NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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April 28, 1969

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MEMORANDUM FOR:

Office of the Vice President
Office of the Secretary of State
Office of the Secretary of Defense
Office of the Director of Emergency Preparedness

SUBJECT: NSSM 5: Japan Policy

Enclosed is a revised version of the paper on Japan Policy which reflects agreed drafting changes.

The summary paper distributed April 28 reflecting the discussion at the Review Group meeting on Friday, April 25, has reworked the options for timing of the reversion of Okinawa (p. 4 of summary) and has added an option on the nuclear issue (p. 5 of summary).

Pages 18-30 of the enclosed paper constitute the full discussion of the Okinawa issues referred to as Tab A on page 4 of the summary paper.

Jeanne W. Davis
Secretariat

cc: The Under Secretary of State
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence

Attachment

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Partially Declassified/Released on 11/15/96
under provisions of E.O. 12958
by J. Saunders, National Security Council

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NSSM 5 - JAPAN

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STATE DEPARTMENT SYSTEMATIC REVIEW
☑ Retain class'n ☐ Change/classify to ____
☐ Declassify with concurrence of ____
EO 12958, 25X 2,4,5,6,*
FPC/HDR by [illegible] Date: 11-2-95
Withdrawal No. 1-8
US-JAPAN SECURITY TREATY

b. Nuclear Storage - Continue present rights indefini or for interim period, or obtain rights t reintroduce in emergency; or obtain right for nuclear armed ships and planes either in transit or entering for weather or humanitarian reasons.

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	b. Balance of Payments - In order to decrease the balance of payments impact of US military expenditures, consider such techniques as increase of Japanese military procurement ir the US, reduced US military spending in Japa transferring US military procurement in Japa to the US, and obtaining payments relief by Japanese actions not directly related to military expenditures.	
VI.	JAPAN'S ROLE IN ASIA	44
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11 Annexes

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NSSM 5 - JAPAN

NSSM 5: III. OKINAWAN REVERSION

A. Background (Annex D contains basic information on Okinawa)

Okinawa houses the most important US military base system in the Western Pacific, capable of performing a wide variety of functions. Its value is enhanced by the absence of any legal restriction on American free access to or use of the bases; which permits storage of nuclear weapons and the launching of military combat operations directly from these bases. Okinawa has been used extensively in US military activities in East Asia over the past 20 years, including training, logistics, and staging operations for Viet-Nam.

The US maintains full administrative powers in the Ryukyu Islands, of which Okinawa is a part, under Article 3 of the Treaty of Peace with Japan. The US has recognized since 1951 that Japan retains "residual sovereignty" over the islands, and we are publicly committed to return administration of the islands to Japan at a time and under conditions as yet unspecified. After reversion we expect to retain the bases we need on Okinawa subject to conditions to be negotiated.

Pressures in both Japan and Okinawa for reversion are intense and growing. Embassy Tokyo reports that "even the conservative leadership now finds the pressures irresistible". Partly to keep control of the reversion movement and partly to gain political advantage, Prime Minister Sato has publicly committed himself to securing US agreement on a reversion timetable when he comes to Washington late this year. He apparently would prefer an agreement on a specific date--1972 has been mentioned--when reversion will occur.

If some visible progress is not made in 1969 on the Okinawan reversion question, the result might well be the fall of the Sato Government and its replacement by another conservative government more adamant in demands for reversion and less amenable to reasonable conditions. If the Japanese and Okinawan public conclude that reversion might be long delayed, US/Japan relations would be seriously prejudiced,

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the Security Treaty could be endangered, and potentially violent demonstrations against our bases would be a real likelihood.

The longer reversion is delayed the greater the chance of an incident involving an open clash between demonstrators and American military forces protecting our bases on Okinawa. Given the limited manpower of the Ryukyuan police, the increase of student and leftist radicalism, and the ambiguous position of Yara, the Chief Executive elected by a left-win coalition last year on a platform of immediate reversion, the odds are growing that incidents might occur. Effective use of our Okinawan bases depends on the acquiescence of the local population and there are indications this acquiescence has been gradually eroding.

