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U N C L A S S I F I E D

MR HAYDEN'S VISIT TO JAPAN : PRESS STATEMENT

FOLLOWING IS TEXT OF PRESS STATEMENT RELEASED BY MR HAYDEN AT PRESS CONFERENCE AT IMPERIAL HOTEL AT 1430 ON 26 JULY.

PRESS CONFERENCE STATEMENT BY THE AUSTRALIAN MINISTER FOR FOREIGN AFFAIRS, MR BILL HAYDEN, TOKYO, 1430 26 JULY 1983

THIS IS MY FIRST VISIT TO JAPAN AS A MINISTER AND IT IS THE FIRST VISIT BY A MINISTER OF THE NEW LABOR GOVERNMENT.

SAID TO ME YESTERDAY, BECAUSE I THINK IT CAPTURES THE ESSENCE OF OUR TIES. MR ABE DESCRIBED THE JAPAN-AUSTRALIA RELATIONSHIP AS FIRM AND UNSHAKABLE, AND IN HIS WORDS, OUR COMMERCIAL ASSOCIATION WAS AN "ECONOMIC ALLIANCE". WE ARE BOTH VERY MUCH A PART OF THE ASIAN-PACIFIC REGION.

THAT BRINGS ME TO THE QUESTION OF KAMPUCHEA. AS SOME OF YOU MAY KNOW I HAVE SPENT A LOT OF MY ENERGY RECENTLY TALKING TO THE LEADERS OF THOSE NATIONS INVOLVED IN, AND DIRECTLY CONCERNED ABOUT, THE SITUATION IN KAMPUCHEA. WHAT AUSTRALIA HAS BEEN TRYING TO DO THERE IS TO ESTABLISH SOME COMMON GROUND. IT IS NOT AN EASY TASK AND WE MAKE NO CLAIMS TO HAVE A RECIPE FOR SUCCESS. BUT WE HAVE BEEN ENCOURAGED BY THE RESPONSES WE HAVE HAD IN CAPITALS AS DIVERSE AS BANGKOK, HANOI AND WASHINGTON...AND NOW HERE IN TOKYO.

THE WHOLE THRUST OF OUR INITIATIVE HAS BEEN IN OUR REGION AND WILL CONTINUE TO BE IN OUR REGION BECAUSE THAT IS WHERE OUR FUTURE RESTS, RATHER THAN IN EUROPE OR NORTH AMERICA. NOT THAT I WISH TO DIMINISH THE IMPORTANCE OF EUROPE OR NORTH AMERICA - IN FACT, JUST LAST WEEK AUSTRALIA RE-AFFIRMED ITS COMMITMENT TO THE ANZUS ALLIANCE. BUT WE DO NOT SEE OURSELVES AS THE MERE ADJUNCT OF A SUPER-POWER. WE HAVE A ROLE TO PLAY, AND IT IS VERY MUCH A REGIONAL ONE.

FOR MY PART, I WELCOME THE INCREASINGLY EVIDENT ROLE THAT JAPAN IS PLAYING POLITICALLY AND ECONOMICALLY IN THE REGION. JAPAN'S DEFENCE POLICIES ARE HIGHLY RELEVANT TO THE SECURITY OF OUR REGION AS A WHOLE, AND I WOULD LIKE HERE TO OFFER SOME CONSTRUCTIVE COMMENTS ON THAT POLICY.

IT IS IMPORTANT TO BE PREPARED TO STATE AUSTRALIA'S INTERESTS AND TO OFFER CONSTRUCTIVE COMMENTS WHEN AND WHERE APPROPRIATE, WHILE RECOGNISING THAT JAPAN MUST DECIDE ITS OWN POLICIES AND THAT DIFFERENCES BETWEEN JAPAN AND THE UNITED STATES ON DEFENCE COOPERATION ARE FOR THOSE TWO COUNTRIES TO RESOLVE AS PARTNERS IN A BILATERAL SECURITY TREATY.

LET ME ALSO STATE THAT AUSTRALIA AND JAPAN SHARE A BASIC COMMITMENT TO THE STRATEGIC INTERESTS OF THE WEST. WE ARE BOTH ALLIES OF THE UNITED STATES AND SHARE SIMILAR VIEWS ON A RANGE OF INTERNATIONAL ISSUES, AND COMMON VIEWS AS REGIONAL NEIGHBOURS WORKING FOR PEACE.

AUSTRALIA HAS A STRONG INTEREST IN THE ESTABLISHMENT AND MAINTENANCE OF A HARMONIOUS DEFENCE RELATIONSHIP BETWEEN JAPAN AND THE UNITED STATES. THIS IS OF GREAT IMPORTANCE TO THE STABILITY OF THE ASIA/PACIFIC REGION AS A WHOLE AND TO THE ABILITY OF THE UNITED STATES TO CARRY OUT ITS GLOBAL SECURITY ROLE. WE BELIEVE THAT JAPAN NOW MAKES AN EFFECTIVE CONTRIBUTION TO WESTERN STRATEGIC INTERESTS THROUGH ITS SELF DEFENCE FORCES AND ITS PROVISION OF BASES AND OTHER FACILITIES FOR THE UNITED STATES IN JAPAN, WITHIN THE FRAMEWORK OF THE JAPAN-UNITED STATES TREATY OF MUTUAL SECURITY AND CO-OPERATION.

AUSTRALIA WOULD BE CONCERNED IF - EITHER AS A RESULT OF EXTERNAL PRESSURE OR INTERNAL DECISION - THERE WERE A SHIFT IN JAPAN'S BASIC DEFENCE POSTURE, OR A DRAMATIC ACCELERATION OF DEFENCE SPENDING.

AUSTRALIA WOULD ALSO BE CONCERNED IF JAPAN WERE TO ATTEMPT TO DEVELOP A REGIONAL SECURITY ROLE. THIS WOULD HAVE A DESTABILISING EFFECT ON THE ASIA-PACIFIC REGION.

AUSTRALIA NOTES THAT THERE ARE STRONG CONSTITUTIONAL AND DOMESTIC POLITICAL CONSTRAINTS AS WELL AS REGIONAL SENSITIVITIES WHICH OPERATE AGAINST JAPAN'S ALTERING ITS BASIC DEFENCE POLICIES.

WE WELCOME JAPAN'S WILLINGNESS TO MAKE A NON-MILITARY CONTRIBUTION TO REGIONAL SECURITY, THROUGH AN INCREASE IN ITS ECONOMIC ASSISTANCE TO COUNTRIES OF STRATEGIC IMPORTANCE AND ITS DEVELOPMENT OF AN ACTIVE POLITICAL AND DIPLOMATIC ROLE AIMED AT RESOLVING REGIONAL CONFLICTS AND PRESERVING STABILITY.

AUSTRALIA ATTACHES IMPORTANCE TO ITS OWN COOPERATIVE ARRANGEMENTS WITH JAPAN IN THE DEFENCE FIELD AND WELCOMES THE MODEST INCREASE IN RECENT YEARS IN DEFENCE CONTACTS.

THANK YOU FOR YOUR ATTENTION. I NOW INVITE YOUR QUESTIONS.

A001C
RELEASE

U.S. House Urges Japan To Strengthen Defense

WASHINGTON (By Yomiuri Correspondent Hideaki Miyama)—The military authorization bill that the U.S. House of Representatives passed at the end of last month included an amendment calling on Japan to assume a defense role commensurate with its economic strength, it was learned Monday.

The amendment, which was introduced by Ike Skelton, Democrat-Missouri, was approved by a 329-82 vote with 22 abstentions.

It calls on the president to ask Japan to contribute more to joint defense efforts, particularly by increasing its share of the cost of maintaining U.S. forces in Japan.

The existence of the amendment, which also demands increased defense efforts by other allies, came to light when the minutes of the proceedings were distributed in printed form Monday.

It points out that in May 1981 Japan adopted a policy aimed at defending its own sea-lanes but that progress made in that direction since then has been disappointing.

In a speech by then Prime Minister Zenko Suzuki at the National Press Club in Washington during his first visit to the U.S. he mentioned Japan's plans in this respect and this was taken as a "public promise."

It is expected that this amendment, together with an amendment approved by the Senate that calls for reports to be made to Congress about Japan's defense of its sea-lanes and defense expenditures, will be approved through joint Senate-House consultations.

The amendment was submitted by Skelton to counter another amendment,

proposed earlier by Patricia Schroeder, Democrat-Colorado, who wanted the number of U.S. troops stationed in Japan frozen at the September 30, 1980, level.

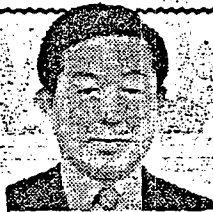
Skelton said Schroeder's amendment would not prompt Japan to increase its defense efforts.

Skelton's amendment makes the following points:

- The defense burdens undertaken by the U.S. allies, including Japan, do not match their respective economic resources.
- Most of the NATO countries have failed to honor their commitments to increase their defense spending by three percent over the previous year, and the prospects for 1983 are even worse.
- Japan's progress in taking over the defense of its sea-lanes is disappointing.
- Japan has the greatest potential for improvement of its defense capabilities. It should therefore carry out a policy for defending its sea-lanes and attain effective self-defense capabilities based on conventional weapons.
- Any country which is reluctant to make a major contribution through joint defense efforts is jeopardizing its alliance with the United States.

Byron L. Dorgan, Democrat-North Dakota, called the Skelton bill too weak and said he supported the Schroeder bill.

JAPAN DEFENSE
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Political Periscope

By Takuo Hayashi

F-16 Fighters

Why doesn't the Soviet Union invade Hokkaido? Why doesn't it interrupt Japan's sea-lanes? Why doesn't it attack Japan proper with SS-20 missiles? Is it because the combined strength of the U.S. forces in the Far East and Japan's Self-Defense Forces is balanced with that of the Soviet forces in the Far East? Or, has the Soviet Union no intention whatsoever to carry out such things? All these have always been old and yet new problems for us Japanese people.

The question of stationing 48 F-16 fighters of the U.S. Air Force at Misawa Air Base in Aomori Prefecture has once again reminded us of these long-standing problems.

The U.S. Congress has made a decision concerning the proposed stationing of the F-16 fighters at Misawa. The Senate plenary session on July 27, in approving the military construction expenditures bill for fiscal 1984, decided to cancel all the funds earmarked for the construction of F-16 fighter facilities. (Initially, the House of Representatives retained \$17 million against the administration's demand for \$20 million. Later on Aug. 2, following the Senate rejection of the funds, a House-Senate conference committee agreed on the \$17 million defense spending authority bill for the construction of F-16 fighter facilities at Misawa Air Base.)

Soviet Attack

The initial rejection by the Senate was, in itself, not important. What is important is that the U.S. senators — and the U.S. political world as a whole for that matter — seem to be convinced that the stationing of U.S. Air Force at Misawa Air Base is essential to defend Japan from a possible Soviet attack. In this regard, they must have thought that "it is only natural for Japan to bear all the necessary expenses."

Their conviction as such was based on the judgment that "the presence of the U.S. Air Force at Misawa is essential for the U.S.-Japanese combined forces to recover its balance with the increasing Soviet forces in the Far East." They seem to believe that "such a power balance is essential to defend Japan from a Soviet attack."

The question now is if such a conviction is correct. I for one believe it is entirely wrong. Nothing is more nonsensical than the logic that "if U.S. fighters are stationed at Misawa, Japan will not be attacked by the Soviets and if they are not stationed there Japan will be open to a Soviet attack."

It must be strongly pointed out that the Japanese side has never asked the U.S. to carry out the construction of F-16 fighter facilities at Misawa. The idea was proposed by the American side.

It all started last summer when the U.S. Forces Japan headquarters sounded out the Japanese government on the issue. According to the U.S.

plan, 24 F-16 fighters of the U.S. Air Force will be stationed at Misawa Air Base in 1985, followed by the stationing of another 24 F-16 fighters in 1988. At the Japan-U.S. top defense consultation in September the same year, the Japanese side quite meekly expressed its intention to accept the U.S. proposal.

Reluctant Consent

Are the Japanese government leaders led by Prime Minister Yasuhiro Nakasone convinced, like the U.S. side, that such a step is essential for Japan's security? I don't think they are. They must have given reluctant consent to the American side on the ground that "they cannot oppose the U.S. contention."

Gregory Clark, one of the MDN columnists, in his "Tribune

Watching" on Jan. 7, discussed the Japan-U.S. security pact under the title of "Whose Free Ride?" In his article he pointed out to the following effect: "The one who gained most as the result of the coming into force of this treaty following Japan's recovery of independence is not Japan but the U.S. It became possible for the U.S. to continue using bases in Japan and in return for it the U.S. side recognized various advantages for Japan such as free access to the U.S. market." I think his analysis was quite correct.

Furthermore, he criticized the present U.S. attitude toward Japan that the U.S. side is trying to force its anti-Soviet hysteria on Japan. And then he concluded his article by saying that "it's time someone tied a rather large bell on a few of these cats."

I quite agree with him. But, to my regret, the "rats" called "Japanese government leaders" seem to have neither the courage nor the intention to bell the cats.

(The writer is a journalist-lecturer and an adviser to the Mainichi Newspapers.)

ADDIE.
RELEASE

Sharp Defense Spending Hike To Be Sought

WASHINGTON (Kyodo) — Congressional negotiators have basically agreed to accept in the fiscal 1984 defense authorization bill a provision calling for sharp Japanese defense spending to bring Japan's sea-lane defense capability up to the mark by 1990.

Agreement was reached at a meeting of the joint Senate-House committee Thursday night, sources at the Senate Armed Services Committee said Friday.

U.S. legislators in the past have passed several resolutions calling for increased Japanese defense spending but this is the first time they agreed to incorporate such a rider in a bill.

Former Japanese Prime Minister Zenko Suzuki visited Washington in May 1981 and pledged to make efforts to defend sea-lanes up to 1,000 nautical miles from Japan's shore, but no concrete efforts have so far been made.

The rider, originally proposed by Democratic Senator Carl Levin of Michigan, a member of the Armed Services Committee and said to be hawkish on Japanese affairs, has already been cleared by the Senate.

But it was revised to tone down its demands by two Democratic members of the House — Samuel Stratton from New York and Les Aspin from Wisconsin, both members of the Armed Services Committee, the sources said.

They said the bill will be placed before plenary sessions of the two Houses in September when Congress returns from its summer vacation and added that the rider about Japan will be cleared as it is.

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SUBJ: VISIT OF DIET DELEGATION TO CINCPAC (U)

1. (U) JAPANESE DIET SPECIAL COMMITTEE ON SECURITY AFFAIRS, HEADED BY KEIZO OBUCHI AND INCLUDING KOUTAI NAKAMURA, TOKUICHIRO TAMAGAWA, AND TSUTOMU NAKAJIMA, CHIEF, RESEARCH STAFF OF SPECIAL COMMITTEE ON NATIONAL SECURITY, HOUSE OF REPRESENTATIVES, VISITED CINCPAC 18 AUG 83. GOJ CONGEN DONOWAKI ACCOMPANIED THE PARTY. THE DELEGATION CALLED ON ADMIRAL CROWE, RECEIVED A BRIEFING ON THE CINCPAC THEATRE, AND WERE GIVEN A BARGE TOUR OF PEARL HARBOR.
 2. THE 40-MINUTE DISCUSSION WITH ADMIRAL CROWE WAS LIVELY AND FOCUSED ENTIRELY ON PACIFIC SECURITY MATTERS. IN RESPONSE TO A QUESTION REGARDING SOVIET MILITARY OBJECTIVES IN THE REGION - INCLUDING THE CAM RANH BAY AREA, CINCPAC NOTED THAT THE USSR HAS EFFECTIVELY BEEN ENLARGING THE BATTLE ZONE IN THE PACIFIC. ITS CAM RANH DEPLOYMENTS AS WELL AS ITS DEPLOYMENT OF SS-20'S, BACK-FIRES, FENCER AIRCRAFT AND NAVAL MODERNIZATION ALL CONTRIBUTE TO THIS OBJECTIVE AND THREAT CAPABILITY. THESE DEVELOPMENTS HAVE GREAT SIGNIFICANCE FOR JAPAN, CINCPAC SUGGESTED. THEY EMPHASIZE THE IMPORTANCE OF US-JAPAN COOPERATION TO ENSURE THE SECURITY OF JAPAN, AND ALSO UNDERSCORE THE NEED FOR JAPAN TO DO MORE FOR ITS OWN DEFENSE.
 3. THE DIET DELEGATION AGREED WITH ADMIRAL CROWE'S ASSESSMENT OF THE SOVIET THREAT, BUT EXPLAINED THE POLITICAL CONSTRAINTS AFFECTING JAPAN'S SECURITY BUDGET. IT WAS NOTED THAT THE RECENTLY ELECTED HEAD OF THE SOCIALIST PARTY IS WELL KNOWN AS AN OPPONENT OF DEFENSE SPENDING AND AN ADVOCATE OF NEUTRALITY, AND CONSIDERABLE OPPOSITION TO DEFENSE PROGRAMS PERSISTS IN JAPAN. MR. TAMAGAWA ASKED ADMIRAL CROWE WHETHER THE US EXPECTED JAPAN TO COME TO THE DEFENSE OF THE US, IN A SITUATION IN WHICH JAPAN ITSELF WAS NOT ATTACKED. CINCPAC STATED THAT IN HIS JUDGMENT, AS THE US PACIFIC COMMANDER, THE MOST IMPORTANT THING JAPAN COULD DO WOULD BE TO STRENGTHEN THEN ITS CAPABILITY TO DEFEND ITSELF, INCLUDING PROTECTION OF THE 1,000-MILE SLOC'S OUT FROM JAPAN AND ENHANCEMENT OF ITS AIR DEFENSE CAPABILITY.
 4. PRAISING THE PROGRESS MADE IN RECENT YEARS IN AIR, NAVAL, AND GROUND SELF DEFENSE FORCES, HE NOTED HE IS ESPECIALLY CONCERNED AT PRESENT WITH THE SUSTAINABILITY OF THE JSDF. SUSTAINABILITY, HE SAID, IS OF CONCERN TO HIM WITH RESPECT TO US AND OTHER FREE WORLD FORCES, AND THUS IS NOT AN ISSUE UNIQUE TO JAPAN. FINALLY, ADMIRAL CROWE EXPRESSED HIS APPRECIATION FOR THE IMPORTANT EFFORT THE MEMBERS OF THE DELEGATION ARE MAKING IN EDUCATING THE JAPANESE PUBLIC ON THE SOVIET THREAT, AND THE NEED TO MEET THAT THREAT.
 4. DURING THE DISCUSSION FOLLOWING THE BRIEFING, THE DIET MEMBERS POSED A NUMBER OF QUESTIONS REGARDING SOVIET PERFORMANCE IN AFGHANISTAN, SOVIET GROUND AND MARINE LANDING CAPABILITIES, AND THE DIVISION OF RESPONSIBILITIES BETWEEN THE US AND JAPAN FOR THE DEFENSE OF THE SLOC'S WITHIN 1,000 MILES OF JAPAN.
- DECL: OADR BT

DECLASSIFIED
BY APA
DATE 4/13/99

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JAPAN DEFENSE

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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA



29 SEP 1982

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Your Meeting with Japan's Foreign Minister -- Defense Aspects

On September 30 and October 1, I am hosting Japan's Defense Minister Ito who will also meet with Kenneth Dam in your absence. We have already coordinated with State and I'm sure that Ito will hear the unified U.S. position on Japan's defense efforts as contained in NSSD-6.

