Japan

1. Editorial Note

In the 1958–1968 decade, the U.S. Government approved four covert programs to try to influence the direction of Japanese political life. Concerned that potential electoral success by leftist political forces would strengthen Japanese neutralism and eventually pave the way for a leftist government in Japan, the Eisenhower administration authorized the Central Intelligence Agency before the May 1958 elections for the Japanese House of Representatives to provide a few key pro-American and conservative politicians with covert limited financial support and electoral advice. The recipient Japanese candidates were told only that they were getting support from American businessmen. This program of modest financial support to key politicians continued during subsequent electoral campaigns into the 1960s.

Another U.S. covert action in Japan sought to reduce the chances that extreme left-wing politicians would be elected. During 1959, the Eisenhower administration authorized the CIA to institute a covert program to try to split off the moderate wing of the leftist opposition in the hope that a more pro-American and "responsible" opposition party would emerge. This program's financial support was limited—$75,000 for 1960—and it continued basically at that level through the early 1960s. By 1964, key officials in the Lyndon Johnson administration were becoming convinced that because of the increased stability in Japanese politics, covert subsidies to Japanese politicians were no longer necessary. Furthermore, there was a consensus that the program of subsidies was not worth the risk of exposure. The subsidy program for Japanese political parties was phased out in early 1964. Meanwhile, a broader covert program, divided almost equally between propaganda and social action and designed to encourage key elements in Japanese society to reject the influence of the extreme left, continued to be funded at moderate levels—$450,000 for 1964, for example—throughout the Johnson administration.

2. Letter From the Assistant Secretary of State for Far Eastern Affairs (Hilsman) to the Ambassador to Japan (Reischauer)

Washington, January 10, 1964.

[Source: Department of State, INR/IL Historical Files, East Asia Country Files, Japan, 1964. Secret; Official–Informal; Roger Channel. 2 pages of source text not declassified.]

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3. Memorandum Prepared for the Special Group

Washington, January 11, 1964.

[Source: Department of State, INR/IL Historical Files, East Asia Country Files, Japan, 1964, 1965. Secret; Eyes Only. Excerpt—6 pages of source text not declassified.]

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4. Letter From the Ambassador to Japan (Reischauer) to the Special Assistant to the President (Schlesinger)

Tokyo, January 16, 1964.

[Source: Johnson Library, National Security File, Files of Robert Komer, Japan, January 1964 to March 1966. Secret. 3 pages of source text not declassified.]

5. Letter From Secretary of Defense McNamara to Secretary of State Rusk[1]

Washington, January 22, 1964.

Dear Dean:

In our recent exchange of letters (mine of 16 November and yours of 6 December)[2] we have agreed that Japan should make a more vigorous effort in its defense buildup and modernization and that it would be desirable to raise this matter with Japanese officials during your trip to Tokyo now scheduled for late January.[3]

I would leave to your judgment and your interpretation of Japanese receptiveness at the time of your visit whether we can achieve our objectives in Japan with or without introducing the proposed Memorandum of Understanding.[4] Japanese approval of the proposed Memorandum would be a valuable evidence of Japanese willingness to make a greater effort but it is of course the realization of the objective rather than the means of achieving it that is more important. We should, therefore, use whatever approach appears to be the most promising.

I agree with you that a visit of my representative to Tokyo should await the results of your trip. Your suggestions as to follow-up action that we can take after your trip would be appreciated.

Sincerely,

Bob

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 19–3 US–JAPAN. Secret.

[2] See *Foreign Relations,* 1961–1963, vol. XXII, Document 383 and footnote 4 thereto.

[3] Rusk was in Tokyo January 24–28 to attend the meeting of the Joint U.S.-Japan Committee on Trade and Economic Affairs; see Document 7.

[4] McNamara included a draft Memorandum of Understanding with his letter of November 16, 1963; see footnote 2 above.

6. Letter From Secretary of the Treasury Dillon to Secretary of State Rusk[1]

Washington, January 22, 1964.

Dear Dean:

It seems to me that your forthcoming trip to Tokyo for the Cabinet Committee Meeting presents an opportunity to raise with Japanese officials the question of the level of their defense budget and the reduction or offsetting of the continuing high level of our defense expenditures in Japan. You will recall we discussed these matters in a meeting with Ministers Ohira and Tanaka at the time of the Cabinet Meeting in Washington in December 1962.[2]

In spite of the efforts which we have made over the past year, including Ros Gilpatric's visit to Japan[3] and representations made by Ambassador Reischauer to Japanese officials, increases in the Japanese defense budget continue to be disappointing and considerably below Japan's economic capabilities. In fact, the percentage of GNP going into the Japanese defense budget is one of the lowest in the world, and is even lower than Cambodia and approximately the same as Burma.

Our defense expenditures in Japan continue to be the second highest in any country in the world, exceeded only by our expenditures in Germany. The Defense Department's program to cut back our worldwide defense expenditures will reduce somewhat our dollar outlay in Japan. However, even with currently planned U.S. redeployments and other cutbacks, including the cessation of our truck purchases in Japan, our defense expenditures are likely to continue at a high level. Therefore, barring further and drastic redeployments and cutbacks, it is essential to find a means for offsetting a large percentage of these expenditures. However, in order to find a meaningful offset formula, which would mean Japan purchasing military equipment from the U.S., as do Germany and Italy, it will be necessary that the Japanese defense budget be increased. I am not suggesting that the sole objective of an increase in the Japanese defense budget be for this purpose, but rather that Japan has a responsibility to provide for its own self defense and in order to do so needs modern military equipment. As has been proven

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 19–3 US–JAPAN. Secret.

[2] For a memorandum of conversation of a December 3, 1962, meeting, see *Foreign Relations,* 1961–1963, vol. XXII, Document 362.

[3] An in-depth report on Gilpatric's visit to Tokyo, February 6–7, 1963, is ibid., Document 368.

in the cases of Germany and Italy, such equipment can in most cases be produced faster and at less cost in the United States.

In view of the importance of these matters, both to Japan's own military capability and to the continuing high level of U.S. dollar expenditures in Japan, I recommend that you raise these subjects with the Japanese during your visit. Assistant Secretary John Bullitt, who will be the senior Treasury representative on the U.S. delegation, will be prepared to provide any necessary backup information on the above matters and will be prepared to assist you in any way you feel would be appropriate.

With best wishes,

Sincerely,

Douglas

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7. Editorial Note

The Third Meeting of the Joint United States-Japan Cabinet Committee on Trade and Economic Affairs was held in Tokyo January 27 and 28, 1964. The United States delegation arrived on January 25 and consisted of Secretary of State Rusk, Secretary of Commerce Hodges, Secretary of Labor Wirtz, Under Secretary of Agriculture Murphy, Under Secretary of the Interior Carr, Chairman of the Council of Economic Advisers Heller, and Assistant Secretary of the Treasury Bullitt.

The 2-day conference centered on the state of nations' economies, trade and investment restrictions, tariffs and taxes, balance-of-payments questions, and similar matters. While in Tokyo, Secretary Rusk also met with Prime Minister Ikeda and Foreign Minister Ohira for wider-ranging discussions of common interests, notably, Korea, the People's Republic of China, defense matters, and relations between Japan and the United States.

Briefing papers, memoranda, and other relevant documentation pertaining to the meeting are in the National Archives and Records Administration, RG 59, Files of the Executive Secretariat: Lot 66 D 110, Chronology of International Conferences Abroad, 1961–1964; ibid., Rusk Files: Lot 72 D 192, Memoranda of Conversation File, January 1964; and ibid., Central Files 1964–66, E 1 JAPAN–US. A joint communiqué issued at the close of the meeting is printed in *American Foreign Policy: Current Documents, 1964,* pages 910–914.

8. Memorandum From the Executive Secretary of the National Security Council (Smith) to President Johnson[1]

Washington, January 28, 1964.

Japanese Foreign Minister Ohira told Secretary Rusk yesterday that there was strong public support in Japan for coming to an understanding with Mainland China.[2]

Secretary Rusk replied that the U.S. could pull out of Southeast Asia and still survive, but that other Asian states could not. He suggested the Japanese talk to their Asian neighbors about relations with Communist China rather than worrying about what our reaction would be.

On defense problems, Secretary Rusk said:[3]

(1) The U.S. is not stationing or withdrawing troops in foreign countries for balance of payments reasons. Force adjustments are being undertaken solely because of the tremendous increase in U.S. military power during the last three years.

(2) The U.S. did not believe it should supply manpower to countries with adequate manpower reserves. It is difficult to draft boys from Kansas farms and Pittsburgh factories to send as riflemen to Japan which has a population of 95 million people.

B. Smith

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[1] Source: Johnson Library, National Security File, Country File, Japan, Vol. I. No classification marking. The memorandum indicates the President saw it.

[2] Memoranda of conversation report Rusk's discussion of China with Ohira on January 26 and 28. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL CHINAT–JAPAN; and ORG 7 S) A follow-up conversation was held in Washington on February 29, when Rusk met with Takeuchi to discuss China policy. (Ibid., POL CHINAT–JAPAN) As the discussions made clear, the Japanese were not prepared to extend diplomatic recognition to the People's Republic of China at this time or in the foreseeable future, but were interested in improving Sino-Japanese cultural and economic relations.

[3] In separate meetings, Rusk discussed defense matters on January 28 with Ikeda and with Ohira. U.S. concerns toward Japan focused on balance-of-payments problems, Japanese defense expenditures, and U.S. redeployment of troops in Asia. (Memoranda of conversation, January 28; ibid., Rusk Files: Lot 72 D 192, Memoranda of Conversations File, January 1964)

9. Letter From the Ambassador to Japan (Reischauer) to the Assistant Secretary of State for Far Eastern Affairs (Hilsman)

Tokyo, February 14, 1964.

[Source: Department of State, INR/IL Historical Files, East Asia Country Files, Japan 1964, 1965. Secret; Official–Informal; Roger Channel. 2 pages of source text not declassified.]

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10. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, February 27, 1964, 5 p.m.

2541. For Secretary from Ambassador.

Ikeda asked see me today and, after referring to your statement in private conversation with him that I could be used as direct channel to you with no other persons seeing conversation, made following points:

1. French recognition of Peking[2] has had big impact on Japanese public with resultant increase in pressures on GOJ. Proposals put forth by Liao Cheng-chih in Peking and seconded in Tokyo by Chao An-po (both "old Japan hands" among Chicoms) for 1) expansion of trade, 2) exchange of trade representatives, 3) exchange of air routes, and 4) exchange of reporters is meeting favorable public response.[3]

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Secret; Nodis. An attached note from Read states that the telegram was distributed only to Rusk.

[2] France extended diplomatic recognition to the People's Republic of China on January 27, 1964.

[3] In telegram 2481, February 20, the Embassy reported that French recognition of the People's Republic of China and increased efforts by France and other European countries to open markets in China stimulated favorable consideration of China's economic proposals within Japan. Despite potential expansion of trade and economic relations, Japan's policy remained one of separating economic relations from political and diplomatic recognition. At the same time, however, the Embassy acknowledged that "While trade itself may not reach important magnitudes, proposed actions such as exchange trade reps or ad hoc airline connections could if implemented be by themselves little steps leading in direction of 'normalization' relations with Chicoms who themselves are vigorously promoting closer relationship with Japan." (National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN)

2. Some of these suggestions have merit, but Ikeda does not wish to get seriously out of step with US. From recent talks with Wiggins of *Washington Post* and Drummond of *New York Herald Tribune,* he concludes that more contacts between US and Peking would be desirable and not necessarily against US wishes. In order further US-Peking contact and help keep GOJ in step with us, he believes it might be wise for Japan to agree to exchange of reporters on condition Peking does same with us. Idea has been talked over with Furui (I suspect he means idea was put forward by Furui), LDP Diet man and member of Okazaki trade mission to Peking last autumn, in whom Ikeda has great confidence as old time bureaucratic associate and also with Matsumura, influential LDP Diet man who has lead movement for closer ties with Peking. Matsumura eager to make approach to Peking on this basis, but Ikeda holding back, ostensibly to study plans further, but really to get your reaction. He would not wish to make such proposal to Peking and then find it embarrasses US.

3. Ikeda has decided that before any exchange of air routes can be considered, Peking must first make postal agreement with Japan and agreement for exchange of meteorological data. (There are already informal agreements for limited exchange of mail and meteorological information.)

4. Regarding recognition, Ikeda said he didn't care if Japan last to extend recognition, on grounds "chief actor need not appear in early scenes." On this point he also stressed the importance of Japan's relations not only with GRC but ROK, Philippines and Thailand.

5. He inquired anxiously about Vietnam situation. Obviously his anxiety has been heightened by sudden resignation of Hilsman. I know he would appreciate anything you could tell him through this personal channel.

6. In closing he expressed hope for early reply from you regarding proposal in para 2, which I should pass to him without anyone else's knowledge. This was first time he had met absolutely alone with me, even Kurogane, Chief Cabinet Secretary, being excluded, and Ikeda obviously does not want even Ohira to know he has consulted you on this point.

Reischauer

11. Telegram From the Department of State to the Embassy in Japan[1]

Washington, March 4, 1964, 7:52 p.m.

2268. For Ambassador from Secretary.

Please tell PriMin I greatly appreciate his very private message contained in your 2541.[2] Please see him again and pass along following comments from me:

1. We very much appreciate his suggestion that the exchange of reporters between US and Mainland China might be injected into discussion same subject between Tokyo and Peiping. We have been trying for some years to arrange such an exchange but Peiping has refused. A number of distinguished US journalists have in recent past made individual approaches to Chicom representatives at various places but thus far with no result. Whether exchange of reporters between us and Peiping should be linked to similar exchange by Japan is something which Mr. Ikeda would have to assess. It is much more probable that Peiping would agree to an exchange with Japan than with us. However, if matter were discussed with Peiping and they surprisingly agreed to exchange of reporters with us we would not be embarrassed. I think it only fair to say that since we have had an outstanding proposal on this matter for a number of years with Peiping that if (as is highly unlikely) Peiping should wish to say yes to us and no to Tokyo, we would find it difficult to link the two together and would proceed with exchange. In summary, we doubt that Peiping would agree to exchanges with us and would, therefore, leave to PriMin judgment as to whether this should be a part of his own approach. If approach is made and succeeds, there would be no embarrassment.

2. We are of course seriously concerned about Viet-Nam situation. Resignation of Hilsman had absolutely no policy implications whatever. Hilsman made a personal choice on basis his own long range future and in face of pressing invitations to return to academic life, invitations which we had persuaded him to fend off for several months. We will have better judgment on Viet-Nam prospects following McNamara visit which begins this week. We shall give PriMin our candid assessment in about ten days time. It is entirely possible that security of Southeast Asia will require all leading free world nations to

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Secret; Nodis. Drafted by Rusk, cleared by Green and Read, and approved by Rusk.

[2] Document 10.

reach basic policy judgments on how to thwart aggressive moves of Hanoi and Peiping. Principal disadvantage of French recognition Peiping was to give Peiping idea that militancy pays dividends. I fear that détente psychology may be in for a rude shock. Our policy is to continue on the track of giving maximum support to the South Viet-Namese to win their own battle. If this track becomes impossible then principal governments will have to look at the alternatives in the most sober fashion.

3. On matter of possible Japanese recognition of Peiping I would only repeat what I said in Tokyo,[3] namely, that central issue is what is Japan's policy toward free world interests and communist expansion in Asia. It is not a question of look over a shoulder at us but engages Japan's most central and vital interests in security and stability in the Western Pacific and Southeast Asia. I hope very much that our two governments can keep in closest contact on this all important issue.

Rusk

[3] In telegram 2605 from Tokyo, March 5, Reischauer reported that he informed Ikeda of Rusk's remarks. Ikeda stated he would "move ahead as he had proposed" and was prepared "to take a hard line" with the Chinese if they were unwilling to "consider exchange of reporters with the U.S." He also welcomed the forthcoming briefing on Vietnam. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US)

12. Letter From the Under Secretary of State for Political Affairs (Johnson) to the Ambassador to Japan (Reischauer)[1]

Washington, April 12, 1964.

Dear Ed:

With further reference to the Ryukyus,[2] you should know that during the past few weeks we have been seeking to obtain Defense agreement to separating the military and civil functions on Okinawa by the

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS. Secret; Eyes Only.

[2] In telegram 2751 from Tokyo, March 23, Reischauer informed the Department of State of growing dissatisfaction with and criticism of the lack of local autonomy on the Ryukyus as reflected in the Japanese press and in comments by members of the OLDP, which was considered the most conservative and pro-U.S. party on the islands. (Ibid.)

appointment of a civilian High Commissioner responsible directly to the Secretary of Defense.[3]

I privately discussed the matter on a number of occasions with Cy Vance and Steve Ailes against the background of the developments in Panama, pointing out that we should now be looking to perhaps the next twenty years in Okinawa. We had managed to get by these past eighteen years under the present arrangement but I feared that the concept of an American military officer ruling over an alien population of almost one million would not continue to be viable with U.S., Ryukyuan, Japanese or world opinion, and we should adjust our arrangements before the pressures begin to grow. In view of its past record and the problem of appropriations, I dismissed the possibility of seeking to give Interior responsibility for the civil aspects of Okinawa. I also thought the responsibility remaining in the Department of Defense was consistent with our position that the occupation of Okinawa was based upon military necessity and was in principle temporary in nature. However, to obtain the type of person that would be required as a civilian High Commissioner (I had in mind an ex-governor, mayor of a large city or some similar background), I thought it essential he be responsible directly to the Secretary of Defense rather than to the Secretary of the Army.

Cy Vance was responsive to the concept. Understandably, Steve Ailes was somewhat resistant. The Secretary also discussed it directly with Bob McNamara who, while not rejecting it, was understandably concerned at arousing in an election year some of those on the Hill, particularly in the Armed Services Committees, who could be expected to be very resistant to any change. In order to move the issue from one of abstract principle to concrete terms we sought quietly to locate someone who might be considered for the position. However, we were not successful.

Therefore, we have now concurred in the appointment of General Albert Watson, General Caraway's replacement. It had been hoped and expected that Tic Bonesteel, who would of course be absolutely first class, would be appointed but this turned out to be impossible because Tic has been having very grave difficulties with his sight which require his remaining close to the specialist in Philadelphia who has been treating him. All of us who know of his work feel that Watson, who has been Commandant in Berlin, is by far the best second choice. His record in Berlin was excellent and he is accustomed to working very closely with State in a complicated and complex military milieu. He

[3] U. Alexis Johnson had previously informed Rusk of his efforts to achieve that objective. (Memoranda to Rusk, March 19 and 25; ibid.)

will also be briefed thoroughly here on the importance of doing much better than we have in the past in taking account of our problems vis-à-vis Japan with respect to the Ryukyus, and I think that you will find him willing to work effectively with you.

This does not mean we have abandoned the concept of the civilian High Commissioner, but only that we have set it aside for the time being. In the meanwhile, I feel confident that General Watson will serve to eliminate some of the problems we have been facing, especially with respect to Japan.

I know that you will keep the foregoing very much to yourself, but wanted you and John Emmerson to have the full story as it now stands.

Sincerely,

U. Alexis Johnson[4]

[4] Printed from a copy that bears this typed signature.

13. Memorandum for the Record[1]

Washington, May 6, 1964.

SUBJECT

Daily White House Staff Meeting, 6 May 1964

1. Mr. Bundy presided throughout the meeting.

[Omitted here is discussion of unrelated subjects.]

8. *Okinawa.* The press articles on Okinawa have aroused some White House interest, although not from the President himself yet. Forrestal,[2] who claimed responsibility for Okinawa, told Bundy things were in pretty bad shape out there. He said what should be done was that General Carraway should be replaced by a civilian, some ex-Democratic governor, for example. The Army does not want to do this, and the State Department will not fight on this issue. Bundy mentioned

[1] Source: National Defense University, Taylor Papers, Box 25, Chairman's Staff Group, May 1964. Secret; Eyes Only. Prepared by William Y. Smith.

[2] Michael Forrestal, member of the NSC staff with expertise in Far Eastern matters.

that perhaps the White House should ask for a report on Okinawa at the NSC meeting next Tuesday.[3] Forrestal seemed to think this was moving a little fast. He wanted to work through State, but Bundy didn't like this idea, saying that would take too long. The upshot of this part of the discussion was that it was evident that Okinawa would soon be discussed with the President, although exactly when remains uncertain.

After some back and forth, in which generally everybody favored a civilian governor for Okinawa, Forrestal said the ideal solution would be to have a civilian governor with a military deputy. The civilian will report to OSD (rather than the Army), and the military would report through the JCS. Bundy seemed to endorse this type of arrangement.

I commented that although the military had certainly not been blameless, the problem in Okinawa seemed to run deeper than just that of the military nature of the government. The Okinawans wanted out from under US rule. Bundy agreed, but not enthusiastically, and commented that a farsighted civilian governor who thought in civilian terms could do a lot to meet the needs of the Okinawans.

The matter was left with Forrestal being responsible for deciding how best to handle this problem and to come up with some proposed program for moving in the direction of greater civilization of Okinawa.

WYS

[3] Okinawa was not discussed at the next NSC Meeting on Friday, May 15. (Johnson Library, National Security File, National Security Council Meetings, Vol. 2, April 1964 to July 1964)

14. Memorandum of Conversation[1]

Washington, June 4, 1964.

SUBJECT

U.S. Policy toward the Ryukyu Islands

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS. Confidential. Drafted by Petree and approved by G on June 16.

PARTICIPANTS

Lieutenant General Albert Watson II, USA, High Commissioner Designate of the Ryukyu Islands[2]
Colonel John J. Duffy, USA, Director, Civil Affairs, Office of the Deputy Chief of Staff for Military Operations, Department of the Army
Mr. U. Alexis Johnson, Deputy Under Secretary of State
Mr. Jeffrey C. Kitchen, Deputy Assistant Secretary of State
Mr. Robert A. Fearey, Acting Deputy Director for East Asian Affairs
Colonel Haakon Lindjord, Office of Politico-Military Affairs
Mr. Richard W. Petree, Acting Officer-in-Charge, Japanese Affairs

Mr. Johnson recalled that he had been closely associated with the Okinawan situation since 1946, when he had sent a consular officer to Okinawa to handle various consular matters for U.S. forces stationed there; this officer came back from Naha full of concern about various problems there. Mr. Johnson said he had been in the Bureau of Far Eastern Affairs in the Department, from 1949 to 1953, when he was again closely associated with Okinawan affairs. He expressed pleasure that General Watson was going to Okinawa, and said that he thought the task of the High Commissioner is probably one of the toughest jobs the Army has for an officer.

Mr. Johnson said the United States has made out amazingly well in the Ryukyus over the last 20 years. This has been partly because of the placid and mild temperament of the Ryukyuan people. Over the next 20 years or longer, however, he felt it possible that the Ryukyus would emerge like Angola, Mozambique and other areas as a first-class colonial problem. Our long-term tenure is viable only if our relations with Japan vis-à-vis the Ryukyuan problem are viable. We must work hard to maintain a position in Okinawa which is manageable from the standpoints of world opinion and the opinions of the American people. Mr. Johnson felt that on the economic side we have done well in Okinawa. The standard of living and general economic well-being of the Ryukyuan people appear to have shown considerable improvement over the period of our administration.

Mr. Johnson said the Government of Japan is conservative and has shown itself willing to play ball with us on the Okinawa problem. The ruling conservative elements in Japan must clearly demonstrate an interest in the Ryukyus, however. We must assist the Japanese in maintaining its present policy position with respect to the Okinawan problem.

