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Volume XXIX

Part 2

Japan

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Preface

The *Foreign Relations of the United States* series presents the official documentary historical record of major foreign policy decisions and significant diplomatic activity of the United States Government. The Historian of the Department of State is charged with the responsibility for the preparation of the *Foreign Relations* series. The staff of the Office of the Historian, Bureau of Public Affairs, under the direction of the General Editor, plans, researches, compiles, and edits the volumes in the series. This documentary editing proceeds in full accord with the generally accepted standards of historical scholarship. Secretary of State Frank B. Kellogg first promulgated official regulations codifying specific standards for the selection and editing of documents for the series on March 26, 1925. These regulations, with minor modifications, guided the series through 1991.

Public Law 102–138, the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 established a new statutory charter for the preparation of the series, which was signed by President George H.W. Bush on October 28, 1991. Section 198 of P.L. 102–138 added a new Title IV to the Department of State's Basic Authorities Act of 1956 (22 USC 4351, *et seq.*).

The statute requires that the *Foreign Relations* series be a thorough, accurate, and reliable record of major United States foreign policy decisions and significant United States diplomatic activity. The volumes of the series should include all records from all relevant departments and agencies needed to provide comprehensive documentation of major foreign policy decisions and actions of the United States Government. The statute also confirms the editing principles established by Secretary Kellogg: the *Foreign Relations* series is guided by the principles of historical objectivity and accuracy; records should not be altered or deletions made without indicating in the published text that a deletion has been made; the published record should omit no facts that were of major importance in reaching a decision; and nothing should be omitted for the purposes of concealing a defect in policy. The statute also requires that the *Foreign Relations* series be published not more than 30 years after the events recorded. The editors are convinced that this volume, which was compiled in 1995–1997, meets all regulatory, statutory, and scholarly standards of selection and editing.

Structure and Scope of the Foreign Relations Series

This volume is part of a sub series of volumes of the *Foreign Relations* series that documents the most important issues in the foreign policy of the 5 years (1964–1968) of the administration of Lyndon B.

Johnson. The subseries presents in 34 volumes the documentary record of major foreign policy decisions and actions of President Johnson's administration. The editors of the volume sought to include documentation illuminating the foreign policymaking process of the U.S. Government, with emphasis on the highest level at which policy on a particular subject was determined. The documents include memoranda and records of discussions that set forth policy issues and show decisions or actions taken as well as key recommendations and analysis from the Embassy in Japan. The emphasis is on the development of U.S. policy and on major aspects and repercussions of its execution rather than on the details of policy execution.

Focus of Research and Principles of Selection for Foreign Relations, 1964–1968, Volume XXIX, Part 2

This volume documents U.S. policy toward Japan during a period of increasing change in the relations between the two allies. Japan was fast becoming a major economic power while still relying on the United States for its security. A theme of the coverage, in fact, is the ongoing U.S. effort to encourage Japan to assume a greater role in its own military defense and to play a greater role on the world stage, especially in terms of the economic development of the rest of Asia. Another major theme is U.S. efforts to encourage the continuation of a moderate, pro-Western Japanese Government. The creation of a joint U.S.-Japanese economic planning group sought to coordinate the two economies. The eventual reversion of U.S. administered-Ryukyus to Japan was a goal of Japanese Governments, but it played out during this period in the successful effort by Japan to regain control in 1968 from the United States of the much less strategically significant Bonin Islands. A related theme was domestic Japanese opposition to the war in Vietnam and the use of U.S. bases in Japan to support the U.S. campaign in Vietnam. A final theme is the successful U.S. discouragement of closer Japanese-People's Republic of China relations.

Lyndon Johnson usually made the major foreign policy decisions during his Presidency, and the editors sought to document his role as far as possible. In the case of Japan, President Johnson only became engaged in 1965 when he established a close personal working relationship with Japanese Prime Minister Sato. In 1967, Johnson and Sato again worked together to finalize the agreement on reversion of the Bonins. The United States was represented in Japan in 1964-1968 by two strong Ambassadors, Edwin O. Reischauer and then U. Alexis Johnson. Their policy recommendations and analysis was given great weight in Washington.

Editorial Methodology

The documents are presented chronologically according to Washington time. Memoranda of conversation are placed according to the

date and time of the conversation, rather than the date the memorandum was drafted.

Editorial treatment of the documents published in the *Foreign Relations* series follows Office style guidelines, supplemented by guidance from the General Editor and the chief technical editor. The source text is reproduced as exactly as possible, including marginalia or other notations, which are described in the footnotes. Texts are transcribed and printed according to accepted conventions for the publication of historical documents in the limitations of modern typography. The editors have supplied a heading for each document included in the volume. Spelling, capitalization, and punctuation are retained as found in the source text, except that obvious typographical errors are silently corrected. Other mistakes and omissions are corrected by bracketed insertions: a correction is set in italic type, an addition in roman type. Words or phrases underlined in the source text are printed in italics. Abbreviations and contractions are preserved as found, and a list of abbreviations is included in the front matter of each volume.

Bracketed insertions are also used to indicate omitted text that discusses an unrelated subject (in roman type) or that remains classified after declassification review (in italic type). The amount of material not declassified has been noted by indicating the number of lines or pages that were omitted. Entire documents withheld for declassification purposes have been accounted for and are listed by headings, source notes, and number of pages not declassified in their chronological place. The amount of material omitted from this volume because it was unrelated to the subject of the volume, however, has not been delineated. All brackets that appear in the source text are so identified by footnotes.

The first footnote to each document indicates the document's source, original classification, distribution, and drafting information. This note also provides the background of important documents and policies and indicates whether the President or his major policy advisers read the document. Every effort has been made to determine if a document has been previously published, and, if so, this information has been included in the source footnote.

Editorial notes and additional annotation summarize pertinent material not printed in the volume, indicate the location of additional documentary sources, provide references to important related documents printed in other volumes, describe key events, and provide summaries of and citations to public statements that supplement and elucidate the printed documents. Information derived from memoirs and other first-hand accounts has been used when appropriate to supplement or explicate the official record.

Advisory Committee on Historical Diplomatic Documentation

The Advisory Committee on Historical Diplomatic Documentation, established under the *Foreign Relations* statute, reviews records, advises, and makes recommendations concerning the *Foreign Relations* series. The Advisory Committee monitors the overall compilation and editorial process of the series and advises on all aspects of the preparation and declassification of the series. Although the Advisory Committee does not attempt to review the contents of individual volumes in the series, it does monitor the overall process and makes recommendations on particular problems that come to its attention.

The Advisory Committee has reviewed this volume.

Declassification Review

The Office of Information Programs and Services, Bureau of Administration, Department of State, conducted the declassification review of the documents published in this volume. The review was conducted in accordance with the standards set forth in Executive Order 12958 on Classified National Security Information and applicable laws.

The principle guiding declassification review is to release all information, subject only to the current requirements of national security as embodied in law and regulation. Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State, other concerned agencies of the U.S. Government, and the appropriate foreign governments regarding specific documents of those governments. The declassification review of this volume began in 1995 and was finally completed in 2005. It resulted in the decision to withhold 18 documents in full, excise a paragraph or more in 4 documents, and make minor excisions of less than a paragraph in 5 documents.

The Office of the Historian is confident, on the basis of the research conducted in preparing this volume and as a result of the declassification review process described above, that the documentation, annotation, and editorial notes presented here provide a broadly accurate account of U.S. policy toward Japan, with the understanding that some material remains classified. Additional insights are provided in the memoirs of the two ambassadors serving in Japan during the Johnson administration: Edwin O. Reischauer, *Japan: The Story of a Nation* (New York, 1981, Third Edition); Reischauer, *My Life Between Japan and America* (New York, 1986); and U. Alexis Johnson, *The Right Hand of Power* (New Jersey, 1986).

Acknowledgements

The editors wish to acknowledge the assistance of officials at the Lyndon B. Johnson Library of the National Archives and Records Ad-

ministration, especially Regina Greenwell and Charlaine Burgess, who provided key research assistance and access to the Johnson Presidential Tape recordings. The editors also wish to acknowledge the assistance of historians at the Central Intelligence Agency, especially Gerald Haines and Scott Koch, who facilitated access to the records of the Central Intelligence Agency. Karen Gatz selected and annotated the volume under the supervision of Edward C. Keefer, then Chief of the Asia and America's Division, and now General Editor. Susan C. Weetman coordinated the declassification review. Vicki E. Futscher, Florence M. Segura, and Carl Ashley did the copy and technical editing. Juniee Oneida prepared the index.

April 2006

Marc J. Susser
The Historian
Bureau of Public Affairs

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Johnson Administration Volumes

Following is a list of the volumes in the *Foreign Relations* series for the administration of President Lyndon B. Johnson. The titles of individual volumes may change. The year of publication is in parentheses.

I	Vietnam, 1964 (1992)
II	Vietnam, January–June 1965 (1996)
III	Vietnam, July–December 1965 (1996)
IV	Vietnam, 1966 (1998)
V	Vietnam, 1967 (2002)
VI	Vietnam, January–August 1968 (2002)
VII	Vietnam, September 1968–January 1969 (2003)
VIII	International Monetary and Trade Policy (1998)
IX	International Development and Economic Defense Policy; Commodities (1997)
X	National Security Policy (2002)
XI	Arms Control and Disarmament (1997)
XII	Western Europe (2001)
XIII	Western Europe Region (1995)
XIV	Soviet Union (2001)
XV	Germany and Berlin (1999)
XVI	Cyprus; Greece; Turkey (2002)
XVII	Eastern Europe; Austria; Finland (1996)
XVIII	Arab-Israeli Dispute, 1964–1967 (2000)
XIX	Arab-Israeli Crisis and War, 1967 (2004)
XX	Arab-Israeli Dispute, 1967–1968 (2001)
XXI	Near East Region; Arab Peninsula (2000)
XXII	Iran (1999)
XXIII	Congo
XXIV	Africa (1999)
XXV	South Asia (2000)
XXVI	Indonesia; Malaysia-Singapore; Philippines (2001)
XXVII	Mainland Southeast Asia; Regional Affairs (2000)
XXVIII	Laos (1998)
XXIX	Part 1, Korea (2000)
XXIX	Part 2, Japan (2006)
XXX	China (1998)
XXXI	South and Central America; Mexico (2004)

XXXII Dominican Republic; Cuba; Haiti; Guyana (2005)
XXXIII Organization and Management of U.S. Foreign Policy; United Nations (2004)
XXXIV Energy Diplomacy and Global Issues (1999)

Sources

The *Foreign Relations* statute requires that the published record in the *Foreign Relations* series include all records needed to provide comprehensive documentation on major foreign policy decisions and actions of the U.S. government. It further requires that government agencies, departments, and other entities of the U.S. Government cooperate with the Department of State Historian by providing full and complete access to records pertinent to foreign policy decisions and actions and by providing copies of selected records. The editor believes that in terms of access this volume was prepared in accordance with the standards and mandates of this statute, although access to some records was restricted, as noted below.

The editor had complete access to all the retired records and papers of the Department of State: the central files of the Department; the special decentralized files ("lot files") of the Department at the bureau, office, and division levels; the files of the Department's Executive Secretariat, which contain the records of international conferences and high-level official visits, correspondence with foreign leaders by the President and Secretary of State, and memoranda of conversations between the President and Secretary of State and foreign officials; and the files of overseas diplomatic posts. Intelligence-related files maintained by the Bureau of Intelligence and Research were fully available for use in this volume. Those files contain: minutes and related records of the 303 Committee, a high-level, interagency oversight board reviewing and approving intelligence operations and covert actions; the weekly and monthly meeting records of the Bureau of Far Eastern Affairs (later renamed the Bureau of East Asian and Pacific Affairs); and intelligence records pertaining to specific countries, regions, or events.

The editor of this volume of the *Foreign Relations* series also had full access to the papers of President Johnson and other White House foreign-policy records. Presidential papers maintained and preserved at the Presidential libraries include some of the most significant documentation related to foreign affairs from other federal agencies, including the National Security Council, the Central Intelligence Agency, the Department of Defense, the Joint Chiefs of Staff, the National Security Agency, and the United States Information Agency. All of this documentation has been made available for use in the *Foreign Relations* series thanks to the consent of these agencies and the cooperation and support of the National Archives and Records Administration.

The Department of State arranged for access to the audiotapes of President Johnson's telephone conversations that are held at the John-

son Library. The first audiotapes became available to Department of State historians in late 1994, with most of those covering the later years of the Johnson Presidency following in 1995 and 1996.

Department of State historians also have access to records of the Department of Defense, particularly the records of the Secretaries of Defense and their major assistants and the records of the Joint Chiefs of Staff. The editor of this volume also had access to the Papers of General Maxwell Taylor at the National Defense University.

Since 1991, the Central Intelligence Agency has provided expanded access to Department of State historians to high-level intelligence documents from those records still in the custody of that Agency. Access is arranged by the History Staff of the Center for the Study of Intelligence, Central Intelligence Agency, pursuant to a May 1992 memorandum of understanding. Department of State and CIA historians continue to work out the procedural and scholarly aspects of the access, which at this time is not yet unlimited or without deficiencies, and the variety of documentation made available and selected for publication in the volumes has expanded. The editor of this volume made particular use of the files of Deputy Director of Central Intelligence Richard Helms.

The particular files and collections consulted and cited in this volume are as follows.

Unpublished Sources

Department of State, Washington, D.C.

INR/IL Historical Files

East Asia Country Files, Japan
East Asia Country Files, Okinawa, 1960-1968 (Ryukyus)
East Asia Country Files, Ryukyu Islands, 1969
303 Committee/Special Files/5412 Files
303 Committee Meetings
Special Group Meetings File
EAP General File, FE Weekly Staff Meetings
EAP General File, EA Reviews, 1964 to 1966
EAP General File, EA Weekly Meetings

National Archives and Records Administration, College Park, Maryland

Record Group 59, General Records of the Department of State

Lot Files

Bundy Files: Lot 85 D 240

Files of William P. Bundy as Assistant Secretary of State for Far Eastern Affairs and as of November 1, 1966 for East Asian and Pacific Affairs, 1964–1969.

INR/EAP Files: Lot 90 D 110

Files of the Bureau of Intelligence and Research containing National Intelligence Estimates, Special Intelligence Estimates, and memoranda for the East Asian and Pacific region.

Rusk Files: Lot 72 D 192

Files of Secretary of State Dean Rusk, 1961–1969, including texts of speeches, miscellaneous correspondence files, White House correspondence, chronological files, and memoranda of telephone conversations.

S/PC Files: Lot 72 D 139

Country Files of the Policy Planning Council and memoranda to the Secretary from the Chairman, 1965–1968.

S/S: Lot 66 D 110

Chronological Files of the Executive Secretariat on various foreign visitors to the United States from May 1961 to December 1964 and on international conferences abroad attended by the President, the Secretary, and other U.S. officials, 1961–1964.

S/S–S: Lot 66 D 347

Files of the Executive Secretariat containing the documentation of conferences abroad and official visits to Washington, D.C., by Heads of State, 1965.

Subject-Numeric Indexed Central Files.

AID (JAPAN) VIET S, Assistance extended by Japan to South Vietnam
AV 9 JAPAN–US, Aviation routes and schedules
DEF 12 CHICOM, Armaments, Communist China
DEF 1 JAPAN, Defense policy, Japan
DEF 12 JAPAN, Armaments, Japan
DEF 1 JAPAN–US, Defense policy, Japan-U.S.
DEF 4 JAPAN–U, Bilateral defense agreements, Japan-U.S.
DEF 7 JAPAN–US, Visits by military vessels, Japan-U.S.
DEF 15 JAPAN–US, Bases and Installations, Japan-U.S.
DEF 12 NATO, Armaments, NATO
DEF 1 RYU IS, Defense policy and plans, Ryukyu Islands
DEF 15 RYU IS–US, Bases and Installations, Ryukyu Islands-U.S.
DEF 1 US, Defense policy, U.S.
DEF 12 US - Armaments, U.S.
DEF 17 US, Military service transports, U.S.
DEF 19-3 US–JAPAN, Military organizations and conferences, U.S.-Japan
DEF 19-9 US–JAPAN, Military advisory and training assistance, U.S.-Japan
E 1 JAPAN–US, General economic policy, Japan-U.S.
FT 1 JAPAN–US, General foreign-trade policy, Japan-U.S.
ORG 7 US, Organizational visits, U.S.
OS 7 US, Visits by ocean-shipping vessels, U.S.
POL 1 ASIA SE, General policy background and trends, Southeast Asia
POL 19 BONIN IS, Government of dependencies and territories, Bonin Islands
POL CHICOM–JAPAN, General foreign and national policy, Communist China-Japan
POL CHINAT–JAPAN, General foreign and national policy, Nationalist China-Japan
POL 2–3 JAPAN, Politico-economic reports, Japan
POL 7 JAPAN, High-level visits and meetings, Japan
POL 15–1 JAPAN, Matters involving the head of state, Japan

POL 15–2 JAPAN, Matters involving the legislature, Japan
POL 23 JAPAN, Internal security and counterinsurgency measures, Japan
POL JAPAN–KOR N, General foreign and national policy, Japan-North Korea
POL JAPAN–KOR S, General foreign and national policy, Japan-South Korea
POL JAPAN–US, General foreign and national policy, Japan-U.S.
POL 1 JAPAN–US, General policy background and trends, Japan-U.S.
POL 1-1 JAPAN–US, Political contingency planning, Japan-U.S.
POL 7 JAPAN–US, High-level visits and meetings, Japan-U.S.
POL 17 JAPAN–US, Diplomatic and consular representation, Japan-U.S.
POL 23 JAPAN–US, Internal security and counterinsurgency measures, Japan-U.S.
POL 33-4 JAPAN–US, Territorial-waters issues, Japan-U.S.
POL 19 RYU IS–Government of dependencies and territories, Ryukyu Islands
POL 19 RYU IS–US, Government of dependencies and territories, Ryukyu Islands-U.S.
POL 7 US/GOLDBERG, Visits and meetings, Arthur J. Goldberg
POL 7 US/HUMPHREY, Visits and meetings, Hubert H. Humphrey
POL 27 VIET S, Military operations, South Vietnam
SP 1-1 JAPAN–US, Cooperation on space science and technology, Japan-U.S.
UN 22–2 JAPAN

Lyndon B. Johnson Library, Austin, Texas

National Security File
- Country File, China
- Country File, Japan
- Country File—Addendum, Japan
- Country File, Ryukyu Islands
- Files of Robert Komer
- Files of Walt Rostow
- Agency File, Senior Interdepartmental Group
- International Meetings and Travel File
- Name File
- National Security Council Meetings
- Office of the President File
- Subject File, Nuclear Testing—China

Meeting Notes File

White House Central Files
- Confidential File

Office Files of the White House Aides
- Bill Moyers

Diaries and Appointment Logs
- President's Daily Diary

Papers of Dean Rusk
- Appointment Books, 1961-1969

Papers of George Ball
- Japan File

John F. Kennedy Library, Boston, Massachusetts

National Security File

Countries Series, Ryukyu Islands.
Countries Series, Japan 4/63.

Library of Congress, Manuscript Division, Washington, D.C.

Harriman Papers

Box 13, U. A. Johnson

National Defense University, Washington, D.C.

Maxwell Taylor Papers

Box 25, Chairman's Staff Group, May 1964

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RG 330, Records of the Office of the Secretary of Defense, Deputy Secretary of Defense, and Assistant Secretaries of Defense (ISA)

OSD/ISA: FRC 68 A 306, 70 A 3717, 70 A 6649, 71 A 4919, 71 A 4546

Yearly Decimal Files of the Office of the Assistant Secretary of Defense for International Security Affairs, 1964–1968.

ISA/ADMIN: FRC 70 A 1266, 70 A 4443, 70 A 4662, 72 A 2468, 73 A 1250, 73 A 1304

Official Files of the Office of the Secretary of Defense, 1964–1968.

OASD/ADMIN: FRC 71 A 6489

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FRC 68 A 306, 333 Japan
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FRC 70 A 3717, 381 Japan
FRC 70 A 3717, 471.6 Japan
FRC 70 A 4443, Japan 373.24
FRC 70 A 4662, Japan 370.02
FRC 70 A 6649, 560 Japan
FRC 71 A 4546, 333 Bonin Islands
FRC 71 A 4546, 333 Japan
FRC 71 A 4546, 381 Japan
FRC 71 A 4546, 680.1 Bonin Islands
FRC 71 A 4919, 680.1 Ryukyu Islands
FRC 71 A 6489, Japan 471.61 Sensitive
FRC 72 A 2468, 092 Bonin Islands
FRC 72 A 2468, Okinawa 091.112
FRC 72 A 2468, Okinawa 323.3

FRC 72 A 2468, Japan 091.112

FRC 73 A 1250, Japan 091.112

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FRC 73 A 1250, Okinawa 452

FRC 73 A 1304, Japan 123

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14 UST 1078, "Arrangement Concerning trade in Cotton textiles, with exchange of notes at Washington August 27, 1963." *Treaties in Force: A List of Treaties and Other International Agreements of the United States in Force January 1, 1966*, Department of State. U.S. Government Printing Office, Washington, D.C., 1996.

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Abbreviations

A-A, Afro-Asian Conference
ABM, Anti-ballistic missile
ADB, Asian Development Bank
AEC, Atomic Energy Commission
AID, Agency for International Development
APD, High-Speed Transport
ARVN, Army of the Republic of (South) Vietnam
ASPAC, Asian and Pacific Council
ASW, Anti-submarine warfare

BN, Battalion
BOP, Balance of payments

CAS, Controlled American Source
CCNE, Communist Chinese Nuclear Explosion
CG, Commander General
CHICOM, Chinese Communist
CHIEFMAAG, Chief, Military Assistance Advisory Group
CI, Counterinfiltration
CIA, Central Intelligence Agency
CIGOREP, Counter-Insurgency Communications Reequipment Program
CINCPAC, Commander-in-Chief, Pacific
CINCPACAF, Commander-in-Chief, Pacific, Air Force
CINCPACFLT, Commander-in-Chief, Pacific Fleet
CINCUSARPAC, Commander-in-Chief, United States Army, Pacific
COMNAVFORJAPAN, Commander, Naval Forces, Japan
COMSEVENTHFLT, Commander, Seventh Fleet
COMUSJAPAN, Commander, United States Forces, Japan
COMUSKOREA, Commander, United States Forces, Korea
COMUSMACV, Commander, United States Military Assistance Command, Vietnam
CONCOM, Consultative Committee
CONUS, Continental United States
CRP, Civil Rule Party (Republic of Korea)
C/S, Chief of Staff
CT, Country Team
CY, Calendar Year

DA, Department of the Army
DCM, Deputy Chief of Mission, United States Embassy
DEPTEL, Department of State telegram
DIA, Defense Intelligence Agency
DIRNSA, Director, National Security Agency
DMZ, Demilitarized Zone
DOD, United States Department of Defense
DOS, United States Department of State
DPM, Deputy Prime Minister
DPRK, Democratic Peoples' Republic of Korea (North)
DRP, Democratic Republican Party (Republic of Korea)

DRV, Democratic Republic of Vietnam (North)
DSP, Democratic Socialist Party (Japan)

E, Bureau of Economic Affairs, Department of State
EA, Office of East Asian Affairs, Bureau of Far Eastern Affairs, Department of State
EA/J, Officer in Charge of Japanese Affairs, Office of East Asian Affairs, Bureau of Far Eastern Affairs, Department of State
EAP, Bureau of East Asian and Pacific Affairs, Department of State
ECONCOM, Economic Committee, used with reference to U.S.-Japan Committee on Trade and Economic Affairs
EMBTEL, Embassy telegram
EPB, Economic Planning Board
EURATOM, European Atomic Energy Commission
EUSA, Eighth U.S. Army, Korea
EXDIS, Exclusive distribution

FBI, United States Federal Bureau of Investigation
FE/IRG, Bureau of Far Eastern Affairs, Interdepartmental Regional Group
FRD, Formerly Restricted Data
FROKA, Forces of the Republic of Korea, Army
FRUS, *Foreign Relations of the United States*
FY, Fiscal year
FYI, For your information

G, Deputy Under Secretary of State for Political Affairs
G/PM, Deputy Assistant Secretary of State for Politico-Military Affairs
GA, General Assembly of the United Nations
GARIOA, Government and Relief in Occupied Areas
GATT, General Agreement on Tariffs and Trade
GOJ, Government of Japan
GRI, Government of the Ryukyu Islands
GRVN, Government of the Republic of Vietnam
GVN, Government of (South) Vietnam

HICOM/HICOMRY, High Commissioner of the Ryukyu Islands

IAEA, International Atomic Energy Association
IBRD, International Bank for Reconstruction and Development (World Bank)
IMAF, International Military Assistance Forces (to South Vietnam)
INR, Bureau of Intelligence and Research, Department of State
INR/IL, Bureau of Intelligence and Research, Office of Intelligence Liaison, Department of State
IO, Bureau of International Organizational Affairs, Department of State
IRG, Interdepartmental Regional Group
IRG/EA, Interdepartmental Regional Group, East Asian and Pacific Affairs
IRG/FE, Interdepartmental Regional Group, Far Eastern Affairs
ISA, Office of International Security Affairs, Department of Defense

JAEC, Japanese Atomic Energy Commission
JCP, Japanese Communist Party
JCS, Joint Chiefs of Staff
JCSM, Joint Chiefs of Staff Memorandum
JDA, Japanese Defense Agency
JDO, Joint Duty Officer, Military Armistice Commission
JFY, Japanese fiscal year

JGLO, Japanese Government Liaison Office, Ryukyu Islands
JSA, Joint Security Area
JSDF, Japanese Self-Defense Forces
JSP, Japanese Socialist Party

KATUSA, Korean Augmentation to the United States Army
KCP, Kim Chong-pil, South Korean Statesman
KFX, Korean Foreign Exchange (South)
KNP, Korean National Police (South)
KPA/CPV, Korean People's Army (North)/Chinese People's Volunteers

L, Office of the Legal Adviser, Department of State
L/FE, Assistant Legal Adviser for Far Eastern Affairs, Department of State
LDCs, Less-developed countries
LDP, Liberal Democratic Party (Japan)
LIMDIS, Limited distribution
LOCs, Lines of Communication
LST, Landing ship, tank

MAAG, Military Assistance Advisory Group
MAC, Military Armistice Commission, United Nations Command, Korea
MACV, Military Assistance Command, Vietnam
MAP, Military Assistance Program
MDL, Military Demarcation Line (Korea)
MND, Minister/Ministry of National Defense (Republic of Korea)

NATO, North Atlantic Treaty Organization
NDP, New Democratic Party (Republic of Korea)
NK, North Korea
NNSC, Neutral Nations Supervisory Commission of the United Nations
NODIS, No distribution
NOFORN, No foreign distribution
NOTAL, Not all
NPG, Nuclear Planning Group
NPS, Nuclear-powered ship
NPSS, Nuclear-powered surface ship
NPT, Nuclear Non-Proliferation Treaty
NPW, Nuclear-powered warship
NSA, National Security Agency
NSA/CSS, National Security Agency/Central Security Service Archives
NSC, National Security Council

OECD, Organization for Economic Cooperation and Development
OLDP, Okinawan Liberal Democratic Party
OPP, Okinawa People's Party
OSD, Office of the Secretary of Defense
OSD/ISA, Office of the Assistant Secretary of Defense for International Security Affairs
OSP, Offshore procurement

PACOM, Pacific Command (United States)
PM, Prime Minister
POL, Political; politics; petroleum, oil, and lubricants
POLAD, Political Adviser

PRC, People's Republic of China
PRIMIN, Prime Minister

QR, Quota Restriction

RCT, Regimental Combat Team
REFTEL, Referenced telegram
REP, Representative
ROC, Republic of China (Taiwan)
ROK, Republic of Korea (South)
ROKA, Republic of Korea, Army
ROKFV, Republic of Korea Forces in Vietnam
ROKG, Government of the Republic of Korea
RVN, Republic of Vietnam (South)

S, Office of the Secretary of State
S/S, Executive Secretariat, Office of the Secretary of State
SA, Supporting Assistance
SC, Security Council of the United Nations
SCC, United States-Japan Security Consultative Committee
SEA, Southeast Asia
SECDEF, Secretary of Defense
SECTO, Series indicator for telegrams from the Secretary of State or his party to the Department of State
SEPTEL, Separate telegram
SIG, Senior Interdepartmental Group
SOFA, Status of Forces Agreement
SPECAT, Special Category
SSN, Nuclear-powered submarine
STA, Science and Technology Agency, Japan
STAT, *United States Statutes at Large*
SUBROC, Submarine missile (nuclear)
SVN, South Vietnam

TE or TOE, Table of Equipment
TO/TD, Table of Organization/Table of Distribution (of military units)
TOSEC, Series indicator for telegrams to the Secretary of State or his party from the Department of State

U, Under Secretary of State
UK, United Kingdom
UN, United Nations
UNCMAC, United Nations Command, Military Armistice Commission, Korea
UNCURK, United Nations Commission for the Unification and Rehabilitation of Korea
UNGA, United Nations General Assembly
USCAR, United States Civil Administration of the Ryukyu Islands
USFK, United States Forces in Korea
USFY, United States fiscal year
USG, United States Government
USIB, United States Intelligence Board
USIS, United States Information Service
USOM, United States Operations Mission
USUN, United States Mission to the United Nations, New York

UST, *United States Treaties and Other International Agreements*

VC, Viet Cong
VN, Vietnam

WH, White House, Washington, D.C.

Persons

Ackley, Gardner, Chairman, Council of Economic Advisers (Jan. 1965)
Aichi, Kiichi, Japanese Foreign Minister from December 1968
Ailes, Steven, Department of Defense

Bacon, Leonard L., Acting Director for East Asian Affairs, Department of State (June 1964)
Ball, George W., Under Secretary of State from January 30, 1962 until September 30, 1966
Barnett, Robert W., Deputy Assistant Secretary for Far Eastern Affairs (Jan. 1964)
Bell, David E., Administrator, Agency for International Development
Bennett, Josiah W., Deputy Director for East Asian Affairs United States Department of State (Oct. 1965)
Berger, Samuel D., Deputy Assistant Secretary of State for East Asian and Pacific Affairs
Bohlen, Charles E., Deputy Under Secretary of State for Political Affairs from February 11, 1968 to January 22, 1969
Brown, Winthrop G., United States Department of State, Deputy Assistant Secretary for East Asian and Pacific Affairs (1968); Acting Chairman, East Asian and Pacific Interdepartmental Regional Group (June 1968)
Bullitt, John C., Assistant Secretary of Treasury (Sept. 1964)
Bundy, McGeorge, Special Assistant to the President for National Security Affairs from November 1963 until February 1966; President, The Ford Foundation (May 1966)
Bundy, William P., Deputy Assistant Secretary, Department of Defense, in 1963 and Assistant Secretary of Defense for International Security Affairs in 1963 and 1964; Assistant Secretary of State for Far Eastern Affairs from March 1964. As of November 1, 1966 his title was changed to Assistant Secretary of State for East Asian and Pacific Affairs, and he held that position until May 1969.
Bunker, Ellsworth, United States Ambassador to South Vietnam from Nov. 1967

Caraway, Lt. Gen. Paul W., High Commissioner of the Ryukyu Islands through July 1964
Christian, George, White House Press Secretary (Nov. 1967)
Clifford, Clark M., Secretary of Defense from March 1,1968.

Dillon, Douglas, United States Secretary of the Treasury
Duffy, Col. John J., Director, Civil Affairs, Office of the Deputy chief of Staff for Military Operations, Department of the Army (June 1964)

Emmerson, John K., Charge d'Affaires, ad interim (Jan. 1964), United States Embassy, Tokyo; Minister United States Embassy, Tokyo (Jan. 1965)
Enthoven, Alain, Assistant Secretary of Defense, Systems Analysis (Nov. 1966)

Fearey, Robert A., United States Department of State, Acting Deputy Director for East Asian Affairs (April 1964); later Director for East Asian Affairs
Foster, William C., Director, U.S. Arms Control and Disarmament Agency (Aug. 1965)
Freeman, Orville L., Secretary of Agriculture (Jan. 1965)
Fowler, Henry H., Undersecretary and Secretary of the Treasury from 1963 to 1969
Fukuda, Takeo, Japanese Finance Minister from June 1965
Fukuda, Tokuyasu, Director General, Japan Defense Agency (July 1964)

Fulbright, William J., Chair, U.S. Senate Foreign Relations Committee

Gilpatric, Roswell, Deputy Secretary of Defense
Goldberg, Arthur J., United States Representative to the United Nations
Green, Marshall, United States Assistant Secretary of State for Far Eastern Affairs (Jan. 1964); Deputy Assistant Secretary for Far Eastern Affairs (June 1964); Deputy Assistant Secretary of State for Far Eastern Affairs (May 1965)

Halperin, Dr. Morton H., Deputy Assistant Secretary, Policy Planning and Arms Control, United States Department of Defense
Harriman, Avrill, Under Secretary of State (June 1964)
Heller, Walter W., Chairman of the Council of Economic Advisers (Sept. 1964)
Helms, Richard M., Deputy Director of Central Intelligence from April 28, 1965 to June 30, 1966; Director of Central Intelligence, June 30, 1966 to February 2, 1973
Herter, Christian A., Special Representative for Trade Negotiations (Jan. 1965)
Hilsman, Roger, United States Assistant Secretary of State for Far Eastern Affairs from May 9, 1963 to March 15, 1964
Hodges, Luther H., Secretary of Commerce (Jan. 1965)
Hori, Shigeru, Japanese Chief Cabinet Secretary from December 1968
Hughes, Thomas L., Director of the Bureau of Intelligence and Research, Department of State, from April 28, 1963 to August 25, 1969

Ikeda, Hayato, Japanese Prime Minister, July 1960 to November 1964
Ishino, Shinichi, Japanese Vice Minister of Finance (Sept. 1964)

Johnson, G. Griffith, United States Department of State, Assistant Secretary for Economic Affairs (Jan.1965)
Johnson, Harold K., Acting Chairman, Joint Chiefs of Staff (June 1966)
Johnson, Lyndon Baines, President of the United States from November 22, 1963 until January 20, 1969
Johnson, U. Alexis, United States Deputy Under Secretary of State for Political Affairs to July 12, 1964; Deputy United States Ambassador to Vietnam from June 1964 to September 1965; Deputy Under Secretary of State for Political Affairs from September 1965 to October 1966; United States Ambassador to Japan from September 1, 1966 to January 15, 1969

Kanno, Watoro, Japanese Minister for International Trade and Industry from December 1966
Katzenbach, Nicholas deB., United States Under Secretary of State from October 3, 1966 to January 20, 1969; Chairman of the Senior Interdepartmental Group
Kimura, Toshio, Japanese Minister of State and Director General of the Cabinet Secretariat (Nov. 1967)
Kinney, Gilbert H., United States Department of State, Acting Country Director for Japan (Sept. 1968)
Kitchen, Jeffrey C., Deputy Assistant Secretary of State (June 1964)
Kohler, Foy D., Deputy Under Secretary of State for Political Affairs from November 29, 1966 to December 31, 1967
Komer, Robert, Member of the National Security Council Staff
Kono, Ichiro, [PM Ikeda adviser]
Krulak, Lieutenant General Victor H., USMC, Commanding General, Fleet Marine Force, Pacific
Ky, Vice President of South Vietnam from (Nov. 1967)

MacArthur, Douglas, II, Assistant Secretary for Congressional Relations (Nov. 1965)

Manhart, Maj. Gen. A. H., Vice Director, Joint Chiefs of Staff (July 1965)
Mann, Thomas C., United States Department of State, Under Secretary for Economic Affairs (Mar. 1965)
Marks, Leonard H., Director of the United States Information Agency
Matusi, Akira, Chief of Japanese Mission to the United Nations (June 1964)
Matsumura, Kenzo, [PM Ikeda adviser]
Matsuno, Raizo, Director General of the Japan Defense Agency
Matsuoka, Seiho, Chief Executive of the Ryukyu Islands (Dec. 1964)
McCone, John A., Director, Central Intelligence Agency (1964)
McConnell, John P., Acting Chairman, Joint Chiefs of Staff (Feb. 1966)
McGifford, David, Under Secretary of the Army of the United States (July 1965)
McNamara, Robert S., United States Secretary of Defense through February 1968
McNaughton, John T., United States Assistant Secretary of Defense for International Security Affairs (July 1964)
Miki, Takeo, [PM Ikeda adviser]; Secretary-General of the Liberal Democratic Party (Jan. 1965); Japanese Minister of Trade and Industry (appt. June 1965); Japanese Minister of Foreign Affairs (Nov. 1967).
Miwa, Yoshio, Chief, Japan Director General's Secretariat (July 1964)
Mori, Haruki, Japanese Deputy Vice Minister of Foreign Affairs (Nov. 1967)
Mori, Kiyoshi, Director-General of Prime Minister's Office (Aug. 1966)

Nakashima, Nobuyuki, Japanese Ministry of Foreign Affairs, Chief, North American Section, American Affairs Bureau (May 1965)

Ohama, Dr. Nobumoto, Chairman, Okinawa Problem Deliberation Council (1967); Chairman of Prime Minister Sato's Council on Okinawa Problems
Ohira, Masayoshi, Japanese Foreign Minister from 1962 until July 1964; International Trade and Industry Minister from December 1968
Ota, Kaoru, Chief Executive, Government of the Ryukyu Islands until June 16, 1964
Owen, Henry, Chairman, Policy Planning Council, U.S. Department of State (July 1966)

Petree, Richard W., United States Department of State, Office of East Asian Affairs, Officer-in-Charge, Japanese Affairs (Jan. 1965)

Read, Benjamin H., Executive Secretary, Department of State from August 4, 1963 to February 14, 1969
Reischauer, Edwin O., United States Ambassador to Japan from March 29, 1961 to August 19, 1966
Resor, Stanley R., Secretary of the Army of the United States (July 1965)
Roosa, Robert V., United States Under Secretary of Treasury (Sept. 1964)
Rostow, Eugene V., Under Secretary of State for Political Affairs from October 14, 1966 to January 20, 1969
Rostow, Walt W., Chairman of the Policy Planning Council (Aug. 1964); President's Special Assistant for National Security Affairs from April 1966 until January 1969
Rusk, Dean, United States Secretary of State from January 21, 1961 to January 20, 1969

Sato, Eisaku, Japanese Prime Minister from November 1964 to 1972
Schlesinger, Arthur, Jr., Special Assistant to the President of the United States (Jan. 1964)
Seligmann, Albert L., (DOD/ISA)
Sharp, Admiral Ulysses S. Grant, USN, Commander in Chief, Pacific
Shiina, Etsusaburo, Japanese Foreign Minister from July 1964 to 1966.
Shima, Shigenobu, Japanese Vice Minister for Foreign Affairs (Jan. 1964)
Shimanouchi, Naoshi, Research Secretary, Public Information Bureau, Japanese Ministry of Foreign Affairs (Nov. 1967)

Shimanouchi, Toshiro, Counsellor, Public Information and Cultural Affairs Bureau, Japanese Ministry of Foreign Affairs (Jan. 1964)
Shimoda, Takeso, Japanese Ambassador to the United States from June 1967
Siena, James, Deputy Under Secretary, United States Army (May 1968)
Smith, Bromley, Executive Secretary of the National Security Council from 1961 to 1969
Sneider, Richard L., United States Department of State, Country Director for Japan (Nov. 1967)
Solbert, Peter, United States Assistant Secretary of Defense for International Security Affairs (Jan. 1964)
Spahr, Lt. Col. William J., Office of the Under Secretary of the Army for International Affairs (July 1965)
Steadman, John H., Deputy Under Secretary of the Army for International Affairs, United States Army (July 1965)
Symington, James W., United States Chief of Protocol (Nov. 1967)

Talbot, Phillips, Assistant Secretary, Bureau of Near Eastern and South Asian Affairs (NEA)
Takasaki, Tatsunosuke, [PM Ikeda adviser]
Takeuchi, Harumi, Director, American Affairs Bureau, Japanese Ministry of Foreign Affairs (Jan. 1964)
Takeuchi, Ryuji, Japanese Ambassador to the United States (Jan. 1964 to May 1967)
Tanaka, Kakuei, Japanese Minister of Finance (Sept. 1964)
Thieu, Nguyen Van, President of South Vietnam from (Nov. 1967)
Thompson, Llewellyn E., Acting Deputy Under Secretary for Political Affairs
Togo, Fumihiko, Director, American Affairs Bureau, Japanese Ministry of Foreign Affairs (Nov. 1967)
Trivedi, Vishnu C., Indian Delegate to Geneva Disarmament Conference
Trezise, Philip H., Deputy Assistant Secretary, Bureau of Economic Affairs
Trued, Merlyn N., Acting Assistant Secretary, Treasury Department (Jan. 1965)

Udall, Stewart L., Secretary of the Interior (Jan. 1965)
Unger, General Ferdinand T., High Commissioner of the Ryukyu Islands from Nov. 1966
Usami, Makoto, Governor of the Bank of Japan (Dec. 1964)
Ushiba, Nobuhiko, Deputy Vice Minister for Foreign Affairs (Jan. 1965)

Vance, Cyrus, United States Deputy Secretary of Defense from 1963 to 1967; Special Representative of the President
Vettel, Thelma E., Special Assistant, Office of East Asian Affairs

Wakaizumi, Kei, Faculty Member, Japan National Defense College (April 28, 1964); Personal Envoy of Japanese Prime Minister Sato; Professor, Kyoto Industrial College and Political/Military Advisor to GOJ (May 1968)
Warnke, Paul C., United States Assistant Secretary of Defense for International Security Affairs (Nov. 1967)
Watanabe, Makoto, Director, International Finance Bureau Japanese Ministry of Finance (Sept. 1964)
Watson, Lt. General Albert II, High Commissioner of the Ryukyu Islands from August 1964
Westmoreland, General William C., Commander of United States Forces in South Vietnam and Army Chief of Staff, 1962 to 1973.
Wheeler, General Earle G., Chairman, Joint Chiefs of Staff (June 1967)
Wirtz, Willard, Secretary of Labor (Jan. 1965)
Wolf, Joseph J., Directory of Operations, Politico-Military Affairs

Yara, Chobyo, President of the Okinawan Teachers Association and first elected Chief Executive of Okinawa [was an alliance candidate representing the three opposition parties, including the communist Okinawan People's Party]

Yasukawa, Takeshi, Director of American Bureau, Japanese Foreign Ministry (Jan. 1965)

Note on U.S. Covert Actions

In compliance with the *Foreign Relations of the United States* statute that requires inclusion in the *Foreign Relations* series of comprehensive documentation on major foreign policy decisions and actions, the editors have identified key documents regarding major covert actions and intelligence activities. The following note will provide readers with some organizational context on how covert actions and special intelligence operations in support of U.S. foreign policy were planned and approved within the U.S. Government. It describes, on the basis of declassified documents, the changing and developing procedures during the Truman, Eisenhower, Kennedy, and Johnson Presidencies.

Management of Covert Actions in the Truman Presidency

The Truman administration's concern over Soviet "psychological warfare" prompted the new National Security Council to authorize, in NSC 4-A of December 1947, the launching of peacetime covert action operations. NSC 4-A made the Director of Central Intelligence responsible for psychological warfare, establishing at the same time the principle that covert action was an exclusively Executive Branch function. The Central Intelligence Agency (CIA) certainly was a natural choice but it was assigned this function at least in part because the Agency controlled unvouchered funds, by which operations could be funded with minimal risk of exposure in Washington.[1]

CIA's early use of its new covert action mandate dissatisfied officials at the Departments of State and Defense. The Department of State, believing this role too important to be left to the CIA alone and concerned that the military might create a new rival covert action office in the Pentagon, pressed to reopen the issue of where responsibility for covert action activities should reside. Consequently, on June 18, 1948, a new NSC directive, NSC 10/2, superseded NSC 4-A.

NSC 10/2 directed CIA to conduct "covert" rather than merely "psychological" operations, defining them as all activities "which are conducted or sponsored by this Government against hostile foreign states or groups or in support of friendly foreign states or groups but which are so planned and executed that any US Government responsibility for them is not evident to unauthorized persons and that if uncovered the US Government can plausibly disclaim any responsibility for them."

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[1] NSC 4-A, December 17, 1947, is printed in *Foreign Relations*, 1945–1950, Emergence of the Intelligence Establishment, Document 257.

The type of clandestine activities enumerated under the new directive included: "propaganda; economic warfare; preventive direct action, including sabotage, demolition and evacuation measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberations [*sic*] groups, and support of indigenous anti-Communist elements in threatened countries of the free world. Such operations should not include armed conflict by recognized military forces, espionage, counter-espionage, and cover and deception for military operations."[2]

The Office of Policy Coordination (OPC), newly established in the CIA on September 1, 1948, in accordance with NSC 10/2, assumed responsibility for organizing and managing covert actions. OPC, which was to take its guidance from the Department of State in peacetime and from the military in wartime, initially had direct access to the State Department and to the military without having to proceed through CIA's administrative hierarchy, provided the Director of Central Intelligence (DCI) was informed of all important projects and decisions.[3] In 1950 this arrangement was modified to ensure that policy guidance came to OPC through the DCI.

During the Korean conflict the OPC grew quickly. Wartime commitments and other missions soon made covert action the most expensive and bureaucratically prominent of CIA's activities. Concerned about this situation, DCI Walter Bedell Smith in early 1951 asked the NSC for enhanced policy guidance and a ruling on the proper "scope and magnitude" of CIA operations. The White House responded with two initiatives. In April 1951 President Truman created the Psychological Strategy Board (PSB) under the NSC to coordinate government-wide psychological warfare strategy. NSC 10/5, issued in October 1951, reaffirmed the covert action mandate given in NSC 10/2 and expanded CIA's authority over guerrilla warfare.[4] The PSB was soon abolished by the incoming Eisenhower administration, but the expansion of CIA's covert action writ in NSC 10/5 helped ensure that covert action would remain a major function of the Agency.

As the Truman administration ended, CIA was near the peak of its independence and authority in the field of covert action. Although CIA continued to seek and receive advice on specific projects from the

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[2] NSC 10/2, June 18, 1948, printed ibid., Document 292.

[3] Memorandum of conversation by Frank G. Wisner, "Implementation of NSC-10/2," August 12, 1948, printed ibid., Document 298.

[4] NSC 10/5, "Scope and Pace of Covert Operations," October 23, 1951, in Michael Warner, editor, *The CIA Under Harry Truman* (Washington, D.C.: Central Intelligence Agency, 1994), pp. 437–439.

NSC, the PSB, and the departmental representatives originally delegated to advise OPC, no group or officer outside of the DCI and the President himself had authority to order, approve, manage, or curtail operations.

NSC 5412 Special Group; 5412/2 Special Group; 303 Committee

The Eisenhower administration began narrowing CIA's latitude in 1954. In accordance with a series of National Security Council directives, the responsibility of the Director of Central Intelligence for the conduct of covert operations was further clarified. President Eisenhower approved NSC 5412 on March 15, 1954, reaffirming the Central Intelligence Agency's responsibility for conducting covert actions abroad. A definition of covert actions was set forth; the DCI was made responsible for coordinating with designated representatives of the Secretary of State and the Secretary of Defense to ensure that covert operations were planned and conducted in a manner consistent with U.S. foreign and military policies; and the Operations Coordinating Board was designated the normal channel for coordinating support for covert operations among State, Defense, and CIA. Representatives of the Secretary of State, the Secretary of Defense, and the President were to be advised in advance of major covert action programs initiated by the CIA under this policy and were to give policy approval for such programs and secure coordination of support among the Departments of State and Defense and the CIA.[5]

A year later, on March 12, 1955, NSC 5412/1 was issued, identical to NSC 5412 except for designating the Planning Coordination Group as the body responsible for coordinating covert operations. NSC 5412/2 of December 28, 1955, assigned to representatives (of the rank of assistant secretary) of the Secretary of State, the Secretary of Defense, and the President responsibility for coordinating covert actions. By the end of the Eisenhower administration, this group, which became known as the "NSC 5412/2 Special Group" or simply "Special Group," emerged as the executive body to review and approve covert action programs initiated by the CIA.[6] The membership of the Special Group varied depending upon the situation faced. Meetings were infrequent until 1959

[5] William M. Leary, editor, *The Central Intelligence Agency: History and Documents* (The University of Alabama Press, 1984), p. 63; the text of NSC 5412 is scheduled for publication in *Foreign Relations,* 1950–1960, Development of the Intelligence Community.

[6] Leary, *The Central Intelligence Agency: History and Documents,* pp. 63, 147–148; *Final Report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities, United States Senate,* Book I, *Foreign and Military Intelligence* (1976), pp. 50–51. The texts of NSC 5412/1 and NSC 5412/2 are scheduled for publication in *Foreign Relations,* 1950–55, The Intelligence Community.

when weekly meetings began to be held. Neither the CIA nor the Special Group adopted fixed criteria for bringing projects before the group; initiative remained with the CIA, as members representing other agencies frequently were unable to judge the feasibility of particular projects.[7]

After the Bay of Pigs failure in April 1961, General Maxwell Taylor reviewed U.S. paramilitary capabilities at President Kennedy's request and submitted a report in June that recommended strengthening high-level direction of covert operations. As a result of the Taylor Report, the Special Group, chaired by the President's Special Assistant for National Security Affairs McGeorge Bundy, and including Deputy Under Secretary of State U. Alexis Johnson, Deputy Secretary of Defense Roswell Gilpatric, Director of Central Intelligence Allen Dulles, and Chairman of the Joint Chiefs of Staff General Lyman Lemnitzer, assumed greater responsibility for planning and reviewing covert operations. Until 1963 the DCI determined whether a CIA-originated project was submitted to the Special Group. In 1963 the Special Group developed general but informal criteria, including risk, possibility of success, potential for exposure, political sensitivity, and cost (a threshold of $25,000 was adopted by the CIA), for determining whether covert action projects were submitted to the Special Group.[8]

From November 1961 to October 1962 a Special Group (Augmented), whose membership was the same as the Special Group plus Attorney General Robert Kennedy and General Taylor (as Chairman), exercised responsibility for Operation Mongoose, a major covert action program aimed at overthrowing the Castro regime in Cuba. When President Kennedy authorized the program in November, he designated Brigadier General Edward G. Lansdale, Assistant for Special Operations to the Secretary of Defense, to act as chief of operations, and Lansdale coordinated the Mongoose activities among the CIA and the Departments of State and Defense. CIA units in Washington and Miami had primary responsibility for implementing Mongoose operations, which included military, sabotage, and political propaganda programs.[9]

President Kennedy also established a Special Group (Counter-Insurgency) on January 18, 1962, when he signed NSAM No. 124. The Special Group (CI), set up to coordinate counter-insurgency activities separate from the mechanism for implementing NSC 5412/2, was to confine itself to establishing broad policies aimed at preventing and resisting subversive insurgency and other forms of indirect aggression

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[7] Leary, *The Central Intelligence Agency: History and Documents,* p. 63.

[8] Ibid., p. 82.

[9] See *Foreign Relations,* 1961–1963, vol. X, Documents 270 and 278.

in friendly countries. In early 1966, in NSAM No. 341, President Johnson assigned responsibility for the direction and coordination of counter-insurgency activities overseas to the Secretary of State, who established a Senior Interdepartmental Group to assist in discharging these responsibilities.[10]

NSAM No. 303, June 2, 1964, from Bundy to the Secretaries of State and Defense and the DCI, changed the name of "Special Group 5412" to "303 Committee" but did not alter its composition, functions, or responsibility. Bundy was the chairman of the 303 Committee.[11]

The Special Group and the 303 Committee approved 163 covert actions during the Kennedy administration and 142 during the Johnson administration through February 1967. The 1976 Final Report of the Church Committee, however, estimated that of the several thousand projects undertaken by the CIA since 1961, only 14 percent were considered on a case-by-case basis by the 303 Committee and its predecessors (and successors). Those not reviewed by the 303 Committee were low-risk and low-cost operations. The Final Report also cited a February 1967 CIA memorandum that included a description of the mode of policy arbitration of decisions on covert actions within the 303 Committee system. CIA presentations were questioned, amended, and even on occasion denied, despite protests from the DCI. Department of State objections modified or nullified proposed operations, and the 303 Committee sometimes decided that some agency other than CIA should undertake an operation or that CIA actions requested by Ambassadors on the scene should be rejected.[12]

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[10] For text of NSAM No. 124, see ibid., vol. VIII, Document 68. NSAM No. 341, March 2, 1966, is printed ibid., 1964–1968, vol. XXXIII, Document 56.

[11] For text of NSAM No. 303, see ibid., Document 204.

[12] *Final Report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities, United States Senate,* Book I, *Foreign and Military Intelligence,* pp. 56–57.

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

51. Memorandum From the President's Deputy Special Assistant (Bator) to the Executive Secretary of the Department of State (Read)[1]

Washington, June 23, 1965.

SUBJECT

Japanese Aviation Negotiations

The President has authorized the Department to resume negotiations with Japan on the basis of the position proposed in the May 29 memorandum of the Under Secretary for Economic Affairs,[2] amended as follows:

Our minimum conditions should include the first two optional concessions listed in the enclosure to the May 29 memorandum: (1) Japanese recognition of the United States right to operate air services beyond Japan to mainland Asia and Europe; (2) Japanese recognition of the right to operate all-cargo services under the Civil Air Transport Agreement.[3]

Francis M. Bator

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

[2] Document 49.

[3] Additional documentation on the aviation question is in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN–US, POL JAPAN–US, and AV 9 JAPAN–US. An agreement reflecting Mann's proposals (Document 49) was finalized by an exchange of notes on December 28. The text of the notes is in 16 UST 2029.

52. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara[1]

JCSM–537–65 Washington, July 8, 1965.

Subject

DOD Policy on the Japanese Defense Effort (U)

1. (U) In response to a memorandum by the Deputy Assistant Secretary of Defense (ISA), I–7605/65, dated 12 June 1965,[2] subject as above, the Joint Chiefs of Staff have reviewed US military objectives in Japan, the relative priority of the Japanese defense missions and functions, and related modernization requirements. A detailed analysis is contained in the Appendix hereto.[3]

2. (U) US military objectives in Japan are included in paragraph 2 of the Appendix.

3. (S) The Joint Chiefs of Staff conclude that:

a. Although the Soviet and communist China military forces are capable of undertaking a variety of military actions against Japan, it is considered unlikely that either nation would initiate deliberate military aggression against Japan in any situation short of general war. In this event, the principal military threat is air and naval attack.

b. The Japanese contribute to the attainment of US military objectives in the Far East in that:

(1) The missions of the Japan Self-Defense Forces (JSDF) are, in general, to maintain internal security in Japan, counter communist subversion, provide security for US and Japanese military facilities, and, in coordination with the United States, defend Japan against external aggression. The Japan Air Self-Defense Force (JASDF) has assumed the responsibility for the air defense of Japan, owning and operating the ground environment and air defense weapons.

(2) Japan provides real estate for US bases and facilities at no expense to the United States.

c. Despite constitutional restrictions against the maintenance of "war potential," Japan, with US guidance and assistance, has made considerable progress since the war in building and modernizing its

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[1] Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 70 A 3717, 381 Japan. Secret.

[2] Not found.

[3] Attached but not printed.

small Self-Defense Forces. Nevertheless, the Japanese defense capability is limited by the small size of the JSDF, major gaps in equipage, inadequate logistical capability, and restricted budgets. Specific limitations are included in the Appendix. Missions and objective force levels are included in Annexes A and B to the Appendix.[4]

d. A relative priority of JSDF defense missions and functions, based upon an analysis of the threat, US military objectives and force posture in Japan, and US strategic requirements in the Far East, can generally be stated as follows:

(1) Air defense, with emphasis on all-weather capability.
(2) Antisubmarine warfare, escort, patrol, and mine warfare capability.
(3) Ground defense capability and follow-on tactical fighter, reconnaissance, and airlift capabilities.

4. (U) The Joint Chiefs of Staff recommend that:

a. The Government of Japan be encouraged to provide increased defense efforts to improve and modernize its forces and to provide military assistance to other nations.

b. The list of modernization requirements and other equipment in paragraph 10 of the Appendix, which is an update of a list submitted to you in JCSM-242-63, dated 22 March 1963, subject: "US/Japanese Defense Relationships (U),"[5] be used as a basis for future bilateral discussions.

For the Joint Chiefs of Staff:
A. H. Manhart[6]
Major General, USA
Vice Director, Joint Staff

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[4] Attached but not printed.

[5] Not found.

[6] Printed from a copy that indicates Manhart signed the original.

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

Washington, July 13, 1965.

SUBJECT

Visit of Japanese Cabinet

You are entertaining at lunch on Wednesday, July 14, seven leading members of Prime Minister Sato's Cabinet.[2] They will have completed substantially three days of consultation with us on trade and economic matters.

There have been four of these Joint Cabinet meetings. The first took place in Japan in 1961, the second in Washington in 1962, and the third in Japan in January 1964. The Japanese Government, business community and public generally attach great importance to these meetings.

Southeast Asia, civil aviation, and economic protectionism have been the principal issues upon which there has been lively discussion this year.

Southeast Asia

Prime Minister Sato has given you prompt and vigorous support for U.S.-Viet-Nam policy, notwithstanding widespread Japanese public condemnation of U.S. bombing of the North. The Japanese Government was more forthcoming than any other in responding to your Johns Hopkins Southeast Asia proposals.[3] During Eugene Black's recent trip Japanese officials indicated readiness to give leadership in forming the Southeast Asia Development Bank, to study participation

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN. No classification marking. Drafted by Barnett and cleared by Reischauer and Solomon.

[2] The luncheon was held at the White House from 1:20 p.m. to 2:35 p.m. (Johnson Library, President's Daily Diary, May 1, 1965 to September 30, 1965, Box 4) The Japanese Cabinet members were in Washington to attend the Fourth Meeting of the U.S.-Japan Joint Cabinet Committee on Trade and Economic Affairs held from July 12 to 14. The texts of Rusk's opening remarks, President Johnson's remarks at the luncheon on July 14, and the Joint Communiqué issued at the close of the meeting are printed in Department of State *Bulletin*, pp. 243–249. Briefing memoranda and similar documents relevant to the meeting are in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN and POL JAPAN–US.

[3] In his address at Johns Hopkins University, "Peace Without Conquest," April 7, President Johnson reiterated the U.S. commitment to continue to fight in Vietnam and to seek peace simultaneously. Realizing that a peaceful end to the conflict was not yet in sight, Johnson called for cooperative efforts among the countries of Southeast Asia to

in the Southeast Asia Development Fund, and to explore other means for accelerating economic development in the area. On the other hand, Japan is reluctant to become involved in support of the military aspects of U.S. policy in Viet-Nam.

Of your guests, Foreign Minister Shiina has performed conspicuously well in handling the Korean settlement. The most prominent political personality is Minister of Trade and Industry Miki. Miki arrived in Washington after visits with de Gaulle and Kosygin and is believed to be a likely future Prime Minister.

Civil Aviation

The Japanese have been informed of your civil aviation offer. Japan's desire for round-the-world rights is strong. The Japanese hoped to get it without substantial loss in Japan's present rights and without making concessions.

