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A HISTORY OF THE
SPECIAL REPRESENTATIVE OF THE SECRETARY OF DEFENSE AND
CHAIRMAN JOINT CHIEFS OF STAFF AND
SENIOR U.S. MILITARY REPRESENTATIVE
OKINAWA NEGOTIATING TEAM
(USMILRONT)

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Prepared by the USMILRONT Staff

Tokyo, Japan

15 June 1972

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EMBASSY OF THE UNITED STATES OF AMERICA
MILITARY REPRESENTATIVE OKINAWA NEGOTIATING TEAM
APO 96503

1 August 1972

MEMORANDUM FOR THE CHAIRMAN, JOINT CHIEFS OF STAFF

Subject: History of the U.S. Military Representative Okinawa
Negotiating Team (USMILRONT) (U)

Reference: Joint Chiefs of Staff msg 6303/092201Z June 1972

1. Authority for disestablishment of the U.S. Military Representative Okinawa Negotiating Team (USMILRONT) is contained in the cited reference. The enclosure has been prepared to serve as a historical record of USMILRONT's participation in the negotiations leading to the reversion of Okinawa to Japan on 15 May 1972.

2. The USMILRONT has been located at the American Embassy, Tokyo, Japan and has functioned as an integral part of the Okinawa Negotiating Team while serving as the Special Representative of the Secretary of Defense and the Chairman, Joint Chiefs of Staff.

3. The enclosure, together with its supporting tabs, provides an account of USMILRONT's participation in the overall reversion negotiations, with special emphasis placed on the development of the "Arrangement Concerning Assumption by Japan of the Responsibility for the Immediate Defense of Okinawa," the Curtis-Kubo Agreement. Additional documentary tabs have been included with the enclosure to assist future research or reporting that may be done regarding military aspects of the reversion.

W. L. Curtis, Jr.
WALTER L. CURTIS, JR.
Vice Admiral, US Navy

Encl: USMILRONT History

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- C AmEmb Tokyo msg 7141/020440Z Sep 69, (S) LIMDIS, Subj: As Okinawa Goes So Goes Japan
- D USMILRONT Ltr to Dir, Jt Staff, dtd 29 Nov 69, (S), Subj: Future US-Japan Defense/Security Responsibilities for Okinawa
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- F Jt State/DOD msg STATE 051278/030358Z Apr 70, Subj: Okinawa Reversion: Negotiating Instructions, (S)
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- PV Okinawa Reversion Agreement of June 17, 1971 and Related Documents, 1 Jul 71, (U), American Embassy, Tokyo
- Q USIS Press Release, dtd 29 Jun 71, (U), Subj: Japan-United States Security Consultative Committee Joint Statement
- R VADM Curtis' Ltr to Mr. Takuya Kubo, dtd 20 Apr 72
- S AmEmb Tokyo msg 4629/190900Z May 71, (C), Subj: JSDF Defense Planning - Okinawa
- T CINCPAC msg 260410Z May 71, (S), Subj: JSDF Defense Planning - Okinawa (U)
- U COMUSJ msg 150531Z Jun 71, (S), Subj: US/JSDF Defense Planning and Implementation - Okinawa Beddown (U)
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- X Jt State/DOD msg STATE 227781/182053Z Dec 71, (S), Subj: Relocation of Navy and Marine Flying Activities from Naha Airfield, Okinawa
- Y Okinawa Reversion Selected Working Documents, dtd 25 Sep 71, (C), Dept of State, Wash D.C.
- Z Okinawa Fact Book, (C), Special Task Group, Office of the High Commissioner, Ryukyu Islands
- AA Treaty of Mutual Cooperation and Security between The United States of America and Japan and Status of Forces Agreement with Related Documents, (U), Headquarters, United States Forces, Japan
- BB Summary of the U.S. Real Estate Program in the Ryukyu Islands, dtd 12 Feb 70, (U)

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- CC Map, U.S. Installations and Facilities in the Ryukyus as of January 1970
- DD Executive J, 92d Congress, 1st Session, Message from The President of the United States transmitting The Agreement between The United States of America and Japan Concerning the Ryukyu Islands and the Daito Islands, Signed at Washington and Tokyo on June 17, 1971.
- EE Executive Rept. No. 92-10, 92d Congress, 1st Session, Okinawa Reversion Treaty, 2 Nov 71
- FF Ex. J. 92-1, 1st Session, 92d Congress, Hearings before the Committee on Foreign Relations United States Senate, Okinawa Reversion Treaty, 27, 28, 29 Oct 71.
- GG Foreign Minister Aichi's Ltr to Ambassador Meyer, dtd 17 Jun 71.
- HH STATE msg 174038/220329Z Sep 71, (U), Subj: Okinawa Reversion Text of President's Transmittal Letter and Ziegler Press Conference
- II Address by Foreign Minister Fukuda at the Ceremony for the Exchange of Ratification Instruments for the Okinawa Reversion Agreement, 15 Mar 72
- JJ United States-Japan Treaties Agreements and Other Documents, 1 Oct 67, Headquarters United States Forces Japan

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Section I - Introduction

Japan's desire to have Okinawa reunited with her four home islands can be traced at least to 1951 when the U.S. - Japanese Peace Treaty was signed in San Francisco, and probably in fact from Okinawa's actual military loss to the United States on 23 June 1945 following an 84 day battle for the island that commenced with amphibious landings on Easter Sunday, 1 April.

The Ryukyu Islands had been administered as an integral part of Japan since 1879 when the Japanese dethroned the Luchu (Okinawan) Prince, pensioned him as other feudal chiefs had been pensioned, and converted Luchu into a prefecture under the name of Okinawa. China contested Japanese possession of the islands, but refused to ratify an agreement signed by plenipotentiaries of both government in Peking which would have divided the islands. Ultimately, in 1895, Formosa also came into Japan's possession, and her title to the whole chain of islands ceased to be disputed.

The Potsdam Declaration of July 26, 1945 limited Japan to the four home islands "and such minor islands as we determine." Subsequently, the Japanese Peace Treaty of 1951 divided Japan's island possessions into two distinct categories. In Article II, Japan renounced "all rights, title, and claim" to a number of islands and island groups, including Formosa, the Kuriles, and the Pescadores. Article III dealt with the second category, including the Ryukyus, and is quoted in part.

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"Japan will concur in any proposal of the United States to the United Nations to place it under trusteeship system, with the United States as the sole administering authority Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of the islands, including territorial waters."

John Foster Dulles, in explaining the treaty to the delegates at the San Francisco Conference, described Japan's relationship to the Ryukyus as one of "residual sovereignty" and in a letter to the Government of India on August 25, 1951 re the future of the Ryukyus, omitted the word "residual" in describing the islands as remaining under Japanese sovereignty. While no specific commitment was made to Japan to return the Ryukyus, Dulles held out the possibility of reversion.

Subsequently, Japan joined the United Nations and the trusteeship issue was thus removed, since under the Charter of the United Nations, trusteeship cannot be imposed on the territory of a member state.

The first explicit statement of U.S. intent to return administrative rights to Japan was made by President Kennedy on March 19, 1962. "I recognize the Ryukyus to be a part of the Japanese homeland and look forward to the day when security interests of the free world will permit their restoration to full Japanese sovereignty." This position was reaffirmed by President Johnson in a Joint Communiqué issued with Prime Minister Sato on November 16, 1967 in which they agreed that

the status of the Ryukyus would be kept under "joint and continuous review." Following such succinct statements of ultimate purpose by two successive U.S. Presidents and the existing social, cultural and economic situation in Japan, pressures began to build in 1967 and 1968 for reversion in the not too distant future. The close ethnic and cultural ties with Okinawa coupled with the resurgence of national self-confidence, a new Japanese nationalism and the increasing use of the reversion issue by leftist elements to place pressure on the government led Prime Minister Sato to say in 1968 that reversion could no longer be delayed. A nationwide poll indicated 80 percent of the Japanese people favored reversion as soon as possible, with a similar consensus claimed among the people of Okinawa. Reversion thus became a major political issue in Japan with Sato's ability to accomplish it a key to his success in the elections of 1969. (1)

U.S. awareness of the increasing urgency of dealing with the reversion issue are indicated by National Security Study Memorandum (NSSM) No. 5 of 21 January 1969 which directed a study of U.S.-Japan issues to include Okinawa reversion and by National Security Decision Memorandum (NSDM) No. 13 of May 28, 1969 in which the President directed that a strategy paper be prepared by the East Asia Interdepartmental Group on this subject. Additionally, various other studies and memoranda were being circulated within the Government which posed, inter alia, that U.S. bases on Okinawa

Note: (1) "Reversion of Okinawa to Government of Japan," Congressional Record-Senate, Apr 7, 1970, pp. S5153-S5162.

would remain "manageable" for no more than three or four years unless reversion occurred, and that it was possible that serious difficulties would be encountered managing the bases from the outset.

Against this background preliminary negotiations began in June 1969 when GOJ FOMMIN Aichi visited the U.S. and talked to the President, the SECSTATE and the SECDEF.

The East Asian and Pacific Interdepartmental Group (EA/IG) in implementing NSDM No. 13 circulated a Strategy Paper on Okinawa Negotiations on 21 June 1969 which was forwarded to the NSC for review. The proposed paper provided a basic strategy, tactics and a negotiating timetable which led up to a late November NIXON-SATO meeting. The NSC Under Secretaries Committee approved the Strategy Paper with little discussion, essentially as written.

Mr. Richard L. Sneider reported to Tokyo in late July as a Special Assistant to Ambassador (A/SA) Armin Meyer for the conduct of US-GOJ negotiation on Okinawa reversion.

On 22 August 1969, Col Elwyn J. Warfle, USAF, formerly JCS J-5, Far East Branch Desk Officer, arrived in Japan as US Forces Japan J-3, and informally served as an advisor to Mr. Sneider.

As negotiations proceeded, the importance of having high level military representation on the negotiating team in the American Embassy in Tokyo became increasingly apparent.

On 31 August 1969, the President announced the appointment of VADM Walter L. Curtis, Jr., USN, to act as the Senior Uniformed Representative

in the conduct of Okinawa reversion negotiations with the GOJ. VADM Curtis, accompanied by Col John W. B. Walters, US Army, as special assistant, reported for duty at the American Embassy, Tokyo on 29 September 1969 and commenced organization for U.S. military participation in reversion negotiations. Terms of Reference (TOR) approved by the Assistant Secretary of State, U. Alexis Johnson, and issued by the Secretary of Defense, Melvin Laird, on 8 October 1969 detailed the functions to be performed by the Special Representative of the Secretary of Defense and the Joint Chiefs of Staff and Senior U.S. Military Representative Okinawa Negotiating Team (USMILRONT). The organization of USMILRONT, established under the Joint Chiefs of Staff, provided for a senior flag officer (grade O9 - VADM Curtis), four officers grade O6 (U.S. Army, Navy, Air Force and Marine Corps), and necessary support personnel. (JCS Msg 5671/032034Z Dec 69).

The USMILRONT TOR at TAB A (JCS Msg 1776 J-5/081956Z Oct 69) stated that, "The primary mission of USMILRONT is to insure that the views of the Secretary of Defense and The Joint Chiefs of Staff are known and adequately considered by the U.S. Okinawa Negotiating Team in the conduct of negotiations between the United States and the Government of Japan (GOJ) with regard to Okinawa reversion." The TOR additionally provided command relationships and specific responsibilities and functions for USMILRONT. Regarding command relationships the USMILRONT functioned as a representative of the Secretary of Defense and the Joint Chiefs of Staff. The USMILRONT administratively was attached to the Office of the Director, Joint Staff.

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While responsible to the Secretary of Defense through the Chairman, Joint Chiefs of Staff, USMILROTF normally received direction from the Director, Joint Staff in coordination with the Assistant Secretary of Defense (Internal Security Affairs) in all matters pertaining to the execution of its mission. Functionally, USMILROTF served as a focal point for military issues as they affected reversion negotiations. It was not intended that it perform military planning or usurp in any way normal military operational planning or established coordination procedures.

The arrival of Mr. Sneider in Tokyo in July initiated a period of rapidly developing negotiations. Basic to this effort was the preparation of a mutually agreed upon Joint Communique for the NIXON-SATO meeting scheduled for 19, 20 and 21 November 1969 in Washington, D.C. This Joint Communique (TAB B) would necessarily state the fundamental principles on which reversion would take place. Establishing these "fundamental principles" and framing the Joint Communique proved to be a difficult and delicate task. The major areas of disagreement that developed in the course of negotiations were:

- (a) the nuclear issue;
- (b) requirement for prior consultation to use forces in support of areas other than Japan or Korea, that is, Taiwan, Vietnam;
- (c) application of the present US-GOJ Treaty of Mutual Cooperation and Security (MST) and the Status of Forces Agreement (SOFA) "without modification thereof;" and,
- (d) financial arrangements which had only been briefly discussed and remained unresolved.

Throughout the period of negotiations leading to the NIXON-SATO meeting and the issuance of a Joint Communiqué, the Japanese remained adamant concerning their opposition to the presence of nuclear weapons on Okinawa. They were equally insistent that prior consultations would be necessary for the use of Okinawa as a base for direct combat operations in areas other than Japan or Korea, except that the U.S. would be permitted to continue support of operation in Vietnam should reversion occur prior to the realization of peace in that country. On this matter, Article 8 of the Communiqué states, in part, that, "The President expressed his deep understanding and assured the Prime Minister that, without prejudice to the position of the United States Government with respect to the prior consultation system under the Treaty of Mutual Cooperation and Security, the reversion of Okinawa would be carried out in a manner consistent with the policy of the Japanese Government as described by the Prime Minister." With regard to the Treaty of Mutual Cooperation and Security and its related arrangements, Article 7 states that, "The President and the Prime Minister agreed that upon return of the administrative rights, the Treaty of Mutual Cooperation and Security and its related arrangements would apply to Okinawa without modification thereof," that is, the exact position posed by FONMIN Aichi in June 1969 for "return within (the) framework of security treaty and related arrangements." (SOFA et al)

Financial arrangements, economic and military, posed a number of complex problems that were not dealt with in great detail at this juncture, but were recognized in Article 10 as subjects for future consultation.