While failure to demonstrate some forward movement on the reversion issue would prejudice the US-GOJ relationship, reversion of Okinawa under Japanese pressure, without regard for long-range US strategic needs, could have an adverse impact on the ability of the US to meet its commitments in Asia. Essential US needs must be assured at time of reversion to avoid any serious degradation of deterrence and significant loss of flexibility in meeting PACOM contingencies. Reversion of Okinawa to Japanese control, even if essential US base rights are retained, will involve military costs. These are analyzed in Section B2, below. At the same time reversion offers some advantages to the United States. It would preserve our international image as a champion of self-determination of people. It would shift to the Japanese Government the potentially embarrassing problem of controlling Okinawan civil disorder, and it should assist in the balance of payments problem as Japan assumes a greater role in Okinawa. Reversion of Okinawa will also lead to a greater role for Japan in the security affairs of Asia as a result of extending Japanese self-defense activities southward to within 70 miles of Taiwan.

B. <u>US Options on the Okinawa Reversion Issue Concern Both Timing and Conditions of US Military Use after Reversion</u>

1. <u>Timing of Reversion and Nature of the Agreement</u>

The US has three broad options related to the commitment to reversion and the agreement by the Japanese to the

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post-reversion status of the bases.

a. Avoid any commitment to initiate action on reversion at this time and seek to maintain present rights as long as possible.

Pro: We would not give up any of the rights we presently enjoy and the credibility of our presence in East Asia would be maintained without question.

Con: As noted above, indefinite delay of reversion action could affect our entire relationship with Japan. Furthermore, we might be able to retain more of our rights by meeting Japan's desire for reversion now than by allowing pressures for reversion to continue to build up.

b. Seek agreement with Sato in 1969 on the essential points governing US military use following reversion in exchange for a commitment to reversion either: (1) when negotiations on all other aspects of reversion are completed or, (2) on a specific target date, such as 1972.*

Pro: This has the important advantage of ensuring that the principal conditions we seek will have been agreed to by the Japanese before the actual commitment to reversion is

* There are advantages and disadvantages to both of these variations on the date of reversion. The open-ended, "reversion upon the completion of negotiations," would put the Japanese under pressure to reach an agreement quickly and might cause them to be more willing to make concessions. In the same manner it relieves the US of a time constraint to complete negotiations. Since Sato has declared his intention of fixing a date with the US the unspecified date approach might be difficult for the Japanese to accept. And even if the open-ended timing were agreed to in all proability it would evolve to a fixed target date as a result of "estimates" of completion dates by high officials and/or replies to press inquiries. The whole question could become an unnecessary area of contention between the two countries. The designation of a fixed target date at the outset would avoid these latter difficulties but it would put both governments, and particularly the United States, under considerable pressure to reach a final agreement.

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established. It would prevent either government from being placed in the difficult position of initiating negotiations which it would be unable to complete because of fundamental unresolved differences.

Con: This puts the most difficult questions on a very tight negotiation schedule. Sato and Foreign Minister Aichi will probably go out of office in 1970-before formal negotiations are completed. This could call into question any commitments they had made as to US rights after reversion, but we do not regard this as a serious risk and it is likely only if there is a substantial change in our relationships over larger issues.

c. Agree to reversion by a specific date such as 1972 with the conditions of reversion to be negotiated subsequently.

Pro: This course of action would be the most satisfactory to the Japanese.

Con: This gives up our strongest negotiating card, i.e., reversion itself, before we work out the conditions of US base rights following reversion. Such a course would undoubtedly encounter strong opposition in the US Congress.

2. US Military Rights

The optimum military rights that the US could have following reversion would be a continuation of our current rights, and the minimum would be the same rights as are applied in Japan, the so-called "Homeland Level." The Japanese Government has not yet taken any official position and is trying to find out what our position will be. The US military rights in question fall into two general categories; nuclear storage and freedom for nuclear operations, and the launching of conventional combat operations without prior consultation with Japan. Of these two, the Japanese consider the nuclear weapons issue to be of basic importance and it is expected that it would be extremely difficult for the US to obtain the right to any kind of nuclear use.

