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xR- NSC Mtg 4-30-69

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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Ref: NSSM-5

April 29, 1969

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TOP SECRET

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: U.S.-Japanese Relationship: Summary

Enclosed is the agreed summary paper on the U.S.-Japanese Relationship which will be discussed in the NSC meeting on April 30.

STATE DEPARTMENT SYSTEMATIC REVIEW
☒ Retain class'n ☒ Change/classify to SECRET
☐ Declassify with concurrence of
EO 12958, 25X 3,4,5,6
FPC/HDR by DH Date: 11-3-95
Until expiration of US-Japan Security Treaty
Withdrawal No. 1-13

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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U.S.-JAPANESE RELATIONSHIP: SUMMARY

I. Problem

During the next few years the U.S.-Japanese relationship will be severely tested, particularly on two issues of potential confrontation: the future status of Okinawa and continuation of the U.S.-Japan Security Treaty beyond 1970. Decisions on U.S. policy are required not only on these issues but on the fundamental nature of the U.S.-Japan relationship and other major issues facing the two nations.

II. Basic Relationship

The current cooperative partnership between the U.S. and Japan is based on largely common security and economic interests. It has served American interests reasonably well, particularly in the provision of forward defense bases and the assurance that Japan's actual and potential power is primarily available to friendly, rather than hostile, forces. The relationship, however, has its limitations. Japan, by economic standards, is a major league power -- but it has not behaved that way and has not assumed the full measure of its regional and international responsibilities. Japan is pointed in this direction, driven in part by the rising force of nationalism; but it has been slow to realize its potential, particularly in the assumption of security and related responsibilities, due largely to political inhibitions, fears of involvement in another war, and the high priority given to raising living standards (Japan ranks 19th on a per capita income basis despite Japan's fantastic economic growth).

Japan has the capability to assume the full measure of its international responsibilities over the next decade and has been moving in that direction. The question facing the U.S. is whether Japan will reach this goal soon enough for, and in a fashion consistent with, American interests. There is the understandable view that Japan is now getting a "free ride". This view, in turn, raises the issue of alternatives to the current relationship, namely: disengagement or a full-collective security relationship, either of which policies could lessen the U.S. burden in Japan and East Asia.

The policy paper concludes that disengagement leading to a neutralist Japan power center would be disadvantageous to U.S. interest, while a full collective security relationship is not feasible given current realities in Japan. The consideration of specific policy issues in the

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remaining sections of the paper is therefore directed largely to means of improving the present relationship and to dealing with the urgent issues at dispute between the two nations.

III. U.S.-Japan Security Relationship

The key issues relate to the continuation of the security treaty after 1970, when it becomes subject to renunciation, and to the question of our base structure in Japan.

A.--Treaty Continuation

There is agreement that the Treaty, which is both the keystone to the total U.S.-Japan relationship and the basis for our security interests, has served both U.S. and Japanese interests reasonably well. It has its critics in both countries: in Japan, because the Treaty allies Japan to the United States and involves the risk of involvement in a war; in the United States, because the Treaty is a one-sided commitment to defend Japan without a reciprocal Japanese commitment to U.S. defense or the security of East Asia.

Three alternatives are open:

1. Amend the Treaty, requiring Japan to undertake commitments to U.S. defense and/or greater responsibility for the security of East Asia.

2. Extend the Treaty for a fixed term such as ten years.

3. Allow the Treaty to continue without change.

The Review Group recommended Alternative 3.

B. U.S. Bases in Japan

The U.S. has a major base structure in Japan, primarily for logistics and communications. There are about 35,000 military personnel using 149 sites including two key naval bases and six airbases. The U.S. military forces stationed in Japan are not directly concerned with the defense of Japan as a primary mission. They primarily support operations elsewhere, and would be particularly important in the event of a resumption of Korean hostilities. The balance of payments cost of these bases was about $570 million in FY 1968.

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The bases have been subject to intermittent public pressure due to such causes as noise, use of valuable urban property, accidents and entry of nuclear propelled warships. But efforts have been made to ease these problems and steadily reduce the number of bases in Japan.

The three broad alternatives available, in addition to joint basing arrangements, are:

1. Continue retention of the present base structure.

2. Reduce the base structure gradually to reduce major political irritants while retaining essential base functions.

3. Reduce the base structure rapidly to key naval and air bases with emergency re-entry rights to others.

The Review Group recommended Alternative 2.

IV. Okinawan Reversion

Okinawan reversion is the most serious and potentially disruptive issue facing the United States and Japan. Okinawa houses the most important U.S. 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.