Unfortunately Ito is a relatively low ranking politician from an agency with little bureaucratic clout in the Japanese hierarchy. He will be out of his Cabinet job no later than late November and will likely not hold Cabinet office again. Sakurauchi, on the other hand, is a politician of status and heads an influential ministry. His hearing of U.S. views regarding Japanese defense efforts is easily more important than the Defense Minister's.

My message to Ito will be cordial but candid:

-- the threat is extremely serious;

-- the U.S. is providing, and will continue to carry the majority of Japan's conventional defense burden (as well as all of its strategic nuclear shield);

-- a meaningful Japanese self-defense contribution within this decade is necessary to aid deterrence and to convince the American public that Japan is a worthy ally;

-- the proposed Japanese 1983-1987 defense plan is aiming too low -- it needs to be accomplished in less than five years and to be supplemented by additional measures, particularly to provide for sustainability (ammunition) and sea-lane defense.

I hope you can convey the importance of this issue to the Foreign Minister during your meeting in New York.

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DATE 4/13/99

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JULY 19, 1983

JAP DEF

A0010
RELEASE

Emphasizes Being a "Member of the West"; Gist of Defense White Paper for 1983; Terminology of "Sea-Lane" Appears for the First Time

A0010

The JDA firmed up the general outline of the "Defense White Paper for 1983" on the 18th, and Chief of the Director General's Secretariat SASSA reported it to Prime Minister NAKASONE and obtained his approval. According to a JDA source, the term "sea-lanes" is used for the first time in the White Paper this time, and the tackling of the defense of the sea-lanes, including the defense of the straits is emphasized. It also emphasizes more strongly the strengthening of defense power, as "a member of the West," based on the agreement on the INF reduction negotiations, reached at the Williamsburg Summit (Advanced Nations Summit Conference) held in the US, and its feature point is that it takes the "form of attaching importance to international strategy." Also, in order to respond to the mounting of public opinion concerning the defense problem, the JDA has decided to issue a large number of a "popular edition," separately from the White Paper.

The "Defense White Paper for 1983" is made up of three parts, that is, the "Military Situation in the World," "Our Country's Defense Policy" and the "Present State and Tasks for Our Country's Defense," in the same way as in past editions. It explains the moves of the defense problem in the past one year and our country's basic defense policy, and after it is approved by the National Defense Council and the Cabinet toward the end of August, it will be made public.

As regards the military situation surrounding our country, it points out the importance of the Western side's strategy toward the Soviet Union, centering on the Japan-US Security Treaty structure, to counter the large-scale strengthening of the Soviet Union's military power in the Far East. Especially, standing on the basis of our country's taking the position, for the first time, that the "security of the West is inseparable," at the Williamsburg Summit, it emphasizes more than in the past "the shouldering of a due defense share, as a member of the West."

In this context, the point to be noted, as a concrete defense policy, is the handling of the defense of the sea-lanes. In the White Paper for 1982, the using of the expression "sea-lanes" was avoided, and it only stated that "through the cumulative effects of various kinds of operations, such as patrol, escort and the securing of the straits, maritime traffic will be protected."

This was due to consideration toward the anxiety among the ASEAN nations toward Japan, and the repulsion of some Opposition Parties within the country. However, taking into consideration such changes in the situation as (1) the obtaining of the understanding of ASEAN, through Prime Minister NAKASONE's visits to these countries, (2) the increasing of understanding toward the importance of the defense of the sea-lanes, through Diet discussions, and (3) the starting of Japan-US joint studies on the defense of the sea-lanes from March, the JDA has decided to incorporate the defense of the sea-lanes, "in several hundred nautical-mile sea areas around Japan, and up to 1,000 nautical miles, in the case of establishing shipping lanes."

In the 1982 edition, the JDA used color prints for graphs, etc., but in the edition this time, it also uses color print photographs, too, and it plans to publish about 40,000 copies. Separately from these editions, the JDA also plans to compile a "popular edition," which will contain many illustrations and charts, and which can be "read even by senior high-school students" (Chief of the Director General's Secretariat SASSA), and plans to publish 200,000 copies of this edition, which will be sold at a low price.

There is the precedent of compiling a popular edition for the White Paper for 1977, and this will be the second time. The JDA intends to remove "bureaucratic coloring" from it, by commissioning outsiders for the actual writing and the composition of the White Paper, and it is being noted with attention as indicating that the JDA has launched into a campaign, in a positive way, in anticipation of the "degree of the maturing" of public opinion over the defense problem.

Business Trends and Interest Rates in US

Periods of business expansion	Level of interest rates in early recovery period				Periods of expansion
	Short-term interest rates		Long-term interest rates		
	Nominal	Real	Nominal	Real	
Jan. 1971- Dec. 1973	4.34	0	5.74	1.40	12
Apr. 1975- Mar. 1980	5.59	-2.41	7.04	-0.96	20
Oct. 1980- Sept. 1981	14.50	3.42	13.24	2.16	4
Jan. 1983-	8.12	4.42	10.81	7.11	?

(Note) -- Interest rates are shown in percentage. The early recovery period is the period of one year from the beginning. The period of expansion is shown by the number of quarters. The real interest rate is equal to the nominal interest rate minus the rate of rise in consumer prices.

HF

NIHON KEIZAI (Page 1) (Full)

Eve., July 19, 1983

Desires Settlement of Liberalization of Beef and Oranges "Before President's Visit to Japan"; High-Ranking US Government Official

(Washington, July 18, Correspondent MIYAUCHI) A high-ranking US Government official stated, on the 18th, in connection with President REAGAN's visit to Japan in November of this year, that "we are hoping that the agricultural products problem, including beef and citrus fruit, will be settled before the President visits Japan. The US side is also strongly interested in the development of the problem of the NTT's international procurement and the problem of the exporting of Alaskan crude oil and coal produced in the western part of the US to Japan." This clarified that the urgent and important problems in Japan-US economic relations for the next several months up to the President's visit to Japan have now come to be focused on these three items. As a result, tense development of Japan-US trade negotiations, centering on the agricultural products problem, is expected from this summer to the autumn.

This statement by the high-ranking Government official was based on the results of the series of Japan-US trade consultations held in Tokyo and in Washington up to the end of last week. In this statement, this high-ranking Government official said that the purpose of the President's visit to Japan lies in strengthening Japan-US co-operative relations. He also pointed out that it is necessary for the problem of the opening of the Japanese market to make progress in the next several months, before the President's visit to Japan, and listed the settlement of the agricultural products problem, including beef and citrus fruit, the NTT procurement problem, and the energy problem, such as the exporting of Alaskan crude oil and coal produced in the western part of the US as matters in which the US has interest.

However, this high-ranking Government official avoided making any reference to the US side's basic measures for coping with these problems. He also avoided giving a clear-cut answer as to whether the problem of the extending of Japan's voluntary self-restraints on automobile exports to the US will become a big subject matter for co-ordination, in advance of the President's visit to Japan or not.

Further, on the problem of Japan's industrial policy, which has become a pending problem between Japan and the US, this high-ranking Government official said that "it is not likely that the consultations between the two countries will be completed before the President's visit to Japan," and

Japan will cause unnecessary misunderstanding. Reportedly, the US side showed understanding toward the position of Japan, and appreciated the defense efforts made by Japan. At the same time, the US side pointed out again the threat from the Soviet Union, and strongly asked for the improvement of the SDF's capability for continuous combat and the strengthening of the inter-operability (establishment of common armaments and reciprocal use of armaments by Japan and the US). It must be welcomed that the security consultations in Hawaii, which used to see the presentation of exorbitant requests by the US side and the raising of objections by the Japanese side, have turned into a theater for the exchange of opinions on the basis of understanding about each other's positions, because this is proof of the maturity of the Security Treaty system.

For the promotion of Japan-US co-operation in the field of defense activities, the "Guidelines for Japan-US Defense Co-operation" were agreed upon already six years ago. Also, various joint maneuvers of the SDF and the US Forces have come to be held far more frequently than before during the past several years. At the recent consultations in Hawaii, it was also agreed to bring to a conclusion, by next spring, the joint study of the defense of the sea lanes, which study is going on at present. It goes without saying that the limit, within which the SDF should share the role in the field of actual operations, must be determined carefully, while consolidating a national consensus of opinion.

HF

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FROM CROME

- SUBJ: JAPANESE FOREIGN MINISTER ABE'S VISIT TO CINCPAC (U)
- (U) FOREIGN MINISTER ABE VISITED HONOLULU 30 SEP-1 OCT, EN ROUTE
TOKYO FOLLOWING HIS ATTENDANCE AT THE UNGA. CINCPAC HOSTED HIM,
ALONG WITH CJSC GENERAL AND MRS. MURAI, FOR AN INFORMAL DINNER.
MOFA DEPUTY MINISTER MAKAJIMA, DIR GENERAL KITAMURA, DIR GENERAL
HASHIMOTO, AND CONSUL GENERAL AND MRS. DONOWAKI WERE AMONG THE OTHER
GUESTS. THE FOREIGN MINISTER AND CINCPAC HAD A BRIEF PRE-DINNER
"WORKING SESSION."
 - ADMIRAL CROME DESCRIBED FOR ABE HIS ASSESSMENT OF THE
CONTINUED EXPANSION OF SOVIET MILITARY POWER IN NORTHEAST ASIA,
STATED HIS GRATIFICATION WITH THE NATURAL AND CLOSE COOPERATION
BETWEEN JAPAN AND THE U.S. IN THE CASE OF THE KAL INCIDENT, AND
OFFERED HIS DEEP APPRECIATION FOR THE VALUABLE ROLE MOFA PLAYS IN
SUPPORTING AN EXPANDED JAPANESE SELF-DEFENSE EFFORT. ABE AGREED
THAT THE KAL OPERATION SYMBOLIZED THE GOOD SECURITY COOPERATION THE
TWO PARTIES ENJOY AND EXPRESSED HIS GRATITUDE FOR THE U.S.
ASSISTANCE IN THE KAL SEARCH EFFORT. AGREEING THAT THE SOVIET
MILITARY BUILDUP IS INDEED MORRISOME, ABE REFERRED TO THE SS-20
PROBLEM AND THE INF DISCUSSIONS HE HAD HAD WITH SECRETARY SHULTZ.
THE FOREIGN MINISTER STATED HE UNDERSTANDS THE U.S. POLICY ON A
GLOBAL APPROACH TO INT, BUT THAT HE NEVERTHELESS WAD TO URGE AGAIN
THAT THE U.S. NOT "SACRIFICE" THE FAR EAST IN THE NEGOTIATIONS.
ADMIRAL CROME ASSURED ABE THE U.S. WILL FULFILL ITS PLEDGE TO JAPAN
ON THIS ISSUE.
 - ABE RAISED THE ISSUE OF DEFENSE RELATED TECHNOLOGY TRANSFER,
NOTING THAT THE GOJ HOPES TO REACH AN AGREEMENT WITH THE USG BEFORE
PRESIDENT REAGAN'S VISIT. HE ALSO BROACHED THE FIELD CARRIER
LANDING PRACTICE (FCLP) PROBLEM, EMPHASIZING THAT THE GOJ, AS A
WHOLE, IS WORKING HARD ON THE MATTER. CINCPAC STATED THE
ESSENTIALITY OF A RESOLUTION, FOR READINESS, TRAINING, AND OVERALL
CAPABILITY PURPOSES.
 - ADDITIONALLY, ON THE SUBJECT OF JAPANESE PUBLIC OPINION
TOWARD DEFENSE, ABE SAID THAT THE CONSENSUS IS MOVING TOWARD GREATER
UNDERSTANDING OF THE THREAT AND THE NEED FOR JAPAN TO DEFEND
HERSELF. ADMIRAL CROME PLEDGED HIS FULL SUPPORT TO THE GOJ IN ITS
ENDEAVORS TO DEVELOP THE NECESSARY PUBLIC UNDERSTANDING. CINCPAC
THEN DESCRIBED THE STATUS OF U.S. SEARCH/SALVAGE OPERATIONS RELATED
TO THE KAL SHOOTDOWN. STATING HE WAS NOT VERY OPTIMISTIC ABOUT
RETRIEVING THE BLACK BOX. CROME ADDED THAT THE SEARCH WILL CONTINUE
AND THAT THE U.S. WILL KEEP THE GOJ FULLY INFORMED OF DEVELOPMENTS.
 - (U) ALTHOUGH TIRED FROM HIS UNGA SCHEDULE AND THE DAY'S TRAVEL,
ABE SEEMED RELAXED AND APPEARED TO ENJOY THE INFORMAL DINNER. A
GOLF GAME WITH GOVERNOR ARIYOSHI JUST PRIOR TO HIS DEPARTURE FOR
TOKYO SHOULD PROVIDE A LITTLE MORE THERAPY AFTER THE RIGORS OF NEW
YORK.
 - (U) WARMEST REGARDS.
- DECL: OADR BT

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JAPAN DEFENSE
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* KISSINGER-JAPAN, 0253

KISSINGER OPPOSES REARMING JAPAN

SYDNEY, AUSTRALIA (AP) - FORMER U.S. SECRETARY OF STATE HENRY KISSINGER SAYS HE OPPOSES THE REARMING OF JAPAN BECAUSE IT WOULD REVIVE JAPANESE NATIONALISM AND CREATE TENSION IN THE PACIFIC.

KISSINGER TOLD THE AUSTRALIAN BUSINESS CONGRESS MONDAY THAT THE PACIFIC REGION WOULD BECOME VITAL IN WORLD AFFAIRS IN THE NEXT 20 YEARS AND ITS STABILITY WAS CRUCIAL.

IF JAPAN WERE TO ASSUME FULL RESPONSIBILITY FOR ITS DEFENSE, IT WOULD ENCOURAGE THE REEMERGENCE OF JAPANESE NATIONALISM AND WORRY OTHER NATIONS IN THE AREA, HE SAID. THE UNITED STATES NOW PROVIDES MUCH OF JAPAN'S DEFENSE.

I BELIEVE THAT THE PRESENT ALLIANCE STRUCTURE SERVES THE INTERESTS OF PACIFIC PEACE QUITE WELL EVEN IF ITS MARGINALLY MORE EXPENSIVE TO US, HE ADDED.

KISSINGER SAID REARMING JAPAN CAN NOT BE OUR OBJECTIVE AND IT SHOULD NOT BE ENCOURAGED BEYOND THE LEVEL THAT NOW EXISTS.

ANOTHER PROBLEM WAS A WORLD TREND TO SUPPORT FREE TRADE WHILE OFTEN PRACTICING PROTECTIONISM, HE ADDED.

IN RELATIONS BETWEEN THE UNITED STATES AND JAPAN TODAY WHAT HAPPENS IS THAT THE WEAKEST INDUSTRIES IN AMERICA SEEK PROTECTION AGAINST THE STRONGEST INDUSTRIES IN JAPAN AND IT LEADS TO ENDLESS, BITTER DISPUTES WHICH ARE HANDLED BY THE JAPANESE IN A MASTERFUL FASHION, HE SAID.

THEY DRAW US INTO VERY EXTENSIVE NEGOTIATIONS AND BY THE TIME THE NEGOTIATIONS ARE COMPLETED THAT INDUSTRY HAS BEEN ABANDONED BY THE JAPANESE AND THEY HAVE SHIFTED INTO ANOTHER ONE AND THE WHOLE PROCESS HAS TO START ALL OVER AGAIN, HE ADDED.