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weapons stockpiles on Okinawa support all PACOM operational plans in general and no one contingency plan in particular. Denial of our present nuclear rights on Okinawa would necessarily impact upon both the capability and the credibility of the US forward deployed nuclear deterrent. Compensatory arrangements would be required to avoid an unacceptable degradation in CINCPAC's ability to implement the US defense strategy of forward flexible response. The following views have been expressed with regard to the impact denial of our present nuclear rights on Okinawa would have:

State and OSD/ISA: The denial of storage rights in Okinawa would reduce some aspects of US nuclear capability in the forward area, particularly in the initial stages of a large-scale conflict with Communist China, but compensatory arrangements could restore much of this capability. The presence of large numbers of nuclear weapons in Korea and aboard Seventh Fleet would minimize any effect on a Korea contingency, while, in the unlikely event nuclear weapons were used in Southeast Asia, there would be ample time to bring them into the theater from alternate locations. There would doubtless be some psychological repercussions as a result of withdrawing nuclear weapons from Okinawa, but the credibility of overall deterrence in the PACOM region would probably be sustained by our strategic Polaris/Poseidon-Minuteman-B-52 capability together with the presence of weapons at the other WESTPAC locations and aboard Seventh Fleet. In the event new facilities were constructed to store the weapons now on Okinawa, this would further add to our deterrent posture by emphasizing the serious view the US has of the importance of these weapons.

Joint Staff: The degradation in capability resulting from denial of nuclear weapons on Okinawa would be significant, particularly our ability to carry out strikes against time-sensitive targets. The practical alternatives would result in increased response time, are expensive, and less satisfactory operationally in that flexibility in the forward area would be reduced. The aggregate effect of lost options and degradation in general would diminish the credibility of the deterrence provided by forward deployed dual-capable forces. This could lead to a miscalculation by communist Asia, thus increasing the risk of future US military involvement. Moreoever, denial of tactical nuclear options from Okinawa would decrease our ability to confine any possible nuclear conflict to a regional level because of the likely necessity

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of having to resort to increased reliance on strategic nuclear delivery systems such as the Polaris/Poseidon and US-based Minuteman.

Further discussion of those questions is contained in Special Annex One.

Japan does not now permit acquisition, production, or introduction of nuclear weapons. There are strong pressures in Japan to extend this policy to Okinawa after reversion. NIE 41-69 of February 27, 1969 concluded that Sato can be expected to "feel compelled to press hard for the exclusion from Okinawa of the nuclear weapons which virtually all Japanese believe are stored there. He would seek a US commitment for their exclusion at the time of reversion, though he might settle for some such commitment tied to a later date, preferably not too distant."

Our options arranged in descending order of our ability to achieve them and in ascending order of their impact on US security interests in East Asia are:

(1) Status Quo Nuclear Storage and Freedom for Nuclear Operations.

Pro: If the GOJ would agree to nuclear storage, then our deterrent capability and credibility would be unimpaired. Problems and costs of relocation would be avoided.

Con: The Japanese Government is under extreme pressure from Japanese public opinion not to consent to our continued nuclear posture on Okinawa. Foreign Minister Aichi, however, has indicated that the GOJ recognizes the deterrent value of Okinawa and, if reversion took place, would wish to ensure that the bases remain effective. Nevertheless, insistence on a continued nuclear role for Okinawa would probably bring the reversion negotiations to a critical pass and could have much broader repercussions for US-Japanese relations."

(2) Interim Nuclear Storage and Freedom for Nuclear Operatic

Foreign Minister Aichi has indicated that "special arrangements" might be possible for a "temporary period". This might mean, specifically, that the bases would be retained in principle on a homeland-level basis after reversion, but until certain conditions were met (i.e., an abatement of tensions in the area) on which both governments would agree, these bases would be temporarily left as they were at present.