With the issuance of the Joint Communique on 21 November 1971, the foundation had been laid for the reversion of Okinawa upon agreed "fundamental principles," albeit principles carefully phrased to gain acceptance and support both in the United States and Japan. Without prejudicing possible discussion of the entire reversion agreement, it would appear from the outset that the Joint Communique provided an agreement in careful consonance with President NIXON's East Asia Policy, as set forth at Guam, that was domestically acceptable in both countries and was sufficiently broad in scope to permit implementation through detailed joint negotiation. In closing this initial section, attention is invited to American Embassy Tokyo telegram 7141/020440Z Sep 69, (TAB C), subject, "As Okinawa Goes So Goes Japan," for an evaluation of U.S. - Japanese relations at this crossroad, September 1969, prior to the issuance of the Joint Communique on 21 November 1969, the signing of the reversion agreement on 17 June 1970, or the emergence of the economic issues of 1971.

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Section II - Organizational Phase

Immediately following the issuance of the NIXON-SATO Joint Communiqué on 21 November 1969, the Okinawa Negotiating Team at the American Embassy in Tokyo turned its attention to an organizational phase wherein preparations were made for the lengthy negotiations that would be required to translate the Joint Communiqué into an agreement, or series of agreements, that would be approved, as appropriate, by the respective Governments. This involved the preparation and submission of proposed negotiating instructions, and for USMILFRONT, the submission to The Joint Chiefs of Staff, on 29 November 1969, of a paper entitled, "Future U.S. - Japan Defense/Security Responsibilities for Okinawa" (TAB D). Submission of this background paper had been proposed in American Embassy Tokyo 9364/110600Z Nov 69, which was subsequently approved by the Joint Chiefs of Staff. The purpose of the paper was to provide a sanitized version on the above subject for use in discussions with Japan Defense Agency - Joint Staff Office (JDA-JSO) representatives. The paper provided a review of the military and geographic importance of Okinawan bases to the United States in meeting its defense commitments throughout the Western Pacific. Defense missions were analyzed and views were provided concerning possible JSDF assumption of defense functions. In summary the paper posed that:

1. The Japanese should work toward moderate long-term increases in the Japanese Self Defense Force (JSDF) to include appropriate JSDF

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participation in the defense of the Ryukyus.

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2. Allocation of post-reversion defense responsibilities in the Ryukyus should consider deployment to Okinawa of only those Japanese forces which can be accommodated there without serious degradation of regional defense capabilities represented by U.S. forces.

3. The most likely potential areas for introduction of JSDF units appear to be internal security, air defense, maritime patrol, civic action and disaster relief, and search/rescue units.

4. The United States encourage deployment to Okinawa of a small scale JSDF internal security capability (in Japanese constructed facilities) to provide at least token JSDF presence soon after reversion.

5. The United States encourage deployment to Okinawa of JMSDF air ASW units to assist in patrol and security functions in that region.

6. The United States encourage the GOJ to construct and develop another air base in the northern area of Okinawa to strengthen the overall air defense of Okinawa and reduce the load on Kadena and Naha air facilities.

7. The United States encourage the GOJ toward ultimate assumption of air defense responsibilities for Okinawa to include installation of a semi-automatic air defense system compatible with Japan's BADGE and U.S. systems operating in the area.

The paper was reviewed by CINCPAC, who submitted certain comments to the JCS, and with some additional changes was approved by the JCS under DJSN-203-70, dated 6 February 1970. The Assistant Secretary of Defense

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(ASD) (ISA) on 18 November 1970 approved the paper with certain additional changes for use as a general background by USMILRONT during the Okinawa reversion negotiation in Memorandum I-21351/70. (TAB E). This memorandum noted that formal negotiating instructions would be transmitted to the Embassy and USMILRONT via State Department channels, but suggested the inclusion of the words that, "This background paper should serve to supplement these instructions." The ASD memo to the Director Joint Staff modified the JCS position on the basic paper in ten places, most of them minor. However, two significant changes were introduced that were to have far reaching effect.

✓ 1. Deletion of the summary point concerning the U.S. encouraging the GQJ to construct and develop its own air base in the northern area of Okinawa to strengthen the overall air defense of Okinawa and reduce the load on Kadenz and Naha air facilities.

✓ 2. Ruled that the primary function of the U.S. Maritime Patrol Squadron at Naha was not the defense of Okinawa, that is, implicitly indicating that the primary role was a regional defensive role principally in support of the U.S. Seventh Fleet.

Additional changes worthy of note were deletion of all reference to "Japanese constructed facilities," and a clarification of time-phasing of transfer of defense responsibility, that it "should occur as rapidly as possible consistent with Japanese readiness to assume"

Even considering the modifications that were added to the paper, its original thrust was preserved and in retrospect it has served a valuable purpose as a supplement to other negotiating instructions.

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The Secretary of State on 8 April 1970 authorized Ambassador Meyer to begin negotiations with the GOJ of specific arrangements for the return of administrative rights over Okinawa to Japan (SECSTATE WASH DC 051278/080358Z April 70, at TAB F). Particularly significant objectives noted were:

2.A. To retain maximum military flexibility for our Okinawa bases consistent with Communique and Prime Minister SATO's speech of November 21, 1969 and terms of US-Japan Security Treaty.

2.E. To assure public support of continued U.S. military presence.


SECSTATE WASHDC 052620/092313Z Apr 70, Subject: Okinawa Reversion
Position Paper: Transfer of Defense Responsibility, (TAB G), provided the approved position paper for use in negotiating the assumption by Japan of responsibility for the immediate defense of Okinawa. Specifically noted are the four missions that it was expected the Japanese (JSDF) would assume,

- A. Air Defense
- B. Internal Security (or "ground defense")
- C. Harbor Defense, Inshore Patrol, and Maritime Surveillance of Contiguous Waters
- D. Air and Sea Rescue

The position paper envisioned that negotiations on the transfer of defense responsibility for Okinawa to Japan was to be carried out in two phases.

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Phase I: Discussions to be centered on the Military missions to be transferred to the JSDF and the time phasing of the transfer.

Phase II: Following a time phased agreement on assumption of defense, discussions with the GOJ on how best to accommodate JSDF units scheduled to deploy in fulfillment of the assumed mission would be undertaken.

In part the above phasing was to encourage the Japanese to determine their troop deployments based on missions rather than tailoring them to facilities availability. It was further intended to preclude piecemeal discussion of facilities that might be made available by the U.S. for use by the JSDF and avoided displacing U.S. Forces or releasing facilities in a manner that would prejudice the best interests of the U.S. Following completion of the above discussions, negotiations were to be entered into to insure GOJ funding and compensation for U.S. relocations and other costs incurred, or to be incurred, incident to reversion.

Additional negotiating instructions on transfer of defense responsibilities was provided by Joint State/Defense message SECSTATE 110102/101840Z Jul 70, at TAB H. This message approved the JCS/CINCPAC paper entitled, "Japan Self Defense Force Assumption of Defense Responsibility for Okinawa," except that it directed that costs to the U.S. were not to be discussed whether or not these costs were to be funded by the GOJ. It further noted that statements or recommendations concerning costs in the JCS/CINCPAC paper would be reviewed and separate

instructions issued. The most important additional instruction provided in the above message cited was that, as a general rule, the GOJ/JDA should not be requested nor obliged to construct major new facilities. The rationale provided was that in view of the uncertainty associated with U.S. deployments to Okinawa in the 1972 - 1977 time frame and the strong possibility that budgetary restraints in this period might make available to the GOJ the necessary facilities from existing U.S. assets. Specifically it was directed that the USAF F-4 squadron, at that time planned for deployment to Naha Air Base, Okinawa in FY 1973, be deployed elsewhere on Okinawa, thereby making available to the JASDF F-104J squadron the facilities it would have occupied. Similarly it was assumed that the JMSDF P-2J and certain JGSDF light aircraft to be deployed to Naha could be accommodated without the necessity of requesting the GOJ to construct major new facilities there. An exception to not requiring major new construction was at White Beach where only limited existing facilities were available.

At TAB I is SECDEF msg 131553Z Oct 70 (Joint STATE/DEFENSE msg 3342),
Subj: Okinawa Negotiations -- Additional Instruction #2 on Transfer of Defense Responsibilities. Difference in the U.S. and GOJ position on number of SAM units and timing of transfer of the air defense mission necessitated additional guidance at this time. U.S. position was that the JSDF should operate two battalions each of HAWK and NIKE HERCULES and that the JSDF should assume the complete air defense mission within

twelve months following reversion. JDA position was their intent to operate one battalion each of HAWK and NIKE HERCULES and to assume the complete air defense mission, including aircraft control and warning (AC and W), within eighteen months following reversion. The cited instruction authorized the negotiating team to accept as a minimum JSDF SAM deployment of one each HAWK and NIKE HERCULES units (same number of units U.S. operated on Okinawa) if JSDF would agree to assume complete air defense mission within twelve months following date of reversion. It should be noted that the JSDF assumption of this responsibility within twelve months was based on a 1 July 1972 reversion date by the U.S./JDA negotiating team, that is, assumption of the air defense mission by 1 July 1973. Instructions further authorized the release to Japan of the Tokashiki Island Air Defense Site, a parcel of land desired for establishment of a National Youth Hostel. The site was in fact released but the hostel has yet to be established.

Section II has attempted to provide a background to the negotiating objectives and instructions for the transfer of defense responsibility for the Ryukyu Islands to the GOJ. Section III will discuss the closely related issue of planning for the transfer of this defense responsibility. Section IV will deal with the actual negotiations.

Section III - Planning for Transfer of Defense Responsibility

Planning for a Reversion Planning Conference, tentatively scheduled to be held in mid January 1970, was initiated in early October 1969 concurrently with completion of arrangements for the NIXON-SATO Meeting that was held in Washington, D.C., 19 - 21 November 1969. Minister R. L. Sneider, the Ambassador's Special Assistant (A/SA) for Okinawa Reversion Affairs, proposed at a meeting of the SOFA Task Group (STG) on 28 October 1969 that a conference of appropriate planners from State, DOD, CINCPAC, USFJ, Embassy and Okinawa be held in Okinawa in mid-January to review the entire scope of reversion planning. He outlined a tentative agenda as follows:

- a. Transfer of Administrative Authority
- b. SOFA Problems
- c. Transfer of Defense
- d. Overall (reversion) Agreement
- e. Organization Arrangements
 - (1) US
 - (2) GOJ
- f. Relocation and consolidation of U.S. Okinawa Bases. (1)

On 16 December 1969, at a meeting held with LTG Lampert, Colonel Meads, and Minister Schodt, Mr. Sneider outlined the conference purposes as follows:

Note: (1) "Memorandum of Conversation," STG Meeting with Minister Richard L. Sneider and VADM Walter L. Curtis, 28 October 1969

"(1) To get everyone involved in reversion planning together and develop a sense of coordination among the people in this area. This is particularly important since there seemed to be no clear lines of command at this stage.

(2) To develop working papers and bring together thoughts on what positions we might take during the negotiations. In some areas we may reach a consensus while in other areas we may be able to do no more than define problems. But, since Washington makes decisions on the basis of solid information and considered judgments, it is important that we bring our minds together on the problem we are facing." (2)

It was further agreed that the conference would be loosely structured, permitting participants time to confer with counterparts and other agencies on island, as well as with other conference participants. It was agreed there would be no formal, complete record of the conference, but rather a brief summary memoranda of each session prepared to be available to the conferees at the close of each day's session. In addition a final summary session and summary memorandum would be prepared dealing with all previous sessions and previous discussion papers.

Mr. Sneider reminded the Directors that the conference papers, due on 5 January 1970, were to be finished products while remaining

Note: (2) "MEMORANDUM OF CONVERSATION," PREPCOM/SYMLINGTON
Hearings, 16 December 1969.

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working papers and that final decisions for the particular issues on which the papers were written should not be reached, but rather, alternate proposals should be provided for decision. (3)

The conference was held January 12 - 14, 1970 at the High Commissioner's Headquarters at Sukiran, Okinawa.

Individuals taking part in the three-day meeting in addition to the High Commissioner included Minister Richard L. Sneider and Vice Admiral Walter L. Curtis of the American Embassy, Tokyo; Dr. Dennis J. Doolin, Deputy Assistant Secretary of Defense for International Security Affairs, DOD; Robert A. Fearey, Civil Administrator of the Ryukyu Islands; Richard B. Finn, Country Director for Japan, Department of State; Maj. Gen. Wesley C. Franklin, Chief of Staff, U.S. Forces, Japan; Rear Admiral L. R. Vasey, Assistant Chief of Staff for Plans, CINCPAC; Rear Admiral H. H. Epes, Chief, Far East Division, J-5, Office of the Joint Chiefs of Staff; Edward O'Flaherty, Special Assistant to the Director, Office of the Deputy Chief of Staff for Operation, International Affairs, Department of the Army; Edward O. Freimuth, Assistant to the Deputy Undersecretary of the Army for International Affairs; W. M. Meaut, Chairman, Pacific Command Joint Civilian Employees Advisory Group, CINCPAC; and E. A. Rogner, Installations and Logistics, Office of the Assistant Secretary of Defense.

Note: (3) "MEMORANDUM OF CONVERSATION," Minister Richard L. Sneider and VADM Walter L. Curtis Meeting with the CA and USCAR Department Directors and STG, 17 December 1969.

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TAB J, "Report on the Okinawa Reversion Conference" provides Minister Sneider's summary of the conference to Ambassador Meyer. Particularly significant is paragraph III (b), Transfer of Defense Responsibility and Relocation of Facilities, and Section IV -- Summary of Key Problem Areas. Paragraph III (b) notes, inter alia, that "in principle agreement" was reached that defense responsibilities, including AC and W and air defense, should be transferred as rapidly as possible to the GOJ. Timing of this assumption of defense responsibility by the GOJ became an issue later in the course of negotiations and during implementation. TAB D to TAB J above, provides the report from the final summary session which concluded the conference. At TAB K are individual topic summaries and organizational papers. TAB L, Okinawa Reversion Planning Conference (U), (Msg Tokyo 269/191000Z Jan 1970) provides USMILRONT general impressions arising from the conference.

In summary, the conference was assessed as having provided an opportunity for disparate elements from Japan and Okinawa to meet with their Washington counterparts and discuss common problems. Above attachments furnish detailed information regarding the conceptual planning that was accomplished regarding transfer of defense responsibility.