I have made it clear to the Foreign Minister that there is no significant room for haggling over detail. Notwithstanding some anxiety over the expectation that rights they grant us may expose them to new, different, and possibly heavy competition in the near future, Japan may agree to our proposals for a new civil aviation agreement between our two countries.

Protectionism

The overwhelming impression made by our discussions on trade and economic matters has been one of vitality of the two economies, harmony of interest in the context of world economic trends, and success in dealing with common problems. The Japanese are putting on record their dissatisfaction with various protectionist features in the handling of our economy, particularly the buy-America Saylor Amendment and informal pressures we are putting on them with respect to exports to the United States, e.g. woolen textiles. We have expressed sharp dissatisfaction with Japan's treatment of Americans desiring to make direct investment in Japan, reviewed with them their protectionist policies and discussed the wisdom of Japan's showing some restraint in hitting the American market too hard in narrow vulnerable sectors. Our give and take on these matters has been constructive.

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develop the region. The President intended to ask Congress to support "a billion dollar American investment in the effort" and urged other industrialized nations to join as well. Johnson proposed developing the Mekong River Valley, providing modern medical care to the populace, establishing schools, and expanding food and material assistance. He also announced the formation of an American team, headed by former World Bank President Eugene Black, to initiate U.S. involvement in those programs. The text of the speech is in *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1965*, pp. 394–399.

To generalize, the Cabinet sessions this year reveal a readiness of the two countries to proceed from focus upon bilateral problems to mutual consideration of joint and multilateral opportunities for improving the world economic community, i.e. by examination of the liquidity problem and mobilizing increased aid resources for the less developed countries.

Dean Rusk[4]

[4] Printed from a copy that indicates Rusk signed the original.

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54. Memorandum Prepared for the 303 Committee

Washington, July 13, 1965.

[Source: Department of State, IRN/IL Historical Files, 303 Committee Special Files, 5412 Files, 303 Committee. Secret; Eyes Only. 7 pages of source text not declassified.]

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55. Memorandum From the Ambassador to Japan (Reischauer) to Secretary of State Rusk[1]

Tokyo, July 14, 1965.

SUBJECT

Our Relations with Japan

Background

It is obviously of vital importance to the United States that the relationship with Japan be maintained and strengthened so that (a) the

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 1 JAPAN–US. Secret. In a covering note, Reischauer stated that he wrote the memorandum at McNamara's suggestion. Copies were sent to Ball, William Bundy, McGeorge Bundy, and Rostow. A copy of the memorandum indicating it was sent to McNamara is in the Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 3717, 092 Japan.

Japanese industrial potential does not drift to the Communist side or into a position of neutrality, (b) our bases in Japan and the Ryukyus and Japan's industrial back-up facilities continue to contribute to the defenses of the Far East, and (c) Japan plays a growing role in the economic development of the free countries of East and South Asia and eventually contributes to their political stability and security. It seems equally obvious that it is in Japan's economic and security interests to maintain a close relationship with us and to contribute to the stability and economic development of the free nations of Asia.

This is realized by the leadership of the ruling Liberal-Democratic Party, but the relationship with us and Japan's contribution to the free countries of Asia have hitherto been limited by the violent opposition of determined Communist and fellow-traveler elements, by a strong Marxist tinge to all Japanese intellectual life, and by prevailing tendencies toward pacifism, neutralism and isolationism, resulting from Japan's bitter experiences in the Second World War. Over the years there has been a slow but steady growth in the voting strength of the Left and a corresponding erosion of the position of the Liberal-Democratic Party. The Left has counted on this to bring them in time to political power and has aimed specifically at 1970 (the first year that the United States-Japan Security Treaty can be denounced by either side) as the time to break Japan's defense relationship with the United States. The Left has also counted on mounting nationalistic concern over the American administration of the Ryukyus as a major weapon with which to attack the ruling party and break the special Japanese relationship with the United States.

Basic trends over the past few years, however, have indicated that the Left would probably be frustrated in these intentions. Galloping economic growth, relaxing political tensions, growing understanding of the realities of the world situation, and declining confidence in the validity of Marxist dogma all have served to stem the erosion of the position of the Liberal-Democratic Party and to strengthen the relationship with the United States. Until this past January it appeared that these favorable trends would have so progressed by 1970 that the threat of the Left would have faded and the problem of the Ryukyus could be held to managable levels until public opinion in Japan was ready for a fuller military alliance with the United States that would obviate the necessity for the special status of the Ryukyus. It therefore seemed a safe policy for the United States to drift with the favorable currents, encouraging their flow to the extent that this could be done without running the risk of stirring up counter currents.

The Problem

The violent popular reaction in Japan since January to the Vietnamese situation has invalidated these earlier optimistic estimates.

Even conservatives in Japan are much worried about the possibility of a major U.S. defeat in Southeast Asia and many of them entertain serious doubts about the wisdom of American policies. The general public has tended to be strongly critical of American policies in Viet-Nam and as a result has become much less friendly toward the United States than before. The extreme left, encouraged by this general atmosphere, has returned to the attack on the American-Japanese relationship with renewed rigor. The favorable trends of preceding years were reversed between February and May of this year, and considerable ground was lost in U.S.-Japan relations. Since then the ebb tide seems to have been at least temporarily stemmed, but we cannot expect a restoration of the earlier favorable currents so long as the Viet-Nam situation remains unsettled, and a worsening of the situation (either through a major escalation of the risks of an expanded war or through a serious deterioration of the U.S. position) would unquestionably mean a further loss of valuable ground.

Under these circumstances we can no longer count on favorable long-term trends making the U.S.-Japan relationship fully secure by 1970. Nor can we assume that the Ryukyu problem will remain manageable even that long.[2] This is the most vulnerable point in the U.S.-Japanese relationship, since it brings together the rapidly rising nationalistic feelings of conservative Japanese with the anti-Americanism of the Left. The conservative government recognizes the importance of our Ryukyu bases for the defense of Japan and the stability of the Far East, but if it finds cooperation with us over the Ryukyus too great a liability in domestic politics, it may place the party's political interests over Japan's defense needs. Without the full cooperation of the Japanese Government, the U.S. position in the Ryukyus would probably become untenable, not so much because of local unrest, which probably would be severe, as because of the international repercussions if Japan were to refer the problem to the United Nations or some other international forum. A U.S.-Japan confrontation over the Ryukyus would do incalculable damage to all other aspects of our relationship.

Conclusions

Our basic strategy of riding passively with the favorable currents in our relations with Japan is no longer valid, since these currents have

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[2] In a meeting on July 16 Deputy Under Secretary of the Army for International Affairs John M. Steadman asked Reischauer "how soon a blow-up in the Ryukyus might come, whether it might be in 1970." The latter acknowledged that "1970 was more worrisome to him than before," and expressed his view that the U.S.-Okinawa relationship "cannot be held on present terms for more than two years." (Memorandum of conversation, July 16; National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US)

weakened or even reversed themselves and time is beginning to run out. We need to move forward with the Japanese to a new relationship which will be viable for a longer period of time. Such a new relationship would have to be based squarely on a recognition of resurgent Japanese nationalism, which makes the Japanese public and government increasingly desirous of a more positive role in international affairs and less willing to tolerate any affront to Japanese national consciousness, such as is inherent in American administrative control over the 900,000 Japanese inhabitants of the Ryukyus.

The Japanese Government and the Liberal-Democratic Party are likely to prove responsive to an effort on our part to move ahead to a new relationship. They have witnessed a further erosion of their position this past spring and may feel that they cannot afford much longer to remain passively on the defensive against the renewed attacks of the Left on foreign policy. Hitherto in times of crisis they have sought to minimize their losses by remaining as aloof as possible both from the crisis itself and from the American role in the crisis. But such a policy does no more than slow down the rate of loss of popular support for the party in power. The government may be beginning to realize that the resurgence of nationalistic feeling in the past few years and growing public awareness of the realities of international politics now make possible a more positive and successful answer to the attacks of the Left. A larger and more prominent role in the Free World alliance, particularly if coupled with the elimination of slights to Japanese nationalistic sentiments, could give the Liberal Democratic Party much sounder political footing in its fight with the Left than does its present half-hearted alliance with us and its timid participation in Free World strategy.

Recommendations

Three things are needed if we are to develop this new relationship with Japan:

A. We must take whatever steps we can to lessen present friction with Japan and thus give ourselves further time to work out this sounder new relationship. For this purpose we should pay particular attention to the following points:

1. Insofar as possible, we should take Japanese reactions into consideration in determining our policies in Viet-Nam. For example, we should not forget that the bombing of civilian populations would produce particularly adverse reactions in Japan, whereas our emphasis on negotiations and our willingness to accept a multi-national solution have desirable effects. In particular, it would be helpful if Japan itself could somehow be involved in any international decisions on Viet-Nam.

2. We should minimize our irritants in our relations, such as those in the fields of international air routes, North Pacific fisheries, and trade matters.

3. We should continue to take the greatest precautions to minimize irritations over our military bases in Japan.

4. We should minimize irritations over the Ryukyus by continuing the present policy if increasing local autonomy and by greatly expanding economic aid to the islands. If the Ryukyus were a Japanese prefecture, they would be receiving as aid from the central government something like $50,000,000 over and above the taxes paid to the central government. Combined aid from the United States and Japan at present amounts to less than half of this sum. As a result, educational and social security standards in the Ryukyus fall well below those of Japan. A joint United States-Japan effort to make up this deficiency is imperative. The Japanese Government appears ready to provide its share of the expanded aid program, but, for the United States to provide its part, it will be necessary to revise the so-called Price Amendment, which limits the United States aid figure to $12,000,000.[3]

B. We should make careful preparations for talks with the Japanese Government leading to the new relationship. For this purpose we should pay particular attention to the following points:

1. We should study the possibilities for a new long-term defense relationship with Japan, defining more clearly the defense needs in and around Japan and determining more clearly what the respective roles of the Japanese Self-Defense Forces and the American military should be. In this connection, thought should be given to reducing the frictions of the American military presence in Japan and also to the maintenance in Japan of clearly defensive American units (such as interceptor squadrons) to help justify in the minds of the Japanese public the presence of elements with broader strategic missions (such as support facilities for the Seventh Fleet, attack squadrons, and facilities for electronic intelligence).

2. We should study the possibilities for a closer and more fruitful over-all strategic relationship with Japan. A major element of this re-

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[3] Secretary of the Army Stanley R. Resor supported Reischauer's view that the U.S. must increase the amount of aid extended to the Ryukyus and believed an appropriation of $25 million would suffice for the time being. Resor and his staff viewed Watson's hope for the removal of any ceiling on aid granted to the islands as unrealistic. (Ibid.) The Department of the Army took the initiative in early 1966 to prepare for Congressional hearings on increasing the support limit contained in the Price Act (Public Law 86–629), which provided for economic and social development of the Ryukyus. (Letter from David E. McGiffert, Under Secretary of the Army, to William P. Bundy, February 15; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS)

lationship should be fuller cooperation in the economic development of the free countries of East and South Asia and a consciously achieved balance between United States and Japanese roles in the economic and military fields. In other words, we might give thought to encouraging the Japanese to make up for the limitations to their military role by an expansion of their economic role. At the same time we should be ready to let the Japanese Government take initiatives in the political field which would be helpful to it in its domestic political relations and which might lead, even for us, to useful understandings with the Soviet Union and possibly to some relaxation of tensions with Communist China. In particular we should encourage Japan to take a leading political role in behalf of the free world throughout East and South Asia.

3. We should decide as soon as possible exactly what continuing use we need to make of the bases in Okinawa, just what rights will be necessary for such use, and, in the light of these decisions, what special treaty provisions will be necessary when administrative rights over the island revert to Japan.

C. We should begin to engage the Japanese Government in conversations leading to the creation of the new relationship. These efforts will at first have to be both cautious and tentative, until we are sure of the Japanese response. The following specific steps should be taken:

1. At the next meeting of the United States-Japan Security Consultative Committee, Admiral Sharp and I should present papers on the military and political situation in the Far East which are as frank and meaningful as possible, within security limitations. These should be so framed as to constitute an invitation to the Japanese Government to engage with us in a deeper and more meaningful dialogue on these problems.[4]

2. The same invitation should be conveyed by Secretary Rusk or other appropriate persons if they should have occasion for discussions with Prime Minister Sato, Foreign Minister Shiina, or Secretary-General of the Liberal-Democratic Party Tanaka. (At this stage approaches to other Japanese leaders, many of whom are political rivals of Sato, should probably be avoided.)

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[4] The Security Consultative Committee met at the Foreign Office in Tokyo on September 1. At that meeting Reischauer emphasized Vietnam as symptomatic of the potential situation in the Far East as a whole and the role the U.S.-Japan relationship played in maintaining the stability and security of the region. A summary of the meeting, a record of the discussions, copies of the papers exchanged, and similar information were sent to the Department of State in airgram A–291 from Tokyo; undated. (Ibid., DEF 4 JAPAN–US)

3. After my return to Japan in mid-August[5] I should discreetly sound out Sato and Tanaka, expressing myself at first in terms of personal opinions, until I have established a surer feeling for their own thinking.

4. If my conversations make progress, I should encourage Sato to go to the United Nations in the autumn and stop off in Washington for further talks with the President and Secretary Rusk. (I have already received an indication from Sato that he might welcome such a suggestion.)

5. Subsequent moves would depend on the outcome of my talks in Tokyo and Sato's talks in Washington but might include visits to Tokyo by Under Secretary Ball or officials of comparable level who would attract less public attention than would full cabinet members.

[5] After performing official duties in Washington in mid-July, Reischauer vacationed and traveled in the United States. He returned to Tokyo on August 22. (Reischauer, *My Life Between Japan and America,* pp. 288–289)

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

Tokyo, July 30, 1965, 1001Z.

361. Prime Minister Sato, through Yasukawa, has twice made it clear to us that he does not question in any way the right of the U.S. to use Okinawa for missions such as yesterday's B–52 attack on Vietnam. At the same time, the Prime Minister has on both occasions also expressed his deep personal concern re the adverse impact this action will have in Japan including the effect it could have on his forthcoming trip to Okinawa.[2]

We are of course in no position to evaluate or question the military or other considerations which dictate that yesterday's B–52 raid take place while these aircraft were at Okinawa, returning to Kadena upon completion of the bombing attack on Viet Cong elements in South Vietnam. We feel compelled however to emphasize that this has given

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 27 VIET S. Secret; Priority; Limdis. Repeated to CINCPAC for POLAD, COMUSJAPAN, Saigon, and HICOMRY.

[2] Sato visited Okinawa from August 19–21.

the left in Japan a sizeable club with which to beat the Sato administration at the very time when the fortunes of the Liberal Democratic Party are at a low ebb. Directly linking Japan (via Sato visit), Vietnam hostilities, and Okinawa in this dramatic manner could provide the Japanese left the key missing element—a sense of direct Japanese involvement—in their current effort to convert Japanese public concern over Vietnam into massive indignation and action against our security relationships with Japan including the Okinawa base.[3]

We recognize that military considerations may be overriding but there are major political reasons in terms of our relations with Japan for avoiding further B–52 raids from Okinawa if we have this option. Repercussions from such raids could be extremely damaging not only in terms of Japanese public opinion but also in terms of GOJ's strength and its attitudes toward us to the detriment of our overall position in the Far East.

Emmerson

[3] According to reports from posts in Japan, reaction was limited to left-wing political parties sending protest delegations to the Embassy to register their opposition. (Telegrams 371, 388, and 423, July 31, August 2 and 4, respectively; all ibid.; also airgram A–6 from the Consulate in Fukuoka, September 13; ibid., DEF 15 JAPAN–US)

57. Letter From the Under Secretary of State (Ball) to Secretary of Defense McNamara[1]

Washington, July 31, 1965.

Dear Bob:

ISA, the Joint Staff, and our FE Bureau have been wrestling yesterday and today with the question of an appropriate message to Sato or Shiina as to our future plans for the use of Okinawa in B–52 strikes in Viet-Nam. As you know, our use of the Okinawa bases for this

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 27 VIET S. Secret. Attached to an August 2 note from James L. Clunan to Don Christensen (S/S–S), stating that the letter was hand-carried to the Department of Defense and handled informally on July 31. According to a memorandum of a telephone conversation between William Bundy and Ball, July 31, 11:30 a.m., Bundy suggested writing this letter and, after Ball agreed, drafted it for Ball's signature. (Johnson Library, Papers of George Ball, Japan)

purpose is theoretically unlimited, and we do not have a formal obligation even to consult or notify the Japanese. Nonetheless, in the wake of this week's strike and its publicity, we have felt that some form of discussion was required as a matter of courtesy.

Upon reflection, it now seems to me that the issue runs very much deeper than the immediate issue of what we say to the Japanese. The real question is how much we in fact need to use the Okinawa bases in the next few months for strikes. (I should say that I leave to one side the question of the use of Okinawa for tanker operations, which would not be likely to lead to publicity and which we believe can continue in any event.)

In our judgment, recurrent use of the Okinawa bases, as a practical political matter, will seriously heighten pressures in Japan on the issue of Okinawa generally, and indeed will significantly affect the whole atmosphere of our relations with Japan in every sphere. I do not think these results would necessarily follow if our use of Okinawa were really confined to emergency-type situations, such as the typhoon relocation that occasioned this week's strike, but I do believe that we must take a very hard look indeed before we get into a situation where the use of Okinawa would in fact be frequent.

I base these conclusions not only on the Japanese reaction to this week's strike and the Embassy's reports (which I believe are available to you),[2] but on extensive discussions of the whole Japanese attitude on Okinawa with Ed Reischauer over a period of time and particularly during his recent visit here.[3] The plain fact is that, despite the absolutely first-rate performance of General Watson and the presently quiescent state of specific frictions over Okinawa, Japanese feeling on the issue runs very deep indeed, and it is Reischauer's judgment—which we share—that, even without the issue being further aroused, we face a situation where Japan may demand basic changes in our structure and rights in Okinawa within the next two–three years. If we act in such a way as to arouse Japanese feeling markedly, this period may be greatly shortened, and—to repeat—the whole atmosphere of our relationship, already under stress because of differing Japanese popular views on Viet-Nam, would be seriously affected.

In other words, we have to weigh the importance of Okinawa for strikes against Viet-Nam not only against major political factors but against over-all possibilities which could drastically affect the future usefulness of Okinawa from a military standpoint.

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[2] Embassy telegrams discussing this issue are in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 27 VIET S and DEF 15 RYU IS–US.

[3] Reischauer was in Washington to attend the Fourth Meeting of the U.S.-Japan Committee on Trade and Economic Affairs held July 12–14.

All these factors lead me to suggest that you review this matter urgently with the Joint Chiefs, and that we consider it thereafter, at the highest State and Defense levels, with the clear possibility that we shall have to bring it to the President. If participation from State will be helpful to you at any point, please call on us.

Sincerely,

George W. Ball[4]

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

58. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Bundy) to the Deputy Under Secretary for Political Affairs (Thompson)[1]

Washington, August 20, 1965.

SUBJECT

Japanese Defense Policy

1. One of the follow-up actions called for under "The Future of Japan," a Basic National Security Policy paper approved by the Secretary in June 1964,[2] is the preparation of a joint State-Defense study "to define more precisely the appropriate missions of the Japanese armed forces which the U.S. should seek". A first draft of such a study prepared in Defense proved to be little more than a compilation of factual material which failed to focus the issues.[3] The need for the study, embracing the size and composition as well as the missions of the Japanese forces, has recently become increasingly clear with the mounting Communist threat in Southeast Asia, the approach of the time when the U.S.-Japan Security Treaty will become subject to termination, and increasing indications that the Japanese Government would welcome, and may by the end of the year itself propose, confidential, high-level discussions of our mutual security interests.

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 1 JAPAN. Secret. Drafted by Fearey, cleared by Berger, and sent through Jeffrey C. Kitchen (G/PM).

[2] Document 15.

[3] Not further identified.

2. We have accordingly prepared in FE the attached paper which analyzes the problem and arrives at a number of conclusions on the position the U.S. should adopt toward the Japanese defense forces. The paper embodies Embassy Tokyo and G/PM staff comments and suggestions and was further reviewed and concurred in by Ambassador Reischauer when he was here August 11–12. If on reading it you agree that the paper represents a sound approach, I suggest that you present it in the Thompson Strategy Group with the recommendation that, after consideration by the Group, the JCS be asked to comment on it preliminary to the development, by a fall deadline, of an agreed U.S. definition of the most desirable (from the U.S. point of view) missions, size and composition of the Japanese defense forces over the next 5–7 years. I suggest that the JCS also be asked to comment, in light of paragraph 19 of the paper, on the desirability and feasibility of enlarging the defensive role of U.S. forces based in Japan.

Attachment

August 20, 1965.

JAPANESE DEFENSE POLICY

1. It has been the U.S. official as well as public view since soon after the Korean War that the Japanese forces buildup has been too limited and too slow; that the U.S. should seek to persuade the Japanese to accelerate the development of more modern and larger forces for more complete and effective home defense and the assumption by Japan of its proper share of regional security responsibilities; and that with the growth of national pride and ambition the Japanese would probably themselves increasingly desire larger forces and a more active military role.

2. The Japanese defense forces have developed steadily in recent years but remain very small in comparison with those of other major powers. Reawakening Japanese national pride and desire for international status appear not to have significantly increased Japanese interest in larger forces or a Japanese overseas military role. If U.S. policies toward Japan's defense effort have been sound, they have at the least been of limited effectiveness. Perhaps the policies themselves have been too much based on longstanding habits of thought within the U.S. Government, resentment over the small proportion of GNP increasingly prosperous Japan devotes to the common defense, and desire to sell military equipment to Japan. A new look at the matter seems in order as the requirements of the Southeast Asian situation mount and the

date when the U.S. and Japan must reconfirm, alter or terminate their Security Treaty relationship approaches.

[Omitted here are sections A. "Buildup of Japanese Home Defense Forces" and B. "Adequacy of Japanese Forces in the Face of Current and Prospective Threats."]

C. Japanese Attitudes on Defense Questions

12. These continue to be mainly governed by (a) lingering anti-military sentiments growing out of Japan's disastrous war experiences; (b) doubt of the practical value of large Japanese forces—in view of the lack of any clear threat to Japanese territory, U.S. treaty commitments to Japan, and the desire to build friendly relations with neighboring, formerly occupied countries; and (c) reluctance to accept the cost of sizeable forces. With the passage of time, initial suspicion and disapproval of the small, slowly growing Self-Defense Forces has given way to acquiescence and grudging approval but little active pride or enthusiasm.

13. For some time it has been expected that growing national consciousness and desire for international status would render the Japanese increasingly reluctant to rely on the U.S. for their security, and more disposed to build up their own forces. It is becoming increasingly clear that this is not happening. The JFY 1965–66 defense budget, submitted by the reputedly more defense-minded Sato and approved last March by the Diet, barely covers rising costs of the existing establishment, with minimum amounts for force improvement, as in JFY 1965 and 1964. While there is evidence that anti-military sentiments are continuing gradually to decline, there appears to be no greater disposition than in the past to replace or supplement the U.S. deterrent with expanded Japanese forces. Public attention remains firmly fixed on economic gains. Developing national pride has led to increased demands for "independent" Japanese foreign policies, but neither this desired independence, the mounting scale of Communist aggression in Viet-Nam or the deteriorating situation in Indonesia has significantly altered Japanese defense policy, which remains basically unchanged from the Fifties.

14. The CCNEs have had limited impact in Japan, long accustomed to the nuclear weapons of its traditional enemy, the USSR. Some Japanese have been influenced by them to favor an expanded Japanese defense effort including nuclear weapons. Sato has privately expressed such views and the JFY 1966–67 defense budget, the first prepared by a cabinet of Sato's own choosing, may noticeably reflect them. But the general reaction has been largely undisturbed, with no disposition to turn from butter to guns. With their strong cultural affinity for Mainland China; knowing that for better or worse Mainland China's

vast population will be only a few hundred miles away forever; doubting that Peking, whatever its political ambitions, intends to attack Japan; and hoping still that Japan can some day play a leading role in the development of Mainland China, most Japanese are determined to avoid the development of a confirmedly hostile attitude between Japan and China. A picture of China and Japan pointing nuclear missiles at each other, against which neither (but especially confined Japan) could effectively defend, has no appeal. This attitude could change as the Chicom nuclear capability and Japanese nationalism grow; but the prospect now appears to be continuing efforts to preserve a tolerable, hopefully cooperative relation with Communist China, under the U.S. nuclear umbrella, not to build up forces against it.

15. Elements in the U.S. may at some time question the wisdom of maintaining U.S. defense commitments to a Japan which refuses to view the Chicom aggressive threat in the terms we do. If Japan, even while continuing to withhold diplomatic recognition, persists in seeking friendly, productive relations with a Communist China which has become even more hostile toward the U.S. than at present, a situation could develop comparable to the one we now face with Pakistan, whose rapprochement with Communist China is leading an increasing number of Americans to question our continued defense commitments to Pakistan. This danger is receiving and should continue to receive close U.S. and Japanese Governmental attention.

D. U.S. Fundamental Interests Respecting Japan

16. The success Japan has achieved in its concentration on economic growth and improved living standards has been a major Free World gain, both for the proof it has provided of the workability of free political and economic institutions in an Asian environment and the contribution a burgeoning Japan has made to Free World economic strength. Continued conservative, strongly Free World oriented leadership in Japan depends on the maintenance of a high growth rate and rising living standards, including costly improvement of public services (roads, parks, harbors, sanitation, etc.), neglected for decades. A substantially larger Japanese defense effort would divert resources from such politically important Japanese domestic programs and overseas (mainly SEA) non-military aid, both directly in U.S. interest.

17. With Japan's defense effort only 1.1% of GNP, even doubling of that proportionate effort would leave substantial resources for these purposes. But as long as Japanese public attitudes on defense policy remain essentially as at present, any government which proposed a sharp expansion of defense expenditures would risk its early replacement, in all probability by a more neutralist government less likely to ensure Japan's continued, effective Free World alignment. U.S. interest in Japan's remaining an active political and economic Free World

associate is far greater than our interest in the contribution expanded Japanese forces might make to Free World military strength. And while Japan's peaceful postwar regeneration appears genuine and deep-rooted, we cannot exclude the possibility that we would live to regret the re-establishment of powerful Japanese forces at home and overseas. It is too early to conclude that a nation which has glorified war to the extent Japan has will not turn in that direction again. Nor should we overlook the fact that, seeking the most efficient and economic means to achieve powerful forces, a growing number of Japanese might be tempted by the nuclear route.

18. As earlier noted,[4] the greatest threat to Japan, and thus to U.S. interests in Japan, is not that of military attack by any nation but of a deterioration in the general climate of security and economic well-being in the Far East which would leave Japan more and more isolated in a hostile environment, strike at its trade with other Far Eastern nations, and threaten its trade routes with the rest of the world. Faced by this threat, and considering the political obstacles at home and abroad to a much expanded Japanese military effort, Japan's major contribution to Free World security would appear to lie in the economic area, with U.S. influence directed not to acceleration of the Japanese defense buildup but to expansion of Japanese South and Southeast Asian economic aid and investment. As the Japanese become more involved economically with other Far Eastern nations they will tend to become more involved politically, which could lead in time to defense involvement as well. But that must develop spontaneously. There is little evidence that absence of U.S. pressure would significantly reduce the pace of the Japanese defense buildup, which over the years has proceeded at its own rate, influenced much more by domestic Japanese political considerations than by our urgings. The fact that our pressure is likely to become less rather than more effective as Japanese national independence and self-determination grow is added reason for not attempting to exert it.

19. There is another reason why we should consider carefully before pressing the Japanese to accelerate their defense effort. It may not be in our interest that the Japanese become exclusively and completely responsible for home defense, leaving the U.S. with no defense role in Japan. Retention of a real defense role for our Japan-based forces is important in justifying the U.S.-Japan security relationship to Japanese skeptics, in maintaining the credibility of our strategic commitment to

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[4] Discussed in paragraphs 5–11 of this paper. This paragraph, as well as paragraphs 19 and 20, mirror the viewpoint of the Embassy in Japan. (Letter from Earle J. Richey, Acting Counselor of Embassy, to Fearey, June 9; National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 1 JAPAN)

Japan, in providing cover for the counter-offensive, intelligence and other activities our Japan-based forces fulfill, and in preserving our influence in Japanese defense planning now that Japan MAP has been terminated.

20. Finally, we should stop judging the adequacy of the Japanese defense effort by the proportion it represents of GNP. This standard has no military validity; the adequacy of a defense establishment should be judged against the threat which it is meant to counter, not against the percentage of income applied to it. Moreover, the percentage of GNP standard does not have the significance in Japan which it might in a country with a relatively static GNP. Although the percentage of GNP devoted by Japan to defense has not gone up in recent years, the defense budget rose between JFY 1961 and JFY 1965 from $510 million to $860 million. This sizeable increase should not be downgraded because the economy grew during the period at so rapid a rate.

21. Looking objectively at our fundamental interests respecting Japan in the late Sixties and early Seventies one might arrive at the following conclusions:

a) Japan's practical ability to act will be much greater in the economic field than in the military field. We should look to Japan for a much expanded economic contribution and worry less about its military contribution.

b) The Japanese defense effort will be decided by what the Japanese think they need; our ability to affect the issue will remain minimal. We should continue to seek to influence their defense planning in mutual defense consultations, once we have clarified our own ideas on the subject, but we should not make this such a major undertaking as to cut across our other interests.

c) If we make it plain to the Japanese that we will not exert pressure for military expansion beyond what they themselves think desirable this may give us greater leverage in encouraging them to put out greater efforts in the economic aid field.

E. Desirable Size and Structure of Japanese Forces

22. Japanese forces most in Japanese and U.S. overall interest during the remainder of the decade would seem to be high-quality air and naval units, of approximately the present total size, to deter or repel probing incursions or limited blockade or attack, supported by ground forces clearly inadequate for defense against major attack but capable of ensuring internal security, including the security of U.S. bases, and of serving as a basis for possible later expansion for an overseas role. This pattern would involve acceptance of current low army manning levels (140,000) and assignment of any resources thus saved to modernization of the ground forces, modernization and possible expansion of the air and maritime forces, and formation of organized reserves,

now completely lacking. The objective would be Japanese forces able to deal decisively by themselves with minor encroachments or attacks; clearly dependent on U.S. forces to deter major attack; and capable of eventual expansion for overseas service, if and as political attitudes in Japan and abroad alter to permit this, almost certainly not before the next decade.

23. Such forces might include units trained for UN peacekeeping operations, the most promising initial form of Japanese overseas military activity. Japan has military attachés abroad, and the Japanese Government might even now be prepared to place at the Secretary General's disposal such attachés located near trouble areas. This might provide the opening for dispatch, possibly as early as 1967 or 1968, of small Japanese forces to police boundaries and perform other peacekeeping functions but not, for an indefinite period ahead, to join with other Free World forces in anti-Communist, Viet-Nam-type combat operations.[5]

24. Due primarily to the attractions of industrial employment and the dwindling farm population (the traditional source of army manpower), the number of applicants for the GSDF fell, despite aggressive recruitment efforts, to 89,000 in 1963 and 69,000 in 1964, compared with 150,000 in 1962 and an average of 200,000 over the preceding 10 years. Because of this shortfall, actual GSDF strength has remained over the past three years at about 85% of authorized strength—140,000 instead of the authorized 171,000. While the GSDF continues normally to consist of 13 divisions, some divisions are at only 50–60% of strength; available manpower is sufficient for only 9 full-strength divisions. Conscription, or even withdrawal of the right of all Japanese servicemen to leave the forces any time they wish, including time of prospective or actual combat, is politically infeasible.

25. A Japanese Government decision to stabilize the GSDF at 140,000, or even a Japanese initiative to reduce it to 130,000 or 120,000 to achieve better balanced overall forces against the threats facing Japan, would therefore be a less radical change than might at first appear. Since nearly 80% of GSDF funds go for personnel expenditures, reduction to 130,000 or 120,000 would free substantial resources for army equipment modernization and diversion to the air and maritime forces, assuming that the Government did not divert the resources to

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[5] As the Embassy pointed out in its letter to Fearey of June 9, there appeared little or no possibility of military use of Japanese troops in the foreseeable future. Not only was extensive legislation needed before Japanese troops participated in any military actions, but also "the members of the Self Defense Forces serve only under a contractual arrangement, and there is no legal way for officers to compel their men to fight; the spectre of Japanese troops politely refusing to go into battle, and turning in their resignations instead, would be too much for the government to risk!" (Ibid.)

other purposes. It is pertinent to note that the UK, admittedly possessing a far larger navy and air force than Japan and a nuclear capability, maintains only 80,000 troops in the British homeland—though another 47,000 on the continent of course contribute, with other NATO forces, to British home defense. And not to be forgotten is the economic contribution which released GSDF personnel could make to the Japanese economy, key sectors of which are suffering labor shortages.

F. Conclusions

26. a) The experience of recent years, during which a substantial revival of Japanese national feeling and the CCNEs have occurred without significantly altering Japanese public attitudes on defense questions, indicates that Japan will not greatly expand its home defense forces during the remainder of the decade but will continue gradually to improve their qualitative capacity to deter and repel hostile incursions and limited blockade or attack.

b) The U.S. should continue to support such improvement. It should also continue to encourage Japan to rely on the U.S. deterrent for security against major attack. Additionally, it should make clear to the Japanese Government that although we remain ready and anxious to sell military equipment to Japan, and to consult with and advise the Japanese Government on defense planning questions, we consider the size and composition of Japanese forces a matter for Japanese decision free of any form of U.S. pressure.

c) Japanese public attitudes, combined with continuing fear abroad of a revived Japanese militarism, will continue at least into the early Seventies to prevent a Japanese forces contribution in Southeast Asia, Korea or the Taiwan Straits. These attitudes will alter only through the force of events and through political maturation in Japan and abroad. The U.S. should seek discreetly to foster this political maturation, recognizing that U.S. pressure, as opposed to free exchanges of information, views and experience, will slow rather than hasten the process. Japanese contributions to UN peacekeeping operations may become feasible within two or three years.

d) In discussions with the Japanese concerning the composition of their forces the U.S. should:

(i) support modernization of all three services to give Japan high quality forces on the Swedish model with a sizeable ready reserve—a hard nut to crack by any means short of major attack and a sound base for possible later expansion for overseas service;

(ii) acquiesce in the Japanese Government's apparent intention to maintain an active ground force of only 140,000, deferring efforts to achieve the authorized 171,000 strength until Japanese public thinking favors larger forces;

(iii) offer no objection should the Japanese Government wish to reduce the active ground force to 130,000 or even 120,000, provided

that the resources saved are devoted to modernization of the ground forces, modernization and possible expansion of the air and maritime forces, and formation of organized reserves;

(iv) favor maintenance of the existing under-strength, 13-division army structure to facilitate possible later expansion;

(v) emphasize Japanese air defense, minesweeping, ASW and escort capabilities, because of the importance of these capabilities to Japanese home defense (including effective U.S. wartime use of Japanese facilities) and because such forces (except air defense) are likely to constitute the most feasible initial Japanese overseas military contribution, aside from peacekeeping forces.

e) The U.S. position, in brief, should be one of readiness to consult to the limit by security considerations with the Japanese Government on defense planning questions; of welcoming larger, higher quality Japanese forces and the assumption by Japan of overseas military responsibilities as soon as public attitudes in Japan and abroad permit; of seeking discreetly to foster the necessary development of those attitudes; but of refraining from pressures of any kind on the Japanese Government to move faster in these directions than it considers feasible and desirable in Japanese national interest.

f) Every effort should be made as recommended in the Committee of Principals document "Japan's Prospects in the Nuclear Weapons Field: Proposed U.S. Course of Action"[6] to discourage Japan from attaining an independent nuclear weapons capability.

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[6] A working group within the Committee on Nuclear Non-Proliferation, chaired by Llewellyn E. Thompson and composed of members from the White House, Departments of State and Defense and CIA, completed and distributed the report on June 15. The study was commissioned to determine whether Japan would embark "quietly without public knowledge" on a program of nuclear weapons development and, if so, how the United States could intervene to prevent that action. The report concluded that Japan would be capable of producing nuclear weapons and delivery systems by the early 1970s and recommended the U.S. take steps to influence Japan's defense policies in non-nuclear development. The report and supporting documentation are ibid., DEF 12 JAPAN and Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 3717, 471.6 Japan.

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

Tokyo, August 25, 1965, 0913Z.

690. 1. Visit of PriMin Sato to Okinawa Aug 19–21 likely will have fundamental influence on U.S.-Japanese relations in connection with Okinawa. Decision to make visit in itself implied GOJ willingness face issue more directly than hitherto. Dramatic events of evening August 19,[2] however, threw spotlight specifically on reversion question in manner which makes it impossible for GOJ either to sweep it back under rug or to leave it for opposition to exploit. This is first time top leadership of GOJ has had personal contact with actual conditions in Okinawa and preliminary indications are that Sato and Cabinet believe there is need for progress in Japanese positions and actions. As put by Yamano, Director Special Areas Liaison Bureau, who accompanied Sato, GOJ has come to believe that there is "gap" between desires and hopes of Okinawans for reversion and actions taken so far by GOJ for economic assistance. Basic problem facing GOJ, according to Yamano, is how to fill in this gap, bearing in mind GOJ realization of importance of Okinawa base to security of Far East and Japan, recognized difficulties which stand in way of separating base rights from administrative control of islands, and assumption that full reversion cannot be accomplished in near future. If this gap is not bridged, he believes, opposition in Okinawa and Japan will increasingly capitalize on reversion issue to detriment of position of Democratic Party (DP) in Okinawa and of Liberal Democratic Party (LDP) in Japan.

2. Demonstration evening of August 19, although it was regarded in Japan as regrettable impoliteness to PriMin on his initial visit and although leftist instigation was generally recognized, was nevertheless looked on as genuine expression of serious Okinawan wish to have administrative control of their island returned to Japan as soon as possible. Prior to Sato visit, Japanese public had acknowledged desirability of reversion and had approved GOJ's efforts toward this ultimate objective. They had not, however, appreciated extent and intensity of reversion sentiment in Okinawa until it was demonstrated by attitude of

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 7 JAPAN. Confidential. Repeated to HICOMRY, Department of the Army, and CINCPAC for POLAD. Additional information pertaining to the Sato visit to Okinawa is also contained in this file.

[2] Reference is to pro-reversion demonstrations on the first day of Sato's visit to Okinawa. These demonstrations resulted in often violent confrontations between participants and local police.

people in general as well as by outburst. Moreover, emphasis by Okinawa reversion council during Sato visit on fact that Okinawa has been under foreign military occupation for as long as 20 years seemed to intensify Japanese appreciation of reversion sentiment and of need for GOJ to do something about it.

3. Sato has decided establish cabinet council concerned with Okinawa. This will consist of Foreign Minister, Finance Minister, Local Autonomy Minister, Agricultural-Forestry Minister, Welfare Minister, Education Minister, Chief Cabinet Secretary and Director General PriMin's office. Council is to be formally approved at cabinet meeting August 27 and to have first meeting same day.

4. GOJ feels more than ever that November elections for Okinawa legislature will be crucial. Sato therefore desires complete action on Japanese aid for Okinawa for next year far enough before elections to permit full use in election campaign. Separate message will be sent on aid as soon as details are known.

5. Effect of visit to Okinawa on Sato's personal prestige and LDP position is also important aspect. On favorable side, visit was considered by public as appropriate thing for PriMin to do and proper expression to people of Okinawa of homeland sympathy and interest in their affairs. PriMin's speeches and general conduct of visit have met with favorable comment. Principal adverse factor has been Sato's decision remain overnight at military guest quarters when demonstrators surrounded his hotel. Preponderant feeling has been that PriMin should have met demonstrators. In any event, his return to military base has been widely criticized as lacking in political astuteness. Members of his party, in radio and TV appearances, have gone to great lengths to explain away situation but unfavorable attitude on this point remains.

6. Present indications are that Sato and immediate advisors are approaching Okinawa question with caution and are well aware its potential seriousness. Chief Cabinet Secretary Hashimoto, according press, rebuked Local Autonomy Minister Nagayane at Aug 24 cabinet meeting (Sato absent) for reportedly having told press he endorsed proposal to take reversion question to United Nations in search for early solution. PriMin's Special Assistant for Foreign Affairs Moriyuki Motono Aug 24 told Emb offs that GOJ must adopt policies on Okinawa issue which would enable it win support of "healthy" nationalism in Japan and prevent opposition's monopolizing Nationalist sentiment on this issue. Like Yamano (para 1 above), Motono asserted that economic assistance no longer sufficient to meet GOJ domestic imperatives on Okinawa issue, and reversion question could "no longer be ignored," even though early full reversion not expected. He seemed to imply that image of greater effort and some progress were needed, not necessarily spectacular concrete results.

7. It is too early for GOJ to have reached any conclusions on actions it may propose to fill alleged "gap" between aid and reversion sentiment. We must nevertheless be prepared for GOJ wish to discuss this question in terms that will be meaningful to Japan.

Reischauer

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

Tokyo, September 4, 1965, 0416Z.

818. 1. In discussions during my recent visit to Washington,[2] it was agreed that it would be desirable to sound out Japanese leaders cautiously to see if they felt ready to explore more deeply with us future of American-Japanese relations in hope that effort would lead to stronger, more fruitful relationship at this time of heightened tensions and would avoid certain looming problems. For this purpose, presentation I made at Security Consultative Committee on Sept 1 included clear indication that we would welcome fuller dialogue on whole spectrum of our mutual security problems (see Embtel 773).[3] On preceding day I also tried to draw Prime Minister Sato out in private conversation with him, following courtesy call with Admiral Sharp.

2. I pointed out to Sato that climate of US-Japan relations has been stagnant or deteriorating over past few months, primarily because of widespread popular criticism in Japan of US actions in Vietnam and opposition to our use of bases in Japan and Ryukyus for any purpose in any way connected with war in Vietnam. I made plea for GOJ to recognize that preventing victory of Communists in SE Asia was as much in Japan's interests as US. I hoped GOJ would begin take public position in Japan in support of US not simply on grounds Japan tied to US by security treaty, but on basis Japan's own safety and need for

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

[2] Reischauer visited Washington from August 11–12.

[3] Telegram 773 from Tokyo, September 1, contained a report of the discussion on Vietnam and the U.S.-Japan security relationship during the Sixth Meeting of the Security Consultative Committee held at the Foreign Office in Tokyo. Japan was represented by Shiina and Director General of the Japanese Defense Agency Matsuno and the U.S. by Reischauer and Admiral Sharp. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL 23 JAPAN)

peaceful and friendly SE Asia. I suggested that we might begin serious discussions aimed at identifying Japanese and American interests and determining how we could best cooperate. I also carried out instruction in Deptel 516,[4] pointing out need for expanded economic assistance to Vietnam to build up economy and care for refugees.

3. Sato's reactions throughout, as in other conversations since middle of last spring, were basically evasive. On Vietnamese aid he indicated GOJ would consider specific concrete proposals (such as humanitarian aid to refugees, dams, electrical generating plants, etc.) when they came up but was not ready at this time to discuss generalized problem of long-range assistance to Vietnam. He based this position on alleged Asian inability to understand economic aid to build up a country at a time when war was going on. Implication was that he felt overall aid program could not be discussed until it could be completely disassociated from American prosecution of war in Vietnam. On subject of Japanese public opinion, Sato admitted press gave slanted view, but asserted that majority of Japanese people supported us and only "Socialists and Communists" opposed. He then suggested that unfavorable Japanese public attitude toward US was caused by economic problems such as civil air negotiations, fisheries dispute, and cotton and wool textiles. He added hope US would treat Japan on same basis as Canada. (He obviously had economic matters only in mind in this statement.)

4. I replied that relationship such as with Canada or perhaps more appropriately as with Germany would be highly desirable, pointing out that these countries gave strong governmental and public support to our mutual defense needs.

5. This initial approach to Sato was disappointing because he clearly wished to avoid at this time serious exchange on mutual interests and security problems. From other things he has been saying, I believe his thinking is that GOJ over next three months faces serious political problem in Diet fight over ratification of Korean treaty and therefore all other problems should be soft pedaled until this safely out of way, by which time he may expect Vietnam situation and state of public opinion in Japan will also have improved. I would agree that any public debate of US-Japanese relationship is undesirable at this time, but I feel that this should not inhibit confidential exploratory conversations. Real question I believe is whether Sato will be ready for serious examination of problems even after ratification of treaty. I propose to continue discreet soundings with leaders close to Sato and others with influence in Liberal Democratic Party with a view to

[4] Not found.

testing how much support there may be in party for more forthright stand on Japan's relationship with US and its interests in Far East. My soundings might also help lay groundwork for fruitful talks this winter. Message I gave at Security Consultative Committee meeting was clearly understood, I am sure, and Yasukawa, Director of North American Bureau of Foreign Ministry, who was present at talk with Sato, in subsequent conversation appeared to agree with advisability of serious talks regarding our overall relationship and told us he had reported fully on Sato conversation to foreign minister.

Reischauer

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61. Editorial Note

In September 1965 Prime Minister Sato began working behind the scenes to promote a negotiated settlement to the Vietnam conflict. Sato supported a journey to South Vietnam and the United States by Toshikazu Kase, former Japanese Ambassador to the United Nations, intended to elicit a clearer picture of the United States' role in Southeast Asia. Since retiring from the Japanese foreign service, Kase, a strong supporter of U.S. policy in Vietnam, was active as a writer and television commentator. Accordingly, the United States supported Kase's visits to Saigon and Washington based on the hope that upon his return to Japan he could educate the Japanese public and policymakers about the situation in Vietnam and engender support for American actions there. Kase met with Ambassador Henry Cabot Lodge in Saigon and with Secretary Rusk and Assistant Secretary Bundy in Washington.

Similarly, in late January 1966, Prime Minister Sato sent Masayuki Yokoyama, a retired diplomat, on a mission to several European and Asian capitals to meet with North Vietnamese diplomatic representatives in an attempt to foster support for a peace conference on Vietnam. Some officials of the Japanese Foreign Office as well as Americans at the Embassy in Japan questioned the choice of Yokoyama as a suitable representative. Already in his 70s and retired since 1941, Yokoyama lacked contemporary political or diplomatic contacts and influence. Little was expected and little was achieved from his endeavors.

In addition to special envoys, Japanese diplomats became involved in Vietnam peace efforts. The limited contact began when the Japanese and North Vietnamese ambassadors serving in Moscow began periodic, private meetings to discuss the situation in Vietnam and the

prospects for peace. But after four meetings—in July, September, and December 1966 and in January 1967—the North Vietnamese Ambassador was reassigned and the talks ceased. The Japanese Ambassador attempted unsuccessfully to reestablish the relationship with the new North Vietnamese Ambassador in Moscow. The precedent set by the earlier meetings, however, spurred Prime Minister Sato to try to establish such contact elsewhere. In March 1967 he ordered Japanese Embassies in locations having North Vietnamese representation to attempt to open a diplomatic dialogue. On the whole, the Japanese overtures proved disappointing.

Telegrams, memoranda of conversations, reports, and similar documentation detailing these and other Japanese peace efforts are in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 27 VIET S, POL 7 JAPAN, and POL JAPAN–US.

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

Washington, September 25, 1965.

Dear Bob:

You will recall Ambassador Reischauer's memorandum of July 14[2] in which he analyzed the present situation in Japan and advanced a number of recommendations for a new relationship with Japan, including a new regime for the Ryukyus. The new relationship would take account of the growth of Japanese nationalism, the mounting Communist threat in Southeast Asia, and the widespread desire in Japan for a more assertive stance toward the United States and a more prominent role in the Free World.

I share Ambassador Reischauer's view that we face a changing situation in Japan presenting dangers for United States interests if we fail to respond correctly, and opportunities if we do. I also share his view that our approach should be two pronged—removal of avoidable irritations in our relations, and high-level talks with the Japanese to

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[1] Source: Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 3717, 092 Japan. Secret. The Department of State copy indicates it was drafted by Fearey and cleared by William Bundy, Solomon, Meyers, and Thompson. (National Archives and Records Administration, RG 59, Central Files 1964–66, POL 1 JAPAN–US)

[2] Document 55.

review our common interests in the Far East and to stimulate the Japanese to a larger role in the promotion of those interests.

My colleagues and I intend to do our utmost, in cooperation with other interested agencies, to arrive at agreements with the Japanese on civil air, fisheries, textiles and other bilateral economic issues. We are also working with public and private elements to promote better understanding in Japan of the Viet-Nam conflict and of our common interests there. We intend to explore within the United States Government the possibility of closer financial relationships which would help to sustain a satisfactory economic growth rate in Japan and further to bind Japanese interests with those of the United States. I am hopeful that by early 1966 we will have reduced substantially existing irritations and misunderstandings in US-Japanese relations.

There are a number of matters on which I believe our own views and interests should be clarified before we undertake formal, high-level talks with the Japanese. I suggest that our two Departments complete by late fall confidential studies of (a) the desirable missions, size and composition of the Japanese defense forces in the years ahead; (b) our future requirements in the Ryukyus, including analysis of whether administrative responsibility for the Ryukyuan population could be carried out by Japan without impairing the value of our bases; and (c) the overall US-Japan strategic relationship—political, economic and military—which will best serve our common interests in the Far East. If you agree, our staffs can work out detailed arrangements for these studies.[3]

I believe it would be useful for Ambassador Reischauer to initiate the informal, exploratory conversations with Japanese leaders which he recommends in his memorandum. If you agree, I will authorize him to do so, on the understanding that his own comments in these conversations will be personal and tentative, and will in no way affect the studies proposed above until they have been completed and their recommendations approved. The Ambassador would not bring up the Ryukyus. If the question were raised by the Japanese, he would give them no basis whatsoever for believing that we might be prepared to modify our present controls over the Ryukyuan population.

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[3] The Senior Interdepartmental Group (SIG), a high-level interagency body created in March 1966 to assist the Secretary of State with interdepartmental problems and matters affecting foreign policy, directed the Interdepartmental Regional Group for the Far East to prepare the studies and recommendations. Four studies resulted from the SIG directive: "Japanese Defense Forces," "U.S.-Japan Security Treaty," "The U.S.-Japan Overall Relationship," all issued on May 27, 1966, and "Our Ryukyus Bases," issued on August 24, 1966. Copies of those papers and related documentation are in the National Archives and Records Administration, RG 59, Lot 72 D 139, Country Files.

I have asked Assistant Secretary Bundy to serve as coordinator within the Department of State for the studies proposed above.[4] Some of the conclusions and recommendations of these studies may require approval by the National Security Council.

With warm regards,

Sincerely,

Dean

[4] In an October 11 letter to Rusk, McNamara agreed that the time had come to review and plan for the future of the U.S.-Japanese relationship. He endorsed undertaking the studies presented in Rusk's letter and designated McNaughton to represent the Department of Defense in coordinating the studies. (Ibid., Central Files 1964–66, POL JAPAN–US) Bundy appointed Fearey to represent the Department of State in the joint State/Defense studies. (Letter from Bundy to McNaughton, November 10; ibid., DEF 1 RYU IS)

63. Editorial Note

Between September 27 and October 1, 1965, Ambassador Reischauer and General Watson reviewed a range of problems pertaining to the Ryukyus. Both agreed that the security of the U.S. military presence on Okinawa was dependent on the Japanese fully understanding their own security interests and their role in maintaining stability in Southeast Asia. General Watson announced his decision to change the method of selecting the Ryukyu Chief Executive, who was currently appointed by the High Commissioner. Both the Ambassador and the Department of State concurred that such a change could defuse criticism of United States administration of the Islands and satisfy local desires for more autonomy, at least for the immediate future.

The manner of selecting the Chief Executive was considered within the Department of State over the ensuing weeks, with the merits of two methods discussed: election by the legislature and direct election by the voting population. The Department of State, Department of Defense, High Commissioner, and Ambassador Reischauer all agreed on the former course, on the grounds that it posed less of a risk than direct election by a restive populace. On December 20, President Johnson signed an Executive Order implementing the voting change. General Watson also announced the change in procedure on December 20, an announcement carefully timed to follow the election of the Mayor of Naha and to precede the introduction of a motion pending in the

Ryukyuan legislature providing for the direct popular election of the Chief Executive.

Documents pertaining to the issue are in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS. The text of President Johnson's Statement and Executive Order is in Department of State *Bulletin,* January 10, 1966, page 66.

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64. National Intelligence Estimate[1]

NIE 41–65 Washington, November 26, 1965.

THE PROBLEM

To estimate the political, economic, and foreign policy prospects for Japan over the next two or three years.[2]

CONCLUSIONS

A. Prime Minister Sato's position is probably secure for the period of this estimate. It is unlikely that his conservative majority will shrink significantly in the next lower house elections, which will probably be held in 1966. The major threat to his position is the current business slowdown, but we believe that his administration's fiscal measures and the basic strengths of the economy will prevent further deterioration and permit a modest recovery within a year or so.

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[1] Source: Department of State, INR/EAP Files: Lot 90 D 110, National Intelligence Estimates; Special Intelligence Estimates. Secret; Controlled Dissem. According to a note on the cover sheet, the Central Intelligence Agency and the intelligence organizations of the Departments of State and Defense and of the National Security Agency participated in the preparation of this estimate. All members of the USIB concurred with this estimate on November 26 except the representatives of the Atomic Energy Commission and the Federal Bureau of Investigation, who abstained on the grounds that the subject was outside their jurisdiction.

[2] This estimate supersedes the conclusion contained in NIE 41–63, October 9, 1963; see *Foreign Relations,* 1961–1963, vol. XXII, p. 674, footnote 1.

B. Another major problem for Sato is his identification with generally unpopular US policies in Vietnam. If extremists who now lead the opposition Socialist Party succeed in exploiting the issue to mount mass demonstrations on the scale of those in 1960, Sato might be forced to resign in favor of another, less identifiably pro-US conservative leader. On balance, however, we believe that the leftists will not succeed in removing Sato with these tactics under foreseeable circumstances.

C. Economic conflicts between Japan and the US will remain, but none has so far caused or is likely to cause any serious or lasting damage to a generally friendly relationship, or jeopardize the political stability of the Sato administration. The main problems in Japanese relations with the US will continue to be those of Communist China, Vietnam, and Okinawa. Japanese trade with Peking will continue to increase, though at a less spectacular rate than in recent months. In 1966, Sato will probably extend credit guarantees to cover exports to Communist China. He will seek to avoid diplomatic recognition of Peking as long as possible; but if Peking gained significant further international recognition, he would probably follow suit, hoping that any impairment of Japan's relationship with Taiwan would be temporary.

D. Japan will continue to rely on the Security Treaty with the US for military protection. While some qualitative improvement is in prospect, there is little chance that Sato will press for any major increases in Japan's own defense forces over the next two or three years. He will remain sensitive to public concerns on Vietnam and will continue to oppose the use of Okinawan bases for direct bombing attacks, particularly on North Vietnam. We foresee a growth of Japanese nationalism and self-assurance, which will be reflected in a somewhat more independent policy toward the US on these and other issues, and in a more active political role in general in East Asia.

E. Nonetheless, Japan's initiatives in foreign affairs are apt to be cautious and pragmatic, designed to further its efforts to expand trade in as many directions as possible. Willingness to support plans for development of Southeast Asia will be similarly conditioned; Japan is not prepared to accept US direction on its economic assistance role in the area.

65. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara[1]

JCSM–900–65 Washington, December 23, 1965.

SUBJECT

Future of the Ryukyu Islands (U)

1. (S) Reference is made to JCSM–760–65, dated 16 October 1965, subject: "US-Japan Relations (U),"[2] in which the Joint Chiefs of Staff agreed that the Departments of State and Defense should study US-Japanese relations, including an analysis of whether administrative responsibility for the Ryukyuan population could be carried out by Japan without impairing the value of our bases in the Ryukyus. Because of the strategic importance of the Ryukyus to the US military posture in the Pacific, the Joint Chiefs of Staff have considered separately the future of these islands. The views of the Joint Chiefs of Staff are set forth in the Appendix[3] hereto and their conclusions follow:

a. Reversion of the Ryukyus to Japanese control would degrade the US strategic posture and seriously impair the US military position in the Far East. Exclusive US jurisdiction over the Ryukyus will continue for the foreseeable future to be essential to US and Free World security interests. Recent political problems with Japan over US use of Okinawa in support of Vietnam operations indicate the nature of the difficulties which the United States would likely encounter if the Ryukyus were under Japanese administrative control, even with special treaty provisions. This is particularly true [*1 line of source text not declassified*].

b. In view of the increasingly aggressive posture of Communist China, its growing nuclear capability, and the unsettled conditions in Southeast Asia, as well as in other areas around the periphery of Communist China, it would be premature and unrealistic to attempt to draw up a timetable for returning the Ryukyus to Japanese control.

c. Unilateral US control of Ryukyuan administrative procedures is essential for as long as we maintain major bases there to prevent the

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[1] Source: Washington Nationals Records Center, OSD/OASD/ISA Files, FRC 330 70 A 1266, 092 Ryukyus. Secret.

[2] Not found.

[3] Attached but not printed. This report was to serve as a basic document for an interdepartmental study of the Ryukyu question. (Memorandum from Maurice W. Roche to the Chairman, Joint Chiefs of Staff, February 21, 1966; Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 1266, 092 Ryukyus)

direct imposition of political limitations by another country upon the utilization of our Okinawa-based forces, equipment, materiel, and other resources. Less than full US administrative control of Okinawa would inhibit the operational flexibility of US military forces based there and might directly affect our nuclear capabilities in the Far East. Therefore, any transfer of administrative rights over the Ryukyus to Japan would severely dilute the military value of our Okinawan bases, particularly if there should be a change adverse to US interests in the Government or policies of Japan.

d. Demonstrated Japanese reluctance to share proportionately in Free World defense in the Pacific strengthens the requirement for continued US jurisdiction over Okinawa. Although the United States is exerting pressure on Japan to increase its defense effort, that pressure has not resulted in significant increases in its defense budget or in the scope of its defense mission, and it is premature to anticipate developments in this direction which would decrease the need for continued control of Okinawa by the United States.

e. The political situation appears to have improved somewhat since last July. Japanese officials have gone out of their way, on a number of occasions, to give public assurance of their acquiescence in the continuation of full US jurisdiction over the Ryukyus in order to insure the effectiveness of our military bases on Okinawa.

f. The Joint Chiefs of Staff do not concur in proposals to relinquish administrative authority over the Ryukyus to Japan or to share such authority with Japan. They do agree that the United States should continue to eliminate those restrictions on the private freedoms of the Ryukyuan people which are not essential to the maintenance of the security of US military installations or of the Ryukyus themselves. The United States should also continue to transfer additional functions to the Ryukyuan Government, provided that such actions do not adversely affect US security interests or impair our freedom of military action.

g. The United States should continue to provide economic aid based on the capability of the Ryukyuan economy to utilize such aid efficiently. Increased Japanese economic aid and technical assistance should be welcomed and encouraged. However, the United States should continue to exercise basic control over the Government of Japan's participation in the economic assistance program for the Ryukyus within the context of present US-Japanese agreements on this subject.

h. The United States should continue to use the US-Japan Consultative Committee, now operating under enlarged terms of reference, to accommodate Japan's legitimate concern for her nationals in the Ryukyus.

2. (U) The Joint Chiefs of Staff recommend that the Appendix be approved for incorporation in the Department of Defense portion of the forthcoming studies on this subject.