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Pro: Interim continuance provides more time for force development which could possibly lessen the impact of the loss of nuclear availability on Okinawa, and more time for making suitable substitute arrangements for storage and operations (including the highly unlikely possibility that Japanese appreciation of the value to them of our nuclear deterrent capability on Okinawa will increase; ChiCom testing of an ICBM or satellite may affect the Japanese attitude).

Con: Such an arrangement would be difficult politically in Japan even if it is for a relatively short duration. Eventual relocation would still be necessary.

(3) Emergency Rights to Bring in Nuclear Weapons

This could take two forms: (1) By prior agreement the US could bring in nuclear weapons when, in the opinion of the US, an emergency existed (e.g., major hostilities inKorea or a Chinese Communist attack on Taiwan). Or (2) the US and Japan could agree to consult when in the opinion of either, an emergency existed; if they agreed there was an emergency, then the US could bring in nuclear weapons to Okinawa.*

Pro: The US would be able to discharge its commitments in the area though with some loss of flexibility. Some degree of Japanese support would be elicited in the consultation process.

Con: Weapons would have to be relocated and flexibility would be impaired.

(4) Only Transit Rights for Nuclear Armed Planes and Ships

Japn now acquiesces in transit by naval vessels armed with nuclear weapons. This right would extend automatically to Okinawa. (This is sensitive and closely held information.)

Pro: Extension of this to planes transiting Okinawa would add flexibility to our operations in the area.

Con: Credibility of the deterrent would be lost.

(5) Only Introduction for Weather or Humanitarian Reasons

Japan would agree in advance to allow us to bring in B-52 SAC alert aircraft during typhoons or storms or to bring in other

* This would constitute advance acceptance by the Japanese of the abandonment of the non-introduction principle in certain circum-

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nuclear-armed planes for medical or humanitarian reasons. There have been indications that the Japanese would accept this arrangement

Pro: This would preserve some of the flexibility we now have in our operations in the area.

Con: The deterrence implicit in the dual capable forces stationed on Okinawa would be lost.

b. Launching of Conventional Military Combat Operations

Loss of free use for our conventional forces from Okinawa will also cause degradation of our military posture in East Asia. (See Special Annex Two for a detailed analysis.)

The present classified arrangements with Japan do not permit freedom to conduct conventional military combat operations from Japanese bases, without first consulting with the Japanese Governmen except in the event of an attack on UN forces in Korea or in the event of an attack on Japan.* This restriction would be automatically extended to Okinawa following reversion unless some special arrangement is agreed upon. In the absence of such special arrangements combat air strikes and perhaps refueling B-52s by tanker aircraft and the launching of combat amphibious or airborne operations would be forbidden unless agreed upon by the Government of Jap

Special arrangements for Okinawa could preserve some of our present freedom to undertake conventional military operations without prior consultation with the Japanese Government. There are indications that at the present the Japanese Government is prepared to go some of the way to meet this requirement.** Sustained militar operations over an extended period, however, would undoubtedly necessitate consulting the Japanese Government.

Another important question is whether we should seek special rights for our Okinawan bases alone or to have such rights applied to both our bases in Japan and Okinawa. Extending

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* Special Annex Two on Conventional Use, p. 3, indicates there may be some flexibility regarding transfers of US units from Japan into a combat zone or under some circumstances directly into combat.

** As noted earlier, any agreement must permit us to continue any on-going operations in support of the war in Viet-Nam if we are engaged there at the time of reversion.

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any special rights to both areas has preferred features for us and may well be feasible for at least some of them (except for B-52 operations against Viet-Nam) since it offers the Japanese Government the opportunity to state publicly that the new arrangements are at the "homeland level."

Our options, arranged in ascending order of their impact on the US military posture and in descending order of their difficulty of successful negotiation with the Japanese, are as follows:

(1) Continued unrestricted right to launch combat operations.

Pro: Continuation of our current rights would give maximum flexibility and would provide the greatest reassurance to our other Asian allies and deterrence to our common enemies.

