



INTERNATIONAL SECURITY AFFAIRS

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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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In reply refer to
I-25,553/69

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Report on Trip to Far East

1. Scope of Report

The principal reason for my recent trip (see Itinerary at Tab A) was to attend a meeting of the Security Subcommittee in Tokyo. During my five days in Japan, I visited several US military installations and talked with a number of US and Japanese officials (see Tab B). As a point of comparison, I also had two lengthy conversations with a Japanese national who has been a long-time friend and professional colleague. My side trips included a day each in Korea, Taiwan, Okinawa, and Honolulu.

This report focuses on what I learned about our relations with Japan and the problem of Okinawan reversion.

2. Situation in Japan

My basic impression is that the Japanese are growing increasingly confident, assertive, and even aggressive. James Shen, Vice Minister of Foreign Affairs in Taiwan, said: "We have met them before; they are the same Japanese we knew before the war." He said the traditional spirit was particularly evident in the younger diplomats, who could perhaps best be described as "cocky."

Those Japanese we spoke to were not diffident in outlining plans for rearmament. Representatives of the Japan Defense Agency participated actively in discussions of the Security Subcommittee, a marked departure from preceding years. They were not reticent in describing defense plans, and they remarked several times that forces would expand as rapidly as public opinion permitted. It is also significant that they spoke more in Japanese than in the past. In a private conversation, the Japanese equivalent of our Director of Central Intelligence confided that he is meeting monthly with his Korean counterpart, but out of the public eye.

Major emphasis seems to be on naval forces for the moment, and Japanese interests extend at least as far as the Indian Ocean. The US Naval Commander at Yokosuka described a newly launched Japanese destroyer, designed solely for training, as a ship we would be proud to have in our fleet. The Japanese spoke of back-drawer plans for aircraft carriers and nuclear submarines.

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Chief, RDD, ESD, WHS

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As far as overseas deployment of troops is concerned, the idea most openly discussed as a possible first step is to provide contingents, in the form of special police forces, for peace-keeping operations of the United Nations. This proposal was aired recently in Australia by former Prime Minister Kishi and echoed by representatives of the Foreign Ministry in the Security Subcommittee meetings.

None of the Japanese suggested that their economy could not support a substantial expansion in armed forces. On the contrary, some argued that a mild slowing down in economic growth in favor of rearmament might be desirable, on the ground that growth had been too rapid for social and political stability. It was stressed several times that public opinion polls showed those in favor of an adequate self-defense force rising from 57 percent to 80 percent over the last decade.

Japanese officials seem to take it for granted that Okinawa will revert on schedule and on Japanese terms. There seems to be little concern that the questions of nuclear storage and free use will prove to be a stumbling block, except for some nervousness about possible DOD influence in the negotiations. In brief, Japanese officialdom appears confident that it will get its way without tying its hands in any specific way. Other important issues, such as the future of the Mutual Security Treaty, are accordingly referred to as matters to be resolved once Okinawa is back in the fold. When asked what the US will get in return for reversion, the officials reply: "A friendly Japanese government."

One may wonder whether that friendship is more than skin deep. Japanese leaders are obviously shrewd appraisers of the political scene at home and abroad, and they (like the public) are motivated primarily by the national interests of Japan. Those interests require, for the near future, reliance on the US nuclear umbrella, but there is an uneasiness beneath the surface about how long the United States will have the power and will to act as Japan's protector, particularly outside the arena of nuclear conflict. Japan is therefore thinking seriously about its own military future.

We were informed that the coming four-year plan calls at a minimum for a doubling of defense expenditures, or an increase in excess of 18 percent a year. The actual pace of expansion will probably depend on how public opinion reacts to other worldwide developments. The navy will receive special attention because of concern over the security of trade routes. Oil, mainly from the Middle East, accounts for 70 percent of Japan's consumption of energy.

Air power will expand as well but probably more slowly. Upon our questioning, the Japanese military leaders affirmed that they need every air base they can get. We should therefore expect the Japanese air force to occupy each base as we vacate it, despite the argument of the moment that our bases should be closed because they create a nuisance to the densely populated areas around them.

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Ground forces will grow more slowly for obvious reasons, but some expansion is planned for defense of Okinawa.

There is a significant body of opinion within governmental circles in favor of keeping Japan's nuclear option open. While a high government official affirmed Sato's intention to sign the NPT, he was not willing to predict ratification in the Diet. In the area of peaceful uses, Japan is about to launch a nuclear-powered merchant vessel and continues developing the world's largest electric power system fueled by nuclear reactors.

The present Japan Defense Agency lacks cabinet rank, being instead attached directly to the Prime Minister's office. It is headed by a Director and staffed by civil servants from various ministries, principally the Foreign Ministry. There is widespread talk, however, of creating a separate Defense Ministry once the Okinawa question is settled.

As every reader of the press knows, radical elements are vocal and active on the political scene. Yet there is little doubt that the Liberal Democratic Party retains commanding control at the polls, and the present government probably has the power to shut off most of the violence whenever it chooses to do so. The skeptic may in fact wonder to what extent radical activities are permitted for the time being in order to bolster the government's case for Okinawan reversion. At the same time, toleration of violence raises the danger of political polarization and ultra-nationalistic reaction, developments contrary to our interests in the Far East. Some Japanese are seriously concerned over the possible revival of the militaristic spirit.

3. Situation in Okinawa

One has to see Okinawa to believe it. In terms of location, facilities, and freedom of use, it is simply irreplaceable. Its military importance derives even more from the deterrent implied by free use than from the operational significance of the base in time of actual hostilities. Our military posture in the Pacific will suffer a serious blow when we lose free use of Okinawa.

Even though Okinawans seem to be overwhelmingly in favor of reversion, they cannot be said to be antagonistic toward the United States. On the contrary, relations are basically cordial and friendly. While there are periodic demonstrations protesting our military activities and calling for return to Japan, they are orderly and without violence. If reversion were denied, these relations would steadily deteriorate, but Lt. General Lampert, the current High Commissioner, feels that we could expect conditions to remain tolerable for several years.

The economy is visibly dependent on US military presence. One Japanese economist predicted to me that there will be a mass exodus of Okinawans to the mainland of Japan as US activity declines after reversion, since the

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mainland will never make up fully for the loss of income generated by the US. Most Okinawans seem to have a child-like faith that the US will somehow continue looking after them even though it relinquishes political control and loses military use of its facilities. Some weak signs of concern are beginning to emerge as the decision on reversion draws near. For example, a group of Okinawan businessmen has begun to speak out openly, in the press as well as orally, against imminent reversion, warning of the economic consequences.

As to our own assets, a personal reviewing of them suggests a worth considerably higher than \$600 million. While the eyes can deceive, I should have guessed a valuation two or three times that amount.

4. Situation in Korea and Taiwan

My stay in Korea was hardly long enough to create more than a few quick impressions. The main one is that the time is ripe for Koreanization. The ROK forces are capable of doing the whole job necessary to defend the country if properly equipped. They are poorly equipped today by modern standards, so that a full-scale program of military aid will be expensive. We can trade the equipment for our own forces, however, provided we leave enough troops to maintain the UN umbrella, an important asset.

My visit in Taiwan was equally brief, and I was not able to see military forces or installations as I did in Korea. The principal observation I wish to make is that we are running a risk in cooling our relations with Taiwan too rapidly. Our policy seems to be based on the mistaken notion that the only way to solve our problems with Communist China is to abandon Taiwan. If we are not careful, the result may be loss of a valuable friend and ally with no perceptible offsetting gain. Needless to say, the strategic importance of Taiwan grows with the impending loss of Okinawa.

John W. Austin

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