Mr. Johnson said that in the Ryukyus we have to walk a narrow line between paternalistic protection of the Ryukyuans from their own

[2] On June 4 Watson also met with Harriman, Green, and Bacon; summaries of those conversations are ibid.

mistakes and a policy of autonomy for the Ryukyuans. This is a hard job and there are no clear answers as to how it can best be accomplished. The High Commissioner's power of veto over the actions of the Government of the Ryukyu Islands tends to make the Ryukyuans irresponsible, able to blame developments on the High Commissioner. Mr. Johnson said he believed the Ryukyuans should be forced to assume more responsibility for their own affairs, even though this meant letting them make mistakes.

Mr. Johnson said that it is all too easy to sit in Washington or to visit Okinawa briefly and come up with expert answers. He felt, however, that we have been a little too paternalistic and protective in our administration of the islands.

Mr. Johnson said that the High Commissioner is confronted with the dilemma of reconciling the political desires of the Ryukyuans and the Japanese with the military requirements of our mission there. There appears to be some feeling of suspicion and hostility toward Japan among U.S. officials in Okinawa. They seem to feel that they must defend themselves against Japan's edging in. Some of these feelings appeared to be transferred to the Embassy in Tokyo. He hoped that General Watson could make the relationship with the Embassy and the Japanese a little less suspicious. We should aim at a normal friendly give-and-take and strive for mutual confidence with the Japanese. General Watson's consultations in Tokyo on his way to Naha would give him an excellent opportunity to talk with the Embassy and to meet some of the key Japanese Government officials concerned with Ryukyuan affairs.

Mr. Johnson referred to President Kennedy's policy statement of March 19, 1962 and said that the primary objective of the President's statement is to enable us to stay in the Ryukyus for as long as there is a military requirement for our bases there.[3] The Department of State completely supports this objective. In our administration in Okinawa we must do everything possible to prevent the rise of local hostility to our presence. We could not stay in Okinawa if we lose the support of Japan. The guidelines of our policies in Okinawa must be the attitudes of the local populace, of the Japanese, and the American people. Mr. Johnson said General Watson had our solid and sympathetic support.

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[3] On March 19, 1962, President Kennedy announced measures to strengthen civil and local government in the Ryukyu Islands, including enabling the legislature to nominate the Chief Executive, limiting the High Commissioner's veto power, and lengthening the term of the legislature. Kennedy also called for a continuous review of local and military government to determine those administrative functions that could be turned over to the Ryukyuan Government. On October 4 Kennedy approved an increase in U.S. funding for the social and economic development of the islands. (*American Foreign Policy: Current Documents, 1962,* pp. 1032–1033)

Mr. Johnson said that our problem in Okinawa is similar in some ways—and fundamentally different in others—to that in Panama. There is an American enclave with an American standard of life that is completely different from that of the local populace. The situation is bound to create problems, but they should not be unmanageable if we conduct our administration intelligently. General Watson observed that he had heard that Okinawan attitudes toward the Americans in the Ryukyus are friendly and favorable.

Mr. Johnson asked about the status of the Department of the Army's appropriation bill for Okinawa and was told that the Army has requested $12 million for economic assistance and $2.4 million for administration. The Army estimates that it may get around $12 million total. Colonel Duffy said the hearings before the Passman Subcommittee were unprecedented in the warmth of the committee's reception of Department of the Army spokesmen, including General Caraway. Colonel Duffy noted that Congressman Passman visited Okinawa this spring and carried away a very fine impression of the job done by General Caraway. Mr. Johnson expressed pleasure that General Watson may have an adequate budget with which to work.

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15. Department of State Policy Paper[1]

Washington, June 26, 1964.

THE FUTURE OF JAPAN

Summary

Looking ahead over the next ten years, we can expect to find ourselves dealing with an increasingly strong, confident and nationalistic Japan. Pro-Western, conservative elements will probably retain control at least until 1969 or 1970, possibly alternating power thereafter with socialist governments of considerably more moderate hue than today's Japan Socialist Party. Japanese society will increasingly resemble Western industrial societies—urbanized and suburbanized, sophisticated consumer tastes, apartment dwelling and gadget served. Japan's eco-

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 1 JAPAN–US. Secret. Prepared as a Basic National Security Policy Task by the Bureau of Far Eastern Affairs; approved by the Embassy in Japan and the Secretary of State.

nomic and security relations with the U.S. will remain vitally important to it—and scarcely less so to us—but the relationship will become less predominant in Japan's foreign relations and more pragmatic as Japan seeks its own way in the world and attempts to reduce its present extraordinary dependence on the U.S. China will remain an area of potential policy difference with us, but with the odds against a major split on recognition and other basic issues, partly because of the broad consensus in Japan in favor of self-determination on Taiwan. As Japan assumes a greater share of Free World burdens and responsibilities, it will demand, and we will wish to accord it, a greater voice in East Asian and world policy decisions.

There is no reason why we cannot live with these changes, and indeed benefit from them. Japan may be less under our influence than now, but it will be firmly anti-Communist, internally less divided, more conscious of its responsibilities, and over-all a greater source of Free World strength than it is today. Determined and able to stand on its own feet in pursuit of what it considers its true national interests, its position will increasingly resemble that of our major European Free World allies.

What the U.S. does or does not do in and with respect to Japan will remain highly important to Japan's future course, and thus to our own Far Eastern and world position. Events have proved the soundness of our Japan policies of recent years, and there appears no present ground for believing that the main elements of those policies will not retain validity over most of the next decade. Programs to promote moderating trends on the left should be continued as long as they are needed and effective. U.S. security guarantees should be maintained as the umbrella under which Japan should be encouraged steadily to expand and modernize its home defense forces and pursue other domestic and foreign programs directly or indirectly contributory to Free World interests. These include an enlarged and improved development assistance program, trade and investment liberalization, an ROK settlement, cooperative economic assistance programs in the Ryukyus, and expansion and modernization of Japan's neglected public services. Efforts should be made to guide Japanese energies in directions adapted to Japan's national aptitudes and motivations, including such projects as a revamped and generously financed foreign trainee program. The possibility should not be excluded of Japan's eventually, possibly within the next 10 years, assuming defense responsibilities outside the immediate Japan area, beginning with participation, hopefully well within the decade, in UN peace-keeping activities. Maintenance and strengthening of our consultative relationship with the Japanese Government on world problems of mutual concern will be of continuing importance in our efforts to keep Japan closely identified with and a major contributor to Free World goals and programs.

The prime requirement of a healthy course of developments in Japan over the next decade will be an adequate rate of growth of Japan's foreign trade. A trading nation, Japan stands to benefit greatly from Free World trade liberalization efforts, but is hampered in its desire to participate fully in reductions of trade barriers by the continued existence of a substantial proportion of high-cost, protected industries, by the rigidities of the Japanese wage and employment system, and by the economy's vulnerability to trade fluctuations arising from its heavy dependence on trade. The problem is clearly recognized in Japan, but U.S. patience, firmness and example will critically influence the outcome. It is difficult to see how Japan's minimum economic goals can be attained unless Japan is afforded opportunity to expand its sales on the U.S. market at least in proportion with the growth of the U.S. GNP—though maintenance of the high annual rate of sales expansion to the U.S. of past years (26% 1953–60 and 10% 1960–62) cannot be expected. This will require firm Executive Branch resistance of American industry demands for curtailment of Japanese imports, except in what will probably continue to be rare instances where market disruption can actually be proved. It is only less important that when the U.S. must act contrary to Japanese trading interests, time and effort be taken to put the best possible face on the action through diplomatic and other means to minimize the adverse reaction in Japan, instead of the Japanese learning of the matter for the first time through Washington press announcements, as so often in the past.

An attempt to predict Japanese developments ten years ahead should allow sufficient of the saving element of the earthquakes and typhoons that mark the natural scene. It would be rash to assume that the day of the sudden and unforeseen—the 1952 May Day riots, the "Golden Dragon" fallout excitement, the Girard Case, the 1960 Security Treaty turmoil—is over in Japan, or that seizures of irrationality in the Japanese character are now happily matters of the past. Wise U.S. policy toward Japan will reflect a capacity to anticipate and move quickly to encompass the unexpected.

[Omitted here is the body of the 92-page report consisting of the following sections: I. Introduction, II. Importance of Japan, III. Political Situation and Prospects, IV. Economic Situation and Prospects, V. Foreign Policy Objectives and Prospects, VI. Military Situation and Prospects, and VII. U.S. Policy Tasks.]

16. Memorandum of Conversation[1]

Washington, June 30, 1964, 9:45–10:15 a.m.

SUBJECT

Visit of Mr. Fukuda, Director General, Japan Defense Agency, with the Secretary of Defense

PARTICIPANTS

Japanese Side
Director General, Japan Defense Agency—Tokuyasu Fukuda
Chief, Director General's Secretariat—Yoshio Miwa
Interpreter—Hidetoshi Ukawa

United States Side
Secretary of Defense—Robert S. McNamara
Assistant Secretary of Defense (ISA)—John T. McNaughton
Deputy Assistant Secretary of Defense (ISA)—Peter Solbert
Assistant to the Director, FE Region (ISA)—Captain Jon L. Boyes, USN

1. *Southeast Asia.* After the usual formalities, Mr. Fukuda stated that Japan very much appreciated the US efforts in Southeast Asia. He pointed out that it was difficult to maintain control of such an area solely through military means. Based on the Japanese experience, political, economic, social, and cultural efforts are also necessary. He went on to say that the Asians have developed new strong feelings of nationalism, and although the motives of free nations are good, the Communists can twist these motives so that they appear to be against the new and developing countries. It is necessary, therefore, that Japan and the US be careful to make the objects of their policies clear so as to avoid giving the Communists the opportunity to make gains.

2. *Mainland China.* Mr. Fukuda pointed out that despite serious harvest losses and the failure of their "great leap forward," the Chinese Communists are concentrating on the domestic build-up in preference to improving their military forces. Japan does not believe it is possible for the Chinese Communists to mount a large build-up although their propaganda is very active in telling everyone how strong China is and what its military abilities are. Going back to Southeast Asia, Mr. Fukuda brought out three points: 1) Japan welcomed the appointment of General Taylor[2] because it demonstrated the resolute

[1] Source: Washington National Records Center, RG 330, OSD/OASD/ISA Files: FRC 68 A 306, 333 Japan. Confidential. Prepared by Boynes and approved by Solbert on July 11. The meeting was held in McNamara's office at the Pentagon.

[2] General Maxwell Taylor was appointed Ambassador to South Vietnam on July 1.

stand of the US in Asia; 2) Japan wishes the US success in its efforts to push for international cooperation, as in Korea; and 3) Chinese Communists in Asia are most desirous that the US not reach a détente with the USSR, as this would enable the US to concentrate its efforts on Communist China.

3. *Effect of Communist Gains in Asia.* Secretary McNamara asked what the effect on Japan would be if a Viet Cong government took over South Vietnam. Mr. Fukuda replied that it would be like the chessman on a board falling over (the Domino theory), and the repercussions would be felt in Thailand, Indonesia, and in other countries in that area. There would be no direct effect on Japan but indirectly, pressures would build up, particularly in Korea where the Communist Party might be able to gain power through evidence of US failures in Southeast Asia. These pressures would effect Japan. Mr. Fukuda then expanded this view by saying that Japan feels that SVN is a bonfire which is close and he personally feels Japan should do everything to help the US put it out. Unfortunately, Japan's new constitution and domestic attitudes inhibit actions in this regard.

The Secretary asked what the effect would be on Japan if the US lost in South Vietnam. Mr. Fukuda replied that this would strengthen the left wing elements in Japan, who would probably protest US military bases in Japan and the Japanese-US Mutual Security Treaty. Secondly, Japan would lose trading opportunities in SEA. The Secretary asked if this would lead to pressures for increased trade between Japan and Communist China. Mr. Fukuda replied that the Japanese believe that trade with Communist China has been given too much propaganda. Looking at China's trading capability, one could see that the Chinese Communists are very limited in products and foreign exchange reserves.

4. *The Japanese Constitution.* The Secretary brought up Article IX of the Japanese Constitution and its influence on the military forces of Japan. Mr. Fukuda answered that this article was the result of original US policy of making Japan weak militarily. After the Korean War, a change in US policy resulted and the US assisted Japan in developing military forces. In spite of the limits of Article IX, Japan has made three successive steps towards developing armed forces; first, a national police force, then a Security Reserve, and now Self Defense Forces. In substance, Japan has been acting as though the Article has been changed but an actual legislative change would be difficult. He noted, however, that public opinion shows increasing support for a legislative change and Article IX is under study by a special investigating committee. Fukuda said the feeling is that the Article will be changed, but it will not be as strong as he would like. Japan's political process requires a two-thirds majority in both Houses followed by a popular referendum.

5. *Japan Defense Budget.* The Secretary suggested that the Defense budget should be increased in the interests of Japan. Mr. Fukuda agreed, and stated that there has been an increase over the years and that increases will continue. An amendment to Article IX of the Constitution would increase popular support for a larger defense budget.

The Secretary pointed out that some countries must be careful not to devote too much of their GNP to defense as India is doing, as Iran once did and perhaps as South Korea is tending to do. However, Japan is the reverse in its defense spending. He was delighted to hear Mr. Fukuda express an interest in increasing the budget since Japan, as an economically strong and viable country, has relatively small defense expenditures in comparison with the other free world countries.

6. *Japanese Defense Production.* Mr. Fukuda said that Japan understands the need for the US to decrease MAP, and Japan must begin to develop an industrial and technical ability to manufacture and develop its own defense needs. To do this Japan is interested in developing closer relations with American industry by way of cooperative logistics efforts. For example, Japan has been in contact with Raytheon on co-production of HAWK.

The Secretary replied that the US would be pleased to provide assistance on co-production and any other assistance that might be needed to develop Japan's defense production capabilities. Mr. Fukuda stated that there are some items such as ASROC and DASH which Japan wishes to purchase from the US rather than co-produce.

7. *Invitation for the Secretary to Visit Japan.* Mr. Fukuda stated that Prime Minister Ikeda had asked him to invite the Secretary to visit Japan. The Secretary replied that he would like to revive pleasant memories of his last visit and hoped that he could make such a trip during the coming year. Mr. Fukuda said that the Secretary's visit could be in connection with the Economic Ministers meeting possibly at the same time as an Economic Ministers meeting. The Secretary asked if such a visit should coincide with the Economic Ministers meeting. Mr. Fukuda stated that he would like to study this question and make a proposal later.

8. *Okinawa–Bonin Islands Questions.* Mr. Fukuda advanced two proposals on Okinawa and the Bonins, which he was presenting at the request of the Prime Minister. He said that the Japanese Government understands the need for strong US military bases, such as Okinawa, but that an understanding of the people of Okinawa for the need of such US bases is also necessary. The GOJ would like to review with the US the matter of creating better feeling in the area. Mr. McNamara stated the US certainly would be willing to discuss, through the Embassy in Tokyo, with the GOJ anything which would lead to better

understanding. Turning to the Bonins, Mr. Fukuda indicated the Soviets permit the Japanese to visit the Kuriles gravesites as do the Chinese Communists in their controlled territories. He then inquired whether the US would consider such visits to the Bonins possible. The Secretary replied that it could be considered through the US Embassy in Tokyo.

9. The meeting concluded with Mr. Fukuda stating that there was a need for a closer exchange of information between the two nations. In this respect, Admiral Felt's recent visit helped. The Secretary agreed and presented Admiral Togo's chronometer to Mr. Fukuda.

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17. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, July 7, 1964, 7 p.m.

77. During my call on PriMin July 7 he brought up the question of Okinawa and said that he would be in for difficult questioning in the Diet on political situation there. He said (with reference to local autonomy) Kennedy policy statement of 1962[2] was not being implemented but that on contrary situation had retrogressed or at least had not progressed. He felt General Caraway's administration had not shown proper understanding of situation and that there was difficulty of real communication between Tokyo and Okinawa. He said that Defense Agency Director Fukuda had been speaking for him when he told Secretary McNamara that the United States ought to show greater respect for the feelings of Asian people.[3]

With a smile but with some force PriMin told me that GOJ complaints would have been stronger had I not been in hospital.[4]

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS. Secret; Exclusive Distribution; No Distribution Outside Department.

[2] See footnote 3, Document 14.

[3] See Document 16.

[4] On March 24 a man wielding a long kitchen knife attacked Reischauer in the Embassy and inflicted a deep wound in his thigh. The injury required surgery and a 3-week hospital stay. Soon after being released, however, Reischauer fell ill, was hospitalized for about 2 months, and began part-time work on July 3. (Reischauer, *My Life Between Japan and America*, pp. 262–75)

I told PriMin that I could assure him that the policy of the United States towards Okinawa was that discussed by him and President Kennedy[5] and reflected in Kennedy policy statement. I noted progress might have been slow but I felt that new HICOM who would soon arrive was excellent man for job and I was confident regarding future.

PriMin indicated he wanted closer contact with HICOM and said "of course" when I asked if I should bring General Watson to call on him when Watson is in Tokyo on way to Okinawa.

While conversation took place under friendly circumstances I must emphasize that the PriMin seemed very serious in urging that forward steps be taken soon in Okinawa. He used the phrase "this situation must be cleared up" and it is evident that political unrest in Naha has caused him and GOJ great concern.

In parallel conversation Defense Agency Director Fukuda told DCM his raising of Okinawan question with Secretary McNamara had been at express request of PriMin who considered unrest might have an adverse affect on Japan's own security.

Reischauer

[5] Ikeda visited Washington June 20–23, 1961, and discussed the Ryukyus with President Kennedy on June 21. A summary of their conversation is in *Foreign Relations,* 1961–1963, vol. XXII, Document 338. Reference to the Ryukyus is also made in the communiqué issued at the close of the visit; see Department of State *Bulletin,* July 10, 1961, pp. 57–58.

18. Memorandum From Secretary of State Rusk to President Johnson[1]

Washington, July 25, 1964.

SUBJECT

Japanese Aviation Negotiations

[1] Source: Johnson Library, National Security File, Country File, Japan, Vol. II. Confidential.

Recommendation: That you authorize the Department to resume its negotiations with Japan on the basis of the position described in the July 9 memorandum from Governor Harriman to Mr. Feldman.[2]

Background: I realize that to recess is one of the options contained in my memorandum to you of July 21.[3] I do not believe, however, that industry or CAB attitudes are apt to change between now and the end of the year unless Japan resorts to retaliation by harassment, or even threat to abrogate. My recommendation is based upon a belief that a reasonable counter-offer will demonstrate good faith, forestall retaliation, and cushion the shock which would be produced on U.S.-Japanese relations were the Japanese Delegation to return home completely empty-handed.

To have denied Japan the exception we gave Canada under the proposed interest equalization tax rankles deeply and, over the coming six months, we are likely to disappoint Japanese expectations on a number of matters. We will have difficulty in meeting even minimum Japanese expectations: (1) from the king crab negotiations; (2) in achieving success from a promised Administration effort to reverse the Saylor amendment; (3) for satisfactory clarification of the Treasury anti-dumping action on Japanese steel pipe; and (4) of Administration softening of "ship American" policies.

Tokyo's anxious and sullen mood is reflected in the attached telegrams.[4] We face, I fear, a situation in which, if talks are recessed,

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[2] In his memorandum to Myer Feldman, Special Assistant to the President, July 9, Harriman detailed the Department of State's position that to reject totally Japan's request for an air route to New York could jeopardize the favorable treatment and economic benefits U.S. airlines enjoyed as a result of Japanese concessions regarding trans-Pacific travel. At the same time, the Department believed U.S. carriers could acquire additional benefits from Japan, if Japanese desires were met, and therefore the U.S. Government should promote the interests of the U.S. airlines by negotiating an aviation agreement. (National Archives and Records Administration, RG 59, Central Files 1964–66, AV 9 JAPAN–US)

[3] The other options contained in Rusk's memorandum were to deny Japan a route to New York for the foreseeable future and to negotiate for some or all of the proposals contained in the Harriman memorandum of July 9. The talks had already been in recess since July 7, and Rusk advocated resuming the negotiations, granting Japan access to New York by way of the Pacific, and asking for additional benefits for U.S. carriers in exchange for that concession. (Ibid.) President Johnson authorized the resumption of negotiations on that basis on July 29. (Memorandum to Read from Bator, July 29; ibid.)

[4] In telegram 253 from Tokyo, July 20, Reischauer noted that "Japan feels genuinely the 'aggrieved partner'" in the aviation issue because access to New York and points beyond, which would give Japan round-the-world service, had been granted to other countries by the United States. That message was echoed in telegram 280 from Tokyo, July 22, containing remarks made to Reischauer by Japanese Transportation Minister Matsuura. Matsuura also pointed out the one-sided nature of the aviation agreement currently in effect and noted that Japan had in the past granted U.S. carriers special rights and privileges granted to no other country. (Ibid.)

alarmist press and Parliamentary speculation about the future of United States-Japanese relations will very likely reflect government opinion as well. Moreover, were the Japanese Government to try to suppress anti-American overtones of that speculation, it could endanger the position of Prime Minister Ikeda himself, strengthen public demand for exchange of trade missions with Peking, and weaken Japan's present resolution to collaborate with the United States in such areas as South Viet-Nam, Indonesia-Malaysia. We can consider Japan's economic triumphs to be a success of United States policy, but the charge that our aviation policy reflects persistence of a United States "occupation mentality" reveals the delicacy of our political relationship with consequences which could vitally affect our strategic position at Okinawa and elsewhere.

If you have any hesitation about approving the recommendation, I would hope to talk to you about this personally at the earliest opportunity.

Dean Rusk

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19. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, July 28, 1964, 8 p.m.

354. During Ambassador's meeting with FonMin this afternoon latter stated GOJ had given careful consideration SSN entry question[2] and concluded safety assurances adequate. Decision had therefore been taken approve entry. He proposed exchange of notes and other documents during period Aug 14–18 and public announcement Aug 18. Would expect call of first SSN at Sasebo September 15 or 16. During

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US. Confidential. Repeated to CINCPAC for Polad and COMUSJAPAN.

[2] During Ikeda's visit in June 1961, Rusk and Foreign Minister Kosaka discussed the possibility of nuclear-powered submarines (SSNs) entering and berthing at Japanese ports. (*Foreign Relations,* 1961–1963, vol. XXII, Document 334.) The issue remained dormant until late 1962 when Reischauer raised it with Ohira, whose subsequent public announcement of the request in early 1963 sparked public demonstrations and heated political debates. (Reischauer, *My Life Between Japan and America,* pp. 249–250) It took nearly 2 years to reach an agreement permitting the visits; documents tracing the course of the negotiations are in the National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US.

month between announcement and first visit GOJ would monitor radiation levels. Ambassador said above timing for announcement would be satisfactory and he thought it possible to have SSN ready to visit Sasebo on desired date.

Minister said GOJ has no objection in principle to calls at Yotosuka but it desires discuss timing such visits later in light public reaction Sasebo visits. GOJ intends prevent public sale of fish caught in Sasebo Harbor for one year and indemnify fishermen. Meanwhile studies of fish will be conducted to assure no possible radiation effects.[3] Ministry official said some scientists, including conservatives, still worry over theoretical possibility plankton might feed on coolant water and contaminate fish. $250,000 put aside for this program including Sasebo and Yokosuka.

Minister noted Aug 18 chosen for public announcement[4] since A-bomb and war end meetings will be over by then, made strong plea that no leak of proposed action take place before that date. Ambassador assured him that U.S. side realized importance of secrecy and would take all precautions. Addressees requested insure this is done.