END

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A001 AC
RELEASEREAGAN Visit to Japan and Japan-US Relations

(Full Translation)

THE ECONOMIST

November 8, 1983

(Interview with Masayoshi ITO, Former Foreign Minister and Lower House Member)

US President REAGAN will be visiting Japan. Reflecting the international situation, where the smell of gun-smoke is becoming stronger, the expected agenda item is the security problem. In that case, what is the "Japan-US alliance," and what is the desirable way for Japan's diplomacy toward the US? This journal heard the views of former Foreign Minister Masayoshi ITO.

Exaggerated Evaluation of Japan

-- President REAGAN will be visiting Japan soon. I would like to hear your views, first of all, on the significance of the visit to Japan this time, and from what viewpoint this visit should be grasped, from the position of the main-current of the conservative forces.

ITO: In President REAGAN's mind, there is the relationship with the Soviet Union, first of all. Therefore, there is the idea, basically, of firming up the solidarity or co-operation among the nations of the West, and of especially attaching importance to Japan, in this context.

Also, there are comparatively many conservative Governments among the nations of the West. There are some which are somewhat wobbly, but this is also an asset for President REAGAN. I think he has this point in mind, and I think he thinks that the strengthening of co-operative relations with Japan will be an advantage for him in the Presidential elections.

-- What is the position of the Japanese side toward this?

ITO: The basis is Japan-US relations. The Japanese side will take the view that the US is attaching importance to Japan, which says that it is a member of the West, with the US as the leader. In that meaning, I think it is on an extension line of the Japan-US summit talks, held up until now. I do not think that something will start moving all at once, occasioned by the REAGAN visit to Japan this time, or that some big problem will come to be settled.

-- Does that mean that there is no great merit for the Japanese side?

ITO: Is it not a merit if the Japanese people come to see that the US is attaching importance to Japan and that Japan-US relations are important? After all, the people are all greatly interested in the visit to Japan by the US President.

-- Next, let us move on to the question of recent Japan-US relations. I think that there are some awkward aspects, here and there.

ITO: My frank impression is that the US seems to be over-evaluating Japan's power, to some extent.

For example, in regard to the defense problem, I experienced it myself, too. When WEINBERGER was the Secretary of Defense and when I was the Foreign Minister (from July, 1980 to May, 1981), he asked me twice to defend the Pacific, north of the Philippines and west of Guam.

I turned down this request, both times, saying that it is not possible. From the standpoint of the Constitution, Japan has only its individual right of self-defense, and it says that it will abide exclusively by defense. We are also trying to manage our defense more or less, with defense expenditures which do not exceed one percent of the GNP. Viewed in the light of these restrictions on Japan, it is far from possible to go so far.

4 JAN 1984

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JAPAN DEF
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Perspectives on Defense

A Look at the Future of Japan's Military Industrial Complex

By NEIL W. DAVIS

The U.S. is encouraging Japan to be more cautious in its relatively free-wheeling attitude toward sophisticated electronics technologies which can be used or copied by potentially hostile nations, and at the same time the U.S. is seeking the transfer of some military-applications technologies from Japanese companies. Issues involving Japan's defense industry are hot discussion topics in the Pentagon, if not in Japan itself.

Japan and the U.S. appear to be drawing closer together in the field of commercial and military aviation, but this may in fact be an illusion, as Japanese companies acquire the capabilities to build their own jet fighters at home, while simultaneously courting European companies in business tie-ups.

As for now, the Japanese-American linkage is strong in aviation, and likewise Japan's commercial and military aviation industries are intermingled.

In the commercial aviation arena, Boeing needed international partners to share the extensive development financing of their twin-engine "767." Subsidies given by Japan's Ministry of International Trade and Industry (MITI) to the three leading aviation companies, provided secure funding for the 767's fuselage design and development. A crucial 15 percent of the total 767 funding came from Japanese sources. Meanwhile, the Ground, Maritime, and Air Self-Defense Forces, are using Boeing-designed twin-rotor helicopters, built under license by Kawasaki Heavy Industries.

Japan's commercial aviation industry must be internationalized to widen its market and perhaps even to lead the way for exports of military aircraft. Does this seem far-fetched? The Boeing-Kawasaki helicopter built in Japan for the various Self-Defense Forces has already been exported to the Royal Swedish Navy, and to other countries, some in the Middle East and Southeast Asia.

Mitsubishi Heavy Industries' "Diamond I" executive jet is assembled in Texas and uses Canadian turbofan engines. Kawasaki's new light, multi-purpose helicopter is roughly half German and uses American engines.

Turning back to military aviation, the premier fighter jet of the U.S. Air Force, the Mach 2.5-plus "F-15" of

McDonnell Douglas is built under license by Mitsubishi Heavy Industries (MHI) in Nagoya. These F-15J ("J" signifies Japan-manufactured) fighters are claimed to have higher general reliability statistics and lower failure rates than the F-15s made (at half the cost) in the U.S. This claim, made recently by Toshiro Murai, general manager of MHI's Aircraft Department, may in fact be true. (Since the first few F-15Js made in Nagoya are still under two years old, it is difficult to precisely measure these variables.) In a tour early last summer of MHI's Komaki South Plant in Nagoya, I had a chance to see the production facilities of the F-15J, the Diamond I executive jet fuselage and wings, and assorted planes and helicopters.

Underlying Mr. Murai's claim of the F-15J's superiority is the request of MHI to transfer production expertise to the U.S. (under terms of the U.S.-initiated bilateral military transfer agreement) involving MHI's technologies used to produce the licensed Raytheon air-to-air missile, AIM-9L, which is said to be superior to the original American-made version, according to corporate advisers to the Pentagon.

Many of the new technologies required of state-of-the-art aircraft production revolve around Computer-Aided Design and Manufacturing (CAD/CAM), and Japanese companies are fanatical about these applications.

Devices based on the "charge coupling" principle were initially devised at Bell Laboratories (as were transistors and lasers), and now the Defense Science Board of the Pentagon is interested in acquiring Mitsubishi Electric's charge coupled device (CCD) technologies which form the basis of future optical and infrared scanning. Other military-related Japanese aerospace expertise currently being sought by the U.S. includes NEC Corporation's microwave absorbing ferrite paint for "stealth type" secret-flying aircraft which will go undetected by conventional radar, and Hitachi's special "copper-carbon compound fiber" technology which appears to be more attractive than other composites for strong but light aircraft frames.

At the Nagoya Oye-cho plant of Mitsubishi Heavy Industries I have seen impressive aircraft composite technologies

under development (composites are superior to metals in strength, lighter in weight and have better durability-fatigue characteristics).

At the Sugamihara works of Mitsubishi Electric, I was shown the non-metallic material which will form the structure of Japan's domestically-built Halley's Comet probe —

the PLANET-A spacecraft of the Institute of Space and Astronautical Science. This material, called "carbon-fiber reinforced plastic" or CFRP, allows the spacecraft's structure to be lightened so that it can carry additional scientific instruments.

These new composite materials, and "new ceramics" are among the less well-known Japanese technologies which are potentially of great military utility. In the field of ceramics, a single Japanese company, Kyocera (formerly Kyoto Ceramic), controls more than 70 percent of the U.S. market in ceramic protective packages for sensitive semiconductors used in aerospace and other military applications.

Earlier this year, the U.S. Department of Defense forced Kyocera to divest itself of a California-based subsidiary specializing in field-effect transistors (FETs) and other electronic aerospace components. Kyocera's Dexcel subsidiary was sold to the arms-producer Gould Inc. in the name of national security with a precedent-setting impact. It was the

first instance that a U.S. law mandating American ownership of military-industrial complex companies was invoked thus conveying a message to Japan and elsewhere.

Such expertise as a unique production method of optical fibers, developed under the supervision of researchers at Nippon Telegraph & Telephone Public Corporation (NTT), as well as NEC-developed voice-recognition equipment are possible transfer items which the

U.S. military establishment is seeking. (Optical fibers are the "nerves" of digital-control fighters. Voice recognition equipment may be capable of taking orders from pilots turning at high G-forces when arms and even fingers are hard to move.)

Other examples of military aviation link-ups between American and Japanese firms are: the F-15 jet engine licensing connection, with Ishikawajima-Harima Heavy Industries (IHI) to produce Pratt & Whitney's world's highest thrust-to-weight ratio engine, the F100; and Kawasaki's licensed production of Lockheed's P-3C anti-submarine

warfare airplane.

But why does the Japan Defense Agency need expensive F-15J fighters and anti-submarine planes burning up vast amounts of aviation fuel each year?

The answer is that there is nothing superior to an F-15 (or F-15J as the case may be) for responding to emergency air-

bound situations, such as intrusions into Japanese airspace of Etorofu-based MiGs (last occurring in mid-October). Secondly, most of the Soviet Union's 125-plus Pacific Fleet submarines are based in nearby Kamchatka (both attack submarines and those carrying ballistic missiles).

Since the potential for growth in Japanese defense-related industries is immense as compared to the already-mature automotive industry,

Nissan Motor Co. (which produces solid-fuel rockets which have launched more than a dozen Japanese satellites), concluded a business tie-up last year with American aerospace giant Martin Marietta.

These Japanese-American ties in military technology, including the framework of the recent bilateral national-complex-to-complex transfer agreement, must be reconciled with the Constitution's Article

Nine, which renounces Japan's right to engage in warfare, as well as provisions of the United Nations Charter (concerning military exports). These Japanese technologies, mainly in electronics and new materials, will be transferred under the terms of a "Joint Military Technology Commission," subject to corporate and governmental approvals on the Japanese side.

What are the implications of this new institutionalized military transfer agreement? Will Japanese corporations look upon defense-related industries as completely legitimate, socially-accepted business arenas in which tidy profits can be generated? Many observers feel that the sky is the limit (or perhaps better yet "space is the limit") for the largest half-dozen defense companies.

Japan's No. 1 defense firm, Mitsubishi Heavy Industries, builds nuclear reactors (under a fading tie-up with Westinghouse) and assembles "N-II" geostationary orbit-capable launch vehicles (with

help from McDonnell Douglas, Rocketdyne, and others). Obviously this company, which is also tied with America's Sikorsky division of United Technologies in anti-submarine helicopter licensing, is well-positioned to expand in military sales. With aircraft production dating back over six decades, MHI has a wealth of skybound experience including World War II "Zero" fighters.

The current second-ranking company, Kawasaki Heavy Industries is just now venturing into space with its first satellite contract (to produce Japan's passive experimental geodetic satellite to be launched in 1986). For a company which is suffering from declining motorcycle revenues, military technology may appear lucrative, and Kawasaki has ties with a number of American defense companies.

Military planners expect to place robots on the battlegrounds of the future. As one of the leading global robotics firms, Kawasaki has a more than adequate foundation for the gearing-up of military robotics production. It's not just science fiction anymore.

Third-ranked Mitsubishi Electric is sophisticated enough to have been selected as one of the few worldwide specialty companies (along with Germany's Messerschmitt-Bolkow-Blohm) to contribute to the current fifth-generation satellites of the International Telecommunications Satellite Organization (INTELSAT) made in the Silicon Valley by Ford Aerospace. Mitsubishi Electric has expertise in a vast number of military electronics systems.

In addition to its rocket engine technology, fourth-ranked Ishikawajima-Harima Heavy Industries (IHI) builds military jet engines under licensing arrangements with Rolls Royce Turbomeca and Pratt & Whitney. The future of commercial shipbuilding and BWR nuclear plant pressure vessels may well look bleak as compared to defense-related work.

Toshiba is ranked fifth, and NEC sixth. Both of these companies are satellite "prime contractors" (along with Mitsubishi Electric) for the National Space Development Agency of Japan, with Toshiba's label on the next spacecraft, to be launched in February: the "Broadcasting Satellite-2a."

With expertise in the diverse fields of nuclear reactor engineering and construction, robotics, computers, and various heavy electrical machinery, Toshiba (8 percent of which is owned by one of the top ten U.S. defense firms, General Electric) likewise possesses capabilities to expand in military production. During the past few years, both Toshiba and Hitachi have established discreet defense divisions featuring electronics wizardry, much of it used in aviation products.

NEC has ties to American defense giant Hughes Aircraft, as well as RCA Astro. Control avionics and inertial guidance equipment made by Japan Aviation Electronics Industry, Ltd. (50 percent owned by NEC) are used in many military systems including the F-15J fighter and air-to-ship missiles.

Clearly the top half-dozen Japanese defense-related companies have the skills necessary to emerge as a full-fledged business sector comprising a "military industrial complex" to quote the phrase popularized by President Eisenhower. Already they support the sixth largest defense budget in the non-communist world. According to the NATO scheme of measuring defense expenditures, which includes military pensions and other such mundane matters, Japan's funding level is already at 1.5 percent of GNP.

Prime Minister Nakasone's "unsinkable aircraft carrier" is not infrequently intruded upon, with the latest such forays being brief violations of Japanese airspace in mid-November by two Soviet TU-16 Badger bombers and a single TU-95 Bear bomber off Kyushu (TU means Tupolev designed). Such violations, in addition to the Korean Air Lines Flight 007 destruction, serve to remind us that threats against Japan are not hypothetical.

Needless to say, during urgent moments of need, at \$50 million apiece, the Air Self-Defense Force's F-15Js, are real bargains. Look inside an F-15J fighter produced by the Mitsubishi-Kawasaki-Fuji heavy industrial groups and what don't you see? One "black box" that you don't see is an IBM-based computer package which is the brain of the aircraft.

From a different perspective, military technologies of the future will surely require large computers with Artificial Intelligence (AI), and this leads us to a developmental program which has been labelled by Stanford University computer science professor Edward A. Feigenbaum as Japan's "Fifth Generation Computer" project.

This summer, in an interview with Dr. Kazuhiro Fuchi, director of the Institute for New Generation Computer Technology ("ICOT" partially funded by MITI), I realized that Fuchi's group is presenting a well-focused effort.

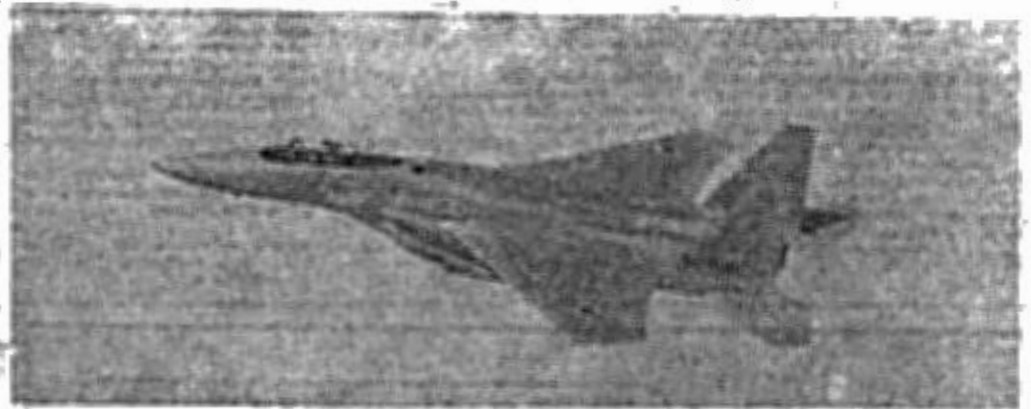
These new computers, or rather "knowledge information processing systems" will be used not only to assist in the designing and manufacturing of military system components but also in the operation of single weapons and the integration of weapons into battleground networks.

Future battles, both military and commercial, will be won by the best computer systems (including not only operational speed, but parallel processing capabilities, Artificial Intelligence and other frontier sub-systems).

No wonder that the U.S. efforts in the fifth generation arena are largely centered in the Pentagon's Defense Advanced Projects Agency (DARPA), and the Microelectronics and Computer Technology Corporation (MCC), a research group of large computer companies headed by former Admiral Bobby Inman (also a former chief of the largest U.S. intelligence agency — the National Security Agency).

Undoubtedly some U.S. defense officials have contemplated a scenario of ICOT succeeding before IBM in building an intelligent computer of the fifth generation, and what it would mean in military circles. Supercomputer "czar" Bobby Inman (as he is now dubbed) is among them.

The "General Pattons" of tomorrow are likely to be software engineering specialists. Warfare beyond the 1980s will be some sort of complex computerized gamesmanship played-out through C, I (Command, Control, Communications, and Intelligence). Meanwhile big corporate profits can be generated today by building the C, I infrastructure of tomorrow (profits the likes of which President Eisenhower could hardly imagine less than a quarter of a century ago).



The swept-wing F-15J fighter made in Japan.

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SUBJECT: JAPANESE SHIPBUILDING PROGRAM (U)

1. ~~(U)~~ SINCE MAR 82, MSO HAS BEEN APPROACHING MDO TO OBTAIN INFORMATION ON AEGIS. ON 11 JAN MSO OFFICIALLY REQUESTED RELEASE OF AEGIS TECHNOLOGY.