For the Joint Chiefs of Staff:
John P. McConnell[4]
Acting Chairman
Joint Chiefs of Staff

[4] Printed from a copy that indicates McConnell signed the original.

66. Telegram From Vice President Humphrey to President Johnson[1]

December 31, 1965, 1526Z.

CAP 65968. Eyes Only to President Johnson from Vice President Humphrey. White House pass Eyes Only to Secretary Rusk. No Distribution except Eyes Only Secretary Rusk.

Interim Report Meetings Prime Minister Sato and President Marcos.

1. Japanese Discussion

Meeting with Sato extremely cordial and encouraging.[2] Sato clearly wishes to be of assistance. Eagerly received information relative US efforts to seek negotiations with North Vietnamese and asked permission to immediately publicize data on numbers of meetings Rusk has held plus many US initiatives. Sato also instructed Japanese

[1] Source: Johnson Library, National Security File, International File, Vice President Trip, Far East, December 27, 1965. Top Secret; Eyes Only. Vice President Humphrey visited Japan December 29 as the first stop in his Far Eastern Trip, which lasted until January 2, 1966. He also visited the Philippines, the Republic of China, and the Republic of Korea. Humphrey was part of a high-level team of U.S. officials conferring with allies on the Vietnam war and prospects for a negotiated settlement.

[2] The meeting was held in Sato's office in Tokyo on December 28 from 11:50 a.m. to 12:55 p.m. A transcript of the discussion is ibid., National Security File, Office of the President File, (Valenti, Jack, Memoranda of Conversations—Japan, the Philippines, Taiwan, Korea, December 1965–January 1966).

FonMin in my presence to call upon Soviet leaders in Moscow early in January and to assure them President Johnson wants peace.[3]

Sato plans Japanese effort to assure care for orphans in South Vietnam. Will shortly send Buddhist members of Japanese parliament to discuss with Buddhist leaders South Vietnam matters concerning orphans and refugees. I pressed Sato on Japanese aid to refugees. He said Japan would help. Sato responded favorably to suggestion additional medical teams and doctors be sent to South Vietnam. Probably to work with Buddhists. I suggested Japanese to provide complete medical service for at least one province. However, Japanese Govt will have to try to build up public sentiment so that Japanese doctors will volunteer for such duty. Sato emphasized precarious balance of Japanese Diet on every major issue pointing out supplementary budget was barely passed. Obviously he has difficult parliamentary and public relations problem but wants to do the right thing.

Sato deeply interested in hosting Southeast Asia Ministerial Conference on Economic Development about April even possibly including Indonesia and Cambodia. I strongly urged Japanese leadership in this regional economic development effort, even if discussions had to be bilateral. Sato clearly intends to proceed regardless of Indonesian and Cambodian decisions.[4]

Sato warmly welcomed initiatives on US-Japanese space operations. Obviously eager to cooperate and particularly interested in communication satellites. Would urge immediate followup discussions on space cooperation.

I concluded by underscoring President Johnson's strong feelings about encouraging peace initiatives of any kind. Asked Sato to speak up on US peace efforts and legitimacy of our cause and efforts in Vietnam.

[Omitted here is a summary of Humphrey's discussion with President Marcos of the Philippines.]

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[3] Japanese Foreign Minister Shiina's trip to Moscow had been previously scheduled for mid-January. (Telegram 2316 from Tokyo, January 3, 1966; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 27 VIET S) Shiina visited Moscow from January 16–22. He raised the Vietnam issue with his Soviet counterpart, Foreign Minister Gromyko, on January 20, but was unsuccessful in his attempt to persuade the Soviets to urge North Vietnam to enter into negotiations. Gromyko adopted what was characterized as a "very tough and unrelenting attitude" toward the Vietnam situation. (Airgram A–920 from Tokyo, February 3, 1966; ibid., POL 7 JAPAN)

[4] In addition, Humphrey and Sato also discussed continued Japanese interest in and support for the Asian Development Bank and economic assistance to Southeast Asia. Sato expressed his country's disappointment that Manila rather than Tokyo was the headquarters for the Asian Development Bank, but hoped that the Bank's president would be Japanese. (Summary of Conversations with the Leadership of Japan, Philippines, Republic of China, and Korea, December 28, 1965 to January 2, 1966; Johnson Library, National Security File, Name File, Vice President, Vol. I)

67. Letter From the Ambassador to Japan (Reischauer) to Secretary of State Rusk

Tokyo, April 27, 1966.

[Source: National Archives and Records Administration, RG 59, Rusk Files: Lot 72 D 192, Secretary's Miscellaneous Correspondence. Official–Informal; Top Secret; Eyes Only. 3 pages of source text not declassified.]

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68. Memorandum From McGeorge Bundy to President Johnson[1]

New York, May 23, 1966.

SUBJECT

Future of Okinawa

The relations between the United States and Japan are currently very good indeed. The Japanese officials like to worry about Vietnam, but in fact they are substantially less troubled about it than they were a year ago. It is true that Vietnam gives the Socialists an easy stick with which to beat the United States, but members of the government respond quite well to a reminder that the United States cannot be expected to engage in appeasement or surrender simply in order to solve political problems which the Japanese themselves ought to handle.

Okinawa is a difficult matter. For the immediate future, there is no urgent problem and I do not think a single Japanese newspaperman or public official asked me one question about our base there or the treatment of the Okinawans, but between now and 1968 the situation is sure to change. We have about six months in which to frame a careful and forward-looking policy which will allow us to trade with the Japanese effectively.

In essence, the desirable trade would be one which restored Japanese civil government in Okinawa while insuring explicit Japanese acceptance of whatever military rights we need there. The trick here is

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[1] Source: Johnson Library, Office Files of Bill Moyers, Ryukyus. The memorandum was sent to the President through Walt Rostow and has no security classification. On February 28 Bundy had submitted his resignation to assume the position of President of the Ford Foundation.

that we need nuclear rights in Okinawa and that it will be hard for the Japanese to grant them explicitly. (Right now the question does not arise simply because our military rights are unlimited under the terms of the peace treaty.)

Both the Okinawans and the Japanese will be pressing for full civil government, but as of 1966 it would be very difficult for the authorities in Tokyo to admit that they were accepting nuclear weapons on Japanese soil by their own free choice.

Ambassador Reischauer believes that this circle can be squared if we give the Japanese time and if as a government we are ready with our own position ahead of time. As I understand it, there is agreement already that State and Defense will be working on a new Okinawan policy in the coming months. But over the years experience has shown that State and Defense alone do not do a very good job on Okinawa. The problem tends to remain at a low level in both departments, and at this low level the desires of the diplomats and the military tend to clash with the result that no new agreed policy gets formulated. Like Panama and NATO, Okinawa by its very nature needs to have a White House push.

So I venture to suggest that you might wish to tell Walt Rostow to get his fingers into this one and make sure that you get current and timely information on the progress of the deliberations.[2] There is an additional reason for Presidential interest here because timing may be a quite critical factor in any new decisions on Okinawa, and neither State nor Defense is set up to make the kind of political judgment that a question of timing always presents.

McG. B.

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[2] In a May 30 memorandum transmitting Bundy's letter to the President and outlining its major points, Rostow included three recommendations: a) that he be given responsibility for monitoring the issue for the President, b) that the Departments of State and Defense establish a working group to study the question, and c) that a member of his staff serve in that group. Rostow's memorandum does not indicate whether President Johnson approved those recommendations or initiated any action relevant to the issue. Efforts were already underway, however, to form a joint State-Defense working group and to reevaluate the Ryukyus problem. (Minutes of the Far East Interdepartmental Group meeting, May 25, and memorandum from Robert W. Barnett, June 1; both ibid.)

69. Memorandum From the Assistant Secretary of Defense for International Security Affairs (McNaughton) to the Acting Chairman of the Joint Chiefs of Staff (Johnson)

Washington, May 31, 1966.

[Source: Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 6647, 560 Japan. Top Secret. 5 pages of source text, including attachment, not declassified.]

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

Tokyo, June 14, 1966, 0843Z.

4365. 1. A number of factors have combined to indicate that now is the time to take a careful look at the disposition of U.S. air units in Japan with a view to the situation we desire or expect to see develop over the next five years. Consideration of where we will be five years from now will provide us a framework within which actions can be taken during the intervening period on a planned basis and with an objective in mind.

A. Rational debate on matters of security and defense has become possible in Japan in the last half year to extent that would not have been considered probable previously. Govt and Liberal Democratic Party have begun vigorous campaign to educate people on need for defense. Third CCNE has been significant factor in making people consider, many for the first time, that Chicoms pose actual threat to Japan. While most of this debate has been on conservative side, Democratic Socialist Party has also been involved and even Socialist Party has under consideration a new policy on security that would recognize need for maintaining self-defense forces, and by implication U.S.-Japan security treaty, even after such time as JSP might win power.[2]

B. Rising national pride and self-confidence together with increased interest in defense and regard for self-defense forces have pro-

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 15 JAPAN–US. Secret; Limdis. Repeated to CINCPAC and COMUSJAPAN.

[2] Additional documentation on the U.S.-Japanese dialogue on defense issues and the Security Treaty is ibid., DEF 4 JAPAN–US.

duced indications that Japan will desire, over the next several years, to replace, to extent possible, American military air presence in Tokyo–Kanto plains area with Japanese units. This was theme of recent remarks to Ambassador of LDP Diet member Nakasone, who strongly supported continuation of security treaty after 1960 [*1970*] but stressed rising feeling of national pride dictated that Japan should provide own defense for capital area. Nakasone said that creation of Japanese strike force for mainland targeting was not beyond possibility, and that Japan could afford costs involved. Said that Prime Minister Sato had reacted favorably to his suggestions along these lines, and that he had discussed them with General Harris in Honolulu. Similar ideas were expressed to Ambassador by officials of Foreign Ministry and Defense Agency in private meeting on April 18 (memcon sent Dept, CINCPAC and COMUSJ).[3]

C. Problem of new international airport for Tokyo area has become acute. Foreign Ministry North American Bureau Director Yasukawa told Deputy Chief of Mission that even if decision made to proceed immediately with construction at proposed Tomisato site in Chiba prefecture, it would be ten years before airport could be operational. Embassy officers agree construction time Tomisato would be minimum of 5 years, maximum of ten years, after decision made, which does not seem imminent now because of political difficulties. In meantime, Yasukawa said, Haneda is becoming crowded and will be saturated by [garble—1971?] five years before first date by which he expected Tomisato could be in operation. Emergency expansion of some nearby airfield not now in sustained use did not appear feasible because of interference with flight patterns at Haneda and military fields. Yasukawa said that those in govt concerned with defense did not favor asking U.S. to give up an airfield in Tokyo area or share such a field for civilian use, but that situation may well develop when govt will be compelled to make such a request. Newspapers have reported in last few days that this may be one of matters brought up by Japanese side at forthcoming cabinet level economic conference.

D. Circumstances are about to reduce on-board U.S. air strength in Japan to new low. Itazuke has been on DOB status for several years; most of Marine air strength at Iwakuni has been in Vietnam for some time, and one of two last fighter squadrons has just departed for 60-day TDY in Taiwan; F–100 and F–101 squadrons will shortly leave Misawa for Southeast Asia, which will leave that field with only one squadron of F–100s; with departure of 18 F–105s from Yokota, three remaining understrength F–105 squadrons (18 aircraft each instead of

[3] A memorandum of this conversation has not been found.

24) will be sole major U.S. air units there;[4] other two major fields, Tachikawa and Atsugi (Navy), are used principally for administrative, logistic, transient and reconnaissance aircraft. Only expected additions are possible return of marine squadron from Taiwan after TDY and possible assignment F–102 squadron from CONUS to Misawa late summer.

2. Embassy believes that coincidence of D. above with other three factors make this the time for U.S. Govt to take a realistic look at what air units we expect to have in Japan over next five years, and where they ought to be located. At present we are concentrated in the area of highest population density and political sensitivity around the capital city of Tokyo. There are problems with jet noise, highly desirable land, national image, etc. which are more significant here than in other parts of Japan away from major urban centers. Actions which we might take now or over the next year or two to change this situation would result in helpful public reactions which would in turn pay off in terms of popular attitudes leading up to 1970 period, which will be critical for the continuation of the security treaty. Implementation of the idea that Japan should be responsible for air activities (including primarily air defense) around its capital would be a contribution to the growth of defense-mindeness at a time when attitudes on defense particularly critical.

3. There has been a down trend in the strength of our air units in Japan over the years, occasioned not by demands from Japan but by economy-mindedness on part of U.S. and higher priority needs for air units elsewhere. Our capability for air defense contribution has been small since removal of F–102s in 1964. If trend continues, we may well have no tactical aircraft stationed in Japan five or ten years hence. If this is likely probability, then we ought to begin talking with Japanese soon about effect this will have on need to retain facilities. Even at present time. For instance, Embassy sees no military reasons for considering Tokyo area optimum base for F–105s or similar aircraft, which are targeted against areas outside of Japan, while there are strong political and economic reasons why their being based in this area will be a grow-

[4] The Military Airlift Command (MAC) of the U.S. Air Force planned an extensive expansion of the Yokota base costing an estimated $7 million over 2 to 3 years to transform it into a transit station on the polar air route between the United States and Southeast Asia. MAC Headquarters in Illinois apparently saw the Embassy's suggestion to return the air base to Japan as due, at least in part, to Reischauer's desire "to make some meaningful gesture to the Japanese prior to his departure from that post and return to Harvard." (Letter from Murray E. Jackson, Political Adviser, Military Airlift Command, to Captain Asbury Coward, Politico-Military Affairs, June 10; National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 15 JAPAN–US)

ing liability in the next few years. There are, of course, ample reasons (principally cost of preparing alternative facilities elsewhere) why it is not easy to pick up and move, but we ought to be thinking ahead.

4. Embassy therefore recommends that State–Defense study be begun as soon as feasible on future air posture of U.S. forces in Japan.[5] This should include consideration of degree to which we expect Japan to take over air defense and whether we should try to retain some part of air defense responsibility; what kinds of air units, in addition to air defense units, if any, we want to maintain in Japan as of 1971 and perhaps 1976; what would be optimum location of such units from military point of view; what administrative facilities, including airfields for administrative and logistic use, will be needed, and where should they be located, etc. Study should be done from point of view of military desirability without allowance for costs involved; political and domestic Japanese economic considerations should then be taken into account and, as final step, study should be made joint with GOJ. It would then be for GOJ, seeing our long-term military needs and applying political and economic considerations, to determine relative merits to it of moves from present-held facilities to other ones and costs that would involved therein, which we would expect Japan to bear in proper proportion.

5. Thus to make our long-range plans in conjunction with GOJ would, in Embassy opinion, be far better than allowing long-range policy in the end to be determined by day-to-day decisions made for short-term or operational reasons. Long-range plan, agreed to by Japan, would provide rational framework for solution of locally troublesome problems such as Mito Range, joint use of airports, noise, etc. Moreover, this approach would give us the maximum benefit in terms of impact on Japanese defense thinking and public attitudes towards defense in general and the security relationship with the U.S. in particular.

6. Embassy realizes that matters such as progress of Vietnam war make it difficult to arrive at decisions now on questions five or ten years hence. This should not, however, deter us from doing the best we can and coming up now with the best plan we can make for the

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[5] By June 16 the Department of Defense was actively considering the proposal, and McNamara had requested from the JCS information about the strength of personnel and equipment in Japan and the purposes they served. (Memorandum from William L. Givens to Captain Coward, June 16; ibid; and memorandum from McNamara to the Chairman of the JCS, June 16; Washington National Records Center, OSD/OASD/ISA Files, FRC 330 70 A 4662, Japan 370.02) In addition, a U.S. Air Force study analyzing Japan's air defense capabilities and future development was issued in mid-1966. (Analysis of the Japanese Air Defense with Options for Improvement (1967–1972), July 15; ibid., FRC 330 70 A 4443, Japan 373.24)

future use of air facilities in Japan. To do otherwise may well mean that our future capabilities will be determined by other factors beyond our control, resulting in a lessened value to the U.S. of our air bases in Japan and unnecessary strains in our defense and political relations with Japan.

Reischauer

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71. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara

JCSM–411–66 Washington, June 17, 1966.

[Source: Washington National Records Center, OSD/OASD/ISA Files, FRC 330 71 A 6489, Japan 471.61 Sensitive. Top Secret; handling designator not declassified. 1 page of source text not declassified.]

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

Tokyo, July 2, 1966, 1254Z.

46. Ref Deptel 3687.[2]

1. As instructed by reftel, Ambassador July 1 reviewed with Prime Minister Sato overall U.S.-Japan relationship in light of paper on that subject approved by SIG.[3] Ambassador also informed Sato in detail of

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Secret; Limdis; Priority. Repeated to Taipei for Rusk and Bundy.

[2] In telegram 3687 to Tokyo, June 22, Bundy notified Reischauer that SIG policy papers on U.S.-Japan Overall Relationship, U.S.-Japan Security Treaty, and the Japanese Defense Forces had been approved and that he should begin carrying out the actions they outlined. (Ibid.)

[3] Reference is to "The U.S.-Japan Overall Relationship," May 27. (Ibid., S/PC Files: Lot 72 D 139, Country Files)

our views on security treaty after 1970, as indicated para 13 of SIG paper on treaty.[4]

2. In opening remarks Sato referred to bombing of POL depots in North Vietnam[5] and said although international reaction at this time might not be good, in view of sacrifices U.S. was making in Vietnam U.S. had to carry through with military actions good results of which would be recognized later. Said it was important, in his opinion, to concentrate attacks on military facilities and at same time keep up talk about willingness to negotiate. Ambassador noted preliminary reports show bombing effective and loss of life small.

3. Regarding Ambassador's review of U.S. views on relationship with Japan, Sato said he was impressed by two points Ambassador had emphasized, that Japan is now a world power again, and that U.S. sees American and Japanese national interests as parallel. He agreed completely with this formulation, and said these two ideas formed basis on which U.S. should understand Japan. From the point of view of Japan's being a major country, Sato said he wanted to deal in forthcoming talk with Secretary Rusk in two broad areas:[6]

A. Peace in Asia and in the world, and U.S. relations with USSR, France and England, the major countries of Europe. His implication was that if U.S. really considered Japan one of great powers, he would like to know how our relations with Japan compared with those with other great powers.

B. Vietnam and China, concrete problems which must always come up.

4. Regarding China, Prime Minister said that coordination of policy toward the GRC was very important. He noted that opinion in U.S. on China seemed always in motion, and referred, without being specific, to opinions expressed by Senator Robert Kennedy and Vice

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[4] Paragraph 13 of the paper "U.S.-Japan Security Treaty," May 27, contained a list of recommended actions for Reischauer to implement, namely, to inform Sato of the U.S. commitment to maintaining the treaty without revisions and to request that the Japanese Government declare its intention to renew the treaty. (Ibid.)

[5] President Johnson explained in a letter presented to Sato on June 23 that the bombing raids on rail and road bridges had been resumed to disrupt North Vietnamese supply lines, which had been expanded during the bombing pause in December and January. (Telegram 3691 to Tokyo, June 22; ibid., Central Files 1964–66, POL 27 VIET S)

[6] Rusk visited Japan July 4–7 to attend the U.S.-Japan Joint Committee on Trade and Economic Affairs held in Kyoto. On July 6 and 7 Rusk discussed a broad range of topics with Shiina. On July 7 Rusk went to Tokyo and met with Sato. In addition to visiting Japan, Rusk traveled to Australia, the Philippines, the Republic of China, and the Republic of Korea during his official visit to the Far East between June 25 and July 9. Documentation on Rusk's trip to Japan is ibid., POL JAPAN–US, POL CHICOM–JAPAN, POL JAPAN–KOR S, POL 19 RYU IS, DEF 4 JAPAN–US, DEF 12 CHICOM, E 1 JAPAN–US, and FT 1 JAPAN–US.

President Humphrey. He said, however, that he realized that U.S. policy was not changing and that President Johnson had told him, when they met last year, that U.S. policy was not going to change.

5. Concerning Vietnam, Sato expressed gratification that although Japan was not militarily engaged in that conflict U.S. had kept him well informed of developments there. Noted that no chance for peace should be neglected and perhaps such chances had to be made, not waited for. Said great powers often thought to have primary responsibility for maintaining order but he thought that the other side, even though much smaller, also had a responsibility. Both sides shared responsibility for getting together for solution of war, and he repeated his earlier statement that U.S. should keep up the bombing and at the same time show a "gentle face."

6. Sato said he thought he and Secretary should discuss Chirep and share voting estimates, and consider whether "Important Question" was one more way to get over this problem.

7. Prime Minister said Japan's basic attitude towards the Ryukyus and Bonins had not changed, and was one of understanding and cooperation with U.S. However, he referred to current controversy over removal of two cases involving validity of HICOM ordinances from Ryukyuan courts to USCAR courts and asked whether U.S. could not do something about matters like this, which were not questions of procedure but of substance. U.S. actions in these cases appeared arbitrary to him, and he thought matters concerning taxes and elections ought to be left to local authorities for solution.[7]

8. Regarding Ambassador's review of defense matters, Sato commented that these were the same fundamental views he had. He noted President Johnson had told him last year that U.S. guarantees were effective against nuclear attack, a point made again in Ambassador's review. Said Japan was not thinking of building own nuclear forces, and would cooperate on question of nonproliferation. GOJ had a very difficult problem on question of introduction of U.S. nuclear weapons into

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[7] During their meeting on July 7, Sato briefly mentioned the court cases to Rusk, who agreed to look into the matter after returning to Washington. (Memorandum of conversation; ibid., POL 19 RYU IS) At issue were the so-called "Mackerel" case, involving a HICOM ordinance taxing imported mackerel, and the Timori case, questioning an ordinance establishing qualifications for elected officials. The USCAR Court issued its verdicts on both cases on December 2. The verdict in the "Mackerel" case upheld the HICOM ordinance and garnered little comment. The verdict in the more highly publicized Timori case attracted attention because the USCAR Court decision seemingly granted GRI courts the right to challenge the validity of HICOM ordinances. Soon after the verdict was announced, HICOM repealed the ordinance, a long-planned action having no relationship to the verdict but nevertheless granting GRI authorities jurisdiction over qualifications of the Islands' elected representatives. (Airgram A–761 from Tokyo, December 9; ibid., POL 2–1 JAPAN) Additional documentation pertaining to the cases is ibid., POL 19 RYU IS.

Japan, and this was connected with Okinawa problem. There had been no fundamental change in GOJ attitude, and he asked for U.S. understanding of GOJ's difficulties. On Japan's self-defense efforts, Sato said defense forces were weak and this was a domestic problem. He wanted to build defense expenditures up to level of two percent of GNP, but could not say this out loud publicly. He asked that U.S. not say anything about the percentage of GNP applied to defense, as this would cause GOJ internal difficulties. Ambassador noted that earlier U.S. had sometimes referred to this matter but that for past two years we had studiously avoided subject.

9. Referring to U.S. balance of payments problem, which Ambassador had brought up in review, Sato said he realized balance of payment was in favor of Japan and that U.S. payments due to Vietnam war were problem for us. Sato said he understood U.S. difficulty and was trying quietly to help. But that he was not able to say "Buy American" out loud to businessmen very well. Ambassador noted this remained very important problem for U.S. and there were other areas besides trade where Japan could be helpful. Sato said he thought matter ought to be discussed fully at Kyoto ECONCOM.

10. Sato then said he wanted to raise one more question, and ask for U.S. help in connection with forthcoming visit of USSR FonMin Gromyko (last week of July). Said that when Sov Fisheries Minister Ishkov was in Japan recently Ishkov maintained there was no connection between fisheries agreements and problem of "northern territories" (Kunashiri and Etorofu Islands). Sato, however, had insisted to Ishkov that there was a connection, and he thought there might have been something new in the way in which Ishkov talked. Latter said, according to Sato, that Okinawa was occupied by U.S. and Kunashiri and Etorofu by USSR. Sato replied that U.S. was in Okinawa as result of a treaty with Japan, while Soviets held northern islands illegally without a treaty. From way in which Ishkov avoided further discussion Sato felt he had scored point, especially since Japan Communist Party and socialist party had always claimed that way to get northern islands [garble—back?] was to get U.S. out of Okinawa.

11. Sato then asked rhetorically what was the best way to "clean up" the northern islands problem. Bilaterally? Through appeal to UN? World Court? Said it was too early to make specific decision but would eventually ask U.S. advice. He realized Sovs had great difficulty in giving on territorial problem vis-à-vis Japan since they were faced with number of similar territorial problems with European neighbors. On other hand years passed and reality had to be recognized, since it continued to be reality whether recognized or not. Germany and Korea were still divided, and Japan had its northern islands problem. U.S. had recognized Japan's "residual sovereignty" in Ryukyus and it would be well if USSR did same regarding northern islands. Sato said

some opportunity for settlement must be found, even though he was called a revanchist by the Soviets.

12. Referring to Sato's desire to discuss relations between U.S. and great European powers, Ambassador said that our ideal of U.S.-Japan relations would be for them to be like those U.S. has with England, and he hoped our relations would grow in that direction. Sato remarked that he had thought that Labor Govt under Wilson supported U.S. more than had Conservatives, but he noted support had not held up on bombing of North Vietnam.

13. *Comment:* Embassy particularly impressed with Sato eagerness to be informed on U.S. relations with what he considers three great powers of Europe, and we hope Secretary will include appropriate time on that subject. Critique of de Gaulle visit to Moscow will undoubtedly be at top of Sato's list.

Reischauer

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73. Memorandum of Conversation[1]

Kyoto, July 7, 1966.

SUBJECT

Okinawa and Bonin Islands

PARTICIPANTS

Foreign Minister Shiina
Ambassador Ryuji Takeuchi
Takeshi Yasukawa, Director, North American Affairs Bureau, Foreign Ministry
Nobuyuki Nakashima, Deputy Director, North American Affairs Bureau, Foreign Ministry
Makoto Watanabe, North American Section, Foreign Ministry

Secretary of State Dean Rusk
Ambassador Edwin O. Reischauer
William P. Bundy, Assistant Secretary of State
Robert W. Barnett, Deputy Assistant Secretary of State for Far Eastern Economic Affairs
Richard L. Sneider, Country Director for Japan
J. O. Zurhellen, Counselor of Embassy, American Embassy, Tokyo

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 KYU IS. Secret. Drafted by Zurhellen and approved in S on July 25. The memorandum is part 3 of 4. The meeting was held in the Conference Hall in Kyoto.

1. Foreign Minister Shiina told Secretary Rusk that the GOJ thinks the security problem in the Far East is more important than the so-called "reversion" of Okinawa, but the problem is neither easy nor simple. Twenty years have passed since the end of the war and this question has aroused vocal public opinion. This public reaction may become more severe unless it is treated tactfully. It would help to ameliorate this problem if the U.S. would consider broadening its attitude on the question of the expansion of local autonomy. He did not mean that anything should be done of such a scale that would greatly surprise the Okinawans, but it would be good to take a lenient view. If public opinion was kept under pressure, this would only increase the opposition. Mr. Shiina thought that the agitation regarding reversion could be countered by action in the area of local autonomy.

2. Foreign Minister Shiina then mentioned the Bonin Islands. He noted that there had been 7,000 residents when the population was moved from the Bonin Islands to Japan during the war. By now, however, very few of them still wish to go back. The majority have found jobs on the mainland of Japan. Because they have not been permitted to return to the islands, however, even those who do not themselves wish to go back have joined in the pressure on this matter. The Foreign Minister wondered whether it would not be possible to experiment with the idea of letting two or three hundred return to the islands as a way of dodging this problem. If the residents realize that they can go back they would gain psychological assurance and would calm down. This was not an urgent problem but he hoped the U.S. would give consideration to it.

3. Secretary Rusk said that he would look into the question of the Bonins but he did not know what our answer could be. He saw problems of trying to create a reasonable standard of living for civilians in these islands. There might also be military problems. He said he would look into this question and let Ambassador Reischauer know.[2]

4. Regarding Okinawa, Secretary Rusk thought frank comments were in our mutual interest. He understood this was a public opinion problem in Japan and thought this would continue until reversion was accomplished, U.S. bases were gone and the Security Treaty had ended. He questioned whether intermediate steps would satisfy or increase public opinion. Public opinion might be insatiable. President Kennedy had asked Prime Minister Ikeda whether the Japanese request regarding the flying of flags and the joint effort to improve the standard of living were steps which could stand on their own merit or whether

[2] In telegram 21450, August 4, the Department informed the Embassy that the possibility of allowing some former residents to return to the Bonin Islands had been explored but determined to be infeasible. (Ibid., POL 19 BONIN IS)

they were part of a nibbling process to which there would be no end. Ikeda had said that this was not a nibbling process but that action on these matters would make an important difference, and so President Kennedy had agreed.

5. Mr. Rusk thought that the Okinawa base would be vital as long as Peking had not turned clearly to peaceful coexistence. He would be glad, however, to consult regarding problems of public opinion. However, the U.S. was concerned with the war in Southeast Asia. It had been necessary to use the Okinawa base for that war and this had created adverse public opinion. Would this not be worse if Japan had a great direct responsibility for Okinawa? The U.S. cannot accept greater limitations on our base rights. From the point of view of the GOJ he wondered whether it was not in a stronger position by not having to consent. Nevertheless, the Secretary did not want this problem to harm U.S.-Japan relations and he hoped for frank discussions. If there could be peace in Southeast Asia, this would help the Ryukyus problem.

6. The Secretary noted that he had talked with Ambassador Reischauer to some extent on this subject and would speak with him further before evening. Beyond that, he urged Foreign Minister Shiina and Prime Minister Sato to stay in close touch with him and President Johnson regarding what the real problem was, what the right relations would be, and what the end result was that was desired. Then at least the top leaders of the government could be in agreement even though public opinion problems might develop.

7. Mr. Shiina said that he had not been to Okinawa and he had not studied in detail how local autonomy might be expanded without weakening the military base. He wanted the Secretary to understand, however, that what he had said was only from the point of view of trying to find a way to satisfy public opinion without weakening the military base.

8. Secretary Rusk said that in the broad sense the U.S. favored autonomy. He would discuss this further with Ambassador Reischauer. He was not sure, however, that it was possible to satisfy public opinion. Public opinion pressure would grow. Its emphasis might shift, but it would continue to be a problem.

74. Memorandum of Conversation[1]

Tokyo, July 7, 1966, 6:15 p.m.

SUBJECT

U.S.-Japan Security Treaty

PARTICIPANTS

Prime Minister Sato
Foreign Minister Shiina
Chief Cabinet Secretary Hashimoto
Ambassador Ryuji Takeuchi
Makoto Watanabe, North American Section, Foreign Ministry

Secretary of State Dean Rusk
Ambassador Edwin O. Reischauer
William P. Bundy, Assistant Secretary of State
J. Owen Zurhellen, Jr., Counselor of Embassy, American Embassy, Tokyo

1. Mr. Sato noted that the newspapers had reported that a 10 year extension of the Security Treaty beyond 1970 was desired. The Japanese Government, however, had not yet reached any such conclusion. He was sure that Japan wanted the Security Treaty to continue and the Government was considering what would be the best means to have that done.

2. Secretary Rusk said that he would be glad to keep in close and discreet touch on this matter. It was better not to create problems of public opinion until the Governments themselves had formed their opinions. As far as he knew, the U.S. would want the Treaty to continue. If Japan agreed with this, he thought it best to consider whether any changes at all were desirable. The basic question was whether both countries wanted the Treaty to continue. As far as he was concerned, the answer for the U.S. was yes. How to handle this as a tactical matter would be another question. Except for President De Gaulle,[2] all of the NATO countries simply expect the NATO Treaty to continue after 1969 (which is similar for NATO to the 1970 date for the treaty with

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 4 JAPAN–US. Secret. Drafted by Zurhellen and approved in S on July 25. The memorandum is part 5 of 7. The meeting was held at the Prime Minister's Residence in Tokyo.

[2] In March 1966 President de Gaulle terminated his country's participation in the military component of the NATO alliance, requiring that all Allied troops leave French soil and that French troops no longer serve within NATO forces. France's withdrawal was expected to be complete by April 1969. (*American Foreign Policy: Current Documents, 1966*, pp. 316–326)

Japan). Of course, any country could, if it wanted, take advantage of the ability to terminate the treaty on one year's notice.

3. The Secretary suggested that contacts between the U.S. and Japan on this matter be discreet. If the discussions become public, there might be problems in both countries. We should not borrow 1970's troubles today.

4. Prime Minister Sato said emphatically that there was no De Gaulle in Japan. Moreover, regarding changes in the Treaty, there would be even greater difficulties in the Japanese Diet than in the U.S. Senate. As the Secretary said, this matter could be considered quietly but he thought it ought to be considered now before it becomes urgent. He noted that there were many opinions regarding the Treaty in Japan. The Liberal Democratic Party had put out a tentative report on this subject but this should not be considered Government policy.

5. The Secretary said that it might be that before this matter reached the point of decision there would be peace in Southeast Asia and this would reduce the tension regarding the Security Treaty. The Prime Minister replied that personally he seriously doubted whether that hope would materialize in time but he thought both sides should discuss the Treaty in the interim.

6. Secretary Rusk said that the nature of the criticism that would arise in the U.S. if the Treaty again came up for discussion was that the Treaty was too unilateral. The U.S. had pledged American lives for the defense of Japan but there was no similar pledge of Japanese lives for the defense of the U.S. This could cause debate in the United States if brought up at this time. At the press conference today he had been asked whether the U.S. would defend Japan with nuclear weapons if Japan suffered a nuclear attack. He had said that any such attack would be insane but that if it happened, the U.S. would defend Japan with whatever was required.

7. The Secretary asked whether, in the absence of a Security Treaty with the United States, there would be strong pressure in Japan to develop nuclear weapons. The Prime Minister replied that he personally did not think it would be a good thing for Japan to follow France; the majority of the Japanese people had not forgotten Hiroshima and were opposed to nuclear weapons. Now that Communist China has a nuclear capability, however, arguments have appeared in Japan that Japan would need nuclear weapons for its own defense.

75. Memorandum of Conversation[1]

Tokyo, July 7, 1966.

SUBJECT

U.S.-Japan Bilateral Relations

PARTICIPANTS

Prime Minister Sato
Foreign Minister Shiina
Chief Cabinet Secretary Hashimoto
Ambassador Ryuji Takeuchi
Makoto Watanabe, North American Section, Foreign Ministry

Secretary of State Dean Rusk
Ambassador Edwin O. Reischauer
William P. Bundy, Assistant Secretary of State
J. Owen Zurhellen, Jr., Counselor of Embassy, America Embassy, Tokyo

1. Mr. Sato noted that he thought U.S.-Japan bilateral relations were all going well. He wondered if the Secretary had something to say on bilateral problems.

2. The Secretary agreed that bilateral relations were generally in good shape. This was partially because there had been a rapid expansion of economic relations, and trade and prosperity tend to ameliorate problems. He was happy that the civil air agreement had been concluded since the last Joint Economic Conference. He had mentioned some other matters during the conference on which Ambassador Reischauer would follow up. Among these was the problem of Micronesian claims on which he hoped action could be taken. He noted that the U.S. and Japan also had to think about fisheries and similar matters but the important questions for both countries are the larger matters which involve the rest of the world.

3. Prime Minister Sato said that now that the civil aviation matter was settled, there still remained one small problem—that is wool textiles. He had noted last year that this problem had caused President Johnson concern and it was still pending. The Secretary said that it would, of course, remain pending until it had been finally settled. This was a troublesome matter and he hoped it could be taken care of.

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 4 JAPAN–US. Secret. Drafted by Zurhellen and approved in S on July 25. The memorandum is part 6 of 7. The meeting was held at the Prime Minister's Residence in Tokyo. At the conclusion of their official meetings Rusk and Sato met privately at 7:30 p.m. They briefly discussed the military situation in Vietnam and their joint efforts to keep UN representation in the hands of the Republic of China. (Memorandum of conversation, July 7; ibid., Conference Files: Lot 67 D 305)

4. The Prime Minister said that in view of the President's deep concern about the wool textile problem last year he had tried to keep this matter quiet in Japan but he did have problems here too. He realized, however, that the President had far greater worries.

5. The Secretary remarked that problems of this sort tend to become issues in the U.S. in election years. We should try to do things in the in-between period as much as possible.

6. The Prime Minister asked whether there would be a Cabinet level meeting regarding the Kennedy Round. The Secretary replied that there no doubt would be at the right time but now what was needed was more effort at the working level. The next move was up to the EEC.

7. Mr. Sato recalled that at the time of the first Joint Economic Committee meeting at Hakone, a cartoon had appeared in the *Washington Post* alleging that the Pacific was a "one way street" as far as trade was concerned. At that time the U.S. had had a favorable balance of trade. Now the situation is reversed and the balance is in favor of Japan. He thought however, that this was a natural phenomenon and should be treated as such.

8. Mr. Rusk said that Japan has a favorable trade balance with the U.S. of about $300 million a year and in addition to this, obtains $300 to $350 million from American military expenditures in Japan. He hoped that the U.S. Treasury representatives and those of the Japanese Finance Ministry would discuss this problem. If the problem is a serious one, he hoped that a way would be found to settle it without hurting relations between the two countries. He noted that Japanese sales to the U.S. were rising faster than American sales to Japan, but said we should see what happens. He noted that the Vietnam war adds a billion dollars to the U.S. balance of payments problem. This is one of the many reasons we would like to see peace in Southeast Asia.

76. Memorandum Prepared by Counselor and Chairman of the Policy Planning Council (Owen)[1]

Washington, July 12, 1966.

SUBJECT

Japanese Attitudes on Non-Proliferation

In recent US-Japanese policy planning talks in Tokyo,[2] Japanese Foreign Office officials (at the Deputy Under Secretary and Assistant Secretary level) provided some insight into Japanese attitudes on non-proliferation.

This recollection of their personal and informal remarks has been checked with a member of the US delegation who was present and took notes.

1. *The Japanese said they were not contemplating a national nuclear program, but, if India went nuclear, pressures in Japan for such a program would mount rapidly.*

The Japanese thought it would be the height of folly for a country as burdened by economic problems as India to go nuclear. We urged them to share this view with the Indians and they seemed to think well of this.

2. *The Japanese indicated that it would be difficult for them to sign a non-proliferation treaty unless some "compensation" narrowed the gap between the nuclear and the non-nuclear powers.* This compensation might be either progress in disarmament, which involved sacrifices by the nuclear powers, or a greater say by non-nuclear powers in the use of nuclear weapons.[3]

Failing this, the Japanese said that they would object to being formally consigned to "second class status." They spoke with feeling on

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[1] Source: Johnson Library, National Security File, Country Files, Japan, Vol. IV. Secret. Rostow sent this memorandum to the President under cover of a July 16 note that indicates President Johnson read the memorandum. (Ibid.)

[2] The U.S.-Japanese Policy Planning Talks were held from June 18–20 in Hakone, Japan. Topics discussed were the world situation, China, Asian regional economic cooperation, and nuclear proliferation and arms control. (Telegram 3843 from Tokyo, May 7; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 1 JAPAN–US)

[3] The Japanese included among the kinds of disarmament which would meet their need a threshold or comprehensive test ban. Their position was thus milder than that of Trivedi, the Indian delegate to the Geneva Disarmament Conference, who told the US, UK, and Soviet delegates on July 5 that India would not sign a non-proliferation treaty unless it were accompanied by a cut-off of weapons production. [Footnote in the source text.]

this point, and said that we should make more of an effort to understand the viewpoint of key nuclear capable countries on this matter.

3. *Japan's position in this respect would be eased, they indicated, if one of the existing middle rank nuclear powers, notably the UK, were to get out of the national nuclear business, via a collective force or otherwise.*[4]

They could accept a situation in which only the US and USSR had nuclear weapons, but once other middle rank powers (UK, France) entered the field their position became more difficult.

Their immediate concern in the nuclear field, it was clear, was not so much in meeting the Chinese threat as in narrowing the gap between Japan and other free world countries—countries which they considered no more prestigious than themselves and to whom they were unwilling, therefore, to grant pride of place in matters nuclear.

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[4] Rostow's July 16 note drew the President's attention to this point with reference to the upcoming informal visit of British Prime Minister Harold Wilson on July 28 and 29. (Johnson Library, National Security File, Country Files, Japan, Vol. IV)

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77. Editorial Note

Ambassador Reischauer submitted his resignation in April and left Japan on August 19, 1966, to resume his academic career at Harvard University. He explains his reasons for leaving in *My Life Between Japan and America,* pages 295–297 and 301.

Shortly before his departure from Tokyo, Ambassador Reischauer wrote a lengthy critique of U.S. policy toward the People's Republic of China and its effects on United States-Japan relations. That document, telegram 1126 from Tokyo, August 11, is printed in *Foreign Relations,* 1964–1968, volume XXX, Document 174.

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78. Editorial Note

The United States Government's examination of questions surrounding the Ryukyu Islands and its military bases on Okinawa culminated in an Interdepartmental Working Group, consisting of repre-

sentatives from the Departments of State, Defense, and the Army, as well as from the Joint Chiefs and the White House, issuing a report entitled *Our Ryukyus Bases.* The report, August 24, 1966, concluded that the U.S. role in the Ryukyus was approaching a period of transition necessitating increased local autonomy, the eventual transfer of sovereignty over the Islands to Japan, and at the same time retention by the United States of unrestricted rights to utilize and operate its bases, including deployment of nuclear weapons. On September 13 the report was reviewed by the Senior Interdepartmental Group, which adopted its recommendations "to expand local Ryukyuan autonomy and increase the Japanese role in Ryukyuan affairs without impairing the essential integrity of U.S. administration and the operational capability of the U.S. bases in the Ryukyus." To achieve its objectives, the United States needed to cooperate closely with the Government of Japan, and both the Embassy and the High Commissioner of the Ryukyus were to monitor continuously events on the Islands, issuing semi-annual reports on their findings, as well as develop specific recommendations to implement the report's objectives. (Telegram 62978 from Washington, October 10; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS)

A copy of the report is in the Johnson Library, National Security File, Agency File, Senior Interdepartmental Group, 14th Meeting, September 13, 1966, Vol. I. Additional documentation on the study and implementation of U.S. policy toward the Ryukyus is in the National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS, POL 19 RYU IS–US, and DEF 15 RYU IS–US.

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

Tokyo, September 7, 1966, 0949Z.

1822. 1. Chargé and EmbOffs had luncheon-discussion regarding Okinawa Sept 7 with DirGen PriMin's office Mori, Vice Ministers Uemura and Furuya and Salb Director Yamano. General Maxwell Taylor, house guest of Chargé, was also present.

[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS. Secret. Repeated to HICOMRY, CINCPAC for POLAD, and DA.

2. Mori described his impressions of recent visit to Okinawa as follows: greatly impressed with attitude and actions of HICOM in all fields; struck by lack of strong influence over events in Okinawa by either USG or GOJ; if present situation (frustration of natural desire of Ryukyuan people for reversion to Japan) continues for much longer, Okinawa may be lost to both U.S. and Japan in sense that conservatives will be voted out of power and Leftists will take over who will cooperate with neither U.S. nor Japan and who will destroy usefulness of U.S. bases in Okinawa; some measures to provide "safety valve" are necessary to prevent anti-American and anti-Japanese explosion; Ryukyuans need to have faith restored in Japan as homeland which will look out for their interests; return to GOJ of administration of education would be symbolic gesture which would take care of ameliorating Okinawa problem for some time to come.

2. [*sic*] Regarding details of education proposal, Mori said these under study and number of permutations possible.[2] Said education was field in Japan in which central govt had relatively little control and most of power left to prefectures. If Japan education law applied to Ryukyus, actual field of operation of Education Ministry would be quite small and principal authority would still remain with GRI.

3. Chargé and EmbOffs pointed out U.S. view of Okinawa problem is different. Freedom to use military bases for direct operational purposes and for nuclear purposes is key factor in usefulness of U.S. bases in Okinawa, and this freedom is denied U.S. bases in Japan proper under security treaty. Japan benefits from U.S. defense efforts in Far East and nuclear, umbrella, but has not yet found it possible to share responsibility with U.S. in these areas. Until such time as Japan decides to share responsibility and onus with U.S. for unrestricted use of bases in Okinawa, U.S. feels that undivided U.S. administration of Okinawa is necessary. From our point of view, therefore, problem is for Japan to move forward in defense field to extent that will facilitate solution of Okinawa problem, rather than for U.S. to divide administration under present circumstances.

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[2] Soon after assuming the position of Director General of the Prime Minister's Office on August 1, Kiyoshi Mori advanced an approach to the Okinawa problem known as "functional reversion." The concept promoted the "return to GOJ on gradual basis of functional areas of Okinawan administration, unrelated to immediate military mission of bases." Mori recommended the return of Japan's administrative rights over the Okinawan educational system as a first step toward functional reversion. The concept was criticized by government officials and LDP members for being too vague, oversimplifying the nature of the problem, and conflicting with U.S.-Japanese agreements. (Airgram A–308 from Tokyo, August 26; ibid., POL 2–1 JAPAN) Additional documentation on the issue is ibid., POL 7 JAPAN and POL JAPAN–US. Although the controversy surrounding the concept decreased after Mori's removal from the Director General's post in early December, when Sato reformed his cabinet, functional reversion continued to be an issue into 1967. (Telegram 4238 from Tokyo, December 7; ibid., POL 19 RYU IS)

4. EmbOffs further noted any division of administrative authority to place GOJ in direct chain of command [garble—to GRI] would cause considerable administrative problems and conflicts of interest.

5. Mori brought up question of next meeting of Consultative Committee on GOJ aid program.[3] He noted FonMin Shiina due to leave Sept 20 on trip abroad, returning around Oct 10. Mori suggested interval before Shiina's return to Japan be used for informal discussions of aid program to achieve working level agreement which could be ratified at ConCom meeting after Shiina's return. EmbOffs noted GOJ has not replied to informal indications that U.S. would suggest aid program of approx 20 million dollars. Japanese explained that current GRI demands for aid total 25 million dollars. If GOJ agrees to U.S. proposal of 20 million dollars, it will be criticized for ignoring requests of GRI. If GOJ proposes 25 million figure to U.S., it would anticipate adverse American reaction. GOJ therefore hopes USCAR and GRI will get together and reach figure agreeable to both, which could then be presented to GOJ for consideration without problem of choosing between USCAR and GRI requests. EmbOffs noted negotiations on GOJ aid program were between USG and GOJ, not with GRI, and expressed hope GOJ would make judgments based on USCAR realistic appraisal of need and ability absorb aid. Matter remained inconclusive, and Embassy would appreciate advice from HICOM whether Embassy should reiterate to GOJ that 20 million figure is firm U.S. proposal or whether USCAR sees reasonable prospect of presenting GOJ with new figure which could be supported by GRI. In principle, Embassy agrees with idea of reaching agreement with GOJ in preliminary talks for ratification at conference.

6. Mori mentioned extensive damage in Ryukyus caused by recent typhoons and said [garble] had been instructed assess damage and consult with USCAR regarding emergency assistance that could be extended by GOJ. Would appreciate advice from HICOM on this matter.[4]

7. Throughout conversation, Mori was friendly but remarks were strongly worded and clearly strongly meant. During discussion of need for GOJ to move forward on defense matters, he said that LDP certainly want to do this, but that greater conservative strength is prerequisite. He stated strongly that as far as he was concerned, Japan should realize U.S. was in Okinawa to maintain world peace and

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[3] The U.S.-Japanese Consultative Committee on the Ryukyu Islands met on October 18.

[4] At the ConCom meeting, the U.S. proposed a Japanese aid program of $25.8 million for FY 1967 and $4.23 million for typhoon relief in 1966 and 1967. (Telegram 2900 from Tokyo, October 18; National Archives and Records Administration, RG 59, Central Files 1964–66, POL 19 RYU IS)

Japan should cooperate unreservedly for that purpose. He said this included Japanese agreement to the introduction of nuclear weapons and unrestricted use of bases. Embassy expects Mori will continue to argue for return of education administration to Japan, but believes some success may have been gained in convincing him that this would not be the simple cure-all which he thinks it is, and that problem of Okinawa must be viewed in overall defense context and not simply as [garble] for reversion.

Emmerson

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80. Telegram From Secretary of State Rusk to President Johnson[1]

Taipei, December 7, 1966, 11:48 p.m.

Secto 21/1716. Eyes Only for the President and the Acting Secretary.

I was pleased with the talk I had with Prime Minister Sato.[2] I drew him aside for private discussion of the great importance of additional Japanese assistance in Viet-Nam. His response was constructive and he immediately suggested the possibility that he could build more Vietnamese assistance on the Southeast Asia Agricultural Development Conference then in session in Tokyo. There is a wide range of opportunity for Japanese personnel to pitch in in South Viet-Nam and their immediate problem is to sort things out in Saigon so that we can be quite specific about who is needed where and for what. A qualification is Sato's own weakened political position and the possibility of national elections in the weeks immediately ahead.

On other subjects, Sato was helpful and relaxed about Okinawa, indicated clearly that they would move on the Prek Thnot project in Cambodia, was very pleased with the UN result on Chinese seating,[3] and appreciated my private assurance that we would keep in touch

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, POL JAPAN–US. Secret; Nodis; Eyes Only. The President's copy of the telegram, which indicates he saw it, is in the Johnson Library, National Security File, Country Files, China, Vol. VIII.

[2] Rusk visited Tokyo from December 5–7 to meet with senior Japanese officials.

[3] Resolutions to seat the People's Republic of China were defeated. (*Yearbook of the United Nations, 1966*, pp. 133–138)

with him on non-proliferation, Chinese missile developments, and the ABM problem. On the last, I indicated that we had not yet come to any firm conclusions on a very complicated matter.

[Omitted here is brief commentary on foreign assistance to Vietnam by countries other than Japan.]

Rusk

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

Tokyo, December 22, 1966, 0600Z.

4531. Personal for Bundy, Kohler and McNaughton from Ambassador Johnson.

1. MAAG Japan has been informed that Japan is not to be included in FY–68 MAP budget request. This means that, unless other action is taken, the orientation/influence training program for Japan will be terminated next June 30. I most earnestly feel that this would be a mistake and urge that a way be found to permit the continuance of this program which is so important to our long-range interests here.

2. I am of course not opposed to the termination of MAP program as such for Japan. This country is admittedly capable of financing its own military needs. Orientation/influence training, however, is not "assistance" to Japan. It is a calculated action taken by the U.S. for its own purposes and in its own interests, and for this purpose Japan should not be bracketed with Western Europe or the U.K. I can well understand why this kind of training may not meet the qualifications for "military assistance" to other countries. However that does not mean that the program itself should be terminated. Rather, I would hope we could exercise ingenuity to find the small amount of necessary funds from another pocket if it is not possible to continue to fund it from MAP.

3. Left to themselves, Japanese self-defense forces will continue to finance those trips to U.S. and training programs which they believe desirable from their own point of view. Understandably they will tend

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 19–9 US–JAPAN. Secret; Limdis. Also sent to the Department of Defense and repeated to CINCPAC, COMUSJAPAN, and CHIEFMAAG.

to use their money to send senior officers and those who have reasons of prestige or position for wanting to go. There is nothing wrong in this and we will welcome these officers. On the other hand, we have a positive interest in providing U.S. influence over the younger officers who are still in the lower and middle grades and who will be in positions of high command a generation from now. This new generation of younger men will not have had the long and broad contact with the U.S. forces in Japan which many of their elders had. It may be a long time before they qualify under Japanese requirements for training in the U.S. By that time their attitudes on broad questions of strategy and international affairs may have been hardened beyond our ability to influence. In long-range terms, we cannot afford to neglect this opportunity to see to it that the next generation of Japanese professional military men is oriented towards the U.S. Our experience with the way our training programs for the Indonesian Army had paid off ought to be a lesson to us in this regard. The fact that the Japanese military forces do not now play a decisive role in the affairs of this country does not mean that we can be complacent about the long-range future. I have long been convinced that the money that we put into bringing foreign military officers to the U.S. pays as big if not bigger long-range dividends than any other funds we spend. The day will come when the professional military men in this country, with all of its potential for good or bad, will have a much stronger voice than they now have. It will be important that that voice have been influenced toward our point of view. We spend considerable sums doing this on the civilian side.[2] We must find some way to assure that the military side is not neglected. The amount of money involved now is not great, but the principle is important. If we agree on the principle let me know how I can help.[3]

Johnson

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[2] Reference is to the approximately $400,000 budgeted for [*text not declassified*] indirect advancement of U.S. views within Japanese society. [*text not declassified*] (Report through 1966; Department of State, INR/IL Historical Files; EAP General, EA Reviews, 1964–66) Such resources were used, for example, in an attempt to influence public and political opinion in Japan in the spring of 1966 after a nuclear detonation by the People's Republic of China. [*text not declassified*] (Memorandum from H.L.T. Koren to Hughes and Denney, May 13; ibid., 1966 FE Weekly Meetings, January–July)

[3] The Embassy received a Joint State-Defense message advising that no alternative means had been found to fund the program for FY 1968. The question was left open for reconsideration for FY 1969, if necessary. (Telegram 152080 to Tokyo, March 9, 1967; National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 19–9 US–JAPAN)

82. Information Memorandum from the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy) to Under Secretary of State for Political Affairs (Rostow) and the Deputy Under Secretary of State for Political Affairs (Kohler)[1]

Washington, January 11, 1967.

SUBJECT

Security Consultations with Japan

Background

For some years, we have engaged in a variety of sporadic and largely superficial security and defense consultations with the Japanese Government. These discussions have been undertaken in three forums:

(1) Infrequent meetings of U.S.-Japan Security Consultative Committee organized under the revised Security Treaty in 1960, composed of the American Ambassador, CINCPAC, the Minister of Foreign Affairs and the Director of the Defense Agency;

(2) Contingency planning at the tactical level by MAAG/Japan and U.S. Forces Japan with the Japanese Self-Defense Force staffs; and

(3) Informal conversations initiated by the Embassy with senior Japanese officials.

Up to the present time, the security discussions in these forums have been inhibited both by Japanese reluctance to engage in a meaningful dialogue particularly on nuclear matters due to domestic political pressures, and by U.S. resistance to spell out in specific terms our security objectives and strategy in Asia.

Recent Developments

In the past few months, the Japanese, partially stimulated by informal U.S. prodding, have begun to shed their inhibitions on security consultations. Three approaches have been made to us:

(1) At the recent U.S.-Japan policy planning talks a request for more meaningful security consultations was informally made;[2]

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 1 JAPAN–US. Secret; Exdis. A handwritten note on the memorandum reads: "Mr. Rostow: of particular interest. Joe" as well as the word "Thanks," presumably added by Rostow. Joe has not been identified.

[2] Policy Planning Talks were held November 28–30, 1966, in Washington. Additional documents relative to Japan's increased interest in security matters and the development of approaches to security consultations are ibid., Central Files 1964–66, and DEF 12 CHICOM.

(2) In Paris, the Japanese expressed interest in learning about the NATO Nuclear Planning Group;[3] and

(3) The Japanese Chief of Staff made a more specific request to the Embassy for a discussion of Chinese nuclear capability and ABMs.[4]

These requests reflect a major reconsideration within the inner circles of the Japanese Government of Japan's defense and security policies, focusing on the crucial issue of Japanese nuclear policy over the next decade. At the present time, the Japanese interest is largely *information gathering;* the decisions will come later and their timing could depend to a considerable extent on political developments within Japan.

For our part, the Japanese initiatives are welcome and in fact have preempted plans we were developing for proposing broader security consultations with Japan. The new security consultations will require from us considerably greater frankness and specificity in discussing security matters including nuclear weapons, but we are agreed on the necessity for this. The major advantages to us are a major opportunity, first, to influence Japanese defense strategy before it is finally formulated, including efforts to discourage a Japanese nuclear program and encourage a broader regional security role, and second, to develop a closer and more tightly knit security relationship with Japan preparatory to the period when Japan will play a major power role in Asia in security, as well as in economic, terms.

This approach, as well as specific actions outlined below, have been worked out in agreement with DOD. Secretary McNamara has approved the ABM discussion with Japan and the formation of a new permanent U.S.-Japan security consultative forum involving State and Defense.[5] He has also offered to visit Japan in this connection at an appropriate time, if it would be helpful.

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[3] In telegram 9675 from Paris, December 27, 1966, the Embassy in France reported that the First Secretary of the Japanese Embassy in Paris had inquired into the function, responsibilities, and procedures of the Nuclear Defense Affairs Committee and the Nuclear Planning Group within NATO. A summary of the conversation on those and other matters followed. (Ibid., DEF 12 NATO)

[4] General Amano, Japanese Chief of Staff, requested information "for use in planning anti-missile defenses" for the 1972–1977 period. (Telegram 4120 from Tokyo, December 2, 1966; ibid., DEF 1 JAPAN–US)

[5] McNamara approved of those approaches as set forth in a January 9 memorandum from McNaughton outlining U.S.-Japanese security issues. In that memorandum, McNaughton expressed his view that U.S. "interests in Asia—including our desire to prevent a Japanese nuclear program, to have the Japanese make a greater contribution to Asian security, and to have Japanese policies support our own—require that we respond to the Japanese requests by moving toward a permanent institution for security consultation." In a handwritten addition to the memorandum McNaughton noted his intention to discuss the matter with Reischauer. According to a January 5 note from

Actions Already Undertaken

We have taken the following steps to date:

(1) We have informed Ambassador Johnson of our agreement on the desirability of engaging in regular consultations with Japan on security matters and indicated that we have no rigid views on specific organizational arrangements (Tab A).[6]

(2) We have proposed and the Japanese have agreed that we send a technical team to Japan to brief Japanese officials on the Chinese Communist advanced weapons program and to discuss technological leakages to Communist China in this area.[7]

(3) We have briefed the Japanese in Washington on the organizational arrangements of the NPG.

(4) We have informally discussed with Vice Minister Ushiba the adding of an additional day to the May U.S.-Japan Planning talks at which security matters would be discussed with Defense officials attending.

(5) We are informing Ambassador Johnson that we are prepared to undertake discussions with the Japanese on ABM defense following similar discussions with NATO this Spring (Tab B).[8]

Future Actions

We consider the above as the first steps toward our basic objective of engaging in a meaningful security dialogue with Japan on a regular periodic basis. The pace at which we move to this objective will

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Halperin to McNaughton, Reischauer hesitated to encourage such talks in the past out of concern that the U.S. "would use them primarily to browbeat the Japanese to increase their defense budget." (Washington National Records Center, OSD/OASD/ISA Files: FRC 330 71 A 4546, 381 Japan)

[6] Attached but not printed at Tab A is telegram 100598 to Tokyo, December 10, 1966.