Reischauer

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[3] The Department of State strongly objected to Japanese intentions to stop the sale of Sasebo fish and to indemnify fishermen on the grounds that the approach would undermine assurances that the presence of SSNs in Japanese ports posed no danger to the population or the environment. The United States was also concerned that the action would adversely affect SSN visits around the world. Although the Prime Minister and the Foreign Office agreed to the U.S. position, the Japanese Fisheries Agency objected on the grounds that the entire fishing industry could be negatively affected, if any fish on the market was suspected of being contaminated. (Telegrams 437 and 583 from Tokyo, August 14 and 15, respectively; both ibid.)

[4] The unresolved fishing issue as well as a preoccupation in Washington with the Gulf of Tonkin crisis caused the announcement and first SSN entry, scheduled for late August, to be postponed. (Telegrams 488 and 632 from Tokyo, August 7 and 19, respectively; both ibid.)

20. Letter From the Ambassador to Japan (Reischauer) to the Assistant Secretary of State for Far Eastern Affairs (Bundy)[1]

Tokyo, July 31, 1964.

Dear Bill:

Many thanks for your letter of July 21 regarding General Watson's visit to Japan.[2] In view of the importance of this visit, I thought you would be interested in an early report on it. (Actually he does not leave until tomorrow morning, but the substantive part of the visit is already completed.)

Our official reports are pretty subdued because we felt a strongly enthusiastic tone might seem to be veiled criticism of his predecessor, but actually the visit could not have gone better. Watson seems indeed to be the right person for the job and he has created a most favorable impression on us and on the Japanese. For one thing, we have laid the basis, I believe, for a fully effective relationship between him and me and our respective staffs. He appears to be as eager as I am to establish the same sort of close relationship that the Embassy has with United States Forces Japan, and while geography and other factors will make this somewhat more difficult in the case of Tokyo-Naha contacts, I feel confident that we can greatly improve the situation.

The Japanese are obviously delighted with Watson, both at the government and press levels. He in turn was most impressed by Ikeda and his talks with the other government leaders went well, too.[3] He came through to the Japanese as a broad-gauged, reasonable, humanitarian man, and he laid at rest their basic fear that, while Washington might recognize Japan's residual sovereignty, the authorities in Okinawa would be working surreptitiously to wean the Okinawans away from Japan.

I felt that the important thing in this first get-together was to establish a general feeling of mutual trust and respect and not to try to solve specific problems before Watson had had a chance to study them at first hand in Okinawa. Nonetheless, I and members of my staff did talk over with him most of the problems you mentioned in your

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US. Confidential; Official–Informal. A notation on the letter indicates Bundy saw it.

[2] Not found.

[3] Watson met with Shiina, Ikeda, and the Director General of the Prime Minister's Office, Soichi Usui, among others, in Tokyo on July 30. A memorandum of each conversation was forwarded to the Department of State in airgram A–169, August 7. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS)

letter[4] (and some others, too), and he did make a number of clear statements to the Japanese which will be very helpful. He repeatedly made it clear to them that he would operate on the basis and in the spirit of President Kennedy's March 1962 statement; that he wanted closer contacts and cooperation with the Japanese Government through the new committees,[5] the Embassy, the Japanese Liaison Office in Naha and through frequent exchanges of visits, and that he personally hoped to cooperate closely with the Liaison Office in Naha (this was particularly reassuring to them). He did not make as specific statements on the economic side, but he seemed receptive to what we said about economic problems and indicated to the Japanese in general terms his desire for as much economic aid and cooperation as possible. He also made clear his intention to listen to the Ryukyuans and their leaders and, while he avoided using the word "autonomy" to the Japanese (it does not appear in President Kennedy's statement either), he did emphasize the development of "responsible government" in the Ryukyus, and this was well received in Japan. He assured me that he hoped to see a virtually autonomous Ryukyuan government as soon as possible and that he meant to get out of the day-to-day handling of Civil Affairs and to pass these duties to the Civil Administrator, as was envisaged in President Kennedy's statement.

Watson and his family (there is an invalided mother-in-law and nurse, too) have been staying with Haru and me, and we have found them delightful people. I feel that with his appointment we have made a long step forward in the whole Okinawan problem. If he can continue to keep the confidence and respect of the Japanese and will implement the close cooperation with the Embassy which he and I agreed upon, I am sure that we can stuff the Okinawa genie back into his bottle for a good time to come.

With best regards.

Sincerely,

Ed

P.S. I should add a word about what Ikeda and the other leaders said to Watson. All of them clearly indicated their support for our continued position in the Ryukyu Islands and not one of them made any reference to reversion or to sharing administrative rights with them. I think this was very reassuring to Watson.

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[4] Not found.

[5] Reference is to the U.S.-Japan Consultative Committee and Technical Committee established, after much delay, in the spring of 1964 to coordinate and administer aid from Japan to the Ryukyus.

21. Memorandum for the Record

Washington, August 7, 1964.

[Source: Department of State, INR/IL Historical Files, EAP General Files, 1964 FE Weekly Staff Meetings. Secret. 1 page of source text not declassified.]

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22. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, August 20, 1964, 2 p.m.

637. Oda's reference to Ikeda's bad mood over accumulation of problems with US (Embtel 632)[2] and Ambassador Takeuchi's plea (last para Deptel 376) for Secretary's interest in this accumulation of problems[3] complement growing disquiet we have felt over abrasive effects of US initiatives and actions in series of areas of special interest to Japan. Episode described Embtel 367[4] in which I had to make wool démarche during first call on MITI Min Sakurauci on August 3, instead of discussing aid to Vietnam as I had intended, seems symbolic of broader problem.

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Confidential. After reviewing this telegram, and at the suggestion of William Bundy, Rusk sent it to pertinent Cabinet members and relevant government officials with the suggestion that solutions to problems concerning Japan be carefully coordinated "to avoid jeopardizing our major objectives." The Bureau of Far Eastern Affairs would concentrate on the coordination effort. Letters from Rusk to Wirtz, Hodges, Dillon, Udall, Freeman, Herter, Heller, and Bell, September 2, attached to a memo from Bundy to Rusk, August 28, are ibid.

[2] In telegram 632 from Tokyo, August 19, the Ambassador reported that Oda characterized Ikeda as being "in disgruntled mood vis-à-vis U.S. because of equalization tax, wool textiles, and civil aviation problems." Oda feared that Ikeda's mood would darken when informed that SSN entry would be delayed due to U.S. insistence on solving the problems involving Japanese fish prior to finalization of the agreement on the SSN matter. (Ibid., DEF 7 JAPAN–US)

[3] Telegram 376 to Tokyo, August 7, outlined the topics discussed by Takeuchi and Rusk during their meeting of August 5. (Ibid., POL 1 ASIA SE) Takeuchi suggested systematically addressing a number of issues standing between the United States and Japan over time to avoid "the impression of basic deterioration of relations between the two countries." (Memorandum of conversation, August 5; ibid., POL 33–4 JAPAN–US)

[4] The reference to telegram 367 from Tokyo, July 29, which reported on Reischauer's discussion with Shiina on Japanese aid to Vietnam, is erroneous. (Ibid., AID (JAPAN) VIET S) Neither the appropriate telegram nor information about the episode it described have been further identified.

While tension, which reached peak in last few days CivAir negotiations, has subsided somewhat and consideration of this and other touchy problems largely postponed until autumn or later, a sour taste has been left in Japanese mouths and we can be sure that tensions will again arise. We believe this period of comparative quiet should be used to resurvey the totality of our relationship with Japan and identify relative importance to us of various actions we want Japan to take.

We fear that certain US stands and actions may serve to nullify other important stands and actions. For example, if US pressure on wool negotiations brings reactions which lessen Japanese support in Vietnam, without increasing Japanese willingness to cooperate on wool, we have made bad bargain indeed. We cannot hope to be successful simultaneously on all fronts in pushing Japanese in directions in which we wish them to go, and some of these directions sometimes seem to cancel each other out. Unless we show consistency in what we ask of Japan, and prove ourselves willing to give as much attention to important Japanese interests as we expect them to give ours, we are likely to have increasing difficulty in getting the Japanese to do what we wish in most vital areas.

We must also bear in mind that gradual growth of defense consciousness in Japan and willingness consider larger role in Asian affairs is inevitably being accompanied by revival of some degree of Japanese nationalism. Thus far this nationalism has been favorable to US and consistent with our broad common interests, and there is no inherent reason why it should not continue so. It is essential, however, to recognize that irritations aroused by international economic issues could help deflect this nationalism into less desirable channels.

Among major points of current friction or pressure are aviation negotiations, wool, Bartlett act,[5] upcoming north Pacific fisheries talks, Japanese trade with and ship visits to Cuba, credits to Soviet Union and ChiComs, meaningful participation in Kennedy Round, further liberalization in Japan of imports and investments, Japanese aid to Vietnam and Laos, flexible and generous Japanese approach to problem of normalization with Korea, increased economic role among all free world LDCs, stronger Japanese commitment to Republic of China, cooperation in maintenance US position in Ryukyus, entry of SSNs, and increased defense effort in order to reduce US defense burden in Japanese sector. Political impact in Japan of issues such as civil air and fishery negotiations is likely to reduce our leverage on other issues. In both instances Japanese allege current relationships are governed by un-

[5] The Bartlett act limited Japanese king-crab fishing off the U.S. continental shelf in the Bering Sea.

equal agreements imposed during or immediately after military occupation in Japan and argue that present arrangements do not conform to our profession of equal partnership. In both cases concepts of national pride and "international equality" loom large for Japanese. GOJ also seeks terms in North Pacific Fishery Convention which will provide more advantageous basis for fishery conversations Japan must have with USSR. We must expect Japan to persist in its efforts on these issues and Japanese domestic political interest in them to build up rather than decrease. Convention problem is, of course, closely allied in Japanese minds to forthcoming talks on king crab fishery and Bartlett bill.

Wool issue is one on which we should be under no illusions. Japanese will say they are hearing several American voices, one advocating ideals of a successful Kennedy Round and others totally inconsistent with such objectives. To say that convening of wool conference will enhance our ability to resist pressure for a long exceptions list will be seen by the Japanese as introducing dubious criteria governing the preparation of those lists. Fact that our multilateral approach on wool is result of domestic pressures for unilateral action underscores persistent Japanese belief that US is shifting to protectionist tack in commercial policy. They wonder if after meat and wool will shoes be next? Saylor amendment despite administration efforts to defeat it is already adversely affecting Japanese attitudes. Additionally, we are encouraging Japan to recognize and accept the necessity of a shift of labor intensive industries to LDCs such as Korea, and have held to this general principle for the developed countries during the recent UNCTAD. Japanese will now draw conclusion that we find the same medicine distasteful to ourselves. To draw attention to the threat of expanded wool textile production in the LDCs to the markets in the DCs will be seen by the Japanese as inconsistent with what we were trying to achieve in the UNCTAD, and also in the GATT. We can counter these arguments to our own satisfaction, but we are not likely to be persuasive with Japanese.

In our estimation, Japanese likely take less seriously our requests for international cooperation in trade, aid, and close community of political interests among free world countries to the extent we appear to them to violate these principles ourselves. As a result of the various, and to the Japanese contradictory, approaches on issues cited, Japanese may draw conclusion that, while they, too, should continue to support in principle a community of interest among free world nations, their major objective must remain that of holding to positions which protect immediate and narrow national interests.

We do not suggest that US should unnecessarily sacrifice special objectives, as in aviation negotiations, fisheries or wool, but we do feel realistic look must be given to difficulties of meeting these objectives

fully without endangering more important ones. There is, of course, no direct one-for-one relationship between any of issues on which Japanese are pressing us and any of issues on which we are pressing them. However, frictions engendered over such issues as air negotiations unquestionably create both public and government moods that make it harder to achieve our other objectives and even cast pall over warmth of developing partnership with Japan.

When viewed from vantage point of Tokyo it seems clear that these various issues, though not necessarily logically related, are related in Japanese mind and therefore affect one another. We believe US runs risk of endangering some major objectives in relationship with Japan by overly rigid stands on certain less crucial objectives. It therefore seems to us the time has come for careful revaluation of US position on growing number of special issues in light of their effect on broader US objectives, both economic and political.

Reischauer

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23. Memorandum From James C. Thomson, Jr., of the National Security Council Staff to the President's Special Assistant for National Security Affairs (Bundy)[1]

Washington, August 21, 1964.

SUBJECT

Okinawa

Here are my preliminary thoughts on the present situation with regard to Okinawa and the Ryukyus:

1. Okinawa remains a simmering and potentially dangerous issue in terms of U.S. relations with Japan. The Japanese Left embarrasses the Government, and the Government presses the U.S.; public feeling is temporarily quiescent but can easily become enflamed. The political situation in Okinawa itself is unstable. We are also vulnerable, to a lesser degree, to the trouble-making possibilities of the Ryukyu issue in the United Nations.

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[1] Source: Johnson Library, National Security Files, Files of Robert Komer, Japan, January 1964 to March 1966. Secret. Also sent to Komer.

2. Despite the good work of the Kaysen task force,[2] and despite President Kennedy's statement and amendment to Executive Order 10713 of March 19, 1962, we have made little progress toward implementing the key directives of that statement: that we carry on a "continuous review of governmental functions . . . to determine when and under what circumstances additional functions that need not be reserved to the U.S. as administering authority can be delegated to the GRI", and also a "continuous review of such controls as may be thought to limit unnecessarily the private freedoms of inhabitants . . . with a view to eliminating all controls which are not essential to the maintenance of the security of the U.S. military installations . . . or of the islands themselves."

3. Ikeda made a strong pitch to Reischauer on July 7 (Tokyo's 77).[3] At present, the Japanese Government is reportedly pushing for a September meeting of the newly established Japan-U.S. Consultative Committee on Okinawa; although we view this committee solely as a vehicle for joint economic planning, the Japanese apparently desire to discuss political problems "including the return of administrative rights" in this forum.[4]

4. Meanwhile, on Okinawa, an incipient political crisis has been percolating since June. Because of a split in the Okinawa Liberal Democratic Party (OLDP) caused by dissatisfaction with the rate of progress toward "autonomy," the Legislature has refused to nominate a new Chief Executive (for appointment by the High Commissioner); a lame duck government is serving ad interim with no solution in sight.[5]

5. The prime causes of our general inaction since March 1962 have been two-fold: first, the personality and outlook of the outgoing High Commissioner, General Caraway, who left office in early August; second, and more fundamentally, a continuing divergence of views between State and Defense.

6. As for the first of these causes, there is considerable hope that General Watson, who took over from Caraway earlier this month, may

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[2] President Kennedy created the Ryukyu Task Force headed by Carl Kaysen to review U.S. policy in the Ryukyus. Its work formed the foundation for the President's subsequent statement and Executive Order. Documentation pertaining to the work of the Kaysen Task Force September 1961–March 1962 is in the National Archives and Records Administration, RG 59, Central Files 1961–63, 794C.0221, and Kennedy Library, National Security Files, Countries Series, Ryukyu Islands.

[3] Document 17.

[4] The role of the Japan-U.S. Consultative Committee on Okinawa was expanded as a result of the meeting between President Johnson and Prime Minister Sato in January 1965. Documentation on the Committee and related matters is in the National Archives and Records Administration, RG 59, Central Files 1961–63, Central Files, POL 19 RYU IS.

[5] Chief Executive Seisaku Ota submitted his resignation to the High Commissioner on June 16, after losing the support of OLDP members. At the same time Department Directors within the Ryukyu Island Government submitted their resignations to Ota. (Telegram 42 from Naha, June 17; ibid.)

ease some of the difficulties that have arisen through developing good relations with Ed Reischauer and Amembassy Tokyo, with appropriate Japanese officials, and with the Okinawan leadership. This may prove to be a vain hope, but the first indications are promising, and State is willing to give him the benefit of the doubt for the next few months.

7. The more basic difference between State and Defense is, however, more difficult to bridge. In essence, State accepts the concept of indefinite American occupation of the Ryukyus but recognizes that the political cost of such occupation in terms of relations with Japan may at some point face us with a hard choice between our military bases on Okinawa and our strategic alliance with Japan. State therefore believes that our military interests will be best served by continued motion towards meeting Japanese and Okinawan demands that do not impair our security interests.

8. On the other hand, Defense appears to regard the March 1962 statement as primarily a public relations gesture rather than a statement of continuing U.S. policy, to be implemented phase by phase.

9. I would conclude at this point that our short-term course of action should involve continued pressure on the new High Commissioner to establish good relations with the Okinawan Liberal Democratic party (now dangerously torn by factionalism), with Amembassy Tokyo, and with appropriate Japanese officials. We should also move to appoint a strong Civil Administration to succeed the present FSO interim appointee in order to rectify the imbalance between civil and military rule.

10. In addition, there are a number of specific items on which we should be able to move without damage to our security interests. For instance, among the present slogans of "autonomy" are demands for popular election of the island's Chief Executive and for Diet representation for the Ryukyus on an observer basis in Tokyo. This latter item seems to me reasonably justifiable in terms of our recognition of residual Japanese sovereignty.[6] Also advisable would be actions by the High Commissioner to expedite travel to and from the islands by Japanese, and to permit greater access to the Okinawan economy by Japanese businessmen. (The ACLU drew up a list of similar conciliatory moves last January.)

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[6] In early February, the Embassy and the Department of State considered the issue of residual seats for the Ryukyus in the Japanese Diet. On February 10 the Department notified Reischauer of its acceptance of his proposals to discourage adoption of the policy. The Ambassador was also instructed not to oppose the matter so strongly as to increase sentiment for reversion of the Ryukyus to Japan or seriously to weaken Ikeda's political position. If legislation could not be avoided, the Department indicated it was to "include provision that if residual seats established they would be filled only after full sovereignty in Ryukyus returns to Japan." (Telegram 2336 from Tokyo, February 5, and Telegram 2065 to Tokyo, February 10; ibid., POL 15–2 JAPAN)

11. In the longer run, however, there are two basic questions that must be faced. Their answers would require a major analysis effort at a high level of this Government.

(a) How great is the present and future value of our Ryukyuan bases in terms of our up-dated military capabilities in the Pacific region? (The absolute value of these bases continues to be assumed, regardless of major changes that have taken place since the Japanese Peace Treaty; it was also assumed by the Kaysen task force.)

(b) If the answer to the first question is affirmative, do our base and facility rights necessarily preclude reversion of the islands to some form of Japanese administrative control? (Here again our unchallenged assumption is that no form of Japanese administration is compatible with our military security.)

12. Presumably U.S. domestic political reasons make movement on this problem undesirable before 3 November.[7] However, what seems called for after that is a high level review of U.S. policy with an eye to a further Presidential directive telling State/DoD the direction in which he wants to move, and laying out a detailed action program—all this with an eye to an early gesture when Ikeda visits the U.S. in late November.[8]

James C. Thomson, Jr.[9]

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[7] The date of the U.S. Presidential election.

[8] In the fall of 1964 Ikeda was diagnosed with terminal cancer of the throat, causing him to withdraw from office on November 9. On the same day Sato was elected Prime Minister; he visited the United States in January 1965.

[9] Printed from a copy that bears this typed signature.

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24. Editorial Note

[*text not declassified*]

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25. Telegram From the Department of State to the Embassy in Japan

Washington, September 3, 1964, 9:39 p.m.

[Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US. Secret; Priority. 2 pages of source text not declassified.]

26. Telegram From the Embassy in Japan to the Department of State

Tokyo, September 4, 1964, 6 p.m.

[Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US. Secret; Priority; Limdis. 8 pages of source text not declassified.]

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27. Telegram From the Department of State to the Embassy in Japan

Washington, September 11, 1964, 5:21 p.m.

[Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US. Secret; Priority; Limdis. 3 pages of source text not declassified.]

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28. Editorial Note

The first Japanese-United States Policy Planning Consultation meeting took place in Washington from September 21–24, 1964. The meeting was attended by Japanese representatives from the Foreign Office and the Embassy and by U.S. representatives from the Policy Planning Council and the Intelligence and Research and the Far East bureaus of the Department of State.

That meeting, modeled on the Atlantic Policy Advisory Group within the North Atlantic Treaty Organization (NATO), initiated what would become a continuing series of consultative meetings occurring approximately every 6 months, with the site alternating between the United States and Japan. The objectives of the meetings were to encourage an informal exchange of views on pertinent issues not necessarily reflective of current policy, as well as to improve communications and to identify issues of importance requiring future action. The United States also intended the meetings to serve as a vehicle through

which Japan could define its own long-term interests and the United States could demonstrate Japan's equality with other major partners.

Relevant documents and summaries of the meetings are in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 1 JAPAN–US and POL 1–1 JAPAN–US.

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29. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson[1]

Washington, October 4, 1964.

Doug Dillon asked me a couple of weeks ago to report on his conversations at the finance meetings in Tokyo.[2] The following are the leading items distilled from these conversations:

1. The Japanese Minister of Finance, Tanaka, presented the Japanese case for exemption from the interest equalization tax in such a way as to indicate that the problem is more political than economic. As a result, Dillon concludes that the political need can be met in other ways, perhaps by settling the air route discussions which have been put over until after the election. I myself think Dillon's glasses may be somewhat rose tinted because of his great interest in avoiding any further concessions on interest equalization.

On the other hand, it is a matter on which we can stand firmly if we wish to.

[Omitted here is a brief report on Franco-American relations.]

McG. B.[3]

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[1] Source: Johnson Library, National Security File, International Meetings and Travel File, Dillon—Japan Trip. Secret.

[2] The meeting was held on September 6 at 10:30 a.m. at the Okura Hotel, Tokyo. It was attended by Dillon, Bullitt, Reischauer, and Robert G. Pelikan, Financial Attaché at the Embassy in Japan, as well as Kakuei Tanaka, Minister of Finance, Shinichi Ishino, Vice Minister of Finance, representatives from the Japanese Foreign Ministry's International Finance Bureau, and the Financial Minister at the Japanese Embassy, Washington. The memorandum of conversation, September 8, is attached to a memorandum from Dillon to Bundy, September 14. (Ibid.)

[3] Printed from a copy that bears these typed initials.

30. Letter From the Director of Central Intelligence (McCone) to the President's Special Assistant for National Security Affairs (Bundy)[1]

Washington, October 23, 1964.

Dear Mac:

Attached is Ray Cline's report of his briefing of senior [*less than 1 line of source text not declassified*] officials on the ChiCom nuclear detonation.[2] You will note that [*less than 1 line of source text not declassified*] requested that their gratitude for this briefing be brought to the attention of the President.

Sincerely,

John A. McCone

Attachment

[*1 page of source text not declassified*]

[1] Source: Johnson Library, National Security Files, Subject File, Nuclear-Testing—China. The letter has no classification markings; the attachment is Secret, Eyes Only.

[2] The briefing resulted from a White House meeting held on October 17. McCone spoke about the briefings with President Johnson, and both were willing to follow the wishes of Rusk and Ball regarding who would be sent to conduct the briefing. Rusk expressed "concerns about pitching this at too high a level" and thought Ray Cline would be a good choice for Japan. (Memoranda of telephone conversations between Talbot and Ball and Greene and Ball, October 17, and between McCone and Ball, October 19; Johnson Library, Ball Papers, Japan)

31. Memorandum From Secretary of Defense McNamara to President Johnson[1]

Washington, October 24, 1964.

SUBJECT

First nuclear-powered submarine (SSN) visit to Japan

[1] Source: Washington National Records Center, Department of Defense, OSD/OASD/ISA; FRC 330 68 A 306, 560 Japan. Secret.