Essential to any consideration of planning for the transfer of the defense responsibility is an appreciation of the role that has been played by the Status of Forces Agreement (SOFA) Task Group (STG). The STG is a binational body which has met in Tokyo to conduct negotiations on SOFA matters. It was early accepted by the USG that the existing

STG



Joint Committee arrangement that functioned in Japan had, in general, been so favorable to the USG that it would be unwise to attempt to alter drastically this arrangement in an attempt to obtain more favorable terms for Okinawa when in fact opening the issue might result in the GOJ attempting to modify the SOFA to the U.S. detriment in Japan as well as in Okinawa. TABs M and N set forth SOFA Task Group Organization and Functions and Status of Forces Advisory Committee Terms of Reference, respectively. It should be noted that the SOFA Task Group conducts the majority of its business through sub-committees composed of technical specialists for a given area.

The final consideration to be mentioned in the planning period was the approval by STATE/DOD of the MILRONT defense study (Future US-Japan Defense Security Responsibilities for Okinawa) in March 1970. (TAB E). This approved study provided a basis for initiating dialogue with the JDA and as a spring-board for initial planning for the transfer of Okinawa's defense mission to the GOJ. Detailed negotiating objectives were drafted and submitted to Washington for approval. The objectives were generally approved with instructions transmitted to the negotiating team in May 1970. Concurrently with these actions was the drafting of the reversion agreement by the U.S. side. Actual detailed negotiations commenced in May and June of 1970.

Section IV - Negotiations

Meetings with JDA were initiated in May of 1970 to negotiate separate subsidiary agreements guided by the NIXON-SATO Communique of November 21, 1969. (TAB B). General objectives, as previously noted, were to:

1. Retain maximum military flexibility for Okinawa bases.
2. Assure public support of continued U.S. military presence.

To accomplish this it was necessary to negotiate specific agreements:

1. SOFA agreement (originally thought was given to modifying the SOFA; however, the philosophy of "HONDONAMI" (Homeland level) was accepted and the SOFA is to be applied almost exactly as it is used in Japan.)
2. Japanese assumption of responsibility for Okinawan defense (an orderly transfer of local defense). (1)

Missions to be assumed by the JSDF were to be limited to:

1. Air Defense
2. Internal Security
3. Harbor Defense, Inshore Patrol and Maritime Surveillance
4. Air and Sea Rescue

Note: (1) State/DOD msg 080358Z Apr 1970.



In addition it was desired to obtain a time phased schedule for the defense assumption and to arrange for payment by the GOJ to the USG for movable air defense equipment excess to U.S. needs. (2)

The formal exchanges between MILRONT and JDA consisted of a series of discussion referred to as the Curtis - Shishido/Kubo Meetings (Mr. Kubo replaced Mr. Shishido as Chief, Defense Bureau effective 1 January 1971, and acted for the 7th and subsequent meetings). Minutes of all but the second meeting are appended at TAB O. Documents relating to the second meeting are provided in place of actual minutes. It should be noted that a number of these records are translations of the Japanese minutes, edited and verified by the MILRONT Staff. The vast majority of the detailed negotiating and drafting was performed between elements of the MILRONT Staff and the JDA Team, thus the nine meetings merely served to formalize and highlight this continuing staff effort.

Meeting 1 - 26 May 1970

The initial meeting opened with Mr. Shishido's presentation of a paper entitled, "Defense of Okinawa," attachment 1 to the minutes of the first meeting. This paper stressed that the GOJ considered the defense of Okinawa to be a part of the defense of Japan, limited by the same factors, and that decisions regarding Okinawa had to be made in consonance with homeland defense considerations. It was also pointed

Note: (2) State/DOD msg 092313Z Apr 1970.



out that Okinawan defense should be considered in the context of the Fourth Defense Buildup Plan (4th DBU). The paper closed with a brief resume of the 3,300 personnel which it was planned would be deployed during the first year and mentioned the "assume gradually" phase in the NIXON-SATO Communique.

VADM Curtis summarized briefly U.S. defense policy, the implications of the Nixon Doctrine, the importance of Okinawan bases in our lowered Pacific posture and the importance of increased defensive capability by the JSDF in assuming responsibility for Okinawa defense as soon after R-day as possible. With reference to the 4th DBU, VADM Curtis noted that some aspects of the budget and "hardware" problems would have to await the decision on this plan. However, it was noted that the U.S. considered that the matter of SAM defense would have to be resolved in large part prior to the time a decision was made.

It was stressed that the U.S. considered it urgent that plans for the proposed GOJ initial deployments (Phase I) be received prior to a great deal of consideration of the availability of facilities in Okinawa to accommodate the JSDF. It was further noted, notwithstanding the wording of the Joint Communique, that is, "following reversion assume gradually," that it would be necessary to be more definitive and perhaps further refine what is meant by gradually.

It was concluded that the next meeting was on call after all papers had been studied.

Meeting 2 - 19 June 1970

Summary of meeting taken from Tokyo 4580/200530Z of June 20, 1970, paragraphs 1 through 8:

1. In meeting with USMILRONT 19 June, JDA Defense Bureau Director Shishido generally confirmed as a basis for planning the force listings and strengths of intended initial JSDF deployments reported in ref and reflected in planning document mailed under USMILRONT memo of 13 May 70 (NOTAL). Shishido stated troop strength of 3,360 (GSDF - 1,150; MSDF - 780; ASDF - 1,430) was subject to minor change in the course of budget processing and later formal higher level GOJ consideration. He intends provide memorandum confirmation of initial intended deployments in few days after clearance with other GOJ agencies. Our planning for accommodations of initial JSDF units on Okinawa and transfer of defense responsibilities should continue on the basis of information we now hold and in light of following comments.

2. JDA original deployment scheduling reflecting rather sizeable buildup prior to reversion date with main forces closing shortly thereafter appears overly optimistic. Actual deployment timing, as plans are refined, will to some extent be conditioned on availability of facilities and time required for any new construction, including the 500 foot runway extension at Naha for F104J. From Shishido discussion JDA still thinking in terms of positioning on Okinawa prior to reversion some non-combat personnel to supervise construction and prepare for receipt of units building up preparatory detachments gradually to modest figure by R-day.



Shishido stated JDA intent to complete unit deployments within quote about unquote six months after R-day, dependent primarily on availability of facilities (although caveat allows for some slippage, Shishido maintained JDA goal still was to complete deployments within the six month period following R-day).

3. Early identification by the U.S. of specific facilities and areas to be made available to accommodate initial JSDF deployments is important factor in further deployment scheduling since JDA wishes include any necessary construction funding in JFY 71 budget. (Note: JDA budget submissions should be made in about one month, therefore JDA is working on end of July target date leaving minimal time for surveys and data collection.)

4. Shishido reiterated that total forces to be deployed to Okinawa would be considered as part of the entire defense structure of Japan and that their size would have to be decided within the context of the new five year Defense Buildup Plan starting from JFY 72. JDA outline of new buildup plan should be available about October for discussion with U.S. Plan will be processed through GOJ in the fall with approval scheduled for spring (May) of CY 71. Forces with which we are now working represent only the initial stage deployments intended immediately following reversion.

5. There is general agreement by JDA as to defense functions to be assumed on Okinawa and this is evidenced by the types of units scheduled for initial deployment. (It must be noted, however, that internal security

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is primarily a Japanese National Police function and responsibility for air sea rescue operations involving non-military incidents rests with Maritime Safety Agency.) Time phasing of mission assumption will be the subject of further discussion and must be worked out on the basis of unit arrivals on Okinawa and force readiness.

6. Of prime importance are the discussions of the lag in surface-to-air missile unit deployment which have been opened. In subsequent meetings with Shishido intend to explore possible solutions. For this purpose we will need at early stage information previously requested on hardware availability and cost.

7. Apparent JDA inability to handle total Okinawa defense force package in other than 4th Defense Buildup, completion of which is somewhat down the road, leads to believe we should proceed on the basis of initial deployment schedule and develop plans for accommodating those forces on Okinawa so as to maintain momentum.

8. If initial deployment program appears acceptable for planning purposes, recognizing it is still subject to some change, recommend we be provided information for discussion with JDA concerning facilities and areas to be made available for JSDF occupancy. Believe such discussion now necessary to arrive at meaningful force levels and deployment timing.

The second meeting was particularly significant in that it brought into focus a number of important issues upon which there existed a difference of position between the U.S. and GOJ negotiators. These differences centered on considerations regarding JSDF forces to be

deployed and their accommodation on Okinawa. The meeting itself was relatively short, but is noteworthy for what transpired prior to and following the meeting. Documents, other than the above quoted message summary, concerning this meeting are included in sequence at TAB O as, "Documents Relating to the Second Curtis-Shishido Meeting, 19 June 1970."

Preliminary discussion prior to the meeting had centered on JSDF forces to be deployed to Okinawa. The substance of Mr. Shishido's letter of 22 June, 1970, the receipt of which had been anticipated at the meeting on 19 June and which is included at TAB O, had been communicated to MILRONT and a reply had been prepared to be presented to the Japanese side at that meeting. However, while the Shishido letter of 22 June was presented, almost in its entirety, at the 19 June meeting, the Japanese side did not formally offer the letter and consequently the anticipated exchange of letters did not take place on that date. Subsequently, the exchange of letters took place as indicated at TAB O. American Embassy Tokyo telegram 4650/230900Z June 1970, at TAB O, provides USMILRONT's verbatim forwarding of the Shishido letter to Washington together with appropriate comment. Minutes of an informal meeting between MILRONT and JSO negotiators held on 29 June are also provided at TAB O.

Particularly significant issues and consideration that arose regarding this second meeting was the obvious behind the scene participation of the Foreign Ministry (Mr. Chiba and Mr. Miyakawa of the Security Division) evidenced by the legalistic discussion concerning usage of the term

"memorandum" vis-a-vis "letter" and their concern regarding the use of the term "agreement," possibly connoting Government-to-Government agreement, expressed in the minutes of the liaison meeting of 29 June. U.S. concern centered on the apparent foreshortening of the statement of functions associated with assumption of the defense mission set forth in the enclosure to Mr. Shishido's letter and the absence of any reference to providing for surface-to-air missile units.

Underlying these issues was the basic consideration that it was necessary for some agreement to be reached regarding what forces would be required to fulfill the agreed to mission prior to determining what bases (facilities and areas) would be required to support these forces. The GOJ tended to want to identify bases and facilities for their use and then to tailor force deployments to meet base capacity rather than to tailor forces to mission requirements and then determine support requirements.

Additionally, Mr. Shishido stressed that total forces to be deployed related directly to the entire defense structure of Japan and that their size would have to be decided within the context of the 4th Defense Buildup Plan commencing from JFY 72 (1 April 1972). Delays in Diet approval of the 4th Defense Buildup Plan subsequently occasioned delays in final approval of forces to be deployed.

Meeting 3 - 21 July 1970

Summary of meeting taken from Tokyo 5572/220810Z of July 22, 1970, paragraphs 1 through 4:

1. During meeting 21 July between USMILRCNT (VALM Curtis) and JDA Defense Bureau Director Shishido, general U.S. proposal authorized by ref A for accommodating initial JSDF deployments to Okinawa, provided by ref B, was presented as summarized below.

A. GSDF main units at Naha Wheel -- no major new construction required. Accommodation of GSDF rotary and fixed wing aircraft to be developed during detailed planning.

B. MSDF ASW Det (6 - P2J aircraft) at Naha Air Base in existing assets. Use of portion of U.S. Navy White Beach area acceptable with reservation of USN/USMC preemptive rights to pier -- construction by JSDF will be required since no facilities exist. Accommodation of small ships within Naha Port complex will have to be worked out as detailed plans are developed.

C. ASDF F-104 squadron and miscellaneous aircraft in existing facilities at Naha Air Base -- no major new construction required.

D. JASDF personnel should be introduced into AC&W sites incrementally with corresponding reduction of USAF personnel -- initial introduction at Yoza Dake desirable.

2. It was pointed out to Shishido that U.S. proposal was developed with view to avoiding acquisition of new land and, where possible, need for any major new construction. Additionally, consideration had been given the JDA for distinctly identifiable facilities and areas. Shishido expressed appreciation on behalf of JDA Director General Nakasone for the foregoing considerations.

3. Shishido commented that the U.S. proposal provided a good planning basis for satisfying the military requirement, but would require further study within the GOJ. He expressed a desire to have as soon as possible, particularly for budgetary planning purposes, further specifics as to exact areas, buildings, etc., encompassed by the U.S. proposal stating the JDA would like to proceed quickly to make an on the spot survey with the U.S. the areas and facilities concerned (para 3, ref b, pertains). Provision of such information also will facilitate progress on determining time phasing of deployments and assumption of defense tasks.

4. Anticipate early next meeting with Shishido at which main topic will be concept for transfer of air defense responsibility. Information mentioned in para 1d, ref a, on possible sale of equipment is needed.

Meeting 4 - 26 August 1970

Summary of meeting taken from Tokyo 6747/310853Z Aug 1970, paragraphs 1 through 8:

1. Fourth in series of meeting between USMILFRONT (VADM Curtis) and JDA Defense Bureau Director Shishido was held 26 August 1970 during which discussion centered on guidance for development of detailed plans for transfer of Okinawa air defense responsibility to Japan. Principal issues were: Level at which planning should be accomplished; timing of transfer air defense mission; possible purchase by Japan of SAM AC&W and command and control equipment now on Okinawa; and phasing of JSDF air defense developments.

2. General agreement was reached that detailed plans for transfer of the air defense mission should now be developed in concert by JSDF and U.S. military planners. For this purpose a JSDF planning group will be designated to work with CGAUSJAPAN/5th AF (CINCPAC's in-country representative) assisted by 30th Army Brigade on Okinawa or whomever CGUSARYIS may designate. Shishido expressed interest in having completed plans available by earliest practicable date for consideration at JDA - USMILRONT level. (Make-up U.S. planning group coordinated with COMUSJ and HICOM).

3. Used opportunity to plug U.S. objective of seeing Japan extend BADGE and WESPACNORTH compatibility program to Ryukyus at early date. Shishido viewed this matter as being covered automatically by extension or present agreements and stated that modernization will be studied in future. He took position that not actually associated with reversion negotiations and stated GOJ interested in details of existing system only. We reiterated objective still valid goal for area security and expressed hope GOJ would consider this modernization in 4th DBU plans.

4. To surface JDA thinking regarding time frame for JSDF assumption of the air defense mission, USMILRONT proposed that planning be pointed toward takeover within one year following reversion. Shishido states that careful review of JSDF total capabilities indicates inability to assume all elements of the air defense mission within one year and prefers to state the planning goal as "by the earliest practicable date." Salient factors are: the proposed F-104J FIS can be operational

on Okinawa within about six months following reversion (this has been stated previously); it appears that the in-place HAWK Battalion can be taken over within about 18 months; and phased assumption of the AC&W functions can be completed within slightly less than 18 months. All but the proposed FIS deployment has been discussed on a strictly informal basis and is subject to refinement during the planning process.