[7] The Department of State had ongoing concern that Japanese technology, leaked or otherwise made available by commercial firms in Japan, had aided the advance of Chinese nuclear and missile programs. (Telegram 66787 to Tokyo, October 14, 1966; National Archives and Records Administration, RG 59, Central Files 1964–66, DEF 12 CHICOM) High-level briefings on that issue as well as on the status of Chinese nuclear and missile development were conducted in Tokyo on March 1 and 2. (Telegrams 6127 and 6224 from Tokyo, March 1 and 3, respectively; ibid.) The topic was also a subject of discussion at the periodic meeting between the East Asia section of the Department of State and the CIA held on August 31. Reports indicated that "a Japanese had been passing *information to the Chinese Communists about Japanese missile development*." While the information did not advance Chinese weaponry, it did give them insight into Japanese space development. And, although Sato opposed the situation, "the Japanese business community did not . . . and continued blithely to sell sophisticated equipment to the Chinese." (Memorandum from Trueheart to Hughes, Denney, and Evans, September 1; Department of State, INR/IL Historical Files, EAP General, 1967 FE Weekly Meetings)

[8] Attached but not printed at Tab B is telegram 118734 to Tokyo, January 13.

depend in large part on the Japanese. Our proposed posture is to respond quickly to Japanese initiatives and, on occasion, plant the seed for such initiatives, but not to force the pace too rapidly to the political discomfort of the Japanese Government. We have three specific actions in mind for the future:

(1) Organizing a permanent U.S.-Japanese security group consisting of State and Defense officials at the Assistant Secretary or Deputy Assistant Secretary level and their counterparts in Japan.[9]

(2) Engaging in gradually broadened security discussions involving such questions as ABMs, the role of U.S. bases in the Pacific, air defense alternatives, regional security strategy, and nuclear weapons problems.

(3) Setting the stage for setting up a U.S.-Japan counterpart to the NATO Nuclear Planning Group, although at the present time this would be premature.[10]

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[9] Both sides were prepared to proceed with this step by late March, and the first meeting took place from May 25–26 in Tokyo. The structure adopted for the consultations was the creation of a special subcommittee within the existing U.S.-Japan Security Consultative Committee. (Telegrams 5471 and 7014 from Tokyo, February 3 and March 31 respectively, and airgram A–1738 from Tokyo, June 27, transmitting memoranda of conversations of the meetings; National Archives and Records Administration, RG 59, Central Files 1967–69, POL 1 JAPAN–US)

[10] At this point appears the handwritten notation "Yes."

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83. Editorial Note

By late 1966 and early 1967 the United States and Japan initiated actions to advance the Japanese role not only in Asia, but also in global affairs. As a consequence, relations between the United States and Japan came to mirror more closely the interactive relationship between the United States and its most important European partners.

In mid-December 1966 Deputy Assistant Secretary of State for African Affairs Fredericks and Deputy Chief of the African Section of the Japanese Foreign Ministry Nishisaki discussed a Japanese proposal for arranging regularly scheduled, bilateral talks on Africa. The matter was followed-up by the Japanese Embassy later that month. The Department of State, already conducting such general discussions with its major European allies, welcomed Japan's proposals for a similar arrangement to exchange ideas and information on mutual African interests. After further discussion with Japanese representatives and

consultation with the Embassy, the Department of State authorized the Embassy on January 26, 1967, to conclude an agreement with the Japanese Foreign Office for talks on Africa to take place once each year, with the meeting site alternating between Washington and Tokyo. The informal talks among Bureau-level officials would consist of a tour d'horizon as well as discussion of specific interests of either side. After a series of unavoidable delays, the first bilateral meeting on Africa took place on December 18 and 19 in Washington. Documentation on the African talks is in the National Archives and Records Administration, RG 59, Central Files 1967–69, POL 1 JAPAN–US.

Also in early 1967 the United States approached Japan with a proposal to meet, in Tokyo and Washington in alternating years, shortly before the opening of the United Nations General Assembly in order to exchange views on current issues likely to be brought before that body. The United States already had such an arrangement with Great Britain and had recently initiated the practice with Canada. The first consultative meeting with the Japanese took place on July 24 and 25 in Tokyo. The United States was represented by former Under Secretary of State Ball and Assistant Secretary of State for International Organization Affairs Sisco. Documentation covering the meetings is ibid., POL 7 US/GOLDBERG and ibid., POL JAPAN–US. In the autumn of 1967 prior to the upcoming General Assembly, Foreign Minister Miki informed Ambassador Goldberg of Japan's intention to assume a more active leadership role relative to political issues coming before the United Nations, signaling a definitive shift in Japan's prior overriding concern with economic matters. (Ibid., UN 22–2 JAPAN)

As the Embassy pointed out, Japan's emergence as a major player on the world stage led to increased Japanese interest in pursuing policies reflective of its national interests and independence. In that regard, the need to settle the Okinawa issue became more urgent, the Security Treaty and Japan's role in defense and military issues were more widely discussed, and the view that adherence to the Nuclear Non-Proliferation Treaty would make Japan an unequal power and circumscribe its sovereignty emerged as a subject of some debate. Japan's desire "for a prominent, unique and independent national policy" was not, however, incompatible with the United States' foreign-policy objective of having Japan accept a regional and global role equal to its economic status. (Airgram A–1398 from Tokyo, April 17; ibid., POL 1 JAPAN–US)

84. Memorandum From the President's Special Assistant (Rostow) to President Johnson[1]

Washington, March 1, 1967.

Mr. President:

This thoughtful cable from Alex Johnson is the kind Ambassadors should write but rarely do.

He conveys Sato's anxiety that U.S. détente with the U.S.S.R. could throw the Japanese position in Asia out of balance.

It is parallel to Western European anxiety about the détente and the non-proliferation treaty.

Basically, what Japan wants is a Communist China that is not so weak that it is under Soviet dominance and not so strong that it threatens Japan. It wants a Soviet Union not in open conflict with the U.S. but sufficiently preoccupied with the U.S., China, etc., so that it must take Japan seriously and doesn't feel free to lean on it.

Japan wants our protection, economic ties, and friendship. From that base it wants to build a position of leadership in Asia; trade from a position of strength with both Communist China and the Soviet Union.

But it doesn't want us buddying up too close to either Communist China or the U.S.S.R.—especially the latter, because of its greater relative strength.

Walt

[1] Source: Johnson Library, National Security File, Country File, Japan, Vol. VI. Secret. The memorandum indicates that the President saw it.

Attachment

Telegram From the Embassy in Japan to the Department of State[2]

Tokyo, March 1, 1967, 0930Z.

Copy of Tokyo 6126 From Alexis Johnson, March 1, 1967

1. I want to call attention to Sato's statements re the Soviet Union (in Tokyo's 6063).[3] It will be noted that he expressed fear that the Soviets might take advantage of Chicom weakness to take action against the periphery of China; that he placed part of the blame for the rise of Mao on the Soviets (the rest of the blame rested on Japan); that he warned against trusting the Soviets, including the statements they make to us on the Chicoms, and in general, made clear that he considers the Soviets, rather than Communist China, as the major threat to Japan.[4] This is the first time that I have heard an expression of this kind from any Japanese leader, and it is clear to me that he was deliberately and advisedly taking advantage of an opportunity to make these statements.

2. We should, of course, not be surprised at this, as it corresponds with historical and deep-rooted Japanese attitudes toward Russia, whether imperial or Communist, while in the recent latest developments in China, have the appearance of somewhat reversing these historical Japanese attitudes, what Sato seemed to be indicating was that these short-term trends do not change the underlying pro-China, anti-Russia feelings of Japan. Although Japan is appalled at much of what is now going on in Communist China and is worried at the Chinese development of nuclear weapons, what Sato was saying was that a gain in Soviet territories or strength at the expense of China would be a source of deep concern to Japan.

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[2] Secret; Exdis. The cable was retyped for the President. The White House copy bears the handwritten notation "A thoughtful alert from Alexis. BKS" added by Bromley K. Smith. (Ibid.) The Department of State copy is in the National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 US/GOLDBERG.

[3] Telegram 6063 from Tokyo, February 27, reports on a conversation among Goldberg, U. Alexis Johnson, and Sato held at the Prime Minister's official residence on February 27. (Ibid.)

[4] In a March 9 memorandum outlining his Asian trip, Goldberg reported similar information to President Johnson and Rusk, stating that the Japanese "retain a basic respect and sympathy for the Chinese," are "not so concerned about Communist China's expansionist tendencies," but are wary of "the expansionist designs of the Soviets vis-à-vis Asia." (Ibid., Rusk Files: Lot 72 D 192, Secretary's Miscellaneous Correspondence)

3. We have recently had other signs of Japanese uneasiness over how the U.S. attitude toward mainland developments might develop, with some officials seeming to be concerned lest the United States might be hoping for prolonged disorder as the optimum state of affairs. To some extent this concern may reflect the worry that in the future the U.S. might be tempted to take sides in the mainland imbroglio or otherwise try to exploit the chaotic conditions there, and in the process get bogged down in the kind of morass which engulfed Japan in the late 30's; however, the concern over Soviet expansionism expressed by Sato seems to be a much larger element in Japanese misgivings.

4. I believe that there are also several implications in Sato's remarks with respect to U.S.-Japanese relations. First, while on the one hand they welcome a reduction in US-Soviet "tension" and the opportunity to improve their own relations with the Soviets, they are concerned that relations between the two "super powers," the U.S. and the U.S.S.R., not "improve" to the extent that we and the Soviets face Japan with fait accompli in matters concerning Japanese interests.

5. The schizophrenia of Japan on the nuclear proliferation treaty is a good example. Military considerations, e.g., the fact that the NPT requires Japan to renounce its options while doing nothing to meet its immediate concerns, which are the Soviet Union and Communist China, are in my opinion only a part of the reason for Japan's ambivalence on the NPT. Another important factor is the Japanese hypersensitivity to any suggestion that the U.S. and U.S.S.R. are moving toward a kind of "super-powers" club from which Japan will be forever excluded. The drive toward parity with the great powers has been one of the most consistent themes of Japan's modern history. In spite of its present attitudes on military and nuclear affairs, an implied relegation of Japan to second-class status because of her non-possession of nuclear arms would ultimately constitute a powerful incentive to go after an independent nuclear capability. These attitudes are, of course, being nurtured by public statements coming from West Germany, probably communicating even more forcefully in Japanese-German consultations on the NPT. Thus, I tend to agree with Ambassador Takeuchi that while in the end Japan will probably have no choice but to sign the NPT on whatever terms the U.S. and Soviets are able to agree upon, we should not necessarily take Japan for granted in this regard.

6. Fisheries is another area where Japan discerns tendencies in U.S.-Soviet relations that are disturbing to it: not so much because of their intrinsic importance, but because of their reflection of what it discerns as tendencies in U.S.-Soviet relations. Japan, of course, recognizes that there is a certain basic congruence of U.S.-Soviet fishing interests in the North Pacific as opposed to the interests of Japan; however, I

believe that it does genuinely disturb them when they think that we are using agreements already reached between ourselves and the Soviets to demand similar concessions or more from the Japanese.[5] I am, of course, well aware of these fishery problems, and there is no reason that we should not bargain hard with the Japanese on them, but in devising our tactics we should be conscious of these Japanese attitudes and recognize that Japanese may well read more in the way of broad political implications into them than we intend.

7. As opportunity offers, I will probe on Sato's theme with him and also with Shimoda, who was former Ambassador in Moscow as well as DCM in Washington, and who now holds a key position in the Government of Japan on these matters. However, in the meanwhile, I did want to call the Department's attention to Sato's remarks and what I feel were the implications, that must be taken into account in our relations with this country.

Johnson

[5] The Japanese concern was twofold: (1) U.S. claim to a 12-mile territorial right for fishing interests without considering Japan's historical fishing rights; and (2) U.S. propensity to treat Japan and the USSR equally, even though the latter claimed its own 12-mile sea right and fished off the U.S. coast for a shorter period of time than Japan. (Telegrams 118835 and 119438 to Tokyo, January 14 and 16, respectively, and memorandum of conversation, February 14; all ibid., Central Files 1967–69, POL 33–4 JAPAN–US) After a series of negotiations, agreements between the United States and Japan on major fishing issues were reached by an exchange of notes and agreed minutes on May 9. The agreements permitted some fishing by Japan within the 12-mile zone, restricted certain catches to beyond that zone, and addressed issues relevant to Japanese salmon fishing. The texts of the agreements are in 18 UST 1309.

85. Memorandum of Conversation[1]

Washington, March 30, 1967, 4:05–4:25 p.m.

SUBJECT

Courtesy Call of Mr. Seiho Matsuoka, Chief Executive of the Ryukyuan Islands

[1] Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 72 A 2468, Okinawa 091.112. Confidential. Drafted by Pont and approved in DASD/FE (ISA) on March 31. The meeting was held in McNamara's office at the Pentagon.

PARTICIPANTS

Ryukyuan Side
Chief Executive—Seiho Matsuoka
Chief of Public Transportation, GRI—Yoei Miyara

United States Side
Secretary of Defense—Robert S. McNamara
Deputy Assistant Secretary of Defense/FE (ISA)—Richard C. Steadman
Deputy Under Secretary of the Army (IA)—Thaddeus Holt
Staff Assistant, Far East Region (ISA)—James K. Pont

1. *Social:* Social pleasantries were exchanged and photographs taken. Mr. Matsuoka commented that his last trip to the United States had been in 1962. He said he expected this trip to last a week to ten days.[2]

2. *Economic Aid to Ryukyus:* Mr. Matsuoka said the main purpose of this trip was to show his support for the proposed Price Act amendment which would raise the ceiling on U.S. aid to Okinawa. He said he had mentioned this to President Johnson[3] and would also do so to Members of Congress. The Secretary indicated that the Administration supports this amendment.

Mr. Matsuoka continued by expressing gratitude on behalf of the people of Okinawa for U.S. aid since 1945. He cautioned, however, that some people were never happy and the Opposition was very tough to handle. He said he had given the details to the Secretary of the Army and would not take up the Secretary's time by repeating them to him. He asked if the Secretary had any questions.

3. *U.S. Presence on Okinawa and U.S., Japanese & Okinawa Relations:*

The Secretary asked Mr. Matsuoka for his view of the long-run relationship between the U.S. military forces on Okinawa and the Okinawans. Mr. Matsuoka answered that the Conservatives understood the situation in the Far East and the resulting need for the U.S. presence. The Opposition, however, did not and they continued to clamor for the removal of U.S. forces. He said the Opposition now numbered about 45% of the legislature and was gradually increasing.

The Secretary then asked Mr. Matsuoka how the Opposition would feel if the U.S. did leave Okinawa. Mr. Matsuoka replied that the left-

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[2] In a meeting with Matsuoka on April 4, Rusk confirmed that the United States continued to handle foreign relations of the Ryukyus, despite the recent adoption of a new flag bearing Japan's colors for Ryukyuan vessels. Matsuoka pointed out that that "anomalous position" coupled with other questions of authority and economic development on the Islands produced dissatisfaction and a desire for reversion among a majority of the population. (Memorandum of conversation; National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU US)

[3] Making a brief courtesy call, Matsuoka met with President Johnson at the White House on March 29 from 1–1:15 p.m. (Johnson Library, President's Daily Diary)

ists don't look at the effect this would have on the economy; rather, they point to and exploit the fact of foreign presence on Okinawan soil, a politically potent subject. He said the Opposition ignored the fact that the foreign exchange gained from U.S. presence helps to balance out the excess of Okinawan imports over exports. He indicated his concern over a possible two-fold effect if the amendment to the Price Act fails to pass: (1) $5 million shortage in the GRI FY67 budget and (2) increased propaganda by the Opposition against U.S. control when Japanese aid is greater than that given by the U.S.

The Secretary then asked Mr. Matsuoka how he believed GOJ and GRI officials would act toward U.S. bases if the administration of Okinawa did revert to Japan. Mr. Matsuoka answered that because of the dispersion of the bases over the island and the resulting interrelationships, the leftist and communist elements could cause agitation which would be very hard to control. The Secretary said that to him this raised a fundamental long-range question concerning the willingness of the American people to remain in Okinawa, thereby protecting the Okinawans and the Japanese, unless the Okinawans and the Japanese want the U.S. there and are willing to provide the environment necessary to make that stay militarily effective.

Indicating that he was still speaking on a personal basis and not giving a U.S. Government position, The Secretary said he believed that Okinawans and Japanese need to study very carefully their own self-interest in continued U.S. presence on Okinawa. The U.S. cannot govern Okinawa indefinitely and should not impose its will on other countries. If the Japanese and Okinawans find it in their own self-interest for the U.S. to remain, they should begin moving toward a position of increasing political support for the U.S. and its objectives, allowing the U.S. to make its role in the Far East less unilateral. He indicated that the U.S. does not require Okinawa to protect Hawaii or San Francisco. Furthermore, he did not believe the U.S. public would support the defense of other countries who (1) don't want to be defended or (2) want to be defended but don't want to stand beside the U.S. politically.

The Secretary re-emphasized his view on two basic points (1) the U.S. should not again be put in a position of having to stand alone and (2) the need for Okinawan and Japanese political support. This support would include the flexibility required to make U.S. presence on Okinawa efficient from a military viewpoint. As a related but broader proposition, The Secretary expressed his opinion that Japan needs to take a much larger political and economic role in Asia and that Asian nations need to undertake more long-term regional activities. He pointed to recent healthy signs such as ASPAC, and the Korea-Japan settlement.

Mr. Matsuoka stated Prime Minister Sato had repeatedly told him that Japan depends on the U.S. for protection. The Japanese constitution

presents the government with problems in this regard. Furthermore, by relying on the U.S., the Japanese can devote their resources to economic activities. He continued by noting that his party in Okinawa as well as the Japanese Government realize the cost incurred by the U.S. because of its stay on Okinawa. He said they also realize that the U.S. remains there and bears this cost because of Communist tension. The Secretary responded that he believes the U.S. should stay only when the host country wants the U.S. to do so, Communist tension or not. If it is strictly a unilateral U.S. decision, it is basically wrong. He realizes that the Japanese and Okinawan people need time to reconsider this problem and the public needs to be educated. He also realizes that the U.S. should help by such actions as amending the Price Act. Mr. Matsuoka reiterated his belief that the Japanese Government did realize that the U.S. is paying for defense of Japan. He alluded to some recent speeches which have brought out this point, especially those by the Minister of Agriculture. The Secretary emphasized the need for a viable U.S.-Japan partnership which included active political support by Japan. As an example, he felt that in another Vietnam Japan could not stand aside, but would need to play a positive political role.

4. *Conclusion:* The Secretary concluded the discussion by saying how much he had enjoyed this opportunity for an exchange of frank and personal views.

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86. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara[1]

JCSM–376–67 Washington, June 29, 1967.

SUBJECT

Military Utility of the Bonins (U)

1. (S) Reference is made to your memorandum, dated 3 June 1967, subject as above, which requested the views of the Joint Chiefs of Staff on the military utility of the Bonins at the present time.[2]

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[1] Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 72 A 2468, Okinawa 323.3. Secret. The memorandum indicates McNamara saw it.

[2] McNamara's June 3 memorandum is ibid., 092 Bonin Islands. His request resulted from a Japanese request during the SCC Subcommittee meeting in late May for an assessment of the military value of the Bonin Islands. (Memorandum from McNaughton

2. (S) The Joint Chiefs of Staff have studied this matter and view the military utility of the Bonin, Volcano, and Marcus Islands as follows:

a. *General Assessment*

(1) Because of the instability of long-term security relationships in the Pacific, these islands represent an important strategic asset which should be retained by the United States. The strategic value of these islands must be judged in the context of long-term US national security interests as a Pacific power rather than current US regional defense commitments.

(2) Under the current US western Pacific military posture (dependent upon Japanese and Okinawan basing), the value of these islands is less apparent; however, with the increasing political limitations affecting military operations from these forward bases, the strategic value of the Bonin, Volcano, and Marcus Islands becomes more evident.

(3) Loss of direct US control of these islands would deny the United States an important potential for meeting a wide range of military requirements that could develop under various contingencies.

(4) If the islands are to be available for military requirements in the future, the very limited usable land cannot be returned to civilian use.

(5) The Bonin–Volcano–Marcus Islands, which also are administered by the United States under Article 3 of the Treaty of Peace with Japan, should be considered a separate military entity and not be made a part of any Ryukyuan reversion negotiations. Although not considered an alternative to the Ryukyus, retention of the Bonin–Volcano–Marcus Islands would enable the United States to salvage a measure of flexibility in the western Pacific, should satisfactory base rights in the Ryukyus and Japan fail to endure.

(6) Any change in status should be deferred pending attainment of US sovereign control in the Trust Territory of the Pacific Islands.

b. *Current Utilization.* Strategically, these islands are important as a backup for US bases in Japan, the Ryukyus, and the Philippines. They currently function as bases for navigation aids, weather stations, standby/dispersal airfields, and seadromes and provide a capability for storage of conventional and nuclear weapons. The islands occupy important positions with regard to surveillance and defense of major

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to McNamara, June 1; ibid.) The Japanese request anticipated a discussion of that question at the second Subcommittee Meeting, scheduled for August 22 and 23 in Tokyo. Documents pertaining to that meeting, including a transcript of the discussions among the participants, are in the National Archives and Records Administration, RG 59, Central Files 1967–69, POL 23 JAPAN–US and DEF 1 JAPAN–US.

sea lanes. Their availability for support of air and naval operations is a continuing requirement. (For detailed discussion, see Appendices A and B hereto.)[3]

c. *Planned and Potential Utilization.* In the 1969–1970 time frame, the US Navy plans to utilize Chichi Jima to construct northeastward-looking underwater surveillance station to monitor Soviet/Chinese submarine activities.

(1) The islands contain attractive sites for additional military functions such as missile sites, communication facilities, and SIGINT sites, as well as air and naval facilities which can be expanded without consultation with Japan in the event that requirements so dictate.

(2) The fact that these islands provide backup bases for our forward line of defense gains added significance as the era approaches (1970) when US-Japanese defense arrangements become subject to alteration with a one-year notification. Even partial loss of forward bases in Japan and Okinawa could necessitate reliance on bases in Marcus Island, the Marianas, and the Bonin–Volcano chain in support of the US forward defense posture. Moreover, base dispersal and the requirement for military options in the Pacific are becoming more significant as China develops a missile capability. The strategic value of US options, rather than current level of activity, is the key to the issue.

d. *Impact of Repatriation and Reversion*

(1) In effect, permitting return of residents to the islands and island reversion pose similar problems. In either situation, an influx of former residents would seriously impede the freedom of the US military in effective exploitation of the islands in the event of major military operations. Basically, this was the reason underlying the original evacuation by the Japanese military during World War II. The intervening years have not altered the situation. If the former islanders are permitted to reacquire the limited real estate, the United States would lose the land resources necessary to build airfields, depots, and other military facilities. Political and civil problems would preclude the United States from regaining these resources.

(2) The Foreign Minister of Japan recently has indicated that Japan desires to pursue the Bonin Islands question, first in terms of repatriation and later reversion. In this regard, repatriation could not occur without an extensive capital improvement program and substantial expansion of public services.

3. (S) In view of the foregoing, the Joint Chiefs of Staff consider the Bonin–Volcano–Marcus Islands to be of considerable strategic value

[3] Attached but not printed.

to US security and that exclusive US control should be continued. They recommended that:

a. The United States retain its present position, which is essentially to fend off repatriation and reestablishment of commercial ties between Japan and the Bonin–Volcano–Marcus Islands.

b. The current level of military activity in the islands not be used as the only basis for assessing their value. The instability of Asian security does not permit at this time restoration of Japanese administration of these islands.

c. No further commitment for repatriation or reversion of the Bonin, Volcano, and Marcus Islands be made until such time as the Trust Territory of the Pacific Islands is brought under full US sovereignty.

d. As part of its strategic posture in the Asian-Pacific area, the United States preserve its control of the Bonin, Volcano, and Marcus Islands under present arrangements or other suitable arrangements such as outright purchase or long-term lease.

For the Joint Chiefs of Staff:
Earle G. Wheeler
Chairman
Joint Chiefs of Staff

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87. Memorandum of Conversation[1]

Washington, July 10, 1967.

SUBJECT

Okinawa and the Bonin Islands

PARTICIPANTS

Takeso Shimoda, Ambassador of Japan

William P. Bundy, Assistant Secretary for East Asian and Pacific Affairs
Samuel D. Berger, Deputy Assistant Secretary for East Asian and Pacific Affairs
Richard W. Petree, Acting Country Director for Japan

1. Ambassador Shimoda said he was under no specific instructions from his Government, but he wished to sound out the views of

[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Exdis; Need to Know. Drafted by Petree.

the U.S. Government concerning Okinawa, the Bonin Islands, the Security Treaty and other matters. He had discussed these subjects with the Prime Minister and Foreign Minister before leaving Tokyo. Both are very concerned about Okinawa and they probably will wish to take this subject up during their respective visits to the U.S. this fall. Okinawa was raised during the meeting between Vice President Humphrey and Prime Minister Sato in Seoul last month,[2] and they both expected that it would come up again this fall. The Ambassador said, according to their information, the Vice President told Sato that the views of both governments now are much closer than before. This remark encouraged Sato very much.

2. The Ambassador said Okinawa and the Bonin Islands have been discussed many times between the two sides at various levels, but he wished today to describe the fundamental view of the Japanese Government. From the Japanese point of view, one of the first aspects of the Okinawa problem is the fact that Okinawa is the only Japanese territory where land fighting took place during World War II. The continuation of U.S. control in the islands has meant that they were also the only part of Japanese territory to continue under military control after the Peace Treaty. The suggestion in Article III of the Peace Treaty that the Ryukyus might in due course be turned over to UN trusteeship has never been carried out, and most Okinawa people think of the present situation as a prolongation of military occupation. The Ambassador recalled that both Secretary Dulles and General MacArthur had been quoted as saying that history shows that a military occupation never succeeds over a long period of time. The U.S. administration of the Ryukyus has now gone on twenty years. While U.S. administration has been wise and extremely generous, and the docile nature of the Okinawan people has permitted a large degree of success in this military occupation, the present trend of developments appears to be leading toward the creation of new problems which might damage fundamental U.S.-Japan relations.

3. The Ambassador said the Okinawa policy of the U.S. was created by Secretary Dulles in the interests of stabilizing the security and peace of the Far East. If the continuation of this policy leads to new problems, however, it would be contrary to the achievement of the ba-

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[2] Humphrey visited Seoul to attend the inauguration of President Park Chung Hee. During his meeting with Sato on July 1 at the residence of the Japanese Ambassador to Korea, Humphrey indicated that Okinawa and the Bonins would be discussed when Sato visited Washington and noted his belief that "the U.S. and Japan could move closer to any understanding as long as both understand the requirements of security in the area." (Telegram 24 from Seoul, July 2; ibid., POL 7 US/HUMPHREY)

sic goal Secretary Dulles sought. Therefore, the two governments must handle the Ryukyus problem skillfully to prevent emergence of such new problems. The situation is bound to deteriorate if the two sides do nothing about it. It is for this reason that the Japanese Government desires to take up this problem during the talks that are in prospect this fall. Ambassador Shimoda said he hoped the U.S. side would be fully prepared to discuss this matter. He assumed that U.S. readiness to discuss the problem this fall included the readiness of all elements in the U.S. Government, up to the White House and including the Defense Department.

4. Mr. Bundy referred to Ambassador Shimoda's recent statements on the subject of Okinawa and asked whether there was any particular direction the thoughts of the GOJ were taking. Ambassador Shimoda said one aspect of the Okinawa problem is military and another political. The Foreign Office is not expert on the military aspects of the problem, but since they are managing Japanese policy they need to have a valid military evaluation of Okinawa. They appreciated very much the frank talks held in Tokyo in May with the attendance of Ambassador Johnson, Assistant Secretary McNaughton, Mr. Berger, Mr. Sneider, and others.[3] They felt those talks were very useful, but even after hearing the U.S. explanation of the military importance of Okinawa, the Japanese came out with the feeling that the military situation is not likely to change very much. Okinawa will continue to be very important militarily, especially while the Vietnam conflict continues. While the military importance may possibly increase, depending upon developments, it will never decrease. There is no misunderstanding about the military importance of Okinawa in the Japanese Government. Of course, many contradictory things are said on occasion in Diet deliberations and in the press, but Prime Minister Sato and Foreign Minister Miki clearly have no misconceptions about this aspect of the Okinawa problem.

5. Ambassador Shimoda said he felt it was reasonable to expect that if Japan is to ask something from the U.S. the Japanese side must formulate a concrete proposal. Unfortunately, the Japanese Government has not reached any firm conclusions, so it is somewhat awkward for the Japanese Government to order Shimoda and others to continue

[3] Reference is to the SCC Subcommittee meeting on May 25 and 26 in Tokyo. The first day of the meeting was devoted to a discussion of ABMs and Okinawa, and the second day focused on the Bonins. Memoranda of the discussions are attachments to airgram A–1738 from Tokyo, June 27; National Archives and Records Administration, RG 59, Central Files 1967–69, POL 1 JAPAN–US.

their efforts to sound out the U.S. position.[4] The Ambassador said that before he left Tokyo he attempted to raise a number of questions to clarify the thinking on the Japanese side. He feels that Japanese and Okinawan leaders have gradually been brought around to facing the problem more squarely.

6. The Ambassador outlined two main schools of thought about the Okinawa solution:

(1) the first concept is to permit the U.S. to retain its military bases, if possible concentrating them within narrower geographic limits. The rest of the territory of the Ryukyus would be returned to Japan. The bases would become a kind of concession, somewhat like the Japanese base at Port Arthur in the old days. Within the bases the U.S. would hold all powers of control. This concept is espoused by such conservative leaders as Diet member Tokonami.

(2) the second school of thought objects to the creation of a new system. This school would admit to free use by the U.S. of its military bases in the islands, including the introduction of nuclear weapons, by creating an exception to the Security Treaty requirement for prior consultation under certain circumstances. All administrative rights over the islands would be returned to Japan.

Ambassador Shimoda said he supported the latter school of thought and believes that Prime Minister Sato does, too, although the Prime Minister cannot openly express an opinion. So far, the Prime Minister has been taking a wait-and-see attitude. He created the Ohama Committee to study the problem and report to him.

7. Ambassador Shimoda said he assumed Mr. Bundy could not express a view on these two schools of thought at this time. Mr. Bundy said he could not express a preference at this time. Either choice requires serious study, which the U.S. side is in fact presently conducting. He asked the Ambassador if it was correct that the GOJ is thinking of a fundamental solution to this problem and not a way of altering the present rights in the islands. He referred by way of example to the concept of partial reversion.

8. Ambassador Shimoda said partial reversion cannot work. He believed it impossible to divide authority over the islands. He said he

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[4] On July 14, however, the Embassy forwarded the text of an aide-mémoire on the Ryukyus and the Bonins received that day from the Japanese Foreign Office. The content of the aide-mémoire closely paralleled the substance of Shimoda's presentation to Bundy; it reiterated Japan's desire for a return of both island groups, while mindful of their military importance to maintaining the security of the region, and it mentioned that reversion sentiments among the Japanese population, increasingly exploited by the opposition political parties, could intensify to the detriment of U.S.-Japan relations. It also proposed further study of the reversion issues, including the military aspects, and the continuation of administrative reform in the Ryukyus. As to the Bonins, the aide mémoire proposed that, given their limited military significance, an agreement be reached to return those islands to Japan. (Telegram 266 from Tokyo, July 14; ibid., POL 19 RYU IS)

was even opposed to Japan picking up all executive authority or all judicial authority. Such partial reversion will not work.

9. Mr. Berger asked if the Japanese side intended to make specific proposals during the Miki and Sato visits this fall. The Ambassador said that depended to some extent on the soundings which he was instructed to carry out. He could not say whether the Japanese side would come forward with specific proposals. He recalled a recent statement by General Unger (HICOMRY) that he found the second school of thought more concrete and the first one somewhat vague. General Unger firmly stated, however, that at this point he could say nothing about a preference between the two concepts.

10. Mr. Bundy asked if it was possible that the GOJ might wish to discuss separation of the Bonins from the Okinawa problem and earlier action on the Bonins matter. Does the GOJ consider the two problems separate?

11. The Ambassador said he wished to comment on that later. Referring again to the readiness of the U.S. to discuss the Okinawa problem, he asked whether the U.S. side would be prepared to give a firm view in September, when Foreign Minister Miki plans to visit Washington. Mr. Bundy said we would have to discuss this matter on the U.S. side and provide a considered response as to which of the alternative concepts appeared to us to be more realistic. We might be able to indicate a clear preference between those two choices, but that would still not mean a final decision that the preferred choice would be wise from the U.S. point of view.

12. Mr. Berger asked whether either of the problems outlined by the Ambassador would mean 100 per cent freedom of U.S. use of the bases in the Ryukyus. The Ambassador said that was correct. Under the first concept Japan would have only residual sovereignty over the base enclaves. Under the second idea the whole territory of the Ryukyu Islands would be under full sovereign Japanese control, but the consultation clause of the Security Treaty affecting the freedom of base utilization would by agreement not be applied in the Ryukyus.

13. Mr. Berger asked what the Japanese timetable was. The Ambassador said Mr. Miki intended to take this matter up during his visit in September preparing the ground for Prime Minister Sato's discussions in Washington in November. He assured the U.S. that no responsible Japanese leader would ask for return of the military bases. He said he did not wish to disturb the U.S. by a premature raising of this problem.

14. Mr. Berger asked whether the Japanese side envisaged a change in status of the Ryukyus while the Vietnam war was going on. Ambassador Shimoda said he felt the change must come even before the end of the Vietnam conflict.

15. Mr. Bundy asked whether there was a relationship in Japanese thinking between the Okinawa problem and the 1970 problem in Japan. Ambassador Shimoda said there was no logical connection in the minds of Japanese leaders. Opposition parties, of course, hope to connect the two. Mr. Bundy asked whether the GOJ had in mind the Okinawa settlement coming into effect before 1970. The Ambassador said they did feel it would be better if it could be accomplished before 1970. Such a basic change in status, however, cannot be worked out overnight. The process might take days, months or even years, but the agreement at least should be concluded before 1970. He emphasized the fact that his views were not instructed Japanese Government views, since the Government had as yet reached no conclusions.

16. Mr. Bundy reverted again to the question whether the Bonins problem was separate from Okinawa. Ambassador Shimoda felt it was a separate problem. The Bonins constitute a new question for the Japanese public, for one reason because it has been handled exclusively by conservative leaders. Diet Member Fukuda, former Director of the Japan Defense Agency and member of the Foreign Office, has handled the matter quietly in his talks in Tokyo and Washington. He has not sought publicity, so the problem has remained relatively quiet. Since the new Socialist Governor of Tokyo, Minobe, has come into office, however, he has approached the Prime Minister for some action on the Bonins. His interest arises from the fact that the Bonin Islands fall within the Tokyo Metropolitan Government's jurisdiction. Because of these recent moves, the Bonins have drawn public attention in the Diet and in the press. There is a possibility that this could become a hot issue. If it does, it might be even more dangerous than Okinawa because of the relationship to Tokyo where most of the former residents of the Bonins live. The Ambassador said he felt for these reasons the two sides must face this question squarely.

17. The Ambassador said Fukuda had been of the view that return of the former inhabitants would help to relax the tension over this problem. Fukuda's idea has not received widespread support. The Ambassador said he believed that if the former inhabitants were repatriated, it would create a new problem somewhat like Okinawa. It would not be wise to permit repatriation.[5] He feels it would be far better to ask immediately for reversion on the same pattern as Okinawa. The Japanese Government recognizes the existence of military facilities in the Bonins, and the need to preserve the military utility of those bases.

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[5] The aide-mémoire also recognized that allowing former residents to return could create additional problems and that it was more important to focus on reversion rather than population returns. (Ibid.)

If settlement of the Bonins question appears easier and quicker of accomplishment than the Ryukyus, Miki and Sato would wish to start with movement on the Bonins in their talks with the U.S.

18. Mr. Berger recalled from his talks in Tokyo that there had been a number of different points of view expressed even within the Foreign Office concerning the approach to the Bonins problem. The Ambassador said a majority in the Foreign Office now strongly favor reversion of the Bonins. Mr. Berger recalled some concern that an earlier reversion of the Bonins might create problems in Okinawa. The Ambassador asked if this was not primarily a problem for the U.S. side. Mr. Berger also recalled the fear of some Foreign Office people that if the Bonins reverted to Japanese control earlier, Okinawans might feel as though they had been sacrificed in the deal between the two Governments. Ambassador Shimoda said he agreed that such a danger existed.

19. Mr. Berger asked whether the Japanese side would have specific proposals formulated for presentation during the talks in Washington this fall. Ambassador Shimoda said he did not know whether a position would be formulated by that time. He intends to try to push the Foreign Office, and the Director of the North American Affairs Bureau, Togo, also is pushing for the formulation of a Japanese position. Before the Ambassador's departure from Tokyo, Togo was aiming at a draft blueprint for presentation to Foreign Minister Miki by the end of June. Sometime in July, assuming Miki approved the draft, they were aiming for a meeting with the Prime Minister. Based on these discussions, the blueprint would then be redrafted, and if final clearances were obtained within the Japanese Government, Foreign Minister Miki would discuss it in detail during his visit in Washington in September. Ambassador Shimoda said he hoped Miki would be in a position to convey some clear ideas in September, otherwise there would only be another exchange of vague views. He asked whether it would be disturbing to the U.S. if Miki brought such a blueprint with him in September.

20. Mr. Bundy said it would not be disturbing to the U.S. side, though it would of course provoke a good deal of thought. The problem is already under active consideration on the U.S. side, however.

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

Tokyo, July 15, 1967, 0505Z.

271. Ref: Tokyo 266.[2]

1. I saw FonMin Miki this morning in room at new Otani Hotel for more than one hour. (Ushiba, Togo and Edamura were also present.) (It was agreed that if, in spite of elaborate precautions that were taken to preserve secrecy of our meeting, there nevertheless was a press leak, Miki would say that he had briefed me on ASPAC.) During meeting Miki made oral presentation much along lines aide-mémoire, and in turn I pressed him hard to effect that heart of problem was necessity of GOJ making decisions on what kind of U.S. military presence it desired in area and facing up to increased responsibility GOJ would have to assume if Okinawa administration returned and effective U.S. military presence maintained.

2. While not arguing this point, Miki kept returning to desire to determine what were "minimum" military requirements. In response to which I pointed out it was not question of what were minimum U.S. requirements—in one sense we could do almost anything, including getting out of Okinawa and East Asia entirely—it was, as expressed in aide-mémoire, question of what was common interest of both countries. To determine this it was necessary for GOJ to decide what its interests were. GOJ generally knew what we were doing and could do out of Okinawa under present circumstances and could itself see limitation that would be placed on U.S. (as well as increased GOJ involvement and responsibility) if present security treaty and SOFA were applied to Okinawa. While GOJ now subject to attack from opposition with respect to Okinawa, would GOJ be able any better to handle opposition attacks if arrangements in Okinawa were such as to give the flexibility to maintain maximum military capabilities and, accordingly, maximum deterrent value to Okinawa? I pointed out, for example, that question is not whether Polaris replaces Okinawa but rather our ability to maintain a graduated and thus more credible capability for response. Miki stressed that Japan valued and wanted U.S. military presence in East Asia and specifically desired that there be U.S. military base on Okinawa and only problem was how to reconcile Japanese desire for reversion with military requirements. To do this GOJ needed a good understanding of what those requirements really were. I pointed

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US. Secret; Exdis. Repeated to CINCPAC for POLAD and HICOMRY.

[2] See footnote 5, Document 87.

out that ever since my arrival here I had been seeking to establish a forum for just such a discussion with GOJ and last security consultative committee and sub-committee meetings were only first steps in this direction. I welcomed this morning's discussion with Miki and looked forward to further such talks.

3. In response to my probing what kind of timetable GOJ had in mind, Miki was very vague only stating that, as opposition would not be able to make much of a 1970 issue on security treaty question, they can be expected increasingly focus on Okinawa. On relationship of timing to Vietnam war, he replied that they could see problem of reaching final solution prior to end of Vietnam war, but felt that in meanwhile we should be moving forward with serious joint U.S.-Japan study of resolution of Okinawa problem.

4. On Bonins, I confined myself to saying that I agreed consideration should not be given to return of population prior to solution of question of administration. (After Miki had left, Togo indicated that PriMin Sato very concerned re obtaining prompt solution to Bonins question. GOJ estimate was that reversion of Bonins was significant factor re Okinawa but would not exacerbate Okinawa problem.)

5. There was no detailed discussion of interim measure proposed by GOJ with respect to Okinawa. I said that I could not see that we had objection to any of the principles set forth, but problem was with specifics, many of which also involved GRI. In discussion with Ushiba and Togo following Miki's departure, it was left that FonOff would follow up with more precise paper containing specifics but that in meanwhile it would be helpful to FonOff in dealing with other GOJ departments if they could say that there was general USG agreement to principles. One of things GOJ had in mind was strengthening JGLO personnel and functions on Okinawa with widened terms of reference that would permit it deal on more matters directly with USCAR and GRI. It was left that I would seek USG reaction to general principles set forth in aide-mémoire and that specifics would be subject further discussion at staff level between FonOff and Embassy.

6. I pointed out my reactions were, of course, only preliminary and not under instructions. Matter was left that, after receiving Washington reactions, we would meet again, probably around end of August, prior to September cabinet-level meeting in Washington, and in meantime another security sub-committee meeting probably would be held.

7. Detailed memcon follows.[3]

Johnson

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[3] The memorandum of conversation, July 15, is in the National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS.

89. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McNamara[1]

JCSM–406–67 Washington, July 20, 1967.

SUBJECT

Future Use of Ryukyuan Bases (U)

1. (S) The Joint Chiefs of Staff are becoming increasingly concerned about possible future changes in the character of US control in the Ryukyus which could impact adversely on national security.

2. (S) The Joint Chiefs of Staff believe that:

a. Reversion of the Ryukyus to the Japanese Government would weaken the US strategic posture and our military position in the Far East.

b. Because of the growing aggressiveness of Communist China and unsettled conditions in Southeast Asia, it would be premature to draw up a timetable for returning the Ryukyus to Japanese control.

c. In view of the complete interdependence of the military and civil communities, unilateral US control of Ryukyuan administration is of prime importance for as long as we maintain major bases there. Under Japanese control political limitations could be imposed upon the use of our Okinawa-based forces, equipment, matériel, and other resources.

d. Japanese reluctance to share proportionately in Free World defense in the Pacific strengthens the case for continued US jurisdiction over Okinawa.

3. (S) In view of increasing pressures by the Japanese Government for reversion of the Ryukyus, possible alternatives (Appendix hereto)[2] to existing unrestricted US use of Ryukyuan bases have been examined. It is concluded that:

a. For reasons of military security, it is important that the United States retain its present administrative control over the Ryukyus. Erosion of such control is not supportable from a military point of view since it would impact adversely on the US posture in the Pacific.

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[1] Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 71 A 4919, 680.1 Ryukyu Islands. Top Secret. A notation on the memorandum indicates that McNamara saw it.

[2] Attached but not printed.

b. Unrestricted access and freedom of action in the use of our military bases in the Ryukyus is essential if US security interests in the Far East are to be protected through the foreseeable future.

c. Should political developments require a lessening of the current level of administrative control, the following factors should be considered in the formulation of future US actions:

(1) The least disruptive alternative of those examined would be an orderly transfer of civil administration to Japan in return for a special base rights agreement which provides for the military requirements essentially as set forth in Annex B. However, such an arrangement would be vulnerable to future changes in policy by subsequent Japanese governments.

(2) Transfer of administrative authority to Japan under the context of the Treaty of Mutual Cooperation and Security of 1960 with Japan would seriously reduce US military capabilities in the Far East because of the resulting highly restrictive conditions governing our operations. US interests would best be served by separate negotiation on the future of the Ryukyuan bases.

(3) The establishment of an enclave-type base structure in Okinawa, or one of the other Ryukyu Islands, does not appear practicable and should not be considered as an acceptable alternative unless it is the only method of retaining unrestricted control and freedom of action over our military bases in the Ryukyus. The United States has over the years provided common support utilities (water, electricity, telecommunications, transportation nets, POL pipelines, airports, harbor installations, etc.) for its bases and the civil community. The establishment of independent base support facilities would be made necessary by an enclave policy. The relocation effort and legal actions associated with development of separate utilities and facilities would be extremely expensive and complex. In any instance, further feasibility and cost studies by the military services would be required and the cost implications fully understood by the Japanese before a decision is made. Full understanding of these problems as well as recognition of the fact that the United States would expect exclusive enclave rights and reimbursement from the Japanese for relocation costs could persuade Japan to give preference to other alternatives.

(4) Relocation of US bases elsewhere in the western Pacific within the mid-term period would seriously undermine US military capabilities because of such factors as host government political restrictions and the greatly increased operating ranges involved. More significantly, it would result in the abandonment of approximately $1 billion in assets, with negligible salvage value, and require in excess of $600 million for the construction of alternate facilities. However, examination of alternate base sites in the western Pacific should continue in the

event of the contingency occurring that prescribes relocation elsewhere of some or all of the US Ryukyuan facilities.

d. In recent years, the Government of Japan has endeavored to increase its knowledge and understanding of security questions, including the use of US bases in the Ryukyus. This maturing attitude on the part of Japan's leaders, together with the problems involved in establishing a true enclave, should make it possible for the United States to press for continued exclusive control of the Ryukyus as a legitimate political cost of US defense commitments to Japan. The US Government should continue to emphasize to the Government of Japan that Japan's security is in large part dependent on the maintenance of a substantial US military posture in the Ryukyus. The Government of Japan, for its part, should continue its efforts to bridge diverse attitudes among the Japanese people concerning basic security issues and should seek to create popular support for the thesis that Japan's security, together with that of the rest of the free nations in east Asia, is largely dependent on credible US military presence in the Pacific. Such presence, in turn, is dependent on continued unrestricted US control of its bases and operations in the Ryukyus.

e. While unrestricted US control over the Ryukyus is critical for the foreseeable future, the political pressures we now face and may anticipate in coming years point to the urgency of having the Trust Territory of the Pacific Islands under US sovereignty. Also important is the requirement to retain US control over and freedom of action in the Bonin-Volcano Islands.

4. (U) The Joint Chiefs of Staff recommend that the conclusions above, as amplified in the Appendix, be approved as the Department of Defense policy position for guidance by US officials in future discussions and actions concerning the Ryukyus.

For the Joint Chiefs of Staff:
Earle G. Wheeler
Chairman
Joint Chiefs of Staff

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

Tokyo, August 1, 1967, 1010Z.

614. Pass Army/DUSA and OASD/ISA. Ref: HC–LN 720718.[2]

1. I appreciate General Unger's thoughtful comments on my discussions here thus far with the GOJ on Okinawa, and in turn want to comment on how I view the situation from here. As I read reftel, I interpret it in effect as saying that if prospect of reversion, or at least US-Japan agreement on reversion by 1970 is not made known [garble—before] 1968 legislature elections,[3] this may result in control of GRI by Leftist political parties in Okinawa; therefore we should now use Japanese desire to obtain return of the Bonins and for a greater role in Ryukyuan affairs to obtain a satisfactory commitment from the GOJ on the future of the bases in the Ryukyus in order to permit public statement on reversion prior to 1968 elections.

2. If I am correctly interpreting the message, the basic difficulty with this line is that it is not now politically possible for GOJ to give us the commitment which not only we want but which, I believe, many in GOJ, including FonOff, want to give us. The facts of life in Japan are such that no politician at this stage can condone violation of what has come to be considered as Japanese "nuclear policy," nor could any of them support other US freedoms in the use of the Okinawa bases. They are, nevertheless, encouraging a public education process which in time GOJ hopes will bring about a political climate in Japan which would enable GOJ to agree to something coming much closer to the desires of both of us. Much progress is already evident. The "Shimoda formula" has not been rejected and nucs can now be openly discussed—both unthinkable a few years ago.

3. I feel that responsible Japanese Govt. leaders are giving increasing indications of seeing Okinawa as a common GOJ–US problem and that they are increasingly concerned at not permitting political pressures and public sentiment in either Japan or Okinawa to get so far out of hand as to limit their freedom of action. Accordingly, I do not read the aide-mémoire as a "hidden warning that the US will have increasing trouble maintaining civil administration and unimpeded operation of bases, unless it agrees to 'consultations' to find a solution to the reversion problem," but rather, an assessment of the situation

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Exdis. Repeated to HICOMRY and CINCPAC.

[2] Not found.

[3] Elections for the Ryukyu legislature were scheduled for November 1968.

closely corresponding to that of HICOM contained in para 4 reftel and a desire to do all that is feasible in cooperation with us to prevent such a situation arising.

4. In order to resist more extreme pressures, the GOJ must show some progress which the Japanese public can interpret as progress toward reversion. I do not interpret the areas which the GOJ is exploring for closer relations with Okinawa as an effort at whittling away of our basic authority but as what the GOJ feels is a minimum necessary for the GOJ to maintain political credibility.

5. I also do not have any impression that the GOJ does not intend to continue to cooperate as fully as it can with us in maintaining our civil administration and unimpeded operation of the bases. Its assets to influence the situation are, however, limited in present circumstances and they see the desirability of increasing their involvement not only for domestic political reasons but also to facilitate our role. They find it to their advantage also to have Okinawa remain quiet.

6. As it does not seem to me that the consensus process will permit us to reach a "solution" to the Okinawa problem in time to influence the elections 1968 (para 4 reftel), it would seem to me desirable that we give sympathetic consideration to GOJ proposals for such further participation in Okinawan affairs as it feels will be helpful in meeting our common problems, rather than regarding such proposals as bargaining levers which we can use to obtain what the GOJ cannot now give. I do not suggest that we permit GOJ involvement which derogates from US administrative authority (I have been categorically clear to GOJ on this), but there are many areas which might be helpful and in line with our policy guidelines.

7. As for the Bonins, I do not see the prospects or desirability of trying to use them as a bargaining counter in reaching an Okinawan solution. It is not that kind of a situation and I do not feel it would be to our advantage if we tried to make it such. The Japanese are well aware of the marginal importance of the Bonins in our defense structure and the sooner we are able to agree to reversion the more we establish a credible rationale for our position on the Okinawan bases. While there may be some whetting of appetites for reversion in Okinawa, if the Bonins are returned, I am inclined to believe it will strengthen the hands of those in both Japan and Okinawa advocating faith and conference in US by demonstrating that we mean what we have said with respect to returning these areas when the security situation permits. It is, of course, not a question of removing our security installations on the Bonins, but rather bringing them within the framework of our many security installations within Japan.

Johnson

91. Action Memorandum From the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy) to Secretary of State Rusk[1]

Washington, August 7, 1967.

SUBJECT

Ryukyus and Bonins

1. We are confronted by a considered Japanese request to agree to negotiations for the return of administration of the Ryukyus and Bonins to Japan by 1970.

2. Foreign Minister Miki and Ambassador Shimoda in separate conversations (Tab B)[2] have proposed discussion of this problem during the Miki visit in September, looking to an agreement between the President and Sato in November to begin negotiations on the terms of reversion, which would need to include special base rights to satisfy our military requirements.

3. Ambassador Johnson reports that Miki is hoping for our initial reaction before Johnson returns to Washington for the Cabinet meetings. Ambassador Johnson plans to leave Tokyo about August 28. In a letter to us (Tab C),[3] he envisaged a scenario presenting the Japanese with a "bill of particulars" to force the Japanese to make the necessary decisions. This would be followed by your discussions with Miki, and, if all goes smoothly, an announcement during Sato's meeting with the President of agreement to begin negotiations on reversion.

4. Our recommendation is that we inform the Japanese that we are prepared to negotiate on reversion provided they give us advance commitments to assure broad freedom of action for the use of U.S. bases, particularly to support the Vietnam War, and to enlarge their political and economic role in Asia. We have concluded that our prospects for reaching an agreement with Japan on this basis will never be better than at the present time. We also anticipate that actual return of the islands

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Nodis. Drafted by Sneider and cleared by Macomber. A handwritten note on the memorandum reads: "Sir: EA has now offered this new second page (below) reflecting Sec. McNamara's views."

[2] At Tab B are telegram 271 from Tokyo, July 15, summarizing the July 15 conversation between Miki and U. Alexis Johnson (Document 88), and telegram 5236 to Tokyo, July 12, summarizing the July 10 discussion among Shimoda, Bundy, and Berger, attached but not printed.

[3] Attached at Tab C but not printed is a July 12 letter to Sneider.

to Japanese sovereignty will not take place until 1969 or 1970 since lengthy negotiations on the detailed arrangements will be required.

5. ISA and EA have drafted a Memorandum to the President from you and Secretary McNamara[4] recommending this course of action. We have discussed the position recommended in the memorandum with Messrs. Rostow and Owen, and they agree with its basic thrust.

6. Mr. Macomber[5] has serious reservations about acting now on the Ryukyus and Bonins, given the opposition to the Panama Canal Treaty. He would prefer to wait until the Panama Treaty debates are completed. Although return of these islands can be accomplished by executive agreement, he also suggests a joint resolution by Congress or some other form of associating Congress with the actions recommended. Finally, he recommends that when and if you conclude it is essential to push forward with the return of these territories to Japan, that our recommendation to the President be couched in terms of seeking his approval of our consulting with appropriate Members of the Congress, prior to making a final recommendation to proceed.

7. The draft memorandum is being forwarded by ISA to Secretary McNamara. I understand that he is inclined to move ahead with reversion if we can get the right price. He will not act formally, until he receives the views of the JCS. The JCS position heretofore has been to hold onto the Ryukyus and Bonins as long as possible until political pressures force us to return administration of these islands to Japan.

Recommendation:

That you meet briefly with Messrs. Bundy, Macomber, and Sneider to renew this issue and provide guidance for final discussions with DOD.[6]

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[4] At this point a handwritten notation that reads: "(draft at Tab A; Sec. McNamara has not yet cleared—see para. 7 below)" was inserted. The draft memorandum is printed below.

[5] William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations, March 1967–October 1969.

[6] Rusk approved the recommendation and set the meeting for August 14 at 11:30 a.m. The meeting was attended by Bundy, Berger, Read, Sneider, and John P. White, Assistant Secretary of State for Congressional Relations. It ended at 12:18 p.m. (Johnson Library, Rusk Appointment Books, 1967) No other record of the meeting has been found.

Tab A

Draft Action Memorandum for President Johnson[7]

SUBJECT

Reversion to Japan of the Ryukyus, Bonins and other Western Pacific Islands[8]

We are confronted by a clear cut Japanese request to resolve the Ryukyus and Bonins question by 1970. They wish to commence discussions now looking to an early return of the Bonins and other Western Pacific Islands to Japanese civil administration and a subsequent return of the Ryukyus to Japanese civil administration under special arrangements maintaining our military bases and satisfying our military requirements. The Japanese are vague on the specific arrangements which would be agreeable to them.

Before going ahead with further discussions with the Japanese, we need your decisions on whether to commence negotiations with Japan on the reversion of both groups of islands to Japanese civil control, and on what prior commitments are required from Japan to make certain that reversion does not compromise our essential security interests and our capability to conduct the Vietnam War.

I. Background

Okinawa, the principal island of the Ryukyus, is the most important U.S. military base in the Western Pacific. Its value is enhanced by the absence of any restrictions on our freedom of action. The availability of the Okinawa base, close to potential theaters of operation, adds substantially to overall U.S. capability and flexibility. The Bonins and other Western Pacific Islands are of little or no importance militarily but have been retained principally for contingency purposes.

At the present time, we exercise all civil and military authority on the islands.

Japanese sovereignty over the Ryukyus and the other islands has been recognized. The Japanese Government has cooperated up to now in keeping reversionist sentiment in both Japan and the Ryukyus in check, but it is under ever-increasing political and public pressure in both countries to resolve this issue. Reversion is now the only major problem between Japan and the United States.

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[7] President Johnson apparently received the final version of this memorandum; it has not been found.

[8] In addition to the Ryukyus, Japan has residual sovereignty over the following islands covered in Article 3 of the Peace Treaty: the Bonin Islands, Rosario Island, the Volcano Islands (including Iwo Jima), Parece Vela, Marcus Island, and the Daito Islands. [Footnote in the source text.]

Foreign Minister Miki has presented Ambassador Johnson with an Aide Mémoire proposing three steps:

1. Examination of a formula for accommodation of Ryukyu reversion and "the military roles which Okinawa should play";
2. Agreement on interim measures for improvement of the administration of the Ryukyus; and
3. Agreement on early return of the Bonins and other Western Pacific Islands to Japan.

He has requested preliminary comments from Ambassador Johnson prior to the Ambassador's return to the United States at the end of August.

Foreign Minister Miki proposes discussions of the reversion issue during his visit to Washington in September. This would be preliminary to your meeting with Prime Minister Sato in November, when the Japanese would apparently like a joint announcement agreeing to start negotiations for the return of administration of these islands. They have informed us that they want us to retain our military bases in the Ryukyus and other islands, and that they are prepared in effect to negotiate special arrangements which would enable us to meet our military requirements and responsibilities in the area.

They would like the negotiations completed so as to permit the return by 1970. The date is significant. In that year the opposition will have its first opportunity since 1960 to mount a campaign for the renunciation of the Security Treaty and a repudiation of the Japanese-American alliance. The opposition intends to make the U.S. occupation of the Ryukyus the focal point of their attack.

II. The Alternatives[9]

We have examined two major courses of action:

1. Reject the Japanese request, on the grounds that we do not believe it would be useful to begin discussions of reversion at least until after the Vietnam war is over, or, more indefinitely, that we do not believe that reversion will be possible until there is a basic change in the security situation in the Far East.

2. Inform the Japanese Government that we would be prepared to enter into negotiations for return of the Ryukyus, Bonins and other Article 3 islands, provided we obtain in advance commitments by Japan:

a. To agree to new special arrangements granting us broad freedom of action for conventional military and other activities in the

[9] For McNamara's recommendations see Document 92.

Ryukyus and freedom to mount military combat operations without consultation in defense of Southeast Asia and Taiwan;

b. To enlarge its regional political and economic role in Asia and provide over the next several years a substantially greater economic contribution to the development of Asian countries;

c. To agree to our retention of the whole island of Iwo Jima as a military base.

III. Recommendations[10]

1. We recommend that you authorize the second course of action.

2. We also recommend:

a. That we be prepared to withdraw our nuclear weapons from the Ryukyus, if during the discussions with the Japanese they insist on this point, and if they agree to make the other commitments set forth in our first recommendation.

b. That, if you do not agree to enter into negotiations on the Ryukyus, you authorize negotiations for return of the Bonins and other Western Pacific Islands, provided that Japan will agree to our retention of the whole island of Iwo Jima as a military base.

c. That, if you approve any of the foregoing recommendations, you authorize us to consult with key Congressional leaders prior to entering into future discussions with the Japanese.

IV. The Alternatives Examined

Two major arguments are advanced for rejecting the Japanese request:

First, there is no need to change the status quo since our position there is still politically tenable.

Second, the status quo is essential on military grounds.

These arguments and the advantages of early negotiations are discussed below. We conclude that an effort to retain the current status of the Ryukyus involves unacceptable and unnecessary risks. We also conclude that it is timely and advantageous to enter into negotiations on return of the Ryukyus and other islands provided the Japanese satisfy our essential requirements, and in no way impair our freedom of action to support the Vietnam War.

A. The Political Equation

U.S. administration of the Ryukyus and other islands has always involved political risks. Until the present, these risks have been acceptable because reversionist pressures have been tolerable, and partially muted by effective U.S. administration and by Japanese and Ryukyuan cooperation with us. The Japanese Government has recognized up to

[10] The draft gives no indication of President Johnson's decisions on these recommendations.

now that Japan's interests were best served by permitting the U.S. full control and freedom of action in the Ryukyus.