2. ~~(U)~~ THE JAPANESE 1983-87 MID-TERM DEFENSE PLAN PROVIDES FOR TWO GUIDED MISSILE DESTROYERS (DDG) IN EACH OF FOUR FLOTILLAS. TO DATE 4 DDG ARE IN COMMISSION, 2 ARE BEING CONSTRUCTED (TO BE COMMISSIONED IN 1986 AND 1988 RESPECTIVELY) WHILE REMAINING 2 ARE TO BE BUDGETED IN JFY 85 AND 87. CONSTRUCTION NUMBER 2313 (JFY 85 BUDGET) WILL PROBABLY BE COPY OF 2310 (SAWAKAZE (DDG 170) COMMISSIONED IN MAR 83), 2311 AND 2312 WITH TARTAR SYSTEM (MK 74 GUIDED MISSILE FIRE CONTROL SYSTEM AND MK 13 GUIDED MISSILE LAUNCHING SYSTEM). MSO IS CONCERNED THAT USN WILL NOT BE PROCURING TARTAR SYSTEM BEYOND MID-1980'S, IS NOT INTERESTED IN TARTAR D (DELTA) AND DESIRES TO INTRODUCE NEW TECHNOLOGY. THEREFORE, MSO DESIRES TO INSTALL AEGIS (MINI VERSION) ON DDG 2314 TO BE COMMISSIONED IN 1992.

3. ~~(U)~~ MSO REQUESTS (MDO COMMENT):

- A. INSTALLATION PLANS FOR AEGIS IN DDG 51 CLASS (NEEDED TO BEGIN PRELIMINARY DESIGN WORK FOR DDG 2314).
- B. RELEASABILITY AND AVAILABILITY OF MINI-AEGIS. (FOR DELIVERY IN 1990).

- C. SHIP DESIGN CONSIDERATIONS FOR AEGIS AND MINI-AEGIS (MSO BELIEVES THEY NEED BOTH TO MAKE DECISIONS) INCLUDING:

- (1) SYSTEM CONFIGURATION.
- (2) SIZE AND WEIGHT OF EACH COMPONENT.
- (3) POWER REQUIREMENTS.
- (4) SUPPORT SYSTEM REQUIREMENTS SUCH AS COOLING WATER, PRESSURIZED AIR, ETC.
- (5) ANY SPECIAL CONSIDERATIONS/REQUIREMENTS FOR SHIP DESIGN AND INSTALLATION.

- D. TECHNICAL DATA ON COMPUTERS, DISPLAYS, SOFTWARE INCLUDING PROGRAM SIZE(S) AND LANGUAGE(S) FOR C&C SYSTEM, WCS, MFAIR AND FCS.

- E. NOTIFICATION OF WHAT IS FIRST SHIP SCHEDULED TO RECEIVE VERTICAL LAUNCH SYSTEM (VLS) (NEED DATES FOR FIRST INSTALLATION OF VLS IN CG47 AND DDG 51 CLASSES).

- F. SYSTEM PARAMETERS SUCH AS SIZE OF TRACK STORE.

- G. CAPABILITY AND CHARACTERISTICS OF SM-2 MISSILE.

- H. COST OF AEGIS.
- I. FOR DDG 51:
 - (1) OPERATIONAL REQUIREMENT.
 - (2) REQUIRED CAPABILITY.
 - (3) WEAPON SYSTEMS.
 - (4) HULL AND MACHINERY.
 - (5) DEVELOPMENT SCHEDULE.

4. ~~(U)~~ MDO REQUESTS USN ASSISTANCE IN ADVISING MSO ON RELEASABILITY OF AEGIS OR ADVISE WHEN AEGIS MAY BE RELEASED. ADDITIONALLY, RECOMMEND USN PROVIDE PRESENTATION ON AEGIS/DDG 51/SM2/VLS IN JAPAN AS SOON AS CONVENIENT. DECL:1/13/1990. BT

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Extracted from the Yomiuri Shimbun's "MY OPINION" column, 16 January 1984

STREAMLINING OF SELF DEFENSE FORCES UNDER CIVILIAN CONTROL

By: Hiroshi Ito, former JSDF member

In hopes by all mankind to eliminate war, the League of Nations was established sixty-some years ago and the United Nations after the World War II, but efforts for peace are yet to bear fruit. Under the current, real world situations where unarmed people are mercilessly trod under armed foot, our government has been depending its war deterrence on the US/Japan Mutual Security Treaty and the Japan Self Defense Forces.

Now, discussion of today's defense issue should be concentrated on the quality of deterrent force and on a policy to bring about the greatest effect with the smallest military force. The reality is, we have not seen much efforts in such areas; rather, based on fait accompli, our defense budget is about to exceed three trillion yen.

I think that an opinion that Self Defence Forces in today's nuclear era are useless, is a futile argument. Over 130 conflicts of post WWII throughout the world were through use of conventional weapons. Use of nuclear weapon requires the resolution for the world's final war; thus the nuclear power must be possessed only for deterrence purposes and cannot be carelessly put to use. The entire world today still depends on conventional forces.

The issue is the quality of Army, Navy and Air Force (throughout the world). Component service force is built to meet the particular needs of each country. It is only natural that continental nations such as USSR and China, and countries such as West Germany and South Korea where they face threat from connecting land area place their military balance on the ground force; the United Kingdom places its deterrence capability on its Naval force.

It is my opinion that the biggest failure in our (defense) policy has been the fact that it has placed much weight on the Ground Self Defense Force and that a half of our defense budget has been allocated to the GSDF.

Enforcing the ground force in an island country does not prevent attacks from the air and sea but results in a destructive damage. This was made clear by the fact that at the end of the last war, there were over 2 million Army personnel still ready and well on the Japan's mainland. (Under such circumstances) ground force becomes a waste and is not necessary under our defense only, no dispatch of troops overseas concept. This waste of money for over 30 years is the cause of present air and sea defense networks having many voids despite the large amount of money being spent in these areas, as well as a cause for US requests for increased defense capability. The biggest problem from an invader's viewpoint is having to cross the ocean. Having a capability to defeat the invader on the sea in various war scenarios serves as the biggest deterrence and discourages any intent to invade Japan. Thus, a large scale reduction of ground force and to strengthen the naval and air capabilities appears to be the most ideal policy meeting our nation's needs.

The truth of the matter is, however, while the Civilian Control should have established its basic policy and made it known to Self Defense Forces, they failed to do so. The end result has been for each service to expand its own individual force in its own way. The present scale of GSDF dates back to the Korean conflict when it started as reserve ground force and GSDF-centered practice has continued, and certainly this was not based on any strategic purposes. It is a characteristic of any military force

that unless a specific mission is delineated, each service will continue to compete for increased force. It can be said that negligence on the part of civilian officials, in other words the Government, in not providing the basic guidance -- to deter invasion at the coastal line or suffer a protracted struggle against enemy on the mainland -- has invited an wasted expenditure of money and anxiety for military force expansion.

Defense of Japan is for no specific individuals; it is for the people of Japan. In order to assure that their voices are reflected, Japanese people should discuss these issues at home and present practical requests to the Government. The self defense force of a democratic nation is to perform the mission as directed by its people.

JAPAN DEF
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ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

11 FEB 1984
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MEMORANDUM FOR THE SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY

SUBJECT: Meeting with Former Japanese Defense Minister
Tanikawa -- INFORMATION MEMORANDUM

7J
14 FEB 1984

Following my recent visit to Tokyo, ISA's Japan Desk Officer remained in Tokyo to attend another meeting. He was invited to lunch by Minister Tanikawa, currently unemployed but determined to regain his seat in the next Lower House election which could be held anytime in the next four years.

Tanikawa explained that he was attacked for supporting defense too strongly by the opposition candidates in his district before and during the election campaign. To his dismay he was attacked on the same issue during the three week campaign by his LDP opponent. Following his loss, some of Tanikawa's supporters urged him to give up his support for defense, an issue of little popularity in his district. He has rejected this recommendation. Instead he has decided to speak out at home and during his travels to the U.S. and Southeast Asia. He asked to convey to you his resolve to continue his support for defense.

ISA is recommending to the Japan Society of the U.S., located in New York, that it sponsor a Tanikawa visit to the United States. Should he visit Washington, I'm sure he would hope to meet you and thank you for the support you have shown for him.

RICHARD L. ARMITAGE
Assistant Secretary of Defense
(International Security Affairs)

James E. Auer
OASD(ISA/EAPR), 57886



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DEPARTMENT OF DEFENSE
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UNCLAS

SUBJECT: JAPANESE PRESS TRANSLATIONS FOR WEDNESDAY, 15 FEB 84
(NOTE: FOLLOWING ARE SUMMARY TRANSLATIONS APPEARING IN MAJOR JAPANESE NEWSPAPERS. APPEARANCE HEREIN DOES NOT MEAN STORIES ARE FACTUALLY ACCURATE AND DOES NOT CONSTITUTE ENDORSEMENT OF POINTS OF VIEW BY USFJ.)

1. COMBINED ASW EXERCISE:

(ASAHI) - ON THE 14TH, THE MSDF ANNOUNCED THEY WILL STAGE A COMBINED ASW SPECIAL TRAINING EXERCISE WITH THE U.S. IN THE PACIFIC WATERS EAST OF THE BOSO PENINSULA AND THE IZU ISLANDS FEB 20-25. PARTICIPATING IN THE EXERCISE ARE SIX ESCORT SHIPS INCLUDING THE HIEI (4,700 TONS), ONE OILER (2,800 TONS), ONE SUBMARINE AND P3C'S FROM THE JAPANESE SIDE AND TWO FRIGATES, ONE OILER, ONE SUBMARINE AND P3C'S FROM THE AMERICAN SIDE. THIS IS ONE OF THE ROUTINE COMBINED EXERCISES STAGED SINCE 1967 BUT THE FIRST THAT WILL BE CARRIED OUT AFTER THE JDA VICE DIRECTOR GENERAL CIRCULATED A MEMO LAST DEC AUTHORIZING SUPPLY OF OIL FROM JAPANESE OILERS TO U.S. WARSHIPS.

2. DIET DISCUSSION ON N-ISSUES:

(MOST PAPERS) - REPLYING TO A JSP QUESTIONER ON THE 14TH AT A LOWER HOUSE BUDGET COMMITTEE SESSION, PRIME MINISTER NAKASONE SAID THE GOVERNMENT WILL CONFIRM, BEFORE ALLOWING THE BATTLESHIP NEW JERSEY TO ENTER A JAPANESE PORT, THAT TOMAHAWK CRUISE MISSILES IT MAY CARRY ARE NOT OF A NUCLEAR TYPE. REGARDING THE U.S. NAVY ALMANAC'S REFERENCE TO VISITS TO YOKOSUKA NS BY N-CARRYING CONVENTIONAL SUBMARINES, FOREIGN OFFICE NORTH AMERICAN AFFAIRS BUREAU DIRECTOR KITAMURA EXPLAINED TO THE COMMITTEE THAT HIS OFFICE QUESTIONED THE U.S. GOVERNMENT ABOUT THE MATTER AND OBTAINED A REPLY THAT N-WEAPONS (REGULUS II WERE NOT DISTRIBUTED ACTUALLY TO THOSE SUBS. HE ALSO TOLD THE SESSION THAT THE U.S. PROVIDES SOME NATO COUNTRIES WITH INFORMATION ABOUT ITS N-DEPLOYMENT IN THAT AREA BUT INDIRECTLY DENIED U.S. SUPPLY OF SUCH INFORMATION TO JAPAN, SAYING THAT NO N-WEAPONS HAVE BEEN DEPLOYED HERE. REGARDING A VISIT HERE BY A N-SUSPECTED SHIP OF A THIRD COUNTRY, THE PRIME MINISTER SAID THE GOVERNMENT WILL REFUSE TO PERMIT SUCH A VISIT UNLESS THE SUSPICION IS DISSOLVED. HE EXPLAINED THAT THE U.K. CARRIER INVINCIBLE CHANGED ITS PLAN TO VISIT JAPAN BECAUSE OF THE 3-POINT NON-NUCLEAR PRINCIPLE OF THIS COUNTRY. IN CONNECTION WITH THE 3-POINT NON-NUCLEAR PRINCIPLE, CABINET LEGISLATION BUREAU DIRECTOR MUGUSHI EXPLAINED BEFORE THE COMMITTEE THE GOJ VIEW THAT ARTICLE 9 OF THE CONSTITUTION DOES NOT REJECT TACTICAL N-WEAPONS FOR POSSESSION BY THIS COUNTRY THAT MAY BE NECESSARY FOR THE DEFENSE OF THE NATION. HOWEVER, THE PRIME MINISTER DENIED ANY INTENTION OF THIS COUNTRY TO HOLD SUCH WEAPONS ON GROUNDS OF THE 3-POINT NON-NUCLEAR PRINCIPLE AND OTHER LAWS AND PROVISIONS.

3. DIET PROCEEDINGS:

(ALL PAPERS) - THE LOWER HOUSE BUDGET COMMITTEE RESUMED PROCEEDINGS, AFTER A TEMPORARY STALEMATE, ON THE 14TH, WHEN PRIME MINISTER NAKASONE MADE A FRESH PRESENTATION ABOUT DEFENSE SPENDING AND GNP. HE SAID THE GOVERNMENT WILL BE FOLLOWING THE POLICY DECIDED AT THE CABINET MEETING IN 1978 (THAT KEEPS DEFENSE SPENDING TO 1 PCT OF GNP OR LESS). (PREVIOUSLY, THE PRIME MINISTER CALLED THE 1 PCT OF GNP CEILING A "TARGET" THE GOVERNMENT WILL TRY TO OBSERVE, WHICH ENRAGED THE JSP QUESTIONER, BRINGING THE COMMITTEE PROCEEDINGS TO A STANDSTILL EVENTUALLY.) (ASAHI, NIKON KEIZAI) - A GOVERNMENT LEADER COMMENTED ON THE 14TH THAT THE PRIME MINISTER'S FRESH PRESENTATION ON DEFENSE SPENDING AND GNP IS BASICALLY THE SAME AS HIS PREVIOUS STATEMENT AND WILL NOT WORK AS "FETTERS" FOR THE FUTURE. BT

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UNCLASSIFIED

On Scaling Down Defense Ambitions

By Earl C. Ravenal

WASHINGTON — Defense is not obscenely expensive, just prohibitively expensive. The defense budget is the price of our foreign policy, but the connection is not always clear. The cost would matter little if the nation could easily afford its defense program, but this is far from the case. We are faced with a crisis of national solvency, and defense must take its share of large cuts in spending. This means scaling down our ambitious defense program. The central question is: What can America do without?

Critiques of Secretary of Defense Caspar W. Weinberger's presentation take aim at his proposed 18 percent rise in budget authority (the spending initiated in a given year), to \$306 billion in fiscal 1985. They pay little attention to the crucial consideration: Where is the money going? To answer that question, you must allocate all defense costs to combat forces and assign those forces to some military mission. Unless that is done, the budget is unintelligible. Critics who are unwilling or unable to do this homework are reduced to explaining large expenditures by devil theories and to prescribing arbitrary percentage cuts or "hit lists" of individual weapons.

One prevalent — fallacious — explanation is "waste." We are treated to the spectacle of politicians displaying wing nuts, claw hammers and stool caps, for which contractors have charged the Pentagon outlandish sums. Of course such procurement practices are ridiculous — but it takes a heap of hardware to add up to \$306 billion. Another illusion is called "military reform." Typically, military reformers want "weapons that are workable, reliable and (relatively) cheap instead of overcomplicated, breakable and wildly expensive." But a few horror stories don't make a conclusive critique, and a handful of therapeutic adjectives is not an effective remedy.

To save, you have to know where the money is. For fiscal 1985, strategic nuclear forces would take about \$70 billion, or 23 percent, of the re-

Earl C. Ravenal, professor of international relations at the Georgetown University School of Foreign Service, was director of the Asian Division in the department of systems analysis, office of the Secretary of Defense, from 1967 to 1969.

quested budget authority. The rest, \$235 billion, or 77 percent, is for general purpose forces — that is, conventional arms. For example, an average Army division would cost \$4.8 billion, and we would have 17. A wing of tactical aircraft would cost \$2.1 billion, and we would have the equivalent of 44. The Marine Corps would cost \$21 billion. The full cost of deploying one aircraft carrier battle group in forward waters would be \$13 billion, and our strategy requires four or five forward. As for regions, Europe would account for \$129 billion, Asia \$47 billion and the new United States Central Command, or Rapid Deployment Forces, \$59 billion, of which about \$47 billion is for the Persian Gulf.

Partisan critics allege that the Reagan Administration created its fiscal problem by expanding America's security objectives and military establishment. But this Administration is just the latest, Democratic or Republican, from the beginning of the cold war to promote the "paradigm" of large-scale deterrence and extensive forward defense — that is, containment of Communist power and influence. All it is trying to do is spend enough to implement that paradigm.

Can America face the necessity of going beyond minor and superficial adjustments and challenge our entire national strategy?

The resolution of our dilemma would require a cut in defense spending on the order of \$120 billion to \$150 billion a year. But the only way to save significant sums is to remove large units from our military forces. This would make it necessary to reduce our defense commitment throughout the world.

We could defend our essential security and our central values with 6 land divisions (6 Army and 2 Marine), the equivalent of 20 tactical air wings (11 Air Force, 4 Marine and 5 Navy), and 6 carrier battle groups. With strategic nuclear forces of submarines and bombers, this would put manpower at 1.185 million. The defense budget, at the end of a decade of adjustment, would be about \$154 billion in 1985 dollars.

By contrast, the Administration is requesting 17 Army and 3 Marine divisions, the equivalent of 44 tactical air wings, and overall 13 carrier battle groups; this requires 2.166 million men and \$305 billion. By fiscal 1994, the defense budget would be close to \$700 billion, and cumulative defense spending between 1985 and 1994 would be \$4.8 trillion. With a policy of strategic disengagement, the 1994 defense budget would be 45 percent less, and the cumulative cost over the decade would be \$2.6 trillion.