Con: It would be politically difficult for the Japanese to accept this situation after reversion and such an agreement may be so unstable as to jeopardize US-Japan relations.

(2) Interim Rights of Free Use

For a fixed period or until the two governments agreed to terminate the right, the US would be granted the right to unrestricted free use of Okinawan bases.

Pro: This would give us flexibility and a visual deterrent for so long as the rights remained in effect.

Con: If for a fixed period, such an agreement would be the object of constant pressures by the opposition on the Government of Japan, with consequent destabilizing effects. If for an undetermined period, public opposition would grow with time, and we would therefore encounter increasing pressure from the Government of Japan to terminate.

(3) Limited Free Use of Bases

These limitations could vary. We might obtain free use in an "emergency" which the US can determine unilaterally and without consultation. We might also obtain free use in an "emergency" determined unilaterally by the US after

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consultation with the Japanese but without regard to objections which might be raised. Such arrangements would be at variance with "homeland level."

Free use of the bases for certain specific contingencies perhaps could be authorized, as in the present case with UN forces in Korea, while other uses would require consultation and agreement. If this option is exploitable we should seek particularly to obtain the right to act without need for Japanese agreement in support of US action in Taiwan and Korea. It is very doubtful that the Japanese would agree to free use for operations against mainland China, for this could commit Japan to involvement in a major conflict without its consent.

Pro: Depending on the conditions agreed to, such an arrangement could permit all such military actions by the US from Okinawa as could be reasonably contemplated.

Con: As the conditions become more and more favorable to US freedom of action, they become more difficult for the Japanese to accept.

(4) Homeland Level

This would apply the provisions of the existing mutual security treaty on military action to Okinawa after reversion.

Pro: This solution would be the most readily acceptable to Japan and, from a political standpoint, would be regarded by the GOJ as the most stable long-term arrangement.

Con: Our ability to carry out our present strategy of forward defense would be restricted under full homeland level restrictions and could require adjustment in our basing if we intend to pursue that strategy.

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C. Additional Japanese Commitments

Under any Okinawa reversion agreement the US will probably lose some of its flexibility and striking power. We will not be able to retain the freedom of action we now enjoy. Our first priority in the negotiations must accordingly be to obtain arrangements which will provide the necessary freedom of action for our military forces.

We should, however, as indicated in the conclusion of Part I of this paper, use the issue of Okinawa reversion as an opportunity to review with the Japanese leaders our broad relationship and to stress to them our belief that Japan is capable of taking on more of the responsibilities of a genuine partnership. If, therefore, we are able to advance other US interests in our negotiations with Japan over the reversion issue, these will be added dividends, even though we cannot expect to obtain a wide range of commitments in a number of areas.

Following is a list of the kind of commitments from Japan we should consider in connection with an Okinawa reversion package. This list would, of course, have to be reviewed as we draw near to actual negotiations in order to ensure the practicality of the items and to avoid overloading what we estimate Okinawa reversion can reasonably bear. To obtain the necessary military rights is our first requirement and this should not be considered as a trade-off for any of the items listed below:

1. Assumption of responsibility for the ground, air and sea defense of the Japan area including the Ryukyu Islands. By expanding Japan's area of defense responsibility the US might be able to reduce its forces somewhat.

2. Japan will take the measures it now applies in Japan proper to ensure the protection of and unimpeded access to US bases in Okinawa after reversion.

3. Payment by Japan of any relocation costs caused by reversion.

4. Obtain Japanese agreement to neutralize the impact of reversion on the US balance of payments. Specifically

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the US should maintain the principle that Japan will not increase its dollar reserves as a result of reversion.

5. Retention by US of VOA facilities on Okinawa.

6. Acceleration of the modernization of Japan's defense forces.

7. Provision of non-lethal, and later lethal, military assistance to the ROK and the GRC.

8. Fuller air defense cooperation between Japanese forces and those of ROK and GRC.

9. Expansion of Japan's economic aid programs in Southeast Asia.

10. Retention by U.S. of existing intelligence facilities on Okinawa.