We could remain in the Ryukyus on the present basis for a time, because reversionist pressures have not yet reached the boiling point. In these circumstances, the Japanese Government would reluctantly accede to our position, rather than force a major confrontation with us. But, it cannot hold to this position for long.

Reversionist pressures are mounting in both Japan and the Ryukyus. It is no longer a demand made solely by the opposition. More and more of our conservative friends in both areas are beginning to insist on it. The conservative leaders, therefore, sense that it is timely, it is vital to their political interests, and it is essential to Japan-American relations that this issue be soon resolved. Furthermore, the Japanese Government has concluded that security attitudes in Japan will now permit an accommodation with U.S. military requirements after reversion. An opportunity still remains for quiet negotiations free from uncompromising public demands.

The longer we delay negotiations the greater the danger that an explosive situation could develop.

We already face two potentially dangerous deadlines in the next three years. In the 1968 Ryukyu elections, the slim conservative majority could be lost and a far less cooperative left-wing government could take over. In 1970, the Security Treaty debate could bring irresistible pressures for reversion. The ensuing debate on the Treaty and reversion would have considerable bearing on the outcome of the next general election which must take place by January 1971.

The Soviets are poised to exploit the reversion issue. They sense the emotional content of the Ryukyu issue in Japan, and we have reports that they plan to offer to return some of the northern islands in order to put strains on Japanese-American relations.

If we wait until events force us to change our policies in the Ryukyus, and then reluctantly concede, we may gain a few more years. But we also risk serious strains on our relations with Japan, create difficulties for friendly Japanese Governments, and could conceivably jeopardize our base position in the Ryukyus.

B. U.S. Military Requirements

1. *The Current Status*

We and the Japanese fully agree that retention of the Ryukyu military bases for the foreseeable future is in both our interests. The issue between us that will require resolution is how much freedom of action for the U.S. is essential in both our interests.

If the Ryukyus are returned to Japan under the terms of our current security arrangements with Japan our freedom of action would be

restricted and the military value of the Ryukyu bases be reduced. The principal restrictions imposed by the present arrangements in Japan proper are:

a. the need to consult and obtain Japanese consent prior to conducting combat military operations from Japanese bases, except in the case of the defense of Japan or Korea;
b. the need to consult prior to any storage of nuclear weapons.

There would be other less important restrictions as well as the inhibiting effect of losing administrative powers over the Ryukyus. It is worth noting that these restrictions have not prevented effective use of U.S. military bases in Japan for many activities also conducted in the Ryukyus, and for the support of U.S. forces in Vietnam.

2. *Special Arrangements Needed*

Applying the existing Treaty arrangements in Japan to the Ryukyus would not therefore be adequate to our essential military needs. New special arrangements would need to be negotiated as the price of reversion.

3. *Military Combat Operations*

The Japanese Government would have to agree to allow the U.S. to mount operations in defense of Southeast Asia and Taiwan without prior consultation. This is to be certain that reversion will not in any way limit our needed freedom of operations for Vietnam or other possible contingencies.

During the Vietnam War, we have not mounted combat operations directly from Okinawa except for several instances when B–52s were forced by typhoons to seek haven in the Ryukyus and subsequently launched missions to Vietnam from there. As for the future, we would not need to mount conventional combat operations directly from Okinawa unless we wished to engage in conventional bombing of the Chinese mainland, which is not likely.

We are not certain that the Japanese Government is prepared to grant us this freedom of action. But, this right to use the Ryukyu bases without consultation is important not only as a safeguard for contingencies, but as a means of associating Japan with our efforts in Vietnam, and making certain that there will be no restrictions on essential combat operations for Vietnam.

4. *Nuclear Weapons*

The issue of nuclear weapons on Okinawa is likely to be the major obstacle to an agreement on special arrangements. The Japanese have indicated serious concern about the acceptability in Japan of permitting nuclear weapons to remain on Okinawa after reversion. The Department of Defense has studied the question of the importance of maintaining nuclear weapons on Okinawa. The Secretary of Defense

has concluded that because the U.S. arsenal of nuclear weapons at other locations in the Pacific is sufficient for contingencies, and because we could resupply speedily weapons from the U.S. if necessary, there would be no significant degradation of our capability if we removed all of our nuclear weapons from Okinawa.

The nuclear issue has an additional aspect. There is an outside possibility that some Japanese officials and political leaders may yet be prepared to agree to nuclear storage after reversion in order to accustom the Japanese people to the presence of nuclear weapons, and thus facilitate a Japanese nuclear weapons program should they decide to undertake one. Our efforts to discourage the Japanese from going nuclear would be enhanced if we removed nuclear weapons from Okinawa prior to reversion. This would still leave us with the right to storage subject to consultation, as is now the case in Japan itself. We are therefore prepared to withdraw the nuclear weapons if the Japanese insist.

5. *Other Base Arrangements*

There are certain other operations which we carry on from Okinawa and not from Japan. These include the mounting of clandestine operations and the maintenance of a VOA transmitter. We believe that we can negotiate an agreement that would give us greater latitude in these matters on Okinawa than we have on the Japanese mainland. These rights would be embodied in a special base rights agreement to be negotiated at the time of reversion.

C. The Advantages of Early Negotiations

The timing is favorable. If we move now on reversion, we demonstrate an American sensitivity to the concerns of our allies, an ability to forge new and constructive relations with our allies, and an ability to deal in advance with potentially dangerous problems. We will have dealt, in a most timely manner, with the only important and serious issue between ourselves and Japan.

It is our judgment that our bargaining position will never be better than it is now. Sato's political position is strong enough to put across a deal favorable to us on the Ryukyus. He is securely in power for the next few years, having survived in January a major threat to his continued rule. If we begin negotiations immediately, we have very good prospects for getting all the special base rights that we need, plus a Japanese commitment to greater regional responsibilities.

There is always the possibility that Sato will not be able to accept our conditions for reversion. But, in this event, our proposal will place responsibility for delaying reversion squarely on the Japanese Government.

Return of the Ryukyus will also act as a powerful incentive on Japan to undertake broader responsibilities in Asia. The Japanese are

already making an increasing contribution, particularly to the economic development of the non-Communist countries in the region. Return of the Ryukyus will by itself draw Japan into an expanded regional role and inevitably necessitate increased military activities for the defense of this area. But, the Japanese should be urged to do substantially more. The Japanese are not ready yet to play a military role in regional security and we doubt whether most other Asian countries would welcome this at this time. However, if we are going to carry most of the military burden, they should carry a heavier economic burden. One of the prices paid by Japan for reversion should be greater Japanese economic aid to East Asia.

V. The Special Problem of the Bonins and other Western Pacific Islands

We consider that retention of these islands has little military justification. The U.S. does not now maintain any major regional installations on these islands and we have no current plans for any new facilities.

We propose to negotiate the return of these islands as a package with the Ryukyus. However, if it is decided not to negotiate on the Ryukyus, we should agree to a prior return of the Bonins in an effort to try to stem, for a time, pressures for reversion of the Ryukyus.

VI. Congressional Considerations

Return of administration over the Ryukyus and other islands can be accomplished, as was done with several Ryukyuan Islands in 1953, by an Executive Agreement accompanied by a base rights agreement probably with some secret annexes. We anticipate that there will be Congressional opposition to reversion, particularly to return of Iwo Jima and, for this reason, propose to retain the whole island as a military base. However, we believe that there will be substantial support for this action provided Japan makes the commitments recommended below and it is clear that there will be no detrimental effects on our war effort in Vietnam.

92. Memorandum From the Country Director for Japan (Sneider) to the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy)[1]

Washington, August 10, 1967.

SUBJECT

Ryukyus/Bonin Reversion Memorandum

1. Dr. Halperin, ISA, has just informed me that Secretary McNamara has approved the draft action memorandum for the President on the Ryukyus/Bonins subject to review of the JCS position and several modifications in the recommendations.

2. He preferred that the advance commitments sought from the Japanese be set forth in the following terms:

(a) Japan will support our use of the Islands for our military purposes and support of our Pacific commitments;
(b) Japan will agree to new special arrangements in which they will give us political support for conventional military and other activities in the Ryukyus;
(c) To enlarge its regional political and economic role in Asia and provide over the next several years a substantially greater economic contribution to the development of Asian countries;
(d) To agree to our retention of the whole island of Iwo Jima as a military base.

3. There is attached for reference purposes the text of the recommendations as set forth in the memorandum sent to Secretaries Rusk and McNamara.[2]

[Omitted here is a listing of the original recommendations.]

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Nodis.

[2] See Tab A to Document 91.

93. Memorandum for the Record[1]

Washington, August 30, 1967.

SUBJECT

NSC Meeting August 30, 1967, subject: Reversion to Japan of the Ryukyus, Bonins and Other Western Pacific Islands

PARTICIPANTS

The President
Vice President
Secretary of State Rusk
Secretary of Defense McNamara
Secretary of the Treasury Fowler
Under Secretary of State Katzenbach
Director Marks
Director Helms
Mr. W. W. Rostow
General Johnson
Mr. William Bundy
Mr. Bromley Smith
Mr. William Jorden

The President opened the meeting by noting three main questions to be covered:

(1) The Japanese desire to begin moving toward settlement toward the Ryukyu and Bonin Islands issue;
(2) our desire for Japanese cooperation in cutting our balance of payment problem, especially the problem in military accounts;
(3) the need for Japan to do more in economic aid to Asia.

He noted that the upcoming visits of Foreign Minister Miki (Sept) and Prime Minister Sato (November) made consideration of these questions immediately urgent.[2]

He asked Secretary Rusk to summarize the current situation.

Secretary Rusk said it was in our vital interest to keep Japan a willing partner in the free world and to get them to carry the larger share of the common load. Japan soon will be the third most industrial power in the world. Their help in Viet-Nam has been quiet but important. They have been helping in aid to Asia but should do more. Japan's aid

[1] Source: Johnson Library, National Security File, National Security Council File, National Security Council Meetings, Vol. 4, Tab 56. Top Secret; Exdis. Prepared by William J. Jordan.

[2] Miki headed the Japanese delegation attending the Sixth Meeting of the U.S.-Japan Joint Cabinet Committee Meeting on Trade and Economic Affairs in Washington from September 13–15.

now represents .65% of the gross national product; the Japanese are aiming at 1%. The Secretary said the coming visit of Prime Minister Sato would provide a good opportunity to raise this question.

The Secretary recalled that under the Truman Administration, he was one of those who favored an early return of the Southern Islands to Japan. He said he was not so anxious to see that now. He reviewed the Security Treaty problem and Japan's constitutional difficulty with any military commitment. He noted the Security Treaty would become subject to revision. The Secretary said that if the Defense Department felt that we urgently need the Islands to carry out our Asian commitments, they would get no argument from the Secretary of State. He noted that there will be elections in the Ryukyu Islands in 1968 and some forward movement toward reversion would have a favorable effect. He said Ambassador Johnson would discuss some interim steps in that direction. He said that we did not want to revise the Security Treaty and that the Japanese Government doesn't seem to want that either. He said that things to be decided were:

(1) what we need primarily for our defense purposes, and
(2) the timing and stages of new movement toward reversion.

He thought that action on the Bonin Islands would take much heat out of the Ryukyus question.

Ambassador U. Alexis Johnson called attention to:

(1) The fact that the issue is *not* removal of bases—Japan favorably desires that we retain military bases.
(2) This issue is not being artificially created by the Japanese Government. The political situation in Japan and in the Ryukyus is forced upon Sato.

One reason this has received so much attention is that it is "the last remaining issue" between Japan and the United States. Also, the Japanese find it "unnatural" for Japanese territory to be run by an American General.

The Ambassador underlined that Japan did not want to stir up the issue but wanted to keep it under control.

There were two principal questions:

(1) Under changed administration would we be able to carry out military action from Okinawa in defense of Taiwan and Southeast Asia; he noted under the present Treaty, we are permitted to help Korea directly;
(2) The nuclear question—under the present Treaty, we could not bring nuclear weapons in without agreement of the Japanese Government.

Prime Minister Sato would not want or expect the Ryukyus to be returned in November. He does want a sense of forward movement.

He himself needs time to deal with this matter, especially to educate his own people on nuclear realities.

Sato wants:

(1) to enter into negotiations or return of the Bonins, not to remove the bases but to put the Islands under the current Treaty;
(2) something on the Ryukyus that would look like movement; he would like to settle the Ryukyus issue by 1970.

On interim steps, the Ambassador suggested two possibilities:

(1) economic—it would be useful to set up an Economic Advisory Committee under the high commissioner with representatives from Japan, the Ryukyus and the high commissioner's office;
(2) popular election of the Ryukyus Chief Executive who is now chosen by the legislature.

The President asked what we would get out of this.

Ambassador Johnson said that in the Ryukyus, without positive steps, we could get a hostile government.

The President said he wanted to know in all of this—on bases and the Ryukyus—what was in it for the United States. He said we always seem to think of what is necessary or good for others.

Ambassador Johnson said he thought we could get Japan to assume greater responsibilities for security in the Far East. It was not realistic to think of military assistance from Japan, but it was realistic to think of Japan's playing a greater political role. He said we needed to involve them more with us in Asia.

The President asked if Japan could do more economically to assist with our balance of payments problem. Ambassador Johnson said he was sure the Japanese would do more in Asia. He was not sure of balance of payments.

The President said he wanted a list of the things we hoped to get from the Japanese.[3]

Secretary Fowler said he thought the balance of payments problems should be kept separate from the Ryukyus question. He thought the United States should propose a balance of payments committee. The committee would, among other things, carry out joint accounting of the balance of payments and that this should include military transactions.

Second, he would stress joint US and Japanese planning of military expenditures. He noted that in Japan, plans for 2.8 to 2.9 billion dollars was earmarked for military equipment. He thought there would

[3] See Documents 94–96.

be an element of competitive bidding and of shared production. A reasonable share of the proposed outlay (up to one-third) would still defer only part of our unfavorable balance. He raised the desirability of increasing Japan's role in regional cooperation.

Secretary McNamara said he was not much concerned about the reversion problem. He said the issue was: should we maintain our bases there? What are the arguments for keeping bases? As for the Treaty, should we extend it in 1970?

The Secretary said by and large the Japanese were "standing aside" and taking "pot shots" at us. The nuclear threat in that area was not to us but to Japan. He thought the Japanese were going to have to convince us that we should keep the bases.

The President noted that Senator Mansfield was going to Japan and other Far East points to make lectures. He asked for one page memos which would list some of the things he might discuss with Senator Mansfield before the latter's departure.[4]

Secretary Rusk underlined that the Japanese help to us in Viet-Nam was a secret, and should not be discussed.

As for Japanese criticism, he noted that the voting record of Japan with us in international bodies was as good as any country in the world.

General Johnson said the Joint Chiefs position on Okinawa was very simple: we have commitments in Asia and we must have unrestricted uses of Okinawa as long as we have those commitments.

Director Marks said there were three main problems reflected in press comments in Japan and Okinawa. They were:

(1) The offenses of US personnel;
(2) the absence of a collective bargaining for labor; and
(3) the nuclear problem.

Secretary Rusk raised the possibility of a "mid way point" regarding administration with a Japanese civilian and a United States General sharing administrative responsibilities. The President asked whether a civilian administrator would help the problem.

Ambassador Johnson said he thought this was no answer and didn't get at the heart of the problem.

Mr. Bundy mentioned the "enclave" idea for US bases but said it was an impossible situation since the bases are widely scattered and mixed into non-base areas.

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[4] The memorandum from Rusk, August 31, is in the Johnson Library, Confidential File.

Mr. Rostow asked what percentage of Japan's gross national product was going into military programs and economic assistance.

The President concluded the meeting by saying that we had a good idea what the Japanese want, but he wanted to know what we want.

There was a brief discussion of the elections in South Viet-Nam.

The meeting ended at 1:00 p.m.

William J. Jorden

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

Washington, August 30, 1967.

You have asked for my views on the positions we should take during the Japanese Foreign Minister's visit next month.

I believe we should:

a. Listen to Foreign Minister Miki's proposal for the reversion to Japan of the Ryukyus, Bonins and other Western Pacific islands.

b. Explain to Miki that the issues to be discussed are much broader than the narrow subject of "reversion"—they relate to fundamental issues of U.S. and Japanese foreign and defense policy. The basic question is not "should the Ryukyus 'revert' to Japan," but rather "will the U.S. Congress and the U.S. public support:

1. Extension of the 'one-sided' U.S.-Japanese security treaty beyond 1970.
2. Retention of U.S. military bases in the Ryukyus for the protection of Japan.
3. Retention of stockpiles of nuclear weapons in the Pacific for the protection of Japan."

c. Ask Japan to permit us to compete on equal terms with her own manufacturers for the sale of military equipment to the Japanese government. The objective should be to increase Japanese purchases of U.S. military equipment from the current level of approximately $60 million per year to approximately $200 million per year. $200 million would represent only 40–50% of the expenditures we are currently making in Japan in support of our joint defense.

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[1] Source: Johnson Library, Confidential File, CO 141. Confidential.

I would base our approach to the Japanese, both in September and in the next two or three years, on the propositions that: our people will never again allow our nation to "stand alone" in the far Pacific; our bases in that area are there at least as much for the protection of the Japanese as they are for the defense of the United States; and, it will be impossible for us to maintain those bases unless the Japanese move gradually to share the very heavy political and economic costs of providing security to the area.

Robert S. McNamara

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95. Memorandum From Secretary of the Treasury Fowler to President Johnson[1]

Washington, August 31, 1967.

In response to your request at the National Security Council meeting yesterday, I am attaching my views of what the United States should be saying to the Japanese in forthcoming meetings, beginning with the September 13–15 Joint Cabinet Meetings.

It is important that we pursue these balance of payments objectives with Japan independently and separately, regardless of what may evolve in negotiations over the Ryukyu Islands.

The time has passed for general discussion with Japan of balance of payments cooperation, and we should make the specific points set forth in the attached paper.

Henry H. Fowler

Attachment

TALKING POINTS FOR USE WITH JAPANESE OFFICIALS

1. The U.S. proposes that the U.S. and Japan form a balance of payments committee—under Treasury and Finance Ministry leadership—which would have the following tasks (among others which may be defined):

a. To discuss each country's trends and outlooks,

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[1] Source: Johnson Library, Confidential File, CO 141. Secret.

b. To maintain a current joint accounting of each country's balance of payments, and

c. To examine the various technical possibilities for balance of payments cooperation, including the field specifically of military transactions.

2. With respect to military-financial planning the U.S. places great importance on complementary U.S./Japanese actions. Within the framework of complementary military roles in the area of Japan and an overall level of defense as determined by the Japanese Government, *we believe there is wide potential for increased Japanese military procurement in the U.S.—up to 1/3 of the $2.8–2.9 billion in the Five Year Defense Plan earmarked for procurement of new equipment.* (See attached principles for military-financial planning which would also be presented to the Japanese.)

3. We should seek to cover by other financial measures any gap which remains between the receipts from Japanese military procurement in the U.S. and the amount of U.S. defense expenditures in Japan (a gap of probably at least 65%). Such measures would expand current cooperation to consider purchase of long-term (4–5 years) U.S. securities, prepayment of debts (PL 480, GARIOA, etc., amounting to over $400 million) and repurchase of Japanese securities held by U.S. agencies. Arrangements might consider earmarking the funds invested in securities for increased Japanese contributions to regional economic development at the time of redemption.

4. The U.S. suggests also that we jointly consider other means for balance of payments cooperation and sharing the non-military economic burdens in Asia, such as Japanese actions to: (a) liberalize its outward investment controls (b) seek increased access to European capital markets (c) remove non-tariff barriers (d) expand markets in Europe and reduce reliance on exports to the U.S. (e) expand its economic aid contributions in Asia and (f) assume a larger share of non-military aid to South Vietnam and plan a major role in rehabilitation efforts there after the conflict ends.

Attachment

PRINCIPLES FOR U.S.-JAPANESE MILITARY-FINANCIAL PLANNING

1. Japanese dependence on local industry for military supply principally when it is cheaper than supply from abroad.

2. Japanese acceptance of the principle that U.S. industry should have a full opportunity to compete with third countries for military purchases.

3. Japanese purchase of military equipment from the U.S. whenever it is desirable to do so for cost, technological or military compatibility reasons.

4. Japanese development and production in selected cases where a premium for the technology rather than employment is considered particularly advantageous to the future national, as distinct from solely military, growth.

5. Establishment of a cooperative research and development program, whereby (a) Japanese interests in military technology can be advanced to the maximum possible extent consistent with most efficient use of its budget resources, and (b) projects in the field of equipment co-production can be facilitated.

6. Japanese cooperation in continuing U.S. efforts to reduce the amount of its defense expenditures in Japan.

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

Washington, September 4, 1967.

SUBJECT

United States-Japan Cabinet-Level Talks

You have asked for my views on what we want from the Japanese with more specific reference to the upcoming Cabinet-level talks:

Fundamentally, we want Japan as a partner—not as a rival—in Asia, but as partner sharing the political and economic burdens of regional responsibility. While we do not now seek a greater Japanese military role, other than in its own defense, Japan's actions should contribute to—and not detract from—effective fulfillment of our military and security commitments to Asia. This is particularly true of any solution to the Ryukyus and Bonins issues.

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[1] Source: Johnson Library, Confidential File, CO 141. Secret. The Department of State copy shows the memorandum was drafted by Sneider and cleared by U. Alexis Johnson and Bundy. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US)

During the talks with Foreign Minister Miki and his Cabinet colleagues, I would propose to:

—Adopt largely a "listening brief" on the Ryukyus and Bonins, leaving the way open for more conclusive talks with Prime Minister Sato in mid-November but pointing the Japanese in the direction of interim steps to reduce disparities between Okinawa and Japan and thus to ease our problems of the 1968 Ryukyu elections and Japanese public opinion.

—Spell out the heavy burden we now shoulder for both the security and economic development of Asia.

—Press the Japanese to take on a greater share of regional leadership and the financial burden of economic assistance and of redressing the imbalance in our balance of payments.

In more specific terms, the major objectives I would currently seek from the Japanese:

—Support on key United Nations issues and possibly a role in United Nations peacekeeping in the Middle East if this materializes.

—Continued support and responsible action on Vietnam, with greater economic aid to the Government of Vietnam.

—Adherence to the Non-Proliferation Treaty.

—Matching contributions on major East Asian economic development programs, including the Asian Development Bank Special Funds.

—Significant reduction in our bilateral balance of payments deficit which results in part from increased military-related expenditures in Japan during the Vietnam conflict.

Basically, what we want and need is a still more mature and responsible attitude on the part of Japan towards the threat posed by the Chinese Communists and by the internal instability of the countries on the periphery of China. Japan has a greater stake than we do in countering this threat. It should understand that our ability to maintain continued support from Congress and the American public for our own commitments in Asia could depend on Japan's assuming responsibilities commensurate with its stake in regional security and stability.

Dean Rusk

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

Washington, September 28, 1967, 1627Z.

46082. Subject: Ryukyus and Bonins.

1. Ambassador Shimoda called on Asst. Secretary Bundy Sept 28 preparatory to returning to Tokyo for consultations on Sato visit. Shimoda departing this coming weekend and will be in Tokyo next week. Before reporting directly to Sato, Shimoda wished to check with Bundy his impressions on US position regarding Ryukyus and Bonins. Shimoda at outset reviewed US position as he understood it following Miki talks in Washington as follows:[2]

2. With respect fundamental issue of reversion of Ryukyus, main points US position:

(a) US has deep understanding of Japanese national aspirations for reversion.

(b) US is ready to discuss fundamental issue of reversion with Sato.

(c) US presently not prepared to state whether it willing to take any forward step on reversion at this time given primary concerns regarding tensions in Far East particularly Vietnam hostilities; only President Johnson will be in position to set forth US views on a forward step and then after talk with Sato.

(d) To increase prospect for favorable answer on forward step, it advisable for Sato express firm GOJ resolution to assume greater responsibility for Asian regional cooperation in political, economic, and social areas and to set forth with clarity GOJ views on Asian security problem.

3. Secondly, US prepared to discuss in preparation for Sato visit interim measures on Ryukyus expanding local autonomy and continuing Japanese cooperation on economic well-being and general welfare Ryukyuans.

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Nodis. Drafted by Sneider and approved by Bundy.

[2] Memoranda of Miki's conversations with Rusk on the Ryukyus and Bonins, September 14 and 16, are ibid. and ibid., POL JAPAN–US. Miki also briefly discussed the issue with McNamara on September 15, and a memorandum of that conversation is in the Washington National Records Center, OSD/OASD/ISA Files: FRC 330 71 A 4546, 333 Japan. In telegram 1917 from Tokyo, September 21, the Embassy reported on Japanese media, public, and official responses to reports of U.S. hesitation to undertake reversion of the Ryukyus and the Bonins during the Miki visit. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS)

4. Finally, US finds Bonin Islands problem easier to treat than Ryukyus in view lesser degree of importance from security point of view. However, Iwo Jima must be handled as special case due to military factors and sentiment of US people.

5. Shimoda then went on to outline three key aspects of GOJ position as he understood it:

(a) GOJ desires "one step forward on reversion." Shimoda pointed out that Kennedy–Ikeda formula, which reiterated in Sato–Johnson communiqué of 1965, made reversion conditional on change in general situation in Far East and easing of tensions. However, nobody knows when tensions will ease in Far East, particularly given China situation and tensions could continue for long time, in fact indefinitely. As result, there could be sense of impatience and frustration on part Japanese with unfortunate impact on US-Japanese friendship particularly as a result left-wing demagoguery and propaganda on Ryukyus. GOJ therefore hopes for public formulation on reversion not tied to general situation in Far East or waiting for easing of tensions there. Shimoda indicated public formulation along these lines is "real step forward" GOJ desires.

(b) Japanese prepared to discuss interim measures but these should not be considered as sufficient in themselves or replacing some step forward on reversion.

(c) GOJ understands difficulty for US in going very far on Ryukyu reversion but urgently hopes for at least more advanced steps on Bonins.

6. Shimoda also proposed that best means for dealing with specific steps to be taken during Sato visit is to discuss text of draft joint communiqué.

7. Bundy then reviewed Shimoda's impressions of US position and stated they generally correct with the following additional comments. First, with respect to Ryukyu reversion, four points made by Shimoda correctly reflect US views. Additionally, Bundy pointed out importance of discussing regional security problem in broader sense as it related to reversion of Okinawa. There are both practical problems involved in reversion [*1½ lines of source text not declassified*] and broader security problems involved. It also important to consider impact on US public and Congress of public discussions of reversion while we currently involved in intensive phase of Vietnam hostilities. Bundy referred to discussions between Miki and Secretary on timing factor in Ryukyu reversion, specifically 1968 Okinawa elections, security treaty review in 1970 and understandable desire not to have both this and Ryukyu problems acute at same time, and US elections which any US President must be mindful of in considering major new foreign policy actions. He concluded that given Vietnam situation and political problems involved,

it doubtful whether public and firm process of discussion of reversion and real move in this direction possible before late 1968.

8. Bundy also confirmed readiness to discuss interim measures and to take a hard look at Bonins as action separate from Ryukyus. Re Bonins, he emphasized that no final decision made and we concerned whether action on this issue would be considered step forward or would instead increase public pressures in Japan for Ryukyu reversion. He also confirmed desire consider Iwo in separate category.

9. On three points in GOJ position set forth by Shimoda, Bundy commented:

(a) US appreciated Japanese desire for step forward and prepared to take hard look at alternate ways of stating formula on reversion.

(b) US understood interim measures may not be enough alone but felt they could have significant impact particularly on Ryukyus.

(c) US appreciated GOJ hopes on Bonins.

10. Bundy also stated willingness to consider GOJ proposals on communiqué language and referendum to President and Sato, it was agreed this best done in Tokyo.

11. Also pointed out to Shimoda another important area for US would be making headway before Sato visit on balance of payments problems raised with Japanese during Cabinet Committee meeting. Shimoda asked whether publicity on this necessary in communiqué[3] and Bundy replied that such balance of payments assistance done quietly in past and there no need for publicity. In response Shimoda question, Bundy also said that we have no strongly fixed views on manner of talks but it important to move ahead before Sato visit. Shimoda commented that US proposal balance of payments assistance had hit Finance Ministry like "thunderstorm."

12. Shimoda also mentioned re nuclear problem that it had been tendency in Japan to discuss specifics such as whether Mace B in Okinawa could be replaced by Polaris system but that such discussions not useful at this time. It more important to consider political and psychological impact of withdrawal of nuclear weapons than military aspects. [*6 lines of source text not declassified*]

Katzenbach

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[3] A general reference to the balance-of-payments issue was included in Section II, paragraph 2 of the Joint Communiqué issued on September 15 at the close of the committee meeting. The text appears in Department of State *Bulletin,* October 9, 1967, pp. 452–455. Shimoda's comment most likely refers to the anticipated communiqué to be issued upon completion of the Sato visit.

98. Memorandum From the Executive Secretary of the Department of State (Read) to the President's Special Assistant (Rostow)[1]

Washington, October 13, 1967.

SUBJECT

Sato Visit—Preparatory Meeting

A meeting in the White House is scheduled on October 16 at 4:00 p.m. to discuss preparations for the visit of Prime Minister Sato on November 14–15.[2] A considerable amount of work in spelling out our objectives for this visit was done in preparation for the Cabinet level talks in mid-September. For your background in preparing for the Monday meeting, the key points on the visit are summarized below.

Setting:

Sato's visit takes place at a time when United States-Japan relations are at a high point. They are seriously clouded only by the unresolved territorial issues of the Ryukyus and Bonins, but even here there is recognition of the need to resolve these issues without acrimony and with due regard to the problems involved for both countries and the need to strengthen our bilateral relationship. Sato also comes to Washington holding strong domestic political cards and with his economy booming. The only threat to his position and that of friendly conservative ruling elements is serious mishandling of the Ryukyu and Bonins issue.

Finally, Sato has set the stage for his Washington visit by a major swing throughout East Asia demonstrating Japan's pretentions for regional leadership with due sensitivity to residual local apprehension regarding a revived "co-prosperity sphere." During his travels, Sato has voiced stronger support for United States Vietnam policies and will

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 JAPAN. Secret; Exdis. Drafted by Sneider; cleared by Berger.

[2] Neither the President nor Rusk attended this meeting. (Johnson Library, President's Daily Diary, and ibid., Rusk Appointment Books, 1967) President Johnson was given a copy of this document along with a concise summary of its contents prepared by Alfred Jenkins. (Ibid., National Security File, Country File, Japan, Visit of Prime Minister Eisaku Sato, November 14–15, 1967)

have visited both Taiwan and South Vietnam, areas of particular political sensitivity in Japan.[3]

United States Objectives:

In broad terms our objectives during the Sato visit look both to the past and to the future:

—We want and need to reaffirm Japan as our primary partner in Asia.

—Looking to the future, we seek to convert this partnership into a relationship in which the political and economic burdens of regional responsibility are shared more fully.

Spelling out these objectives in more specific terms, we seek:

—A greater sense of Japanese commitment to securing free world interests in the region and a more responsible attitude towards the threat posed by the Chinese Communists.

—Further concrete expressions by Japan of regional leadership.

—Support on key United Nations issues and possibly a role in United Nations peacekeeping in the Middle East if this materializes.

—Continued support and responsible action on Vietnam, with greater economic aid to the Government of Vietnam.

—Adherence to the Non-Proliferation Treaty.

—Further substantial contributions on major East Asian economic development programs, including the Asian Development Bank Special Funds.

—Significant reduction in our bilateral balance of payments deficit which results in part from increased military-related expenditures in Japan during the Vietnam conflict.

Major Problems:

Our major problems during the visit will be twofold. First, we will need to obtain, in more concrete terms, commitments from the Japanese on picking up a greater share of the financial burden for regional assistance and redressing the imbalance of our bilateral balance of payments. Secondly, we will need to work out a formula for tidying over

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[3] Sato traveled throughout Southeast Asia during the autumn. In addition, Miki spoke before the America-Japan Society in Tokyo on October 5, giving what the Embassy characterized as perhaps the "most forthright public statement to date from high GOJ official in support U.S. policy in Vietnam." The Embassy continued by noting that Miki's speech coupled with Sato's supportive comments during his visit to Bangkok elevated the Japanese position toward the Vietnam war to "new high level of moral support." (Telegram 2300 from Tokyo, October 5; National Archives and Records Administration, RG 59, Central Files 1967–69, POL 15–1 JAPAN) Telegram 2289 from Tokyo, October 5, contains the complete text of Miki's speech. (Ibid., POL 1 JAPAN–US)

the difficult territorial issues. The Japanese apparently recognize that we are not now in a position to make any firm commitment on reversion of the Ryukyus, but they want a "step forward"—the terms of which are still to be worked out. The Japanese would, however, like a commitment on the early return of the Bonins, an issue still to be resolved within our Government.[4]

James Walker[5]

[4] The resolution of the reversion issue generated several high-level meetings and various proposals and discussions in an effort to work out differences between diplomatic and military interests and between U.S. and Japanese positions. Documents tracing the evolution of decisions and agreements on that and other issues prepared in advance of the Sato visit are ibid., POL JAPAN–US, ibid., POL 7 JAPAN–US, ibid., POL 17 JAPAN–US, ibid., POL 18 RYU IS, and ibid., POL 19 BONIN IS; and Washington National Records Center, OSD/OASD/ISA Files: FRC 330 72 A 2468, Okinawa, 323.3, ibid., FRC 71 A 4546, 333 Bonin Islands; Johnson Library, National Security File, Country File, Japan, Vols. VI and VII, ibid., Visit of Prime Minister Eisaku Sato, November 14–15, 1967, ibid., Country File—Addendum, Japan, and ibid., Meeting Notes File, November 4, 1967—Meeting with Foreign Policy Advisers.

[5] Walker signed for Read above Read's typed signature.

99. Memorandum From the President's Special Assistant (Rostow) to President Johnson[1]

Washington, October 27, 1967, 6:45 p.m.

SUBJECT

The Ryukyu–Bonin Islands and the Sato Visit

As you know a major subject during Prime Minister Sato's visit in mid-November will be the future status of the Ryukyu and Bonin Islands.

The situation is very fluid in Japan on this subject just now, and Ambassador Johnson is anxious to receive your approval of a U.S. position for purposes of negotiating the Sato visit communiqué.

Essentially, Sato does not want a fight with us on this issue. He is willing to follow our lead within reason, but he needs to know approximately what we are willing to do before he can give the lead in turn to the Japanese. He needs that lead at this point.

[1] Source: Johnson Library, National Security File, Country File, Japan, Visit of Prime Minister Eisaku Sato, November 14–15, 1967. Secret.

At Tab A is a memo from the Secretary of State requesting your approval of a negotiating position in the form of draft language for the Sato visit communiqué (Tab B).[2]

At Tab C is a proposed telegram to Tokyo explaining our position.

The Secretary's memo sets forth the issues clearly. I believe it is not essential that you read Tabs B and C at this time.

I recommend that you approve the Secretary's recommendation in Tab A.

Secretary McNamara has reviewed and approved the recommendation.

Walt

Approve

Disapprove

See Me[3]

Tab A

Memorandum from Secretary of State Rusk to President Johnson[4]

Washington, October 27, 1967.

SUBJECT

Visit of Prime Minister Sato

Recommendation:[5]

That you authorize negotiations with the Japanese Government of draft communiqué language embodying:

a) A commitment to enter into early negotiations for the return of the Bonin Islands (permitting, however, United States retention of the whole island of Iwo Jima as a military base); and,

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[2] Tabs B and C are attached but not printed.

[3] President Johnson checked this option and added a handwritten note: "Let's meet on this with JCS spokesman present. L."

[4] Secret; Nodis. The Department of State copy indicates the memorandum was drafted by Sneider and cleared by Bundy, Aldrich, Macomber, and Halperin. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 JAPAN)

[5] The President neither approved nor disapproved the recommendation.

b) Interim measures relating to the Ryukyu Islands which would not commit us to return these islands,

on the understanding that these commitments would be subject to final approval by you and Prime Minister Sato at your November 14–15 meetings.

Discussion:

The major issues we anticipate during the visit of Prime Minister Sato will be twofold: First, Japanese willingness to shoulder a greater share of the political and economic burdens of regional responsibility; and second, our response to Japanese desires for forward movement on reversion of the Ryukyu and Bonin Islands.

In preparation for the Sato visit, I stressed to Foreign Minister Miki in mid-September the actions we sought from Japan as a contributing partner in the region and our inability primarily for security reasons to make a commitment at this time on the return of the Ryukyus. At Miki's request, I said we would give serious consideration to reversion of the Bonin Islands in the near future but in this event Iwo Jima would have to be treated as a special case.

The Japanese have responded very positively to my talks with Miki. Both Sato and Miki have come out with strong statements of support on our Vietnam policies, particularly on the bombing issue, and Sato during his two trips through Asia has begun to exercise the regional leadership we seek from Japan. Furthermore, the Japanese leaders have made concerted efforts to dampen down expectations for immediate reversion of the Ryukyus, stressing the key relationship of our military position on Okinawa to their own and regional security.

Ambassador Johnson informs me that he expects Sato to be helpful on both increased assistance to Southeast Asia and on our balance of payments problem, if we can be responsive to his desire for forward steps on the Ryukyus and particularly the Bonins to help stem reversionist pressures. Sato faces increasingly heavy political and public demands to obtain substantial progress in the resolution of these issues. His failure to obtain any significant response from us will be politically damaging to him and could lead to serious problems in our relations with Japan as well as with the local populace in the Ryukyus. In the Ambassador's views, the key factor will be our willingness to enter into negotiations for return of the Bonins and he has requested earliest guidance on this matter before undertaking further talks with Miki.[6]

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[6] In telegram 2585 from Tokyo, October 17, U. Alexis Johnson sent Rusk his evaluation of the Bonins issue. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 JAPAN)

On the other hand, the Japanese recognize the complex problems inhibiting immediate reversion of the Ryukyus, although they need to be able to show evidence of forward motion in this area. We are therefore proposing (1) interim steps which would not involve any further commitment on our part to Ryukyu reversion, but would slightly change the public formula on reversion and would provide for further identification of the Ryukyuan people with Japan and (2) agreement to subsequent periodic review of the status of the islands in light of the related security problems.[7]

At present the United States has few military installations in the Bonins. Military personnel as of June 30, 1967 totaled 77 (33 Navy and 44 Air Force), plus 3 United States civilians and 55 foreign-national civilians employed by the Navy. The principal installations are: (1) a naval facility on Chichi Jima used to support patrolling operations in the Philippine Sea; (2) a stand-by airfield on Iwo Jima capable of supporting major operations; (3) a smaller airfield on Marcus Island; (4) a weather reporting facility; and, (5) a stand-by nuclear weapons storage facility (details on United States installations are enclosed).

The Joint Chiefs of Staff would prefer to retain administrative rights over the Bonins for contingency purposes and until the political status of the Trust Territory of the Pacific Islands is resolved. As a fallback position, they would agree to return all the Bonin Islands except Iwo Jima and Chichi Jima, and to consult with the Japanese on the military utility of these two islands to Japan and the United States. Since most of the Bonin Islanders now residing in Japan had lived in Chichi Jima, retention of this island would create serious problems in Japan. Retention of the naval facility in Chichi Jima under the Security Treaty provisions and of the whole island of Iwo Jima as an emergency stand-by base could, however, serve to meet our contingency requirements. To emphasize that return of the Bonins represents a step toward shared responsibility for the region, it is also proposed to seek Japanese agreement to assume larger defense responsibilities in the area, while agreeing to our retention of other stand-by facilities as required.

Retention of Iwo Jima as a military base is also recommended because of anticipated adverse public reaction in this country to its

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[7] In addition, the High Commissioner and the Ambassador approved of political change on the Ryukyus to foster autonomy by agreeing to propose the direct election of the Chief Executive of the Islands. Given the unsettled political atmosphere on the Islands at the time, however, implementation of the change would be postponed to a future, unspecified date. (Telegram from HICOMRY (Naha), October 8, and telegram 2608 from Tokyo, October 10; both ibid., POL 19 RYU IS)

return. However, the Japanese in preliminary talks with us have strongly resisted our retention of Iwo Jima and suggested instead a United States memorial park on Mount Surabachi. Ambassador Johnson is concerned that retention of Iwo Jima could significantly detract from the value of Bonins reversion unless we can make a strong case on security grounds.

Secretary McNamara has reviewed and concurs in the recommendation made above. If you approve this recommendation, we also propose to undertake immediately the necessary consultations with the Congressional leadership to obtain its reaction before final approval is given to the draft communiqué during the Sato visit.

Dean Rusk

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100. Memorandum From the President's Special Assistant (Rostow) to President Johnson[1]

Washington, November 3, 1967.

Mr. President:

This is a supplementary note to give you more clearly the position in the government on the reversion of the Bonins to Japan.[2]

The attached proposal is agreed by Secretaries Rusk and McNamara. General Wheeler was personally willing to go along; but the Joint Chiefs did not agree.

Essentially, the Joint Chiefs believe that we should retain the option to base nuclear weapons at our installations on Iwo Jima and Chichi Jima without the consent of Japan, should this be necessary, and they would not return administrative rights to these islands until Japan

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[1] Source: Johnson Library, Meeting Notes File, November 4, 1967, Meeting with Foreign Policy Advisers. Secret.

[2] According to an October 30 memorandum from Bundy to Rusk negotiations between U. Alexis Johnson and Miki on October 28 confirmed that the Japanese were willing to provide increased economic aid to Southeast Asia and balance-of-payments assistance to the United States. In addition, they intended to assume an expanded defense role over the Bonins and Western Pacific area, if the Bonins reverted back to Japan. Bundy concluded that the Japanese proposals met U.S. objectives for Japan to play a larger role in Southeast Asia and to expand their own defense efforts. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS)

permitted nuclear storage.[3] The Joint Chiefs fear that by yielding our rights to nuclear storage in the Bonins we would set a precedent which would make it more likely that the Japanese would refuse nuclear storage in Okinawa. Additionally, the JCS are reluctant to accept at this time the Japanese offer to assume major defense responsibilities in and around the Bonins area.

We do not now store any nuclear weapons in the Bonins and do not have any plans to do so. Secretaries Rusk and McNamara believe that agreeing to a return of the Bonins without rights for nuclear storage would not in any way prejudice our case for insisting on nuclear storage in the Ryukyus. A request for nuclear storage rights on islands where we now maintain very small bases and only 77 military personnel would hardly be understandable to the Japanese.

Secretaries Rusk and McNamara believe, and I concur, that acceptance of the Joint Chiefs' position would risk serious strains in our relations with Japan, and decrease the prospects of Japan's responsiveness for support on Viet Nam, balance of payments, and other issues. At Tab A is a memorandum to you from Secretary Rusk, in whose recommendation Secretary McNamara has concurred.

As for procedure, I recommend that you have a meeting with Secretaries Rusk and McNamara and General Wheeler. At that meeting you let General Wheeler present the argument of his military colleagues. And then, if you agree with Secretaries Rusk and McNamara, you could make your decision and let Buzz Wheeler report to the JCS that their argument had been heard, before you made a final decision.

What lies behind the JCS holding to what is, in fact, a marginal position, is an old view deep in the Pentagon; namely, that to make any concession to the Japanese with respect to the Ryukyus and Bonins is to put us on a slippery slope. The fact is that the old, immediately pre-war relationship is changing and must change. Our objective can only now be a gradual and judicious transition into a new relationship in which the Japanese take increased responsibility as a partner as we alter the essentially occupation status on the islands. At the moment they are assuming more partnership responsibility in aid and monetary affairs; and they should do more. The transition to military partnership will take longer.

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[3] According to a November 2 memorandum from Bundy to Rusk, the Joint Chiefs advocated complete retention of Iwo Jima and Chichi Jima by the United States. Berger, who signed the memorandum, noted in the margin that JCS resistance to reversion of the Bonins centered in the Navy, whose contingency plans foresaw using the Bonins as an "alternate base *if* Guam is destroyed by Chicom nuclear subs!" (Ibid.)

Recommendation

That, if you approve the State–Defense language in the attached draft (Tab B), you call a meeting to hear argument as suggested.

Walt

Approved[4]

Disapproved

See me

Tab A

Memorandum From Secretary Rusk to President Johnson

Washington, November 3, 1967.

SUBJECT

United States Position on Reversion of the Bonins

Recommendation

That you approve Ambassador Johnson presenting to the Japanese Government language concerning the Bonin Islands in accordance with Tab B attached.[5]

Discussion

Secretary McNamara, the Joint Chiefs of Staff, and I are fully agreed on the general principle that we should undertake to enter into immediate consultation with the Japanese with a view to the early return of administration of the Bonin Islands to Japan.

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[4] The memorandum shows that President Johnson approved the recommendation.

[5] Both options were left blank on the memorandum. The Department of State copy indicates that the recommendation was approved. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 BONIN IS) On November 5 Rusk and McNamara instructed U. Alexis Johnson to present to the Japanese the U.S. position, including reserving "the right to discuss potential nuclear weapons storage in the Bonins" during consultations on reversion of those islands. (Telegrams 65117 and 65118 to Tokyo, both November 5; ibid., POL JAPAN–US; and telegram 65120 to Tokyo, November 5; ibid., POL 19 BONIN IS) Also on that day the President approved the start of Congressional consultations on the reversion issues. (Memorandum to the President, November 5; ibid., POL 19 RYU IS) Documentation regarding consultations with Members of Congress is ibid.; Washington National Records Center, OSD/OASD/ISA Files: FRC 330 71 A 4546, 333 Bonin Islands; and Johnson Library, National Security File, Country File—Addendum, Japan.

In the light of the proposal of the Joint Chiefs of Staff to preserve a right to store nuclear weapons on Iwo Jima and Chichi Jima, Secretary McNamara and I have reviewed the possibility that an exception should be made, for purposes of the communiqué, regarding these two islands. We have noted that the general language in our proposal would in any event permit us to negotiate for the retention of appropriate "military facilities and areas" on these islands or any other part of the Bonins. The language on this point has been strengthened since the matter was discussed with you on October 31.[6]

In the light of this strengthened language, our conclusion is that the proposal fully protects whatever military needs we wish to retain. We believe that to exempt Iwo Jima and Chichi Jima from the overall principle of return of administration to Japan is not required for any foreseeable military purpose.

In reaching this conclusion we have given particular weight to the question of possible nuclear storage in the Bonins. We do not now station any nuclear weapons there, and do not have any plans to do so. We therefore do not believe that it should be necessary to press for retaining the right for nuclear storage in working out the return of administration to Japan. Nor do we believe that failure to achieve such rights would in any way prejudice our serious case for insisting, at some point, on a right of nuclear storage in the Ryukyus. Furthermore, even if we were to so conclude in the future, the general language in the attached proposal would permit us to negotiate the matter with Japan.

Secretary McNamara and I thus conclude that the language in the attached proposal fully protects our military needs and is a wise and essential move at this time in the overall framework of our relations with Japan, including our desire to obtain more firm Japanese support on Vietnam and favorable action by Japan particularly with respect to our balance of payments problems.

Dean Rusk

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[6] The matter was discussed at the Tuesday Luncheon Meeting attended by Rusk, McNamara, Helms, Wheeler, Tom Johnson, Christian, and Rostow. (Johnson Library, President's Daily Diary) No other record of this meeting has been found.

Tab B[7]

DRAFT LANGUAGE FOR SATO COMMUNIQUÉ
ON THE BONIN ISLANDS

The President and Prime Minister also reviewed the status of the Bonin Islands and agreed that the mutual security interests of Japan and the United States could be accommodated within the arrangements for the return of administration of these islands to the GOJ.

They, therefore, agreed that the two Governments will enter immediately into consultation regarding the specific arrangements for accomplishing the early restoration of these islands to Japan without detriment to the security of the area. These consultations will take into account the intention of the Japanese Government, expressed by the Prime Minister, gradually to assume much of the responsibility for defense of the area. The President and Prime Minister agreed that the United States would retain such military facilities and areas in the Bonin Islands as required in the mutual security of both countries.

The Prime Minister stated that the return of the administrative rights over the Bonin Islands would not only contribute to solidifying the ties of friendship between the two countries but would also help to reinforce the conviction of the Japanese people that the return of the administrative rights over the Ryukyu Islands will also be solved within the framework of mutual trust between the two countries.

[7] This copy of Tab B is ibid., National Security File, Files of Walt Rostow, Meetings with the President, July to December, 1967.

101. Editorial Note

Although the United States and Japanese Government officials focused their attention on the reversion question throughout the second half of 1967, both sides continued to work toward reaching an agreement on the entry and berthing in Japanese ports of nuclear-powered surface ships (NPSS). After the details of the NPSS visits were resolved, the Japanese accepted an aide-mémoire, and the exchange of notes on November 2 set the stage for the arrival and mooring of nuclear-powered warships in specified ports in Japan. The first was the USS *Enterprise,* which arrived on January 19, 1968, at Sasebo. Documents pertaining to the negotiations and finalization of the agreement, as well

as copies of the aide-mémoire, United States Embassy note, and Japanese Foreign Ministry note are in the National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 7 JAPAN–US.

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102. Memorandum of Conversation Between the President's Special Assistant (Rostow) and Kei Wakaizumi[1]

Washington, November 11, 1967.

1. Mr. Wakaizumi began by handing me the attached letter from Prime Minister Sato formally introducing him as a "confidential personal representative."[2]

2. Wakaizumi reported that he had spent several hours with the Prime Minister after his previous talk with me.[3] He had put it to the Prime Minister as strongly as he could that President Johnson was bearing on behalf of Asia enormous burdens. He urged that the Prime Minister approach President Johnson with a fundamental understanding of those burdens and the need for Japan to act in the following ways:

—with the most candid statement of support for our position in Viet Nam;

—with a readiness to assist in our balance-of-payments problem;

—with a readiness to expand generously assistance in aid to Asia, notably by increasing Japan's contribution to the soft-loan window of the Asian Development Bank up to $200 million.

He said that he thought the Prime Minister would come in this spirit with that intent.

3. He then turned to the central purpose of his visit, which was the language on the Ryukyus. He said that Prime Minister Sato appreciated our movement on the Bonins, but he needed some greater sense of movement on the Ryukyus, notably with respect to timing.

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[1] Source: Johnson Library, National Security File, Country File, Japan, Vol. VII. Secret; Sensitive.

[2] Attached but not printed. In advance of this meeting, Rostow was informed by the Department of State that Wakaizumi was "the latest of a number of unofficial Sato emissaries to Washington sent to sound out our views before Sato arrives. This is typical of Sato's operation. He likes to get advice from a number of quarters before deciding how to play his hand." (Memorandum from Read, November 10; ibid.)

[3] The meeting was held on October 27 and focused on the reversion of the Ryukyus and the Bonins. Rostow sent an account of the meeting to President Johnson, who read it. (Memorandum of Conversation; ibid., Vol. VI)

4. I then stated to Wakaizumi the three factors which made us reserved with respect to any indication of timing on the Ryukyus:

—We could not predict the length of the war in Viet Nam;
—We could not predict what problems we might confront with the Chinese Communists;
—[2½ *lines of source text not declassified*]

5. Therefore, we felt there was danger in raising the expectations of the Japanese people excessively with respect to the timing of the return on the Ryukyus, since Japanese political life was focused less on the security problems of Japan and Asia than they were on the simple nationalist issue of administrative return.

6. Wakaizumi said that he understood these three points fully. He had, indeed, argued with Prime Minister Sato that this was a very bad time to raise the issue of the Ryukyus. He said that Prime Minister Sato also understood these three points; but he was faced with a rising and passionate political pressure for movement on the Ryukyus even from pro-Americans in Japan.

7. He then laid before me the following proposed language, which is a modification of the previously proposed Japanese text.

"As a result of their discussion, the President and the Prime Minister agreed that the two governments, guided by the aim of returning the administrative right over the Ryukyu Islands to Japan [at an earliest possible date][4] should hold consultations through diplomatic channels to examine matters pertaining to the reversion *with a view to reaching within a few years, an agreement on a date satisfactory to the two governments for the reversion of these islands.*" (proposed new language underlined)[5]

8. He then said these things:

—Prime Minister Sato does not want in fact an early return of the Ryukyus. He thinks that this would be bad for the security of Japan and Asia.

—He believes that by promising to set a date within a few years, the time of actual reversion could be pushed ahead to 1975 or even 1980.[6]

—The actual time, in Sato's judgment, would depend on when Japan would accept arrangements for the Ryukyus "fully compatible

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[4] Brackets in the source text and text struck through.

[5] Printed here as italics.

[6] The thrust of Sato's proposal was accepted and his desire to reach an agreement "within a few years" was reflected in paragraph VII of the joint communiqué issued on November 15 at the conclusion of the Sato visit. (Department of State *Bulletin,* December 4, 1967, p. 745)

with its remaining an effective military base" for the U.S., Japan, and Asia. [*2½ lines of source text not declassified*]

9. I said that I would transmit this formula to the President.[7]

10. Wakaizumi then added the following:

—Sato would wish to discuss this particular issue alone with the President without his two Ministers being present.

—He would be grateful if I could let him know tomorrow or Monday what our reaction was to this formula. He is staying at the Washington Hilton, but he is not in touch with the Japanese Embassy. He will see Sato on his arrival Monday[8] evening at Blair House.

—He inquired whether we thought there was anything in the distinction between "offensive" and "defensive" nuclear weapons—a distinction which certain Japanese commentators were developing with respect to the future of Japan's relation to nuclear weapons. I said that I would consult my colleagues, but my view was that all nuclear weapons were essentially defensive since they were designed to deter nuclear blackmail and nuclear war.

11. Incidentally, Wakaizumi said that in his press club speech on November 15, he believes Prime Minister Sato will be forthcoming, in general, on Viet Nam; back strongly the San Antonio formula and reciprocity in connection with the bombing cessation;[9] and hit hard against the "yellow menace" argument.[10] Wakaizumi had furnished to Sato USIA translations of both the San Antonio speech and President Johnson's remarks about the "yellow menace," to both of which Prime Minister Sato is reported to have reacted most positively.

WR

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[7] When passing the information to President Johnson, Rostow commented that Sato was willing to make major concessions on aid and balance-of-payments assistance for help on the reversion question and that he should be asked to pay "a high price for our political help to him." (Memorandum to the President, November 11; Johnson Library, National Security File, Country File, Japan, Vol. VII)

[8] November 13. On Sunday evening, November 12, Wakaizumi dined at Rostow's home, where they had a short, private meeting at Wakaizumi's request "to assure that his message was absolutely clear." Wakaizumi then read an abbreviated version of his previous comments to Rostow. (Memorandum for the record, November 13; ibid.)

[9] President Johnson addressed the National Legislative Conference at San Antonio, Texas, on September 19. In that speech, the President expressed his willingness to stop all bombing of North Vietnam if and when the North Vietnamese agreed to cease hostilities and begin negotiations toward a peaceful settlement of the war. (*Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1967,* pp. 876–881)

[10] President Johnson spoke out against suggestions of a "yellow peril" in Asia by repudiating racism of any sort and stating that the U.S. mission in Vietnam was to end totalitarianism and ensure freedom for all without regard to race. His comments were included in remarks made when presenting the Medal of Honor on October 25 to Major Howard V. Lee, who served in Vietnam. (Ibid., pp. 943–944)

103. Memorandum From Secretary of the Treasury Fowler to President Johnson[1]

Washington, November 11, 1967.

SUBJECT

Discussions with Prime Minister Sato

The U.S. has taken an initiative for balance of payments cooperation with Japan which is of major importance to U.S. financial ability to maintain the U.S. military security posture in the Far East. The U.S. has proposed to Japan that certain points be submitted to you and Prime Minister Sato for approval when he visits Washington November 14–15. I believe that it is of major importance to the overall U.S. balance of payments program that you obtain the Prime Minister's approval of these points. (See Attachment A; Sato will probably state the views shown in parentheses under each point in the attachment.)[2]

You will also have Secretary Rusk's memorandum for the Sato visit which includes balance of payments talking points.[3] We participated in the preparation of this memorandum and are in full agreement with it.

However, after this memorandum was completed on November 9 Japanese Finance Ministry officials provided Treasury officials, in discussions on November 10, with information which overtakes some of the points in the Rusk memorandum to you.[4]

Specifically, Sato will not be able to undertake a commitment now to reach the $500 million goal of balance of payments assistance insofar as that includes the purchase of special medium-term U.S. paper in the amount of $200 million. Our supplementary memorandum suggests that, while recognizing that he cannot give you this commitment now, you urge him to keep the matter open for further technical discussion between the two Finance Ministeries.

Also, that you emphasize the concept of maintaining the long term financial viability of our security posture in the Far East.

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[1] Source: Johnson Library, National Security File, Country File—Addendum, Japan. Secret.

[2] Attached but not printed.

[3] The memorandum, November 10, is in the National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 JAPAN.

[4] Revised pages to the memorandum incorporating changes resulting from those discussions were distributed on November 12. (Ibid.)

Also, that you do not accept any linkage of Japanese action on our balance of payments in exchange for U.S. action respecting the Bonin and Ryukyu Islands.

These observations are developed briefly below.

The topic of Japanese reversionary rights to the Bonin and the Ryukyu Islands will also be a major subject during the Sato visit. I anticipate that Sato may say to you that the amount of their balance of payments cooperation depends on how much we satisfy their objectives for control over the Islands.

I recommend that you make clear to Sato that the U.S. does not link the substance of these two matters. Japan is not being asked to cooperate on the overall U.S. balance of payments program in exchange for some U.S. action respecting the Bonin and the Ryukyu Islands. To the extent possible, I believe each matter should be examined and decided on its own merits.

I recommend that you emphasize to Sato that balance of payments cooperation is particularly important to our financial ability to provide the defense shield under which the Pacific basin can develop. Our military deployments and heavy foreign exchange expenditures in the Pacific area are necessary for our security *and* Japan's, although we do not view U.S. military forces in Japan as being there primarily for the defense of Japan. These expenditures have brought large direct and indirect benefits to the Japanese economy and balance of payments.

You may wish to emphasize to Sato that no one country should suffer undue costs or gain undue benefits from expenditures for the common security, and that these expenditures should be recognized as an extraordinary item in U.S. accounts. I believe Sato should be led to recognize that neutralizing these extraordinary security expenditures is a prime motivation for the U.S. seeking balance of payments cooperation from Japan—even though there is agreement that the matter cannot be discussed publicly at this time.

Treasury representatives will be meeting with Japanese officials on Thursday, November 16 (the day after you conclude your sessions with Sato) in order to expedite follow-up action. I hope that arrangements can be made for me to have the benefit of any conclusions you may reach with Sato so that the November 16 meeting can proceed effectively.

Henry H. Fowler

104. Memorandum of Conversation[1]

Washington, November 14, 1967, 5:05–6:15 p.m.