Mr. McGeorge Bundy's memorandum of June 15, 1963,[2] indicated that you wished to review and approve any visit of a nuclear-powered submarine to Japan before such visit is definitely scheduled.[3] We have now completed satisfactory general arrangements with the Japanese Government for SSN visits, and our Embassy in Tokyo has recommended that the first such visit occur November 10–12, 1964 (with November 16–18, 1964, as an alternate schedule). These dates are consistent with the expressed views of the Japanese Government as to scheduling, and with the operational availability of a vessel for the visit. After November 18, 1964, operational commitments would preclude a visit until January 12, 1965. In view of the extensive preparation of its public by the Japanese Government, we favor the proposed November schedule lest any delay be interpreted as success for Japanese political elements opposing the Government's decision to permit SSN visits.

I would appreciate being authorized to proceed with the visit on the basis of the proposed schedule.[4]

Our Embassy has reiterated the importance of maintaining complete secrecy concerning the dates of the proposed visit and has requested that notifications to the Japanese authorities on this matter be made exclusively through Embassy channels.

Robert S. McNamara

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[2] In the memorandum to McNamara, McGeorge Bundy expressed President Kennedy's desire "to review and approve any visit of a nuclear-powered submarine to Japan before such a visit is definitely scheduled, even if there is agreement by the Japanese Government. The President [Kennedy] recognizes the Japanese Government already cedes this and that the issue cannot be completely shelved, but he has other plans in connection with Japan which make it important that no visit be scheduled without his approval." (Johnson Library, National Security File, Country File, Japan, Vol. II)

[3] The requirement was rescinded in March 1967, since the special purposes requiring Presidential approval no longer existed. Initially, White House review was necessitated by President Kennedy's intention to visit Japan. Even though those circumstances were superceded by events, the requirement for Presidential approval was applied because of anticipated tensions surrounding SSN presence in Japanese ports. Since their appearance had become commonplace by early 1967, it was agreed that Presidential review and approval were no longer required. (Memorandum to Rostow and memorandum to McNamara, March 2; ibid., Vol. IV)

[4] There is no indication on the memorandum or the White House copy that President Johnson agreed, but the first SSN, the USS *Sea Dragon,* arrived at the Japanese port of Sasebo on November 12 and departed on November 14. (Telegrams 1678 and 1728 from Tokyo, November 10 and November 14 respectively; National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US)

32. Memorandum From James C. Thomson, Jr., of the National Security Council Staff to Robert Komer of the National Security Council Staff[1]

Washington, October 29, 1964.

SUBJECT

Interim Thoughts on Okinawa

Just to assure you that I have not forgotten this one:

1. The key issue at the moment is the mounting pressure for popular election of the Okinawan Chief Executive (rather than his nomination by the legislature and appointment by the High Commissioner). Bill Bundy, Bob Fearey, and Secretary Ailes are opposed to such an arrangement—as long as we are dealing with an "immature" electorate (whatever that means). John Steadman (Dep. Under Secretary of the Army) and I are incorrigible democrats who can't quite see that the risks are overwhelming as long as the High Commissioner maintains a general veto over the person and actions of the Chief Executive. To my surprise, General Watson is maintaining an "open mind." His people are making a "study" of the problem; and a joint State-Defense message has told the General that we are glad to know of this study but assume that it will take into account Washington's view that popular election of a Chief Executive will not be feasible for the foreseeable future.

2. Meanwhile, the Watson honeymoon has produced some overdue progress on a few items; it is not merely an empty era of good feeling. For instance, Watson has taken steps to speed up the processing of travel requests to and from the Ryukyus, including special consideration of applications for entry from Japanese VIPs. He has also done an about-face on the Caraway line and welcomes any aid that the Japanese Government is prepared to give to the Ryukyus which can be usefully absorbed by the islands (he has approved a $6.2 million Japanese aid program for JFY 1965).[2] Watson has also directed that a continuous

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[1] Source: Johnson Library, National Security File, Komer Files, Japan, January 1964 to March 1966. Secret.

[2] The figure of $6.2 million appears to be a typographical error, for Watson approved Japanese aid to the Islands in the amount of $7.2 million. He also recommended an increase in U.S. aid to the Ryukyus. In combination, U.S.-Japanese aid was intended to raise significantly the low standard of living on the Ryukyus, a fact that rankled Islanders and Japanese alike. (Letter to Bundy, October 30; National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US) As a result of negotiations later in the year, the U.S.-Japan Consultative Committee approved a Japanese economic-assistance program for the Islands in the amount of $7.96 million. The Embassy noted

study be made of the functions performed by USCAR in order to see which of these functions can be transferred to the Ryukyuan Government (this is precisely what President Kennedy's March 1962 statement directed, so we are a little late but finally moving).

3. As you know, I have written Ed Reischauer to get his candid views on other specific ways in which we should put the Watson honeymoon to the best possible use. When we have Ed's reply,[3] I will have a clearer idea as to how we should proceed. In the meantime, I am less enthusiastic about a formal task force and lean more towards an informal "visiting committee," perhaps in January, which might be composed of a Bundy staff member, John Steadman, an energetic and imaginative State representative (not Fearey), a good young lawyer, and an economist. I should repeat once more, for the record, that we have an absolutely first-rate ally in John Steadman.

Jim

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that the cooperative attitude of the U.S. Civil Administration for the Ryukyus toward the Japanese economic aid package "was interpreted by the Japanese as clear proof of the United States' willingness to cooperate with Japan concerning the Ryukyus." The Embassy also believed that the "attitude assisted materially in securing continued Japanese acquiescence in our administration of the Ryukyu Islands." (Airgram A–951 from Tokyo, January 21, 1965; ibid., POL 19 RYU IS)

[3] Neither Thomson's letter nor Reischauer's response were found.

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33. Action Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Bundy) to the Under Secretary of State (Ball)[1]

Washington, November 9, 1964.

SUBJECT

Frictions in U.S.-Japan Relations

The accumulation of a number of irritating problems between the U.S. and Japan has had an abrasive effect on the fundamentally sound

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN. Confidential.

and mutually beneficial relations between our two countries. U.S. actions and attitudes in certain areas of special interest to Japan have raised doubts in the minds of many Japanese as to the true value which the U.S. places on its partnership with Japan, and, therefore, as to actual U.S. intentions toward Japan. It may be said that our good relations with Japan, which have been carefully developed over the past 19 years, are being eroded by a series of pin pricks.

Over the past few years we have quite properly stepped up pressures on Japan to increase significantly its assumption of international responsibilities. We are pressing Japan a) to expand its military establishment while we drastically curtail grant military aid and reduce U.S. forces in Japan; b) to purchase more military equipment from the U.S.; c) to cooperate in the maintenance of our position in the Ryukyus; d) to increase aid to the LDCs generally; e) to give special assistance to South Viet-Nam, Laos and Cyprus; f) to cooperate in the economic denial policies against Cuba and Communist China; g) to participate fully in the Kennedy Round; h) to accelerate liberalization of the remaining import restrictions and of direct foreign investment; i) to take a flexible and generous position on the political and economic issues involved in Japan's negotiations of over-all settlement with the Republic of Korea. These are all actions of great importance to the U.S. and the Free World generally. From the Japanese viewpoint, however, they are not easily taken since they involve the allocation of important resources to projects which are not especially popular in Japan.

At the same time, however, we have been unable to accommodate the Japanese in a number of areas of special interest to them. We turned down their request for a civil air route to and beyond New York. After three negotiating rounds extending over a 15 month period we have not yet reached agreement on the Japanese proposal for a new convention on the North Pacific Fisheries. (The Japanese regard both the Civil Air Agreement and the North Pacific Fisheries Convention as "unequal" agreements imposed during or after the Occupation.) We granted an exemption from the Interest Equalization Tax to Canada—but not to Japan. One year after our unprecedented request to audit a Japanese company's books in the welded steel pipe anti-dumping case and the Japanese Government's equally unprecedented acceptance of our request, we have not disposed of the case; meanwhile, however, we have favorably disposed of a number of more recent European pipe cases. We enacted the Saylor Amendment which applies a 100 percent "Buy America" policy to the Urban Mass Transportation Act. We enacted the Bartlett Act, which threatens to eliminate the Japanese longstanding king crab fishery from the Eastern Bering Sea, an area which the Japanese consider to be high seas. We have pressed for an international meeting to consider an agreement on wool textile exports. (A

summary of the nature and status of certain current problems with Japan is attached as Tab A.)[2]

The fact that many of our approaches to the Japanese in the trade field (e.g. wool) stem from domestic pressures for unilateral action underscores the growing Japanese belief that the U.S. is shifting to a protectionist trade policy. They believe that we think first of our Atlantic partners in considering problems or actions which are at least as important to Japan as to the Atlantic nations. The abrasive effect of these issues stems primarily from their very accumulation and from the fact that each U.S. action seems to be taken in isolation without regard for its consistency with our other important requests or for the over-all partnership relationship between the two countries. As Minister Tanaka pointed out to Secretary Dillon in September, many Japanese believe that Japan's active cooperation with the U.S. on many important matters has not been reciprocated and they are asking, "How has the U.S. cooperated with Japan?" (Tab B).[3]

Ambassador Reischauer stressed the need to consider individual problems in the context of our over-all relationship with Japan in his telegram 637 of August 20, (Tab C).[4] This requires a careful and continuing assessment of our objectives to establish the relative priority and importance of the actions we want Japan to take. It is in this context that we should evaluate specific issues to determine the actions which we can and will take. FE is prepared to offer some proposals along the lines indicated in Tab D.[5] But to achieve results calls for active and close coordination among U.S. Departments and agencies dealing with various matters affecting Japan, as well as Government-wide knowledge and understanding of our over-all stake in Japan.

Recommendation:

It is recommended that you suggest to the Secretary that a Cabinet-level meeting be called of the United States members of the Joint U.S.-Japan Committee on Trade and Economic Affairs, and Mr. McGeorge Bundy, Governor Harter and AID Administrator Bell to review the

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[2] Attached but not printed; Tab A detailed problems relating to wool textiles, civil aviation, the Saylor amendment on mass transportation, the interest equalization tax, the anti-dumping investigation into Japanese steel pipe, consultations regarding king crab, and North Pacific fisheries negotiations.

[3] Attached but not printed; Tab B is the memorandum of a September 6 conversation between Tanaka and Dillon on the interest equalization tax.

[4] Document 22.

[5] Attached but not printed; Tab D is entitled "Recommended Economic Policy Actions on Japan."

basic problem of U.S.-Japan relations, with particular attention to the issues outlined in Tab D.[6]

George W. Ball[7]

[6] A note on the last page of the memorandum reads: "U suggested and Secretary concurred w[ith] reservation." Ball forwarded this memorandum and supporting documents to Rusk on November 10. He also indicated that the Cabinet-level meeting should take place, but added the proviso that its scheduling await a decision on a possible visit by Sato in the near future. Rusk approved Ball's suggestion as indicated by the handwritten notation "OK, DR" on the Ball memorandum. (Memorandum from Ball to Rusk, November 10; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN)

[7] Printed from a copy that indicates Ball signed the original.

34. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, November 14, 1964, 1 p.m.

1724. *Sea Dragon* departed Sasebo at 1400 hours today[2] without incident thereby bringing to successful conclusion event which is probably not without historical significance in context post-war developments Japan. While it would be premature for us, at this time, to attempt full assessment impact this event on Japanese public psychology we believe that certain encouraging tentative conclusions can already be drawn from events which have transpired over past three days.[3] Foremost among these is indication that increasingly mature and sophisticated Japanese public no longer willing respond willy nilly to leftist and extremist alarmism and demands for show of mass force

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US. Secret. Repeated to CINCPAC, COMSEVENTHFLT, COMNAVFORJAPAN, COMSUBFLOT, CINCPACFLT, COMUSJAPAN, and Fukuoka.

[2] The *Sea Dragon* arrived at Sasebo on November 12, three days after the resignation of Ikeda for health reasons and the election by the Lower House of the Diet of Sato as his successor on November 9. Sato wanted to proceed with the first SSN entry as quickly as possible and to time its arrival during the Diet's post-election recess expected to last from one week to ten days. (Telegram 1648 from Tokyo, November 9; ibid.)

[3] On December 11 the Embassy provided the Department of State with an in-depth analysis of the effects of the first SSN visit on Japanese leftist movements. (Airgram A–7 from Fukuoka, December 11; ibid., OS 7 US) On January 5, 1965, Bundy sent Rusk a memorandum in which he assessed the positive and negative effects of SSN visits to Japan. (Ibid.)

and even violence in demonstrating opposition even though this has admittedly been a major public issue over past 20 months.[4] Despite strong, even frantic efforts of the JSP, JCP, Sohyo, Zengakuren, and other protest groups, Japanese public simply refused to support such action. Opposition confidence in "nuclear-phobia" as sure-fire issue has proved unwarranted in this instance. Possibly left's long-standing belief in political value of demonstrations in streets has been seriously weakened by the obvious fizzling their efforts this time.

This is not to say that there does not exist among large segments Japanese public a basic or latent resentment against call of *Sea Dragon.* In this connection, should be noted that comment in major newspapers continues cool at best to idea of SSN visit. This in part reflects political predilections of large part of newspaper staffs, but it also appears reflect feeling, clearly implicit in several articles and in comments of DSP Diet members, that either U.S. not telling truth about reasons for port calls as set forth aide-mémoire given GOJ or alternatively U.S. unreasonably risking trouble and public unrest in Japan by sending subs here for trivial causes. Nevertheless, complete failure of opposition attempts mount massive protest demonstrations and rallies throughout Japan against calls SSNs while *Sea Dragon* was moored Sasebo marks welcome turning point in Japanese public thinking, indicative of considerably more progress toward public acceptance of "things nuclear" than heretofore had generally been expected. It is probable that this reflects in large degree U.S./GOJ success in securing public acceptance idea that SSN nuclear propulsion falls within category of "peaceful" (i.e. non-weapons) use of nuclear power, but this of itself cannot be interpreted at this time as reflecting any greater willingness on part Japanese public accept nuclear weapons.

There remains, of course, the problem of a first call at the port of Yokosuka with its closer proximity to large population concentrations. We would not, of course, want proceed with scheduling of next SSN call at either Yokosuka, or Sasebo, until after both GOJ and ourselves have had opportunity to fully assess and study where we now stand as result *Sea Dragon* visit. We will want consult with GOJ and work out general timing with them. At same time we see very little possibility of opposition success in mounting meaningful expressions of protest

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[4] On November 16 Takeuchi discussed the visit with Harriman. Takeuchi pointed out that in the period leading up to the arrival of the SSN "the Sino-Soviet conflict had become exacerbated, leftist opinion in Japan argued at cross purposes, and the visit just now completed could be seen as not such a bad thing." He also pointed out that press coverage had been generally positive, and the media had urged that demonstrations remain orderly. Takeuchi believed the visit had the positive result of raising public awareness of nuclear issues and, perhaps, opening a debate on Japan's national interests and security issues. (Memorandum of conversation; ibid., DEF 7 JAPAN–US)

in connection with visit to Yokosuka which we feel is further bridge we should cross near future. In the interim, we can expect further public debate on SSN issue, with JSP and JCP doing their best embarrass Sato on issue when extraordinary Diet session reconvened later this month. But here again we feel that general lack public support for attitude and tactics these opposition elements, as demonstrated prior to and during call *Sea Dragon,* will cause this issue collapse in Diet, and that Japanese people will move along rather quickly toward routine acceptance of future calls by nuclear powered submarines.

One related issue will bear watching. Controversy over whether SSNs carry Subroc is likely to keep opposition attention focused on armament of SSNs visiting Japan in future, and perhaps increase their interest in armament of other U.S. Navy ships.[5] Also we can expect opposition to place more emphasis on attempt exploit strategic implications calls SSN to Japanese ports in context CCNE and U.S. plans contain ChiComs.

Reischauer

[5] The Departments of State and Defense instructed the Embassy that responses to media questions about SSN weaponry were to include two basic components: "(1) it is invariable US policy neither to confirm nor deny presence of nuclear weapons on warships anywhere in world, and (2) (if necessary) US has no intention of violating commitments to Japan under 1960 arrangements." Replies to questions pertaining to the subrocs were to be nonspecific. (Telegram 1282 to Tokyo, November 10; ibid.)

35. Airgram From the Embassy in Japan to the Department of State[1]

A–716 Tokyo, December 4, 1964.

SUBJECT

Politico-Economic Assessment: Japan, as of December 1, 1964

REF

CA–4260, October 20, 1964[2]

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 2–3 JAPAN. Secret. Drafted by Zurhellen, Christensen, and Nickel and cleared by Vass.

[2] In circular airgram CA–4260, October 20, the Department of State asked all Embassies for an evaluation of the effectiveness of U.S. policies in their respective country. (Ibid., POL 2–3)

The basic long-term goal of U.S. policy toward Japan was expressed in "Guidelines for Policy and Operations—Japan" in March 1962,[3] as the development of Japan as a major power center in Asia acting in concert with U.S. and Free World objectives. In the main, Japan is developing in this direction at the present time. U.S. policies which tend to promote this development may, therefore, be said to be meeting with success as of this date, although it is important to note that the principal factors contributing to the evolution of Japan as a major power center in Asia, and determining Japan's role in international affairs, are internal Japanese developments which, however great our economic and political influence, are not primarily determined by American policy.

It must also be realized that the two parts of our long-term goal are not necessarily complementary in all regards, and that each must be treated in its own right. Japan has become potentially a major power center, but it is only slowly beginning to exercise its potential powers in international affairs. As it increasingly does so, judging international affairs purely in terms of the interests of Japan as seen by the Japanese, a greater divergence could arise between Japanese and U.S. objectives. As of the present this does not seem to be happening. However, the first emphasis in U.S. policy toward Japan should be on seeking to keep Japan's international objectives and actions in harmony with U.S. and Free World interests.

The continuation in power in Japan of a moderate, Western-oriented government is an objective of American policy. This objective is being met. The new government of Prime Minister SATO shows every indication, by predilection and by objective actions, of moderation in internal and external affairs and of a strong orientation towards the West. This is a reflection of public opinion in Japan and of the multitudinous ties which bind Japan to the advanced, industrialized and democratic nations of the West.

Security considerations underlie a paramount objective of American policy towards Japan. The Treaty of Mutual Cooperation and Security[4] provides us with a valuable base in Japan, which not only helps maintain the security of Japan itself but affords logistic and back-up support to our military efforts in Korea, Taiwan, and Southeast Asia. Our bases in Japan are secure, and in the recent Tonkin Gulf emergency it was possible to deploy forces from Japan rapidly to the scene of action. Our decision to notify the Japanese Government, as a matter of courtesy, of these developments in no way restricted our freedom

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[3] For text see *Foreign Relations,* 1961–1963, vol. XXII, Document 354.

[4] The text of the treaty is published in 11 UST 1632.

of action. The recent first visit to a Japanese port of a nuclear-powered submarine seems to have been a forward step in increasing the freedom with which we can use our bases in Japan and helped make the Japanese public think more realistically about the problem of defense. A corollary to our base policy is our desire to see a stronger Japanese defense establishment which would assume a greater responsibility for the defense of Japan and thereby contribute to the overall security of the Far East. The Japanese Self-Defense Forces continue only slow progress in their respectable but still minor role in defense. Thus, while our policy on general security matters is meeting with current success, there are aspects which require careful long-term planning.

Certain developments in the defense field will require new and careful consideration. U.S. combat forces assigned to Japan under the Security Treaty have been greatly reduced in the past several years. There are now no ground combat units, and the major naval unit in the area, the 7th Fleet, is technically not based in Japan, although its ships make heavy use of Japanese ports and facilities. There have been reductions in the combat air units in Japan, and further reductions are planned for next year. The forces maintained by the United States in Japan are, therefore, becoming less and less credible as capable of achieving their basic purpose of defending against an attack on Japan. As a consequence, the role of our bases in Japan in providing military support for actions in other areas, and in intelligence collection and other regional activities not directly related to the defense of Japan, has become proportionately greater. While intelligence and other such units generally stay out of the public eye and cause less [*sic*] day-to-day problems than do combat units, their presence will also become increasingly difficult to justify to the Japanese public as their proportionate role becomes greater. Future policy decisions on the addition or subtraction of units stationed in Japan should take into account this fundamental need to justify the presence of our forces here in terms of the Security Treaty and common defense.

The Japanese will obtain the right to terminate or require renegotiation of the Security Treaty on one year's notice in 1970, and we must be prepared for them to view the Security Treaty at that time in terms of their own interpretation of their interests, rather than, as has perhaps been more the case in the past, in terms of complying with the desires of the United States. The Japanese interpretation will take into account probable possession by Communist China of nuclear bombs and a delivery capability. We must, therefore, be very watchful of any tendencies in Japan to doubt the firmness of U.S. defense commitments or the *value* of our nuclear deterrent in defense of Free World positions in Asia and in particular Japan. In this regard we must be alert to any weakening of Japan's current position and stance in the face of Chicom nuclear-weapon rattling.

A corollary of our defense policy towards Japan is the policy under which we administer the Ryukyu and Bonin Islands. While the present policy was enunciated by President Kennedy in 1962 and has remained unchanged since that time, implementation of the policy has varied considerably. The present administration of the policy accords well with our desire to obtain continued Japanese acquiescence in our control of these Islands. Actions taken during the past several months have made the image of our administration of the Ryukyus considerably more favorable, but serious problems still exist which are reflected in the attitude of the Japanese people and Government towards our continued occupation of the Islands. The important thing at this time is to continue affirmatively to carry out the spirit as well as the letter of the current policy and to study long-term prospects with a view to avoiding crises which would undermine the value of our bases in the Ryukyus or endanger U.S.-Japan relations. We must recognize that over the long run, and possibly sooner than is generally realized, Japan will press for reversion of administrative rights over the Ryukyus and the Bonins.

In the political field, the United States' policy is particularly concerned with Japanese relations with China and Korea. We have endeavored in the fourteen years since Japan resumed independence to persuade Japan of the rectitude of American policy on China and to obtain the greatest possible cooperation from Japan in that policy. Japan's recognition of the Republic of China in Taiwan continues to be of great assistance to United States policy in the Far East. Relations between Tokyo and Taipei have improved since the serious differences which arose earlier this year.[5] Japanese interests in Taiwan and willingness to support a Taiwan free from Chinese Communist control do not mean, however, that Japan subscribes to the view that the Nationalist Government is entitled to speak for all of China. While we have tried to minimize Japanese private dealings with Communist China, we have had only limited success. This is because, despite the cautious attitude of the government leadership—with its one eye cocked toward the United States and Taiwan—the public has moved perceptively closer to the view that Japan's relationship with Mainland China is too abnormal to be sustained. Under Ikeda's guidance (and probably also now under Sato) such public views, which are also widely held within the governing party, were not confronted directly but were instead

[5] Tensions between Japan and the Republic of China increased at a time during which Japan sought to establish closer economic relations with the People's Republic of China. Documentation on relations between Japan and the two Chinas is in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL CHICOM–JAPAN, and POL CHINAT–JAPAN.

deflected towards increased trade and other contacts relating to cultural kinship and tradition. Thus, although the Japanese Government continues to support our policy on the seating of China in the United Nations, it seems probable that, if a majority of the UN members should vote to admit the Chinese Communists, and particularly if the Chinese Communists should actually gain admission by either obtaining a two-third majority or by upsetting the "important question" rule, the Japanese Government would move towards recognizing Communist China. Even in this event, however, the Japanese would probably agree with us on the importance of maintaining the integrity of Taiwan. There is a continual necessity for the United States to consult with Japan in advance on matters concerning China.