5. With regard to SAM Shishido stated that overall planning for defense of Japan calls for deployment on Okinawa of one NIKE Bn and one HAWK Bn. He further stated that JDA is interested in the in-place SAM and AC&W equipment now manned by the U.S. on Okinawa, subject to agreement on costs, arrangements and conditions, and requested details. (Comment: USMILRONT plans to discussion equipment purchase with Shishido along lines in SECDEF 7552/142331Z Aug 70 at next meeting scheduled for 3 Sep and ahead of Nakasone Washington visit. This matter is being handled in coordination with MDAO).

6. Given the Japan penchant for discussion of detail ahead of broad principle it will be necessary to identify reasonably soon major items included in SAM and AC&W equipment package proposed for sale. Information to support discussions is being requested by SEPTEL. Provision for a joint inventory of equipment on Okinawa in connection with transfer and acceptance was readily accepted; however, it is virtually certain that JDA will wish in about one month to send a small team to visit SAM and AC&W sites on Okinawa. Believe the latter visit will not only be essential to JDA discussion of purchase, but will be

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necessary to development of detailed plans for phasing of JSDF deployments. Matter will be coordinated through CCMUSJ and CINCPACREPRY during the planning process.

7. Discussion with JDA regarding the number of SAM units to be deployed to Okinawa (beyond JDA stated one NIKE and one HAWK Bn) and possible deployment of Vulcan Chapparal will be continued in accordance with negotiating guidance. USMILRONT position with JDA is that matter remains open and means by which additional deployments may be realized should be explored in detail. Any change in current JDA plans will be a major undertaking by the GOJ and will require its consideration of Okinawa as an exceptional case in the context of the overall defense of Japan.

8. Current intentions are:

A. Reach early agreement with JDA to permit detailed planning to get underway for JSDF assumption of Okinawa air defense mission (para 2, above, pertains).

B. Continue discussions as to number of SAM units needed for air defense of Okinawa and timing of AC&W mission assumption.

C. Pursue proposal for sale of SAM and AC&W equipment in place on Okinawa as well as possible purchase by Japan of additional necessary equipment.

Meeting 5 - 3 September 1970

Summary of meeting taken from Tokyo 6987/050315Z September 1970, paragraphs 1 through 7.



1. Fifth in series of meeting between USMILRONT (VADM Curtis) and JDA Defense Bureau Director Shishido was held 3 September 1970 as follow-up on issues reported in ref A. Agreement was reached on guidance for US/Japan Working Group in preparing detailed plans for transfer of Okinawa air defense responsibility and JDA position on timing of transfer of the air defense mission was reviewed. Approximate cost data on SAM equipment were presented (Refs C and D pertain).

2. Preparation of detailed plans for transfer of Okinawa air defense responsibilities is to begin promptly and be completed by the earliest practicable date (para 2 ref A pertains). Copies of agreed planning guidance being forwarded to above action addresses, CINCPAC, CINCPACREPRY and COMUSJ. The number of JSDF SAM units and the time required for them to become operational on Okinawa were recognized as key planning factors requiring early resolution.

3. Reopened issue of time frame for JSDF assumption of air defense mission drawing on recent discussion Ambassador Meyer and FORMIN Aichi during which latter expressed view this may be completed within 18 months from reversion date. Shishido stated 18 month period was JDA goal for AC&W and SAM but confirmed that JASDF F-104 squadron would be mission capable within about six months after reversion. Timing for transfer of air defense mission is coupled with problem of numbers of SAM units Japan desires to provide on Okinawa. It was suggested to Shishido that the GOJ timing objective could arise during Nakasone Washington visit. Shishido agreed to discuss this matter again with Nakasone. USMILRONT continues to examine means whereby JDA could assume

air defense mission in one year.

4. With reference to the above 18 month goal, Shishido clarified that this pertained only to the GCF presently stated objective force level calling for one each NIKE and HAWK SAM Battalions. Shishido emphasized currently intended deployment of the one NIKE and one HAWK Battalion for Okinawa within an 18 month time frame is the result of careful study and reprogramming of assets originally planned for the Sapporo/Chitose area in Hokkaido. (Comment: This drawdown of homeland defenses accords a higher priority to Okinawa than the Japanese would desire.) USMILRONT reiterated U.S. position that defense requirement was minimum of two each (HAWK - NIKE) Battalions suggesting this might also be topic for discussion during Nakasone visit to Washington.

5. Before basic difference on SAM leads to hiatus in planning believe consideration should be given to next move in addressing JDA opposition to U.S. objective of 4 SAM Bns. USMILRONT has offered rationale that increase including desirability of Vulcan/Chapparal attributed to anticipated drawdowns of air defense capability incident to reversion (loss of nuclear capability). Have proposed following method of deploying 4 SAM Bns:

A. Initial 2 JSDF Bns occupy vacant SAM sites and facilities.

B. Follow-on JSDF units take over currently occupied sites and equipment as U.S. units are redeployed.

u.s.
4 Bns
JA
ZAM

6. This procedure would accommodate deployment of JSDF units as rapidly as possible within present guidance to ensure minimum degradation of air defense capability. It is also considered to be consistent with U.S. interest in the sale of SAM equipment whether it be the Okinawa system or other assets. To sell first the existing deployed system would weaken chances of obtaining Japanese acceptance of 4 battalion level and precludes the flexible option of the U.S. Army maintaining its two conventionally equipped battalions during the period that the JSDF units are becoming operational. In other words, it should be made clear that in discussing possible sale of the existing systems that we view such a sale as the means of JSDF attaining the 3rd and 4th battalions.

7. In order to best pursue currently stated negotiating objective of encouraging GOJ deployment of two NIKE and two HAWK Battalions plus desirability of a Vulcan/Chapparral Bn, propose to continue discussions with emphasis as follows:

A. Purchase of supplementary equipment and initial occupancy of vacant SAM sites (five NIKE -- four HAWK).

B. Followed by purchase of current U.S. SAM assets on Okinawa and phased takeover as U.S. personnel are withdrawn. (Time by which this phase could be completed cannot be determined at this time; however, current indications are that time period would be considerably more than 18 months).

C. Purchase and takeover of ACEW system as early as practicable, possibly within 13 - 15 months following reversion.

D. Purchase and takeover of SAM command and control system along with takeover of current U.S. SAM assets on Okinawa.

E. Continue to explore personnel and training which is major JDA problem.

Meeting 6 - 18 November 1970

Summary of meeting taken from Tokyo 9391/200518Z November 1970, paragraphs 1 through 6:

1. Sixth in series of meetings between USMILRONT (VADM Curtis) and JDA Defense Bureau Director Shishido was held 18 November 1970. Basic U.S. effort was to press for agreement on reversion plus one year schedule for transfer of Okinawa air defense responsibility (ref pertains). Discussion was held on sale of in-place Okinawa SAM and AC&W assets. JDA used occasion to brief U.S. side on scope of Fourth Defense Buildup as it relates to SAM's and Okinawa deployments. Essential thrust and intent of brief was to justify their rigid stand on two battalion SAM force (one each NIKE and HAWK).

2. Shishido summarized 4th DBU goals applicable to Okinawa which provide for buildup to an eventual JSDF strength of 6,800. This includes manning of SAM and AC&W sites, follow-on minor support elements and "fleshing out" initial deployments reported previously. End programmed strengths are: GSDF - 1,800 (including 1 HAWK Bn); MSDF - 1,000; ASDF - 3,900 (including 1 NIKE Bn and 4 AC&W sites). Planned total Japan air defenses at end of 4th DBU (JFY 76) is: 10 FIS (4 F4J sqd - 6 F104 sqd); 7 NIKE Bn; 8 HAWK Bn; 28 radar sites. Of foregoing total

1 FIS sqd, 1 NIKE Bn, 1 HAWK Bn and 4 radar sites will be deployed to Okinawa. Shishido concluded with rationale that planned Okinawa air defense are comparable with Japan's overall defenses considering the "importance of political and industrial situation and location of the principal military bases of JSDF and USF in whole Japan, including Okinawa."

3. In response to JDA presentation we took position U.S. might accede to one-and-one SAM posture, based on purchase and takeover of in-place SAM and AC&W, if GOJ would agree to pick up overall air defense mission within one year after reversion. After some hedging over such uncertainties as FINMIN approval of JFY 71 budget request, final action on 4th DBU and actual reversion date, JDA suggested that perhaps takeover of air defense within one year might be more feasible from an R-day of mid 1972 or later. In consideration of the foregoing, as well as budgetary and training lead-time requirements, we suggested planners assume 1 July 1972 as earliest R-date; any slippage would favor accomplishment of one year air defense mission assumption. This assumption, plus awaited guidance on facilities issue, will permit detailed planning to resume. When pressed on need for some definite commitment to allay congressional concern, Shishido would only say that in his opinion Japan would try to have the necessary forces deployed to Okinawa within period of R plus one year.

4. Essentially, JDA problem regarding assumption of air defense mission at R plus one year lies within JASDF manning of NIKE sites and

possibly the AC&W sites. Operational dates for the FIS and GSDF HAWK units are not seen as problem. Also detected is deep-seated desire of JSDF leaders wanting forces to make best possible appearance in Okinawa and not become target of critical review by Japanese or Americans as a result of any difficulties which might be encountered in achieving desired level of combat readiness. Of particular concern is period from time NIKE and AC&W are fully manned (which we believe can be one year after reversion) until full team work has been established, ASP completed and desired state of combat readiness achieved (R plus 15 - 18 mon). Believe our continued assurance of US cooperation during the training and takeover period will allay this concern as planning progresses.

5. JDA position on purchase of SAM and AC&W assets reported as quote basically, would like to buy -- however, final decision can only be made after review of definitive inventory unquote. They also interested in making actual inspection of equipment (on site survey previously mentioned) after receipt of detailed inventory. Believe U.S. Air Force and Army custodians of above assets in Okinawa can provide at early date confirmation of DOD inventory records on NIKE equipment and provide detailed listing of AC&W equipment intended for inclusion in 6.2 million dollars and 6.55 million dollars packages respectively. We attempting to do this through detailed planning teams now engaged in Japan and Okinawa. JDA appears satisfied with inventory and price breakout for HAWK Battalion as previously provided. To date there has been no indication that they may wish to negotiate on the offered

price of any of these systems; instead they more concerned with what is in package and condition. Believe it timely to plan joint on-site survey of potential sales assets by those to be named who would conclude sales transactions.

6. On balance we believe that GOJ will wish to purchase aforementioned air defense assets on Okinawa and JSDF can attain mission capable status by R plus one. However, we must recognize possibility of a period of marginal NIKE capability and need, depending on international situation, to defend our own forces and bases. It appears that the principal reason JDA cannot be more forthcoming at this time is risk of becoming committed before PERMIN acts favorably on current budget request. There is perhaps a valid concern that premature statement could impact adversely on present force structure and on their attaining overall 4th DBU goals.

Meeting 7 - 18 January 1971

Summary of meeting taken from Tokyo 565/200900Z January 1971, paragraphs 1 through 5:

1. Seventh in series of meeting between USMILROBT and JDA Defense Bureau Director (now Mr. Kubo who replaced Shishido first of year) was held 18 January 1971. Purpose of meeting was to review progress made by Air Defense Planning Group. Kubo summarized JDA plans to assume Okinawa defense responsibilities one year subsequent to reversion stipulating certain unavoidable conditions which was hoped U.S. could accept such as less than 100 percent certified combat readiness of one of



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three NIKE Batteries and AC&W manned at 85 percent U.S. level. Kubo stated these quote imperfect unquote conditions would be short lived, however, and JDA was of opinion that Japan could assume the air defense mission by July 1973. U.S. side took position that while pleased with timing objective, it premature to comment on conditions; that matter was under detailed study by the defense experts, and that further clarification of these possible deficiencies, as well as possible means of offsetting them, appear in order.

2. Concerning possible purchase of SAM and AC&W assets on Okinawa, Kubo restated GOJ hope to purchase all movable equipment now in use by U.S. JDA wishes to discuss price after survey and inspection of condition and reminded U.S. side that GOJ still not in receipt of some details, e.g., offered price of RTS; inclusive nature of sales package including level of spares, test equipment, etc.

3. Kubo reiterated need for more precise information on facilities and areas for JSDF, citing need to get on with actual deployment scheduling, planning for any needed modifications to existing structures or new construction and determination of funding requirements. He confirmed that initial deployment (first six months) personnel strength would total approximately 3,200.

4. Kubo made strong pitch along line that it necessary they begin on-site pre-construction research as early as June or July 71 for runway extension at Naha Air Base with a view to starting construction probably in December 1971. We responded that there should be adequate time to begin

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construction after any U.S. congressional consideration of reversion agreement -- assuming this likely to occur by July 1971. Also offered that extensive engineering data available concerning Naha Air Base topography, sub-soil conditions and other technical data we willing to turn over. Additionally stated we would study impact on operations of their proposed survey.

5. Kubo closed meeting with note of reassurance that JDA understands importance of Okinawa bases to U.S. as well as to Japan and security of Far East stating U.S. should not worry about future defense of Okinawa. Comment: Kubo, who has served previously in JDA, appears fully conversant with past developments and understandings reached during defense discussions. He approaches problems positively and evidences a willingness to make decisions. Expect no loss of momentum due his replacing Shishido.

Meeting 8 - 29 May 1971

Summary of meeting taken from Tokyo 5734/150743Z June 1971, paragraphs 1 through 6:

1. Eighth in series of meetings between USMILROTC and JDA Defense Bureau Chief (Curtis - Kubo) was held 29 May which is reported herewith incorporating subsequent clarifications and discussions. Principal topics were the GOJ desire to have the arrangement for Japanese assumption of Okinawa defenses initialed on reversion signing day (17 June) with formal signing following 29 June SCC meeting, purchase of U.S. SAM and AC&W assets on Okinawa and future JSDF bed-down planning.