SUBJECT

Balance of Payments
Japanese Role in Asia and Views Toward Vietnam
Sato's Visits to Southeast Asia
China and Japan's Security
Ryukyus Reversion

PARTICIPANTS

Japanese Side
His Excellency Eisaku Sato—Prime Minister
His Excellency Takeo Miki—Minister of Foreign Affairs
His Excellency Takeso Shimoda—Ambassador of Japan
His Excellency Toshio Kimura—Minister of State and Director General of the Cabinet Secretariat
Mr. Haruki Mori—Deputy Vice Minister for Foreign Affairs
Mr. Fumihiko Togo—Director, American Affairs Bureau, Ministry of Foreign Affairs
Mr. Naoshi Shimanouchi—Interpreter

United States Side
Honorable Robert S. McNamara—Secretary of Defense
Honorable U. Alexis Johnson—Ambassador to Japan
Honorable Paul C. Warnke—Assistant Secretary of Defense for International Security Affairs
Dr. Morton H. Halperin—Deputy Assistant Secretary, Policy Planning and Arms Control
Mr. James Wickle—American Embassy, Tokyo—Interpreter

1. *Balance of Payments.* In opening the substantive conversation Prime Minister Sato said he understood the U.S. hoped Japan would help out in the balance of payments problem by providing $500 million temporary assistance; he could say that $300 million was possible.

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[1] Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 72 A 2468, Japan 091.112. Secret. Drafted by Halperin and approved by Warnke on November 18. The meeting was held at Blair House. Prior to meeting with McNamara, Sato was welcomed at the White House and met privately with President Johnson. They discussed Sato's recent trip through Southeast Asia, the situation in Vietnam, and the British currency crisis. The President suggested that Sato discuss the Ryukyus and Bonins with Rusk and McNamara to work out remaining details on reversion issues. (Memorandum of conversation, November 14; Johnson Library, National Security File, Country File—Addendum, Japan) After meeting with the President, Sato and members of his party met with Rusk and other Department of State and Defense officials. Their discussions centered on China, Southeast Asia, and the British currency crisis. (Memoranda of conversations, November 14, National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 JAPAN)

The new subcommittee on balance of payments might well study the problem. He noted that the situation in Germany was different in that Germany held much greater reserves, and he hoped the U.S. would understand this difference. It would be particularly difficult to put much into medium term bonds. Japan's holdings of foreign exchange were down from $2 billion to $1.9 billion, and bond purchases would cause this amount to decrease further.

The Secretary agreed that the subcommittee should study the problem. The question of foreign exchange offset was not the primary concern of the Secretary of Defense, but he was interested because of the political implications which affected foreign policy. The American people were becoming more restive and unwilling to carry burdens by themselves. The willingness of Japan to take some of the burden was important, not only because of its financial effects, but because it would show that Japan was truly participating in the defense of the free world.

Mr. Sato said Japan was not in a position to intervene militarily or to extend military aid and he was sure the U.S. understood this. In the financial area Japan would like to do what it could and had indicated this in its support of the Asian Development Bank and loans to Southeast Asia. Japan would like to protect the pound and the dollar to the extent possible. Japan could not, however, do all that was requested.

2. *Japanese Role in Asia and Views Toward Vietnam.* The Secretary said he was pleased to see Japan expand its role in Asia and show growing interest in the Asian Development Bank and other projects. He hoped that as the years went by Japan would play a larger role. There was much criticism in the U.S. of the Vietnam operation, in large part because the U.S. was spilling blood in support of peace in the area. The American people wanted to know why Japan, India, and Western Europe did not believe it important to contribute. We understood why Japan does not play a military role, but the American people do not. He hoped that Japan would work toward a greater political and economic role and, ultimately, a military role in Asia.

Mr. Sato said he agreed. In the course of his recent visits to Southeast Asia, he found everywhere realization and appreciation of U.S. sacrifices to safeguard freedom. It was generally agreed that the U.S. must stand firm until peace was attained. Especially in the Philippines, Australia, and New Zealand; all of which have sent troops to Vietnam, a majority support the war. In Japan some elements were critical of the bombing of North Vietnam, but this feeling was confined to a very small group. He felt guilty about this sentiment in Japan, especially toward the U.S. which was making such sacrifices. Mr. Sato said he had to cut his visit to Vietnam short in order to return for former Prime

Minister Yoshida's funeral,[2] and was, therefore, unable to meet General Westmoreland and Ambassador Bunker. He did meet Thieu and Ky. He was impressed with the efforts to establish a democratic government. He was also deeply impressed with the U.S. troop commitment, which was helping the country while refraining from interference in the local affairs of the Vietnamese.

The Secretary said he was pleased to hear this report. The Prime Minister's statements represented exactly the kind of leadership which was necessary. His visit to Vietnam was a courageous act, which served to begin to convince the American people that Japan associated itself with the U.S. effort. This was an invaluable step, and he was grateful to Mr. Sato for taking it.

Mr. Sato said he was embarrassed by the Secretary's words of appreciation. He said that he was aware that fear existed that the war would spread, but the war in Vietnam was not a normal war. The U.S. could not go all out; its hands were tied. This was a difficult way to wage war and, this was why it dragged on and created uncertainty in the U.S. Foreign Minister Miki and he were searching for peace, but the difficulty was that any Japanese effort might be interpreted as a sign of weakness. Nevertheless, they were still trying to find some way to bring about peace.

[Omitted here is brief discussion of Burma, Singapore, Malaysia, and Indonesia.]

4. *China and Japan's Security.* The Secretary asked how the Japanese people were reacting to China's nuclear strength.

Mr. Sato said that real thinking Japanese were concerned, but he had to say that the masses were not concerned. He felt the government had not done enough to educate the masses, on whom the Socialists had made a deep impression. The Japanese Constitution was called a "Peace Constitution" and the Socialists told the people that it guaranteed Japan could live in peace and safety. This gave a sense of false security unrelated to what Red China might do.

Mr. Sato said Japan's whole security was based on its security arrangement with the U.S. The Japanese were well protected by the U.S. nuclear umbrella and Japan had no intention to make nuclear weapons. Three years ago the President assured him that the U.S. was prepared to aid Japan against any attack.

5. *Ryukyus Reversion.* The Secretary noted that the President has said this many times. This related directly to the question of the Ryukyus and the natural desire of the Japanese for reversion. The

[2] Sato visited Saigon on October 21.

Secretary said he would be frank and candid. The Ryukyus were bound to revert to Japan. The question was not one of reversion but of bases and the Mutual Security Treaty, as well as the President's statements about responding to nuclear blackmail. These all carried unwritten assumptions that Japan would act in a way which would permit the use of bases. Reversion was certain, but what was uncertain was the role of bases. We could not leave U.S. forces exposed and unable to operate effectively. Japan must permit the U.S. to operate militarily in the Ryukyus in ways which might ultimately involve operations requiring nuclear weapons to be placed there and combat operations to be conducted from there. The Secretary understood these were difficult problems for the Japanese people. It would take time for Mr. Sato to educate his people. He wished to emphasize that the American people would never allow the U.S. to operate in this area without the support, that is the political acquiescence of Japan. Accordingly, the whole package of bases and reversion was tied together and must be explored in the light of the interests of the two countries. The American people would not tolerate a continued U.S. presence without Japanese support.

Mr. Sato said he fully understood the Secretary's premises. As Prime Minister, it was his duty to give primary consideration to the security of Japan and he wished to do so in a framework of the security of Asia.

At the same time, it was the strong desire of the Japanese people and the one million Japanese in Okinawa for reversion. This was easy to understand, since for almost twenty-five years these islands have been under a foreign government. These spontaneous feelings demanded a response, but security needs and sentiment were not inconsistent and could be satisfied simultaneously. If the return of Okinawa meant military weakness, this was not desirable. He sought reversion which would not prejudice the security of either country. The problem was not "now" but "how." President Chiang Kai Shek had told him that he felt safe because of the U.S. presence in Okinawa, and he would be concerned if the U.S. withdrew after reversion. Sato replied that this was not his objective and he had no intention to weaken the security of the area. If, at some time in the not too distant future, agreement could be reached on when reversion could take place, it would be useful. If after reversion there were a need to strengthen bases, this could be considered.

Mr. Sato noted that there used to be a clamor when nuclear submarines visited Japan but this had subsided and it had now been agreed to permit the Enterprise to visit Japan. Unlike the Socialists, his party was not opposed to the Security Treaty but based Japan's security on it. He sought a return of the Ryukyus Islands but not at the sacrifice

of weakening bases. If the problem were mishandled, it could become serious and the mutual objectives of Japan and the U.S. would not be attained. He thought that what the U.S. and Japan could do was to agree that reversion was possible and that the question of timing would rest on agreement of the two governments.

It was too soon to talk about the use of nuclear weapons, or the free use of bases, or the question of prior consultation. Technical problems such as these could wait until agreement has been reached on the basic issue of when and how reversion would take place. It might take some time, perhaps months or longer, but he must give some hope to the people of Japan that reversion was coming. Sato said he might be accused of showing bad judgment in tying the question to Vietnam or the Chinese nuclear threat, but he must bring this up to respond to the sentiment of the Japanese people.

The Secretary said he understood the Prime Minister's position. He realized the desires of the Japanese people and understood the political pressures. He was not prepared to discuss specific language, but could support reversion under circumstances which did not reduce the U.S. capability to fulfill its commitments under the Mutual Security Treaty and other treaties.

Mr. Sato asked the Secretary to bear in mind that sometimes he felt the Japanese were strange. There were strong pressures on him in Japan against visiting the U.S. for fear he might come back with commitments. There was strong feeling in Okinawa and Japan that he should make an appeal based on the sentiment of the people. It was very important to settle the issue in a wise and prudent manner and he hoped the Secretary would appreciate his position. The main thing was to give hope that would enable the people to cooperate more willingly in regard to freedom of bases.

Foreign Minister Miki said he would like to add that, as the Prime Minister explained, the problem he faced in regard to reversion was the need to obtain basic agreement before entering into consultation to work out details. It was of the utmost importance for the Prime Minister to obtain this agreement in the absence of which many problems would arise. He hoped that the U.S. Government could respond to the desires of the Japanese people.

The Secretary said that everybody understood the political pressures the Prime Minister was under. We also understood that if we have bases there, we must be able to operate them as necessary under the Treaty. We must work out an equation of these sometimes contradictory objectives.

The Prime Minister said that the text which he handed the President very explicitly stated that there must be agreement between the two governments to carry out reversion. He was not insisting that a

target date be pinpointed, such as 1970 or 1973, but that both sides agree. Even with agreement on such a basis, many would say it is too vague and indefinite; nevertheless, it was necessary to have a basic agreement. This involved not only Japan, but Korea, Taiwan, and the Philippines, all of which relied on the U.S. presence and arrangements in Okinawa that served to assure the security of the whole area.

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105. Memorandum of Conversation[1]

Washington, November 15, 1967.

PARTICIPANTS

Eisaku Sato, Prime Minister of Japan
Takeo Miki, Minister of Foreign Affairs
Takeso Shimoda, Ambassador to the U.S.
Toshio Kimura, Chief Cabinet Secretary
Haruki Mori, Deputy Vice Minister of Foreign Affairs
Fumihiko Togo, Director of North American Bureau, Ministry of Foreign Affairs
Makoto Watanabe, North American Section, North American Bureau, Ministry of Foreign Affairs
Naoshi Shimanouchi, Research Secretary, Bureau of Information, Ministry of Foreign Affairs (Interpreter)

Secretary Rusk
Ambassador U. Alexis Johnson
William P. Bundy, Assistant Secretary of State
Samuel D. Berger, Deputy Assistant Secretary
Richard L. Sneider, Country Director for Japan
James J. Wickel, EA/J (Interpreter)

SUBJECT

Ryukyus and Bonins

Prime Minister Sato said that he would be brief in discussing the Ryukyus problem and wished to get immediately to the communiqué language on this question. He said he had to take two factors into account: first, the strong desire of the Japanese people for reversion, and

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Exdis. Drafted by Sneider and approved in S on November 27. The meeting was held at Blair House. The memorandum is part I of II. Part II covered Japan's assistance to Indonesia and contributions to the Asian Development Bank. Sato agreed to continue assistance to Indonesia and to consider increasing Japan's contribution to the ADB Special Fund from $100 million to $200 million. (Ibid., POL JAPAN–US)

second, his personal concerns as Prime Minister with Japan's security interests. He personally felt that military bases in the Ryukyus could be strengthened by reversion since Japan would be forced to live up to its security responsibilities by this action. At the same time, mishandling of this issue could lead to dire consequences. The Socialists will exploit such mishandling to their advantage. The Communists will also. It is therefore important and necessary to work out the problem.

Secretary Rusk pointed out that the two governments are closer to agreement on the Ryukyus than public opinion in both countries, but both governments must deal with their differing public opinions. The U.S. is in a sensitive position for several reasons. First, anything appearing to weaken our position in Vietnam would be badly received by the public and Congress. Second, Chinese Communist nuclear power has added a new dimension to our security commitments to Japan, Korea and other nations. As a result of this development, these commitments—which we accept and are prepared to carry out—are of a much graver character than previously anticipated. Third, there are constitutional limitations on what commitments a President can make in terms of his successor, given the forthcoming 1968 Presidential elections. Even if President Johnson is reelected (to which Sato indicated his full support and expectation), a commitment beyond the election date would provide a false issue to his opponent.

Therefore, it is necessary to find communiqué language tolerable both to U.S. political problems and to Sato's political problems. In conclusion, the Secretary emphasized that the U.S. approaches this problem from the viewpoint of US-Japan friendship and cooperation, not as adversaries.

Sato said he understood the American problem fully, particularly as long as the Vietnam conflict continues. He recognized the Presidential election problem and mentioned that his own term expires in December, 1968. Nevertheless, he hoped that we could agree on a step forward which would not ignore the pressure of public opinion in his own country. He felt that both the U.S. and Japan, in Japan's case as long as the Liberal Democratic Party is in power, would follow their traditional foreign policy whatever the results of elections.

Secretary Rusk said the fourth factor facing the United States was the need to act with the understanding of Congressional leaders whether or not specific legislation is involved. Our soundings with Congress have indicated that, while there is considerable understanding of Japan's problems, the Congressional sense is not to take any dramatic movement on the Ryukyus for immediate reversion. We feel it is necessary, therefore, that the communiqué language not build up any illusion of a dramatic change or stimulate agitation which could lead to difficulties when hoped for actions do not materialize.

Sato said he appreciated the need for careful handling of Congress. Nevertheless, he hoped we could give the Japanese people some hope that U.S. administration of the Ryukyus is not to be semi-permanent. The question of administrative rights ought also to be separated from the status of U.S. military bases, just as in Europe. He is not talking of immediate reversion, or even reversion within the next few years, but agreement within a few years on a time for reversion. Sato then proposed the following language:

"The President and the Prime Minister agreed to make efforts to reach, in a few years, agreement on a date satisfactory to the two governments on the return of administrative rights to Japan."

Secretary Rusk felt that this language would build up an anticipation of too rapid reversion. He pointed to other steps we are prepared to take during the visit to assist Sato with his domestic political problems, particularly on the Bonins and interim measures such as the Advisory Committee. The Secretary then proposed the U.S. language which was later incorporated without change into the first two paragraphs of paragraph VII of the communiqué.

Sato requested a few minutes to consider the language proposed by the Secretary and retired with his advisors to another part of the room. After about 15 minutes, Sato returned and informed the Secretary that his language was acceptable, stating it was "taihen kekko" (very good). He was clearly very pleased with the U.S. language.

Sato then raised the problem of organizing early consultations on the Bonins, expressing the hope that we could meet shortly on this issue. The Secretary agreed that we could begin discussions shortly after the Ambassador returned and expressed the hope that we could conclude the negotiations quickly. He assured Sato that we had no intention of delaying the negotiations and that it was now a matter of working out the details. After some discussion it was agreed that we would state publicly that we hoped to conclude the negotiations within a year, and sooner if possible.

Miki suggested the possibility of a subcommittee for joint review of Ryukyu reversion. This was rejected and it was agreed that no special committee would be needed, but that experts would be brought in as required.

106. Memorandum of Conversation[1]

Washington, November 15, 1967, 5:23–6:59 p.m.

SUBJECT

U.S.-Japanese Relations and Security Problems

PARTICIPANTS

Eisaku Sato, Prime Minister of Japan
Naoshi Shimanouchi, Research Secretary, Bureau of Public Information, Ministry of Foreign Affairs (Interpreter)

The President
James J. Wickel, Special Assistant to Ambassador Johnson (Interpreter)

The Prime Minister thanked the President for the State dinner given him last evening and expressed his and Mrs. Sato's appreciation for the gift presented by the President. The President said that the Prime Minister had made many new friends for Japan as a result of this visit, including the 200 guests at the State dinner, who represented almost all 50 states.

The Prime Minister thanked the President for creating the mood of sincerity that had marked his several meetings in Washington.

He had enjoyed full and frank exchanges of views with both Secretary McNamara and Secretary Rusk and said that the draft communiqué developed during these meetings was excellent. He said that he wished the President would agree to issue it as drafted.

The President said that Secretary Rusk believes that the draft communiqué would probably meet with the approval of Congress and probably would not be attacked.[2] He said he wished to go as far in the Pacific as he could in assisting the peoples of Asia and the Pacific to improve their lives. Although formerly some Americans had shown prejudice against Japan, he said he felt that this has been largely overcome and that he can go as far as the draft communiqué without coming under Congressional attack. He did not wish to have Congressmen

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[1] Source: Johnson Library, National Security File, Country File—Addendum, Japan. Secret; Nodis. Drafted by Wickel. The meeting was held in the Oval Office and at its conclusion the President and Prime Minister joined high-level Japanese and U.S. officials in the Cabinet Room and provided them with a summary of their private meeting. (Summary of Talks, November 15; Johnson Library, National Security File, Country File—Addendum, Japan) The time and place of the meeting are from the President's Daily Diary. (Ibid.) At the conclusion of the presentation a joint communiqué was issued, the text of which is in Department of State *Bulletin,* December 4, 1967, pp. 744–747.

[2] William Bundy had contacted key Senators about the proposed text of the communiqué and had been informed of no objections to its contents. (Memorandum to Rostow, November 15; Johnson Library, National Security File, Country File, Japan, Vol. VII)

criticizing Japan. However, he had not had ample opportunity to review the latest draft because he had spent most of the day meeting with General Westmoreland and Ambassador Bunker.

The President said that one great problem we have is that the Constitution of Japan forbids her to send troops to Southeast Asia. Still, almost everything we Americans buy is imported from Japan, such as shirts, textiles, radios and television sets. On the economic side, however, such Southeast Asian nations as Singapore, Laos, Thailand, Burma, Indonesia and the Philippines all insist that an American withdrawal from Southeast Asia would spell their doom but when asked what they can do they are unable to help the United States effort there. Therefore, there are wonderful things for the Asian Development Bank to do, under its able President who is a Japanese. Japan is now equal to the strong nations and can do its part and provide the leadership, even though this may be limited to sound financial assistance. If the United States can make this great effort 10,000 miles from home why can't Japan make an effort in her own area? Japan's significant contribution to the ADB had the same effect on American opinion as a goodwill mission. The Koreans have impressed the American people with their growth and by the fact that they have sent troops to Vietnam even though Japan cannot. We understand why Japan cannot do so. Speaking quite frankly, said the President, is the only way to get things done.

The President said that he is more deeply interested in the Asian-Pacific region than any other President has ever been. He intends to lead the American people in the effort to help develop the strength and power of the region because this is the area where two out of every three human beings alive today live. This is where the people are. However, this fiscal year the United States is spending between $25 and $30 billion in the effort to defend Vietnam. This is a great expenditure, year after year, but in addition the United States has taken over 100,000 casualties, and has expanded a great deal of blood and lives. A way must be found to enable these people to do enough to help themselves.

Japan has helped considerably with the ADB. Now that he has requested Congress for additional funds for the ADB, however, Congress is asking why we must do it all and what is Japan doing?[3] He said he understood that the Japanese people ask why doesn't the United States provide more money, but the American people ask why doesn't Japan? We wish to help Indonesia and can do so when Japan is also ready to help. This is a big country here. We hope that Japan can help on these

[3] In September the administration asked the Congress to authorize $200 million for the ADB Special Fund. (Ibid., Meeting Notes File, September 11, 1967, Meeting with Congress on ADB, and Meeting Notes File, September 12, 1967, Meeting with Congress on ADB)

financial matters, particularly since she cannot send men because of her Constitution.

There are two or three matters in which Japan can help, for example, balance of payments. If the United States is willing to run a deficit of $30 billion, Japan should be willing to spend some money too. Why can't Japan buy $500 million in medium-term securities? Germany is willing to help. Japan can't send men, but it would seem that she could provide dollars and could provide money for the ADB Special Fund. Secretary Rusk had probably already discussed these matters in full with the Prime Minister[4] but this point is very important. Congress has just turned down the tax bill he had requested and the United States faces a deficit of $30 billion this year. The Australians have sent some 5,000–6,000 men to Vietnam and Thailand and the Philippines have each provided some men, but the United States is paying the extra cost of these contributions for them. He said that he understood the difficulties Japan faces but the best investment for both Japan and the United States is to strongly support the ADB and to provide greater economic help for South Vietnam. Japan is strong and growing stronger, but if we do not save Vietnam and Thailand, we will all face a grave crisis which will cost us dearly.

The President said that these are the things Japan should do. First, she should increase her contribution to the ADB Special Fund. If Japan can do this, he would try to get a bill through Congress for the same purpose. Second, she should increase her assistance to Vietnam. She should look everywhere and scrape up as much as she can, especially since she cannot send men. Now, the United States should provide an additional 50,000 men for General Westmoreland, in addition to paying the extra costs to the ROK and Thailand for their contributions. If Japan cannot send men, she should help as much as possible in whatever way she can before it is too late. We think that the best investment for the economy, the people and the region is the ADB Special Fund. If the United States can contribute $200 million, Japan should match this figure, as well as doing something extra for Vietnam. If Japan and the United States can work together, we can also do more to save Indonesia. These actions are all desirable and the President said he hoped Japan would do what he had outlined. However, he did not wish to do all the talking, he hoped to hear what the Prime Minister had to say.

The Prime Minister said that he was basically in full agreement with the President on the needs of these countries. He said he would make every effort to try to provide whatever help is needed, in fact,

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[4] See footnote 1, Document 105.

this is so stated in the communiqué, even though no specific amounts are cited.[5]

He said, with reference to the Joint Communiqué, that prior to leaving Japan for Washington he had been received by the Emperor, who emphasized the paramount importance of Japan's security. At present Japan is secure under the U.S.-Japan Security Treaty, which provides that the United States will defend Japan against external attack. However, Communist China is developing nuclear weapons and Japan may soon be threatened by a nuclear attack. More than two years ago, the President assured the Prime Minister that the United States would live up to her commitment to defend Japan "against any form of attack." He said he wished to ask the President to reconfirm this assurance at this time because of the concern expressed by the Emperor and in view of the discussions on the status of Okinawa.

The President said that the United States is committed and as long as he is President we would carry out this commitment. However, he said that the Prime Minister has probably seen the difficulties we face under the SEATO Treaty.

The Prime Minister thanked him and said he was gratified by this reassurance. He appreciated the deep concern of the United States not only in her own security but also in that of other parts of the world. He said that as Prime Minister he must always consider the security of his own country ahead of any other problem, for which reason he fully appreciated and sympathized with the President's concern for security, even though there is a difference in the scale of the security problems faced by both countries. He said that Japan fully understands the difficult position of the United States and the problems she faces. Therefore, he said he would make every effort to do whatever he could to ease the President's burden.

The President said that it would be very helpful if Japan would match the American contribution to the ADB Special Fund, which the President has now requested of Congress for this area 10,000 miles away. If Japan were to provide only $100 million for the Special Fund, the Congress would surely cite the great deficit we face. For that reason we wished to have Japanese help. We understand Japan's problem but still hope that Japan could do more.

The Prime Minister said that Japan's next fiscal year budget is now being drafted. It provides for $20 million of the $100 million previously promised by Japan for the Special Fund and the Government will consider fully the possibility of increasing Japan's agreed contribution. Even though he could not promise to increase the contribution to $200

[5] The topic is discussed in paragraph VI of the joint communiqué.

million, the Prime Minister assured the President that he would do his best to help. He said that he had already told Secretary Rusk of this intention.

The President said that the bill authorizing this contribution to the ADB Special Fund is now in the Senate Foreign Relations Committee but if critics like Senator Fulbright do not support it, he would be unable to do anything. He did not wish to exert unseemly pressure on the Prime Minister but the prospects for a favorable Committee report of the request for this $200 million would be improved considerably if someone could testify in the hearings in January that Japan plans to provide $200 million.

The Prime Minister said that he will do everything he can to help but in all frankness he said that the next fiscal year budget now being drafted calls for an across-the-board personnel reduction of 5% in the civil service. Every ministry is being asked to eliminate the equivalent of one bureau. Therefore, he said that he could not make any promises with 100% assurance and did not wish to create any false impressions about what he could do. (When his interpreter, Mr. Shimanouchi, suggested that the Prime Minister promise more strongly to do something to reassure the President, the Prime Minister told Mr. Shimanouchi that he could not do so in all sincerity because he wished, above all, to be honest with the President.)

The President said that contributions to the Special Fund would be spread out over a five-year period and the entire sum need not be appropriated in one year. The Prime Minister said that the $20 million appropriation this coming fiscal year would be Japan's first installment toward the agreed amount of $100 million.

The President asked whether Japan could do anything further in Vietnam to develop agriculture, fisheries, communications or transportation. He said that it is essential that other nations begin to do more now that the latest polls show only 24% support for him.

The Prime Minister said that Japan presently is helping to establish the agricultural school at Cantho in the Vietnam delta as well as the agricultural guidance center to train agricultural specialists. He said that the President is probably already familiar with the Japanese medical program in Vietnam, including the hospital.

(At this point a secretary brought in copies of the Joint Communiqué, ready for release.)

The President asked if the Prime Minister was satisfied with the Joint Communiqué. The Prime Minister said that it was excellent and asked whether the President would approve it. The President asked whether he would agree to any specific programs to provide additional assistance in agriculture, fisheries, transports and communications, as the communiqué states Japan intends to do. It is not necessary to

refer to such specific programs publicly, but the President said it would be helpful if he could cite such concrete programs to influential Congressional and other leaders confidentially. When he received the gift last night of a Sony TV video tape recorder the President thought that it might be possible to work out a joint educational television project for Vietnam to offset the shortage of teachers there. A few teachers broadcasting from one central location could reach many primary schools, if these were equipped with television receivers. Perhaps such a program could be designed to fight illiteracy in Vietnam. Japan might be able to assume additional responsibilities for education, and even agriculture, in this way. If the United States supplied the personnel, the know-how and the leadership, Japan need only provide the equipment, the television receivers, to build an educational TV system which would benefit 17 million South Vietnamese. What is needed particularly is a program to help the society move forward, not under totalitarianism but under democracy and a spirit of social conscience. Why not provide educational TV to do this? He had signed a bill the other day to provide for educational TV in the United States, which had met with a very favorable response. Therefore, he proposed that American experts work with the Japanese to set up an educational TV system in Vietnam. This country would supply the men and the know-how, and Japan would supply the TV receivers. He asked whether the Prime Minister could help in this way.

The Prime Minister said that this is an excellent idea, but Japan is presently providing bilateral assistance to both the Philippines and Thailand to improve their domestic communications systems and has learned that such a program is not very useful beyond a certain point without an adequate technological base. He asked whether Vietnam could effectively profit from such an educational TV system.

The President said that this may be true but the United States has already helped to install a general purpose television system in Vietnam. If this can be used for entertainment it can also be used for education. The only question is, who will supply the receivers? If we provide assistance in know-how, teachers and curriculum, and if Japan can provide the television receivers, all the Vietnamese would sooner or later wish to buy Japanese television sets just as many Americans buy Sony sets now. (To illustrate his point, he picked up a Sony transistor radio from his desk and played it for the Prime Minister.)

The Prime Minister said that was an excellent idea and he promised that Japan would consider it.

The President said that the United States could furnish technical know-how and would conduct a survey to determine the number of sites where TV receivers would be needed. Japan cannot send men, so the United States will do that but both countries could undertake this

as a joint venture. Such cooperation is essential because the United States already is spending $30 billion a year in this area.

The Prime Minister said that this is indeed a good idea and agreed to cooperate.

The President said that he would speak to Ambassador Bunker about it tomorrow and report that the Prime Minister liked the idea. He would also consult with Ambassador Bunker to clarify the needs so that the United States and Japan could work out the details of this cooperative project. It would be most helpful if the President could tell Ambassador Bunker that both countries have agreed to this.

The Prime Minister said that the President should tell him that Japan does agree to cooperate in this project.

The President said this would be helpful, for now he could privately inform members of Congress of Japan's additional efforts in education as well as the hospital in Vietnam, about her efforts for the ADB, and about assuming 1/3 of the obligation for economic assistance to Indonesia. This would be most helpful in meeting possible criticism of the next paragraph of the Joint Communiqué, Paragraph VII. (The President read Paragraph VII aloud in English, with special emphasis on the reversion of the Bonins and the steps to be taken on the Ryukyus.)[6] He said that the Prime Minister would probably not be greeted by such demonstrations on his return as had marked his departure for the United States, because he would bring home this very good communiqué.

The Prime Minister said that he always exerted his best efforts to carry out his responsibilities regardless of demonstrations, because some people would demonstrate no matter what he did. The President said this was admirable. The Prime Minister should be congratulated for the great victory represented by this Joint Communiqué, and for making in it the forward-looking statement that Japan and the United States will work more closely together. The Prime Minister said that he did not think of these great issues in terms of a victory in the communiqué, but rather in terms of further increasing mutually satisfactory cooperation between Japan and the United States. The President said that this communiqué was indeed a step forward, and should help the Prime Minister to deal with public opinion at home. The Bonin Islands involved strong American sentiments and a deep emotional issue, and it is only Japan's willingness to assume additional responsibilities that would enable him to defend the decision to return these

[6] Paragraph VII provided that a target date for reversion of the Ryukyus would be settled "within a few years," whereas consultations would begin immediately to arrange for the timely return of the Bonins.

islands. Japan's help is essential in view of the possibility of a deficit of $30 billion this year.

He hoped that Japan would take $500 million in securities to ease the temporary balance of payments difficulties the United States faces. The Prime Minister said his Government would study this very seriously. The President said "don't study it, do it." The Prime Minister said that both Germany and Japan have each been asked to purchase $500 million in securities, even though Germany has reserves of $7 billion and Japan only $2 billion. The President urged him again to consider the purchase of $500 million because it is absolutely essential. The Prime Minister said that he would discuss this with the Ministry of Finance immediately after his return. Japan has already decided to buy $300 million worth of securities, but he could make no promise to buy an additional $200 million.

The President said that there are many demands placed on the Government. For example, there are riots in the cities and many people insist on Government help to rebuild them. The United States maintains six divisions in Germany, two divisions in Korea and a total of 600,000 troops in Vietnam, including foreign detachments for which we are paying. Without these defense expenditures the United States would have no balance of payments problems. Strong men are needed to step up and take these securities now in the same way the United States has agreed to support the British pound in spite of these difficulties.

The Prime Minister said that Japan has reserves of $2 billion, but only $500 million is liquid. If the GOJ buys $500 million, she will lose her entire liquidity. For this reason, the Ministry of Finance experts are deeply concerned about making a commitment to purchase $500 million worth of securities. He said it would be simpler at this point to agree to do so, but he would not wish to make a promise he was not certain he could honor.

The President said that the Prime Minister should impress the Minister of Finance that the United States faces a great deficit even though it must continue to honor its commitments. What is needed temporarily is some money to tide the United States over this period of crisis. He should be urged to consider the alternatives.

The Prime Minister said that Japan would give full consideration to this request, but would be limited by the extent of its liquid reserve. If all Japan's liquid reserves of $500 million were committed, this would leave only non-liquid reserves of $1.7 billion. Japan would be totally without any liquidity. He asked if there was any means for Japan to buy the securities, but still "keep the money available within the country."

The President said he was only urging the Prime Minister to do what was humanly possible, but was not asking him to undertake any

action which was dangerous. The Prime Minister said that he was speaking in all sincerity and would not make an empty promise. Study of this matter before he had departed Japan for Washington had disclosed that $300 million was the best Japan could do at this time. In fact, Japan was actively considering a plan to secure $25 million in West German marks to increase her own liquidity. (The President telephoned Secretary Fowler at this point to ask whether there was any method by which Japan could meet the United States request without losing her liquidity. He also asked for a report on the latest developments in the British pound crisis.)

The Prime Minister said he would do his best to meet the American request, because he fully understood the President's concern.

The President said that the Secretary of the Treasury would look into the question of protecting Japan's liquidity as a means of helping her purchase the full amount of $500 million worth of medium-term securities. The United States had already announced her intention of providing half of the $1 billion needed to help Britain in this present crisis. The Federal Reserve Open Market Committee had approved this today, and both the Italian and German Governments had agreed today to do their share. The United States would not devalue her own currency, regardless of what Britain might do. If Japan and the United States would stand firm, other countries would not be so likely to devalue their currencies or to act irresponsibly in the present financial crisis.

The Prime Minister said that Japan had no thought whatsoever of devaluing the yen at this time, but if her foreign reserves declined in value as a consequence of devaluation by other nations the Government would have to consider what it should do in its own interest. The President said that Secretary Fowler had just told him that there were a number of methods by which Japan might buy $500 million without endangering her liquidity. These will be discussed with the Japanese experts as soon as possible. It is essential to help the United States in this matter because this country is so helpful to Japan in others. The Prime Minister agreed that this is evidenced by the Joint Communiqué.

The President said that he wished to adjourn to the Cabinet room to tell the American and Japanese officials waiting there that:

(1) He and the Prime Minister had discussed increased Japanese assistance to Vietnam, such as the hospital and educational TV, and that the Prime Minister had agreed to appoint Japanese representatives to discuss this with their American counterparts;

(2) Japan would consider seriously an increased contribution to the ADB Special Fund to be spread over the next five years. This development would be watched closely by the United States. Such a contribution would be an investment by Japan in an area in which she has

a vital interest. If Japan does not increase her contribution, the President was concerned that he might get nothing from Congress and he needs $200 million to help Asia;

(3) The Prime Minister and Secretary Rusk had agreed that Japan would undertake to supply 1/3 of the requirement to assist Indonesia; and

(4) The Prime Minister would tell everyone he meets how strongly the Asian people themselves wish to defend their own freedom for the American public should know this. The statements by the Prime Minister during his East Asian visits were very helpful in this respect. In the final analysis, the United States can only "supplement" Asians in defense of their freedom but cannot "supplant" them.

The Prime Minister's address to the Press Club today had also been extremely helpful. The President also said that he wished to continue to work firmly toward the development of a free and democratic "new Asia," through such institutions as the ADB, even though there may be those in Congress who are critical. Such positive statements by the Prime Minister are even more essential now in view of the agreement contained in Paragraph VII of the Joint Communiqué.

The Prime Minister said that he pledged himself to make concrete efforts to help ease the President's burdens and he wished to offer the President his full "moral support."

The President said that the situation is difficult. There are demonstrations in Tokyo but on the other hand, the Senate is critical here of his efforts and his support is down to 24% in the polls. If the Prime Minister could take his place, he would fully understand why it is essential that Japan do more in this area. No doubt there would be protests against the agreement in Paragraph VII of the Joint Communiqué, but the President said that he would stand firmly behind this commitment.

He said that the Prime Minister would have been greatly encouraged if he had heard Secretary Rusk say in today's Cabinet meeting that there is no leader in the world today more faithful and more courageous than the Prime Minister.

The Prime Minister said that all responsible leaders who do their duty must be prepared for such attacks and criticisms but he was convinced that he must do his best despite such attacks. The President said that he liked the Prime Minister's courage.

107. Action Memorandum From the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy) to Secretary of State Rusk[1]

Washington, December 22, 1967.

SUBJECT

Circular 175:[2] Request for Authorization to Negotiate and Sign an Executive Agreement with Japan Returning the Bonin Islands to Japanese Administration

1. The Joint Communiqué issued by President Johnson and Prime Minister Sato on November 15, 1967 states in part: "The President and the Prime Minister also reviewed the status of the Bonin Islands and agreed that the mutual security interests of Japan and the United States could be accommodated within arrangements for the return of administration of these islands to Japan. They therefore agreed that the two Governments will enter immediately into consultations regarding the specific arrangements for accomplishing the early restoration of these islands to Japan without detriment to the security of the area."

2. You agreed with Prime Minister Sato, at your meeting on November 15, 1967,[3] that discussions would begin shortly after Ambassador Johnson's return to Japan, and you expressed the hope that the negotiations could be concluded quickly. It was agreed that the two Governments would publicly state their hope to conclude the negotiations within a year, and sooner if possible.

3. The islands in question have been administered by the United States (Navy) since the close of World War II, first as an occupying power, and since 1952, under the terms of Article III of the Treaty of Peace with Japan.[4] [Omitted here is a brief excerpt of Article III.]

4. The islands to be returned to Japan at this time consist of the Bonin Islands (Ogasawara-Gunto), including the Chichishima-Retto, Hahajima-Retto and Mukojima-Retto; the Volcano Islands (Kazan-Retto), which include Iwo Jima; Rosario Island (Nishi-no-shima); Marcus Island (Minami-Tori-shima); and Parece Vela (Okino-Tori-shima). A group of islands administered under Article III, known as the Amami Islands, were returned to Japan in 1953. The Ryukyu Islands and the

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[1] Source: Department of State, Central Files, POL 19 BONIN IS. Secret; Exdis. Drafted by Feldman; cleared by Steadman, Halperin, and Barringer at the Department of Defense and by G/PM, Sneider, and Bevans at the Department of State.

[2] Circular 175 set forth the procedures for acquiring authorization to negotiate agreements and treaties.

[3] See Document 105.

[4] The text of the Treaty of Peace with Japan, September 8, 1951, is in 3 UST 3169.

Daito Islands (Nansei-Shoto south of 29° north latitude) are to remain under U.S. administration for the present.

5. The principal U.S. installations in the islands now to be returned are navigation aids on Iwo Jima (Loran A and C) and Marcus Island (Loran C), harbor and munitions storage facilities at Chichi-jima, an USAF emergency recovery airstrip and U.S. Marine Corps Memorial on Iwo-Jima, and a Coast Guard airfield and U.S. Weather Bureau Station on Marcus Island, manned by a total of 147 U.S. personnel. (See Fact Sheet Telegram at Tab A.)[5] The indigenous population consists of 205 persons, descendents of European and Yankee mariners, who reside on Chichi-jima. The majority of the working population are employed by the U.S. Navy Administration.

6. During the war the Japanese evacuated the civilian population of about 7,000 persons to the home islands. 135 residents of partial occidental ancestry were allowed to return, but the others were barred by the Navy on security grounds. In 1961 the United States paid six million dollars ($6,000,000.00) to the Government of Japan to settle the claims of the former inhabitants for the inability to enjoy the use of their property over an indefinite period. The agreement specified that the payment did not constitute a transfer of property rights to the U.S. Government. (TIAS—Tab B)[6]

7. Ambassador Johnson has been sent a package of three telegrams outlining the views of the interested U.S. agencies in regard to matters of civil administration (Tab C), military facilities and areas (Tab D), and the Iwo Jima Memorial (Tab E).[7] If you approve the recommendations set forth below, these messages will constitute the Ambassador's initial instructions for the negotiations. The substance of the messages were concurred in as appropriate by the Departments of Defense and Treasury.

8. The basic guidelines in these messages are the following:

(a) The arrangements for the reversion of the Bonin Islands shall be patterned after those employed in connection with the return of the Amami Islands in 1953, to the extent appropriate. The principal instrument in the Amami case is a formal executive agreement (Tab F)[8] in which "the United States of America relinquishes in favor of Japan all rights and interests under Article III of the Treaty of Peace" in respect of the Amamis, and Japan "assumes full responsibility and au-

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[5] Telegram 83547 to Tokyo, December 13, attached but not printed.

[6] Not attached, but see 12 UST 830.

[7] Telegrams 85704, 85715, and 85697 to Tokyo respectively, all December 16, attached but not printed.

[8] Not attached, but the agreement is published in 4 UST 2912.

thority for the exercise of all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of the Amami Islands." Specific understandings concerning such matters as claims, application of treaties, conversion of currency, and defense cooperation are set out in the Agreement and a related exchange of notes and agreed official minutes, plus an unpublished record of a meeting of representatives of the two governments and draft minutes for adoption by the Joint Committee under the SOFA.

(b) There should be a clear understanding that the Bonin arrangements do not constitute a precedent for the Ryukyu Islands, as we wish to maintain freedom of action on such issues as dollar conversion and base use.

(c) The reversion of the Bonins should not create a balance of payments windfall for Japan.

(d) Japan will waive its claims and those of its nationals in connection with the war and U.S. administration.

(e) We will ask Japan to assume responsibility for public services such as utilities, education, and postal services, and we hope to work out with the Japanese joint and unilateral arrangements to help the current residents of the islands adjust to the transfer of administration and to provide some assurance of equitable treatment in the future. The United States will have no legal responsibility for these people after the reversion, and Japan will have no legal obligation to accord them treatment preferential to the other Japanese nationals. Nonetheless, this community will need some assistance because its economy has been subsidized and is entirely dependent upon the United States Navy. Although these persons are of Japanese nationality, they have been educated in English and no steps have been taken to prepare them for reversion. We hope to arrange an equitable distribution of community assets and to persuade the Japanese Government to recognize certain collective economic activities (e.g. a Bonin Trading Company) and to establish clear titles to residential land plots. The USG will be considering alternative measures including the possibility of providing employment opportunities in certain U.S. territories.

(f) The United States wishes to retain the Loran A and C stations in Iwo Jima and the Loran C station on Marcus Island for its use under the Mutual Security Treaty, the SOFA and other applicable base arrangements with Japan, supplemented as necessary to facilitate operation of these facilities. Other U.S. facilities in the islands will be transferred to the Japanese Government as soon as it can assume responsibility for their maintenance and operation. We welcome the intention of the Government of Japan, expressed in the Joint Communiqué, "gradually to assume much of the responsibility for defense of the area" and we hope to accelerate the fulfillment of that intention.

(g) U.S. military facilities will be transferred to Japan without compensation for fixed improvements, and without obligation to restore areas to their original condition, as provided in Article IV of the Japan SOFA. We will ask the Government of Japan to maintain and operate certain facilities transferred to it and will seek to preserve the United States' right of access to and use of these facilities. We will also seek certain specific understandings in the area of mutual security, such as the right to utilize munitions storage facilities for non-nuclear weapons.

(h) We would prefer to have the right to store and use nuclear weapons in these islands. However, in view of Japanese sensitivities concerning these matters, and the absence at this time of specific military contingency plans requiring use of these islands for storage of nuclear weapons, we recognize it is not in our overall interest to seek agreement now from Japan on nuclear storage rights in these islands.[9] At the same time, we hope the political restraints on the storage of such weapons in Japan would not apply to the same degree in the Bonin and Volcano Islands. Therefore, we propose to advise the Government of Japan that, in the event of a contingency requiring use of these islands for nuclear weapons storage, the United States would wish to raise this matter, and would hope that such a request would be regarded in a different light than it would in relation to the Japanese home islands. The United States would anticipate a favorable reaction since such a request would not be made unless it was essential for the security of the area. We believe such a statement should be made an official part of the record of negotiations in some form but do not intend to seek a reply from the Japanese. We will also seek to have included in the official record the United States' view that the Bonin pattern, including particularly the decision not to obtain formal agreement concerning nuclear storage rights, does not establish a precedent for possible negotiations in respect of the return of the Ryukyu Islands to the Japanese administration.

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[9] Earlier in the month, CINCPAC recommended to the JCS that the United States acquire unconditional rights to store and use nuclear weapons on the Bonins. After reviewing the matter, the JCS again split on the issue, with the Chief of Naval Operations and the Chief of Staff, U.S. Air Force adopting the CINCPAC position and the other branches willing to accept a Japanese agreement to discuss the issue, if and when future circumstances warranted consideration of nuclear weapons. McNamara adopted the latter position. (Memorandum for the Secretary of Defense, December 9, and memorandum for the Chairman, JCS, December 19; Washington National Records Center, OSD/OASD/ISA Files: FRC 330 71 A 4546, Box 24, 680.1 Bonin Islands) Like McNamara, U. Alexis Johnson also held that to demand such rights would halt the negotiations on the Bonins and adversely affect U.S.-Japan relations. (Memorandum to Bundy, December 5; National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 BONIN IS)

(i) Appropriate arrangements will be made for the maintenance of and the access to the Memorial on Iwo Jima. These arrangements will permit the United States flag to be flown on top of Mount Suribachi.

9. L advises that the Bonin Islands may be returned to Japanese administration by executive agreement without an amendment of the Treaty of Peace or other formal Congressional action. We will keep the Congress informed by appropriate consultations. Memorandum of law at Tab G.[10]

Recommendations

1. That you authorize our Ambassador at Tokyo to negotiate an executive agreement with the Government of Japan providing for the return of the Bonin Islands, Volcano Islands, Rosario Island, Marcus Island and Parece Vela to Japan on conditions generally within the terms of reference indicated in this memorandum.[11]

2. That you authorize me, with the concurrence of the Office of the Legal Adviser, the Department of Defense, and the Treasury Department,

(a) to approve a settlement generally within these terms of reference and the text(s) of the agreement, and

(b) to authorize our Ambassador at Tokyo to conclude and sign the agreement.[12]

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[10] Attached but not printed.

[11] Rusk initialed his approval of the recommendation on December 23. In telegram 89684 to Tokyo, December 27, the Embassy was authorized to begin formal negotiations on reversion of the Bonins to Japan. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 BONIN IS)

[12] Rusk approved the recommendation and added by hand: "subject to a last clear look at the final text in Washington. DR"

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

Tokyo, December 29, 1967, 0850Z.

Subj: Nuclear weapons and Bonin negotiations

Ref: A. Tokyo 3060 B. State 85715[2]

1. After Bonins negotiations meeting Dec 28, I spoke to Miki alone with only interpreters present about possible future use of Bonins for nuclear storage. I reminded him of our Nov 6 conversation on subject (ref A) and said I thought our concern could be accommodated at this time by my giving him top secret note advising him that in event contingency requiring nuclear storage we would wish raise matter and would hope request would be regarded in different light than for in Japan proper and would anticipate favorable reaction since request would not be made unless essential for vital security interests of area including those of Japan (ref B). (I mentioned ASW contingency as example of type of problem we had in mind.) I added that we would not expect any GOJ reply to my note.

2. Miki said that under a contingency in which USG would contemplate possibility of use of nuclear weapons in this area Japanese interests would also be so deeply involved that any request by us for nuclear storage would be considered in a vastly different atmosphere than that now prevailing. At such a crisis question of nuclear storage would have to be considered with respect to all of Japanese territory and not just a particular part such as Bonins. It would be very difficult to draw a distinction of principle between various parts of the country. In recent vigorous Diet debate he and PriMin had said nuclear issue not now involved in return of Bonins but had been careful to keep their freedom of action with respect to Okinawa. "Greatest domestic political problem GOJ faces over next few years is that of Okinawa nuclear issue." He would greatly regret anything that could possibly leak out and muddy waters on fundamental Okinawa issue which GOJ had to face. Thus though even no reply was necessary or expected he much hoped we would not feel it necessary to transmit such a note.

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[1] Source: Department of State, Central Files, POL 19 BONIN IS. Secret; Exdis; Priority. Repeated to CINCPAC for Sharp and with instructions to pass to OSD/ISA for Halperin.

[2] In telegram 3060 from Tokyo, November 6, U. Alexis Johnson reported on his November 6 meeting with Miki in which he put the Japanese on notice that the U.S. reserved the right to discuss the nuclear issue at the time negotiations on the Bonins were underway. (Ibid., POL JAPAN-US) In telegram 85715 to Tokyo, December 16, the Department of State informed the Embassy of the military aspects of the Bonins negotiations; see footnote 7, Document 107. (Ibid., POL 19 BONIN IS)

3. I said problem was one of a formal official record to which reference could be made in the future and it seemed to me such a note was best method. Miki said he saw problem, wanted to think about it and again discuss with me.

4. Comment: Miki, of course, has a point. If knowledge of such a note and lack of any reaction from GOJ came into wrong hands, it could be used by opposition to belabor and embarrass Sato and Miki. On giving matter second thought I wonder how much value there is in such a note as compared with record embodied in my accounts of our official conversations on subject. Would appreciate Dept's views.

Johnson

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

Washington, December 31, 1967, 0849Z.

91702. For Ambassador.

Please deliver immediately following letter to Sato from President, underscoring its personal and confidential nature and need to keep fact and content of letter private. If unable to deliver personally, make sure Sato sees message before President's announcement 11:00 a.m. Washington time, January 1. Septel contains details of balance of payments program and announcement.

"December 31, 1967

Dear Mr. Prime Minister:

At the close of 1967 we take satisfaction in the many constructive accomplishments we have achieved together. I greatly value our talks in November and the steps we then took to strengthen our partnership to work together for an enduring peace and human betterment in Asia. I think we can take pride in the arrangements for the return to Japan of the Bonin Islands, and in the fundamental understanding on the future of the Ryukyu Islands. We can also be proud of our achievements in the Kennedy Round, and in the emergence of the Asian Development Bank as an active institution with the prospect of additional special funds.

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US. Secret; Flash; Exdis. Text received from the White House, cleared by Berger and Davis, and approved by Enders.

The speculative fever of these weeks has severely tested our methods of cooperating on economic problems; but, we have continued to work together effectively in a financial world suddenly beset by fear and disorder. We have, thus far, met and repelled a serious threat to the foundations of the international monetary systems, which, in turn, could also undo the accomplishments of the Kennedy Round and the unity of the system of international commerce.

Meanwhile, the agreements at London and Rio on a plan to supplement existing reserve assets are a further reason for solid satisfaction, as we look to the longer future.

In these achievements Minister Mizuta and Governor Usami of the Bank of Japan have played important and, indeed, vital roles. I know that they have contributed much to the recent efforts to preserve order in the gold and foreign exchange markets. I am reassured by our mutual determination to exert a constructive force in the world financial system. This, I know, reflects a clear common understanding of the importance of international monetary cooperation in creating that environment of safety and opportunity which is required for the continued growth and stability of our nations' economies.

During our talks in Washington in November, I shared with you our concerns with the balance of payments position of the United States. Your most helpful and constructive response of offering to undertake actions resulting in a $300 million improvement in these accounts and to consider seriously further steps was most gratifying to me personally. It was particularly appreciated in view of the deficit Japan is facing in its own balance of payment position during 1967 and of the burden Japan is sharing for assisting the developing countries of Asia particularly.

Nevertheless, despite these and other helpful actions by our partners, our concern about the balance of payments position of the United States has been increased by events of recent weeks. As a result, I am announcing, on January 1, 1968, a new and vastly strengthened program to reduce our deficit and strengthen the international monetary system.

In the program, I will press for the tax increase to restrain excessive demand in the United States and to reduce our budget deficit to manageable proportions. I hope that this bill will soon become law. This, in itself, should be a helpful factor in our balance of payments and should demonstrate to the world that we will keep our own economic house in order. And the Federal Reserve has already made clear its determination to use monetary policy to this end.

But much more needs to be done; and we propose to do much more. Our balance of payments actions are designed to improve both our current and our capital accounts.

These actions will be painful to the United States and, to some degree, to our international partners. They are designed to avoid as far as possible adverse effects on the developing areas of the world. We hope they will result more in the reduction of surpluses than in the shift or increase of deficits. And we have kept very much in mind the views of other countries and the international economic institutions.

In this effort we wish to proceed within the spirit and the letter of the recent Resolution of the OECD Ministerial Council that the adjustment of the American deficit and the European surplus is a matter of common concern, to be handled cooperatively. Surpluses in international payments are the mirror image of deficits. Thus, both surplus and deficit countries must strive to reach balance and act cooperatively to this end. This is no less true in the 1960's than it was in the late 1940's and 50's. when we carried the responsibilities of a surplus nation. This concept was definitively developed by our best economic and financial experts in a carefully prepared OECD Report on "The Adjustment Process" in August 1966.[2]

Our deficits have been the net result of a current account surplus, including a trade surplus, inadequate to support foreign exchange costs of our external capital flows, foreign aid programs, and military expenditures for the common defense. During the period of the "dollar gap," these deficits helped redistribute the world's monetary reserves—the time has come, we all agree, to bring them to an end.

As we see the problem, we need to act to improve our current account, reduce capital outflows, and neutralize more fully our net foreign exchange expenditures in the common defense. Our new program is designed to move us strongly towards equilibrium. But full success will require the understanding and cooperation of our partners. It seems axiomatic to us, and basic to our view of the OECD Resolution, that those in strong reserve positions, or in surplus, should avoid actions that increase surpluses, should not take offsetting action to preserve their surpluses—indeed, that it will be necessary for them to take positive action to move toward balance. Otherwise, the only result will be to shift the adjustment burden to those who can least bear it or to make it more difficult for us to achieve balance. In our judgment—and, I believe, in your judgment—it is important for the United States to move decisively toward balance with the least possible dislocation to the world's system of trade and finance. Our mutual security and collective well-being, which rest upon the continuing strength and unity of the international economic system, are at stake. It is in this sense

[2] Not found.

that I hope that you and your Government will appraise our new and strengthened program. I have asked Ambassador Johnson to call on you to explain our new program more fully. I have also asked Undersecretary Rostow to visit with you in Tokyo next week to review further both this program and the entire scope of our mutual cooperation.

Our two governments are also planning to hold a meeting of the Subcommittee of the Joint Cabinet Committee in late January to consider our respective balance of payments problems. This meeting will afford an opportunity to discuss with you in detail our new program as well as the bilateral actions we have already agreed to during our meeting in November in the light of balance of payments problems faced by both our countries.

I trust you and your key ministers will support this program as you in the past have supported other measures to defend the dollar, thereby helping to preserve confidence in the system we have built so diligently together and in which we have such a great mutual stake.

Sincerely

Lyndon B. Johnson"

Rusk

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110. Editorial Note

During the first weeks of 1968, Japan and the United States implemented those portions of the Johnson–Sato Communiqué aimed at advancing local autonomy and preparing for the eventual reversion of the Ryukyus. By an exchange of Notes the Japanese and the U.S. Governments established the Advisory Committee to the High Commissioner of the Ryukyu Islands effective January 19. The three-member committee, comprised of a representative from the United States, Japan, and the Ryukyus, was responsible for advising and making recommendations to the High Commissioner on social, economic, and other matters within his purview in preparation for reversion as well as to reduce and/or eliminate social and economic differences between the Islands and Japan proper. The committee met for the first time on March 1 in Naha. Copies of the Notes are in airgram A–939, January 22. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS)

In addition, on January 31 President Johnson signed an amendment to Executive Order No. 10713 Providing for Administration of the Ryukyu Islands authorizing the popular election of the Chief Ex-

ecutive of the Ryukyu Islands. The amendment went into effect as of the next election, which was to be held on November 10, 1968. The President's statement is printed in *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1968,* page 123; the text of the Executive Order is in T*he Weekly Compilation of Presidential Documents,* page 117, the *Federal Register* (33 F.R. 2561), as well as the *Code of Federal Regulations* (3 CFR, 1968 Comp., page 99).

Implementation of Paragraph IX of the Johnson–Sato Communiqué addressing cooperation in the peaceful exploration of outer space also began in 1968. In January Ambassador Johnson received authorization to open negotiations on a program enabling the United States to supply advanced equipment and technology to Japan in exchange for an agreement certifying their application would be for peaceful goals, in conformity with INTELSAT, and subject to third country oversight. The proposal was designed to benefit Japan, which wanted to develop a space program, as well as the United States, which stood to gain financially by the sale and licensing of technology. (Memorandum to Rostow, January 4; Johnson Library, National Security File, Country File, Japan, Vol. VII) In late April 1968 the Japanese Diet passed legislation creating a Space Development Commission and set forth basic laws, which conformed to those proposed by the United States, covering the Japanese space efforts. (Telegram 7873 from Tokyo, April 30; National Archives and Records Administration, RG 59, Central Files 1967–69, SP 1–1 JAPAN–US) In mid-year the Chair of the Commission, Naotsugu Nabeshima, accepted the invitation of the U.S. Atomic Energy Commission to visit Washington. Between July 13 and 17 Nabeshima met with Atomic Energy Commission members as well as officials at the National Air and Space Agency. The meetings allowed both sides to exchange information and prepare for further cooperation in the technological realm. Documents focusing on that visit and its results are ibid., POL 7 JAPAN.

111. National Intelligence Estimate[1]

NIE 41–68 Washington, January 11, 1968.

MAIN TRENDS IN JAPAN'S EXTERNAL RELATIONS

Conclusions

A. Japan is acquiring an increasingly important position in the international economic community; its remarkable economic growth will soon make it the third most productive nation after the US and the USSR. At the same time, Japan is becoming progressively more assertive in world and regional affairs. The constraints on Japan's willingness to seek international political responsibilities are bound to diminish further over time, nevertheless its acceptance of such responsibilities, and its exercise of influence and power in international affairs generally, will probably not increase to the degree suggested by its powerful economic position within the next 5 to 10 years.[2]

B. We believe that Japan will continue to identify its basic interests with those of the US and the Free World over the next 5 to 10 years. In particular, it will probably devote important diplomatic efforts to cementing friendly relationships with its leading trading partners—the US, Canada, and Australia. These economic ties and an increasing similarity of political goals have aroused Japanese interest in the development of an informal grouping of advanced Pacific nations.

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[1] Source: Department of State, INR/EAP Files: Lot 90 D 110, National Intelligence Estimates, Special Intelligence Estimates. Secret; Controlled Dissem. According to a note on the cover sheet, the Central Intelligence Agency and the intelligence organizations of the Departments of State and Defense, the Atomic Energy Commission, and the National Security Agency participated in the preparation of this estimate. All members of the USIB concurred with this estimate on January 11 except the Federal Bureau of Investigation, which abstained on the grounds that the subject was outside its jurisdiction.

[2] The Director of Intelligence and Research, Department of State, believes that paragraph A greatly underestimates the probable significance of the political role Japan will play in the next decade. [Footnote in the source text.] Both INR and EA/J believed that the report did not accurately record the emerging regional and global importance of Japan in the coming years and recommended the following footnote be added to paragraph A: "The Director of Intelligence and Research, for the Department of State, believes that the chances are better than even that Japan's international political importance will catch up to its powerful economic position within the next decade. While it will not attain the super-power status of the US and the USSR, it will be at least as important in world affairs as those countries on its own economic level, Britain, France, and West Germany, and will play a major role in Asia. Its economic importance and heavy dependence on world trade, its geographic location on the rim of the Pacific and on the flank of China and the rest of East Asia, and its increasing awareness that it must take more and more active steps to contain and compete with Communist China will draw Japan into a more dynamic role, to which its leadership already aspires." (Memorandum from Fred Greene, INR/REA, to Hughes, January 8; ibid.)

C. Japan will continue to rely primarily on the US for its strategic security. In relations with the US, Okinawa is likely to continue as a troublesome problem, but we foresee no effective opposition in Japan to the continued application of the US-Japan Security Treaty past 1970. During the next five years, Japan will probably not decide to develop nuclear weapons but it will keep the option open. It will also improve its conventional military capabilities, particularly its air and sea defense forces.

D. Japan will probably avoid direct military involvement in efforts to "contain" communism; in certain circumstances, however, the Japanese might be willing to accept a limited measure of responsibility for the defense of lines of communications in the Northeast Asian area.