A strategy of disengagement might become more plausible in the light of this comparison.

U. N. Gets Beirut-Force Plan

Special to The New York Times

UNITED NATIONS, N. Y., Feb. 15 — France called today on the Security Council to act in light of the "particularly serious" situation in Beirut and help create an international peacekeeping operation to replace the American, French and Italian troops in the present multinational force.

The French delegate, Luc de la Barre de Nanteuil, said a United Nations force in Beirut had "become a necessary element in peacekeeping" and could be made up of United Nations detachments now in southern Lebanon.

He said that, if a United Nations force was to take over, the present multinational force "should withdraw together with its accompanying ships," an allusion to the United States Sixth Fleet. The withdrawal of the fleet is a condition for Soviet support of a United Nations peacekeeping operation.

The French delegate said "it is undoubtedly preferable that the international force in the urban area of Beirut" did not include soldiers from any

The suggestion seemed intended to insure that no Soviet, American, British and French troops would take part.

Mr. Nanteuil praised the work of the multinational force, saying that "although it has subsequently been lauded by some and disparaged by others, for 16 months the multinational force has nonetheless attempted, with courage, with tenacity and with very great sacrifice, to carry out its mission."

France is circulating a working paper that, in addition to the proposal for a new peace force, also calls for an immediate cease-fire and the withdrawal of all foreign troops from the region. The Council is scheduled to meet again on Thursday.

Before the Council began its deliberation today, the current president, S. Shah Nawaz of Pakistan, paid tribute to Yuri V. Andropov of the Soviet Union, recalling his "deep commitment to the cause of world peace and the ending of the arms race." Council members then stood and observed a

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~~CONFIDENTIAL~~ SECTION 01 OF 02 TOKYO JAPAN 03261

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SUBJECT: COMMENTS ON JAPAN'S 1984 DEFENSE BUDGET (U)

1. (U) OTHER SOURCES HAVE ALREADY PROVIDED EXTENSIVE REPORTING ON FISCAL DATA AND POLITICAL FACTORS AFFECTING JAPAN'S JFY 1984 DEFENSE BUDGET. THIS MESSAGE CONCERNS THE BUDGET'S IMPLICATIONS FOR JDA PROCUREMENT PLANS AND PROBLEMS IT MAY POSE FOR THE U.S.

2. ~~THE~~ THE DEBT BULGE: THE FOLLOWING TABLE SUMMARIZES TRENDS IN THE ALLOCATION OF DEFENSE BUDGET FUNDS AMONG THREE PRIMARY CATEGORIES: PERSONNEL; DEBT ACCRUED FROM EXISTING MULTI-YEAR PROCUREMENT CONTRACTS; OPERATIONAL EXPENDITURES (OBM) AND DOWN PAYMENTS ON NEW MULTI-YEAR CONTRACTS:

	JFY 80	81	82	83	84
PERSONNEL (PCT OF BUDGET)	1100 (49)	1144 (48)	1205 (47)	1226 (45)	1309 (45)
DEBT (PCT)	522 (24)	825 (26)	702 (27)	855 (31)	983 (33)
OBM (PCT)	808 (27)	631 (26)	679 (26)	673 (24)	642 (22)
TOTAL	2230	2400	2586	2754	2934

(ALL FIGURES YEN BILLION)

PERCENTAGE INCREASE FROM JFY 80 TO 84:

TOTAL	31.6
PERSONNEL	19.0
DEBT	88.3
OBM	5.8

THE MOST CONSPICUOUS DEVELOPMENT THESE FIGURES UNDERSCORE IS THE SHARP INCREASE IN LONG-TERM DEBT CARRIED BY THE DEFENSE BUDGET, A CLEAR ILLUSTRATION OF THE JDA'S COMMITMENT TO MEETING THE PROCUREMENT GOALS OF ITS MID-TERM DEFENSE PLAN (MTDP). PROJECTIONS OF PROCUREMENT OVER THE NEXT SEVERAL YEARS INDICATE THAT THIS DEBT BULGE WILL CONTINUE TO GROW AND ACCOUNT FOR AN INCREASING SHARE OF THE BUDGET.

3. ~~THE~~ THE JDA HAS PARTIALLY RECONCILED THIS RAPID INCREASE IN DEBT WITH THE LIMITED GROWTH OF ITS TOTAL BUDGET BY RESTRICTING OTHER CATEGORIES OF EXPENDITURE. MINIMAL INCREASES IN COMPENSATION AND PLANNED RAISES IN SDF RETIREMENT AGES HAVE LED TO A STEADY DECREASE OF PERSONNEL-RELATED EXPENDITURES AS A PROPORTION OF TOTAL JDA BUDGET.

4. ~~THIS~~ THIS TREND IS EVEN MORE CLEARLY EVIDENT IN THE OBM CATEGORY. THE JDA'S LOUDLY HERALDED INCREASES IN AMMUNITION PROCUREMENTS ASIDE, OBM ALLOCATIONS FOR JFY 84 ARE LESS THAN FOR THE PREVIOUS TWO YEARS. (AS FOR

AMMUNITION, THE 5 PERCENT INCREASE FOR THE GSDF IS NO MORE THAN INFLATION WHILE THE ASDF'S 24.4 PERCENT RAISE REPRESENTS INCREASED ALLOCATIONS FOR AIM-7, AIM-9 AND ASM-1 MISSILES -- FUNDS FOR ALL OTHER MUNITION PROCUREMENTS SHOW A MARGINAL DECREASE FROM JFY 83 TO 84. A SIMILAR PATTERN APPLIES TO THE MSDF; ITS 11 PERCENT INCREASE IN AMMO FUNDING IS GOING INTO SMALL QUANTITY INCREASES FOR STANDARD, SEASPARROW, HARPOON AND MK-48 TORPEDO SYSTEMS -- WITH DECREASES FOR ALMOST ALL OTHER PROGRAMS.)

5. ~~THE~~ THE JDA RELIES EVEN MORE HEAVILY ON EXTENDED PAYMENT SCHEDULES TO CARRY THE FINANCIAL BURDEN OF ITS PROCUREMENT PLANS. DEFERRAL OF PAYMENTS ON DOMESTIC PROCUREMENTS HAS BEEN COMMONPLACE FOR YEARS. JAPANESE SUPPLIERS ARE EXPECTED TO ACCEPT MAJOR CONTRACTS THAT REQUIRE LITTLE OR NO DOWN PAYMENT AND ARE WEIGHTED HEAVILY TO SETTLEMENT IN THEIR END YEARS -- A PRACTICE AT MARKED VARIANCE WITH U.S. PROCEDURES. INCREASING PROCUREMENT OF U.S. EQUIPMENT THROUGH FMS CHANNELS (AVERAGING \$400 MILLION YEARLY OVER THE PAST FIVE YEARS) PROMPTED THE JDA TO APPROACH DSAA FOR SIMILARLY DEFERRED PAYMENT SCHEDULES. BY DRAWING ON JAPAN'S HUGE TRUST FUND DEPOSITS IN THE U.S. TO MEET REQUIRED CONTRACTOR DISBURSEMENTS, DSAA HAS BEEN ABLE TO SUPPORT THE JDA'S REVERSED SCHEDULES FOR MAJOR FMS PROCUREMENTS IN JFY 83 AND 84. BT

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BY: APA

DATE 4/13/99

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SUBJECT: COMMENTS ON JAPAN'S 1984 DEFENSE BUDGET (U)

6. (U) IMPLICATIONS FOR THE U.S.: WE CAN EXPECT THE JDA TO CONTINUE EMPHASIZING PROCUREMENT OF FRONT-LINE EQUIPMENT IN ACCORDANCE WITH ITS CURRENT MTDP, BOTH FOR INTERNAL BUREAUCRATIC MOTIVES AND AS A VISIBLE RESPONSE TO U.S. PRESSURE FOR INCREASED DEFENSE EFFORTS. JDA OFFICIALS BELIEVE THAT BY LAUNCHING MAJOR PROGRAMS AT MINIMAL INITIAL COST AND RELYING ON SUBSTANTIAL INCREASES IN FUTURE OBLIGATION AUTHORITY, THEY WILL BE ABLE TO MANAGE THEIR FINANCIAL OBLIGATIONS AND MEET THEIR PROCUREMENT GOALS WITHIN THE FRAMEWORK OF A SLOWLY BUT STEADILY EXPANDING BUDGET. ON THE OTHER HAND, SOME ARGUE THAT THE JDA IS ALREADY PAINTING ITSELF INTO A BUDGETARY CORNER; THAT IS, ACCUMULATED DEBT WILL SO FAR OUTDISTANCE BUDGET GROWTH THAT IT WILL BE COMPELLED TO MAKE MAJOR CUTBACKS IN PROCUREMENT PLANS. WHILE SUCH CONCERN CANNOT SIMPLY BE DISMISSED, WE DO NOT (YET) SEE THE JDA FACING A FINANCIAL CRISIS. ON PAPER AT LEAST, THE JAPANESE MAY STILL COME CLOSE TO MEETING THEIR MTDP PROCUREMENT GOALS. HOWEVER, BARRING MAJOR INCREASES IN THE DEFENSE BUDGET, THEY WILL DO SO ONLY AT THE CONTINUING EXPENSE OF READINESS.

7. (U) THE JDA'S INTEREST IN FUTURE ACQUISITION OF SOME OF THE MOST SOPHISTICATED U.S. SYSTEMS (MORE AEW AIRCRAFT, PATRIOT, AEGIS) ENSURES THAT FMS PAYMENT SCHEDULES WILL ATTRACT EVER-INCREASING CONCERN. DESPITE WARNINGS THAT OUR ABILITY TO ACCEPT DEFERRED BILLINGS ON FMS CONTRACTS IS HIGHLY CONDITIONAL AND NONPRECEDENT-SETTING, THE JDA HAS APPARENTLY COME TO REGARD ITS FMS PAYMENT REQUESTS AS A NORMAL EVENT IN ITS BUDGETARY RITUAL (WE HAVE ALREADY BEEN ADVISED THAT WE CAN EXPECT "A MAJOR REQUEST" THIS SUMMER). MEANWHILE, MONEY FOR INDIVIDUAL CASES (ESPECIALLY ANYTHING INVOLVING SERVICE AND SUPPORT) WILL STILL BE TIGHT AND INFLEXIBLY PROGRAMMED. THE JDA WILL CONTINUE TO HAVE GREAT DIFFICULTY IN DEALING WITH EXPENDITURES THAT HAVE NOT BEEN PRECISELY CALCULATED PRIOR TO OFFICIAL APPROVAL OF ITS BUDGET. IN A WORD, PROCUREMENT BUSINESS WITH THE JAPANESE FOR THE FORESEEABLE FUTURE WILL REMAIN THE SAME -- ONLY MORE SO.
DECL: OADR BT

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JAPAN-DEFENSE

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TOKYO (AP) -- PRIME MINISTER YASUHIRO NAKASONE SAID TODAY THAT "CHANGES IN THE INTERNATIONAL SITUATION" REQUIRE JAPAN TO HASTEN ITS EFFORTS TO BUILD UP ITS DEFENSE FORCES.

NAKASONE, ANSWERING QUESTIONS IN A PARLIAMENTARY BUDGET COMMITTEE SESSION, ALSO PLEDGED THAT JAPAN WILL ACT "FAITHFULLY" TO ACHIEVE ITS GOAL OF BEING ABLE TO DEFEND SEA LANES WITHIN 1,000 MILES OF ITS SHORES.

ASKED WHETHER HE AGREED WITH A U.S. GOVERNMENT DEFENSE REPORT THAT PROTECTING SEA LANES IS A NATIONAL POLICY OF JAPAN, NAKASONE SAID, "THAT'S NOT COMPLETELY OFF THE MARK."

FORMER PRIME MINISTER ZENKO SUZUKI PROMISED JAPANESE EFFORTS ON SEA LANE DEFENSE IN A 1981 MEETING WITH PRESIDENT REAGAN, AND NAKASONE SAID HE WOULD UPHOLD THAT PROMISE.

HE REPEATED HIS POSITION THAT "JAPAN WILL BE THE SHIELD AND THE UNITED STATES THE SPEAR" IN JAPAN'S OVERALL DEFENSE.

HE SAID SINCE 1976, WHEN THE GOVERNMENT OUTLINED ITS CURRENT DEFENSE BUILDUP PLAN, "THERE HAVE BEEN CHANGES IN THE INTERNATIONAL SITUATION, AND WHEN WE COMPARE JAPAN'S POWER WITH THE SITUATION IN THE REGION, THERE ARE AREAS WHERE JAPAN HAS NOT TRIED HARD ENOUGH. WE MUST ATTAIN THE LEVELS SET BY THE DEFENSE BUILDUP OUTLINE QUICKLY."

EARLIER THIS WEEK, NAKASONE TOLD THE BUDGET COMMITTEE HIS GOVERNMENT WILL ABIDE BY AN EIGHT-YEAR-OLD DEFENSE SPENDING CEILING OF 1 PERCENT OF GROSS NATIONAL PRODUCT.

THE DRAFT 1984 DEFENSE BUDGET, TOTALLING \$12.6 BILLION, IS ESTIMATED AT 0.991 PERCENT OF THE GNP, AND OPPOSITION PARTIES HAVE CHARGED THAT WITH EXPECTED PERSONNEL WAGE HIKES LATER THIS YEAR, THE 1 PERCENT CEILING WILL BE TOPPED.

THE JAPAN SOCIALIST PARTY AND OTHER OPPOSITION PARTIES HAVE CRITICIZED NAKASONE'S GOVERNMENT FOR PROPOSING TO BOOST DEFENSE SPENDING BY 6.55 PERCENT WHILE HOLDING OTHER SPENDING INCREASES TO NEAR ZERO.

AP-WX-02-17-84 1034EST

Premier Moving Toward New Defense Posture

The first nine days of debate at the House of Representatives Budget Committee focused, as expected, on the nation's two most controversial defense issues — the government's self-imposed ceiling of 1 percent of gross national product on defense spending and sea lane defense.

However, both questions did not get full scrutiny and much was left for further debate in the Diet between the government and opposition parties. This was partly because of the government's elusive attitude to such sensitive questions, particularly the 1-percent-of-GNP ceiling issue, and also because of low-keyed, inane questioning by the Japan Socialist Party and other opposition parties.

At one point in the debate, opposition parties even appeared afraid to tread on the area they consider taboo — fearing to say that it is inevitable that the defense expenditures will top the 1-percent-of-the-GNP lid — because they are not ready to accept that reality.

Prime Minister Yasuhiro Nakasone took a vacillating attitude on the defense spending ceiling issue, first indicating he may drop the limit, and then saying he will stick to the ceiling "as much as possible," and again returning to the position favoring a new, higher ceiling.

Japan's defense spending will increase 6.55 percent in fiscal 1984 to ¥2,934.6 billion, which is only ¥25.4 billion short of 1 percent of the nation's projected GNP.

If basic wages for government employees, including Self-Defense Force personnel, are to be raised by more than 3 percent, the government will have to drop the ceiling eventually.

Through the debate, much light was shed on the basic

attitude toward national defense held by Nakasone. The defense-minded premier has been outspoken about Japan's commitment to the U.S.-Japan defense partnership.

On the very first day of the Budget Committee debate, he did not promise to stick to the 1-percent ceiling and the session was stalled almost a day until the afternoon of the second day. Nakasone had to promise the government will "abide by the policy of limiting defense expenditures to below 1 percent of GNP." The limit was adopted as the government policy in the 1976 Cabinet decision.

Nakasone did so, however, apparently in order to ensure smooth deliberations on the fiscal 1984 budget. While repeating his government's wish to maintain the defense spending ceiling, he did not forget to add that there is the possibility the defense expenditure will exceed the limit in the near future.

Replying to a question posed by Keigo Ouchi of the Democratic Socialist Party, which is considered more hawkish than the Liberal-Democratic Party on defense matters, Nakasone said that the government would like to study a new defense spending limit, ostensibly to curb uncontrolled growth of defense spending.

His words were taken by observers to indicate that his government will revise the 1-percent ceiling in order to speed up the buildup of defense capabilities, however.

Knowledgeable sources suggest that the Nakasone Cabinet will probably start preparation for a policy change on the 1-percent ceiling soon after the Diet passes the 1984 budget around early April.

The 1-percent-of-GNP has now become an issue for highly political judgment, the sources said.

When the first round of nine-

day debate ended Tuesday, they gave high marks to Nakasone's performance in the Budget Committee so far, saying that he did pretty well and defense debate went according to plan.

Far More Frank

In sharp contrast to his back-and-forth, evasive attitude on the defense spending limit, Nakasone was far more frank about the defense of sea lanes serving Japan. He said rather without hesitation that it is Japan's "national policy" to defend sea lanes up to 1,000 nautical miles from its shores, thus confirming the statement in the fiscal 1985 U.S. defense report published earlier this month — without drawing furor from the opposition camp.

He moved one more step toward embracing the taboo Tuesday, openly acknowledging that Japan-U.S. defense cooperation is sometimes called a military alliance, which none of his predecessors dared to say so frankly.

He also acknowledged clearly earlier this week that defending the sea lanes was a kind of international "division of labor" with the United States, with Japan sharing the defense role "as the shield" and the U.S. serving "as the spear."