2. Mr. Kubo expressed on behalf of JDA Director General Nakasone appreciation for development of the arrangement for assumption by Japan of the defense of Okinawa and stated JDA's complete satisfaction with the document. He reported on the results of the 28 May GCJ Ministers Conference (FONMIN Aichi, FINMIN Fukuda, Director General Nakasone and Director of Cabinet Secretariat Hori) at which the Defense Arrangement was approved. Mr. Kubo states that approval had been granted for him to sign the document with ADM Curtis. He explained the GCJ desire that the Defense Arrangement be initialed on reversion signing day with formal signature connoting government-to-government level reserved for the 29 June SCC meeting. (Comment: Subsequent scenario worked out by Embassy and FOMOFF, as reported separately, provides for Curtis and Kubo signature at 29 June SCC meeting with a preamble added to the Defense Arrangement document reflecting SCC consideration (ref A pertains). It is planned that the document be initialed by Curtis and Kubo on 17 June during a short private ceremony at JDA. Document is now being prepared in formal format in both Japanese and English texts.)

3. Mr. Kubo reiterated previous understanding that JSDF ability to assume the defense of Okinawa within one year following the date of reversion and to accomplish certain deployments within six months of reversion were predicated on an assumed reversion date of 1 July 1972. Neither could be accomplished within those time frames, if reversion came earlier. USMILFRONT confirmed the U.S. understanding that commitment on timing dates from 1 July 1972. (Comment: Although JSDF might deploy some minor units within six months of an earlier reversion date, major

concern is that air defense takeover and complete assumption of Okinawa defense cannot be accomplished prior to 1 July 1973. Believe timing adequately covered in Defense Arrangement -- Kubo was only seeking reassurance.)

4. Concerning purchase of SAM and AC&W equipment on Okinawa, Mr. Kubo stated JDA had FIRMEN approval on intent but additional discussions with USMDAO were needed as to items desired and to arrive at an agreed price. USMILROBT stressed the need for a firm commitment to purchase since it is known that JSDF lacks the equipment within own resources to deploy SAM and AC&W to Okinawa with the agreed one year period. The use of a side letter (reported in ref B) was discussed as a means of keeping open U.S. Letters of Offer, and of providing assurance that GOJ would fund purchase in JFY 72. (Comment: There has been insufficient time to receive a formal JDA counterproposal on U.S. offered prices for SAM and AC&W equipment prior to the signing of the general reversion agreement. As mentioned in para 3, ref B, we can expect a counterproposal and it would be helpful if USMILROBT were advised of any general negotiating limits. This would assist in our support of USMDAO to fund off any obviously unacceptable counterproposals and avoid unnecessary referrals to Washington.)

5. It was agreed that implementation plans should now be developed for bed-down of JSDF and deployment schedules refined on the basis of specific facilities to be released to GOJ. This will include specific arrangements for post-reversion turnover of facilities and real property

to JSDF and provision for joint use as required. (Comment: We have been provided the composition of JDA planning teams and COMUSJAPAN in coordination with CINCPACREPRY and U.S. Service Commanders has developed U.S. planning procedures. JSDF planners will assist Okinawa commencing later part of June as this phase of planning gets underway.)

6. Mr. Kubo expressed JDA's appreciation for facilities and areas offered for JSDF use. However, he stated JSDF found barracks and BOQ capacity rather limited. USMILFRONT replied that under present circumstances the U.S. had made available all that was possible and that planning should continue on the current basis. Any additional accommodations which might become available in the future would be dependent entirely on U.S. defense programs.

Meeting 9 - 17 June 1971

Summary of meeting taken from Tokyo 5981/210735Z June 1971, paragraphs 1 and 2:

1. In keeping with scenario reported in ref, the ninth Kubo - Curtis Meeting was held 1430 local, 17 June 1971, at JDA at which time paper entitled "Arrangements Concerning Assumption by Japan of the Responsibility for Immediate Defense of Okinawa" was initialed by Mr. Kubo and ADM Curtis.

2. Mr. Kubo and ADM Curtis agreed that details of Defense Arrangements should remain classified until after SCC meeting to be held 29 June 1971.

From the many months of work evolved the "Arrangement Concerning Assumption by Japan of the Responsibility for the Immediate Defense of Okinawa," initialed by VADM Curtis and Mr. Kubo in Tokyo on 17 June 1971 and formally signed by them on 29 June 1971 as a government-to-government agreement. The text of this arrangement appears on pages 25 - 27 of TAB P, Okinawa Reversion Agreement of June 17, 1971 and Related Documents.

Section V will describe the development of the "Defense Arrangement" as a government-to-government agreement.

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Section V - Development of "Defense Arrangement"

Preparation of a document to reflect the agreement that had been reached concerning assumption of the immediate defense of Okinawa by Japan culminated in an initial draft entitled "US - Japan Agreement on Transfer of Defense Mission for Ryukyu Islands," dated 14 April 1971. GOJ views were requested on this draft and were then incorporated into the "Arrangement Concerning Assumption by Japan of the Responsibility for the Immediate Defense of Okinawa." Tokyo 4954/270553Z May 71 transmitted this arrangement to Washington for approval. It was proposed that this document be signed concurrently with the signing of the general reversion agreement as the JDA - DOD unclassified agreement. It was posed that VADM Curtis (USMILRONT) sign the agreement for DOD and that a duly authorized representative of the Government of Japan sign the document for JDA. At this point in time means of assuring a government-to-government level agreement were still being sought by the Embassy. Joint State/DOD message 095080/282304Z May 71 approved the text of the draft agreement and posed no objection to the arrangement for signing that had been suggested. However, concern was expressed that concurrence had been obtained by JDA from other competent GOJ Ministers, in particular Minister of Finance. The message closed with instructions to obtain written assurance to this effect at the time the reversion agreement was to be signed. Tokyo 5138/010835Z June 71 reported that on 28 May at a meeting with Ambassador Meyer, Mr. Aichi stated that he had met with


Ministers Fukuda, Hori and Nakasone and that they had approved the substance of the Curtis - Kubo Agreement. Further, in accommodation of the U.S. request for written assurance of high-level approval, Minister Aichi on 28 May agreed that arrangements for transfer should be formally approved by the Security Consultative Committee (SCC) as the highest U.S. - GOJ organ in the defense area. At that time GOJ posed an SCC meeting be held in early July prior to an anticipated cabinet shake-up. The scenario of events proposed was initialing of the arrangement by VADM Curtis and Mr. Kubo in a separate ceremony to the signing of the reversion agreement on 17 June with formal signing by Mr. Kubo and VADM Curtis to take place at a later date following ratification by the SCC. The sum and substance of the proposal was to put the reversion agreement and the defense agreement in separate appropriate scenarios. Ministerial approval along with initialing of the agreement on reversion day was designed to assure all concerned that defense responsibility was part and parcel of reversion and had been approved by competent GOJ authorities without directly associating it with reversion day signing or activities. Formal signing at a later date following SCC approval was designed to accommodate the U.S. desire of assuring that the arrangement was a government-to-government agreement. SECSTATE message 099265/042332Z Jun 71 noted that the legal effect of initialing would merely record and attest that the agreement was in fact the result of the Curtis - Kubo negotiations and that the binding force of the defense agreement would result from approval by the two governments in the SCC

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and by the signing of the agreement or by an exchange of letters. This message closed with authorization for VADM Curtis to initial the defense agreement at the same time or prior to the time the reversion agreement was to be signed. Tokyo 5446/081410Z Jun 71 provided additional elaboration for the scenario previously posed and provided assurance regarding certain concerns that had been voiced that the agreement might be interpreted by the GOJ in other than terms of a government-to-government agreement. The message also provided a proposed preamble to the defense agreement which along with the scenario was approved by SECSTATE in telegram 091838Z Jun 71. The arrangement was initialed at the ninth Kubo - Curtis meeting held at 1430 local, 17 June 71. At this meeting Mr. Kubo and VADM Curtis agreed that details of the defense arrangements should remain classified until after the SCC meeting which was to be held 29 June 1971. The defense arrangement was signed at the thirteenth meeting of the SCC held on 29 June 1971 at the Ministry of Foreign Affairs. The press release for the Japan - United States Security Consultative Committee Joint Statement, including a copy of the Defense Arrangement, is included at TAB Q.

In retrospect, and most certainly far from being a final historical analysis of actual implementation of the Defense Arrangement, it was extremely important that the arrangement be formalized as a government-to-government agreement vis-a-vis being merely a DOD - JDA agreement. The internal political situation within Japan in the immediate pre-reversion period (January - May 1972) militated against the assumption of a significant

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measure of meaningful defense of Okinawa by Japan had not the Curtis - Kubo milestones been in existence. In spite of the agreed to deployments and related actions by the JDA and JSDF there were anxious days of wondering whether the GOJ would be able to fulfill its commitments in view of pressures within the Diet to force abandonment of the announced program. However, while modifying deployment schedules to provide a lower JSDF profile on Okinawa during the early months following reversion, the National Defense Council on 17 April 1972 confirmed that deployments would be made in compliance with the principle upon which the "Arrangement Concerning the Assumption by Japan of the Responsibility for the Immediate Defense of Okinawa" was based. Modifications to the deployment schedule did not affect the overall timing for assumption of defense responsibilities and all major objectives remained intact. (See TAB R for letter from VADM Curtis to Mr. Takuya Kubo, Chief Defense Bureau, Japan Defense Agency, acknowledging this meeting and Mr. Kubo's assurances regarding JSDF deployments.)

~~Curtis/Kubo~~

Section VI - Implementation Planning

The signing of the "Defense Arrangement" on 29 June 1971 brought to a close the period of pure negotiating. An agreement had been reached concerning assumption of the defense of Okinawa by Japan, now detailed planning and implementation were required. Negotiations continued regarding sale of AC and W assets and other items related to air defense, but more specifically detailed planning was initiated to lay the ground work for the actual implementation of the arrangement. As originally envisioned, the post reversion agreement/defense arrangement -- pre-reversion day period (June 1971 - 15 May 1972) would have encompassed same appreciable degree of implementation, consisting of pre-reversion construction and deployment of a considerable number of personnel in the period immediately prior to R-day. Internal political problem within Japan rendered the Sato Government essentially incapable of carrying out these preliminary measures. Opposition pressures within the Diet were directed towards delaying any assumption of defense by withholding budgetary support and by various efforts to embarrass and discredit the Government and the JSDF. Therefore by reversion day, 15 May 1972, only 96 JSDF personnel had been deployed to Okinawa as "Preparatory Team Members," deployment schedules had been altered to appreciably reduce deployments in the early post R-day period, and no construction or modification of facilities had been undertaken. Fortunately, as has been previously noted, (TAB R), planning milestones remained that appeared to provide for the assumption of defense as was envisioned in the Defense

Arrangement. In addition, detailed planning had been completed which would permit rapid construction/modification once funds became available and political considerations permitted initiation of this activity in the immediate post R-day period. Having summarized this period in very broad terms a more detailed review of the actual planning process will be undertaken.

MILRONT early initiated efforts in planning that helped to establish the pattern that ensued. American Embassy Tokyo message 4629/190900Z May 1971, prepared by USMILRONT (at TAB S), noted that in view of the fact that a U.S. position concerning facilities allocation to JSDF had been established a number of issues required timely attention.

Specifically:

1. Identification of U.S. agencies with whom each Japanese Service could develop facility occupation plans for pre-reversion survey teams and post-reversion forces.
2. Coordination between cognizant U.S. agencies (STG, HICOMRY/ CINCPACREPRY, etc.) regarding development of appropriate documentation covering release of real estate, joint use arrangements and related matters.
3. Broadening of U.S./GOJ service contacts beyond air defense matters to insure that plans would be developed for the "beddown" of all JSDF units to be deployed to Okinawa.
4. Designation of USFJ as focal point of contact for "beddown" matters.

Paragraph 5 is quoted verbatim as it expresses the thrust of the MILRONT effort at this point in time.



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"5. Request CINCPAC authorize USFJ, HICOMRY/CINCPACREPRY and Service Commands concerned to proceed expeditiously with planning for implementation phase of JSDF beddown and facilities turnover. USMILRONT reps prepared assist in any way possible to include conference of principles in Honolulu if desired."

Message closed with advisal of USFJ and HICOMRY/CINCPACREPRY concurrence.

CINCPAC's reply (TAB T - CINCPAC 260410Z May 71) provided concurrence that USFJ was to act as the focal point for detailed planning and set forth planning guidance that served as the basis for all subsequent efforts.

USFJ set forth his basic planning guidance in USFJ msg 150531Z June 1971 (at TAB U). Basically it directed continuation of planning for assumption of the air defense mission by the 5th Air Force in accordance with existing instructions. USFJ had previously designated 5th AF as executive agent for Air Defense Beddown Planning and all functions associated thereto. USFJ directed that similar Service Groups be formed by the component services to work with their Japanese counterparts. The Chairman of the respective Planning Groups, U.S. and Japanese, would comprise a Joint Ad Hoc Defense Working Group, which would include membership from CINCPACREPRY and USMILRONT. Co-chairman of the Ad Hoc Working Group were J-3 USFJ (Col Fetler) and Deputy Chief of the Defense Bureau, JDA (Mr. Ito). Additional implementing instructions were provided and the comments and concurrence

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[REDACTED]

of participants was invited. CINCPAC concurred (1) and other actions addressees nominated participants and provided comments if considered appropriate; however, cited message served as the implementing basis for "beddown" planning. USFJ messages 160836Z June 1971 and 280741Z June 1971 list key Japanese and U.S. participants and are provided at TAB V.

"Beddown" planning proceeded basically as independent efforts of the respective Air, Ground, and Maritime Planning Groups. The principle task that each group initially undertook was the development of their respective implementation plans. As these plans were completed they were reviewed on the U.S. side by USFJ, USMILRONT, CINCPAC and finally by the JCS (2). No significant changes were required in any of the plans in the course of review.

Five meetings of the Joint Ad Hoc Working Group were held in the pre-reversion planning period.

1st Meeting	17 August 1971
2nd Meeting	27 September 1971
3rd Meeting	30 November 1971
4th Meeting	13 - 15 February 1972 (On Okinawa)
5th Meeting	21 April 1972

Note: (1) CINCPAC msg 180618Z Jun 71.
(2) JCS 111638Z May 71.

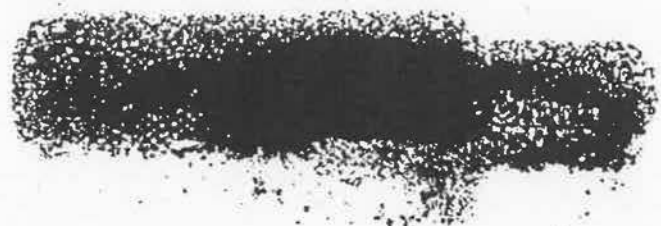
At the 5th meeting it was unanimously agreed that the group would continue its efforts into the post-reversion period and a mid-June meeting was tentatively agreed to to be hosted by the U.S. side.

