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Authority NND 96By SL NARA Date 2-11-11SECRET/EXDIS*Memorandum*

TO : EA - Mr. Bundy
EA - Ambassador Brown

FROM : EA/J - Richard L. Sneider

DATE: 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. 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

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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 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

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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.

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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.

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

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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 deGaulist 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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