Support for the independence of the Republic of Korea and assistance in developing the Korean economy has been an important American policy in the Far East. Japan has, as a matter of principle, supported this policy. The lack of a settlement between Japan and the Republic of Korea, however, and the tedious and often disappointing negotiations which have been conducted over the years have made the Japanese Government and people skeptical about the possibility of establishing normal relations with Korea.[6] If American policy towards Korea is to gain the benefits of greater Japanese support in political and economic terms, a settlement between the countries must be arrived at and the United States must be prepared to do what it can to bring about that agreement and assure its proper limitations.

Our economic policies have exerted a strong and healthy influence in pursuit of basic goals. Japan's economic vigor, which gives added strength to its democratic institutions, has developed in partnership with the United States. Japan's moves toward a liberal and outward-looking stance illustrate that Japan wants, and indeed Japan's prosperity and well being are dependent on, the kind of inter-dependent economic world we want. Japanese and United States economic policies and interests have accordingly a general harmony under the principles of the General Agreement on Trade and Tariffs, and in the operating machinery of the GATT; we have common views on means of facilitating world commerce, international financial stability, and share the problem of how to deal with the economic needs of the Less Developed Countries.

There are discordant notes, however, both within and outside of our bilateral economic relationship, and, with the growth of Japan's power, our direct leverage on troublesome issues has lessened. Japan

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[6] For documentation on U.S. efforts to ameliorate differences between Japan and the Republic of Korea, see *Foreign Relations,* 1964–1968, vol. XXIX Part 1.

tends to stay in step, neither ahead nor behind, with our European allies in its economic relationships with the Communist bloc and on the topical issue of credit. Our influence on Japan in trading with Communist China, as also in its trade with Cuba, is limited. Japan's economic aid to the LDCs has, and will continue to have, a strong commercial tinge; there is, however, a growing awareness of a political need to introduce new directions and dimensions into Japan's programs. We should continue to encourage Japan in such new efforts, particularly as they relate to Asia.

In our bilateral affairs frictions exist partly because our relationship is intimate and huge, but also because we are giving insufficient recognition to the fact Japan now has wide-ranging legitimate interests to protect, for example, in civil aviation and high-seas fishing. These frictions are generating a potential for psychological exploitation decidedly disadvantageous to long-range U.S. policy objectives. We should recognize and understand the issues which expose sensitive Japanese nerves of prestige and sovereignty, and do now what, in any event, we are likely to be obliged to do a little later.

An important objective of our policy toward Japan is the promotion of a healthy and moderate outlook on the part of the Japanese intellectual community. Evidence that we have had considerable success is visible and even accelerating. In the short period since the end of the war, broad and continually expanding relationships have been developed between Americans and Japanese in all fields of intellectual, artistic and professional endeavor. In the last several years especially, an ever-growing number of Japanese intellectuals and/or academicians have begun to voice increasing skepticism, and in some cases outright rejection, of the Marxist interpretation of political, economic and social phenomena. This has been accompanied by a growing willingness to participate in a meaningful dialogue with American colleagues. It is of utmost importance that this trend be exploited through continuing emphasis on programs (both government and private) which seek to expand the opportunities for contact and promote a wider understanding in Japan of U.S. institutions and policies. The Japanese intellectual community commands a public voice out of all proportion to its numerical strength, and as a result its sentiments have much influence in the determination of Japan's response to the entire gamut of U.S. policy objectives.

In conclusion, our policy of promoting a stronger Japan is succeeding remarkably well, but mainly because the Japanese themselves are able and intend to grow more powerful. Our goal of persuading Japan to act in concert with U.S. and Free World interests is also succeeding to a large extent, though it must be recognized that the growing power of Japan inevitably makes it less responsive to American influence. This does not mean that Japan is not likely to continue to act

largely in concert with us or that we lack all persuasive power. It does mean, however, that we must recognize and project visibly a real sense of equality between the two countries and must be ready to go halfway towards meeting Japan's needs in order to achieve this relationship. This requires us to tailor our approach so as to accommodate ourselves to Japanese viewpoints and actions which differ from our own without being at cross purposes (e.g., ROKG–GOJ normalization; economic cooperation with Asian LDCs) and to seek to maintain a dialogue between equals on matters of dispute without either seeming to preach or to threaten. In other words, it requires a continuing conscious effort to place our relationship with Japan on a footing more like that with the United Kingdom. Japan's growing sense of complete independence is not now, at least, leading the country in the direction of neutralism and disassociation from the United States. In fact, it seems to be leading it closer to us. It is at the same time making the Japanese more insistent on having a greater voice in common decisions. This is the inevitable result of the success of the first part of our policy, which has been to help Japan to become a major power center, and accommodating ourselves to this demand is probably the key to success in the second part of our policy, which is to keep a powerful Japan in step with U.S. and Free World objectives.

Edwin O. Reischauer

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36. Telegram From Secretary of State Rusk to the Department of State[1]

New York, December 5, 1964, 4 p.m.

Secto 25. This message based on uncleared memcon, noforn, FYI and subject to revision.

Secretary called on Japanese Foreign Minister Shiina morning December 5. Following subjects discussed:[2]

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Secret; Limdis. Repeated to the Embassy in Tokyo and CINCPAC. Rusk was in New York to attend the UN General Assembly.

[2] Rusk also met with Shiina, Takeuchi, Matsui, and others on December 3 in New York. They discussed the new Soviet regime, the situation in Vietnam, Chinese representation in the UN, Japanese aid to Southeast Asia, and Sato's visit to Washington. (Secto 17 from New York, December 3; ibid.)

1. Secretary congratulated Shiina on constructive speech December 4 to General Assembly and said he heard reaction among delegates had been good.

2. China. Shiina reaffirmed Japan's commitment to present policy on Chinese representation but said GOJ's information indicates future pessimistic. GOJ, therefore, would like mutual and highly confidential study this question.

Secretary replied U.S. policy on Chinese representation intimately related to peace in Pacific and said that this would not be appropriate time for UNGA "place crown on Peiping's head." He said U.S. would be agreeable to confidential study and exchange of views conducted either through Japanese Embassy Washington or U.S. Embassy Tokyo.

3. South Viet Nam. Shiina said Japan recognized necessity and importance military action in promoting stability Viet Nam, but believed greater efforts should be made in field "peaceful construction." He felt Japan's present technical assistance program SEA and medical team recently dispatched Viet Nam typical of effort that should be made. Shiina said GOJ hoped U.S. agreeable to joint exploration of additional efforts Japan might make in field peaceful construction. The Secretary welcomed Japan's interest in providing such assistance, stressing that it has political as well as practical value. Secretary said he was sure that President Johnson would welcome Japan's move in this direction.

4. Shiina said he discussed Japan–Korea relations at length with Assistant Secretary Bundy in Washington a few days ago.[3] He believes domestic political conditions both countries now conducive early settlement although he does not share optimism those who believe normalization will be realized by March. Secretary said that he had previously heard both sides optimistic and stressed cost that "missed opportunities" or delay entail. U.S. at disposal of GOJ if it can in any way assist settlement.

5. U.S.-Japan Bilateral Relations.

(A) Okinawa. Shiina said Japan realized great importance Okinawa military bases to security Far East and Japan as well as close relationship between optimum utilization and administrative control. Nevertheless, twenty years have elapsed since war and longing of people in Okinawa and in Japan for restoration Japanese sovereignty well known. Shiina believed we should jointly consider what steps U.S. and Japan can take together to (1) promote development of islands; (2) promote public welfare; (3) enlarge self-government to degree possible. Foregoing steps should lead toward eventual integration with Japan,

[3] A memorandum of the Shiina–Bundy conversation, which was held on November 30 at the Japanese Embassy Residence, is ibid., POL JAPAN–US.

but without prejudice to position Okinawa in strategic and security aspects.

Secretary replied that we should clearly recognize whether purpose discussions would be to improve administration Okinawa or bring about basic change in status of and responsibility for Okinawa. He recalled that President Kennedy had told Prime Minister Ikeda U.S. prepared examine ways improve conditions on Okinawa but that question status should not be taken up piecemeal. Secretary suggested President Johnson might discuss question with Prime Minister Sato during forthcoming visit,[4] but said in light present situation in Pacific, U.S., quite frankly, would find it difficult subject its requirements on Okinawa to possible changes in government or policy.

(B) Bonin Islands. Shiina said if U.S. could allow former residents of Bonin Islands to visit graves deceased relatives there[5] and noted Soviets now allow such visit to Habomai and Shikotan. Secretary agreed explore matter with Secretary Defense McNamara.[6]

(C) Japan-U.S. Civil Aviation Agreement. Shiina hoped talks could be renewed ASAP and that Japan's position would be fully considered. Secretary believed preliminary exploration should be made so that negotiations could succeed and said we would be making suggestions this regard before end of year or early in January. He also affirmed U.S. interest in speedy resolution this question.

(D) Economic and Trade Problems. Shiina reiterated Japan's "deep interest" in revision North Pacific Fisheries Convention and said Japan would be making specific proposals on various trade problems in coming weeks. He hoped these matters can be taken up constructively. Secretary believed that many trade problems can be fruitfully discussed in joint cabinet committee meeting next year, in OECD and GATT, but believed air and fisheries problems should be resolved prior joint cabinet committee session.

(E) Shiina reaffirmed Japan's adherence to Mutual Security Treaty saying Sato government considered it cornerstone Japan relations with U.S. He said there may be active conflicts of interest between Japan

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[4] Sato visited Washington from January 12–13, 1965.

[5] In telegram 1986 from Tokyo, December 18, Reischauer pointed out that "this matter has been brought up by high level Japanese visitors on a number of occasions over [the] past seven years," and Sato was expected to raise it again in his upcoming meetings with the President. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN)

[6] On December 11 Rusk wrote to McNamara recommending that the question be reviewed in light of the expectation that Sato would likely discuss it with the President. In the letter Rusk stated his belief that "a reasonable number of visits might be allowed," as long as U.S. security interests were protected. (Ibid., POL 19 BONIN IS)

and U.S. but believed they can be settled without prejudice in light of basic Japan-U.S. policy of cooperation.

6. Sato Visit and Japan's World Role. Secretary expressed pleasure that Sato visit had been successfully arranged and said he wished assure Foreign Minister in broadest sense U.S. happy remain in closest touch at all times on major issues in world affairs. U.S. is tremendously encouraged at way Japan has taken hold in international affairs and especially recognizes major role Japan uniquely fitted to play in Asia. The Secretary said that, while he did not wish interfere in GOJ internal affairs, he hoped he would have pleasure of meeting Shiina again at time forthcoming Sato visit.

Rusk

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37. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, December 29, 1964, 6 p.m.

2067. Sato Visit.

1. In hour session alone with me following more formal talk today (Embtel 2058),[2] Sato stressed that while defense not on agenda for Washington talks, it is really main subject, since China, Vietnam, Korea, etc.,[3] are from his point of view just aspects of defense problem Japan faces. Various papers presented Embassy and Dept yesterday, he said, represented surface views which would do little damage if leaked to public, but did not necessarily represent his real thinking. I gathered some of following points he made to me in private were items he planned to discuss in session which we understand he hopes to have alone with President. (Absence of other Japanese I believe is important point to him in such session.)

2. Sato launched into problem of nuclear defense, stating his views coincided with those expressed to him by British PM Wilson that if

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN. Secret; Limdis.

[2] In telegram 2058, December 29, Reischauer provided a brief overview of the topics discussed with Sato. (Ibid.)

[3] Embassy telegrams covering these and other topics on the agenda for Sato's visit are ibid.

other fellow had nuclears it was only common sense to have them oneself. Japanese public he realized was not ready for this but would have to be educated to this point, and he felt younger generation showed hopeful signs of going this way. Nuclears he had discovered were much less costly than was generally assumed and Japanese scientific and industrial level was fully up to producing them. He then hastily added that, of course, Japan had none of "imperialistic" ambitions of past so U.S. should not be worried by what he said. In next few years he felt Japan must basically rethink whole defense problem. In this connection he repeated several times that constitution must be revised, though time not yet ripe for this.

3. *Comment:* This is first time I have had chance to get direct flavor of Sato thinking and I find he indeed lives up to reputation of being less judiciously cautious than Ikeda. His forthrightness and enthusiasm are refreshing, but I see grave dangers too. He needs more guidance and education by us than did Ikeda to keep him out of dangerous courses (such as his implied independent Japanese nuclear stand), and his views which are bound to leak out to some extent could set off some serious repercussions in Japan. For these reasons I believe recommendations of paragraph 5 of Embtel 2013[4] are all the more valid.

4. Regarding other defense questions, Sato admitted progress still slow toward military buildup, though he was happy about two laws regarding self-defense forces recently passed (A–864)[5] and continuing program for production F 104's. He spoke as if Japanese could soon push up defense spending to 2 percent of GNP, but admitted that elevating defense agency to defense ministry, which seemingly a trivial problem, could not be achieved for little while. When I pointed out Japanese lack of military secrets law severely inhibited closeness of U.S.-Japan defense relationship, he showed himself well aware of problem, but claimed one difficulty was that constitution made secret trial impossible and without that military secrets law could not be ade-

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[4] Paragraph 5 of telegram 2013 from Tokyo, December 23, reads: "If Sato while in Washington asks for fundamental reappraisal of defense relationship we should be prepared to welcome proposal. Whether or not such request is made (and I doubt Japanese quite ready for it yet), we should be addressing ourselves as a matter of priority to a fundamental study of what we would like to see as Japanese defense role and US-Japan military relationship over next ten to twenty years in order to be ready for talks when Japanese propose them, which I believe likely to happen soon and almost certainly within next three years." (Ibid.)

[5] According to airgram A–864 from Tokyo, Joint Weeka No. 52, December 24, the bills increased the number of Self-Defense Forces by nearly 3,000 and the number of reservists by 5,000, established a new Air Group within each Air Wing, including the 8th Air Wing at Tsuiki Air Base, and permitted Self-Defense members to transport personnel and equipment to Antarctic observation posts. (Ibid., POL 2–1 JAPAN)

quately enforced. He welcomed my suggestion that I inquire into how U.S. handles this problem and discuss further with him.

5. Regarding China problem Sato reemphasized necessity of not "letting Taiwan go" to Chicoms and need for coordinated strategy with U.S. on this. As long as Chiang Kai-shek alive, he felt GRC would not give up its claim to be only China and therefore present balanced Japanese policy toward two Chinas would have to be maintained, but after Chiang leaves scene a more permanent settlement in terms of an "independent Taiwan" would be necessary. He sounded much more hopeful about keeping Peiping out of UN than does Foreign Office, obviously regarding this as vital line of defense for GOJ on China problem. He seemed to feel that some means could be found if UN dam gives way to resist public pressure for recognition of Peiping or at very least prevent break between GRC and Japan.

6. *Comment:* Sato seemed to show more determination on China problem than clarify as to how it could be handled. Nothing he said calls for revision of analysis in Embtel 2644[6] except that Sato seems stronger on determination and weaker on strategy in case of Peiping entry into UN than I had supposed (but this probably not true of Foreign Office).

Reischauer

[6] The reference is probably in error and should be to telegram 2044 from Tokyo, December 28, in which the Embassy provided a lengthy analysis of the China question in preparation for the Sato visit. It discussed Japan's attempts to deal with the question of "Two Chinas," particularly if and when the People's Republic of China was admitted into the UN. For the time being Japan's policy did not differ from that of the United States in that Japan opposed entry of the PRC into the UN and supported a non-Communist Taiwan. According to the analysis, Japan was grappling with pressures coming from within Japanese society to move closer to the PRC and with formulation of an approach under changed circumstances. The Embassy urged assistance for Japan in preparing for potential changes that would result if the entry of the PRC into the UN became a reality. (Ibid., POL 7 JAPAN)

38. Paper Prepared by the 303 Committee

Washington, undated.

[Source: Department of State, INR/IL Historical Files, EAP General, EA Reviews, 1964 to 1966. Secret; Sensitive. 1 page of source text not declassified.]

39. Action Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Bundy) to Secretary of State Rusk[1]

Washington, January 6, 1965.

SUBJECT

The Sato Visit; Proposed Cabinet-Level Meeting on Economic Problems

During Prime Minister Sato's visit we should be prepared to state the U.S. Government's position on a number of important economic problems of common concern to the U.S. and Japan. These problems are described briefly in Tab B,[2] and are related to the proposed U.S. policy actions outlined in Tab C. Of the eleven specific issues summarized in Tab B, the first five items represent areas in which the United States desires an improvement in Japanese performance;[3] the remaining six items represent areas in which Japan desires improvement in U.S. performance.[4]

For some time, the Department has considered means to engage the full and active support of your Cabinet colleagues in a common effort to eliminate needless difficulties in current U.S.-Japanese economic relations. Prime Minister Sato's visit offers an occasion for review with your Cabinet colleagues the nature of the problem against the backdrop of our total relationship with Japan to gain their understanding and support of positions you will take, and to anticipate subsequent U.S. actions which will be required to implement those positions set forth in Part II of Tab C. We have discussed these issues with working levels in the other agencies concerned and shall have obtained clearances or identified differences before any meeting you might hold with your colleagues. We believe that reconciliation of the differences between the State and Commerce Departments on textiles will require your intercession with Secretary Hodges, bilaterally or in the context of discussion with other Cabinet colleagues of our total relationship with Japan.

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN. Confidential. Drafted by Barnett and Vettel and cleared by Trezise, Reischauer, and Feldman.

[2] Attached but not printed.

[3] The five items were U.S.-Japan Defense Relations, Aid to the Developing Countries, Japan's Trade with the Communist Bloc, Direct Investment, and the Kennedy Round.

[4] The six items were Civil Aviation, the Interest Equalization Tax, Cotton Textiles, Wool Textiles, North Pacific Fisheries Negotiations, and the Saylor Amendment to the Urban Mass Transportation Act.

Both an immediate and longer term purpose would be achieved by your chairing a meeting at a convenient time between January 7 and 11 with the U.S. members of the Joint U.S.-Japan Committee on Trade and Economic Affairs plus Mr. McGeorge Bundy and Governor Herter to review these economic problems to obtain your colleagues' support for the actions proposed in Tab C. During the talks with Prime Minister Sato, I believe it will be necessary for the President personally to handle only one of these economic problems, i.e. civil aviation. The others should be handled by you, supported, in the case of the Interest Equalization Tax, by Secretary Dillon, perhaps at your Working Luncheon.[5] Other members of the Cabinet should support the U.S. positions you take in the conversations that they may have with Prime Minister Sato, Minister Shiina or Ambassador Takeuchi at your Working Luncheon on January 12 or at other social occasions.

Recommendation:

It is recommended that you:

1. Sign the attached eight letters (enclosing Tabs B and C) to the U.S. members of the Joint U.S.-Japan Committee on Trade and Economic Affairs and to Mr. McGeorge Bundy and Governor Herter, inviting them to a meeting at a convenient time between January 7 and 11 to review U.S.-Japan economic problems in preparation for Prime Minister Sato's visit to Washington (Tab A);[6] or

2. Approve the preparation of letters along the lines of Tab A which, instead of inviting the addressees to a meeting, transmits Tabs B and C to them and seeks their active support for the positions outlined therein.

Tab C

RECOMMENDED POLICY ACTION ON JAPAN

I. Desired Improvement in Japanese Performance

The following are actions which are in the interests of both the U.S. and Japan as leaders of the Free World. We should stress the mutual-

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[5] Dillon and Sato discussed the Interest Equalization Tax at a meeting on January 13. (Memorandum of conversation, National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US)

[6] William Bundy added a handwritten note to this recommendation stating, "We prefer this, as does WH Staff." Although not indicated on the memorandum, Rusk also concurred, and the appropriate letters from Rusk were sent on January 7 to McGeorge Bundy, Dillon, Freeman, Heller, Herter, Hodges, Udall, and Wirtz. (Ibid., POL 7 JAPAN) Rusk's calendar for the days preceeding the Sato visit does not reflect the meeting. (Johnson Library, Rusk Appointment Books, 1965)

ity of our interests in the context of the partnership concept enunciated by President Kennedy and Prime Minister Ikeda in 1961.[7]

A. Cooperative Defense Arrangements

1. We want Japan to develop and maintain defense forces which would permit early assumption by Japanese forces of virtually complete responsibility for the defense of Japan.

2. We must insure that the U.S.-Japan military partnership remains more attractive to Japan than the alternatives of military non-alignment or independent defense measures.

B. Aid to Developing Countries

1. We want Japan to carry a greater share of the aid burden of the less developed countries in keeping with its position as a leading industrial power and to take a more active role in international forums dealing with economic aid. For example, we would like Japan to participate in the Turkish consortium to demonstrate its full acceptance of the responsibilities of membership of OECD.

2. The volume and terms of Japanese aid should be improved, but the Japanese Government faces political, institutional and financial obstacles unlike ours, which must be recognized when we offer specific suggestions.

3. In suggesting that Japan offer more and better aid to LDC's we should

a. Emphasize importance to Japan of adequate flow of aid to LDC's on terms commensurate with LDC's debt servicing capacity;
b. Agree that Asian countries should be principal beneficiaries of Japanese aid;
c. Urge Japan, in keeping with the position of leadership it has now attained, to contribute in non-Asian regions in support of Free World objectives.
d. Stress the value of Japanese aid in the technical assistance field and look to the possibility of a Japanese Peace Corps-type of program.

C. Sino-Soviet Bloc and Cuban Trade

1. We want continued Japanese cooperation in the Free World economic denial policies against the Communist bloc, especially in the fields of trade with Cuba and the granting of credits.

2. In continuing to press for such cooperation, we must recognize the fact that the Japanese Government cannot do more in this field than

[7] See the joint communiqué issued by Kennedy and Ikeda on June 22, 1961, in *American Foreign Policy: Current Documents, 1961*, pp. 964–965.

other allied Free World countries and is bound to be influenced by the degree to which others cooperate.

D. Liberalization of Trade and Investment

1. Stress our interest in further liberalization of present restrictive practices in Japan aimed at direct foreign investment.

2. In requesting further liberalization of trade and investment, take account of structural problems faced by Japan, and avoid U.S. actions which appear inconsistent with our professed liberal trade policy.

E. Kennedy Round

1. In negotiating with the Japanese for meaningful tariff cuts, make clear we recognize Japan's concern over discriminatory non-tariff barriers imposed on their exports and indicate support for their elimination.

2. Make certain Japan is included in consultations with "industrialized" countries, and try to accord Japan treatment at least as favorable as that we accord Canada.

II. Indications of Future U.S. Performance

A. Civil Aviation

1. The President should inform Japan that we are developing a U.S. position which can form the basis for early preliminary discussions with the Japanese to lay the groundwork for fruitful formal negotiations in the spring. The President should also state that another impasse in civil aviation negotiations must be avoided.

2. The President should inform Japan that a route "to and beyond New York" is *impossible,* but there is a good possibility of negotiating a Japanese mid-Pacific route to (but not beyond) New York. (The President's assistants in the White House will ask for the President's explicit and prior approval of this position.)

B. Interest Equalization Tax

The Secretaries of State and the Treasury should:

1. Inform Japan of the U.S. intention to extend the IET beyond 1965 and give full justification for such action; and

2. Persuade Japan that

a. Possible alternatives to the IET (e.g. higher U.S. interest rates, exchange controls) would pose even more serious problems for Japan than the tax itself;

b. The IET does not deny Japan, whose interest rates are high, continuing access to the needed resources of the U.S. capital market;

c. The Joint U.S.-Japan Economic Consultative Task Force, which was established in August 1963, should be requested to explore possible financial arrangements which would serve the interests of the U.S.

and Japan and to report its findings to the Joint U.S.-Japan Committee on Trade and Economic Affairs at its next meeting.