TAB W provides USMILRONT, "Memorandums for the Record" for each of the five meetings together with selected message summaries prepared by USFJ. Enclosures to the MILRONT "memorandums" for each meeting have been removed to facilitate inclusion as most enclosures are of little relevance at this point. A brief resume of the primary issues treated at each meeting follows to aid the reader not concerned with greater detail. It is noted that prior to each joint meeting a meeting of the U.S. side was held to resolve U.S. issues and coordinate queries and responses.

The initial meeting was held at JDA on 17 August 1971 and served principally to establish procedures for accomplishing the objectives of the group and to review the initial status reports from each group. It should be noted that each of the planning groups had been meeting and their respective plans were progressing satisfactorily. The Air Plan was well on its way to completion as a great deal of effort had been devoted to this plan prior to the establishment of the Joint Ad Hoc Planning Group.

The principal problems that surfaced were generally common to all three plans and revolved around internal Japanese physical space allocation on Okinawa. Particularly acute from the Japanese standpoint was the apparent shortage of ordnance storage space, warehousing and barracks.

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The U.S. side had difficulty in assessing these shortages as the problem appeared to be more one of Japanese interservice coordination and accommodation than of actual shortage. However, it was recognized that ordnance storage, principally SAM storage requirements, did present a problem. Other problems noted were the JMSDF requirement for a receiver site and the implications of the still unresolved P-3 relocation to JASDF planning.

In retrospect a number of problems concerning early deployments, shortages of barracks and storage space and relocation issues associated with pre-reversion construction were overtaken by events when internal Japanese political problems necessitated reductions in pre-reversion deployments, scaling down of immediate post-reversion deployments and elimination of any pre-reversion construction or modification of facilities intended for JSDF use.

At the 2nd meeting, held on 27 September 1971 at the Sanno Hotel, the pattern of having the chairmen of each of the planning groups report was followed. Problems of shortages of storage space were again aired, principally ordnance (NIKE and SAM warheads) and barracks shortfalls. In addition, the issue of who would sign the respective plans for each side once they were complete was considered. This issue had become relevant as the Air Plan was now complete. Perhaps of most significance in retrospect were a number of corollary issues that came up incident to other matters.

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1. The GOJ decision that JCAB would be the managing agent at Naha Airport and JSDF a tenant activity. Subsequent issues of assumption of specific responsibilities for operation of the airport, that is, crash and fire protection, aircraft fueling and servicing, security, operation and ownership of certain ATC equipment, etc. remained as significant problems into the post R-day period. Jurisdictional squabbles within the GOJ (JDA vis-a-vis JCAB) coupled with an overall desire to have full ownership of Naha Airport optically apparent without concomitant willingness (or ability) to accept all the responsibilities involved served as a vexing annoyance to U.S. Services and agencies involved in the transfer of facilities. This issue was of course compounded by the retention of USN/USMC flight activity at Naha into the post R-day period.

2. Japanese internal squabbles over Naha Wheel. The Japanese Meteorological Service had formerly occupied what was being used as the U.S. Consulate and wanted it back. A number of other GOJ Service or civilian governmental agencies also wanted that building.

3. Joint use of facilities, particularly recreational facilities. GOJ desired to share in their use and would even contribute to their support, but did not want to appear as co-owners or co-occupants for reasons of appearance and Okinawan public opinion.

As has previously been noted, most of the problems associated with JSDF shortages of storage, barracks, etc. "vanished" in the light of subsequent events. The U.S. side took a position of non-involvement in intra-agencies squabbles within the GOJ, except that facilities programmed for JSDF use, in accordance with the Kubo - Curtis Agreement, would be

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protected for JSDF use insofar as was possible.

The 3rd meeting of the Ad Hoc Group was held on 30 November 1971 at the Ichigaya Kaikan, hosted by JDA. The Air Plan was complete, as previously noted, the Ground Plan was 99% complete and the Maritime Plan was reported as being nearly complete with completion by Christmas estimated.

Noteworthy issues that were reviewed or discussed are as follows:

1. USMILRONT noted that defense planning was predicated on an R-day date of 1 July 1972 and that an earlier reversion date would not significantly affect the assumption of defense responsibilities nor the implementation plans in support of this assumption. Historically it should be recalled that at this point in time R-day was in contention, the GOJ ostensibly pressing for 1 April, the USG preferring 1 July. JDA/JSO expressed concern that an early reversion would embarrass them unless it was clearly understood that all planning was predicated on 1 July 1972.

2. Japanese political problems re implementation deployments etc. were already surfacing and Mr. Ito (GOJ co-chairman) alluded to newspaper reports of slowdowns due to budgetary reductions and queried MILRONT re "acceptable" reductions. MILRONT advised that planning figures were predicated on a \pm 10%. Subsequent events of course brought this issue into sharp focus.

3. The issue of 747 operation from Naha Airport first surfaced at this meeting as an "informal" JCAB proposal to strengthen 8,000 ft. of

runway. This would be done at night and would, of course, affect the ability of JASDF to stand the A/D alert from Naha. Subsequently the USAF posed acceptance of JASDF alert crews at Kadena at night vis-a-vis re-locating the entire wing from Naha.

4. The issue of commercial fueling at Naha Airport was broached. This issue subsequently developed into a somewhat aggravated lack of coordination/cooperation within the GOJ. JCAB favored continued support by the U.S. through the COT (Clean Oil Terminal), JASDF preferred not to support the JCAB from the Naha Airport Fuel Facility, all in the face of subsequent diplomatic level agreement that U.S. support through the COT would be terminated and GOJ would effect support for all GOJ interests through the facilities and storage capacity available on Naha Airport or through commercial contracting. Humorously the issue was described by the Foreign Ministry (Gaimusho) as being like the "dogs and the monkeys," a classic Japanese description of hostility and exacerbation. Ultimately the U.S. Army was required to provide approximately 50 days interim support through the COT in meeting LTG Lampert's commitment of insuring uninterrupted commercial aircraft servicing at Naha Airport.

5. Issue of signatories to plans was resolved wherein respective chairman would sign the plans which would subsequently be reviewed and approved by the respective Governments through appropriate channels.

The 3rd meeting of the Ad Hoc Working Group was held on Okinawa 13 - 15 February 1972. The meeting on Okinawa was intended to provide an opportunity to tour facilities schedules to be made available to the JSDF.

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Therefore, all of Monday, 14 February was devoted to tours of the following:

1. White Beach, JMSDF intended base on Okinawa.
2. Naha Wheel, JGSDF "beddown" base.
3. Naha Airport, JASDF "beddown" base.
4. Training areas and possible/planned joint use areas.
 - a. Bolo Point
 - b. Hamby Field
 - c. Naha Military Port

The formal meeting was held at 0830, 15 February at USARYIS Headquarters. All plans were reported as having been signed and undergoing review. The following issues were discussed:

1. JCAB efforts to gain early occupancy of facilities scheduled for JDA/JSDF. While principally a GOJ problem U.S. had to endeavor to protect facilities vital to JSDF assumption of defense responsibilities.
2. Problem of fire protection at Naha Airport and in the Air Force/ Navy Annex.
3. Coordination of JSDF sealift requirements by JMSDF.
4. Pre-reversion construction was about to be commenced and all coordination had been completed. This effort was subsequently halted by GOJ, as previously indicated.
5. Deployment of Preparatory Teams. Again drastically altered at a later date for political reasons.
6. Joint use of facilities and areas. Most discussed and least resolved issue.

This meeting, at the time, appeared to have resolved most of the minor problems that had been encountered in preparing the plans with

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the possible exception of joint use agreements. Subsequent events within the GOJ invalidated much of what appeared to have been ready for implementation at this point.

The final, 5th pre-reversion meeting of the Joint Ad Hoc Working Group was held on 21 April 1972. Planning Group Chairmen had essentially nothing to report and the meeting turned to discussions of remaining problems and reports on the resolution of projects previously deadlocked by GOJ political problems.

1. Final assessment by GOJ was received that no pre-reversion construction or modification would take place.

2. Report of revised deployment plans, i.e., approximately 100 prior to R-day, and about 2,900 by the end of the year.

3. Advised that "JCAB runway overlay" (at Naha) would be undertaken during the period January - March 1973. Underlying issue is requirement to base night FIS alert at Kadena AB during periods of construction. USAF has agreed to accept this eventuality.

4. New deployment shipping schedules had not been developed after drastic changes required by revised deployment plans had come to light.

5. POL requirements at Naha Airport for JSDF and commercial air carriers was discussed in detail. No resolution within GOJ on internal coordination, but problem was clearly outlined and resolution expected to be forthcoming. Interim U.S. support was ultimately required through COT as previously indicated.



6. Decision made to resolve joint use of training areas as they arose rather than to try to meet all eventualities at this time. As a specific JSDF requirement arises it will be met from within U.S. areas. Appeared to be best solution in view of relatively small number of JSDF personnel to be deployed initially and complexity of trying to resolve all possible future requirements at that time.

Mr. Ito closed the meeting with a report on the status of JSDF deployments and his discussions with VADM Curtis and Mr. Kubo regarding JDA/JSDF intentions of meeting milestones and the assumption of defense responsibilities in accordance with the spirit and intent of the Curtis - Kubo Arrangement. He also asked that the Joint Ad Hoc Working Group be continued into the post R-day period, which was heartily concurred in by Col Fetler and the U.S. and GOJ sides.

Planning, coordination and a fine spirit of sincere cooperation characterized the efforts of the Joint Ad Hoc Working Group and the supporting Service Planning Committees. Difficulties that arose in the course of "beddown" planning should not be attributed to the Joint Ad Hoc Working Group's effort for not a single substantive issue remained unresolved as the period for implementation planning came to a close. The flexibility and desire to accomplish common objectives that has characterized the Group's efforts can be expected to continue and aid in achieving a smooth implementation of the Defense Arrangement in the post R-day period.

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Section VII - Consideration of Special Issues

The disestablishment of the USMILRONT on 1 August 1972 precludes a final report on a number of JSDF "beddown" and U.S. relocation related issues that MILRONT had monitored in the pre-reversion and immediate post reversion periods. To provide some additional information regarding several of these issues and to provide a forum to topically treat other subjects of special interest, it was decided to include Section VII. In addition, a number of tabs have been provided that are not specifically drawn upon in the text. These tabs are provided for those who may at a later date wish to provide finalization and historical perspective to the entire Okinawa Reversion issue or conduct research in areas of specialized interest. A listing of these tabs is provided at the close of this section with brief identification as to their source and significance.

P-3 Relocation from Naha Airport

No single issue created more problems nor was the subject of more message traffic and correspondence in the final year prior to reversion than this variously titled subject. Most accurately it has been titled, "Relocation of Navy and Marine Flying Activities from Naha Airport," but a variety of titles such as, "P-3 Relocation," "Naha Airport Relocation" and so forth have crept into use. All are essentially synonymous and refer to one or more element of this complicated issue.

In the way of providing a brief background, it may be noted that in determining a location for the JASDF F-104 wing on Okinawa, the Secretary of Defense requested that the USAF locate an F-4 Squadron at Kadena AB, vice Naha AB. Following this decision, and based on a variety of other factors, the USAF gradually moved to a position wherein it planned to discontinue flight operations at Naha Airport on R-day thereby leaving the Navy at Naha Airport as a tenant of the JSDF/JCAB, in a so-called "reverse host-tenant arrangement." In the extended period of negotiations following the NIXON-SATO Communique of November 1969, it became increasingly apparent that the GOJ wished to have Naha Airport revert as an airport completely free of U.S. military activity, that is as an entirely civilian field to serve as a symbol of a "liberated" Okinawa. An entirely clear record of what transpired regarding GOJ efforts to obtain USG concurrence to this proposition is not readily available. However, it is clear that in the course of the Jurich-Kashiwagi

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financial negotiations held during the early months of 1971, the USG had agreed to remove all flying activity from Naha Airport as of R-day. This is confirmed by American Embassy Tokyo telegram 5317/041103Z June 1971 in reporting a meeting between Aichi and Ambassador Meyer. In March of 1972, when certain secret GOJ document were reported in the Japanese press, it appeared that this decision had been reached at a very high level as a quid-pro-quo for retention of the Voice of America (VOA) on Okinawa for an agreed period of five years. American Embassy Tokyo 3237/291000Z March 1972 carries an informal translation of a March 28, 1972 Sankei Shimbun article which gave the full text of a FONOFF cable allegedly sent to the Japanese Embassy Washington reporting the AICHI-MEYER Okinawa Reversion talk of May 28, 1971 which confirmed this arrangement.

SECDEF msg 1095/15004Z Jun 71 further confirmed this decision (by reference to Tokyo 3237) and advised that the GOJ had offered to provide necessary goods and services to the extent of \$20.0 million to accomplish these relocations prior to reversion. It should be noted that this \$20.0 million was merely an advance to be credited against the \$65.0 million that the USG had elected to utilize for goods and services in the overall financial settlement. The \$20.0 million was in no way an additional obligation for the GOJ, but was merely an advance. Against this background, the USG began planning regarding relocation of sites and facilities that would be required to accomplish this relocation of flying activity.

In carrying out a careful review of the optimum manner to relocate

these activities the Office of the Secretary of Defense dispatched Mr. E. A. Rogner and party from the office of the Assistant Secretary of Defense (Installations and Logistics) to the Western Pacific to conduct an onsite survey and from this survey came the Rogner recommendations and ultimately the Joint State-Defense decision (Joint State-Defense msg 227781/182053Z Dec 71) at TAB X) regarding the relocation which is summarized as follows:

1. USN/USMC transient jets to be moved to Kadena AB.
2. VC-5 (less Cubi Det) to be moved to Kadena AB as an interim move, subject to a later move to Futenma if USAF plans for Kadena dictated.
3. USMC KC-130 squadron at MCAS Futenma to be relocated to MCAS Iwakuni.
4. Navy VPRON at Naha AB to be relocated to MCAS Futenma.
5. Navy VPRON at MCAS Iwakuni to be relocated to Misawa AB or NAF Atsugi, Navy to exercise option.
 - a. Navy opted to move Iwakuni based P-3 squadron to Misawa (CNO msg 291915Z Dec 71) based on CINCPACFLT's and CINCPAC's recommendation (CINCPAC 290457Z Dec 71).