In this connection, Japan's five-year defense buildup program (FY1983-87) is a vital part of its effort to fulfill the commitment of defending sea routes serving Japan, which is regarded as an official pledge to the U.S. at least by American defense planners.

According to the Defense Agency's estimate, however, about 27 percent of the defense plan will be achieved, at best, against the 40 percent originally planned for fiscal 1983 and 1984.

It is suspected that the national goals set in the defense program may not be attained if the present pace of defense spending continues.

Under such circumstances, the 1 percent ceiling is gradually becoming a "burden" for the Japanese government in carrying out its defense buildup programs, including sea lane defense. The ceiling is thus contradictory with the avowed policy of defending Japanese sea lanes.

Yet it is not an easy task even for Nakasone to change drastically the eight-year-old ceiling on defense spending, which his predecessors maintained along with the triple non-nuclear principle as basic defense policies symbolizing "the peace-loving nation Japan."

He will have tough going in revising the controversial 1-percent ceiling later this year. (M. Katoh)

JAPAN DEFENSE
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RELEASE

THE JAPAN TIMES 25 FEB 1984

— Senior Defense Official Tells Diet —

U.S. Planes May Refuel SDF Fighters

A senior Defense Agency official told a Diet session Friday that Japanese combat planes defending sea lanes may be allowed to refuel in midair from U.S. aerial tankers in an emergency.

Shinji Yazaki, deputy chief of the agency, told the Diet that although the government does not have a specific plan for midair refueling, the possibility may arise in future for the Self-Defense Forces to use in-flight refueling techniques.

The government official made the remarks at the Upper House Budget Committee in answer to Ikuo Ito, a Democratic Socialist Party Dietman.

Yazaki told the Diet session that the government might reconsider the midair refueling system from several viewpoints. Use of the system would help to secure the safe operations of Japanese air

defense force units training at Iwo Jima Island.

The Japanese government scrapped its plan to introduce the midair refueling method for jet fighters in 1973 in the face of an opposition claim that the system would go beyond the needs of a purely defensive posture. The government removed in-flight refueling devices from F-4 fighters and has since kept them in storage.

Defense Agency sources said later that the midair refueling will be studied fully in the next five-year defense buildup plan beginning next April.

The study has become necessary in order to cope with the rapid modernization of the Soviet Air Force in the Far East.

The midair refueling capacity is necessary to keep Japanese fighters alert in midair to counter Soviet fighters such as MiG 23s and also to enhance air

defense capability over Japan's sea lanes, the sources said.

Budget Approved

The House of Councillors approved the supplementary budget for fiscal 1983 at its plenary session Friday.



GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

WASHINGTON, D.C. 20301

February 27, 1984

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Honorable Dante B. Fascell
Chairman, Committee on Foreign Affairs
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Reference is made to your request for the views of the Department of Defense on H.Con.Res. 146, "Expressing the sense of the Congress with regard to the mutual security efforts of the United States and Japan."

The Department of Defense shares the concerns of the Congress as expressed in H.Con.Res. 146 with regard to the mutual security concerns of the United States and Japan and with regard to the necessity for both the United States and Japan to exert maximum efforts to resist the increasing Soviet threat to security and democracy in East Asia.

Defense does not believe, however, that the President of the United States should seek an agreement with Japan's Prime Minister to the effect that Japan should increase its defense spending over the next four years by a specific percentage amount as suggested in the resolution. Such an approach not only appears to represent interference in Japan's internal affairs but also by itself gives no assurance of the most critical requirement of Japan's defense buildup, i.e. the attainment of actual capability to carry out specific defense roles and missions.

In 1981, the United States Administration and the Government of Japan came to a very satisfactory understanding on the sharing of defense responsibilities. Since that time the President, the Secretaries of State, Defense, and their staffs have encouraged the Government of Japan to do what is necessary within this decade to accomplish Japan's own goals which the United States supports.

Defense believes Japan's Prime Minister is trying to accomplish these goals which will require significant increases in Japanese defense spending. However, to threaten the Government of Japan with reductions in United States support for Japan as H.Con.Res. 146 implies, if specific funding targets are not met would likely cause doubt in Japan about the stability of

the United States security commitment to Japan. Fear of being asked to take on the Soviet Union single-handedly is very real in Japan. Such a role for Japan is also not favored by the other Asian nations with which the United States and Japan maintain friendly relations.

The resolution's mention of threatening to move United States Forces from Japan to other Western Pacific locations suggests an action which would cost the United States considerable money rather than overly concern to the Government of Japan. Our presence in the Western Pacific in general, rather than in Japan specifically, provides for Japanese security. But it is virtually impossible we could receive base rights anywhere else in the Western Pacific under such favorable conditions as we enjoy in Japan.

In sum, the Department of Defense shares your concern for increased Japanese defense efforts. But it is strongly recommended that this concern be channelled in support of Japan's attaining realistic self-defense goals within this decade. Such achievement would provide for increased Japanese security as well as significantly aid in burdensharing with the United States in East Asia and the Western Pacific.

The Office of Management and Budget advises that, from the standpoint of the Administration's Program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,



L. Niederlehner
Acting General Counsel

— Calls SDF Law Unconstitutional —

JSP Chairman Ishibashi Clarifies His View on SDF

Japan Socialist Party Chairman Masashi Ishibashi, clarifying his controversial view on the Self-Defense Forces, told a party convention Monday that the SDF are a legal entity created under the Self-Defense Forces Law which is unconstitutional in his opinion.

Hence the law is lacking in legality, and the JSP will not use any language that could be interpreted to justify the SDF's legitimacy, Ishibashi said.

He took pains in explaining that the party leadership would avoid using such expressions as "the SDF have been created through due legal process despite their unconstitutionality."

He clarified his position when the JSP's subcommittee on the 1984 action program discussed Ishibashi's proposal which called the SDF a legal entity. Many participants raised objections to his view, which seemed to modify the traditional JSP stand on the SDF.

He told the subcommittee that, when he said the SDF were a legal entity, he meant that they had been established by a Liberal-Democratic government through legislative procedures. But the Self-Defense Forces Law violates Article 98 of the Constitution, which states that no law contrary to the provisions of the basic law shall have legal force or validity, Ishibashi said.

The leadership-drafted action program therefore calls for a reduction and an eventual elimination of the SDF through legal procedures, he explained.

At the subcommittee meeting, more than 10 members rose to question Ishibashi on his view on the SDF. Most of them raised objections to it.

Some of them said Ishibashi's proposal was causing confusion among JSP activists and it could lead to modifications of the established JSP stand on the

protection of the Constitution. Others demanded that the party declare the SDF unconstitutional.

Neutrality Sought

In his keynote speech to the party convention opened at Tokyo's Nihon Kyokko Kaikan Hall in the morning, Ishibashi called on the No. 1 opposition party to strive to make Japan a neutral nation.

The two-day meeting is being held against a backdrop of reports that it marked the beginning of a new, more realistic, party line.

The convention was held against a backdrop of reports that it marked the beginning of a new, more realistic, party line.

Delegates attending the gathering focused their debate on the status of the Self-Defense Force. Ishibashi earlier voiced his view that the controversial SDF are fundamentally "unconstitutional," but their existence is "legal" because of approval given by the Diet through appropriate legislation.

Ishibashi charged that Prime Minister Yasuhiro Nakasone's call for "a drastic review" of the postwar policies taken over from the Occupation Forces is designed to lead Japan to rewrite the Constitution and to guide the country to become a military power.

He said the goal of a new Socialist party should be to return the country's politics to the doctrine of the war-renouncing Constitution and make Japan a "cultural nation" rather than a military power.

He said the party's concrete objective is to make Japan

disassociate itself from the Western community and make it a "non-aligned, neutral" nation with a basic policy of maintaining friendly relations with all countries of the world.

Ishibashi said the Japan Socialist Party should also try to work against nuclear weapons and for global disarmament.

Other goals, he said, are to work for drastic changes in the conservative government's economic and financial policies, reconstruction of the domestic agricultural industry and establishment of politics free of corruption.

Ishibashi also appealed to his party members to strengthen their activities to gain more public support.

He pointed out that the 15 percent voter support the Socialists received in the general election last December is far short of overthrowing the conservative party led by Prime Minister Nakasone.

Ishibashi also said his party's cooperation with the opposition Komeito party is no longer a question of choice but is a necessity in order to take power from the ruling parties.

Following Ishibashi's keynote speech, representatives of the JSP's local chapters immediately started a question-and-answer session over the party leadership's new "realistic" policies.

Leftist members of the Kagawa prefectural and other local chapters bitterly criticized Ishibashi for his new concept of the SDF and demanded its deletion from the proposed draft of the party's programs.

But Makoto Tanabe, secretary-general of the party,

defended Ishibashi's policy, saying that the party's basic policy of seeking eventual disbanding of the SDF remains unchanged.

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SANKEI (Top Play) (Full)

June 5, 1985

"Japan Is Most Forward Front-Line of US Defense"; US Ambassador to Japan MANSFIELD Sends Letter to US Senators; Gives New Position to Security Treaty; Appreciates Japan's Efforts to Strengthen Defense Power; To Cope with Soviet Challenge

(Washington, June 4, Correspondent Yoshinori SUMITA) It became known that US Ambassador to Japan MANSFIELD gave a new position to Japan as the "foremost front-line of US defense" in a letter he sent to US Senators. The Ambassador points out that, faced with the "fast-paced strengthening" of the Soviet Pacific Fleet, Japan has become not only directly involved in the defense of the US itself, but that the US Forces in Japan are indispensable for the maintaining of the balance of power in the world, and emphasizes that a "new meaning" has appeared in Japan-US security relations. It can be said that the Ambassador's letter made clear the perception that Japan-US security relations, which had a one-sided obligatory nature, based on the Japan-US Security Treaty, which prescribed for the US side alone the obligation to defend Japan, has come to change fundamentally.

Ambassador MANSFIELD's letter was sent to eight Senators, including Senators HATCH, HELMS and McCLURE, in reply to his being asked by them as to "How does the Ambassador evaluate Japan's defense efforts?" It is said that, in the drafting of this letter, he conferred with US Embassy staff members and also the US Forces in Japan.

In regard to the direction of Japan's strengthening of its defense power, the letter praises, first of all, that the Japanese Government has already launched into a series of measures to cope with "the Soviet challenge," even though it still stands on the basis of the Defense Plan General Outline, which hypothesizes small- and medium-scale aggression. As examples of this, it lists the steady introduction of F-15 fighters, the strengthening of the ground forces in Hokkaido, equipped with T74 tanks, and its efforts for the defense of 1,000 nautical miles of sea-lanes.

This letter, which says that "Japan is already one of the countries in Asia which have the biggest and best equipped military power," shows the evaluation that Japan is especially outstanding in its maritime and air strength. It also says that Japan "is (the)(a) most trustworthy defense partner" and that "we are extremely encouraged" by Japan's efforts for the strengthening of its defense power. It further predicts that if the present pace of strengthening were to continue, "Japan will easily become one of the countries which will have the largest national defense budgets in the world, ten years from now."

Standing on this evaluation, the letter discusses what security pluses such a Japan has for the US. In regard to the US Forces stationed in Japan, Ambassador MANSFIELD points out that they are not for the use of Japan's defense alone, and that they have relations with "many defense requirements in the whole Asian region and in the Indian Ocean." He further emphasizes the inseparability of the defense of Japan and the defense of the US, saying that "for strategic and geo-political reasons, we must consider that the defense of Japan is closely and directly connected with the defense of the US itself."

Lastly, the Ambassador says, in regard to this oneness of the defense of Japan and the US, that "it is a new meaning" which has come to appear in Japan-US defense relations in the midst of the change in the situation in the form of the "fast-paced strengthening of the Soviet Pacific Fleet in the past five years," and concludes that "Japan is the most forward front-line of the defense of the US."

It can also be said that the MANSFIELD letter frankly expressed the US perception that, for the US, Japan is important, not only for the deployment of its strategy toward the Soviet Union, as a matter of course, but also as "a front-line base" for defense against the Soviet Union.

Not Meant As Urging Change in the Security Treaty Structure; Foreign Ministry Leaders' View

On June 4, a Foreign Ministry leader clarified the view, in regard to Ambassador to Japan MANSFIELD's letter, which positioned Japan as the most forward front-line of US defense, that "It cannot be thought as urging a change in the present Japan-US Security Treaty structure."

However, this Foreign Ministry leader also pointed out that a recent US Government's National Defense Report positioned Japan as "the cornerstone of security in Northeast Asia," and showed the perception that it is true that Japan's importance for the US is increasing, coupled with the conspicuous strengthening of the Soviet Pacific Fleet, which was also emphasized by Ambassador MANSFIELD.

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MAINICHI (Page 1) (Full)

June 27, 1984

Thirty-Year-Old SDF (Part 3); Review of General Outline; Growing Pressure from Within and Outside; Those around Prime Minister Start Action (?)

Ryuzo SEJIMA, consultant of Itochu Shoji and one of the most trusted brain trusters of Prime Minister NAKASONE, flew secretly to Hokkaido toward the end of May. His mission was to inspect Chitose Air Base, which is the base of the crack SDF units to meet the "threat from the north," or the Seventh Division of the GSDF and the Second Air Wing of the ASDF.

"I went to Hokkaido for the first time after the War's end. I have seen Hokkaido with my own eyes."

Upon returning to Tokyo, SEJIMA said to LDP Policy Board Chairman Masayuki FUJIO. He appeared to be filled with deep emotion. The true purpose of his trip to Hokkaido is not clear. SEJIMA is a man who displayed his uncommon shrewdness as an advisor of "DOKO's Provisional Administrative Affairs Research Council." Today, he sits on the Provisional Administrative Affairs Deliberation Council, and at the same time, is an influential member of the "Peace Problem Research Council" (Chairman: Kyoto University Professor Masataka KOSAKA), the Prime Minister's personal consultative organ. It is said that FUJIO felt at once that "Those around the Prime Minister have started action to meet the defense problem."

In connection with the activities of the Peace Problem Research Council, Prime Minister NAKASONE stated, at the press conference he held toward the end of last year, that "For the present, it is important to attain the goal of the Defense Plan General Outline." At the same time, however, he hinted at his desire to review the General Outline, saying that "It is necessary to review the defense system constantly to see whether it is proper." There is the sufficient possibility that the review of the General Outline will be taken up by political circles as one of the steps for the "total settlement of postwar politics," if the Prime Minister is re-elected LDP President and if the political situation permits such a review. As a matter of fact, the Peace Problem Research Council has begun to restudy the defense policy as a whole, with the analysis of the strengthened Soviet military power as a clue.

The Defense Plan General Outline was approved at a Cabinet meeting at the time of the MIKI Cabinet in 1976. It was drawn up on the basis of the idea of "basic defense power," or defense power to be maintained in time of peace, with the US-Soviet detente (easing of tension) in the 1970's, such as the progress of SALT II, in the background. It aimed at building defense power that can meet "limited, small-scale aggression." At another Cabinet meeting, the "framework of one per cent of the GNP" for defense expenses was decided upon, as a financial brake on the increasing of defense expenses.

Already at that time, however, the uniformed officers were irritated, thinking that "The General Outline is a product of the blind belief in the detente." A certain high-ranking uniformed officer on the active list criticized the General Outline openly from the standpoint of "countering the threat," saying as follows: "Defense power should be strengthened in accordance with the strength of the enemy. The General Outline, however, establishes a framework from the beginning. It puts the cart before the horse."

The US, too, is dissatisfied, extremely strongly, with the General Outline, although its criticism recently has somewhat subsided perhaps because of its appreciation of the positive posture shown by the NAKASONE Administration toward the defense problem. At the Japan-US top-level defense consultations held several times in the past, US Defense Secretary WEINBERGER cited the international situation after the Soviet invasion of

Afghanistan and the growing threat from the Soviet Union which has deployed SS-20 theater nuclear missiles and has increased the number of Backfire bombers in the Far East, and emphasized "How far the General Outline is behind the trends of the times."

His true intention is not only to clarify the dissatisfaction at the tempo or the scale of Japan's strengthening of defense power, but also to criticize the "idea of basic defense power" underlying the General Outline, thereby to urge the Japanese side to switch to a new General Outline, which presupposes the occurrence of an emergency situation.

Confronted with such a situation, the LDP Security Affairs Research Council (Chairman: Asao MIHARA) last month called the long-dormant Defense Power Strengthening Sub-Committee (Chairman: former JDA Director General Joji OMURA) into session for the first time in two years, to begin studying the possibility of establishing a new brake in place of the framework of one per cent of the GNP. At this Sub-Committee meeting, too, criticism was raised in succession against the General Outline. In the end, however, the moderate opinion, which doubted "Whether it is proper to discuss the possibility of reviewing the General Outline, at a time when the goal of the General Outline remains to be attained," became dominant. As a result, it was decided to give top priority, for the present, to the problem of one per cent.

On the discussions to be held hereafter, former LDP National Defense Department Head Motoharu ARIMA expressed the opinion that "The defense strategy must be re-examined totally, from the standpoint that Japan is a typical maritime power." Also, LDP National Defense Department Head Sohei MIYASHITA stated as follows: "We must begin our study with discussions on the fundamental ideas concerning defense, including the idea of basic defense power. Nearly ten years have passed since the General Outline was established. It will become necessary to review the weapons systems in accordance with the progress of weapons during this period." In view of the present atmosphere within the Sub-Committee, it can be expected that the Sub-Committee will start reviewing the General Outline itself at the stage following the discussions on the problem of one per cent.