E. Japan sees Communist China as a long-range competitor for influence in East Asia, but the Japanese will continue to avoid unnecessary provocation of Peking while working, mainly through economic means, to limit its influence. In the Japanese view, security in Asia can best be insured by the development in Peking of a less militant and more realistic view of the outside world; Japan will attempt to foster any such tendencies in China, taking care not to impair its own relationship with the US.

F. Japan will seek to expand its influence in South Korea and Taiwan, and in Southeast Asia, but its interests in the latter region are less compelling. Japan is reluctant to become deeply involved in the region's political turbulence, considers that security there is primarily the responsibility of the US, and is aware that Southeast Asia trade is not critically important to Japan's economy. Japan's most likely course for the next few years will be to continue its present emphasis on economic assistance; its role in the political field will probably grow but it will still move carefully, applying its influence in support of stability and regional cooperation.

[Here follows the discussion section of the estimate and an economic annex.]

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112. Telegram 4858 From the Embassy in Japan to the Department of State

Tokyo, January 23, 1968, 1100Z.

[Source: National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 7 JAPAN–US. Top Secret; Priority; Nodis. 6 pages of source text not declassified.]

113. Intelligence Note From the Director of the Bureau of Intelligence and Research (Hughes) to Secretary of State Rusk[1]

No. 64 Washington, January 24, 1968.

SUBJECT

Japan and Nuclear Defense

The Japanese are being forced to come to grips with the problem of nuclear defense. For many years they have lived and prospered under the United States umbrella, without nuclear weapons on their soil and without having to discard their so-called "nuclear allergy." Now, however, with 1) a decision to be made as to US base rights on Okinawa, 2) ABM's, NPSS's and the NPT being widely discussed, 3) the Chinese Communist nuclear missile threat fast becoming a reality, and 4) the broad question of Japan's future world role opening up, the Japanese are being pushed into making adjustments in their approach to the problem. The United States will have an important direct and indirect influence on Japanese defense decisions in the nuclear field.

Aversion to Nuclear Weapons Remains. Though the Japanese press has come increasingly to write openly and knowledgeably about nuclear weapons, the majority of the Japanese public still opposes Japanese acquisition of nuclear arms. (In a December 1967 poll 60% opposed and 14% favored Japan's having nuclear arms.) No responsible Japanese leader is prepared openly to advocate a change in government policy on this issue; there are reports that a few top conservatives believe Japan may have to or even should eventually acquire them, but there is no desire for these arms now. (Conservative leaders would like to reduce the "nuclear allergy," however, in case it becomes necessary for Japan to permit the introduction of or to acquire nuclear weapons.) Illustrative of the prevailing attitudes, during the debate on Okinawa and defense at the December extraordinary Diet session following Prime Minister Sato's visit to the United States, the opposition parties played on the aversion to nuclear arms by alleging that the government was seeking an opening wedge to bring these weapons into Japan. Sato felt impelled to reaffirm repeatedly as government policy the so-called "three nuclear principles"—no Japanese manufacture, no Japanese possession, and no introduction into Japan of nuclear weapons. He said Japan would rely on the US nuclear deterrent

[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 1 JAPAN. Secret; No Foreign Dissem; Limdis.

and deferred any decision on the status of US bases in Okinawa to the future.

Okinawa Reversion May Force Decision on Introduction of US Weapons. Nevertheless, pressures for reversion of Okinawa are forcing the government toward a decision on whether to permit US nuclear weapons on Japanese soil. Sato has committed himself to achieving within two or three years a timetable for the reversion of Okinawa. Although he has said that the question of US base rights can be resolved afterwards, it seems clear that the Japanese will have to settle this issue before they can formulate a meaningful position on a timetable, unless, of course, the United States decides nuclear weapons on Okinawa are no longer necessary or desirable. In practical terms, it would probably be impossible for the Japanese Government to finesse the issue by legalistic stratagems, such as not assuming administrative jurisdiction over the territory occupied by US installations; the opposition would have good grounds for charging duplicity and evasion. From the way the debate has gone, there is good reason to believe that Sato is using the problem to generate changes in public attitudes toward Japanese security needs and reduce the Japanese "nuclear allergy," as the opposition has charged. This does not necessarily mean he would actually like to grant nuclear base rights to the United States, unless he had to in order to get Okinawa back.

Debate Spurred by NPT, ABM's and NPSS Visit. Debate over US nuclear-powered surface ship visits, anti-ballistic missile defenses, and the Nuclear Non-Proliferation Treaty has also drawn Japanese attention to the nuclear weapons question. The most significant concern raised by the *Enterprise* visit[2] was, like the Okinawa base problem, the question of introduction of nuclear weapons into Japanese territory (waters in this case). Both the Prime Minister and Foreign Minister expressed as their conviction to Diet interpellators that the *Enterprise* would not bring nuclear-armed weapons into port.[3] In their battles with the police, the student demonstrators apparently aroused some

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[2] The USS *Enterprise* arrived at Sasebo on January 19 and departed on January 23. U. Alexis Johnson sent the Department of State an in-depth account of the events leading up to and surrounding the ship's visit. (Airgram A–1098 from Tokyo, February 23; ibid., DEF 7 JAPAN–US) Also see U. Alexis Johnson, *The Right Hand of Power,* pp. 489–495, which provides a comprehensive overview of the event.

[3] Airgram A–834 from Tokyo, December 29, recounts the Diet discussion on nuclear weapons and the visit of the *Enterprise.* (National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 7 JAPAN–US) The arrival of the *Enterprise* sparked subsequent discussion and examination in Tokyo and in Washington on the issue of the introduction of nuclear weapons into Japan under the provisions of the Security Treaty. Telegrams and memoranda on that issue are ibid.

local public sympathy and drew press attention to their demands.[4] The impact of their efforts on the Japanese populace as a whole, however, may be no more sustained than the impact of the earlier demonstrations against the visits by nuclear-powered submarines. The visit will, nevertheless, help to sharpen public debate on defense issues.

The Japanese reaction to the US ABM deployment decision,[5] while it did not extend much beyond the comparatively small defense-interested community, revealed the high degree of interest and sophistication of Japanese experts and analysts in the field of nuclear defense. Discussions stimulated by the ABM decision covered the gamut, including the possibility of a future US-Soviet arms race, the credibility of the US deterrent, the potential of the Chinese Communist nuclear-missile threat, and whether Japan needed ABM's or not. A senior Foreign Ministry official, understood to be Vice Minister Ushiba, noted that ABM's were purely defensive weapons; as such, there would be no constitutional impediment to Japanese acquisition of ABM's. The possibility of Okinawa being used as an ABM base, either for anti-ballistic missiles or as a base for a sea-borne missile fleet, has also been raised.

The proposed Nuclear Non-Proliferation Treaty has caused the most profound soul-searching in Japan, as it has focused attention on Japan's future role in a world of nuclear-weapons and non-nuclear-weapons states. The Japanese know that they can acquire a nuclear-weapon capability as rapidly as any other non-weapons state, but thus far they have chosen to deny themselves this world status symbol, partly because of the "nuclear allergy," partly on practical and partly on moral grounds, all of which are interrelated. The NPT, however,

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[4] According to the Consulate in Fukuoka, the visit of the *Enterprise* brought "the largest congregation of leftist demonstrators, police and media in history of Sasebo," but the presence of the warship "was primarily excuse for organized left to mount propaganda campaign against U.S.-Japan security ties and to build up own morale and organization." Although the visit itself unfolded without incident, large-scale student demonstrations, some of which were marked by violent clashes between small groups of students and police, occurred while the ship was in port. (Telegram 30 from Fukuoka, January 22; National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 7 JAPAN–US)

[5] In response to Japanese interest in ABM development, Sato and other high-level officials were informed in mid-January 1967 that the United States, although developing the missiles, had no plans to deploy ABMs. A change in that decision hinged on the success of discussions with the Soviet Union on limiting ABM deployments. (Telegram 120576 to Tokyo, January 18, 1967; telegram 5091 from Tokyo, January 19, 1967; and telegram 121730 to Tokyo, January 19, 1967; all ibid., DEF 12 US) Later that year, however, on September 15, 1967, the United States informed the Japanese of a limited ABM deployment within the United States to counter the future Chinese nuclear threat and increase the security of Asia. (Telegrams 37294, 37446, and 38357 to Tokyo, September 14, 14, and 15, 1967, respectively; ibid., DEF 1 US)

raises the possibility of permanent self denial together with a permanent second-class power status. It appears that the Japanese will rationalize themselves around this problem, by signing the treaty but still maintaining their long range options. They have already insisted that the treaty contain provisions for periodic review, that all states have equal rights in developing peaceful uses, and that the nuclear-weapons powers promise to work toward discarding their arms while still providing security for non-weapons states (despite the apparent contradiction between the latter two propositions). They are also continuing to push peaceful nuclear and space development. If it should become clear at some future date that Japan would have to go nuclear to maintain its position in the world, its capabilities for doing so would be fully developed.

China—Menace and Competitor. Japan's overriding concern is its relationship to its giant Asian neighbor, Communist China. The Japanese know that their future role in Asia is directly tied in with this relationship. While China remains militant and threatening, the Japanese must either rely on the United States for protection, develop their own defenses, or both. And even if Peking takes on a less menacing aspect, it will remain a rival with Japan for Asian influence and leadership. The fact that China is developing nuclear weapons and Japan is not is thus a basic element in Japanese soul-searching over the nuclear weapons question, and as China becomes more powerful, the pressures on Japan to compete or accommodate are bound to increase. Most signs indicate Japan intends to compete; at this stage, it hopes that US protection will be sufficient to permit it to do so without nuclear weapons.

US Policy a Key Factor. As in the past the United States will play a major role in influencing Japanese defense policy. The US has urged the Japanese government to encourage Japanese defense-consciousness and to improve Japanese conventional forces, thus strengthening the government's own belief that this is in Japan's best interests. US nuclear ship visits and the US stand on base rights in Okinawa have contributed to the leadership's campaign to reduce Japan's nuclear allergy. At this stage, however, Japan appears content to rely on the US nuclear deterrent, possibly supplemented by ABM protection.

Interest in nuclear questions seems likely to remain strong in Japan. Whether in the future the Japanese will eventually decide to permit introduction of nuclear weapons into Japan and/or to acquire them will depend to a large extent on what the United States does—whether the US discourages Japan from going nuclear and offers continued, credible protection or whether it encourages Japan to acquire weapons either by lessening the credibility of US protection or by urging the Japanese to produce or share weapons. The possibility of Japan moving in

a "de Gaullist" direction seems less likely, given its exposed strategic position and its heavy dependence on US trade. Whatever happens, as the Japanese "nuclear allergy" weakens, either through US actions, Japanese actions, or simply with the passage of time, it seems certain that Japanese willingness to entertain the possibility of acquiring nuclear weapons, either in concert with the US or independently, will increase.

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114. Memorandum From the President's Special Assistant (Rostow) to President Johnson[1]

Washington, January 26, 1968, 12:50 p.m.

SUBJECT

Visits of U.S. Nuclear Ships to Japan

You asked why we sent the *Enterprise* to Sasebo when it seemed certain to cause demonstrations. Under Secretary Katzenbach answers the question in the attached memo.[2] The basic reasons are:

—for logistic and R&R purposes;
—to increase Japanese involvement in our Asian defense arrangements;
—to reach the point where visits of nuclear powered surface ships are as routine as those of regular naval ships and nuclear subs.

The Under Secretary notes that the *Enterprise* visit was under consideration for two years. The Japanese had plenty of opportunity to ask for postponement or cancellation, but did not.

The State memo does not, however, deal with what I regard as the most serious element in the *Enterprise* visit. This is that in the flurry of Diet debate, members of the Sato Government went on record as saying there were no nuclear weapons aboard the ship. They did so on

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[1] Source: Johnson Library, National Security File, Country File, Japan, Vol. VII. Secret. Sent for information. The memorandum indicates the President saw it.

[2] Attached but not printed; in his memorandum, Katzenbach also gave a longer-range political reason: increased Japanese involvement in defense arrangements. He noted that "port calls by ships of the Seventh Fleet are visible demonstrations of close US-Japanese political relations."

the basis of our assurance that the consultation requirement of the Security Treaty was not involved in the visit.[3]

[*6 lines of source text not declassified*]

Walt

[3] Airgram A–834 from Tokyo, December 29, 1967, contains details of the Diet's debate. (National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 7 JAPAN–US)

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

Washington, February 16, 1968, 2330Z.

116921. Literally Eyes Only for the Ambassador from the Secretary.

Surely the time has come for us to begin to resist attempts by the Japanese to erode our base in Okinawa on the grounds of Japanese "sensibilities."[2] We have some sensibilities too. We have some six hundred thousand men in uniform in the Far Pacific engaged in security tasks which are of vital concern to the future security of Japan. We have taken over a quarter of a million casualties since 1945—most of them in the Far East with Japan as a major beneficiary. So far as I know Japan has not lost a single man in confronting those who are the major threat to Japan itself. We are in a deadly struggle in Viet-Nam; my own view is that if the Okinawa base is needed in the course of that struggle we should use it and that Japan should be glad to see us use it.

This is not an instruction which interrupts the flow of cables between your Embassy and the Department but a personal message to you to indicate my own reaction. It is almost more than the flesh and spirit can bear to have Japan whining about Okinawa while we

[1] Source: Department of State, Central Files, POL JAPAN–US. Secret; Nodis. Drafted by Rusk, cleared by Berger and Read, and approved by Rusk.

[2] Okinawan opposition to B–52s stationed at Kadena Air Base and their role in bombing missions against North Vietnam increased in February, with some opponents calling for removal of the planes from the island. The Ryukyuan Legislature passed resolutions formalizing local opposition to the presence of the B–52s, prompting Japan to express concern about the situation and offer support for the Islanders' position. (U. Alexis Johnson, *The Right Hand of Power,* p. 502)

are losing several hundred killed each month in behalf of our common security in the Pacific. I would appreciate your best judgment as to how we can turn this thing around because I feel strongly that we must turn around this intolerable Japanese attitude.

Rusk

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

Tokyo, February 17, 1968, 0841Z.

5692. Eyes Only for the Secretary. Ref: State 116921.[2]

1. It was with exactly the same sentiments as expressed in your message that I sent my 5638[3] suggesting that Bundy or a more senior officer in the Department have an informal talk with Shimoda in a manner that he can report back here and will get circulation to the Prime Minister and other higher levels in the GOJ.[4] Although I did not say so in that message, I was thinking that it would also be especially helpful for Miki to read. It was also so as not to give any impression that we were prepared to give Japan any voice in how we use our bases on Okinawa, particularly in time of stress such as this, that I did not use the authorization that was given me to inform the GOJ that were going to use the B–52's at Kadena for strikes against targets in Vietnam. I have not been so concerned over attitude here on B–52's in Okinawa, which is more understandable as an inescapable reflection of attitudes in Okinawa itself, as I have been over their failure to give us more support on Korea and the *Pueblo.* However, they are all part of the same

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US. Secret; Nodis; Eyes Only for the Secretary; Priority.

[2] Document 115.

[3] In telegram 5638, February 15, U. Alexis Johnson expressed his dismay at Japan's lack of response to the North Korean incursion into South Korea, the subsequent attack on the ROK's Prime Minister's residence, the seizure of the *Pueblo,* as well as the critical posture adopted by some government officials toward the United States because of events in Korea and in Vietnam. Nevertheless, Johnson believed Japan's support for the United States had not fundamentally changed. Instead, he attributed the unwelcome developments to Sato's attempts to improve his political position, which had been battered by domestic discontent and accusations that he was merely an "American tool." (National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US)

[4] William Bundy met with Shimoda on February 17 to discuss developments in Korea and Vietnam and Japanese responses to the situation there. A summary of their conversation is in telegram 118512 to Tokyo, February 21; ibid.

package and, if you yourself find it possible to say something to Shimoda, I feel it would be very helpful.

2. As I said in my 5638, I, of course, seek every opportunity to make the same points here in one way or another but they are much more effective if they can come from Washington. Fortuitously when Min Osborn was seeing Togo (Director North American Bureau) today on another matter, Togo mentioned to him a report that had just been received from Shimoda on way *New York Times* had played story of Togo's approach to Osborn on B–52's at Kadena.[5] This gave Osborn an excellent opportunity to make some of the points we had previously been discussing reinforced by your message, substance of which it happened I had been discussing with Osborn just before he saw Togo. Osborn, of course, also pointed out that way GOJ had handled their press here on subject made *New York Times* reaction inevitable.

3. Without in any way alibiing for my clients, in justice to them I have to point out that primary problem with respect to B–52's on Okinawa arises from problem in Okinawa itself. The hue and the cry in Okinawa which General Unger very comprehensively covered in his HICOMRY 804607,[6] as well as in his other reporting, is of course aided, abetted and encouraged by elements in Japan hostile to and bent on destroying whole US-Japan relationship. Sato cannot exercise any control over them, in fact, he is their victim and prime target. When these hostile elements hit upon what is or appears to be a popular issue and normally friendly elements in Okinawa plead that they have no choice but to climb on band wagon or lose further support, political realities here and relations between conservatives here and Okinawa are such that they feel compelled to go along whatever their real sentiments. I am sure that they felt that having Togo talk to Osborn was a minimum required bending with the wind.

4. In handling this whole matter, I think that we must bear in mind that, however frustrated we feel, much of Sato's present political troubles have arisen from the efforts of himself and other like-minded persons in GOJ to move in directions that we want to see them move and he can push things only so fast. If, like Kishi he attempts to push things beyond what the political traffic here will bear, there could be an explosion and Sato could destroy himself. I still think he is our best bet.

Johnson

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[5] *The New York Times,* February 13, reported that Togo made mild "verbal representations" for Osborn to pass to Washington. Togo pointed out that the Okinawans were apprehensive about B–52s recently stationed on the island. Although he conceded their arrival was necessitated by events in the region, Togo also requested that the United States consider the sentiments of the local population to avoid the rise of negative feelings.

[6] Not found.

117. Editorial Note

The discussion between Assistant Secretary Bundy and Ambassador Shimoda on February 17, 1968 (see footnote 4, Document 116), prompted a meeting between Ambassador Johnson and Deputy Foreign Minister Ushiba to discuss matters affecting the United States-Japan relationship. (Telegram 5799 from Tokyo, February 21; National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US)

Within a few days of those meetings both Prime Minister Sato and Foreign Minister Miki adopted a firmer posture toward Okinawa, unequivocally stating that the Japanese Government had no intention of asking the United States to remove B–52s from bases there. The United States, in turn, assured the Japanese that the B–52s were stationed temporarily on Kadena and would be redeployed at the conclusion of the current crises. Prime Minister Sato also stressed that the bases on Okinawa functioned as a deterrent to aggression and served the security needs of Japan. Both the Prime Minister and the Foreign Minister addressed specific public fears in comments about the B–52s by describing their presence as temporary, by noting that they carried conventional rather than nuclear weapons, and by expressing confidence that the sorties originating from Okinawa would not result in a retaliatory attack on the Islands by a foreign power. (Telegrams 5953 and 5954 from Tokyo, February 27; ibid., POL 15–1 JAPAN)

Although Japanese leaders adopted a firmer, and from the Embassy's point of view a more positive, approach toward diffusing criticism of U.S. bases in Okinawa, their response to the situation in Vietnam differed significantly. Ambassador Johnson reported that both Prime Minister Sato and Foreign Minister Miki, as well as many other Liberal Democratic Party members, out of concern for their domestic political standing, adopted "a more and more bearish attitude on our prospects in Vietnam." Ambassador Johnson stated that Prime Minister Sato believed "he has very much hitched his wagon to our star, especially on Vietnam; our current difficulties there embarrass him, and failure on our part in Vietnam would destroy him politically," and pondered how to distance himself from the U.S. effort in Vietnam. Aside from the purely political impact a United States failure in Vietnam could have, the Embassy sensed that Prime Minister Sato and Foreign Minister Miki feared that a defeat could eventually have a negative impact on the entire security relationship between Japan and the United States. The Administration conceded that little could be done about the totality of the situation except to keep the Japanese fully informed of developments in Vietnam and attempt to maintain their confidence in a United States success there. (Telegram 5848 from Tokyo, February 23; ibid., POL JAPAN–US)

The last major issue, that of Japan's response to events in Korea, remained unsettled at this time. The Ambassador was instructed to consult with Prime Minister Sato and other high-level officials on Korea and to stress the United States objective of deepening Japan's involvement in reducing tensions in both Korean states either directly or through multilateral bodies, such as the Asian and Pacific Council or the United Nations. In order to meet that goal, the Department of State was prepared to share highly sensitive intelligence about North Korea with Japan, including Central Intelligence Agency reports and transcripts of the negotiations undertaken to effect the release of the *Pueblo* crew. Toward that end, a Central Intelligence Agency expert on Korea was dispatched to brief Japanese Foreign Office officials. The briefing took place on February 29. (Telegram 119498, February 22, and telegram 120027, February 24, both to Tokyo, as well as telegram 9057 from Tokyo, March 1; all ibid.; telegram 5818 from Tokyo, February 23; ibid., POL 33–6 KOR N–US) According to Department of State intelligence, Japan's interests focused nearly exclusively on the Republic of Korea. Japanese relations with the People's Republic of Korea were "minimal and chilly," characterized by frequent seizures of Japanese fishing boats by the North Koreans under the guise of territorial-waters violations and periodic condemnations for Japan's treatment of its Korean minority. (Intelligence Note No. 183, March 7; ibid., POL JAPAN–KOR N)

With regard to the convergence of circumstances and their effect on relations between Japan and the United States, Ambassador Johnson expressed his views in a letter of February 23 on short-term United States interests relative to issues like the B–52s, Korea, and Vietnam and on whether pursuing them unnecessarily risked Prime Minister Sato's efforts to rationalize Japanese defense policy. Ambassador Johnson believed that "the stakes for us in Vietnam and Korea are so high and so urgent that we should no longer hold back our punches with the GOJ in the hope that by continuing to be overly solicitous of GOJ domestic sensitivities we will be able to nurture the Japanese to the point that they will be able to better stand with us in some future crisis. Frankly, I feel that the crisis is here and that we should have no hesitancy in seeking to 'cash some of the checks' against the long line of deposits that we have made to the Japanese." What Ambassador Johnson saw as the resulting "friendly confrontation" would serve to strengthen the relationship; but he also noted that in the end Japan had "no one else to whom to turn." (Letter from U. Alexis Johnson to Richard L. Sneider, February 23; ibid., POL 1 JAPAN–US)

118. Information Memorandum From the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy) to Secretary of State Rusk[1]

Washington, March 23, 1968.

SUBJECT

Agreement to Return the Bonin Islands to Japan, Final Review Prior to Signature by Ambassador Johnson

In a Circular 175 dated December 22, 1967,[2] you authorized Ambassador Johnson to undertake negotiations to return the Bonin Islands to Japan pursuant to the agreement in principle reached by President Johnson and Prime Minister Sato last November. Ambassador Johnson has completed the negotiations and the texts of the basic Agreement and related documents are being reviewed,[3] and appropriate Congressional consultations are underway. Signature is tentatively targeted for April 2. We anticipate early Diet approval and expect the agreement to take effect on or about July 1, 1968.

The "package" negotiated consists of a basic Agreement, Joint Committee Minutes, a letter from Foreign Minister Miki to the Ambassador covering the Iwo Memorial, oral statements on nuclear storage and the "no-precedent" question and oral assurances, coupled with an explanation of Japanese plans to care for the current residents of the Bonin Islands.

Ambassador Johnson believes the "package" represents the maximum we may expect of the GOJ and that it meets our basic requirements as set forth in the Circular 175. He strongly recommends Departmental approval to sign. I agree with the Ambassador. L concurs. The initial reactions in Defense and Treasury are favorable.[4]

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 BONIN IS. Secret; Exdis.

[2] See Document 107.

[3] The agreement was signed in Tokyo on April 5 and went into effect on June 26. The text, entitled "Agreement Between the United States of America and Japan Concerning Nanpo Shoto and Other Islands," is published in 19 UST 4895. Statements made by U. Alexis Johnson and Miki at the time of the signing appear in Department of State *Bulletin*, pp. 570–571.

[4] A March 27 memorandum from Sneider to Bundy recorded that the Departments of Defense and Treasury, L, and Congress approved of the terms of the agreement. In telegram 138456 to Tokyo, March 29, the Ambassador received authorization to sign the agreement. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 BONIN IS)

The following are the salient features of the proposed Agreement:

a) *Military base arrangements*—We will maintain the Loran Stations in Marcus and Iwo, all DOD wishes to retain. The GOJ has indicated its intention to maintain, and eventually enlarge upon, the remaining base facilities returned to it. The Japanese will provide all necessary support and services to our bases, and will give "as favorable consideration as possible" to any possible future request for additional facilities and areas.

b) *Nuclear storage in the Bonins*—The GOJ has been notified that we may in an emergency request nuclear storage and would anticipate a favorable reaction. The GOJ has agreed to enter into prior consultations under the Mutual Security Treaty under these circumstances. Ambassador Johnson considers the proposed Japanese response as a small advantage in committing Japan clearly to enter into consultations on nuclear storage, a position they have ducked in the past.[5]

c) *No precedent principle*—The GOJ considers that there is no need for a specific agreement providing that the Bonins settlement is not a precedent for the Ryukyus since any possible agreement to return the Ryukyu Islands will be "solely in accordance" with the results of the "joint and continuous review" of the Islands' status called for in the Johnson–Sato communiqué of last November. This meets the substance of our position.

d) *Maintenance of the Iwo Marine Memorial*—Miki's letter contains GOJ assurances that the memorial "will be preserved on Mount Suribachi and that United States personnel may have access thereto." (The question of flying the U.S. flag has been obviated, through the cooperation of General Krulak, by replacing the cloth flag with a bronze one.)

e) *Bonin Islanders' welfare*—During the course of the negotiations Ambassador Johnson has received in his view sufficient assurances that the GOJ will provide for the welfare of the 200-odd residents of the islands. Preliminary plans shown us confidentially indicate the GOJ's intention to be liberal in treatment of the islanders in such important areas as land holdings, education, re-employment and taxes. We have provided equally liberally for the islanders and the Navy is proposing special legislation permitting their immigration to the U.S.

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[5] Miki took U. Alexis Johnson by surprise when, a few days prior to the signing, he proposed making a statement at the signing ceremony that contradicted the agreed-upon provision on nuclear weapons. After much discussion, a deal was struck allowing Miki to orally state Japan's intention to allow no nuclear weapons on its territory and U. Alexis Johnson to counter with a statement confirming the terms of the agreement. Both statements were made on the condition that they would not become part of the official written record of the signing ceremony. (Telegram 7087 from Tokyo, April 2; ibid.)

f) *Claims waiver*—We have obtained a satisfactory waiver of claims against the USG and its nationals arising out of U.S. administration. The exception, to the waiver for "claims of Japanese nationals specifically recognized in the laws of the United States of America or the local laws of these islands applicable during the period of United States administration of these islands" is patterned on the Amami Agreement.

g) *Balance of payments*—The question of a balance of payments windfall to the GOJ will not be a problem since it appears clear the Japanese will purchase in excess of $200,000 of movables located in the Bonins, more than offsetting the estimated drain from the switchover to yen.

h) *GOJ assumption of responsibility for public services*—During the course of the negotiations, the GOJ has made clear its intentions to assure that reversion will occasion no gap in public services.

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119. Editorial Note

On March 31, 1968, President Johnson announced a unilateral deescalation of hostilities toward North Vietnam and declared his intention not to seek reelection. (*Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1968,* pages 469–476) In the following days Ambassador Johnson reported that in Japan the speech "has been widely misinterpreted here as admission of defeat and reversal of U.S. policy on Vietnam, foreshadowing U.S. withdrawal from Asia," "as pulling rug out from Sato," and as a precursor to a reversal of United States policy toward the People's Republic of China. Ambassador Johnson also stated that in the wake of the speech many Japanese friends of the United States began to advocate that Japan immediately "loosen its ties with U.S. including security relationship and adopt a more independent foreign policy." (Telegram 7106 from Tokyo, April 3; National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US) In response Ambassador Johnson adopted what he termed a "very hard line" against those views, stressing that the President's speech represented an "effective and vigorous pursuit of our consistent policy" of seeking a negotiated settlement and an honorable peace in Vietnam. (Telegram 7206 from Tokyo, April 5; ibid.)

Developments in Japan had an impact on Prime Minister Sato, who came "under heavy attack not only by opposition but within his own party for having tied himself too closely to us and then allegedly being left out on a limb by 'reversal' of our policy in Vietnam." (Telegram

7158 from Tokyo, April 4; ibid., POL 27 VIET S) At the Prime Minister's request, Ambassador Johnson went to Kamakura Villa on Sunday, April 7, for a private meeting. A major topic of the 5-hour discussion was Vietnam and the Prime Minister's intention of sending a special envoy to Washington to discuss the situation in Vietnam with President Johnson and other high-level officials. The Ambassador provided Prime Minister Sato with an in-depth report on the current military and political situation in Vietnam, with brief mention of the history of United States involvement in the country. (Letter from U. Alexis Johnson to Sneider, April 16, with an attached memorandum of conversation, April 7; ibid., POL JAPAN–US)

At that meeting Sato also expressed his concern that the President's speech signaled a forthcoming change in U.S. policy toward the People's Republic of China and his fear that the United States might alter its position precipitously and unilaterally. The Ambassador attempted to allay Prime Minister Sato's fears and concerns on that topic as well as on the United States role in Vietnam and Southeast Asia. During the conversation, the Prime Minister also expressed satisfaction with the Bonins agreement, voiced his concern about Chinese nuclear development, and mentioned the possibility of an Imperial visit to the United States and a Presidential visit to Japan. (Ibid.)

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120. Memorandum From the Department of State's Country Director for Japan (Sneider) to the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy)[1]

Washington, April 26, 1968.

SUBJECT

Japan: Partner in Possible Disarray

The Japanese may be brewing up one of their periodic domestic convulsions reminiscent of 1960, after the lengthiest post-war period of stability and quiescence. The three major ingredients of the Kishi riots are again surfacing—a wobbly and tarnished conservative government, an increasing public tolerance of extra-legal opposition activity, and a potential coalescing issue involving relations with the U.S.—the

[1] Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 73 A 1250, Okinawa 452. Secret.

Okinawa problem. The trend is not yet decisive but the next few months will be crucial.

I. The Internal Problem

There is on the surface little reason for the current domestic stirrings: the economy is booming, perhaps even excessively; the Sato Government policies have been sound and effective both domestically and abroad; and there are no dramatic and major fractious problems between the U.S. and Japan, since even on Okinawa there is so far broad common ground between the two governments on policies and actions.

But, the mood in Japan belies these hard facts, and there is disarray where there should be order. Politically, pressure for change is in the air. Sato is under attack from within and outside his party and increasingly incapable either of controlling his vying bureaucracy or exercising effective leadership in the country. After almost four years in power, Sato finds his party rivals trying to push him out by discrediting the very policies they essentially agree on. Sato's hold over the Liberal Democratic Party may well depend upon the swing of a few seats in the June Upper House elections—a most precarious and ridiculously unfair political barometer.

The left has moved to the attack. Militant student groups, starting with the *Enterprise* visit, have pushed their extra-legal tactics on many fronts with little censure. A particularly disturbing new element is Komeito participation in the mass demonstrations—formerly the monopoly of the left. The opposition has patched together a newly-found unified front on some issues as Okinawa, where they can coalesce against the status quo but not on what should be done. But, even the opposition has its divisive forces with the Komeito moving leftward to seize upon declining left-Socialist support.

For the root causes of this growing disarray, one must look primarily, but not entirely, inside Japan. The margin of Japanese self-confidence has never been large and today seems shrinking. Sato has been unable to provide the firm, but gentle, guiding hand Japan seeks from its leaders. In pushing his electorate to face up to the defense issue and the responsibilities of Asian leadership, Sato has also disturbed the mystical consensus and stirred the public to face issues it would prefer to ignore. On the economic front, much headlined Japanese and U.S. balance of payments and trade problems have caused the Japanese to cast a worried eye at the state of their own economic health. And, the Japanese are aware that Japan's posture in Asia has suffered from failures to deliver in timely fashion reasonable assistance to Indonesia and Burma and more generally from its awkward diplomacy in Southeast Asia. The consequence has been to introduce an element of uncertainty into the domestic scene, and for the Japanese, uncertainty is perhaps the most unpalatable of all conditions of life.

II. U.S. Involvement

Contributing to the current discontent has been the assumption of many that Sato was acting not in Japan's own interests but at U.S. behest. But, more important, a good number of Japanese are having second thoughts about American staying power in Asia. U.S. balance of payments difficulties, the Tet offensive, the *Pueblo* incident, domestic disorders and the President's March 31 speech are all cited as evidences of American weakness. In separate private conversations, the Governor of the Bank of Japan Usami, Foreign Minister Miki and a leading conservative friend of the U.S. each revealed doubts about the constancy and successful prospects of our Vietnam and Asian policies. As one Tokyo paper put it: "Some say U.S. foreign policy can hardly be trusted because of its fickleness . . . Her foreign policy is constantly swinging with the whims of public opinion." Uncertainties in our economic policies—particularly on the trade side—are another bone of contention. Unexpected changes in U.S. policy without advance consultation have also become a club in the hands of the opposition who deride Sato's ability to influence his major ally.

These frustrations with the U.S. have inevitably turned more and more Japanese to brooding about the need for an "independent" Japanese foreign policy—e.g. escaping from what Miki has called "excessive dependence" on the U.S. This is not new. It is a theme which has reoccurred periodically throughout the post-occupation era, particularly at times of internal stress or when the turns in U.S. policy catch the Japanese Government by surprise.

"Independence" when it comes down to hard cases, however, is usually exercised in only very limited terms. The Japanese have so far fallen back on such secondary measures as overreacting and magnifying minor U.S.-Japanese differences, showing uncooperativeness on petty matters when the stake seems very small, and on resurrecting the old warhorse—China policy, despite the fact that its China policy reflects Japan's own national concerns and not American dictation. The hard fact is that Japan cannot escape from its economic and military dependence on the U.S. without a fundamental and costly policy change. This change, the Government and the vast majority of Japanese are unprepared to undertake. When the Japanese take a second hard look, they find that no amount of optics or whistling in the dark can override this dependence or the inherent inequality in the U.S. and Japanese position. This circumstance, however, only deepens the Japanese frustration.

III. Prospects

The key to the present malaise in Japan lies principally in the political fortunes of Sato. It is too early to count him out and he proved in the January 1967 Diet elections that his survival factor is greater than

his foes reckon. He is still aided by the absence of a logical successor although Miki may be gaining strength. But, he may be on the skids this time and then the very absence of a logical successor could prolong and deepen the political and psychological crisis in Japan. The July Upper House election could well be the moment of decision, but the political crisis could be prolonged until the Liberal Democratic Party presidential elections scheduled for December.

Until the political succession is settled, we should expect little respite from either the indecisiveness of present Japanese policy or the nitpicking querulousness cropping up on more and more issues involving us. For the most part, these actions are likely to be more annoying to us than harmful. Sato and the Foreign Ministry bureaucrats can be depended upon to hold the line against irresponsible behavior on Vietnam, Korea and other key issues, although positive cooperative steps will be harder to come by. Even on Communist China, the Japanese are locked into present policies and may well even agree to a carefully screened China differential in COCOM.

The one potential exception is Okinawa. So far, the GOJ has behaved most responsibly in this area. But, the Japanese could quickly get off the reservation were there a conjunction of major difficulties in Okinawa, resulting, for example, from agitation against the B–52s or an election defeat for the conservatives,[2] with a failure of Sato's opponents in his party, particularly Miki, to resist the political temptation to make common political cause with the left on Okinawa.

IV. U.S. Policy

Based on past experience, the safest bet for the U.S. at present is to pull back a safe distance until the Japanese conservatives unscramble their political problems. Even if we wanted to influence the course of intra-factional maneuvering within the LDP, we could not and would only buy ourselves much more trouble. Furthermore, whether or not Sato wins out, the main currents of Japanese policy are likely to emerge unscathed and, we will again be in a position to deal with a stable, more secure Japanese Government.[3] Our planning for major new initiatives should thus be directed toward the winter of 1968–69.

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[2] According to a Department of State intelligence assessment, the prospects for the conservative OLDP to retain control of the executive and legislative branches of the Ryukyus government were already questionable. The party was hurt by U.S. deployment of the B–52s on Okinawa and by the growth of the opposition coalescing around the reversion issue. (Intelligence Note No. 266, April 12; National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS)

[3] At this point there is a handwritten question mark in the margin probably made by Bundy.

At the same time, our relations with Japan are so broad that inevitably we will continue to be drawn into at least the periphery of Japan's domestic problems. Under the best of circumstances, dealing with Japan in its present mood will be no picnic. Among other problems, personal political ambitions will tend to impinge too often on policy decisions—as is presently the case with Miki.

In dealing with the day-to-day problems, I would prescribe the following mix:

a) Being prepared to press the GOJ and to go to Sato directly, if necessary, when the stakes are sufficiently high on such issues as Vietnam and Korea.

b) Forbearance and patience, but not supineness, on minor issues particularly some of the recently over-magnified trade problems.

c) Avoiding, whenever possible, actions likely further to unhinge Sato's position and lead to a successor campaigning deliberately on an "independence" ticket. (A case in point is the proposed import surcharge.)

d) Expecting and asking little in terms of Japanese positive actions at least in the next few months, particularly if the proposed action is likely to be difficult domestically. (More specifically, this means little immediate progress in convincing Japan to extend its Asian responsibilities or to face up to key security issues. This also has bearing on the NPT issue, where the Japanese are now wandering all over the place but will undoubtedly end up supporting and signing the treaty.)

In dealing with the broader Japanese problem of frustration with their dependence on the U.S., there is essentially very little we can and should do, except to soften—as we have—its impact and public image. Two specific steps are proposed:

a) Consultation whenever possible, particularly to minimize the risks of catching the Japanese by surprise.

b) Making clear that on China policy the Japanese are their own masters, while reaffirming our commitment to consult the Japanese well in advance on any change in U.S. China policy.

The trickiest issue by far in the next months to handle will be the Okinawa problem. Neither we, but more particularly the GOJ, are now in a position to come to grips with reversion. But Miki hopes to use our commitment to "joint and continuous review" to push this issue along. The best we can hope for in these discussions is some sort of optics covering up the lack of real progress. Much more important will be U.S. policy actions to dampen down current agitation in the Ryukyus and strengthen the election prospects of the Okinawan conservatives. All of this adds only another dimension to the current cause celebre in the Ryukyus—the B–52 operations and the labor problem.

121. Editorial Note

In early May 1968 reports of alleged leakage of radioactive material from the nuclear-powered submarine USS *Swordfish* while in port at Sasebo caused a public-affairs crisis. Radiation readings taken on May 6 in the waters around Sasebo produced abnormally high results, although tests conducted the very next day showed normal radiation levels at the port. Japanese press coverage suggested a cover-up of the May 6 occurrence by the Japanese Science and Technology Agency (STA), which had responsibility for monitoring United States nuclear-powered vessels while in Japanese ports. Although the STA initially eliminated the *Swordfish* as a source of the radiation, it began to suggest the opposite, after being targeted by the media. Experts from the United States, including from the Atomic Energy Commission, investigated the alleged leaks and found that the radiation readings derived from deficiencies in Japanese monitoring facilities. The investigation also revealed that the *Swordfish* had not discharged coolant during its stay, thus adding nothing to the waters. Even though the *Swordfish* was eliminated as source of radioactive contamination, visits by nuclear-powered submarines were suspended until proper monitoring safeguards could be installed. Extensive cable traffic generated by the incident is in the National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 7 JAPAN–US.

In September the issue returned to the forefront because of press reports about suspected increased radioactivity at the Okinawan port of Naha, where traces of cobalt 60 were found in mud samples. (Telegram 11920 from Tokyo, September 11; ibid.) The issue intensified when ensuing reports told of three Ryukyuan divers allegedly suffering from radiation exposure after being in the waters at Naha. Once the divers were thoroughly examined and pronounced healthy by American doctors, however, press and public interest in the issue abated. (Telegram from McCain, CINCPAC, Hawaii, October 30; Johnson Library, National Security File, Country File, Ryukyu Islands, Vol. 1)

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122. Editorial Note

The issue of U.S. bases in Japan moved into the spotlight in early June 1968 when an Air Force plane based at Kadena Air Base on Okinawa crashed off the runway at Itazuke Air Base in Japan. The accident

occurred on June 2 during a night training flight. The plane struck a building under construction at Kyushu University and narrowly avoided hitting a nearby storage building containing cobalt 60. The incident sparked student demonstrations and ignited smoldering opposition to United States bases in or around densely populated areas. Reports of the crash and its aftermath are in the National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 15 JAPAN–US; and Johnson Library, National Security File, Country File, Japan, Vol. VII.

Responses evoked by the plane crash, combined with latent sentiments aroused by the visit of the nuclear-powered surface ship USS *Enterprise,* the alleged contamination caused by the nuclear-powered submarine USS *Swordfish,* and other incidents, erupted in large-scale demonstrations on June 7 throughout Japan and led to the build-up of "a lot of pressure against bases, to point where even our staunchest friends among conservatives are unable to dissociate themselves from anti-base demands." (Telegram 9069 from Tokyo, June 8; National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 15 JAPAN–US) The situation was brought to the attention of Secretary Clifford in a memorandum from Assistant Secretary Warnke, who pointed out the increased pressures developing in Japan around the issue of United States bases. In light of that situation and in view of the adverse balance-of-payments problems suffered by the United States, Warnke recommended a reexamination of the bases in Japan to determine whether any could be closed or consolidated. (Memorandum for the Secretary of Defense, June 7; Washington National Records Center, OSD/OASD/ISA Files: FRC 330 73 A 1250, Japan 091.112)

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

Tokyo, June 5, 1968, 0700Z.

8931. Subject: US-Japan Relations, Status and Prospects.

Summary: 1. Japan's views of the US and its role in world, which have in past provided base-line around which ups and downs in state of our relations have occurred, may have been unsettled by recent

[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US. Secret; Limdis.

developments. In economic field, Arab-Israeli war, balance of payments difficulties, "protectionism" scare, etc. are casting doubt on extent to which Japan can continue to count on us to carry its ball as well as our own in world economy, let alone expect special favors. In security field, though opinions have been divided on need for protection against threat, and though our military presence in Japan has increasingly become embarrassment rather than asset to Japanese politicians, Japan has at least seen our military containment posture as immutable part of landscape and have generally assumed it would be successful—at least over short run. Tet offensive and what was interpreted as abrupt shift into de-escalation and negotiations with Hanoi have thrown doubt on US firmness and invincibility. Racial violence and social unrest in America have roused concern over basic stability of American society, made American image a rather less positive political symbol. All this has combined with continuing long-run rise in nationalism and decline in conservative strength to make it possible that current worsening of perspective is not just because we are in political valley, but perhaps something more fundamental. I thus consider it quite possible that Japan is moving toward a serious reappraisal of our relationship, with much potential for harm to our interests as we have thus far defined them.

Summary: 2. As it looks to me now, damage to our economic interests from any reappraisal would be limited by realities of Japan's economic position in world. Efforts to diversify markets and sources of supply, with lessening of degree of dependence on US, are certainly in cards, but not necessarily all to the bad. Despite all Japan might do to increase trade with Communist bloc, there are limits to how far Japan could go without sweeping restructuring of her economy or without clear risks to vital interests. Reappraisal might have implications for future of Japanese economic aid programs, as US leverage for exertion of influence wanes and, perhaps, as aid to S.E.A. comes into competition with China trade for available credit. I believe, however, that there are now authentic Japanese advocates of aid, and a developing consciousness of basic Japanese interests involved. Japan will probably be cautious about overextension of credit to China, and there will be more nationalistic gratification to be had from aiding S.E.A. than from trading with a Communist China, which would never be willing to play second fiddle to Japan. Our security interests seem to me more vulnerable, with further retrograde movement possible along lines of recent difficulties over NPW entry, decreasing certainty of smooth sailing in 1970, declining probability of Okinawa reversion with more favorable status for bases than in Japan proper, etc. Politically, while Japan will still be motivated by self-interest to side with us on many issues, it will probably become even harder to get Japan to take our side on any controversial issues. In short, recent developments and trends could do considerable damage to our interests. It is important

to note that even with all the above kinds of damage figured in (and not all of it may materialize), we would still be left with much that is positive in our relationship; however, it is also important to note that things conceivably could get even worse, if world economy turns sour and if U.S. finds it necessary to administer still more shocks (e.g., ADB, "protectionism," withdrawal from Expo 70). We are going to have to do some serious stock-taking ourselves as we move into the future. End summary.

3. Recent developments are affecting Japan's views of and attitudes toward United States in ways harmful to our interests, as we have defined them. We must, of course, keep in mind historical fact that state of US-Japan relations has moved along rather cyclical course, with peaks and valleys occurring in response rather to balance of domestic political forces (e.g., the shifts in power position that seem inexorable part of life-cycle of Japanese Prime Ministers) than to external events (though these have also had impact). If views from peaks are misleading, so are those from valleys, such as that which we at present share with Sato. Nevertheless, with all due allowance made, and subject to later reexamination, we must consider possibility that current harmful trends may be fundamental.

4. Major factor that has in past kept floor under periodic ups and downs in US-Japan relations is fairly stable conception on part of Japanese leadership and most influential Japanese of U.S. world position and importance of that position to themselves. Trade relationship, access to U.S. capital markets and technology, and other concrete economic benefits have been and are vital to Japan, and over the years Japan also has become habituated to receiving special favors in economic field. In efforts to protect Japan's interests in world economy and avoid repetition of nightmare of nineteen thirties, when Japan felt itself being squeezed out of world economy, Japan has been able to count on substantial identity of interest with us and on our therefore being willing to carry ball. Japanese determination at all costs to avoid jeopardizing these interests has imposed limits on fluctuations in state of US-Japan relations.

5. Attitudes regarding U.S. regional security position have been mixed. Substantial element of conservative leadership shares goals of containment policy, as it has understood these goals, and regards them as in Japan's own national interest. Others, not really believing there is security threat to Japan serious enough to worry about, have gone along in security alliance with us mainly out of desire to preserve other benefits of relationship with U.S., e.g., economic benefits. Regardless of varying attitudes re necessity or desirability of security relationship, most Japanese have shared assumption that military containment policy was firmly fixed and likely to be successful at least over short run. However, the security relationship with the U.S. is primarily valued for the "nuclear umbrella" it gives Japan and the role of U.S. forces in

the security of South Korea and Taiwan. While the sophisticated recognize that U.S. bases in Japan are important to this system, more generally these bases are regarded as a nuisance which must be tolerated and a price to be paid for other aspects of our relationship. Importantly the bases as such do not constitute any political asset on which GOJ leadership can capitalize but with the enterprise and OJI hospital riots, the Sasebo incident, the F–4 crash in Fukuoka, etc. constitute situation in which the GOJ finds itself constantly on the defensive against opposition attacks and the political realities push the GOJ toward taking position akin to those of the opposition.

6. In political field, despite determined efforts of antique-Marxist opposition to build image of US as hateful capitalist-imperialist monster, popular respect for US political institutions, infatuation with many aspects of American mass culture, genuine respect for our intellectual attainments, and visible attractions of the American way of life, have kept America a strongly positive symbol. Renovationist parties, most intellectuals, and many labor leaders are hostile to main lines of U.S. foreign policy, but association with United States, manifestations of United States regard for Japan and its leaders, have been valued assets usable by Japanese conservative politicians, counterbalanced only in part by requirement that politicans periodically demonstrate the right degree of "independence," and avoid image of slavishness or servility.

7. Recent major developments have called into question basic assumptions about US. Arab-Israeli war brought home in forceful terms to GOJ leaders that Japanese economy and security dispositions must be based on assessment of international political/strategic situation in which others than U.S. may play key role and in which U.S. desires and action may not be decisive. Full context of our B/P and dollar defense crisis, and our current and capital account measures, both proposed and instituted, is emerging in manner to cast doubt on extent to which Japan can rely on us to carry their ball as well as ours in world economy, let alone continue to count on U.S. for special favors in economic field. Tet offensive and what was interpreted as abrupt shift into de-escalation and negotiations with Hanoi, together with apparent resistance among American people to continuation of past military containment policies, have thrown doubt on U.S. firmness and invincibility (though negotiations were widely welcomed). Racial violence and other signs of social unrest in America are in some conflict with past conceptions of American way of life, and to some give rise to concern over basic stability of American society.

8. There are two other developments which though not creating the deterioration in Japan-US relations have measurably strengthened and accelerated it. One is rising sense of self-confidence, encouraged by twenty years of peace, economic growth, relative political stability, and improvement in social and cultural life, which makes most Japa-

nese increasingly restless with realities or implications of reliance on others, particularly United States. Second development is continuing erosion of political strength of Liberal Democratic Party, so that its supporters at polls now (Jan 1967) barely exceed the combined totals of the supporters of the renovationists (counting Komeito as renovationist, in keeping with its present posture). Opposition parties, moreover, on foreign policy issues that matter, have tended during this past year to find more and more common ground in neutrality, opposition to the security pact, and an opening to China. We have already seen some signs that conservative leadership in order to maintain power will find it increasingly necessary to try to capture this rising nationalist sentiment and pull teeth of opposition by pulling back somewhat from close American ties and edging toward more accommodating relationship with Asian Communist powers. Excursions to left by conservatives are nothing new (witness Hatoyama, Kono, Fujiyama, et al.), but they acquire new significance in present context.

9. There is thus every reason to expect that Japan will over next year or so not only be reappraising its policy of individual issues involved in US-Japan relations, but also taking a fresh critical look at validity of past practice under which US-Japan relationship was cornerstone and major determinant of Japanese positions in every field of international activity. Following is attempt to explore tentatively kinds of damage to our interests that might result from such a reappraisal.

10. Relationship in economic field has been due to reappraisal for long time past, if only because of changing ratio of size of two economies. Some eminent Japanese have for some time been urging diversification of Japan's trade relationships away from us, and there are increasing numbers of vigorous advocates of expanding trade with Mainland China. However, Japan's room for maneuver in rearranging trade and economic relations is limited, and the feasible degree of diversification of markets, e.g. to Europe and S.E.A., would not necessarily be harmful to our interests, though we might lose some economic leverage. (Some diversification and less sense of dependence on the U.S. would in fact be psychologically healthy.) Even the most determined effort to reorient trade would still, after lapse of several years, leave U.S. as Japan's most important trading partner by far, and would be unlikely to place Japan in relation of general trade dependence on Communist markets. For Japan to move into really close alignment with Communist bloc, even if it wished, would require sweeping reorganization of Japan's economy, or else equally sweeping change in structure and philosophy of bloc, which as now constituted is most inhospitable to kind of economy Japan has developed.

11. How probable it is that Japan's reappraisal of US relationship will militate against prospects for a more effective and generous

Japanese economic aid program depends on extent to which Japan's recent progress toward liberalization of aid Asia is attributable to US pressure and influence. Our influence has certainly been considerable but there are authentic Japanese advocates and basic Japanese interests involved in more liberal aid to S.E.A. efforts to diversify trade could of course lead to overextension of credit to China at expense of capacity to extend aid credits to S.E.A.; however, GOJ itself will be wary of overextension of credit. While emotional complex about China will strengthen pressures for more trade, China trade offers less potential gratification for Japan's nationalistic desire to assert leadership than does economic assistance to S.E.A. nations. Chances of Communist China's ever acknowledging any degree of Japanese leadership seem nil, and Japan will certainly not play second fiddle to China.

12. Over shorter run, certain of our economic and financial interests may also suffer. While Japan will still be impelled by convergence of interests to side with us in matters relating to international monetary reforms, in opposing "vertical" tariff preferences, etc., and might start basing more of its reserve accumulation on net earnings from Europe rather than U.S., Japan will probably become still more cautious about elimination of QR's, [quote restrictions] freeing foreign exchange for tourist travel, or capital liberalization, at least until it has become clear that America is able to solve its economic problems in responsible manner with international cooperation.

13. Damage to our security interests vis-à-vis Japan is potentially larger than that to our economic interests. Outlook for free access to Japanese ports for US nuclear vessels is already gloomier, and even popular acceptance by 1970 of security treaty and extant base structure looks less certain than it did six months or a year ago. Possibility of GOJ accepting reversion of Okinawa with substantially greater freedom of use than enjoyed by bases in Japan proper has receded considerably since last winter. GOJ cooperation in applying strategic controls to trade with Asian Communist countries will almost certainly become harder to secure. While prospect remains that Japan will sign and ratify NPT if treaty picks up real momentum within coming year, Japanese advocates of keeping nuclear options open have doubtless been strengthened. There are only very few counterbalancing advantages that might conceivably emerge from reappraisal. Japan's willingness to undertake limited ventures in regional collective security, such as selling military equipment to S.E.A. nations, Taiwan, or Korea, might increase, though domestic political hurdles for GOJ would remain formidable. Japan consensus might come to tolerate something more than very gradual acceleration of buildup in Japan's own defense which has been case over last few years, but any value to U.S. of such a trend would be offset by probability that it would be accompanied by assertive nationalist overtones and aggressive demands for phase-

down of U.S. bases. All this worsening of outlook is due in part to current perspective from valley. Whatever relaxed attitude rest of nation may take about security threat to Japan, Sato and his likely successors will continue to entertain some genuine concern on this score, and security relation with U.S. will probably continue to look to them like most efficient and economical way of coping with threat; there are accordingly limits beyond which leadership over next five years or so will not wish to let alliance deteriorate. At same time, reappraisal such as we are hypothecating would almost certainly produce some retrograde movement along lines indicated.

14. Potential for damage to our political interests is also substantial. Japanese may well become more closely engaged in thinking about post-Vietnam reconstruction and may even move closer to readiness to participate modestly in international control set up, but GOJ is going to be quite leery of associating itself publicly and actively with any controversial U.S. positions re Vietnam. Concern for relations with GRC as well as U.S. and genuine uncertainty at policy levels as to full import of cultural revolution will continue to restrict room for maneuver in area of China policy. GOJ determination to beat us to the punch in any shift of posture now so much greater, however, that some gesture toward Peking seems certain to materialize. Urge to differentiate their China policy from ours will make common approach to Chirep more awkward, and increase potential pressures in UN for "compromise" solutions.

15. Damage that would be done to our interests if all or most of pessimistic possibilities noted above materialized is obviously considerable. Japan's positive contribution to our security interests would have been cut back, and our ability to get Japan's political support for any controversial political position would have been reduced. It is important to note again that this is the perspective from a political valley, and that even with all this damage we would still be left with a US-Japan relationship capable of making a substantial positive contribution to American interests. It is also important to note, however, that things could conceivably turn out worse than now seems probable. For example, if world economy deteriorated seriously, if U.S. really pulled back from Asia, and if US administered succession of shocks ("protectionism," withholding support from ADB, refusal participate in Expo 70, etc), cumulative effect could conceivably be to set Japan again on introverted irrational course it followed in nineteen thirties. Changes in world economic and strategic interrelationships would keep Japan from exhibiting its irrationality in same forms it took a generation ago, but results could be very damaging. I trust that we will keep this more remote—but larger—danger in mind as we plan how to manage our relations with Japan in months and years ahead.

Osborn

124. Memorandum From Alfred Jenkins of the National Security Council Staff to the President's Special Assistant (Rostow)[1]

Washington, June 14, 1968.

SUBJECT

Ambassador Johnson's Call on the President

Ambassador Johnson called on the President at 12:30 on June 13.[2] The call lasted a half hour.

Ambassador Johnson said that he appreciated an opportunity to meet with the President in order to express his concern at the recent turn in U.S.-Japanese relations, and particularly with respect to the possible long-term implications of these difficulties. He started to outline the import of his telegram of June 5,[3] but the President (presumably familiar with the telegram) soon interjected with the theme that if our relationship was to survive in the long run, the Japanese would have to overcome their one-sided view of that relationship.[4] The President said that we had had an arm around the Japanese and held an umbrella over them for a long time. The American people would not understand the difficulties which the Japanese are presenting to us through their reactions to recent events while we were losing 400 to 500 American lives each week in Vietnam in the interest of Asian security.

Ambassador Johnson said that the Japanese often seemed to believe that we should expect gratitude from them whenever they did things which were actually in their own interest to begin with. He was working to try to correct this Japanese habit.

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[1] Source: Johnson Library, National Security File, Country File, Japan, Vol. VII. Secret. A copy was sent to Jorden.

[2] According to President Johnson's calendar, the meeting, which lasted from 12:45 p.m. to 12:56 p.m., was held because U. Alexis Johnson was scheduled to meet with Sato and Miki when he returned to Tokyo, and he thought "it would be helpful in those visits if he could say he had seen [the President]." (Ibid., President's Daily Diary) U. Alexis Johnson was in Washington to attend the U.S.-Japan Security Subcommittee meeting held June 6–7 and the U.S.-Japan Policy Planning Talks held June 14–15. He returned to Tokyo on June 17. (Memorandum for the President, June 12; ibid., National Security File, Country File, Japan, Vol. VII)

[3] Document 123. The telegram was retyped before being given to the President along with a briefing memorandum, June 12, prepared by Walt Rostow in advance of his meeting with U. Alexis Johnson. (Johnson Library, National Security File, Japan, Vol. VII)

[4] In his memorandum Rostow suggested that the President stress that "the Japanese simply cannot go on taking their security as a free gift from the U.S." and that U. Alexis Johnson leave no doubt in his dealings with Tokyo "that there must be a fundamental change in Japanese attitudes if our relation is to survive in the long run." (Ibid.)

The President said there were a number of things the Japanese could do to contribute to Asian security. One of these might be to take increased interest in peace keeping activities, particularly post-Vietnam. Ambassador Johnson expressed the belief that there would be no particular problem in getting the Japanese to do this. They would also participate in reconstruction efforts.

The Ambassador said that the governmental leadership and many informed Japanese, of course, had a good understanding of our contribution to Japanese security and of the need for Japan in turn to bear its obligations in the relationship. He said that the same considerations which gave us concern at the present time in our relations with Japan, were also giving Prime Minister Sato domestic trouble. The Ambassador observed that despite present worries, our relationship was still on a fundamentally sound basis. There are practical realities contributing to keep it that way, including the fact that Japan has become our best overseas trading partner, second only to our continental partner of Canada. The President observed that Japan was doing very well in exports to the United States also.

Ambassador Johnson mentioned the importance of our present careful review of the problem of Okinawa reversion. In this context the President reiterated his conviction that Japan cannot go on accepting security gratis from the United States without better recognizing its own obligations implied by our presently close relationship.

After the interview Ambassador Johnson expressed to me his appreciation for the President's remarks, saying "I can use that to good advantage in Tokyo."

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125. Memorandum From the Under Secretary of the Army (McGiffert) to the Deputy Secretary of Defense (Vance)[1]

Washington, June 14, 1968.

SUBJECT

B–52 Sortie Rate

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[1] Source: Washington National Records Center, OSD/OASD/ISA Files: FRC 330 73 A 1250, Okinawa 452. Secret.

In JCSM–333–68[2] the Joint Chiefs of Staff recommend that the ARC LIGHT sortie rate be continued at 1800 per month through December 1968, and that in accomplishing this B–52s continue to be stationed at Kadena Air Base on Okinawa. It is noted that a rate of 1710 sorties could be sustained without basing on Okinawa. This is offered as a possibility if the "Korean contingency" is resolved and if the political impact of basing on Okinawa "becomes overriding."