Within the Rogner recommendation and the subsequent State-Defense decision was the clear intent that the relocation would be effected at the least possible cost and that funds remaining within the \$20.0 million advance would be used to improve troop habitability standards in Okinawa and Japan. This concept proved to be illusory in that programmed relocation construction costs utilized, and may ultimately

exceed the original \$20.0 million, and the GOJ had no intention for advanced funds to be so used. However, the entire concept was overtaken by events in that nothing was accomplished relative to construction prior to, or for some period following, reversion, thus the concept of a \$20.0 million advance became meaningless. Preliminary Defense approval of relocation facilities is set forth in State 231509/280254Z

Dec 71. Considerably more could be said regarding Defense planning and organization concerning intended building for relocation. However, in view of the fact that no building of any kind has been initiated by the GOJ as of 15 June 1972, let it suffice that following a long and drawn out decision making process within the USG all but a very few Category I project (required to move the aircraft from Naha) preliminary design studies were in the hands of the Defense Facilities Administration Agency (DFAA) by R-day. The efforts of the Corp of Army Engineers was particularly commendable as regards their expedited planning efforts. What is of particular interest is the series of political moves and evolutions that ensued as the GOJ floundered about apparently attempting to obtain funds and authorization for relocation construction and ultimately accepting that Navy/Marine Corp flight activity would have to remain at Naha Airport for some period of time due to their inability to provide alternate facilities or induce the USG to undertake an ill-conceived series of moves to relocate the aircraft without having provided any alternate facilities.

Immediately following preliminary approval of relocation facilities



by the Secretary of Defense (State 231509) the Okinawa Negotiating Team at the American Embassy initiated discussions regarding relocation. The GOJ initially accepted the concept, less the reference to moving any additional aircraft to Atsugi. In view of the subsequent Navy decision to move the Iwakuni P-3 squadron to Misawa the Atsugi objection never became an issue. In addition the GOJ indicated a desire to have all Navy activity, including maintenance support, removed from Naha. The U.S. side advised this was not possible nor in accordance with the U.S. understanding of "relocating flight activity." Mr. Yoshino advised that money for relocation construction would be allocated from contingency funds during the one day Diet adjournment on December 28th, 1971 (Tokyo 12515/210945Z Dec 71). On December 29th the Ambassador and DCM discussed the relocation issue with FONMIN Fukuda and the initial objection: to construction within Japan (Iwakuni and Misawa) was voiced along with a request that transfers be limited to Okinawa. This became a recurring theme with the GOJ alternately "agreeing in principle" to the entire series of moves, and then requesting a review of the U.S. position that would limit relocation and construction to Okinawa. An absolute guarantee of acceptance, that is, an exchange of notes of agreement on the U.S. relocation plan, has not been achieved as of 15 June 1972, although general acceptance of the U.S. plan by the GOJ is assumed.

Throughout the first six months of 1972, the recurring theme of the political difficulty of moving aircraft to Japan and of performing required construction within Japan was brought up almost daily by the GOJ.



The firm U.S. reply that no alternate solution was acceptable usually illicited a response that efforts would be initiated to accomplish what was necessary followed by requests for minimum construction, low visibility and more often than not, a review of the whole plan.

The delays in arriving at detailed plans for removal of Navy aircraft from Naha, namely final agreement and approval of relocation facilities by the U.S., was a source of concern for the GOJ. In retrospect this tardiness was of little significance in view of GOJ inability to accomplish any building. However, had the GOJ been able to proceed with an expedited construction program, it would have been extremely embarrassing.

In late January the issue of the inability of the GOJ to reach the required internal consensus clearly surfaced. Resistance on the part of the Defense Agency to the Japanese portions of the move and Defense Minister Esaki's refusal to accept any political responsibility tended to deadlock the issue (Tokyo 931/270925Z Jan 72). Subsequently the Defense Agency agreed in principle to the entire plan, including Iwakuni and Misawa construction, but insisted on a caveat of delaying all Japan construction until after reversion and at such time as funding became available. At this time, it came to light that on December 28th, the day between Diet sessions, only approximately \$12.8 million had been set aside from contingency funds, the exact amount required for Okinawan construction. (Tokyo 1240/050520Z Feb 72).

Political opposition to the LDP within the Diet continued to interfere with efforts to initiate construction. Typical of opposition



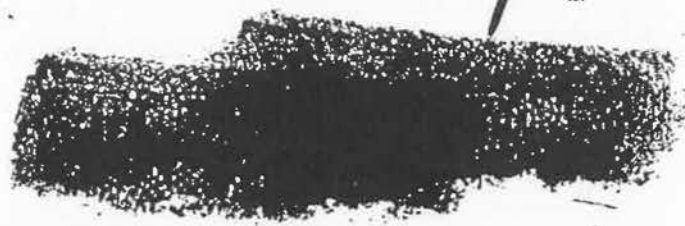
efforts was the Diet impasse caused over inclusion in the budget of 4th Defense Buildup items without the required approval of the National Defense Council. (Tokyo 1726/210440Z Feb 72).

By mid-March 1972 it was becoming apparent that there was an increased possibility of the retention of Navy flight activities at Naha Airport after May 15. Tokyo 2730/160826Z Mar 72 reported that the Embassy was withholding submission of the draft facilities agreement on Naha Airport and had advised the GOJ of the increased possibility of retention of Naha for some period after May 15. It is noted that such retention was authorized by the Snieder - Yoshino exchange of letters of 15 June 1971. (Pages 51 and 52 of TAB Y, Okinawa Reversion Selected Working Documents, Department of State, Washington, D.C., September 25, 1971). The above cited message further notes Finance Ministry's reluctant concurrence to commence construction in Japan as soon as the regular JFY 72 budget came into effect. However, at the same time Defense Minister Esaki was completely unwilling to agree to this proposal and had called for a review of all relocation plans with a view to preventing any transfer of aircraft to Japan.

On 18 March 1972 American Embassy Tokyo reported (Tokyo 2818/180502Z March 1972) that relocation appeared impossible by May 15 as a result of the political decision to delay providing funds even for Okinawan construction until the regular budget comes into effect in late April. Embassy also requested authority to send a letter to the FONOFF, referring to the Yoshino - Snieder exchange of letters, advising

that the U.S. would require temporary joint use of Naha Airport after May 15 under the SOFA. There followed one last effort by GOJ to induce the USG to remove military flying activity from Naha Airport.

Plan encompassed: (1) Release of funds in GOJ provisional budget for Futenma runway construction to be completed by May 15; (2) Provision for other projects in Okinawa in regular GOJ budget for FY 72 with construction to begin about 1 April 1972; (3) Provision of funds for construction in Japan proper from contingency reserve after adjournment of Diet. (Tokyo 2876/211000Z March 1972). On 23 March 1972 the GOJ again reversed itself and dropped from the provisional budget any funds for relocation of Naha Airport. This resulted from the failure of Komeito and JSP leadership to support the provisional budget which included funds for Naha relocation. This reversal clearly sealed the relocation effort by 15 May but in essence freed FONMIN Fukuda from his pledge to secure Naha Airport return by the date of reversion and placed responsibility for delaying Naha Airport return squarely on the opposition parties (Tokyo 2998/230950Z March 1972). Following this GOJ decision and their acceptance of the retention of U.S. military flying activity at Naha Airport a joint U.S. - Japan Working Group was established to draft an exchange of letters regarding continued U.S. use of Naha Airport and to prepare facility memorandums for the Joint Committee to document this continued occupancy



under the SOFA.

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Both of these actions were accomplished with relative ease. Two memorandums were drafted regarding use of the airport. Facility 89 provided for use of the actual airfield and taxiways, the EASY Area and the Navy Flight Line, less certain specified building on the flight line which were excised into Facility 66, the Naha Air Force/Navy Annex which encompassed the housing area, recreation areas and so forth. The USG agreed to vacate all of Facility 89, except the specified buildings excised to Facility 66, that is, Bldgs 106, 107, N-18, N-31, N-38 and A-123, when the GOJ completed relocation construction at other specified facilities to permit the relocation of military flying activity from Naha Airport. Facility 66 will be retained as long as required under terms of the SOFA and will be returned to the GOJ as a Joint Committee action, in part or in whole, when no longer required in accordance with existing procedures. In addition to the above actions the Special Working Group resolved the ownership and use of specified Air Traffic Control equipment and facilities at Naha Airport that had long remained unresolved and deadlocked.

Along with the actual commencement of relocation of construction on Okinawa and in Japan proper, now anticipated to commence sometime during the summer of 1972 following Diet adjournment, there remains two issues that must be resolved prior to or concurrent with the commencement of construction. Namely, conclusion of a procedural agreement concerning construction procedures, and conclusion of an agreement regarding cost

management and accounting practices to permit the U.S. Army Corp of Engineers to be able to obtain meaningful cost information and exercise reasonable management control over relocation construction efforts. As of early June 1972, both these issues were embroiled in Japanese internal politics regarding a clear cut commitment to provide all construction required for relocation in accordance with the approved USG plan, and the apparently overriding requirement to protect the source of the funding for this construction as a part of the secret Jurich - Kashiwagi financial settlement.

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JASDF Aircraft Deployment to Okinawa

In planning for assumption of the defense responsibility for Okinawa, the JASDF early indicated readiness to deploy, at an appropriate time, a fighter group consisting of 25 F-104J's, 3 F-104JD's, 10 T-33A's, 2 MU-2's, and 2 V-107's. Projected time for this deployment was November 1972. The number of F-104J's to be deployed in November 1972 was reduced to 18 in April of 1972 with the remaining 7 scheduled for deployment in February of 1973. Announcement of this proposed mix of aircraft was made by JDA Defense Bureau Director Shishido in a memorandum dated 22 June 1970, as cited in American Embassy Tokyo telegram 4650 of June 23, 1970. Included in this memorandum was reference to a headquarters of 50 personnel, 740 personnel for the fighter group, including an air rescue squadron, 100 personnel for an AC and W group, 540 personnel for an air base group, and certain other miscellaneous personnel which would bring the total JASDF personnel to be deployed to approximately 1,430. Planning was directed towards stationing all base units at Naha Airport, with the AC and W personnel at AC and W sites at Naha, Yoza, Miyako, Kume, and Okinoerabu.

Throughout the period of negotiations no major problems were encountered directly relating to the deployment of the fighter group that were not resolved. Facilities adequate to meet JASDF requirements were readily available and were identified for ASDF use at Naha.

It should be noted that the JDA plans to lengthen runway 18/36 at Naha by 500 feet to meet optimum operating criteria for the F-104J.

This is to be accomplished by hardening the 500 feet overrun at the south end of the existing 8,000 feet runway.

The JDA is constructing or adapting family housing, medical, commissary and related support facilities to maintain the wing. Joint use of recreational facilities was provided for post R-day.

The "Arrangement Concerning Assumption by Japan of the Responsibility for the Immediate Defense of Okinawa," initialed by VADM W. L. Curtis, Jr., USN, USMILRONT and Mr. Takuya Kubo, Chief, Defense Bureau, Japan Defense Agency, on 17 June 1971 and formally signed by the above representatives on 29 June 1971 referred to the above force level in general terms and provided a timetable whereby the JASDF would:

1. Deploy units to Naha Airport beginning on or about R-day (subsequently delayed and time phased for political reasons);
2. Assume air defense alert with F-104J aircraft by R-day plus 6 months; and, (1 January 1973 was stipulated as R-day plus 6 months for all Air Defense Planning, i.e., 1 July 1972 was "R-day" for planning relating to assumption of defense "milestones."
3. Assume operation of the aircraft control and warning system by 1 July 1973.

The arrangement further noted that the JDA intended to station the JASDF fighter interceptor unit at Naha Airport and that operational responsibility for the air defense of Okinawa would be retained by the USAF until the JSDF assumed full responsibility by 1 July, 1973. Finally that command of JSDF and U.S. forces would be exercised through their respective national command channels.

Okinawa Reversion - Financial Arrangements

The overall financial package agreed upon with the GOJ consists of four elements, one of which is spelled out in Article VII of the Agreement (Page 5 of TAB P). The other three elements are secret and sensitive to the GOJ.

✓ The first element, Article VII, states that the GOJ will pay the USG \$320,000,000., "inter alia," for assets being transferred to the GOJ under Article VI of the Agreement. The reader is referred to TAB P for publicly stated terms and conditions.

✓ The second element relates to yen conversion. Japan deposited with the USG at no interest for 25 years the dollars acquired when the currency in Okinawa was changed from dollars to yen. This action neutralized the balance of payment impact of the yen conversion. The deposit when finally computed will equal the dollars actually acquired or \$60 million whichever is larger; approximately \$103 million was actually collected. A present discounted value of \$112 million was assigned as the value of a 25 year no interest deposit of \$60 million at a constant 6% interest rate.

✓ The third element consisted of \$65 million that Japan is to provide in goods and services for improvement of U.S. facilities in Okinawa (or Japan), including the construction of replacement facilities for aircraft relocated from Naha. The \$20 million advance to effect this transfer of aircraft offered by the GOJ, but never used, was a part of



the overall \$65 million.

The fourth element concerns labor administration costs. Japan agreed to reduce the amount charged for administering the Master Labor Contract (MLC) under which Japanese workers at U.S. bases in Japan are hired and which now applied to Okinawa. A \$10 million figure was assigned based on \$2 million per year over the five years specified in Article VII. Some additional detailed background on elements in the financial package follow:

1. Article VII -- The overall financial package was worked out only after protracted and complicated negotiations. (Jurich - Kashiwagi meetings). The U.S. goal was to obtain the largest possible settlement in the most useful form. Initially the GOJ agreed to provide \$375 million. \$175 million of this was to be in cash and the balance of \$200 million in goods and services. Japan, however, wanted to provide the bulk of the latter "goods and services" in the form of construction of facilities for the U.S. in Okinawa. This proved impractical since we found no substantial need for new facilities in Japan or Okinawa. After further negotiations the GOJ agreed to pay \$300 million in cash with the remaining \$75 million to be provided in goods and services in accordance with an arrangement whereby \$65 million would be provided in goods and services for "facilities improvements" and \$10 million, over a five year period accruing at the rate of \$2 million per year, would be credited to the GOJ regarding labor administration costs, discussed above. Article VII, of course, provides for \$320 million. The additional \$20 million is

made up of \$16 million for the possible relocation of the Voice of America (VOA) and \$4 million for ex-gratia payments under Article IV. However, public acknowledgement of these amounts cannot be made.