C. Cotton Textiles

1. If this subject should arise, the Secretary of State should inform Japan that we are prepared to consult as provided by the U.S.-Japan Cotton Textile Agreement[8] and to give sympathetic consideration to Japan's proposals for changes in the Agreement. At the same time express U.S. desire to negotiate an extension of the bilateral agreement beyond 1965.

2. The U.S. should treat Japan at least as favorably as any other exporting country in the allocation of any permissible increase in imports.

3. The U.S. should explore carefully the possibilities for increasing the flexibility of the bilateral agreement with Japan.

D. Wool Textiles

1. If this subject should arise, the Secretary of State should inform Japan that a) U.S. industry pressure on the Administration continues to be strong with respect to difficulties stemming from wool textile imports; and b) this will probably have been mentioned informally and briefly by the President, who will suggest that the Prime Minister consider the industry request for a governmental conference to discuss it.

2. The U.S. should make every effort to avoid the imposition of unilateral quantitative restrictions on wool textile imports.

3. The U.S. should assure Japan that any multilateral or bilateral arrangements which may be developed will not discriminate against Japan.

E. North Pacific Fisheries Convention

1. The U.S. should develop a position for the fourth round of negotiations which is designed to lead to early agreement on a new Convention.

2. Through consultations with the interested members of Congress and industry representatives: make clear to them the importance to the U.S. of reaching early agreement on a new Convention and the leverages that are (and are not) available to the U.S. in developing agreement with Japan.

F. Saylor Amendment

The Secretary of State should inform Japan that the repeal of this amendment is high on the list of priorities for action by the 89th Congress.

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[8] The text of the agreement of August 27, 1963, is in 14 UST 1078.

40. Memorandum From the President's Special Assistant for National Security Affairs (Bundy) to President Johnson[1]

Washington, January 11, 1965.

SUBJECT

Your meeting with Sato[2]

I attach a good quick summary (Tab A) of the Sato meeting, prepared by my colleague, James Thomson (whom you may not have met but will see in my place at the dinner tomorrow night—in line with your policy of rotating White House invitations). Thomson's memo gives some of the details around the main problem, but I repeat my own conviction that it is item 3 on Communist China and Taiwan, which is the heart of the matter. If Sato can take away a sense of your own realistic awareness that this problem will get bigger and bigger and that we want to go at it in close cooperation with the Japanese, that will be all he needs for the present. As I said on the phone, my own belief is that the key to UN strategy is that we should be prepared to press Chiang & Company not to be the first to quit when some ambiguous formula is put forward. Sato shares my opinion on this, so that if you do too, you and he can make music together.

I also attach (Tab B)[3] another copy of the Secretary of State's briefing memo in case yours is not right at hand.

McG. B.

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[1] Source: Johnson Library, National Security File, Country File, Japan, Sato's Visit, Briefing Book, January 11–14, 1965. Secret.

[2] President Johnson and Prime Minister Sato met at the White House on January 12 at 11:30 a.m.

[3] Attached but not printed.

Tab A

Memorandum From James C. Thomson, Jr., of the National Security Council Staff to President Johnson

Washington, January 11, 1965.

Your Meeting with Prime Minister Sato

Prime Minister Sato (pronounced "Sah-toh") is a tough-minded, pragmatic anti-Communist. He entered politics in 1947, has held government jobs in communications, space, science, and technology. He became Prime Minister last November (succeeding Ikeda).

Sato believes that the time has come for Japan to play a larger role in world affairs. He wants to do this in cooperation with the United States.

He has come to Washington in order (a) to get to know you personally, and (b) to start up a frank dialogue with our top officials on the problems of the Far East—particularly the problem of *Communist China.*

We want to be forthcoming in terms of frankness on the subject of China. We also want to press Sato hard on the single issue where the Japanese can help our cause and theirs right away: *a Korea–Japan settlement this spring.*

If he comes away from Washington with a firm sense that we accept the Japanese as full partners (on an equal footing with our European allies) and that we will take them into our confidence on long-term planning, Sato will consider his visit a success. If some progress can also be made on the several issues (mostly economic) that cause friction between the U.S. and Japan, this will be an added plus for us both.

The attached briefing paper from the Secretary focuses on the points that have emerged from our advance exchange of memoranda with the Japanese.

Here are the most important points:

1. *Good news for Sato:* There are three specific items on which you can show our friendly intentions. (a) On the Ryukyu Islands (Okinawa), you can tell him that we are willing to broaden the scope of the *U.S.-Japan Consultative Committee* to include consideration of all aspects of the Ryukyuan people's welfare—as long as our administrative powers are unaffected. (b) On the *Bonin* Islands, we accept in principle a *Bonin graves visit* (for the former inhabitants who now live in Japan). (c) On the *Saylor Amendment,* you can tell him that *repeal* of this amendment is one of the Administration's high priority items for the present Congressional session.

(A fourth item on which Sato will hope for some words of encouragement from you is *civil aviation*; you have been briefed on this separately.)[4]

2. *Japan-Korea Settlement:* State calculates that a Japan-ROK settlement will save us $1 billion over the next ten years ($600 million in Japanese grants and loans, the rest in anticipated private investment). We are once again at a point where a settlement is within reach. If we miss this time, it will be very hard to get negotiations started again.

Sato's heart is in the right place; but he needs a real push by you, perhaps along the following lines: We fought the Korean War in the interest of Japan's security as well as our own. A viable Korea is an essential buffer to us, doubly essential to Japan. Nothing the Japanese could do right now, in 1965, would advance the Free World's interests more successfully than a settlement.

3. *Communist China, Taiwan, and the defense of the Pacific:* Sato will want to talk very frankly about our short and long-term views of how to live with Communist China, how to keep Taiwan free, and what to do about the defense of the Pacific. He will explain his own views that politics and economics must be separated in dealing with the Chicoms (i.e., that Japan's trade is logical and necessary and in the long run can have some influence on the Chicoms). He is against recognition or UN membership but wants to keep in close touch with us on the whole China problem in the months ahead—so that Japan won't be left in the lurch by some unexpected U.S. move.

We should hear him out and agree that regular close consultation on the China problem is essential to both nations.

4. *South Vietnam and Southeast Asia:* Sato will want an equally frank exchange of views on the prospects for Free World policies in South Vietnam and neighboring regions. He supports our efforts to keep Vietnam free but is deeply worried about the outcome. (Japan has made a $1.5-million contribution in non-military assistance to South Vietnam; it has also given $500,000 to the Foreign Exchange Operating Fund in Laos.)

JC Thomson Jr.

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[4] Civil aviation may have been discussed at the briefing on the current situation in Japan on January 9 in the Cabinet Room from 2 to 2:45 attended by the President, Rusk, Reischauer, William Bundy, McNamara, and McGeorge Bundy. (Johnson Library, President's Daily Diary)

41. Memorandum of Conversation[1]

Washington, January 12, 1965, 11:30 a.m.

SUBJECT

Current U.S.-Japanese and World Problems

PARTICIPANTS

Eisaku Sato, Prime Minister of Japan
Toshiro Shimanouchi, Consul General of Japan at Los Angeles (interpreter)

The President
Lloyd Hand, Chief of Protocol
James Wickel, Language Services
Mr. Okamoto, USIA Photographer

The President showed several photographs to the Prime Minister. He said that the photographer, Mr. Okamoto, was of Japanese extraction. The Prime Minister was curious whether he was a Nisei. The President showed a photo of his ranch and photographic portraits of his daughters, Lynda and Luci.

The President said he would not show his entire album but did wish to demonstrate what a fine job the photographer had done. He showed a picture of Secretary of Defense McNamara, with Generals LeMay and Wheeler, which had been taken at his ranch. He said that Secretary McNamara had asked him to find out if the Prime Minister had a few billion dollars extra. The President commented that Mr. McNamara needs more money for defense. The Prime Minister asked if the President had some funds hidden in his pocket.

The Prime Minister expressed his gratification to the President for the warm reception he had been given at the White House.

The President said that he had an enduring friendship for the Japanese people and their government, especially this one. He noted that Ambassador Reischauer's reports are all good and reflect favorably upon Japan. He commented that the Prime Minister is a pragmatist, like himself.

The Prime Minister said that Japan is a democratic nation, as the President knew, and as a politician he would understand that it is important to consider the people.

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Secret. Drafted by Wickel and approved in the White House on February 2. The meeting was held in the Office of the President and lasted approximately 45 minutes. An unapproved copy of the memorandum is in the Johnson Library, National Security File, Country File, Japan, Sato's Visit, Memos and Cables, January 11–14, 1965.

The President reminisced about his boyhood in Texas. He said that he was raised near San Antonio, and the Prime Minister commented that he had visited there as a young man. The President said that he had always looked west. He recalled that his grandfather had had to look east, to New York, for money in those days. Our Government leaders are proud of our European allies in NATO, to the east, but we also wish to develop another strong alliance with Japan where we turn our heads toward the sun as it sets in the west. He had tried to convey this thought in his welcoming remarks this morning. It is not a habit with us to look always east to Europe; we look as well to other parts of the world.

The President said that a number of items were listed for discussion and he wondered what were the Prime Minister's interests. The list included the Ryukyu Islands; Bonin Islands graves visits; the Saylor Amendment; Japan-Korea normalization; Communist China and Taiwan; Pacific area defense; and South Viet-Nam and Southeast Asia. The President asked the Prime Minister to mention any other issues in which he had an interest. The President said that he also was anxious to hear the Prime Minister's views on the Pacific area. He wanted to get a feeling for the Prime Minister's opinions, and afford the Prime Minister the same opportunity to sound out his views; these matters could then be discussed more profitably. The President said that he and the Prime Minister were the ones who had to take the blame when anything went wrong.

The Prime Minister said that the greatest problems center around Communist China and South Viet-Nam, and an exchange of views is needed on those issues. He added that a new problem has arisen as a result of President Sukarno taking Indonesia out of the United Nations. The Prime Minister then asked the President to explain the position of the United States with reference to holding the 38th parallel in Korea and regarding the defense of Taiwan. He inquired whether the President could make a commitment not to withdraw from South Viet-Nam.

The President said, first, that the Prime Minister could depend on us fully for defense in the Pacific area. He said it is clear that Japan relies on the United States for defense, or else Japan would be creating its own independent defense systems. Second, he said that the Prime Minister could rely on the United States to consult closely with Japan before making any crucial decisions involving policy changes on the China problem and matters of comparable importance. The President expressed a desire to discuss these issues with the Prime Minister and understand fully the problems involved before taking action.

The President said that the main problem involving the Republic of China's retention of its United Nations seat is that the Nationalist Chinese not get angry and walk out of the United Nations. If the

Nationalists do not walk out then the Chinese Communists will not soon gain admission to the United Nations. The President said that what we want to do is keep down the Nationalist Chinese blood pressure, so that they won't do something rash that might enable the Communist Chinese to enter the United Nations.

Photographer Okamoto entered the office and was introduced by the President as his friend. The President asked whether he was born in the United States or Japan. Mr. Okamoto said that he had been born and raised in this country, and that his home is in Bronxville, New York. His father is in Japan, in his home town near Yokohama; his mother is in New York, and her home town is Kyoto. He has no brothers or sisters in Japan, but had been told that he has many uncles.

Continuing his comments on the China situation, which he remarked is a problem for him as it is for the Prime Minister, the President said that what we must do is to keep the Nationalist Chinese from upsetting the situation, or to forestall their doing so as long as we can. In order to keep the Chinese Communists from walking in, we don't want the Nationalist Chinese to walk out. He affirmed that the United States and Japan should have the closest consultation on this matter and commented that Ambassadors Reischauer and Takeuchi are already devoting their attention to it. He said that he had asked Ambassador Reischauer to remain at his post and to keep the Prime Minister informed of developments.

The President said that attention would have to be given to the problem of trade with China, as it is a nation of 600 million people. The President noted that Japan regards trade and political relations with Communist China as separate matters.

The Prime Minister confirmed that politics and trade are differentiated in Japan's contacts with mainland China. He said that Japan cannot ignore the mainland's propinquity and its long history of cultural contact with the Chinese. Therefore, Japan has developed trade relations with the mainland. However, Japan maintains diplomatic and treaty relations with the Republic of China. He said that Japan is in the same boat as the United States, and does not wish to anger Chiang Kai-shek.

The President solicited the Prime Minister's analysis of the China situation as it might emerge in two or three years.

The Prime Minister reiterated that it is essential that we consult closely on this matter. We cannot deny that a situation might develop in which Communist China could be admitted to the United Nations. This possibility puts us in a critical position. He said that the Communist China question is of an even more urgent nature than the Viet-Nam problem.

The President emphasized our hope that the Communist Chinese will leave their neighbors alone and turn their attention to internal affairs.

The Prime Minister said that this would be difficult for them to do, since they are communists. However, Mao Tse-tung will not live forever. On the other hand, Chiang may not live too much longer either. He said that we should not be unduly hasty with respect to Communist China lest we create new problems. Communist China will continue to pose serious difficulties until it has completed its revolutionary phase. This evolutionary process has been witnessed before in the history of China. The Shin [Chin][2] and Mongol dynasties provide examples. The Prime Minister said that 40 years have passed since the Soviet revolution, during which time the regime has matured and changed. But only a decade and a half have passed since the Chinese Communist revolution which is still in an early stage.

The President agreed. He said that this is a great problem for the Prime Minister and himself.

The President said that Viet-Nam is another major problem, and it could worsen if no stable government can be established. If none is, we could be out tomorrow. The President stressed what he said in his State of the Union message: we intend to stay in Viet-Nam and we will do more rather than less.[3] The President asked how hopeful the Prime Minister was about the situation in Viet-Nam.

The Prime Minister said that the United States must hold out and be patient. The United States is an outsider which has sent in troops, whereas the opposition is native. He said that the United States should work for the establishment of a liberal atmosphere that would enable the government to gain the support of the people. Above all, popular sentiment must be understood and channeled in politically constructive ways.

The Prime Minister indicated that the United States should not think in terms of pursuit to the north which he rejected, but should rather lend its efforts to such ventures as the establishment of model communities in South Viet-Nam, especially around Saigon. He believed that the biggest headache for the United States is the absence of leaders who could form a reliable government.

The President interposed that our headache is bigger than that. He said we intend to stay in Viet-Nam so long as our assistance is sought by the Vietnamese people. The answer to the Prime Minister's earlier

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[2] Brackets in the source text.

[3] The text of the State of the Union Message delivered on January 4 is in *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1965,* pp. 1–9.

question whether the United States is committed not to withdraw from Viet-Nam was yes.

The Prime Minister applauded the United States determination to maintain a firm stand in Viet-Nam and reiterated his desire that we hold out.

The President said in reply to a question that Prime Minister phrased about defense that, since Japan possesses no nuclear weapons, and we do have them, if Japan needs our nuclear deterrent for its defense, the United States would stand by its commitments and provide that defense. The President asked whether that struck at the heart of the Prime Minister's question. The Prime Minister confirmed that that is what he would like to ask but said that he is unable to say so publicly. The President said that his reply on the defense of Japan is affirmative, adding that this exchange befits statesmen of the type he and the Prime Minister wish to be in the interest of their peoples.

The President asked whether the Prime Minister wished to discuss any foreign policy matters other than China, Viet-Nam, and security arrangements. The Prime Minister replied that he was concerned about developments in Malaysia and Indonesia.

The President explained that Sukarno's character is a crucial element in the situation. He is impulsive and impetuous, and if he gets too upset we are fearful that he will create even more serious problems. He said that the U.S. is lending its influence to ameliorate this problem in every way possible. The Prime Minister cautioned that we should avoid actions which would drive Sukarno, and with him Indonesia, into the arms of Communist China.

The President said that the United States is exercising extreme forebearance in trying to prevent this. He said that Sukarno had insulted the United States recently but he was prepared to overlook this in the light of our larger interests. The week following Sukarno's statements, the United States delivered food valued at several million dollars to Indonesia under the terms of an agreement reached three years ago. President Kennedy had been severely criticized in the Senate when he executed his agreement. The President said that the United States is following a policy of conciliation in regard to the Indonesian problem and is trying not to be inflammatory.

The Prime Minister said that Japan is still on speaking terms with Indonesia, and is willing to do what it can. The Prime Minister indicated that consultations with Great Britain about Indonesia might be desirable. The President replied that any contributions to a solution would be welcomed.

The Prime Minister said that he wished to refer to one major problem in which the prospects were somewhat brighter. He said that a settlement between Japan and South Korea should be forthcoming soon.

He noted that internal political considerations in Korea seem to be the only barrier to an early settlement. The President said yes, he understood.

The Prime Minister raised the question whether the President would be interested in visiting Japan. The President said that he hoped very much that he would have an opportunity to do so. He characterized Japan as a country that excites and interests him. He noted that many members of his Cabinet family had been there, including the six Cabinet members who were en route to Japan at the time of the assassination of President Kennedy. In time, such a visit could be worked out.

The Prime Minister asked whether he could reply to a question in his press conference that he had asked the President about making a trip to Japan. The President expressed his approval and said that he would confirm that the Prime Minister did extend an invitation during one of his own press conferences. The President said that he is most interested in being a close friend to Japan. He commented that Secretary Udall had gone mountain climbing in Japan; and he and other Americans have all reported that Japan is a wonderful country. He expressed the hope that he would be able to visit the Prime Minister during his term of office.

The Prime Minister said that Foreign Minister Shiina would proceed to London following the present talks to participate in a regular British-Japanese consultation. Since Britain is one of the nations which recognizes Communist China, the Prime Minister wondered whether it would be useful to have the Foreign Minister consult with the British to gain their assistance with respect to the Viet-Nam question.

The President said that he would speak to Secretary Rusk about this, but that we have already made strong appeals to our friends to do all they can. But it seems that all of our friends are under the bridge or hiding in caves. It would be useful if they would take some constructive action. Even a strong speech would help. The United States has 25,000 men in Viet-Nam and we need dollars to continue this assistance. Some would like us to withdraw but we will not do so.

The President said that the United States will be dealing increasingly with major powers such as Britain, Japan, and Germany in trying to resolve the Viet-Nam and other crisis situations in Asia. With respect to Japan's security, Japan need not give even a second thought to the dependability of its American ally. If Japan is attacked, the United States will contribute to its defense. Similarly, the United States will abide by commitments to its other allies. The United States will remain in Viet-Nam as long as the Vietnamese let us. It would be very helpful, however, if the President were able to point out to the American people tangible assistance extended to Viet-Nam by our friends, such

as money or the medical task force which Japan has sent there. The United States investment in Viet-Nam is four or five billion dollars. We seem to be alone, and the President wondered where Britain, Japan and Germany were.

The President said that he would summarize his statements in conclusion because the others were waiting in the Cabinet Room and they would also like to talk with the Prime Minister. The United States is conciliatory toward Indonesia. When Sukarno told us off, the President turned the other cheek. When he told us to go jump in the lake, we sent him food. We have no desire to drive Sukarno into the arms of Communism. If he does go, he will do so out of his own decision.

The Prime Minister said that Japan will do all it can to assist in these problems, and noted the success of the medical task force which Japan had sent to South Viet-Nam.

The President said he understood that Japan's contribution cost $1.5 million. He appreciated dispatch of the medical task force and said that it would be helpful if Japan could show the flag. If Japan gets in trouble, we would send our planes and bombs to defend her. We are now in trouble in Viet-Nam and ask how Japan can help us. He indicated that the Prime Minister need not publicize these views at home. The President said, however, that he himself would do so with the members of the Senate. Any statement of support by the Prime Minister would, of course, help.

The President said that he heard a lot about trade problems between our two countries, related to cotton textiles, woolen goods, television sets such as Sony, and other things the Japanese produce so efficiently. He had also been informed of the Japanese desire to extend their air routes. He invited the Prime Minister's views on the major outstanding bilateral trade problems.

The Prime Minister said that, in his view, the major problem is to sustain the prosperity of the United States.

The President said that textile representatives in the United States are extremely concerned about the import of Japanese woolens. The Prime Minister indicated that he preferred to reserve the discussion of the textiles and civil aviation problems for his meeting with Secretary Rusk.

The President observed that, while we have worked out the problems of cotton textiles, we now have a problem with woolen textiles. The President said that he daily confronts a number of Senators who jump down his throat because of problems arising from Japanese imports. He said we have to watch that and exercise restraint. He said that RCA is fussing with him about Sony television sets. He commented that, nevertheless, he had some Sony television sets and led the Prime Minister into his private study where he showed him three miniature

Sony television sets, each tuned to a different network. He demonstrated for the Prime Minister a control device by which he could tune in on the audio portion of any of the three. He said that he had these sets on constantly.

With respect to trade with Japan, the President said the United States wants to trade and considers its commercial relationship with Japan to be extremely important. Japan buys American cotton. On the other hand, Japanese woolen exports to the United States create difficult problems because the industry is depressed. The President said that he would appreciate anything Japan could do to help alleviate this situation, for he had 50 Senators after him on it.

The Prime Minister said he wondered why so relatively small an export item as woolens should be such a problem when Japan buys so much from the United States. The President said this is because the industry is badly depressed. When a baby does not get milk he cries.

The Prime Minister said that he still found it difficult to understand complaints about Japanese trade, particularly those which originate in areas of soy bean production, since Japan purchases $100 million worth of soy beans from the United States and exports only $1 million worth of woolen textiles.

The President said that if the situation were reversed he is sure he would hear about it. As a politician the Prime Minister could understand why he (the President) would hear complaints from those in a depressed industry.

The Prime Minister said that since President Johnson is from Texas, a cotton-producing state, in contrast to President Kennedy, who was from a textile-manufacturing state, he had anticipated a different attitude with respect to textile problems. He said that he hoped the President could handle these problems, which he believed stem fundamentally from domestic considerations in the United States rather than from Japan's actions.

The President said he appreciated this point, but every day he sees representatives of the textile industry and, since he gets so much criticism from this area, he hoped that the Prime Minister could do something at his end to alleviate the situation. Every morning he received calls from textile manufacturers complaining about Japanese textiles. The President said he did not wish to make this a major point of the discussion, but he must live at home just as the Prime Minister must. The Prime Minister said that representatives of the woolen textile industry in Japan had told him prior to his departure for the United States not to raise the issue of woolen textiles in Washington.

The President commented in a lighter vein that textiles and civil aviation could probably be discussed all day. The Prime Minister made the point that civil aviation is a different matter because Japanese

airlines use American planes exclusively. The President said that the American airline companies do not manufacture aircraft and this point is lost on them. The Prime Minister expressed his understanding of that situation.

The President said that both he and the Prime Minister were the new leaders of great nations which have promising futures and that problems between us could be resolved through give-and-take discussions on the basis of fairness and justice. We must understand that it is essential that we communicate with each other freely, frankly, and in a friendly manner. He said that he would be available later in the visit to discuss any problem the Prime Minister wished to raise.

The President expressed his appreciation and pleasure at the warm treatment accorded American Cabinet officers who had visited Japan. He said he was proud of the manner in which Japan has rebuilt itself over the past 20 years. He said that he could understand the problems a new Prime Minister might face and offered to help to the extent possible. The President cautioned the Prime Minister to exercise care in his statements about outstanding problems between the United States and Japan that might make it more difficult for the President to cope with United States domestic pressures on these issues.

The Prime Minister referred once again to his invitation to the President to visit Japan. The President reiterated how much he would like to make the trip. He cited his great interest in the people and the country and confirmed that he would like to visit at an appropriate time during his term of office. The Prime Minister remarked that the President's term of office will undoubtedly be eight years and it would be too long to wait until the latter part of this period to have him visit Japan.