Within the LDP, too, the opinion in favor of the General Outline is rather influential. A certain high-ranking JDA official, who took part in the formulation of the General Outline, refuted as follows: "It is impossible to establish a direction for review of the General Outline, at this time when even the goal of the General Outline remains to be attained. The opinion on the necessity of countering the threat, too, is untenable, because of the greatness of the threat in question. It is quite impossible to strengthen Japan's defense power enough to rival that of the Soviet Union." It can be said that this view still represents the consensus of opinion among the officials of the internal bureaus of the JDA. However, until when can Japan resist the internal and external pressure which aims at making the General Outline untenable?

In ordering the formulation of the 1984 Medium-Term Operations Estimate (medium-term operations estimate for the five-year period from fiscal 1986), JDA Director General KURIHARA clarified the "determination to attain the goal of the General Outline." For the present, the review of the General Outline has been postponed. However, moves have already been started beneath the surface to meet the post-General Outline situation, in the midst of the growing discussions on defense ideas.

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(To be continued)

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EDITORIALS

SANKEI (Page 9) (Full)

June 30, 1984

Review of Defense Policies Urged; SDF 30 Years Old; Times Change

The SDF will greet the 30th anniversary on July 1, since it was established in 1954. The personnel of the GSDF, MSDF, and ASDF number 240,000. Defense appropriations have been increasing, year after year, and they amount to ¥2,930 billion in this fiscal year, ranking 8th in the world.

The rate of support for the SDF was 82 percent in 1981, and it has been securely maintaining the 80-percent level, with the 86 percent in 1978 as the highest. The necessity of the Japan-US Security Treaty structure is also gradually increasing its degree of permeation. It can be said that various problems over the security of Japan are continuing to take steady steps, while taking time.

However, the strengthening of the Soviet war potential during the past one or two years, and the change in the international situation, have caused the REAGAN Administration to change its moves, and it is strongly pressing Japan to make defense efforts. This is inevitably linked to a review of Japan's defense policies. What must be changed, and how, at present? We want to take this opportunity to consider such points.

Deterrence and Balance Important

When the security of Japan is considered on the premise of the US-Soviet confrontation and the international situation where tension is intensifying, what must be recognized first is the theory of deterrence and balance, and the strengthening of the Japan-US security structure based on this theory.

War does not break out, because the nuclear deterrent centered on the US 7th Fleet is balanced, as to the military power between the East and West. It can be said that the calm situation is being maintained, with both sides restraining each other, for the very reason that they are prepared to exercise power.

Of course, if disarmament succeeds through talks, before they stand on such a fearful theory of deterrence, and if it is thus possible to maintain peace, nothing would be better than this. However, the problem will not be solved only by mere pacifism and a theory. We would like to consider the problem of security on the basis of reality.

We have been enjoying economic prosperity under the US nuclear umbrella for a long time since the end of the War, and we have been too accustomed to peace. Is it not that this has caused us to weaken our spirit and effort to defend ourselves, and that we have turned too far to somewhat self-centered arguments? If the Japan-US Security Treaty structure is ultimately guaranteeing the security of Japan, defense efforts to implement this structure effectively will be indispensable.

What is important, together with defense efforts, is probably to review the defense policies in general. It is necessary to re-study many basic policies, including the way of thinking about the Defense Plan General Outline, which stipulates the basis of Japan's defense, the time to achieve the level of defense power, the problem of one percent of the GNP as the rate of defense appropriations, and the inconsistency between the Three Non-Nuclear Principles and port calls by warships armed with nuclear weapons.

The LDP's Departments concerned have already started operations to review some of them. However, arguments on the level of the people are also necessary. The times have certainly changed, and responses according to the change in the international situation and the progress of weapons technology are the very means of enhancing the security of the State.

General Outline and Three Non-Nuclear Principles

First, the Defense Power General Outline must be re-studied. This

Outline was formulated in 1976, when the tension between the US and the Soviet Union had been eased. It consists of a concept for basic defense power to cope with small-scale, limited aggression. At the present time when the international situation has undergone a big change, the defense concept based on such an idea cannot be said to be proper. The US is not the only country that points it out as "outdated." It is strange to carry over the problems which are basically questioned, only by the logic that it is pre-requisite to attain the level of defense power, which level is laid down in the appended table in the General Outline.

This is a problem which should be tackled frontally, at this time when the US has begun to seek defense efforts even for the improvement of continuous combat capability and for the strengthening of the capability for inter-operability in an emergency.

In light of the strengthening of the Soviet Forces in the Far East, including the deployment of SS-20 missiles and Backfire fighters, Japan's defense should stand, after all, on a concept for necessary defense power, premised on the estimation of a threat. This is because the defense policy of any country materializes only when there is an object of a threat. It can be said that the correct way is to evaluate the war potential of the other party properly and form a conclusion as to to what extent it should be coped with.

The second point is the policy of limiting defense appropriations to within one percent of the GNP. The rate in this fiscal year is 0.991 percent, with only ¥25 billion left up to the ceiling. This must be reviewed without delay. This is all the more necessary because there is no rational ground for one percent, and because this is "an immediate goal." As to a review of the General Outline and the one-percent argument, the Government bothers its brains too much about measures toward the Opposition side and about part of public opinion. A point of view with greater consideration given to the international situation and the unity and sharing of responsibility on the part of the West is necessary, isn't it?

The third problem is the Three Non-Nuclear Principles. "Not producing (nuclear weapons), not possessing them, and not permitting them to be brought in" is a fine policy. However, if this is not revised to some extent, it will result in exposing its nature of fabrication more and more before the people, and causing its reliability to be lost. What will become of the security of Japan under the US nuclear umbrella, as a result of its rejection of port calls by warships armed with Tomahawk cruise missiles, which have already been deployed, and even their passage through (Japan's) territorial waters? Also, to say that there are no nuclear weapons because there is no proposal for prior consultations, is also inconsistency itself.

After all, there is no other way but to conclude that port calls and passage are not included in the principle of "not permitting them to be brought in," in accordance with the actual situation. As a matter of fact, the US stands on such an interpretation. This is far better than to deceive the people with the Three Non-Nuclear Principles, which are a fabrication.

Prime Minister's Courage Is Last Resort

The Prime Minister should make reviews of such defense policies clear, without delay. It is human nature to dodge making waves, in the case of everyone, when the political situation in the autumn is looked at. However, there are many cases where we must challenge ourselves to political difficulties. If the Prime Minister "stands against the wind," with the general settlement of accounts of post-war politics, we want him to go along with things with courage. The successive Prime Ministers have leaned too much toward only the concept for pacifism, because they gave too much priority to domestic considerations.

What is important at present is the theory on deterrence and balance, and a review of the defense policies, based on the reality of the international situation, and the courage to carry them out. It is 30 years since the SDF was born, and the times are changing. There is no reason why things should forever be as they were in the past.

ADD/BW
RELEASE

NIHON KEIZAI (Page 2) (Full)

July 1, 1984

Thirtieth Foundation Anniversary of SDF and Japan's Security

The SDF greet their 30th foundation anniversary on the 1st. Some of the first- to third-term graduates of the Defense Academy, who were primary school pupils at the time of the War's end, already hold the rank corresponding to major general in the old Japanese Army. Also, the Chairman of the Joint Staff Council, who was one of the last men to become commissioned officers of the old Army, retired under the date of July 1. As can be seen clearly from these facts, the SDF are entering a period for the change of generation. In the meantime, there is the impression that the SDF have been virtually approved by the people. Also, the pressure from the US, which is asking Japan to share the role as a member of the Western world, is growing strong recently, with the intensification of the East-West confrontation. In what way can the security of Japan be maintained under the changing international environment? On this occasion, it is necessary for us to study our experience during the past 30 years, and at the same time, grope for medium- and long-term measures for the maintenance of security.

It goes without saying that the security of Japan has been maintained by two pillars, that is, the strength of the US Forces under the Japan-US Security Treaty and Japan's own defense power. In reality, the role of the US Forces is overwhelmingly great, and the SDF have only a supplementary power. However, it is a historical fact that the Japan-US Security Treaty system as a whole, which is buttressed by these two pillars, has been displaying deterrent functions, to lay the foundation for peace and stability. On the other hand, there is no assurance that this deterrent power will be maintained hereafter, if we do not make efforts. Especially, it is necessary for us to recognize sufficiently the great changes in the international situation.

Changes in Situation Cannot Be Treated Lightly

One change is the relative decline of the comprehensive national strength of the US. The economic and military power of the US after the War's end was extremely strong. As a result, the period of Pax Americana lasted a long time. Around the time of the Vietnam War, however, a gloom was cast over the strength of the US. On the other hand, Japan's economic power increased greatly due to its rapid economic growth and the renewal of technology, as is well known. As a result, Japan's gross national product (GNP), which was only about eight per cent of that of the US in 1960, when the Security Treaty was revised, has now increased to nearly one-half. Parallel with the expansion of the GNP, Japanese products, which have great competitive power, flowed into the US market, to invite "criticism against a free ride on the Security Treaty" from Americans. As a matter of fact, there is constant economic friction, complicated with the friction over the Security Treaty between Japan and the US now. With such a fundamental change in the situation in the background, the psychology of Americans, who once behaved themselves as guardians of Japar, is changing delicately. It is even feared that the Japan-US Security Treaty system will be virtually nullified, if such a psychological change leads to the growth of a definite feeling of distrust toward Japan.

Another change, which we must bear in mind, is the change in the military situation in the Far East. For more than 20 years, the Soviet Union has been strengthening its naval and air forces consistently. Especially, it has strengthened its Pacific Fleet drastically, by such steps as deployment of the aircraft carrier Minsk and the attack landing ship Ivan Rogov, during the past several years. Also, it is strengthening its air force drastically, by such steps as deployment of Backfire supersonic bombers and starting of the use of fighters of higher efficiency. Furthermore, it has strengthened its ground invasion power, as can be seen from the construction of permanent military bases on Japan's northern

territory. To counter the strengthened Soviet military power, the US Forces, too, are expanding their strength in the Far East. It is not predictable, however, to what extent the US Forces can take effective military action in the event of spread of the war in the Middle East to the Far East, because the pro-US forces in the Middle East have weakened since the revolution in Iran.

The REAGAN Administration, which took serious notice of these fundamental changes in the situation, is strongly asking Japan for the following: (1) to strengthen the MSDF and the ASDF for the defense of the 1,000-nautical-mile sea lanes (marine transportation routes); (2) to increase its strength to blockade three straits in time of emergency; and (3) to strengthen the capability for continuous combat by such steps as stockpiling of ammunition and fuel. This request has its background in the crisis-feeling that the US must counter the great pre-emptive strike power of the Soviet Union with the strategy of simultaneous retaliation on many fronts in the world. For the implementation of this strategy, the unity of the Western allies of the US is necessary. The REAGAN Administration holds that it is natural that Japan, too, should share this role as a member of the Western world.

What posture should the Japanese side take toward this request of the REAGAN Administration? First, it must be confirmed that Japan should make a contribution, in principle, according to its national strength and circumstances, although it is not necessary to accept the impatient and exorbitant requests of the US totally. This is extremely natural, because assistance to the allies becomes effective, only when the allies have the will to endeavor for self-help, or the will to defend themselves by their own efforts as far as possible. It is clear that the US will become more and more distrustful of Japan unless Japan shows such a posture, with the result that the Security Treaty system will be virtually nullified.

For this reason, it is necessary to start earnest efforts at once for the early implementation of the "Defense Plan General Outline," which was decided at a Cabinet meeting eight years ago. This General Outline was decided at a Cabinet meeting for the establishment of the minimum level of defense power necessary in the period of easing of tension. It will be doubted whether Japan has an intention to endeavor for self-help, if it postpones indefinitely even the establishment of such a minimum level of defense power, while the balance of military power in the Far East has undergone a great change.

Prevent Virtual Nullification of Security Treaty System

Second, it is important to make a clear distinction between what Japan can do and what it cannot. Primarily, the US way of thinking is based on the view that the US is a global power which must take the military situation in the world as a whole into consideration. This view is characterized by thoroughgoing military rationalism. It is impossible for Japan, which maintains its Peace Constitution, to follow the view which is totally the same as that of the US. It is reasonable for Japan to attach primary importance to the defense of its own territory from its standpoint as a regional power. So, Japan must clarify to the US, on every occasion, its position that it can only play a supplementary role for the US Forces, instead of taking over the functions of the US Forces as mobile attack power.

In this respect, the 15th Japan-US administrative-level security consultations, which recently were held in Hawaii, attracted attention. The Japanese side at the consultations explained as follows: (1) The popular feeling in Japan does not permit the sudden and drastic strengthening of defense power; and (2) the loud request of the US on

Japan Defense
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— Symposium Sponsored by Asia Society of N.Y., JCIE —

ASEAN More Receptive to Japan's Role: Experts

By HITOKI DEN

The Association of Southeast Asian Nations (ASEAN), as a whole, are today more realistic and receptive in accepting Japan's economic aid, to some extent, political roles in Southeast Asia than at any time before.

This is the consensus of a group of specialists who took part in a recent international symposium at the resort town of Hakone, Kanagawa Prefecture.

Behind this change, which has become conspicuous over the past few years, those specialists argue, is the increasing confidence on the part of ASEAN in its relations vis-a-vis Japan and the U.S.

The experts on Southeast Asia from Japan, the U.S. and five ASEAN countries — Indonesia, the Philippines, Singapore, Malaysia and Thailand — also point out that the tripartite relations among them are far more mature than a decade ago as each of the three parties has undergone a series of changes, following the period of turmoil marked by Vietnam War and Japanese economic domination

in the 1970s.

These are part of the general assessment on present Japan-U.S.-ASEAN relations presented by some 50 government officials, scholars, journalists and businessmen, who participated in the three-day Hakone conference co-sponsored by the New York-based Asia Society and the Japan Center for International Exchange (JCIE) on July 2-4.

Among the participants in the conference held under the theme "The U.S. and Japan in a Changing Southeast Asia" were Deputy Foreign Minister Moriyuki Motono; Robert Scalapino, professor of political science at the University of California, Berkeley; former U.S. Ambassador Richard Sneider and David Sycip, president of the Philippines' Rizal Commercial Banking Corp.

Candid Exchange

Since the forum is intended to deepen understanding of the region through exchanges of opinions on a multilateral perspective and from a private viewpoint, discussions that took

place in each session on political, economic and security issues were so candid and frank that Robert Oxnam, president of the Asia Society, called them "something we would not have done 10 years ago."

During their session on political and security issues, for instance, a Thai professor who declined to be named, went so far as to say that Japan has been "overly sensitive" to what ASEAN says.

"If Japan can play a constructive role in solving the Kampuchean issue through its dialogues with Hanoi, it should do so," he said.

A Singaporean scholar, commenting on Japan's defense buildup efforts, said that "Japan has the right to do whatever it wants at least on its homeland."

Tadashi Yamamoto, director of JCIE, says that such remarks by Southeast Asians indicate an improvement in their perception of Japan and show how much Japan-ASEAN relations have matured since former Prime Minister Zenko

Suzuki chose ASEAN as the first stop of his trip abroad as prime minister in 1981.

"Japan-ASEAN dialogue... has become very constructive since the two sides began accepting their complementary relations as they are," he said.

At the same time, however, ASEAN's receptiveness for Japan's greater influence in their part of the world is undoubtedly based upon the premise that the U.S. remains responsible for the security in the region.

Militarism Fears

Evelyn Colbert, professorial lecturer at Johns Hopkins University, noted in his agenda paper for the conference: "Although never wholly abandoning their fears of a resurgence of Japanese militarism, the ASEAN countries have come to accept an increased Japanese self-defense capability as important to the health of the U.S.-Japanese alliance and as appropriate to Japan's burden-sharing responsibilities."

"The U.S.-Japan relationship, however, becomes a source of concern when it appears that the U.S. is contemplating making Japan its surrogate in Asia or is pressing Japan into a more extensive security role," he argued.

With the U.S. pressing Japan to play a greater security role in defending its two vital sealanes, an ASEAN scholar said, the "fear is that Japan someday becomes 'policeman' in Asia."

Taking these concerns into consideration, Japanese participants stressed that Japan has no intention whatsoever of playing any security role for the region.

As a Foreign Ministry official put it, "Japan will stick to its role as facilitator rather than initiator of political and economic designs, while being sensitive to the voices of ASEAN."

The Asia Society will hold a similar symposium on East Asia next year and on South Asia in 1986 as the second and third stages of its research program, Oxnam said.

JAPAN DEF
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RELEASE

Whither Japan's Self-Defense Forces?

By Antonio Kamiya
Kyodo Staff Writer

Japan's Self-Defense Forces marked the 30th anniversary of their founding July 1, growing from a tiny, war-shy "police reserve force" into one of the most powerful war machines in the world.

And along with it, a growing concern, domestically and internationally, on the role of such an enormous military power.

Constitutionally, the Japanese armed forces are forbidden to resort to arms in settling international disputes. Politically, however, the Self-Defense Forces are increasingly embroiled in the strategic equation of the U.S.-Soviet confrontation in the Pacific.

The United States, once the undisputed sea power in the Pacific, has leaned hard on the Japanese to make up for the power balance against the Soviet military buildup in the Far East. The Americans by themselves, as Richard Armitage, the assistant U.S. defense secretary for international security, reminded a private gathering in Washington recently, are finding it increasingly difficult to contain the growing Soviet sea power off the Siberian coast.