Article VII publicly states that the \$320 million is to cover certain broadly defined items: GOJ acquisition of civil assets, extra costs to be incurred by the U.S. as a result of Reversion (including increased labor costs), and the carrying out of reversion in accordance with Japanese policies concerning nuclear weapons.

The language of Article VII is deliberately broad so as to facilitate the largest possible GOJ cash payment. In agreeing to \$320 million, Japan had to avoid the appearance of "buying back Okinawa." Thus the GOJ did not feel it could publicly acknowledge a settlement involving a large unattributed cash balance or specific payment for the VOA relocation or ex-gratia payments under Article IV. An agreement was reached whereby each side could explain the \$320 million settlement in its own terms within the framework of the broad Article VII language. The GOJ felt the largest settlement it could publicly acknowledge was one of \$320 million representing payment for the following:

\$175 million for civil assets.

\$70 million for removal of nuclear weapons.

\$75 million for increased U.S. labor costs.

Japan thus could not publicly acknowledge the other three elements of the financial package, that is, yen conversion, facilities improvement and labor administration costs. In the interest of obtaining the best

possible financial settlement for the U.S. we agreed to treat the package in confidence.

In pressing the GOJ for the largest possible cash payment the U.S. cited the following figures as justification: \$175 million for civil assets; \$75 million for increased labor costs; \$50 million for carrying out reversion in accordance with GOJ policies concerning nuclear weapons; \$16 million for the VOA relocation and; \$4 million for ex-gratia payments. The actual breakdown of the \$320 million is, however, different and of greater benefit to the U.S.:

Civil assets to be transferred	\$175 million
Relocation of Special Weapons and USARPACINTS (U.S. Army Pacific Intelligence School)	\$ 5 million
Ex-gratia payments	\$ 4 million
Relocation of VOA	\$ 16 million
Increased labor costs	\$ 62 million
Unattributed cash balance	\$ 58 million
	<hr/>
Total	\$320 million

Explanatory notes on above breakdown:

a. Relocation of VOA. If the VOA is not relocated or if the full amount is not required for relocation, a corresponding reduction will be made in the amount of goods and services to be received under the secret \$65 million facilities improvement item described below.



This avoids the need for adjusting the cash payment.

b. Ex-gratia payments. During the negotiations the GOJ argued that the U.S. should undertake to make the ex-gratia payments referred to in Article IV, and that, without such an undertaking the GOJ would be severely criticized for agreeing to the claims waiver in Article IV. In view, however, of the congressional history of previous ex-gratia payments, the U.S. insisted that it could not seek appropriations for this purpose. The GOJ finally agreed to add \$4 million to the financial settlement for the purpose of making these ex-gratia payments, as long as this action was not made public. The Administration intends to treat this amount as a trust and will disburse the funds in accordance with the provisions of applicable law.

c. Increased labor costs. The \$62 million increase is calculated as follows: \$20 million is a one-time increase in the severance pay obligation to the Okinawan employees resulting from their being placed under the Master Labor Contract with the Government of Japan. The balance of \$42 million is the increased cost of wages and benefits attributable to reversion. The gap in wages and benefits between Japan and Okinawa for appropriated fund employees upon reversion was estimated to be about \$17 million. The gap has been steadily closing, however, and within five years, that is by 1977 - 78, it would probably have disappeared. We thus estimate that over this period we will have \$42 million in extra labor costs attributable to reversion.

2. Currency conversion -- In order to neutralize the balance of payments windfall which Japan would enjoy when the Okinawa economy

converted from dollars to yen, Japan agreed to deposit the dollars it acquired in the conversion (or \$60 million, whichever, is higher) for 25 years in a no interest account with the Federal Reserve. The present discounted value of such a \$60 million deposit is \$112 million assuming a constant 6% interest rate. The value of the dollars actually collected amounted to approximately \$103 million. The Japanese Government is sensitive about this highly unusual arrangement since it has a right to the dollars it acquired on Okinawa. Publicly it has stated only that it will acquire the dollars which are converted into yen at the time of reversion.

3. Facilities improvement -- Japan will provide the U.S. over the five year period following reversion with \$65 million in goods and services for "facilities improvements." Of this the GOJ agreed to advance up to \$20 million to provide at least essential replacement facilities to accommodate U.S. Navy/Marine aircraft which were to have vacated Naha AB prior to reversion. The remaining amount was to have been used for the improvement of existing facilities through minor construction, repair, and maintenance. Japan will provide these goods and services through a liberal interpretation of SOFA provisions under which Japan provides facilities for U.S. forces in Japan.

4. Labor administration fee -- Local employees on U.S. bases in Japan (and, since reversion, on Okinawa) are employed through the Japanese Government. The U.S. reimburses the GOJ for the wages and other benefits paid to the workers and for the cost of administering

this system; the system works very well and insulates us from labor - management problems which are shouldered by Japan. In the course of negotiating details of the post reversion application of this arrangement of Okinawa, Japan agreed to reduce the fee it charged for administering the system (in Japan and Okinawa). This reduction will result in savings of about \$10 million over the five year period following reversion and the U.S. credited Japan with this amount in calculating the financial package.

Listing of Additional TAB's -- Section VII

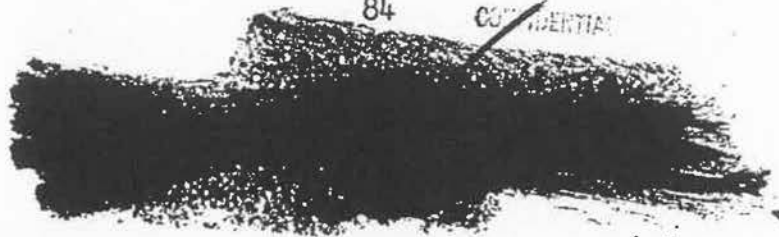
<u>TAB</u>	<u>Title/Originator/Comment</u>
Z	Okinawa Fact Book -- Special Task Group -- Office of the High Commissioner, Ryukyu Islands -- Excellent background source for general information.
AA	Treaty of Mutual Cooperation and Security between the United States of America and Japan and Status of Forces Agreement with Related Documents -- Headquarters United States Forces, Japan
BB	Summary of the U.S. Real Estate Program in the Ryukyu Islands -- Chief, Real Estate Division, U.S. Army Engineer District, Okinawa APO 96331 -- Summary of real estate management procedures on Okinawa.
CC	U.S. Installations and Facilities in the Ryukyus as of 1 July 1971 -- Engineer, Headquarters, USARPAC and U.S. Facilities Map of Okinawa prepared by GOJ (In Japanese).
DD	Message from the President of the United States Transmitting The Agreement Between the United States of America and Japan Concerning the Ryukyu Islands and the Daito Islands, signed at Washington and Tokyo on June 17, 1971. -- Executive J 92d Congress 1st Session.
EE	Okinawa Reversion Treaty, Executive Report No. 92-10 -- To accompany Executive J, 92d Congress, 1st Session.
FF	Hearings before the Committee on Foreign Relations United States Senate Ninety-Second Congress First Session on Ex. J. 92-1
GG	Treatment after Reversion of Foreign Nationals and Firms in Okinawa (Letter to Ambassador Meyer from Kiichi Aichi, Minister for Foreign Affairs of Japan of June 17, 1971).
HH	Okinawa Reversion Text of President's Transmittal Letter and Ziegler Press Conference (State msg 174038/220329Z Sep 71).
II	Address by Foreign Minister Fukuda at the Ceremony for the Exchange of Ratification Instruments for the Okinawa Reversion Agreement, March 15, 1972, Tokyo, Japan
JJ	Headquarters United States Forces Japan -- United States - Japan Treaties Agreements and Other Documents.

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Section VIII - Evaluation of Achievements and Lessons Learned

At the time of reversion, 15 May 1972, it is extremely difficult to assess the effectiveness of the negotiations leading up to the reversion of Okinawa to Japan, whether it be the adjustment of U.S. business interests to the changed environment of post R-day Okinawa, or the assumption by Japan of the responsibility for the immediate defense of Okinawa.

There are, however, certain tangible achievements and certain shortfalls relative to each of the many facets relating to the reversion agreement. Relative to the assumption of defense responsibilities, it is worthy of note that an arrangement was mutually agreed to which, if reasonably implemented, will assure the assumption by Japan of certain key elements for the defense of Okinawa within an approximate one year period. Throughout the period of negotiations, the JDA/JSDF were cautious and reluctant to agree to such an assumption in the specified time frame principally because of their concern regarding the willingness of the GOJ to undertake such a course of action. From the U.S. point of view such an assumption was essential in view of the implications of the Nixon Doctrine and a desire to reduce our posture and financial support for the defense of Okinawa, particularly air defense, while still maintaining the base structure and ability to use Okinawa in the furtherance of our national, and international interests, within the framework of the U.S.-Japan MST.



The arrangement concluded will reduce U.S. defense expenditures for Okinawa by approximately \$35 million per year, largely through the transfer of the air defense mission to the JSDF. This was achieved without eroding, unacceptably, the U.S. base structure on Okinawa and its capacity to accommodate the 3d Marine Amphibious Force, those elements essential to support the U.S. Navy's Seventh Fleet and Army logistics base. The conclusion of the defense arrangement was achieved principally by USMILRONT, an element of the Okinawa Negotiating Team, as an almost independent effort acting in consonance with the overall objectives of the reversion philosophy but essentially within the MILRONT charter as the representative of the Secretary of Defense and the Joint Chiefs of Staff. It would appear that without the concerted efforts of MILRONT the defense interests of the USG might well have been eroded to a considerable degree by the diverse and pluralistic pressures that were exerted by the many interests represented by the GOJ and the USG. Japanese public opinion was not sympathetic to a major defense commitment for Okinawa, particularly one out of proportion to defense efforts for the homeland, Okinawans were openly hostile to stationing JSDF in Okinawa, and U.S. defense interest was focused on a reduction of commitments and expenditures while still maintaining the bases and means for expanded contingency efforts. The spectrum of U.S. legislative opinion varied from outright opposition to reversion on any terms, to overtures for complete withdrawal, but centered on a responsible basis of almost complete support for the defense arrangement

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projected by the Curtis - Kubo Agreement. Cogently and succinctly the arrangement provided for an orderly transfer of essential specified defense responsibilities within a 1 year period that was politically and economically acceptable to the GOJ and received overwhelming support from knowledgeable and responsible Americans.

Within these general comments it should be noted that provisions were incorporated for the sale of defense assets and the application of the SOFA to Okinawa as in the Japanese home islands. The arrangement retained essential military bases for U.S. forces while providing the JSDF with suitable facilities. U.S. defense costs were appreciably reduced and the GOJ was enabled to assume its defense responsibilities at an acceptable cost.

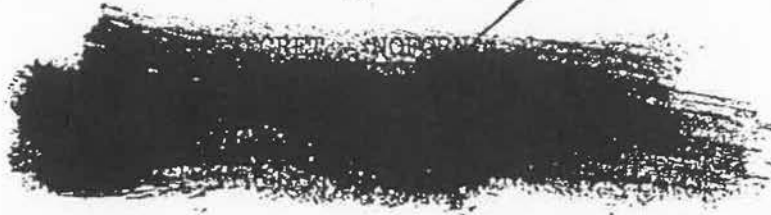
USMILRONT's primary responsibilities appear to have been met as the immediate post R-day implementation phase commences. Its special coordinative reporting and liaison functions will eventually become redundant as normal command arrangement exercised by CINCPAC and USFJ became fully operative with the inclusion of Okinawa into Japan as a prefecture. Against this background, the recommendation was made and approved in April of 1972 for the disestablishment of USMILRONT effective 1 August 1972. During the period 15 May - 1 August 1972 USMILRONT working files and residual data were transferred to COMUSJAPAN for the purpose of continuity in the execution phase of reversion agreements.

An assessment of negotiating procedures is warranted in the vein

of lessons learned for this type of a staff effort, albeit it may well stand as an effort unparalleled and non-recurring in the annals of JCS responsibilities.

1. Problems of communication, while of continuing concern due to the language barrier, were resolved by GOJ/JSDF selection of negotiators relatively fluent in English and the outstanding performance and contribution of several U.S. participants, none more noteworthy than Miss Grace K. Yashio, the USMILRONT Administrative Assistant and interpreter/translator. Her complete bilinguality, U.S. citizenship, and familiarity with U.S. military procedures and terminology were of inestimable value. In addition, complex and lengthy position papers were translated prior to presentation by the respective sides and responses and conclusions from discussions were translated and reviewed prior to their final acceptance. It is to be emphasized that the selection of negotiators should be based on expertise and acumens regardless of language qualification.

2. Within the GOJ a rigid bureaucracy exists which is difficult for even the most disciplined U.S. bureaucrat to comprehend. Compartmentation exists wherein even the simplest and most obvious conclusion required endless review and coordination prior to acceptance as a GOJ position. It was learned early in the negotiating process that time must be allowed for this to occur. Action officers in the Foreign Ministry, regardless of their proficiency in English and familiarity with U.S. procedures, could do no more than beg sufferance and time to accomplish necessary



staffing and achieve required concurrence. Within the JDA/JSDF, decisions could normally be reached with somewhat less difficulty, but were usually subject to political review and validation. Time and patience were the only antidotes, with the added caveat that issues had to be centrally pursued without permitting Japanese penchant for detail to obscure what was being sought.

3. Throughout the negotiations it was evident that assuming the initiative paid dividends. Inevitably a U.S. draft, proposal, or talking paper was accepted for translation and study by the Japanese side, and generally accepted as the point of departure. This maintained the momentum of negotiations on terms usually favoring the U.S. position. In contrast, an initially proposed Japanese position was difficult to budge because of the prior approvals invariably required for its proposal. A U.S. proposal could be discussed and promoted with the individuals or agencies involved prior to their reaching a decision, whereas if a consensus had already been reached it was difficult to alter.

4. In final summation, and with due consideration for what has previously been said, the high degree of professionalism and personal integrity displayed by MILRONT's Japanese counterparts must be noted. Whether members of the JSDF or civilian members of the JDA, Foreign Ministry, or other agency, they functioned almost without exception in a truly commendable and professional manner. Sometimes reversed, and often deeply embarrassed by Japanese political developments and realities,

they endeavored to stand by their commitments and to further the common objective of reaching a mutually satisfactory assumption of the defense responsibility for Okinawa by Japan. It is expected that the Defense Arrangement will be fully implemented.

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