The President said that a very good friend of his, Mr. Youngman, an insurance company executive presently working in Japan, would be at dinner. He wanted to introduce him to the Prime Minister because Mr. Youngman, just as many other Americans, speaks very favorably of the people of Japan.

The President asked whether the Prime Minister had any other matters to discuss confidentially before joining the 30 people waiting in the Cabinet Room.

The Prime Minister said that it was not necessary to add to what had already been said.

The President said that he felt he had gotten to know the Prime Minister and hoped that the Prime Minister also felt that they had gotten their personal relationship off on a good footing. The President said that they now had their own private treaty which is just as binding as any treaty ratified by the Senate.

He then escorted the Prime Minister and other members of the group into the Cabinet Room.

42. Memorandum of Conversation[1]

Washington, January 12, 1965, 12:15 p.m.

SUBJECT

Current U.S.-Japanese and World Problems

PARTICIPANTS

Eisaku Sato, Prime Minister of Japan
Etsusaburo Shiina, Foreign Minister of Japan
Ryuji Takeuchi, Japanese Ambassador
Takeo Miki, Secretary-General of the Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director of American Bureau, Foreign Ministry
Toshiro Shimanouchi, Consul General of Japan at Los Angeles (interpreter)

The President
Secretary Rusk
Edwin O. Reischauer, Ambassador to Japan
William P. Bundy, Assistant Secretary for Far Eastern Affairs
Marshall Green, Deputy Assistant Secretary for Far Eastern Affairs
James C. Thomson, Jr., NSC
Ambassador Duke, Chief of Protocol
Robert A. Fearey, Director for East Asian Affairs
James Wickel, Department of Language Services

The President, Prime Minister Sato, Mr. Shimanouchi (interpreter) and Mr. Wickel (interpreter) joined Secretary Rusk, Foreign Minister Shiina and other members of the group after approximately 45 minutes' private conversation. The President said that the Prime Minister and he had discussed several matters, which might perhaps be pursued further in the larger group.

[Omitted here is the President's summary of his private meeting with Prime Minister Sato; see Document 41.]

The President said that the United States and Japanese Governments should be careful to consult on everything of concern to the other. He said that he had great confidence in Prime Minister Sato and was very proud of the record he had made. The President said to Ambassador Reischauer that he had told the Prime Minister he was also

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Secret. Drafted by Fearey and approved in S on January 14 and in the White House on February 2. The meeting was held in the Cabinet Room at the White House. A copy of this document and a draft memorandum of conversation prepared by James C. Thomson, Jr., are in the Johnson Library, National Security File, Country File, Japan, Sato's Visit, Memos and Cables, January 11–14, 1965. Thomson's draft memorandum includes the discussion between Rusk and his staff and Shiina and members of his party conducted prior to the arrival of Johnson and Sato.

proud of the Ambassador's record and that he had asked him to stay on in his post. The President said that he sometimes felt that Ambassador Reischauer worked part time for the United States but most of the time for the Prime Minister—maybe the Prime Minister was nicer to work for than the President.

Prime Minister Sato said he wished to mention briefly Okinawa and the Bonins. He said that Japan fully agreed with the United States on the importance and necessity of the U.S. military installations on Okinawa to peace in the Far East. Due to U.S. commitments under the U.S.-Japan Security Treaty, the Chinese Communist nuclear explosion[2] had not had great impact in Japan. Japan has residual sovereignty in the Ryukyus, but administrative authority is exercised by the United States. The nearly one million Ryukyuans and 95 million Japanese ardently aspire to the return of administrative authority over the islands to Japan. It had been twenty years since the U.S. assumed control there. He was sure that the President understood what the feelings of the people of Okinawa and Japan on this matter are. He would like to see more respect by the United States for the problem of expanding the autonomy of the Ryukyuan people and of increasing their political and social freedom. Improved cooperation of the Ryukyuan people in the islands' administration would enable the United States to carry out its security mission more effectively.

The President said that the United States is prepared to broaden the scope of the Consultative Committee[3] so that it can go in much more depth into matters of the welfare of the people of the Ryukyu Islands. As he believed he had already told the Prime Minister in their private meeting, the United States is also willing to accept in principle a Bonin Islands graves visit.

Prime Minister Sato said that the Ryukyus and the Bonins were well covered in the Communiqué.[4] He just wanted to express the aspirations of the Ryukyuan and Japanese peoples for broadening of freedom in the Ryukyus.

Secretary Rusk asked to what extent the Chinese Communist nuclear explosion had changed reservations among the Japanese people concerning the U.S.-Japan Security Treaty and concerning the U.S. mil-

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[2] The Communist Chinese detonated their first nuclear weapon on October 16, 1964.

[3] The United States and Japan signed an agreement on April 2, 1965, to broaden the functions of the Consultative Committee on the Ryukyu Islands. Henceforth the scope of the Committee's role was no longer limited to considering "economic assistance to the Ryukyu Islands" but included "other matters on which Japan and the United States can cooperate in continuing to promote the well-being of the inhabitants of the islands." The text of the agreement is in *American Foreign Policy: Current Documents, 1965,* p. 771.

[4] The text of the Johnson–Sato communiqué of January 13 is ibid., pp. 769–771.

itary presence in Okinawa. Prime Minister Sato said that the majority of Japanese feel that Japan's security rests on the Treaty with the United States. As regards Japanese public attitudes on nuclear weapons, the public's feeling is that Japan should never possess them, nor should any situation be created where their use would be necessary. The Prime Minister said that although he could see why it might be argued that if China has nuclear weapons, Japan should also, this was not Japan's policy.

The Prime Minister said that there was a strong desire on the part of the people of Okinawa for him to visit the Islands. He believed, however, that a visit at this time would create problems and should be deferred until it could be assured that it would be useful.

Secretary Rusk said he was sure the Prime Minister understood that the President had sent one of our most experienced and thoughtful officers to Okinawa as High Commissioner. He had served in Berlin and understood the political as well as the administrative and military aspects. General Watson's appointment had in itself improved the situation, and we would wish in the Consultative Committee to find out if further improvement could be achieved. The President said that the Prime Minister could be assured that we were prepared to broaden the consultative process in every way we could to help improve the welfare of the Ryukyuan people.

The Prime Minister said that when he met General Watson in Tokyo he had found him to be a fine individual. He would discuss the timing of his (the Prime Minister's) possible visit to Okinawa with Ambassador Reischauer, to ensure that it had a constructive effect.

The Prime Minister said that in his private discussion with the President, the President had mentioned that he was having a great deal of trouble with the U.S. woolen industry. He had told the President that before leaving Japan he had been told by the Japanese woolen industry that he should keep his mouth shut on the subject. He had told the President that he appreciated that this is a "family matter." Better understanding should be sought on both sides, in an effort to ameliorate the situation.

The President said he would like the Prime Minister to tell him frankly what he thought the U.S. could do in Viet-Nam that we are not doing and what Japan could do there that it is not doing. The Prime Minister said that he did not wish to comment too much on the situation in Viet-Nam, in view of the United States' thorough familiarity with that situation. He felt, however, that utmost patience and forebearance were required. Neither an advance north nor American withdrawal was desirable. The latter would provoke a "falling domino" situation. The United States should hold on. Since the Vietnamese are within their own country and the United States is an outsider, the United States must exercise patience and perseverance. The crux of the

problem was to achieve stable South Vietnamese leadership. The Prime Minister said he knew the United States was endeavoring to capture public sentiment and stabilize the people's livelihood. He expressed sympathy and a desire to assist. Japan had sent a medical team and other non-military aid to Viet-Nam at a cost of $1½ million. Japan would continue to cooperate through such means to the best of its ability.

The Prime Minister said that unfortunately Japan could not utilize functional bodies of the United Nations as a channel for its assistance to Viet-Nam. If certain things could be done under the auspices of the United Nations, the Japanese Government would have greater freedom to help.[5] The Secretary said that the United Nations relationship to Viet-Nam was under study. The Prime Minister said that in the absence of a United Nations channel the Japanese Government was trying to figure out ways and means to assist the United States more effectively in Viet-Nam. A group of conservative Diet members had gone to Viet-Nam to examine the situation at first hand. On its return to Japan it would try to create a more favorable public opinion for Japanese assistance to the United States effort there. After 20 years the people of Viet-Nam are tired of war.

Secretary Rusk said that during the President's and Prime Minister's absence Foreign Minister Shiina, Mr. Miki and he had discussed Indonesia and Cambodia in some detail. He hoped that Japan might be able to exert useful diplomatic influence in these countries.

The Secretary noted that the Prime Minister was due shortly at a luncheon in his honor at the Press Club. President Johnson said that as one with long experience in dealing with the press, he wished to offer the Prime Minister his sympathy.

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[5] In a conversation with Rusk on December 30, 1964, Takeuchi anticipated Sato's position and characterized it as "nonsense." Takeuchi pointed out that "if aid could be provided Viet-Nam effectively through the United Nations, this would have been done a long time ago." Takeuchi admitted "that it was indiscreet on his part to speak this way but he did regret the vagueness of Japan's position on some of these issues." (Memorandum of conversation; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN)

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43. Editorial Note

At 3:30 p.m. on January 12, 1965, Prime Minister Sato and Secretary Rusk, along with members of their respective parties, met in the Secretary's Conference Room at the Department of State. Among other

topics, they briefly reviewed the Ryukyu and Bonin Islands issue (Memorandum of conversation; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS), as well as the United States-Japan security relationship. (Memorandum of conversation; ibid., DEF 4 JAPAN–US) Since the Prime Minister indicated that both those matters had been sufficiently discussed in his earlier meeting with President Johnson, the conversation focused on other topics, most particularly the issue of Communist China.

Prime Minister Sato set forth the essence of Japan's "Two Chinas" policy, while Secretary Rusk expressed his concern that the People's Republic of China's policies could lead to war in the Pacific region. Both agreed on the importance of preventing the People's Republic of China from being seated in the United Nations and to remain in close contact on developments relative to China. (Memorandum of conversation; ibid., POL JAPAN–US) The meeting ended with a brief exchange of comments concerning continued consultations, the question of disarmament, and an upcoming meeting with members of the press. (Memorandum of conversation, ibid.)

The following day, January 13, Prime Minister Sato met with Secretary Dillon to discuss the Interest Equalization Tax and with Secretary Rusk to survey United States-Japan relations and the world situation. (Memoranda of conversations; ibid.)

Extensive preparatory and contemporaneous documentation, including background reports, briefing papers, telegrams, memoranda, aide-mémoires, and memoranda of conversations generated by the Sato visit are in several document collections; ibid., POL 7 JAPAN and POL JAPAN–US; ibid., S/S-Conferences and Official Visits Files: Lot 66 D 347; Johnson Library, National Security File, Country File, Japan, Sato's Visit, Memos and Cables, January 11–14, 1965; and ibid., Sato's Visit, Briefing Book, January 11–14, 1965.

44. Memorandum of Conversation[1]

Washington, January 13, 1965, 11:30 a.m.

SUBJECT

Final Sato Conversation with the President

PARTICIPANTS

Japan
Prime Minister Sato
Foreign Minister Shiina
Ryuji Takeuchi, Ambassador of Japan
Takeo Miki, Secretary General of Liberal Democratic Party
Nobuhiko Ushiba, Deputy Vice Minister for Foreign Affairs
Takeshi Yasukawa, Director, Bureau of American Affairs, Ministry of Foreign Affairs
Toshiro Shimanouchi, Consul General at Los Angeles

United States
The President
Secretary of State Rusk
Edwin O. Reischauer, Ambassador to Japan
William P. Bundy, Asst Secretary of State, Bureau of Far Eastern Affairs
Marshall Green, Deputy Assistant Secretary of State, FE
Robert W. Barnett, Deputy Assistant Secretary of State, FE
Mr. McGeorge Bundy, Special Assistant to the President
Dr. Donald F. Hornig, Science Adviser to the President
Ambassador A. B. Duke, Chief of Protocol
Mr. James C. Thomson, Jr., NSC

Medical Cooperation

The President escorted Prime Minister Sato and his party to the Cabinet room at 11:30 January 13. Prior to the start of the conversation across the table, there was extended discussion among members of the Prime Minister's party of a memorandum prepared by Dr. Hornig on a United States-Japan program of cooperation in medical science. The Japanese were given a program and asked to consider a summary paragraph for possible inclusion in the Communiqué.

Prime Minister Sato said to the President that he could agree to inclusion of reference to an expanded program of cooperation in medical science in the Communiqué,[2] and found acceptable the language being proposed. As to the program itself, however, he wished to

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Confidential. Drafted by Barnett and approved in S on January 18 and in the White House on February 2. The meeting was held in the White House. A copy of this memorandum is also in the Johnson Library, National Security File, Country File, Japan, Sato's Visit, Memos and Cables, January 11–14, 1965.

[2] Paragraph 13 of the joint communiqué issued on January 13 contains the agreement to convene a conference of medical and scientific experts to devise a program addressing human health concerns in Asia and problems caused by air pollution and pesticides. (*American Foreign Policy: Current Documents, 1965,* p. 771)

be offered the opportunity of submitting it for careful study by his Government.

President Johnson stated that it could then be agreed that reference to the program would be in the Communiqué. He went on to say that the program itself would require a good deal of study on the United States side. He mentioned that the Secretary of State believed that other countries might participate in the program, those likely to be the principal beneficiaries as well as those likely to have something to contribute.

The Prime Minister said, in very cordial terms, that he was glad that the President had seen fit to make the proposal of cooperation in the field of medical science and to suggest inclusion of agreement on this matter in the Communiqué.

Space

President Johnson congratulated Prime Minister Sato on what he had heard, he said, had been a very fine speech at the National Press Club.[3] The President expressed gratification that the Secretary had had an extended and satisfactory conversation with Prime Minister Sato and his colleagues. He then indicated his very great interest in space exploration and said that he would like to know about Japanese planning in this field.

Prime Minister Sato replied that Japan was anxious to further space developments. It aspired to be number three, after the United States and the USSR, in this field. He set aside the French as being vitally dependent upon United States resources. Japan, on the other hand, wanted its efforts to be based on its own capability. Prime Minister Sato confessed to a special, personal interest in the program, inasmuch as he had previously been Director-General for Science in the Japanese Government. Secretary General Miki interjected that Japan regarded its space efforts to have export possibilities. In fact, Mr. Miki said, Japan had already exported equipment to Yugoslavia. The Prime Minister went on to observe that if necessity arose rocket and missile development could, of course, be converted from peaceful to military uses. Important studies were proceeding, he said, on both liquid and solid fuel propulsion systems.

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[3] In advance of this conversation, Rusk had advised President Johnson that in his National Press Club speech Sato had "disclaimed any Japanese interest in participating in nuclear weapon development." Rusk set forth his own belief that a suggestion from the President indicating "that Japan can demonstrate its scientific superiority in Asia through peaceful nuclear and space projects" would be welcomed by the Japanese. (Memorandum from Rusk to the President, January 13; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN)

Secretary Rusk inquired whether the Japanese imposed safeguards on exports of these items to forestall conversion to military use.

Prime Minister Sato said he was not sure whether such conditions were applied but attempted to reassure the Secretary by stating that those already exported were not suitable for military uses. He added that India had made inquiries about the availability of rocket exports.

President Johnson said that he was pleased with the United States effort in the field of space developments and hoped to keep our programs on schedule; some $5 billion would be appropriated this coming year for NASA plus $2 billion for other agencies. The President said to the Prime Minister that the United States was prepared to cooperate with Japan and to be as helpful as we can in space developments.

Prime Minister Sato said that Japan's most distinguished space scientist was Dr. Itakawa of the University of Tokyo, who had come to the United States and had worked closely with the Rand Corporation. The Prime Minister said that if it was the President's wish, a visit with Itakawa could be arranged.

Saylor Amendment

President Johnson, changing the subject, said that Prime Minister Sato and the people of Japan were, he was aware, concerned over a provision of the Mass Transit Bill which called for 100% Buy America procurement of equipment. This was known as the Saylor Amendment.[4] President Johnson said that this provision in the law had caused great displeasure to himself and the Administration. He assured the Japanese Prime Minister that we were trying in every way we can to prevent introduction of amendments of this sort by the Congress when they were opposed to United States policy. The President and the Administration would specifically try to get this provision removed from the law.

Prime Minister Sato said that he hoped that the removal would take place. He added that what was particularly displeasing to the Japanese—who themselves practice "buy Japan" from time to time—is to have "buy America" incorporated in legislation. The Japanese have no provisions in their law calling for "buy Japan." When purchasers are asked to "buy Japan," it is not, consequently, mandatory.

The President said that the Congress makes a good many things mandatory which he wished it didn't. He then referred to an exhorta-

[4] Rusk had recommended that the President give Sato his "personal reassurance" that the administration would take steps to have the amendment rescinded by Congress. (Ibid.)

tion of Congressman Rayburn who used to say, he said, "Let's talk before we vote: rather talk than fight." The President said that he was the target of calls from Congressmen who urged him to use his influence to take certain actions which from their standpoint had life or death implications. It was helpful for them to talk with others having different interests and viewpoints. It would be very helpful, the President added, if he could say, here in the United States, that Japan would welcome appointment of committees where things could be talked over.

Prime Minister Sato replied that it seemed to him essential to resort to talks when there was any indication of imminent protective measures.

Textiles

President Johnson reminded the Prime Minister that the day before he had talked about woolen textiles. He said that he would like to consider asking members of the Congress, industry, and Ministers of Commerce to go and talk to the Japanese. The Japanese, on their side, he added, could say: "Look how much we buy of your cotton."

Mr. Sato and Mr. Miki said that Japan would like to take that kind of approach. Mr. Miki recalled that he had suggested to Senator Mansfield yesterday that there should be exchanges of legislators. Senator Mansfield was noncommittal, expressing interest in how a precedent of this sort might be viewed by countries like Australia. Mr. Miki said that where enlightenment was needed, frank talk was very desirable.

President Johnson pursued further his thought. He said that he could designate a group of people representing a good cross-section of interests to discuss some particular problem with the Japanese. After talks had been held they would, of course, come back and talk over matters with much deeper understanding of realities.

Prime Minister Sato expressed the view that this was an effective way to deal with specific issues.

President Johnson charged Ambassador Reischauer with working through plans designed to serve this desired purpose of talking things over.

Secretary Rusk observed that when either the President or the Secretary claimed to report the views of foreign countries, the listener construed it as second-hand. The Japanese should have an opportunity of saying what they had on their minds directly.

Prime Minister Sato quipped that the Americans should wear even more woolen textiles—instead of synthetics. He had made this point at his San Francisco press conference. More seriously, he stated that sustained prosperity in the United States, and the market thereby created for Japan, was of vital importance to Japan.

The President quipped in return that our exchanges of views had already begun with the comments he had made the night before on Texas hats. And, the Prime Minister replied that these represented an increase in United States exports to Japan. Pleasantries about Texas hats—head measurements of his guests—a call by the President for his Secretary, and making arrangements to bring in some Texas hats for the neglected members of the Prime Minister's delegation, occupied the next few minutes.

Japan Visit

Prime Minister Sato said that it was with great seriousness and friendliness that he had extended to the President an invitation to visit Japan. This had now become known and he expected great press interest. He knew the President had indicated an interest to go some time during his Administration but the Japanese would not want to wait eight years. Could the President, he asked, indicate when a visit might be practical?

President Johnson said that his Administration was just beginning. He had problems in organizing it and establishing his relations with the Congress. He had already announced his intention to make a trip or two. He would like very much, he said, to accept the gracious invitation to visit Japan. He doubted that he could go in 1965. He did want to go as early as possible. He asked for counsel from Secretary Rusk and Mr. McGeorge Bundy on what might be told the press. The President then reiterated the way he appreciated the invitation and said that he wanted so much to go. His schedule for the first half of 1965 made it impossible. The probabilities for 1966 were good. The last half of 1965 could be looked at in the light of developments in Washington.

Prime Minister Sato said that he was aware of President Johnson's very heavy duties and only hoped that the President would keep his invitation alive.

The President said that he had long felt that to know people better meant to understand them better and to like them better. If the President and the Prime Minister understood each other better and better so, he believed, could their peoples. The President expressed a wish to play a part in this process. He referred to the most favorable impression which Prime Minister Sato had produced upon guests at the White House last night. His after dinner speech had made a deep imprint on their minds. The President said that he hoped to win, when in Japan, some of the Prime Minister's supporters as effectively as the Prime Minister had won some of his.

Secretary Rusk urged all present to avoid encouraging speculation as to specific dates for a Presidential visit to Japan. The Prime Minister gave his assurance that no indication of dates would be given from the Japanese side.

Travel

Prime Minister Sato made the last comment of the meeting, in reiterating the great importance he attached to travel and exchanges back and forth between Japan and the United States even though there were no specific problems to be dealt with. He recalled the fact that in Great Britain there were many who used to charge Japan with dumping. This kind of talk has largely ended as British visitors have been to Japan and in particular after the visit of observation made by Sir Norman Kipping.

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45. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, April 6, 1965, 7 p.m.

3163. Ref: Deptel 2485.[2]

1. Embassy hopes GOJ agreement to calls by nuclear-powered surface warships can be accomplished by extending agreement on SSNs to cover all warships. Statement by USG on operation U.S. nuclear-powered warships in foreign ports, handed GOJ under note dated Aug 24, 1964, covers surface ships as well as submarines. Suggest Washington agencies redraft aide mémoire handed GOJ Aug 17, 1964[3] for possible use in case of surface ships.[4]

2. Prior negotiation of agreement with GOJ on entry of nonmilitary nuclear-powered surface ship (i.e. *Savannah*) and if possible actual entry such ship would establish useful precedent with Japanese public and should ease discussions with GOJ re entry nuclear-powered surface warships. Request best estimate probable timing first visit *Savannah* to Japan. Embassy sees no reason to delay approach on agreement for *Savannah* (which may be time-consuming) until visit is actually

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 7 JAPAN–US. Secret; Limdis. Repeated to CINCPAC, CINCPACFLT, COMSEVENTHFLT, and COMNAVFORJAPAN.

[2] Joint State-Defense telegram 2485 to Tokyo, March 31, announced that nuclear-powered surface warships would be transferred to the Pacific Fleet in 1966 and requested the Embassy's recommendations on approaching the Japanese Government about their entry into Japanese ports and their having access to U.S. Naval facilities in Japan. (Ibid.)

[3] These and other relevant documents are ibid.

[4] The Department of State accepted this recommendation and on September 15 authorized the Embassy to begin discussing the entry of the nuclear-powered surface ships with the Japanese Government. (Telegram 797 to Tokyo; ibid.)

scheduled, however, and suggests proposal for negotiations in Washington or Tokyo be made to GOJ as soon as possible.

3. Now that SSN has actually called at Japanese port and has shown that this involves no radioactivity hazard, Embassy believes this aspect of calls by nuclear-powered surface warships will not excite as much attention as armament of ships and connection with heightened tension in Far-East caused by Vietnam situation. [*14 lines of source text not declassified*]

4. Embassy favors going to FonMin on highly confidential basis at bureau director (Yasukawa) level in near future to outline problem. We would ask confidential study of matter and offer to make formal approach at such time as FonMin informs us that such would be in order. This would have advantage of leaving to GOJ question of timing while making them aware that October will be a kind of deadline in sense that U.S. has right under treaty to bring ships in and public will expect answers by then as to whether ships in question will be using Japanese ports.