On the other hand, pressures in both Japan and Okinawa for reversion are intense and growing. If progress is not made in 1969 on this question, the position of the Sato Government and the ruling conservative party would be seriously damaged and the acquiescence of the local Okinawan population, essential to effective use of our bases, threatened. Furthermore, if the Japanese and Okinawan public conclude that reversion might be long delayed, U.S.-Japan relations would be seriously prejudiced.

The issues to be decided are the timing of reversion, U.S. nuclear storage rights, and the right to undertake military combat operations in the post-reversion period. A full discussion of these issues is attached at Tab A.

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A. Timing of Reversion

There are two principal options that are feasible:

1. Provided there is agreement in 1969 on the essential elements governing post-reversion U.S. military use, agree to reversion in 1972 if negotiations are completed at that time.

2. Agree in 1969 to reversion and to enter into negotiations, with reversion to take place when negotiations are completed.

B. U.S. Military Rights

The optimum and obviously preferred military rights that the U.S. could have following reversion would be a continuation of our current rights, and the minimum, preferred by Japan, would be the same rights as are now applied in Japan, the so-called "homeland level".

The crucial military rights affected by reversion would be nuclear storage and freedom for nuclear operations and the launching of conventional combat operations. Both would require prior consultation with Japan at the "homeland level". Of these two, the nuclear weapons issue is the most difficult in view of strong Japanese opposition.

1. Nuclear Storage and Freedom for Nuclear Operations

The denial of nuclear storage and operational rights would reduce the U.S. nuclear capability in the forward area but there is disagreement about the degree of reduction among State, OSD/ISA, and the Joint Staff.

The six options available in the ascending order of our ability to achieve them and in the descending order of the U.S. security interests in East Asia are:

(1) Status quo on nuclear storage and freedom for nuclear operations.

(2) Interim nuclear storage and freedom for nuclear operations.

(3) Emergency rights to bring in nuclear weapons.

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(4) Transit rights for nuclear armed planes and ships.

(5) Introduction for weather or humanitarian reasons.

(6) Homeland level.

2. Launching of Conventional Military Combat Operations

The present arrangements with Japan do not permit freedom to conduct conventional military combat operations from Japanese bases, without first consulting with the Japanese Government, 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 Japan.

There are indications at the present time that the Japanese Government is prepared to go some of the way to preserve conventional military operations rights, and in any event, any agreement must include ongoing operations in support of the Vietnam war.

The options available to us are:

(1) Status quo on right to launch combat operations.

(2) Interim rights of free use for a fixed period.

(3) Limited free use of bases for key areas, such as Korea and Taiwan, covering both our bases in Japan and Okinawa.

(4) Current homeland level.

C. Additional Japanese Commitments

The paper lists a number of additional Japanese commitments to be sought in the Okinawa negotiation, relating to both Okinawan reversion and to the extension of Japanese responsibilities elsewhere in Asia. These commitments would not, however, be sought during the reversion negotiation at the cost of necessary military rights.

The Review Group agreed that our priorities among these commitments should be examined in subsequent consideration of our Okinawan negotiating strategy.

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V. Japan's Defense Effort

The key policy issue is whether Japan's present defense forces are adequate in terms of U.S. interests, or whether the U.S. should press Japan to develop substantially larger forces including more forces for regional defense activity in Northeast Asia.

Japan has currently about 231,000 men under arms with the largest non-communist navy and air force in Asia. Although Japan spends only about 1% of GNP on defense, these forces are considered adequate to defend Japan in all conventional contingencies except an all-out Soviet attack. A Japanese decision to make substantial defense increases, going beyond presently planned qualitative improvements, is highly unlikely. But, if such a decision were made, Japan might choose to acquire an independent nuclear capability.

Two broad alternatives are available:

1. Press Japan to develop substantially larger defense forces capable of taking over increased regional defense responsibilities.

2. Continue to encourage moderate increases and qualitative improvements in Japan's defense forces.

The Review Group, except for Treasury, recommended Alternative 2. The Treasury representative indicated his agency's preference for Alternative 1.

VI. Other Major US-Japan Issues

The paper also discusses a range of other issues, primarily economic, that we face with Japan:

A. Trade

B. Balance of payments

C. Aid Policy

D. Relations with Communist China.

The Review Group suggested that the NSC not focus on these issues in the forthcoming meeting, but rather could concentrate on Okinawa and other security issues. It was recognized that these trade and other issues are an integral element of Japan policy and that they should be considered, particularly in connection with developing a negotiating position on Okinawa.