I remain persuaded, as I have stated in previous memoranda to you,[3] that the continued basing of B–52s on Okinawa has a potential political impact which could seriously affect our administration of the Ryukyus and our relationship with Japan. I have particularly in mind the effect which this situation might have on the November 1968 elections for the legislature and the Chief Executive of the Government of the Ryukyu Islands. If that election comes out unfavorably to us we face the prospect of greatly increased pressure on our administration and bases in Okinawa.

The administration elected in the Ryukyus this November will be in office from 1969 through 1972. In those years we can expect that we will have to reach some accommodation with the Government of Japan regarding the return of Okinawa to Japanese administration and the future of our bases there. Those negotiations promise to be most difficult. Our position, and the position of the Government of Japan, will be made much more difficult if there is conflict between our administration on Okinawa and the local government there.

My Deputy for International Affairs recently returned from a trip to Japan and Okinawa, where he discussed the election prospects at length with knowledgeable political observers in both areas. To a man these observers, who are favorably disposed to our policies and who desire to see the election come out in a manner satisfactory to us, indicated that the continued presence of the B–52s on Okinawa is a substantial liability to the United States and to the conservative party which we hope will win the election. At Tab A is a recent report from Okinawa, noting that the incumbent Chief Executive continues to press this view.[4] At Tab B[5] is an excerpt from an April 1968 poll, conducted by a responsible organization in Okinawa, which notes that 86% of the residents there are apprehensive due to the stationing of B–52s at Kadena.

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[2] Not printed. (Ibid., Viet 385.1 ARC LIGHT)

[3] Among which was McGiffert's memorandum of April 15 containing the same argument. (Washington National Records Center, OSD/OASD/ISA Files: FRC 330 73 A 1250, Okinawa 452)

[4] Not further identified. The sentiments of Chief Executive Matsuoka on the issue, however, are briefly reported in telegram HC–LN 814404 from the High Commissioner, May 23. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS)

[5] Not attached.

We could also have a problem in Japan itself. At Tab C[6] is a paper which the State Department Country Director for Japan recently sent to Bill Bundy, assessing the Japanese political situation and our relations with Japan. As noted there (page 4) the issue of Okinawa is perhaps the major outstanding problem in U.S./Japanese relations, and an incident involving the B–52s might precipitate a crisis within the governing party of Japan, which has thus far behaved most responsibly with respect to this problem.

Insofar as my particular concerns are involved, in question now at most are 90 sorties or 15 missions a month, a 5% reduction. I believe that carefully weighed against the potential cost to our position in Okinawa and our relations with Japan such a reduction should be directed. I understand that in fact it may well be that 1800 sorties a month could be sustained from basing at U Tapao and Guam only, by launching more sorties per aircraft per month from U Tapao than are projected in the Joint Staff discussion of alternatives. If this is correct, and if you decide to approve the continued rate of 1800 sorties, I can certainly see no justification for continued basing at Kadena which would override the political price we are paying.

Assuming that a decision is made which permits withdrawal of the B–52s from Kadena prior to the Okinawan election, the timing of that withdrawal should be as soon as possible.[7] At the moment, the B–52 issue has been temporarily overshadowed by the nuclear submarine-atomic waste issue flowing from the Swordfish's visit to Sasebo and reflected concern in Okinawa.[8] But as the election comes closer, Ryukyuan pressures for B–52 withdrawal will certainly be reasserted and will continue to rise. We do not want to appear to be withdrawing under this kind of pressure any more than can be helped. Hence the sooner the withdrawal, the better.[9]

David E. McGiffert

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[6] Document 120.

[7] Although the High Commissioner appeared to support restricting or removing the B–52s for political reasons, CINCPAC was strongly opposed to any such move, believing that only "free and unrestricted use of these facilities for B–52 and other forces in the general defense of the Pacific area and in pursuance of our strategy" would allow U.S. forces to carry out its missions in the region. (Telegram 161430Z from CINCPAC, June 16; National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 15 RYU IS–US)

[8] Newspaper articles seeming to confirm officially and for the first time that the planes stationed at Kadena were used to bomb North Vietnam further inflamed opposition to the B–52s. (Telegram HC–LN 816605 from the High Commissioner, June 14; ibid.)

[9] Despite similar recommendations from other quarters, the planes were still based on Okinawa at the end of 1968. (Memorandum to Bundy, September 11; ibid., DEF 12 US; letter to Nitze, October 3; Washington National Records Center, OSD/OASD/ISA Files: FRC 330 73 A 1250, Okinawa 452)

126. Memorandum From Alfred Jenkins of the National Security Council Staff to the President's Special Assistant (Rostow)[1]

Washington, June 18, 1968.

SUBJECT

Japanese Contribution to Chinese Communist Weaponry

The attached document[2] on exports of strategic electronic equipment from Japan to Communist China adds up to a shocking contribution on Japan's part to Peking's sophistication of weaponry and other production of military import. It could be misleading to some recipients, however, in that it does not overtly point out the fact that, according to all indications, the situation has markedly improved since the spring of 1967. At that time, you may recall, we sent a high-level briefing team to Tokyo on this subject and another briefing was given the Japanese here last November.

It would seem to be even more in Japan's interest than in ours to curb this sort of traffic and we believe that our briefings have been effective. (The contribution through this type of export is in good measure to development of nuclear devices which could threaten Japan much more easily than the United States.) The list in the attached document shows that the peak period was 1964 through 1966. There may be some lag in our learning of more recent exports of this nature, if they have occurred, but with heightened concern on the part of Japanese leadership and in the absence of intelligence indicating recent exports of this nature, we have reason to hope that they are virtually nonexistent or at least very considerably reduced.

[*3 lines of source text not declassified*]

After a check which the Japan Desk is making with the East-West trade people, I plan to talk with Dick Sneider about the degree to which, if at all, we should express dissatisfaction under present circumstances with the Japanese "punching (or having punched) holes in the umbrella we hold over them."

Alfred Jenkins

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[1] Source: Johnson Library, National Security File, Country File—Addendum, Japan. Secret.

[2] CIA Intelligence Memorandum, "Japanese Exports of Strategic Electronic Equipment to Communist China," June 1968, attached but not printed.

127. Memorandum From the Under Secretary of State's Staff Director (Hartman) to the Members of the Senior Interdepartmental Group[1]

Washington, June 22, 1968.

SUBJECT

IRG/EA Paper: "US Policy on Forthcoming Ryukyu Elections"

There is attached a paper on US policy toward the forthcoming Ryukyu elections forwarded by the Acting Chairman, IRG/EA, for SIG approval.

The proposed policy has been approved by the IRG/EA.[2] Unless some members would prefer a meeting, Mr. Katzenbach would propose to approve the recommended policy without convening the SIG.[3]

We will be in touch with your staffs on this matter.

AA Hartman

Attachment

Paper Prepared by the East Asian and Pacific Interdepartmental Regional Group

RYUKYU ELECTIONS

Conclusions and Recommendations[4]

I. The Problem

In November, the Ryukyuans will elect the Chief Executive of the Government of the Ryukyu Islands (GRI) a new legislature, and

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[1] Source: Johnson Library, National Security File, Agency File, SIG, Vol. V, 40th Meeting, June 27, 1968. Secret; Exdis.

[2] A copy of the minutes of the IRG/EA meeting held on June 17 is attached but not printed.

[3] In his memorandum of July 15, Hartman recorded SIG members' approval of the paper. The JCS raised the sole reservation to the paper's conclusions and recommendations by reaffirming their previous recommendation that the B–52s remain on Okinawa. (Memorandum from Hartman and memorandum from McConnell, July 13; Johnson Library, National Security File, Agency File, SIG, Vol. V, 40th Meeting, June 27, 1968)

[4] The "Conclusions and Recommendations" portion of this paper was sent to Tokyo and Naha in telegram 170651, May 24, for comment. In telegram 8630 from Tokyo, May 25, both the Embassy and High Commissioner notified Washington of their acceptance of the draft without modification. (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS)

the Mayor of Naha, the largest city. The fate of the friendly conservative forces in these elections will directly and vitally affect the U.S. administration of the Ryukyus. Opposition control of the Chief Executive post alone, or in conjunction with control of the legislature, could so adversely affect our administration as to threaten the use of our bases. Moreover, the outcome of the election will have a direct bearing on the future course of the reversion issue. This paper analyzes the U.S. stake in the elections, the prospects of Ryukyuan conservatives, and recommends policy action consistent with basic U.S. interests in the Ryukyus and Japan.

II. Conclusions

A. The election of the conservative candidate Nishime as Chief Executive of the GRI, and the election of a majority of the conservative Okinawa Liberal Democratic Party (OLDP) members to the GRI Legislature, are of crucial importance to the U.S. A Nishime and OLDP victory offers the best promise of the necessary modicum of Ryukyuan cooperation with U.S. administration and military base operations. It would also thwart the local forces pressing for immediate and unconditional reversion. The Japanese Government and ruling conservatives consider that they have an equally great stake in a Nishime/OLDP victory. In their view, a Nishime defeat would impair Sato's already eroded political position and would give major impetus to the opposition attacks against both their moderate reversion policy and the overall U.S.-Japanese treaty relationship.

B. The Chief Executive election between Nishime and the left-wing candidate Yara is now a toss-up. The outcome will depend principally on:

1. Nishime's effectiveness as a campaigner and his ability to organize his support and to exploit incipient divisive forces within the opposition left-wing coalition;

2. Nishime's ability to sell his gradualist approach to reversion emphasizing progressive identification with Japan ("ittaika");

3. Actions by the U.S., the GOJ and the GRI to give meaning to "ittaika" (identification with Japan) through positive and popular actions;

4. The absence during the pre-election period of major base issues inflaming the public and working to the opposition's advantage.

C. The OLDP chances in the Legislative election will depend not only on organization and local district factors but on public acceptance of a gradual approach to reversion, US/GOJ/GRI actions which demonstrate the benefits of the approach, and the absence of major base issues, including the wide spectrum of problems stemming from U.S. lease of Ryukyuan land.

D. Nishime and the OLDP are, with Japanese conservative support, fortunately prepared to conduct the election campaign with minimal U.S. support. In fact, they would find U.S. official "neutrality" of advantage in establishing an "independent" identity with the electorate.

III. Recommendations

A. U.S. Posture

1. *Official neutrality:* The U.S. officially and publicly, must maintain an aloof, neutral posture towards the elections. This posture is essential to cover our bets in the event of a Yara victory and protect against valid opposition claims of U.S. interference. Actions in support of Nishime and the OLDP are not precluded but must be limited, circumspect, [*less than 1 line of source text not declassified*].

2. *Improving the climate:* The U.S. administration can make a major contribution to Nishime's prospects by actions directed at improving the welfare of the Ryukyuans, increasing the credibility of Nishime's "ittaika" (identification with Japan) platform and diminishing to the extent possible the public impact of base operations.

B. Specific Actions

1. U.S. acquiescence in GOJ adoption of some form of Diet representation within the terms of the Japanese Constitution and Article 3 of the Peace Treaty in a manner and at a time redounding most to Nishime's benefit.[5]

2. Expediting major actions by the Advisory Committee with maximum economic benefit and political appeal, including such things as early extension by the GOJ of Japanese social security and other welfare benefits to the Ryukyuans.

3. Measures to minimize off-base incidents by U.S. forces personnel: Maximize publicity of the concern with which the U.S. views such

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[5] On June 4, however, the Embassy and HICOM reported that: "Issue of Okinawan participation in Japanese Diet has 'ripened' within past few months to point where Embassy and HICOMRY recommend we concede carefully limited, non-voting participation for Okinawans and seek coordinate with LDP and OLDP scenario for announcement of concession which will do Nishime most good in his race for Chief Executive." The Embassy suggested that HICOM, Nishime, the LDP, and eventually key members of the Japanese Government agree to a program acceptable to all sides that would be publicly presented as the "Nishime Plan." The plan would be submitted to the U.S. and Japanese Governments, which, after making "appropriate noises to effect his plan not an easy one to accept," would agree to the Nishime Plan. (Telegram 8897 from Tokyo, June 4; ibid., POL 15–2 JAPAN) The Department of State concurred in telegram 182373, June 13. (Ibid.) After a meeting with the High Commissioner on July 11, the "Nishime Plan" was begun. (Telegrams HC–LN 819501 and HC–LN 819505 from the HICOMRY, July 12; ibid., POL 19 RYU IS)

incidents, and maximize public awareness of disciplinary actions which arise from such incidents. Improve level and public image of U.S.–GRI police cooperation.

4. If the military situation permits, withdrawal of the B–52s at a time sufficiently prior to the election, so as to reduce the impact of that basing on the election, and avoiding if possible new military operations likely to arouse public concern.

5. Continue to maintain meticulous control over military land holdings, avoiding any incident or basis for new grievance. This would include circumspection in any (a) land acquisition, (b) termination of Ryukyuan licensed use of U.S.-leased land, (c) establishing realistic land rentals reflecting actual values.

6. Close coordination with the JLDP and GOJ on election planning and actions.

[Omitted here is an in-depth discussion of background issues and of the U.S., Ryukyuan, and Japanese stakes in the upcoming election.]

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

Washington, July 8, 1968, 2244Z.

198179. Joint State/Defense Message.

1. In view of continuing problems relating to US bases in Japan and most urgent need to reduce balance of payments drain from US overseas bases, believe further overall review US military base facility structure there would be useful. Objective of review would be to reduce or eliminate low priority and potential trouble-spot bases to extent feasible while maintaining those bases absolutely essential to US interests.

2. Request CINCPAC and Emb Tokyo undertake review and submit by 1 September 1968 recommendations on possible changes in US base structure to be undertaken in near future.[2] For purposes of this

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 15 JAPAN–US. Secret; Limdis. Drafted by Seligmann (DOD/ISA) and Sneider (EA/J); cleared by Halperin and Steadman (DOD/ISA), Adm. Vannoy (J–5), Wolf and Gammon at the Department of State; and approved by Sneider. Also sent to CINCPAC and repeated to COMUSFJ.

[2] For a summary of the CINCPAC/EMBASSY study, "Review of U.S. Bases in Japan," September 26, see Document 131.

review, assume continuation of Viet-Nam War and current missions assigned to CINCPAC.

3. Following guidelines should be taken into account in base review:

a. Particular attention should be given to bases of greatest political sensitivity, including possibility of relocating activities or entire bases from heavily populated Kanto plains and other areas, preferably at GOJ expense.

b. Balance of payments considerations, including possible personnel reductions, should be given heavy weight.

c. Consideration should be given to joint use between two or more services and with Japanese Self-Defense Forces.[3]

d. Facilities underutilized but held for contingency purposes or for present or future use of Japan Self-Defense Forces should be examined for possible return or consolidation with other activities.

e. Possibility should be considered of relocating functions or activities out of country taking into consideration budgetary and BOP implications.

f. Base closure actions already proposed should be examined to determine whether other, politically sensitive facilities in urban areas could be moved at same time to less sensitive vacated facilities.

4. Proposals should exclude base closure actions already proposed, and associated reductions in functions.

5. Budgetary and balance of payments implications should be specified.

6. We would particularly wish CINCPAC's judgment on impact on command's capabilities for carrying out current missions, and effective dates and time phasing of proposals. Insofar as possible, data should be provided for installations or facilities at which an action is proposed to confirm with I and L (installations and logistics) format which will be sent septel.

7. Base review should be kept on close hold basis and should not be discussed with GOJ at this stage. It is anticipated that findings will be useful to special State/Defense study group.

Rusk

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[3] COMUSFJ completed an examination of the possibility in mid-August and determined that joint use was not an option under the current Status of Forces Agreement. In a State/Defense message, however, Washington indicated that a broad interpretation of the agreement would allow joint use if Japan agreed. (Airgram A–1933 from Tokyo, August 21, and Telegram 233292 to Tokyo, September 5; both ibid.)

129. Memorandum Prepared for the 303 Committee

Washington, July 15, 1968.

[Source: Department of State, INR/IL Historical Files, East Asia and Pacific General File, East Asia, EA Weekly Meetings, 1968. Secret; Eyes Only. 7 pages of source text not declassified.]

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

Tokyo, August 21, 1968, 0630Z.

11300. 1. Summary. At his initiative, I had three-hour private meeting with FonMin Miki yesterday afternoon in hotel room arranged by him with only Togo present on his side and interpreter on my side.[2] We covered waterfront, in frank and friendly manner: Vietnam, long-range outlook for US-Japan security relationship including bases here and in Okinawa, formulae for continuation of security treaty in 1970, our mutual interests in ROK's security, long-range economic questions, renewal of SSN visits, Kawashima's visit to US,[3] NPT, ASPAC meeting, Japanese contacts with NVN in Vientiane, Okinawa Diet representation, etc.

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL JAPAN–US. Secret; Exdis.

[2] When notifying the Department of State of the upcoming meeting, U. Alexis Johnson speculated that Miki may have sought a private meeting because of his potential future candidacy for Prime Minister. Johnson also suspected "that one purpose he may have in mind is to establish his credentials with us as friend and thus hope to assure at least our complete neutrality if he decides to challenge Sato." (Telegram 11115 from Tokyo, August 15; ibid.) The Department suggested Johnson include the following topics in the discussion with Miki: Japanese efforts to contain domestic protectionism, early signing of the NPT, and Japanese regional economic assistance. While the discussion touched upon the latter two issues, Johnson and Miki seemingly did not discuss Japanese protectionism. (Telegram 222058 to Tokyo, August 16; ibid.)

[3] Shojiro Kawashima, Vice President of the LDP, met with Rusk in Washington on September 9. They discussed the U.S.-Japan Security Treaty, Okinawa, and China, among other topics. Memoranda of their conversations are ibid., POL 7 JAPAN.

2. Miki was much more forthcoming in his attitude on Vietnam than I have ever heard him before,[4] stating flatly that Japan did not want any settlement that would result in a Communist SVN and that he felt settlement should be based on return to principles 1954 Geneva Accords with mutual withdrawal of NVN and American forces. He recognized "full withdrawal" American forces might take period of years. He was ambiguous in responding to my suggestion that Japan say this publicly, but accepted the suggestion that it be said by GOJ Ambassador in Vientiane to NVN Ambassador with whom he said a friendly social contact had now been established. I pointed out this should remove a possible impression in Hanoi that Japan was urging us to make peace at any price. He laid strong emphasis upon acceptance of basic relationship with the US, "there is no one else to whom Japan could turn," by "everyone" in Japan, except JCP. Our present problem with bases, etc., was only a manifestation of "gap" in Japanese popular understanding of Vietnam war and would disappear when war terminated. He had no specific suggestions on what further could be done on our part to bridge this "gap," although he felt we had not been successful in getting across point here that our de-escalation by partial bombing halt of NVN had not been matched by any corresponding action on NVN part. I pointed to recent statements by the President, Secy Rusk, Secy Clifford in this regard and failure of Japanese media to give these statements adequate coverage. Miki indicated Japan would be prepared to be a "guarantor" under an international guarantee of SVN and "would like to consider" sending civil police forces (as opposed to military personnel) if such a role on ground should develop. Japan wanted to do everything within its power to help bring about and maintain peace in Vietnam and would always welcome any suggestions that we may have.

3. On other matters I pressed hard on necessity of Japan making up its own mind on what American military presence in this part or world it desired over long run and was really willing to support. Miki said that in next ten-year time frame while wanting "rationalization and consolidation" of bases, Japan would want effective US military presence in Japan as well as in ROK.

4. I also pressed hard on necessity of Japan promptly taking initiative in being much more forthcoming on economic and investment

[4] U. Alexis Johnson sent a copy of this telegram with his letter of August 22 to Harriman in Paris. In that letter Johnson emphasized that Miki's comments and remarks made by Kawashima during a recent meeting appeared to be positive expressions of Japanese attitudes toward and support of U.S. policy in Vietnam. Their correspondence on the matter is in the Library of Congress, Manuscript Division, Harriman Papers, Box 13, U.A. Johnson.

matters to forestall undoubted rise of protectionist pressures in US next year when growing gap in trade balance became evident.

5. While still hung up on exact language in our reply to GOJ on SSN visits, we came close to a substantive and procedural agreement that should permit resumption of SSN visits next month or two.

6. We discussed formulae for making clear intention of two govts to continue security treaty after 1970.

7. We confirmed the scenario on Okinawa representation in Diet and agreed to keep on ice for time being any further discussions on return of Okinawa administration.

8. Miki was obviously and very usefully impressed at ASPAC meeting with deep concern of all other participants over security matters.

9. I was not able to get any commitment on timing of Japanese signature of NPT although they are still moving in that direction. End summary.

10. Miki opened the discussion with a broad statement on the acceptance by everyone in Japan (except Communists) of the fundamental problem in our relations except that for the time being problems with respect to our military bases here came primarily from the "gap" in general Japanese lack of understanding of the Vietnam war. While "politicians" and those in the GOJ understood and supported our objective of preventing a Communist take-over of SVN, this view was not generally shared in the country. This "gap" could best be closed by concluding the war in Vietnam, which would then leave no serious problem between the two countries.

11. This led to a long discussion of Vietnam during the course of which I asked Miki what we could do to close the gap. He then outlined a "peace plan" which I pointed out was almost exactly what we had been repeatedly urging publicly and privately for years. This in turn led to my suggestion they make their position clear to Hanoi through the contact he said they had established in Vientiane. During the course of this discussion, on a personal basis, I challenged his assertion that Hanoi now realized that it could not achieve its objective in SVN and was genuinely looking for a way of making peace. I said it was my own feeling that Hanoi had not yet arrived at this stage but was still hoping domestic and international pressures would force a reversal of US policy. Thus anything Japan could do to disabuse Hanoi of this notion was biggest contribution Japan could now make to peace.

12. Also during discussion of Vietnam he agreed that, while VC who laid down their arms should be able to participate in peaceful political process, it was entirely unrealistic to urge a "coalition" with armed VC and NLF elements dedicated to the destruction of the government in which they were participation.

13. In response to his question, I bluntly stated that, looked at from standpoint of US, biggest basic threat to Japanese-US relations was feeling on part of US that after sacrificing thousands of lives and billions of dollars in defense of areas of East Asia, an area which is at least of equal interest to Japan, we not only did not get any understanding from Japan but received criticism and harassment on essentially minor matters. I felt that if our future relationship was going to develop in a constructive manner, it was important that the American people get a sense that Japan was bearing a responsibility commensurate with its growing power. Rather than continuing to seek to be treated by the US as a minor and weak country, our relationship needed to be more firmly established on the basis of equality in all fields, including economic.

14. In the security field speaking as an American citizen rather than an Ambassador under instructions, it was my personal conviction that, looking at the long run, the American people would not be willing to maintain a major military presence in this part of the world unless they were convinced it was genuinely desired and supported by the people of the area, above all by Japan. Thus, I felt it important Japan reach its own decision on what kind of an American military presence it desired in the light of its own estimate of its own national interests and what it was willing to do to make that presence possible and to support it. The two countries would then have a sound basis for discussing these matters.

15. In the economic field, I said it is important that Japan now anticipate and take measures that would help forestall protectionist pressures to be expected in the US when the extent of the large and growing trade gap this year between the two countries became evident. The US administration had taken a unified strong, consistent line against protectionist measures but the GOJ was badly split by Miti's protectionist attitudes. I questioned whether this was in Japan's long-term interests.

16. Miki took this in good spirit and said he thought my remarks should be used "as a basis for discussions in the govt." He had also read and correctly interpreted speech which I recently gave to Japanese Junior Chamber of Commerce as having same implication in both security and economic fields.

17. In reply to my question as to whether during the next ten years we should expect to be harassed on our bases here and in Okinawa, to the point that our position would become untenable, Miki said that he definitely felt that this would not be the case. Citing his own and LDP experience in Sasebo and Fukuoka in the July Upper House elections,[5]

[5] Upper-House elections were held on July 7.

he said he felt Japanese people not only valued security relationship with US but understood and accepted the necessity of base structure. This structure should be "rationalized" and be subject to a clear and better understanding between the two govts than had been the case in the past. In this connection, he said the GOJ needed to accept more "responsibility." I, of course, also pointed to the heavy financial costs that would have to be borne by the GOJ for any relocation of major air bases. Miki said he understood.

18. On security treaty, Miki said LDP had decided on policy of continuation of treaty and asked my views on how two govts should make this clear. I pointed out that treaty was of indefinite duration and there was no legal requirement for any action by either govt. We discussed possibility, if PriMin visited US in 1969, of stating intention to continue treaty in joint communiqué. Miki also said that at the regular Diet session beginning next January in response to questions, govt might make some firm and formal statement at that time of intention to continue treaty and queried me whether at that time there could be some response from USG in same sense. I pointed out that there would of course be new administration in Washington and was not sure we could work out anything that would fit into their diet timetable, but we promised to keep in touch.

19. On Okinawa, he asked my view on another "joint and continuous review" session and I said from my standpoint I had nothing more to say and would prefer to not have such a mtg, but if, for its own purposes, GOJ desires such a mtg, I would of course be glad to consider. He indicated that GOJ would not have anything to say on "type of bases" (by which he confirmed he meant both freedom of use and storage of nukes) and matter was left open.

20. On Okinawa Diet participation, we agreed that October might be best time to announce "agreement in principle" between two govts with details including question of voting rights to be worked out in 1969. (Both of us expressed our unhappiness that Nishime had not stuck to scenario and at Matsuoka's attempting to hog the show.)

21. On SSN visits, he said that STA would complete installation of monitoring equipment in first part of September and "organization" in manner that would avoid repetition Sasebo incident. In reply to his question as to whether delivery of our reply on SSN visits should be made simultaneously with or prior to GOJ announcement of monitoring set up, I said I would abide by his view. However, before giving reply I wanted full briefing on monitoring set up and contemplated arrangements between two govts as well as public handling of any alleged incidents. I said I was not prepared to recommend resumption of visit until I was satisfied set up was such we would not again be victimized by false reports. He said he agreed to arrange to see that I get

this. With respect to our reply, he boggled heavily at "routinely" going back to "normal" or "except in case of emergency." I explained efforts I had made to obtain mutually acceptable language and said that I had no choice but to insist upon "routinely." We had long discussion re possible Japanese translations and matter was left that Togo would try to suggest alternative language although I gave no encouragement that any other language would be acceptable. Togo felt that delivery of our reply and announcement of GOJ monitoring set up should be at same time. I also raised question as to whether GOJ would wish Sasebo or Yokosuka as port call for first call. Miki promised to consider.

22. On Kawashima visit, Miki said that while Kawashima wanted to meet with members of Congress on a "party to party" basis, he realized that, because of campaigning, Congressmen might not be available and therefore Miki had suggested that he see Secy Rusk. A request for this had been made through the Japanese Embassy in Washington. I said I was having Kawashima to lunch before he left.

23. We had long discussion on ROK security and in reply to my questions, Miki said that he felt confident Japan would want US to maintain a military presence in ROK to deter attack as long as present North Korean hostility was evident and that Japan recognized role of bases in Japan and Okinawa in support our forces in ROK. He said almost all Japanese recognized direct relationship ROK security to that of Japan and in reply to my question said that he had no doubt that in the event of a clear and overt attack by North Korea on the ROK, Japanese people would fully support military action including action on our part from Japanese bases. However, Japanese did not feel North Korea would launch overt attack against ROK, in part because they were "fed up" with Peking, but would continue guerilla action. He said as gesture to ROK, GOJ was "considering sending some rice." In reply to my question as to whether Japan could not do something in non-lethal military or police type aid he was very ambiguous but admitted to psychological value such gesture would have in ROK "if it could be done without arousing opposition in Japan." In this connection he recognized that there was a "gap" between Korean and Japanese feelings with Korea feeling that it was "defending Japan at the 38th parallel." I said I agreed that there was such a gap.

24. In reply to my query as to "when they were going to sign the NPT," Miki said they were still engaged in "education process" vis-à-vis industry as well as the people. There was still considerable feeling that Japan would be subject to considerable inequality in inspection by IAEA as compared with Euratom as well as concern over use of "peaceful explosions." Looking me in the eye, he said that "even if we delay in signing the NPT, Japan will not develop nuclear weapons."

25. In various contexts throughout conversation Miki laid much emphasis upon Japan accepting more "responsibility" and standing on

its own feet avoiding impression it was dancing to US tune as best means of maintaining good long-term relations with US. However, he was never specific as to how he envisaged this being implemented. I said I, of course, agreed as this fitted in with my own thoughts on more equality in our relations.

26. At his own initiative, Miki chatted about ASPAC mtg indicating his principal impression was high degree of emphasis by other countries on "security." He was very favorably impressed with new GVN Foreign Minister, said that Thanat Khoman was, of course, very "clever" and at this mtg went out of of his way to support every position taken by Miki but that ROK Foreign Minister was "very tough," pushing hard on the security matters and proposal to draft an ASPAC charter. Hasluch seemed to appreciate Miki's speaking against such a charter.

27. In response to my question Miki said Japanese generally viewed Czech-Soviet developments as evidence of desirable change in world toward "democratization and liberalization" in response to humanistic forces which Soviets were unable to suppress by force. All Japanese including JCP supported Czechs.[6] I pointed out the relationship of calls for coalition government in Vietnam to Soviet demands that Czechs tolerate absolutely no opposition or opposition party. I noted that despite Soviet advances in accepting "coexistence" Communist doctrine still permits no toleration of an opposition.

28. Miki was obviously on his best behavior and without attributing unworthy motives to him he confirmed my feeling that he was very anxious to make a "good impression."

Johnson

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[6] In a September 10 letter to Harriman Johnson noted that the Soviet invasion of Czechoslovakia "has had profound affects [*sic*] here—far beyond anything I thought likely—with respect to both Vietnam and our general security relationship with Japan. It is the first issue in post-war Japanese history on which there has been full agreement among every Japanese party, although the left does not of course draw the same conclusions as does the LDP with respect to relations with the United States or Vietnam. However, for the first time the Japanese people generally see that there is reality in this talk of a 'threat' and thus are inclined to look anew at their defense relations with us rather than regarding it as a nuisance which they have to accept to keep us happy." (Library of Congress, Manuscript Division, Harriman Papers, Box 13, U.A. Johnson)

131. Editorial Note

On September 26, 1968, Ambassador Johnson and Admiral John S. McCain, Jr., submitted their report entitled "Review of U.S. Bases in Japan," which contained recommendations on a total of 54 installations covering approximately 45 thousand acres of land. The recommendations for full or partial release to Japan would realize an estimated reduction of just over $2.6 million in U.S. balance of payments. Proposed changes in the base structure were divided into four categories designating those facilities to be completely released to Japan, partially released to Japan, released to Japan with U.S. joint-usage rights, and relocated within Japan at Japanese expense. The package would be implemented within three years, subject to the terms of bilateral agreements. The report was submitted to the appropriate offices within the Department of Defense and the Joint Chiefs of Staff, and its recommendations were accepted with slight modification. (Memorandum for the Secretary of Defense, November 7, with attachments, including a copy of "Review of U.S. Bases in Japan"; Washington National Records Center, OSD/OASD/ISA Files: FRC 330 73 A 1250, Japan 323.3)

On November 9 a Joint State-Defense message was sent to the Embassy and to CINCPAC authorizing Ambassador Johnson and Admiral McCain to prepare a proposal for presentation to the Government of Japan based on their report and the subsequent modifications. (Telegram 269933 to Tokyo, November 9; National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 15 JAPAN–US) The Japanese were already aware of U.S. thinking on the subject of bases since a draft of the Embassy/CINCPAC report was presented to them at the Security Subcommittee Meeting held in Tokyo on September 11 and 12. Papers and other information relative to that meeting are ibid., and Japanese reactions to the meeting and the formal U.S. base proposal are ibid., DEF 1 JAPAN–US.

Out of concern about "gold losses and the size of the Defense budget," as well as from a desire to reduce the number of military facilities on the Japanese mainland and on the Islands, Secretary Clifford ordered an examination of additional areas of potential reduction. The resulting Department of Defense package, completed in early December, contained proposals intended to streamline United States forces in Japan and Okinawa and achieve annual balance-of-payments reductions of $72 million and budget reductions of $181 million. (Memorandum to Assistant Secretaries of Defense and the Joint Chiefs of Staff from Clark Clifford, December 6, with Draft Report; Washington National Records Center, OSD/OASD/ISA Files: FRC 330 73 A 1304)

132. Letter From the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy) to the Ambassador to Japan (Johnson)[1]

Washington, September 28, 1968.

Dear Alex:

Kei Wakaizumi came to see me this morning on his way back from several conferences in England.

At this outset, he said that he wanted to talk about Okinawa, and then to go on to discuss our elections and the prospects in Paris. His thoughts on Okinawa were as follows:

1. He said it was now widely assumed in informed circles in Japan that the Japanese Prime Minister (probably Sato, he thought) would come to Washington some time in 1969 to set a date for reversion. If such a visit were made, it would be impossible for the Prime Minister to return without an agreement having to do with the subject.

2. Since it was now so clearly understood between the USG and GOJ that the 1970 review period on the treaty would pass without action on either side, this meant that the Socialists—who are in any event in disarray—would have no specific event to attack in 1970 (i.e., no Diet action). Hence, their whole attention was focused on stirring up the issue within Okinawa. (He did *not* get into the question of this fall's elections in Okinawa, strikingly enough.)

3. From this view of the situation and the timing, he said that in his considered judgment the Japanese Government could not, during 1969, agree to our having the right to station nuclear weapons in Okinawa without prior consultation. He said that the question of the right to operate into Southeast Asia, or even to launch combat operations directly from Okinawa, without prior consultation would probably not be difficult—but that he flatly could foresee no likelihood at all that a GOJ during 1969 could meet our present requirements on the nuclear issue.

4. He then asked whether it would be possible for us to accept some form of GOJ undertaking as to granted approval, as a practical matter, whenever prior consultation was required. I asked whether he meant blanket approval, and he said that he was not going this far, but was suggesting a clear undertaking that in certain categories and types of situations approval would be granted pretty much as a matter of course.

5. As a second alternative, he suggested the possibility of reaching agreement during 1969 for a conditional reversion to take place in

[1] Source: Department of State, Bundy Files: Lot 85 D 240, Ambassadors' Correspondence. Secret; Eyes Only.

1972—the condition being that before that time we would agree on the situations requiring prior consultation under the treaty. (I again cross-examined to be perfectly clear that he was talking about a conditional reversion in this sense, and not an unconditional undertaking to revert under whatever might be agreed. He readily recognized the impossibility of the latter.)

Having heard him out, I then said that I assumed that these thoughts were not wholly his own individual ones. He said that my assumption was correct, and that he believed himself to be reflecting the views of the Prime Minister and senior people in the GOJ, for whom he was acting as a confidential adviser on this issue. (While he did *not* put this statement or otherwise claim to be bearing an express message from Sato, my interpretation would be that he was on an authorized sounding mission.)[2]

In any event, my reply comments were as follows:

1. I accepted his first paragraph, and said that we already had in mind a strong recommendation to the new administration that it plan on such a visit.

2. I accepted his second paragraph.

3. As noted above, I cross-examined vigorously on whether he thought the nuclear issue would really be impossible to handle next year for the GOJ. I asked, for example, whether what he was saying was, in effect, that Sato's strong effort of last winter, the various incidents, and the July elections, and all else now added up to the clear conclusion that Sato simply could not sell the Japanese public adequately on the nuclear issue. His answer to this question was categorically affirmative. He went on to say that the issue simply remained too sensitive to see any possibility at the present time of the Japanese giving any ground on it.

He then asked what I thought our position would be on this issue. I of course said that I could not speak for a successor administration. However, even though all of us could foresee a possible decline in the military requirement for nuclear weapons in Okinawa, the plain fact was that we could not see the Pentagon, the White House, or the key leaders in the Congress giving up the *right* to have them there and without prior consultation. In other words, I was sure that this was the

[2] In his reply, October 8, U. Alexis Johnson confirmed that Wakaizumi's comments reflected the same positions he had heard from Sato and other high-level Japanese Government officials. (Ibid.)

present position, and my personal forecast was that it was 90 percent likely to be the case a year from now.[3]

4. As to his proposal in paragraph 4 of his presentation, I said I would not exclude it completely, but thought it would be extremely difficult to arrange on a satisfactory and continuing basis.

5. As to a deal for contingent reversion in 1972, I gave the same general reply. I agreed with his point that between 1969 and 1972 there might well be significant developments in the area that would either put the need for nuclear stationing on Okinawa on a much higher plane (defense against Chinese Communist missiles was his example), or reduce it to the point where we could let it go. At the same time, I said that such a contingent reversion deal might in fact arouse sharply different expectations in the two countries—with people in Japan expecting sure-fire agreement on the conditions, but no such belief prevailing in key quarters here. He acknowledged this danger. Incidentally, I specifically asked whether he was mentioning 1972 because this would clearly be the limit of the authority of our President as of 1969, and he said that this was indeed the reason for selecting this date. I gave him my own personal view that we should be busting a button to get the thing really settled by then.

[Omitted here is brief discussion of the U.S. Presidential election.]

Finally, Alex, I might add that I told him that, while I was a political animal myself, I did not look at our relations with Japan as being in any sense a partisan issue. I said that with you in Tokyo and Dick Sneider here, we should be able to stay in very close touch with the Japanese at the professional level, and that I had every hope that the transition to whomever would be the next President would go with great smoothness.

Because of both the sensitivity and the future importance of this conversation, I am giving a copy of this letter solely to Win [Brown]

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[3] U. Alexis Johnson also agreed "that a Japanese Government will not by 1969 be able to bite the bullet of nuclear storage on Okinawa." Johnson also pointed out his impression "that while the Japanese tend somewhat lightly to dismiss it, the issue of 'free use' is in many ways more important and fundamental than the issue of nuclear weapons. It seems to be hard for any country, and particularly now the third largest economic power in the world, in effect, to turn over to another power, determination of war and peace as far as its own territory is concerned, for this in fact is what is involved in the issue of 'free use.'" He thought the solution to the matter depended on the "political climate within the United States," which was dependent on the situation in Vietnam. (Ibid.)

and Dick Sneider at this end. I see no present action implications in it, but think that you two should have it well and truly in mind.

With love to Pat,

Yours ever,

William P. Bundy[4]

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

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

Tokyo, October 2, 1968, 0830Z.

12589. Personal for the Secretary. Ref: Tokyo 12504.[2]

1. Re para 5 C reftel,[3] I hope that in your talks with Miki[4] you will be able to say just a word on Japanese protectionism including a statement that you may want to be in touch with him later on this matter so as to leave basis for possible future approach which now being considered between Embassy and Washington agencies. Although we do not yet have agreement on exact form approach should take, I would hope that what you say to Miki could be of such nature that it could provide basis for approach to GOJ within framework of cabinet-level

[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 7 JAPAN. Confidential; Exdis. Repeated to the USUN. Rusk was in New York to attend the opening of the UN General Assembly.

[2] In telegram 12504 from Tokyo, September 30, Johnson outlined the topics, such as Okinawa, security issues, and economic and trade questions, he expected Miki to raise in his meeting with Rusk at the United Nations and suggested issues, such as NPT, Korea, and ADB, that Rusk should raise. Johnson also discussed Miki's future political plans. (Ibid.)

[3] Paragraph 5C of telegram 12504 from Tokyo September 30, listed the economic issues between the U.S. and Japan, namely, "civil air transport problems, log experts, protectionism, tariff preferences for LDC's, economic aid." (Ibid.)

[4] Rusk met with Miki in New York on October 5. Their discussions focused on Chinese representation in the United Nations, Japan's role in Southeast Asia, defense matters, Okinawa, and general U.S.-Japan relations. A summary of their conversation was transmitted in telegrams 6886 and 6888 from New York, October 6. (Ibid., POL JAPAN–US)

economic committee if agreement is reached between Embassy and Washington to recommend this course of action.[5]

2. For your background, Washington agencies are pressing to bring action against Japan in GATT under Article 23.

3. I entirely agree situation is serious but what I am proposing is at least initial step attempt of high-level formal bi-lateral talks with GOJ. As you know, I have several times hit Miki hard on this whole question of protectionism and GOJ foot-dragging and publicly and privately preach here on subject every opportunity pointing out importance of Japan taking initiative to improve its own record before being paced with massive protectionist pressures in the U.S. next year. A word of reinforcement from you to Miki would be most helpful.

Johnson

[5] The Bureau of Economic Affairs agreed with Johnson's suggestion that Rusk raise the issues of Japanese protectionism and import quotas during his meeting with Miki, but recommended that no course of action be mentioned at that time. (Telegram 249671 to New York, October 3; ibid., POL 7 JAPAN)

134. Memorandum From the Deputy Director of Coordination for the Bureau of Intelligence and Research (Trueheart) to the Director (Hughes)

Washington, October 24, 1968.

[Source: Department of State, INR/IL Historical Files, East Asia and Pacific General File, East Asia, EA Weekly Meetings, 1968. Secret. 2 pages of source text not declassified.]

135. Memorandum From Alfred Jenkins of the National Security Council Staff to the President's Special Assistant (Rostow)[1]

Washington, November 11, 1968.

SUBJECT

Okinawa Election Results

The Yara victory can only be read as a vote to speed up reversion.[2] We are likely to have somewhat increased troubles in administering the Islands. Just how much is hard to say at this point—it could rage from very difficult to mildly troublesome. We can work with Yara, and now that he is elected he may have a tendency to recognize most of the pragmatic realities of life. The problem will be with some of the extremists around him, who are better organizers than he is.

We did as much as we dared to influence the elections toward the conservatives. The outcome is probably just the inevitable indication of restiveness after twenty plus years of alien administration.

The outcome in the legislature will at least be a tempering factor.

Al

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[1] Source: Johnson Library, National Security File, Country File, Ryukyu Islands, Vol. I, January 1964 to November 1968. Confidential.

[2] Chobyo Yara won 53.5 percent of the popular vote and defeated Nishime by 31,564 votes. OLDP candidates won 18 of 32 seats in the legislature, although opposition candidates won 52 percent of the votes cast. In a November 23 memorandum to Rusk, Hughes postulated that Yara's victory derived from "the widespread respect and affection for him as a courageous and honest educator, the political muscle of his own Teachers Association, the unity of opposition support for his candidacy," and from "popular feeling that a new administration might mean cleaner government." (National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS)

136. Editorial Note

The situation on Okinawa and in Japan was further affected by the appointment of a new High Commissioner for the Ryukyu Islands. In early November the Department of Defense decided to replace General Unger with General James B. Lampert, but first announced its decision on November 21. The news came as a complete surprise to the High Commissioner, the Embassy, and the Japanese and Ryukyuan governments and populace. Ambassador Johnson notified Washington

that the unanticipated announcement, for which no advance notice had been given, created widespread astonishment. He admitted his inability "to conceive of anything more ill-timed and calculated to be misinterpreted both here and in Okinawa." Not only did it undercut the carefully constructed relationship General Unger had built with new Chief Executive Yara and with the Japanese Government, the Ambassador believed, but the change also gave rise to a sense that the United States planned to adopt a hard line toward Okinawa in response to the Yara victory and served to strengthen sentiments for reversion. Ambassador Johnson added that he personally found "it hard, and the Japanese will find it equally hard, to credit that those dealing with these matters really attach the importance that we say we attach to Okinawa, when we deal with an appointment as sensitive and fraught with consequences as this as if it were a change of division commanders." (Exchange of letters between Secretary Rusk and Deputy Secretary Nitze, as well as Telegrams 14047 and 14099 from Tokyo, November 21 and 22 respectively; National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 17 US)

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137. Research Memorandum From the Director of the Bureau of Intelligence and Research (Hughes) to Secretary of State Rusk[1]

REA–34 Washington, November 23, 1968.

SUBJECT

The Okinawa Elections Increase Pressure for Reversion

This paper discusses the impact of the recent election in Okinawa of a new Chief Executive and legislature on the reversion of Okinawa to Japan[2]

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Confidential.

[2] Jenkins forwarded to Rostow this document along with CIA Intelligence Information Cable TDCS–314/17254–68, November 14, which reported the conclusion reached by Sato's quasi-official committee on Okinawa that from a military-strategic standpoint U.S. nuclear bases on Okinawa were unnecessary. Jenkins noted that the Department of State believed the CIA report credible. (Memorandum from Jenkins to Rostow, November 25; Johnson Library, National Security File, Country File, Ryukyu Islands, Vol. I)

Abstract

In the first public election of their Chief Executive, a clear majority of the Okinawan electorate chose Chobyo YARA, president of the Okinawan Teachers Association and the candidate of an alliance of the three opposition parties, including the communist Okinawan People's Party. However, the Okinawa Liberal Democratic Party retained its two seat majority in the 32 seat legislature. The Okinawan electorate has shown its preference for, among other things, return to Japanese rule as soon as possible rather than for the LDP/OLDP course of concentrating on integration with Japan and leaving the reversion problem to be worked out sometime in the future between the United States and Japan. Yara's victory will have a psychological impact which is likely to be more important in Japan and particularly within the Liberal Democratic Party, than in Okinawa, where Yara's limited capacity for initiatives is not expected to affect the US military mission.[3] It seems likely that Prime Minister Sato's rivals in the LDP will pressure him to press the US harder on reversion and to abandon his "blank sheet" policy on the status of US bases after reversion.[4] In this context they may point to Yara's strong opposition to US "nuclear bases" as an expression of a popular consensus for a "non-nuclear reversion." By promising (after his talks with President Johnson in 1967) that a date for reversion could be set in "two or three years" if the Japanese people showed determination to defend their own country, Sato initiated the first substantial debate on Japanese defense posture since the end of World War II and made Okinawan reversion the major point in that debate. If, in the next few months his Okinawan policy draws too much fire, particularly from within the LDP, Sato may very well press the United States to set a reversion date under a formula which would exclude US nuclear weapons from Okinawa.

[Omitted here is detailed review of the election and the reversion question.]

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[3] Renewed opposition to the U.S. presence on Okinawa arose after a B–52 crashed on the island on November 19. The accident reawakened the controversy surrounding the stationing of the planes on the island and reopened demands for their withdrawal. (Telegram 14006 from Tokyo, November 30; National Archives and Records Administration, RG 59, Central Files 1967–69, DEF 17 US)

[4] The debate on the status of U.S. bases after reversion took on added importance in the autumn not only because of the Okinawan elections on November 10, but also because of the election of a new LDP president on November 27 and the forthcoming election for Prime Minister on the mainland. Sato's "blank sheet" approach, which advocated entering into negotiations on reversion without predetermined restrictions on U.S. bases, contrasted with that of Yara and Sato's political opponents, such as Miki. The latter embraced the "homeland-level" approach to reversion, that is, they insisted that the U.S. prior to entering into negotiations accept restrictions on its Ryukyuan bases identical to those governing its bases on Japanese territory under the terms of the Security Treaty. Numerous telegrams and similar documents discussing the debate are ibid.

138. Memorandum From the Country Director for Japan (Sneider) to the Assistant Secretary of State for East Asian and Pacific Affairs (Bundy)[1]

Washington, December 24, 1968.

SUBJECT

Trip Report: Okinawan Reversion on the Front Burner

The overwhelming impression I have after ten days in Japan and Okinawa is that we have reached the point of no return on the reversion issue. The pressures have built up in both Japan and Okinawa to the point where I can see virtually no hope of stalling off beyond the end of next year a decision on the timing of reversion, although the actual return would take place later.[2] Particularly worrisome is the turn of events in Okinawa since Yara's election. There, our problems could indeed mount up very rapidly. At the same time, there is little indication that we are as yet any closer to a mutually satisfactory solution covering our post-reversion base rights than we were a year ago.

Japan and the Sato Pledge

Once again, Sato has easily overcome the threats to his power from his rivals within the Party and has put into office a cabinet, which is by far the ablest and most understanding of the vitals of U.S.-Japanese relations. But, the strength of Sato's position can prove to be transitory: he is an acknowledged lame duck and the consequential intra-party maneuvering to succeed him has only now begun. Furthermore, by publicly committing his regime to solution of the Okinawa problem, he has given his rivals within the party and his foes outside the party a major test of success.

With the onset of 1969, there is no doubt that Okinawa is the number one national issue in Japan. It may be argued that Sato placed himself in his present predicament of needing an agreement with the U.S. on Okinawa during 1969 by stressing the issue over the past few years. However, for better or worse, he has done so. I think his political judgment was probably sound and that any effort to play down the issue

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Exdis. A copy was also sent to Deputy Assistant Secretary Brown.

[2] In a meeting with William Bundy in Washington on December 30, Shimoda indicated "that Sato hopes to settle Ryukyu issue before end of 1969," by setting a date for reversion 2 or 3 years thereafter and by deferring the question of U.S. base rights. Bundy indicated that both issues should be resolved at the same time. (Telegram 293620 to Tokyo, December 30; ibid.)

would have handed his opposition an even stronger point of attack. In any event, not only Sato but the conservatives and their U.S. alliance policy could well be at stake in the forthcoming effort to resolve the Okinawa issue.

Sato continues to proceed cautiously in working out his plans on Okinawa. Neither he nor the Foreign Office has reached any conclusion on GOJ policy towards post-reversion base rights—although all are overwhelmingly aware that an offer of continued nuclear storage could be political suicide. The Foreign Office is toying with some concept of conventional free use but has not thought through the details, particularly how to sell it to the Japanese public. In fact, there appears to be a conscious effort to avoid deciding the GOJ position until the new U.S. Administration is thoroughly tested. Ambassador Johnson keeps reminding the GOJ, on the other hand, that it must first think through its policies in terms of a realistic assessment of the security needs of Japan and the countries adjacent to Japan whose security is vital to it.

In the meantime, the Sato Government is trying to clear the decks on all other U.S.-Japan issues and develop a package of "helpful" actions in Asia which will sweeten the Okinawan package for us. Typically, a small hint by Ambassador Johnson to Vice Minister Ushiba that the GOJ might give consideration to how it would participate in the defense of the Ryukyus after reversion sent JDA officials immediately scurrying down to Okinawa to study the problem.

The Japanese are, thus, in the preparatory phase of policy making and not moving precipitously. Their timetable calls for careful soundings throughout the spring and summer, to be followed by a summit meeting in Washington in the fall. They have accepted the wisdom of not pushing the new Administration for an immediate decision on the Ryukyus, but are worried lest it be put off too far and bring them into 1970 without an agreement.

Okinawa, a Potential Trigger

The new factor in the Okinawa reversion equation is the pressures developing within Okinawa on reversion. In the past, it has been the implicit assumption of both ourselves and the Japanese that the big boys (the U.S. and Japan) will settle the problem and the Okinawans will docilely accept our joint decision. This assumption can no longer be counted upon. The Okinawan intrusion into the reversion negotiations can come in two ways, through agitation leading to open incidents with U.S. forces, and through the evangelistic pressures for action on the part of the new Chief Executive, Yara.

The potential for an incident involving an open clash between demonstrators and American military forces protecting our bases is much higher today than ever before. Given the limited capabilities of

the Ryukyuan police, such an incident has always been possible. The odds have been considerably shortened in recent weeks by three factors:

(1) The increased militancy and radicalism of the students who are beginning to mimic the tactics of their Japanese brethren;

(2) the ambiguous position of Yara who at the same time is the accepted leader and spokesman of the anti-base movement and is now responsible for controlling it—nobody knows how he will react when the crunch comes; and,

(3) the development of an issue that binds almost all Okinawans and strikes a sympathetic, emotional chord—the B–52 operations at Kadena and the danger of another incident.

In this climate, our insistence upon exercising our unrestricted rights for B–52 operations, SSN visits, etc. becomes not only a focal point for potentially dangerous demonstrations, but further an incentive to seek as soon as possible reversion of Okinawa at the "homeland level" where the Japanese Government will "protect" the Okinawans against the U.S. General Unger is making every effort to reach a modus vivendi with Yara without making serious concessions on base rights. But it is a precarious task given the pressures Yara is under from his left-wing coalition and the inherent desire of the conservative opposition to see him fail.

Yara, moreover, has cast himself as the confirmed and authentic spokesman of Okinawan reversion sentiments. In his grand tour of Japan, he constantly pushed the theme of early reversion. But, of even more concern to us is his effort at the same time to inject himself into the debate on the conditions for reversion. Yara has publicly urged not only "homeland level" but a thinning out of U.S. bases. He has made it clear that he, as Okinawa's elected leader, is going to resist efforts to ignore the Okinawan view on post-reversion U.S. base rights.

Thus, it is not impossible that the pace of events in Okinawa could press the Japanese Government to accelerate its current timetable. Certainly, an incident involving a clash between demonstrators and U.S. military guards around bases will put the Japanese Government on a very difficult spot. The spectre of such a development constantly plagues the Foreign Office and other Japanese officials.[3]

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[3] Shimoda expressed concern about that possibility to Rusk on December 23. Shimoda noted that after reversion Japanese police would protect U.S. bases, but in the meantime potential clashes between U.S. military troops and student demonstrators could lead to what he called "unfortunate incidents." (Telegram 291646 to Tokyo, December 24; ibid.)

The General State of Health of U.S.-Japan Relations

Outside the Okinawan issue, there are some encouraging notes of progress in resolving current U.S.-Japan problems, particularly with respect to trade restrictions against U.S. imports, and the reasonably quiet visit of the nuclear sub. In very large part these actions taken by the Japanese are in their own self-interest and cued to clearing the decks for a favorable decision on reversion. But, they also reflect the dedication of the current leadership to maintaining a close relationship with us. Symptomatically, after lengthy consideration, the Japanese Government has accepted our offer for space cooperation rather than going it alone.

However, below the surface there are bubblings of serious discontent from within the ranks of the next generation of leaders about the character of the U.S.-Japan alliance and Japan's great dependence on the U.S. These younger men are not necessarily dissatisfied with a partnership with the U.S. but are concerned that the present relationship gives too little freedom to the new Japanese nationalism—a vague and still far from well-defined concept. They are not now seeking or even necessarily desirous of a break with the U.S. and embarking on a de Gaullist path. They do look for a new relationship with the U.S. by 1980 which meets their principal criterion of "equality" with us. In the context of this new nationalism, Okinawa has become a serious test of U.S. willingness to treat Japan on more equal terms.

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139. Memorandum Prepared for the 303 Committee

Washington, December 27, 1968.

[Source: Department of State, INR/IL Historical Files, East Asia Country Files, Ryukyu Islands, 1969. Secret; Eyes Only. 2 pages of source text not declassified.]

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

Tokyo, January 11, 1969, 0731Z.

212. 1. My hour and one-half follow-up talk with FonMin Aichi on Okinawa yesterday afternoon was most interesting and represented a great advance in GOJ's coming to grips with hard realities of Okinawa situation. In brief, Aichi "personally and informally" suggested possibility of a formula under which bases on Okinawa would "in principle" revert to "homeland level" at time of reversion of administrative rights; but it would be agreed that they would "temporarily" retain their present status with respect to "freedom of use" and nuclear storage until such time as both governments agree that situation in area has changed sufficiently for better to permit "homeland level." Aichi said he felt it would be possible to sell such a formula in Japan only on basis it would bring about prompt reversion of administrative rights. It was his judgment that longer reversion was put off, the less freedom of action GOJ was going to have as pressures on subject continue to build up. I told him that my personal reaction was that formula was very interesting and certainly worth further study by both governments.

2. During course of conversation Aichi made it very clear that nuclear storage issue, even under above formula, presented great difficulties to GOJ, and statements by many prominent Americans that nuclear storage on Okinawa was no longer necessary because of development of Polaris, Poseidon etc. made it very difficult for GOJ to grapple with question, as it did not have sufficient understanding of what weapons or what purposes were involved.[2] Aichi asked whether GOJ could be given more information on this subject so that it would be in position to say that it was dealing with issue on basis of its own judgment. I explained difficulty, from standpoint of our legislation, of doing this and said, in any event, I really doubted how much help it

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[1] Source: National Archives and Records Administration, RG 59, Central Files 1967–69, POL 19 RYU IS. Secret; Exdis.

[2] U. Alexis Johnson met with Sato on January 13 for 1½ hours. Johnson pointed out the need to maintain effective use of bases on Okinawa after reversion, particularly to meet potential threats posed by North Korea and Communist China. In response Sato commented "that even JDA and 'his own officer' lacked sophistication in military matters." Johnson then reported that to the "astonishment of Hori (Chief Cabinet Secretary) and Togo, who were also present, he [Sato] said that GOJ's 'three nuclear principles' (non-possession, non-production and non-introduction) were 'nonsense.' However, this should not be interpreted to mean Japan wants to have nuclear weapons." (Telegram 267 from Tokyo, January 14; ibid., POL JAPAN–US)

would be. I had previously discussed with him and other members of GOJ the whole concept of importance of graduated deterrence both in nuclear and conventional fields, and what was involved was question of principle rather than operational details. If Japan were to accept storage of nuclear weapons on its territory and was politically able to enter into necessary agreement with US for exchange of information, we would then be able to go into more detail and perhaps move toward relationship in this field comparable to what we have with NATO countries. Aichi said this of course was not possible for GOJ.

3. Apart from formula mentioned in first paragraph above and our discussion of nuclear matters, Aichi suggested possibility with respect to "free use" of giving US a formula of "free use" of Okinawa for support of UN forces in Korea, which could be made public without surfacing our present secret understanding with respect to our bases in Japan. In this regard he said that Sato and he were, in event of renewal of hostilities in Korea, absolutely determined to implement this secret understanding and give full support to our actions in Korea. He also said that both he and Sato fully recognized importance of our bases in Okinawa remaining "effective" and were determined to do their best to find a formula under which this could be done.

4. He made no mention whatever of Sato's previous formula of "setting the date and then negotiating the conditions," and I am hopeful that they have now decided to get off this hook. He did reiterate Sato's desire to go to Washington in November "to settle" the Okinawa issue. He also reiterated his hope for cabinet-committee meeting in Japan in summer at which he could discuss Okinawa issue with Secretary Rogers.[3] He made it clear that this was an official invitation to the new administration and that GOJ would hope for a response as soon as possible. He said that no conclusion had yet been reached for timing of visit to Washington by Kishi, but they would let us know soonest.

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[3] Sato's emissary, Kei Wakaizumi, came to Washington in early January and met with Walt Rostow. Wakaizumi reported "Sato's sense of urgency about finding an Okinawa formula," his intention to visit the U.S. in the autumn of 1969, and his interest in preliminary meetings—the Joint Cabinet Meeting, a visit by former Prime Minister Kishi to Washington—to pave the way for a settlement. According to Wakaizumi, Sato still wanted to reach agreement on a timetable for settlement and reversion, and he "excluded nuclear weapons on Okinawa for the long pull." Rostow presented the U.S. view that an agreement on reversion necessitated that Japan must "deliver—not promise—more muscle in Asia and the Pacific" by assuming a larger economic and security role in the region. (Memorandum of conversation, January 13; Johnson Library, National Security File, Country File—Addendum, Japan)

5. I have some doubt that GOJ could, in fact, deliver on a formula such as set forth para one above, but entirely agree with Aichi that whatever ability they may have in this regard would certainly be eroded with passage of time. I will be seeing Prime Minister on Monday and will, of course, follow up matter with him.[4]

Johnson

[4] See footnote 1 above.

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