5. We assume use of only Sasebo and Yokosuka envisaged. Would be helpful know in initial instructions whether surface ships discharge coolant water in port or store in tanks like *Savannah*.[5]

Reischauer

[5] In reply, in telegram 797 to Tokyo, the Department of State advised that the ships could collect and store coolant water in port, but that the information was not to be disclosed to the Japanese Government or public to prevent a "GOJ request (or public demand) for US commitment to refrain from in-port coolant water discharge from any nuclear powered vessels—a commitment which we would not be able to make." (Ibid.)

46. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 19, 1965, 0927Z.

3802. For Bundy from Ambassador.

Not since the crisis over the U.S.-Japan security treaty in 1960 has any issue so seriously affected the climate of Japanese-American rela-

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 27 VIET S. Confidential. Repeated to Saigon, London, Seoul, Taipei, Hong Kong, Vientiane, Bangkok, Manila, Djakarta, New Delhi, Paris, Moscow, the High Commissioner of the Ryukyu Islands, and CINCPAC for POLAD.

tions as the bombing of North Vietnam. The government has publicly expressed its understanding of U.S. policy and has given us "moral support," but public opinion has been overwhelmingly critical. Even government leaders, realizing the political danger of getting too far out of line with public opinion, have tended to be somewhat equivocal in their statements of support, being careful to emphasize hopes that we will terminate or at least temporarily suspend bombing the North and sometimes implying personal doubts as to the wisdom of U.S. policy.

This adverse Japanese reaction appears to be fundamentally a result of fear that Japan might become involved in the war if it further escalates. So long as the fighting remained safely small-scale and remote in the paddy fields and forests of South Vietnam, Japanese interest in it was slight and almost academic, since there seemed little likelihood of Japan becoming involved, but the bombing of the North has put the war in an entirely new light. In a sense it is to them a new war, "started" by the American bombing of the North and made possible by the U.S. military presence in Southeast Asia. Viewing the problem in this light, the easy way to terminate the war seems to them to be to stop the bombing and eventually to terminate the U.S. military presence in the area.

Such simplistic attitudes are possible in Japan because of the ostrich-like pacifism of the Japanese during the past twenty years. Reacting in shock against the horrors of the war they lost and safe behind the U.S. defense screen, they have refused to look realistically at the security problems of the world and have built up the myth that peace in Japan has been the product of their "peace constitution," not the U.S. defense posture in the Far East. Such attitudes make it possible for many of them to feel that in the present situation the presence of American military bases in Japan is a greater threat to Japan's continued peace than are Communist expansionism and intransigence.

These attitudes have been strengthened by the reporting of the Vietnamese situation over the past several years. While the North can put on a unified appearance of sweetness and light, from the South there has come a steady stream of news reports (both Japanese and Eastern) of coups d'état, government corruption and misrule, dissatisfaction and unrest among the people, American ineptness in AID programs and in relations with the government, and a rising tempo of civil war. Since the fighting is seen largely from the SVN side, the reporting concentrates on government cruelty and disasters, while Viet Cong terrorism and reverses are hardly mentioned.

The GVN, and other Vietnamese who do not want a Viet Cong victory, have not made their voices heard in Japan, and the attitudes of the Thai and other SE Asians who support the GVN are virtually ignored.

In addition there is a natural sympathy in Japan for the apparent "underdogs" in the bombings, since they are racially, culturally and geographically closer to the Japanese than are the caucasians who come from afar, armed with superior weapons.

A final factor in the Japanese emotional response to the Vietnamese situation is their ready identification of the American position with that of the Japanese armies in China before and during the Second World War. Almost to a man the Japanese think of the United States as having become bogged down in a hopeless war against the nationalistically aroused people of Vietnam.

Because of these basic emotional responses, spurred on by a lot of leftist progaganda and invective, which are inevitable in Japan given its present intellectual makeup, it is not surprising that a highly unfavorable view of the Vietnamese war has emerged. The bulk of the Japanese attribute the war basically to a dogmatic American anti-Communist crusade, which has forced us to embrace militarists and unsavory dictators as our allies and has driven the nationalistic masses into the arms of the Communists to defend their freedom. The Japanese feel that instead of stressing economic and social advances, the United States, increasingly under the influence of militarists, has decided on a solely military solution, thus forcing continued fighting on the war-weary people of Vietnam and leading ourselves down the road to inevitable defeat. In this unhappy situation, all they feel that they can do is to deplore American policy and see to it that Japan's increasingly undesirable military association with the United States does not get it involved in this unnecessary and unjust war.

Not all Japanese, of course, have reacted in this way. A considerable number of conservatives strongly support our policies, and even more of them, while doubtful of the wisdom of the course we have taken, are ready to support us verbally as committed allies. (This is more or less the position of the government.) The bulk of articulate public opinion, however, is clearly against us. It is frenetically so on the far left but even in the middle of the political spectrum is quite clearly condemnatory, even if more sorrowfully and rationally so. The criticism is strongest among intellectual groups, which tend to be Marxist-oriented, and therefore is probably somewhat over-represented in the extremely adverse reactions of newspapers and magazines (radio and television are somewhat more moderate), but these attitudes are obviously shared to some extent by the man in the street. The only available public opinion poll has shown a drop since January of this year from 49 percent to 40 percent in those favoring alignment of Japan with the free world and a corresponding rise from 22 to 32 percent of those favoring neutralism. Similarly, the number of persons naming the United States as one of their three favorite countries has dropped from 52 percent to 38 percent since last December and those naming

the United States as a country they dislike has risen from 4 percent to 8 percent.

The Embassy, USIS and the consulates have done their best, all up and down the line, to counter the adverse reaction in Japan and to gain better understanding of the real situation in Vietnam and U.S. policy there. We have received a great assist in this from Walt Rostow during his recent visit.[2] Intellectually we have met with some success, and there is a growing awareness of the U.S. point of view, which has perhaps blunted the attack somewhat, but the basic emotional response remains unchanged and is probably unchangeable over the short run. Our policies in Vietnam are unpopular because they stir up fears, and the Japanese people are as yet emotionally unprepared to consider the alternatives realistically and honestly. It is our judgment that the reaction will remain basically adverse and we shall continue to lose ground in Japanese-American relations so long as the war continues in its present indecisive form. Only a rather clear-cut success for American policies is likely to reverse the trend.

One good thing could come out of the present situation. For the first time since the war the Japanese people have become thoroughly aroused over an international crisis not immediately affecting themselves. Their reactions are understandably naïve, but their concern may be a first step in an educational process which may lead in time to a more realistic attitude toward defense and international peace and to the assumption of greater responsibility in economic development in Asia.

Otherwise the results of the situation seem entirely adverse to American interests:

1) The central Japanese fear of involvement in an escalating war because of U.S. bases in Japan means that there will be dangerously volatile public opposition to the direct use of our bases in case the war does escalate to that stage.

2) The left has been given a popular cause which it is diligently exploiting to win new support and possibly repair some of its recent intellectual and political disarray. There is even danger (increased by the accession of the left-wingers to leadership in the JSP) that the Communists and Socialists might return to a program of common action.

3) Rising Japanese desires to play a more active and constructive role in Southeast Asia seem to have been temporarily dampened.

4) Slight indications on the part of political leaders of a readiness to face the defense problem more realistically may have been temporarily discouraged.

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[2] During a 10-day visit in April, Rostow met with Japanese officials and gave several public speeches to explain the situation in Vietnam. (Reischauer, *My Life Between Japan and America*, p. 286)

5) Growing demands for the return of Okinawa have been further fanned by the present excited mood of the public.

6) Embassy efforts to create more understanding and a better dialogue with the left and with the intellectual community have been set back.

7) All American-Japanese relations have probably suffered to some extent and bi-lateral frictions (fish, textiles, air routes, etc.) have been somewhat exacerbated by the public mood.

The Japanese reaction to the Vietnam situation is, of course, only a minor consideration compared to many others in reaching decisions on Vietnam policy. It should be remembered, however, that over the long run the attitude of Japan toward the U.S. and toward neighboring Asian areas is of the greatest importance to the U.S. Therefore we 1) must make every effort to achieve a more understanding and sympathetic response in Japan to our Vietnamese policy, 2) should bear Japanese reactions in mind in arriving at our decisions on Vietnam, and 3) should take into careful consideration the present adverse reaction to U.S. policies in handling our other contacts and negotiations with the Japanese so as not to further worsen an already dangerous situation by inept moves or overly rigid positions in other fields (such as fisheries, textiles, air routes, cultural exchanges, etc.).

Reischauer

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47. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 25, 1965, 1039Z.

3893. Ref: Embtel 3856.[2]

I called on FonMin Shiina today at his request to discuss civil aviation. Shiina specifically asked that his remarks be brought to direct attention of Secretary Rusk. Following is text of a talking paper from which the FonMin read:

Begin verbatim text.

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[1] Source, National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN. Confidential.

[2] In telegram 3856 from Tokyo, May 23, the Embassy informed the Department of State that, after meeting with Sato, the Diet members referred to in paragraph 2 of this document postponed their meeting until mid-June. (Ibid.)

1. Prime Minister Sato and President Johnson agreed at their meeting in last January that the two governments would make efforts so as to attain mutually acceptable and equitable solutions to issues pending between Japan and the United States, such as those concerning the air transport agreement and fisheries.

Pursuant to this agreement, the Japanese side has repeatedly requested the US side through Ambassador Takeuchi and other channels to resume the air agreement negotiations, but has not yet received any reply.

Due to such circumstances, public opinion in Japan has been hardened on this matter, and the Diet has recently adopted a firm resolution demanding a satisfactory revision of the present air routes between Japan and the United States.

2. Moreover, the Diet decided on its own judgment to send a group of its members headed by Mr. Takashi Hasegawa, Chairman of the Transportation Committee of the House of Representatives, to the United States. However, the US side requested the postponement of this visit.

The Japanese Government decided to comply with this request trusting that the US Government would make the utmost efforts so that a mutually satisfactory decision on the solution of this issue would be made by the President, and took it upon itself to persuade the Diet members concerned to postpone the visit for the time being. It should be noted that it is exceptional and difficult for the government to persuade the Diet in this manner.

3. In view of the above circumstances, public opinion in Japan, particularly in the Diet, would inevitably be stiffened if the decision of the President on this matter be further delayed or be unsatisfactory to the Japanese side.

Therefore, the Japanese side wishes to point out that an early and satisfactory solution of this issue has become a matter of great urgency, and to request the US Government to concentrate its utmost efforts for the solution of this longstanding issue. End verbatim text.

I told Shiina that we hope soon to be able to be in a position to negotiate on civil aviation. I pointed out that US policy makers have been much preoccupied with serious problems such as the Dominican Republic, but I hoped we would be able to start negotiations soon. I also said I hoped Hasegawa and his colleagues had not taken offense, but we for our part thought it would be in our common interest if Hasegawa's visit were postponed.

Shiina said he understood this but pointed out that while Hasegawa himself is understanding of matter there is in the visiting Diet group a member of the political opposition and there are also some stubborn people in the LDP.

Reischauer

48. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, May 25, 1965, 1038Z.

3894. Ref: Embtel 3870.[2]

I called on FonMin Shiina today at his request to discuss the fisheries problem. Shiina specifically asked that his remarks be brought to direct attention of Secretary Rusk. Following is text of talking paper from which FonMin read:

Begin verbatim text.

"Charges have recently been made in the United States against the Japanese salmon fishing west of 175 west longitude. Bills authorizing the President of the United States to raise the tariffs on marine products imported from Japan as much as 50 percent have been submitted in the Congress of the United States, and certain US fishermen's unions have expressed their intent to carry out boycotting of Japanese goods and picketing of Japanese ships. We are greatly concerned with such situation which, if left to develop, may adversely affect the overall Japan-US relationship. The position of the Japanese Government on this problem is as folows:

1. The Japanese salmon fishery operated west of 175 west longitude is in no way restricted or regulated under the present North Pacific Fisheries Convention. Despite a strong dissatisfaction with the present convention based on the unequitable 'absention formula,' which is unknown elsewhere in international law, Japan has faithfully observed the convention for twelve years. It is beyond our comprehension that in the face of this fact an attempt is being made in the United States to impose further regulations on Japan.

2. Certain individuals concerned in the United States have charged that the Japanese high seas salmon fishery is depleting the Bristol Bay red salmon resources. This is contrary to the fact. Statistics show that the Bristol Bay red salmon resources are on a rising trend.

3. This development is especially regrettable in view of the fact that the negotiations for revision of the present convention are in

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 33–4 JAPAN-US. Confidential.

[2] In telegram 3870 from Tokyo, May 24, the Embassy summarized a press report from the *Japan Times* pertaining to the May 21 meeting between Mann and Takeuchi. The article reported U.S. hopes for voluntary restraint by Japanese fishermen and Takeuchi's regret over what was seen as anti-Japanese actions in the United States over the salmon issue. (Ibid.)

progress, and efforts are being made to find the most effective methods to conserve the salmon resources.

4. The bills referred to above provide for tariff raise as a retaliative measure. If a measure to raise tariffs against a specific country or countries is taken, we believe it will constitute a clear breach of the GATT and the Japan-US Treaty on Friendship, Commerce and Navigation.

5. Under Secretary Mann made a request to Ambassador Takeuchi on May 21 that Japan should voluntarily restrict salmon fishing.[3] As the Ambassador replied at that time, the Japanese salmon fishery west of 175 west longitude is neither a violation of the present convention or depleting the resources, and therefore we cannot comply with this request." End verbatim text.

After the FonMin had read from the foregoing talking paper, Yasukawa Director of the American Affairs Bureau brought out a chart of the Bristol Bay red salmon run, 1946–65. Yasukawa pointed out that Japanese catch rises and falls in proportion to total run. Forecasts of the run, he said, were difficult but experts seemed to be agreed that this year's run will be high. Therefore, he said, one might expect that the Japanese catch will increase somewhat over last year. However, Japanese fishing industry would be fishing over whole area of north Pacific west of 175 west and would not wish to concentrate too heavily near 175 west line for fear of missing fish of Asian origin. (Yasukawa made this point twice.)

I referred to and reiterated some of the arguments I made during the meetings in Tokyo in February. We believe, I said, that the salmon resources are the result of our own conservation policies. There have now been three bad years for the salmon canneries and there is the danger that this year will also be a poor one. There are strong feelings about this in the US. I said that a good year is needed to recoup previous losses and in order to create a favorable atmosphere in which negotiations on the north Pacific fisheries convention can be resumed.

Comment: It seems possible that Yasukawa was giving us message that Japanese will not fish American salmon too heavily this year. Embassy doubts that we shall get any more explicit answer than this, if that is what it was.

Reischauer

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[3] A summary of that conversation was forwarded to the Embassy in telegram 3206 to Tokyo, June 3. (Ibid.)

49. Memorandum From the Under Secretary of State for Economic Affairs (Mann) to President Johnson[1]

Washington, May 29, 1965.

SUBJECT

U.S. Position in Japanese Aviation Negotiations

Recommendation:

That you approve the proposed position shown in the enclosure for forthcoming negotiations with Japan.[2]

Discussion:

We have agreed with the Japanese Government to enter again, after various failures since 1961, into negotiations on aviation. The critical issue is the Japanese desire for a route to New York and beyond to Europe. Secretary Rusk is anxious to begin at least informal talks, if not negotiations, before the U.S.-Japanese Cabinet meeting beginning July 12.

The Civil Aeronautics Board and State are in agreement on a negotiation package, which includes a route for Japan to New York and "beyond," but disagree on one condition—namely that Japan must give up her existing service to either Los Angeles or San Francisco. State feels this is unrealistic: Japan has served both cities for several years; there never has been a case in which the United States has insisted on the discontinuance of actually functioning air service, nor is it in our interest to establish such a precedent. Furthermore, the Governor and other political figures in California strongly oppose such a discontinuation. Finally, the Department does not believe that the cancellation of Japan's rights at one California point is necessary for preserving an economic balance in the Agreement.

There are other equally important considerations which we would like to bring to your attention.

1. The United States has vital aviation interests in Japan. Tokyo is the keystone of the entire Pacific networks of both Northwest and Pan American and of Pan American's round-the-world service. Not only is Tokyo the largest traffic point in the Far East but also the "beyond" rights through Tokyo to the rest of the area are vital to economical

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[1] Source: Johnson Library, National Security File, Country File, Japan, Vol. III. Confidential. The document was sent to the President through McGeorge Bundy under cover of a memorandum from Benjamin H. Read, signed by Herbert Gordon, May 29.

[2] The document does not indicate whether the President approved or disapproved the recommendation, but see Document 51.

United States service to such places as Korea, Hong Kong and on into Southeast Asia.

Looking ahead a little, we cannot expect to preserve indefinitely our own world-wide network of air service based, as it is, on an elaborate structure of "beyond" rights, if we indefinitely frustrate the demands of friendly major foreign countries for corresponding rights through the United States.

2. The aviation issue has become politically very important in Japan and we should consider in this connection the favorable posture of the Japanese Government in major policy areas.

Since taking office, Prime Minister Sato has given resolute support to United States policy towards Viet Nam. He understands and collaborates in pursuit of our policies towards recognition and United Nations membership for Communist China, respect of the rights of the Republic of China, accelerated economic development of Taiwan and South Korea, economic aid to South and Southeast Asia, and supports us in policy disputes in the UN, in GATT and in the OECD.

We rely upon his help in forestalling challenges by inflamed elements in the Japanese public to the vital United States rights in the Ryukyus and under the Mutual Security Treaty. Prime Minister Sato is now the target of an increasingly violent attack both by the Socialists and even by some members of his own party for his "subservience" to Washington. He is criticized for his acquiescence in United States bombing of North Viet Nam, and his failure to obtain from Washington improvement in such matters as the United States-Japanese agreements on fish and aviation. In the face of vociferous demands that Japan denounce both agreements the government has counselled patience. To continue to do so without demonstrable United States understanding of Japan's interests could cost Prime Minister Sato his office. Upper House elections are scheduled for July.

Granting Japan a route to and beyond New York appears essential for an agreement. Failure to do that would probably result either in severe restrictions on our carriers now operating to Japan or in Japan's denouncing the agreement. Our insistence on Japan's giving up existing rights to a California point is not only unrealistic for the reasons mentioned previously but would be considered by Japan a political affront in view of their belief that the present aviation agreement is an inequitable vestige of the post-war "occupation mentality."

The proposed U.S. position is shown in detail in the enclosure.

The United States would receive certain new rights and reaffirmation and clarification of other rights in regard to a route to Osaka, designation of additional American carriers, "beyond" rights to the Asiatic Mainland and to the USSR which are not vital now but are potentially crucial, acceptance of United States liberal principles on

capacity, freedom of charter operations and other concessions of less significance. In addition, we would demand that Japan give up its presently unused rights.

The United States airline industry has conflicting views on this matter but is generally opposed to the offer recommended here. Northwest would vehemently oppose a North Pacific (polar) route to New York but does not seriously oppose the suggested mid-Pacific route. Pan American does not oppose a route to New York per se for JAL but naturally opposes the competitive mid-Pacific route and rights beyond New York. The transcontinental airlines, particularly American Airlines, object to the grant of transcontinental rights to Japan or other countries on the ground that it will divert traffic.

Available data and experience do not support assertions that the grants here proposed would seriously affect U.S. domestic carriers. For example, Japan Air Lines states it will offer only three flights per week between Los Angeles/San Francisco and New York, compared with some 200 nonstop flights alone in each direction offered by the United States transcontinental airlines. Nor do we believe that the present route grant would, in itself, establish any precedent leading to similar grants to other countries.

Looking broadly at our international aviation problems, we are increasingly concerned by the need to examine the claims of U.S. international carriers for more extensive rights within the United States on the one hand and on the other the desires of some U.S. domestic carriers to have trans-Atlantic or trans-Pacific rights. Not only would this result in increasing United States air traffic and make for a more efficient United States air industry but this expansionist policy would make more acceptable to our airlines the need to grant transcontinental and "beyond" concessions to Japan and perhaps ultimately to other friendly major aviation countries.

Thomas C. Mann[3]

Enclosure

Recommended United States Position

The United States Delegation may offer Japan a route "from Japan to Honolulu, Los Angeles or San Francisco (choice of one) and New York and beyond to Europe and beyond," subject to a mandatory stop at the California point selected for any flight proceeding to New York.

[3] Printed from a copy that bears this typed signature.

In return, the United States Delegation will require, as a minimum, that Japan:

1. relinquish its presently unused rights at Seattle and beyond the California points;
2. grant rights at Osaka on the United States routes to and through Tokyo;
3. recognize the United States rights of multiple designation (that is, the right to designate Northwest Airlines for United States–Tokyo–Hong Kong service and eventually perhaps other airlines to serve Japan); and
4. accept the continuing effectiveness of the 1959 Agreed Minute concerning capacity increases and, if possible, formalization of that Minute.

The United States Delegation will also seek such additional aviation concessions from Japan as it is able to secure, either as a part of the negotiations or as a by-product of their successful outcome, such as:

1. Japanese recognition of the United States right to operate air services beyond Japan to mainland Asia and Europe (that is, Communist China and the USSR) for possible future use.
2. Japanese recognition of the right to operate all-cargo services under the Civil Air Transport Agreement.
3. Liberalization of Japanese treatment of United States supplemental airlines offering charter and non-scheduled services to and from Japan.
4. Liberalized Japanese policies with regard to the licensing of air freight forwarder companies.

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50. Telegram From the Embassy in Japan to the Department of State[1]

Tokyo, June 15, 1965, 0722Z.

4232. For Bundy from Ambassador. Ref: Embtel 4133.[2]

I had long private talk with PriMin Sato on 14th with view to getting his personal evaluation of how Japanese public reaction to expanded Vietnam war has affected various aspects of U.S.-Japanese

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Secret; Exdis.

[2] In telegram 4133 from Tokyo, June 9, Reischauer reported his intention to meet with Sato the following week. (Ibid.)

relationship. I wished to get this reading before I returned to Washington July 1 and felt I should take it before Sato became too deeply involved in current election campaign leading up to upper house election on July 4.

Sato said he was disturbed over strength of reaction of left and intellectual community to Vietnam and felt that both U.S. and GOJ must do better in public relations, but only specific suggestion he had was that we should invite more newsmen and writers to see conditions in South Vietnam themselves. (He mentioned plans of former PriMin Kishi and others along these lines.) He assured me that GOJ remained firm in its commitment to support U.S. on Vietnam and reminded me that he had told President Johnson in January that U.S. would have to have patience and determination since war in Vietnam was sure to be long one.

Sato's attitude however seemed to me basically cautious and negative. He said that he had received enthusiatic response from crowds when he had stressed in electioneering talks over weekend fact that Vietnam war was far away and that there was no danger that Japan would get involved. I gathered that his campaign strategy in meeting leftist attack is to disassociate Japan as much as possible from the war.

He also made it clear that until he knew what election results were he could not judge just what effect Vietnam had had on political situation in Japan. Regarding Japan's own defense posture, he mentioned increasing budgetary problems which would continue to limit defense expenditures but said that he felt Matsuno, new Director of Defense Agency, was able young [garble] who would turn in good performance. (At 48 Matsuno is youngest member of new cabinet.) When I inquired about Japan's role in economic development of SE Asia, Sato replied that serious economic readjustments were necessary in Japan because if Ikeda's misguided policies in past and Japan was not in position for greatly increased economic role abroad.

Only really positive note was Sato's off-hand suggestion that sometime after elections it might be well for him to "hop over to Washington" for informal talks. If elections come out well for Sato and his confidence as result is somewhat restored, such a visit might indeed be useful in helping get GOJ back on road toward more positive role in Far East. We shall have to wait however until election results are in and their meaning has been fully digested before we can tell if we should try to push ahead to deepen U.S.-Japan relationship or should batten down hatches until Vietnam storm lets up a bit.

Reischauer