that reversion would be accomplished without affecting the United States efforts to assure the South Vietnamese people the opportunity to determine their own political future without outside interference. The Prime Minister stated that Japan was exploring what role she could play in bringing about stability in the Indochina area.

5. In light of the current situation and the prospects in the Far East, the President and the Prime Minister agreed that they highly value the role played by the Treaty of Mutual Cooperation and Security in maintaining the peace and security of the Far East including Japan, and they affirmed the intention of the two governments firmly to maintain the Treaty on the basis of mutual trust and common evaluation of the international situation. They further agreed that the two governments should maintain close contact with each other on matters affecting the peace and security of the Far East including Japan, and on the implementation of the Treaty of Mutual Cooperation and Security.

6. The Prime Minister emphasized his view that the time had come to respond to the strong desire of the people of Japan, of both the mainland and Okinawa, to have the administrative rights over Okinawa returned to Japan on the basis of the friendly relations between the United States and Japan and thereby to restore Okinawa to its normal status. The President expressed appreciation of the Prime Minister's view. The President and the Prime Minister also recognized the vital role played by United States forces in Okinawa in the present situation in the Far East. As a result of their discussion it was agreed that the mutual security interests of the United States and Japan could be accommodated within arrangements for the return of the administrative rights over Okinawa to Japan. They therefore agreed that the two governments would immediately enter into consultations regarding specific arrangements for accomplishing the early reversion of Okinawa without detriment to the security of the Far East including Japan. They further agreed to expedite the consultations with a view to accomplishing the reversion during 1972 subject to the conclusion of these specific arrangements with the necessary legislative support. In this connection, the Prime Minister made clear the intention of his government, following reversion, to assume gradually the responsibility for the immediate defense of Okinawa as part of Japan's defense efforts for her own territories. The President and the Prime Minister agreed also that the United States would retain under the terms of the Treaty

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of Mutual Cooperation and Security such military facilities and areas in Okinawa as required in the mutual security of both countries.

7. The President and the Prime Minister agreed that, upon return of the administrative rights, the Treaty of Mutual Cooperation and Security and its related arrangements would apply to Okinawa without modification thereof. In this connection, the Prime Minister affirmed the recognition of his government that the security of Japan could not be adequately maintained without international peace and security in the Far East and, therefore, the security of countries in the Far East was a matter of serious concern for Japan. The Prime Minister was of the view that, in the light of such recognition on the part of the Japanese Government, the return of the administrative rights over Okinawa in the manner agreed above should not hinder the effective discharge of the international obligations assumed by the United States for the defense of countries in the Far East including Japan. The President replied that he shared the Prime Minister's view.

8. The Prime Minister described in detail the particular sentiment of the Japanese people against nuclear weapons and the policy of the Japanese Government reflecting such sentiment. The President expressed his deep understanding and assured the Prime Minister that, without prejudice to the position of the United States Government with respect to the prior consultation system under the Treaty of Mutual Cooperation and Security, the reversion of Okinawa would be carried out in a manner consistent with the policy of the Japanese Government as described by the Prime Minister.

9. The President and the Prime Minister took note of the fact that there would be a number of financial and economic problems, including those concerning United States business interests in Okinawa, to be solved between the two countries in connection with the transfer of the administrative rights over Okinawa to Japan and agreed that detailed discussions relative to their solution would be initiated promptly.

10. The President and the Prime Minister, recognizing the complexity of the problems involved in the reversion of Okinawa, agreed that the two governments should consult closely and cooperate on the measures necessary to assure a smooth transfer of administrative rights to the Japanese Government in accordance with reversion arrangements to be agreed to by both governments. They agreed that the United States-Japan Consultative Committee in Tokyo should undertake overall responsibility for this preparatory work. The President and the Prime Minister decided to establish in Okinawa a Preparatory Commission in place of the existing Advisory Committee to the High Commissioner of the Ryukyu Islands for the purpose of consulting and coordinating locally on measures relating to preparation for the transfer of administrative rights, including necessary assistance to the Government of the Ryukyu Islands. The Preparatory Commission will be composed of a representative of the Japanese Government with

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ambassadorial rank and the High Commissioner of the Ryukyu Islands with the Chief Executive of the Government of the Ryukyu Islands acting as adviser to the Commission. The Commission will report and make recommendations to the two governments through the United States-Japan Consultative Committee.

11. The President and the Prime Minister expressed their conviction that a mutually satisfactory solution of the question of the return of the administrative rights over Okinawa to Japan, which is the last of the major issues between the two countries arising from the Second World War, would further strengthen United States-Japan relations which are based on friendship and mutual trust and would make a major contribution to the peace and security of the Far East.

12. In their discussion of economic matters, the President and the Prime Minister noted the marked growth in economic relations between the two countries. They also acknowledged that the leading positions which their countries occupy in the world economy impose important responsibilities on each for the maintenance and strengthening of the international trade and monetary system, especially in the light of the current large imbalances in trade and payments. In this regard, the President stressed his determination to bring inflation in the United States under control. He also reaffirmed the commitment of the United States to the principle of promoting freer trade. The Prime Minister indicated the intention of the Japanese Government to accelerate rapidly the reduction of Japan's trade and capital restrictions. Specifically, he stated the intention of the Japanese Government to remove Japan's residual import quota restrictions over a broad range of products by the end of 1971 and to make maximum efforts to accelerate the liberalization of the remaining items. He added that the Japanese Government intends to make periodic reviews of its liberalization program with a view to implementing trade liberalization at a more accelerated pace than hitherto. The President and the Prime Minister agreed that their respective actions would further solidify the foundation of overall U.S.-Japan relations.

13. The President and the Prime Minister agreed that attention to the economic needs of the developing countries was essential to the development of international peace and stability. The Prime Minister stated the intention of the Japanese Government to expand and improve its aid programs in Asia commensurate with the economic growth of Japan. The President welcomed this statement and confirmed that the United States would continue to contribute to the economic development of Asia. The President and Prime Minister recognized that there would be major requirements for the post-war rehabilitation of Viet-Nam and elsewhere in Southeast Asia. The Prime Minister stated the intention of the Japanese Government to make a substantial contribution to this end.

14. The Prime Minister congratulated the President on the successful moon landing of Apollo XII, and expressed the hope for a safe

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journey back to earth for the astronauts. The President and the Prime Minister agreed that the exploration of space offers great opportunities for expanding cooperation in peaceful scientific projects among all nations. In this connection, the Prime Minister noted with pleasure that the United States and Japan last summer had concluded an agreement on space cooperation. The President and the Prime Minister agreed that implementation of this unique program is of importance to both countries.

15. The President and the Prime Minister discussed prospects for the promotion of arms control and the slowing down of the arms race. The President outlined his Government's efforts to initiate the strategic arms limitations talks with the Soviet Union that have recently started in Helsinki. The Prime Minister expressed his Government's strong hopes for the success of these talks. The Prime Minister pointed out his country's strong and traditional interest in effective disarmament measures with a view to achievement of general and complete disarmament under strict and effective international control.