Japan's military muscle, although still a shadow of its Imperial past, is certainly no tin-box toy.

According to military estimates, the Japanese navy, or Maritime Self-Defense Force in official parlance, now ranks the fifth largest in the world in terms of tonnage.

Ground troops of 180,000 men are the eighth most powerful, and so is Japan's air power, with 430 combat planes.

Figures alone, however, do not convey the full picture in the age of sophisticated weaponry.

The Air Self-Defense Force, for instance, has 43 U.S.-developed F-15 fighters and plans to build it up to 155 by around 1990, making it the second largest owner of the most advanced warplane after the United States.

The military spin-off from Japan's advanced electronic wizardry also caught the world intelligence community by surprise when the Japanese revealed they were able to monitor, word for word, the cockpit conversation of the Soviet fighters which shot down a Korean airliner last September.

Japanese military technology, in fact, has developed to such levels that the U.S. came to Japan to arrange for "technology transfer."

Despite rapid advances made, particularly in the field of electronic warfare and new materials, analysts say Japan is unlikely to plunge into weapons trade in any foreseeable future. Reason: Government policy bans arms export.



Tanks rumble across the parade ground as helicopters hover overhead during a review of Japan's Self-Defense Forces at Asaka training ground in Saitama Prefecture. (UPI)

The popular sensitivity against turning an army of export sellers into merchants of war reflects a largely fading but still palpable antiwar movement in the country.

A substantial segment of the population, with the miseries brought on by the defunct Imperial Army still fresh in mind, remains wary about any military role the country may play.

Indeed, according to repeated government surveys, there are some 15 percent of the population who think the country's armed forces should be cut down, or scrapped altogether.

Despite its recent timid move to accept the existence of the armed forces, the No. 1 opposition Japan Socialist Party still professes "unarmed neutrality" as the best defense policy for the country.

Nuclear Allergy

Nearly 40 years after Hiroshima and Nagasaki, the Japanese nuclear allergy remains as strong as ever. And successive governments under the Liberal-Democratic Party have found it almost duty-bound to reassure the nation that, yes, they will abide by the "three non-nuclear principles" against making, possessing or allowing nuclear weapons into the country.

Reflecting thus a popular consensus to "hold the rein" on the military, the government has, since 1976, imposed an upper ceiling on defense spendings, with an order that no more than 1 percent of the nation's GNP be diverted for the defense budget.

But at 2.9 trillion yen (\$12.5 billion) for

the current fiscal year, the budget limit came precariously close to the ceiling: 0.991 percent.

Amid continuous U.S. prodding and Japan's own defense policy to upgrade its armed forces, there are already moves within the ruling Liberal-Democratic Party to review the 1 percent ceiling and remove fiscal constraints for military spendings.

The growth of the Japanese military might together with talks of "sea-lane" defense that stretches all the way to the Philippines, reportedly sent jitters to some of Japan's Asian-Pacific neighbors, their collective memory of the ill-fated "Great Asia Co-Prosperity Sphere" lurking back to life.

Prime Minister Yasuhiro Nakasone, along with his predecessors, has repeatedly reassured Japan's Asian neighbors that Japanese armed forces will pose no threat to any country.

Japanese officials say leaders of Southeast Asian countries, specifically among ASEAN member nations, have shown "understanding" of Japan's defense buildup.

But the ghosts of Japanese militarism die hard. Australian Foreign Minister Bill Hayden, for one, has publicly said he is against the Japanese military playing any "regional role."

Public opinion elsewhere in Asia is no less wary of the Japanese Imperial past, as attested by the furious protest movements that sprang up two years ago when Japanese education authorities tried to muddle historical accounts in school textbooks and tone down Japan's wartime atrocities in occupied countries.

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EDWARD L. TIXIER

DELIVER DURING NORMAL DUTY HOURS

1. (U) ATTENDED 1 NOV RECEPTION HOSTED BY NEW DIR GEN JAPAN DEFENSE AGENCY KOICHI KATO REPLACED KURIHARA.
2. (S) KURIHARA CALLED ME ASIDE TO TALK. HE TOOK PAINS TO ASSURE ME THAT WHILE HE WAS NO LONGER MINISTER, HE WOULD STILL BE WORKING CLOSELY IN DEFENSE AREA. HE DID NOT SPECIFY IN WHAT CAPACITY.
3. (S) SOON AFTER KURIHARA CONVERSATION MINISTER KATO TOOK ME ASIDE FOR ABOUT TEN MINUTES, INTERRUPTED BY PEOPLE OFFERING CONGRATULATIONS. HE TOLD ME OF HIS LONG-TERM INTEREST IN DEFENSE MATTERS. HE MENTIONED MEETING ASD/ISA PREVIOUSLY AND SAID HOW IMPRESSED HE WAS. HE ASKED ME TO CONVEY HIS DESIRE TO MEET SOON WITH SECDEF. I SAID HE SHOULD STOP AT PACOM ON HIS WAY IF POSSIBLE TO ADJUST HIS BODY CLOCK. NO RESPONSE.
4. (S) HE THEN TALKED ABOUT US INTERESTS AS THEY IMPACT JAPAN, AND OUR PROPENSITY TO PRESSURE JAPAN TO MEET OUR DEMANDS. I TOLD HIM DURING MY WATCH AND MY LEVEL WE WOULD ARTICULATE OUR NEEDS HONESTLY AND FORCEFULLY, UNDERSTANDING WE WILL NOT AGREE ON EVERYTHING. IF WE DID, ONE OF US WOULD BE RELINQUISHING OUR SOVEREIGNTY.

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HOWEVER, I WOULD BE REMISS, AS WOULD OUR ADMINISTRATION, IF WE DID NOT MAKE THOSE NEEDS AND THEIR IMPACT KNOWN TO OUR DEFENSE PARTNER. HE SAID HE UNDERSTOOD AND ACCEPTED THAT. I ALSO SAID OSD AND PACOM UNDERSTOOD POLITICAL PRESSURES HE WAS SUBJECT TO AND OFFERED TO COOPERTAE AT MY LEVEL TO IDENTIFY THOSE PRESSURES TO YOU. HE SAID HE HOPED WE WOULD WORK CLOSELY AND LOOKED FORWARD TO SEEING BOTH OF YOU, AS WELL AS SECDEF, SOON. HE MENTIONED MR SASSA, DFAA, SAYING SASSA WAS A GOOD FRIEND. THEY SERVED TOGETHER IN HONG KONG, LATER MRS SASSA ALSO TALKED ABOUT THEIR CLOSE FRIENDSHIP DURING THAT PERIOD. SUGGEST YOU PRESS SASSA DURING HIS UPCOMING VISIT FOR MORE PARTICULARS ON KATO. ←

5. ~~(S)~~ KATO SAID HE HAD BEEN INVOLVED IN POLITICS AS A STUDENT AND BUREAUCRAT DURING INCEPTION OF US-JAPAN DEFENSE TREATY, AND ALWAYS MAINTAINED A CLOSE INTEREST IN OUR RELATIONSHIP. HE SAID HE WAS HAND PICKED BY NAKASONE FOR THIS JOB DUE IN PART TO HIS INTEREST AND KNOWLEDGE.

6. ~~(S)~~ I SEE HIM AS A BRIGHT, YOUNG (45 YEARS OLD), ARTICULATE (EXCELLENT ENGLISH) NATIONALISTIC "COMER" IN JAPANESE GOVERNMENT. RECOMMEND EARLY PERSONAL CONTACT BY YOU AND SECDEF, AS AN ASIDE, SOME ARE SPECULATING HIS YOUTH MAY BE OF CONCERN TO SENIOR JSUF MILITARY. I SAW NO HINT OF THAT, BUT SUSPECT EVEN IF TRUE, HE'S TOUGH ENOUGH TO HANDLE IT. THAT'S AN INITIAL IMPRESSION.

7. (U) VERY RESPECTFULLY ED.

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DEPARTMENT OF DEFENSE
JCS MESSAGE CENTER

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SUBJECT: LETTER TO MOD (U)

1. DATT IS REQUESTED TO CONVEY FOLLOWING MESSAGE TO NEW MINISTER OF STATE FOR DEFENSE KATO FROM SECDEF. QUOTE:

HIS EXCELLENCY KOICHI KATO
MINISTER OF STATE FOR DEFENSE.

DEFENSE AGENCY
9-7-45 AKASAKA, MINATO-KU
TOKYO 107, JAPAN

DEAR COLLEAGUE,

CONGRATULATIONS ON YOUR APPOINTMENT AS MINISTER OF STATE FOR DEFENSE. THE SECURITY PARTNERSHIP BETWEEN JAPAN AND THE UNITED STATES HAS GREATLY MATURED UNDER THE LEADERSHIP OF PRIME MINISTERS SUZUKI AND NAKASONE, PRESIDENT REAGAN, AND YOUR PREDECESSORS IN THE DEFENSE AGENCY WITH WHOM I HAVE HAD THE PLEASURE TO WORK.

MY RECENT MEETINGS WITH MINISTER KURIHARA WERE PARTICULARLY NOTEWORTHY. WE DISCUSSED THE IMPORTANCE OF INTEROPERABILITY AND SUSTAINABILITY. MEANINGFUL INTEROPERABILITY BETWEEN JAPANESE AND U.S. FORCES IS CRITICAL TO OUR SHARING OF DEFENSE RESPONSIBILITIES AS CALLED FOR IN THE 1981 SUZUKI-REAGAN COMMUNIQUE. SUSTAINABILITY MAKES OUR FORCES A CREDIBLE DETERRENT, THE MOST CRITICALLY IMPORTANT ROLE FOR WHICH THEY ARE MAINTAINED.

IT IS GOOD TO HAVE A FELLOW HARVARD MAN AT THE HELM OF THE DEFENSE AGENCY. I LOOK FORWARD TO MEETING YOU SOON AND TO WORKING TOGETHER TO STRENGTHEN THE CLOSE COOPERATION BETWEEN OUR TWO COUNTRIES.

SINCERELY, (SIGNED) CASPAR W. WEINBERGER UNQUOTE.

2. ORIGINAL AND LETTER TO FORMER MINISTER KURIHARA ARE BEING SENT BY STATE DEPARTMENT POUCH. BT

ACTION USDP (15)

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PAGE 1 OF 1
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JAPAN'S DEFENSES

Nakasone Prepares a Gift for Reagan

By Tatsuro Nakajima

Assistant Political News Editor, Asahi Shimbun



The meeting of Prime Minister Yasuhiro Nakasone and President Ronald Reagan on Jan. 2 is approaching.

Nakasone is taking with him a handsome gift for Reagan with regard to the improvement of Japan's defense, an issue on which the U.S. continues to show the greatest concern. The prime minister will be able to tell Reagan the conditions are now all in place for a shift the Japanese government can make in its policy of holding defense spending to less than 1 percent of the GNP.

This is similar to the decision by the Nakasone government to supply military technology to the U.S. reached in advance of the January 1983 meeting when Nakasone and Reagan conferred for the first time.

The Research Committee for Peace, (chairman, Masataka Kosaka, a Kyoto University professor), a private advisory body to Nakasone, has recently put together a report proposing a reassessment of the 1976 outline of the national defense program, a matter in which the U.S. has constantly indicated interest, and reaching the conclusion of urging upon the government the lifting of the 1-percent of GNP limit on defense spending as no longer applicable to the present changed circumstances. Immediately after this, the Defense Buildup Subcommittee (chairman, Joji

Omura) of the Liberal-Democratic Party reached a decision to make a similar proposal. Both bodies, however, omit any mention of a new ceiling figure. Obviously, one can readily conjecture these two findings were fully coordinated measures taken under Nakasone's direction.

Among Nakasone's aims in establishing the Research Committee for Peace in August 1983 was to use it to provide a reasoned basis for his view that a breach of the 1 percent of GNP barrier could not be avoided in the fiscal 1985 (April 1985 to March 1986) budget. Nakasone's prime forte in political operations is to create advisory bodies which, though nominally to offer disinterested experts opinion, will help him to guide policy along lines he desires and to put on these bodies many thinkers who will act in line with his views.

In the final stages of discussion on the Research Committee for Peace, views were expressed, contrary to Nakasone's aims, that the hurried lifting of the 1-percent of GNP ceiling without the imposition of new restraints was questionable and the efforts to reach final findings encountered extremely rough going.

On one occasion, Prof. Kosaka, the chairman, even told reporters publicly that the 1 percent of GNP ceiling could not be removed without the

adoption of new restraints. Whereupon, Nakasone began to take a hand in the proceedings of the committee.

A committee member close to Nakasone said in the discussions that adoption of some new figure of restraint to replace the 1-percent limit was out of the question. Nakasone himself red-penciled the draft of the committee's report. Differences in views settled down in the wording of the provisions of the final report revised to come into line with what Nakasone wanted from the committee. While the committee is a private advisory body to Nakasone, one may question whether these proceedings were entirely proper.

The prospect is that the defense appropriation in the fiscal 1985 budget will be held below 1-percent of GNP but this is resulting from such factors as the growth in GNP beyond original projections. However, if the pay raise of Self-Defense Forces personnel goes through in the fall of 1986, defense spending will unavoidably go over the 1-percent ceiling.

This means the prime minister has been able to put off until the fall of next year any suspicions about not observing the 1-percent ceiling and the findings of the Research Committee for Peace and the LDP's Defense Buildup Subcommittee constitute important strategic preliminary moves

aimed at dealing with the situation in the fall of 1986.

Moreover, the report for the Research Committee for Peace strongly stresses, in getting on with Japan's defense buildup, the necessity of placing it on the basis of Japan-U.S. defense cooperation. Specifically, the report's view is that higher public ranking be given to studies of joint Japan-U.S. operations and to defense of Japan's sea-lanes. The U.S. must be raising both hands in glee, welcoming these statements as something which has needed to be said.

When Zenko Suzuki was prime minister and conferred with Reagan in May 1981, in the joint communique resulting from that meeting Suzuki pledged that Japan would make further efforts to increase its defense. One big reason Suzuki was forced to retire from office was the worsening in Japan-U.S. relations.

While his successor, Nakasone, was originally an advocate of the self-defense doctrine that Japan should rely primarily on itself for its defense with the Japan-U.S. security system playing a secondary role, he is now being far more faithful than Suzuki in strengthening Japan-U.S. defense cooperation, is working to raise even further the level of Japan's defense and is making Reagan highly pleased. This is indeed an ironic turn of events.

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In other words, the draft resolution takes the form of pressing the Government, too, for a change of its interpretation as to the SDF's constitutionality. However, the "Association for Promoting a Correct Constitution" emphasizes as follows: "Even if there is a change in the (Government's) interpretation, the current defense policy, such as strict adherence to defense, will not be affected at all, because the renunciation of war itself -- which is provided in Article 9 -- is made definite."

The reason why the Constitutional-revision-oriented Diet members came to incline toward the policy of advocating this kind of argument on interpretation, instead of calling for a (constitutional) revision itself, is that even under Prime Minister NAKASONE, who admits himself to be an advocate of constitutional revision, it is actually impossible to muster forces necessary for moving for a constitutional revision. For this reason, the draft resolution is aimed at materializing "recognition" of the SDF, which are most closely related to the nation's security, on the basis of the interpretation of the current Constitution, until the time when a constitutional revision is made in the future. If this matter is taken up in Diet discussions, it will inevitably give rise to arguments on the interpretation thereof.

IM/7548t

NIHON KEIZAI (Page 1) (Full)

Eve., February 25, 1985

Japan-US Separate Consultations Start; To Discuss Reduction of Tariff Rate on Lumber

Separate consultations to discuss economic problems between Japan and the US started on a full scale at the Foreign Ministry from the 25th. Separate Sub-Cabinet-level consultations in the field of lumber and paper products, and Japan-US aviation negotiations to discuss the problem of Nippon Cargo Airlines (NCA), started on the 25th from 10:00 a.m. and 11:00 a.m. respectively.

The Sub-Cabinet-level consultations in the field of lumber and paper products are part of the separate consultations in four fields including communications equipment, on which agreement was reached between Japan and the US in late January, and they are the first to be held in the field of lumber.

The consultations were attended by Under Secretary of Agriculture AMSTUTZ and others from the US, and by Forestry Agency Director General TANAKA, ITI Deputy Vice-Minister WAKASUGI and others from Japan. The focal point of the consultations is lowering of the tariff rate (15% at present) on lumber products, which the US side is requesting strongly. However, the Japanese side is showing reluctance for reasons of protecting the domestic industry, due to such factors as the dullness of housing construction in Japan. It is viewed that negotiations will be protracted.

The aviation negotiations were attended by Deputy Assistant Secretary of State WILLIS and others from the US, and by Transportation Ministry International Transport and Tourism Bureau Deputy Director General SHIOTA, Foreign Ministry North American Affairs Bureau Counselor WATANABE and others from the Japanese side. Negotiations to date have been deadlocked, with the assertions by the Japanese side which considers early approval for NCA flights a justifiable right, and the assertions by the US side which seeks some kind of compensatory measures, running along divergent lines. At the negotiations this time, however, the Japanese side is taking a posture of achieving a settlement even by extending the five-day schedule, aiming at NCA's start of operations from April 1.

DA/7570t

SANKEI (Top Play) (Full)

February 23, 1985

Aiming at "Recognition" of SDF through Diet Resolution; LDP Group Already Prepares Draft; To Work On Various Middle-of-the-Road Parties; Heading toward Presenting (Draft) to Diet Even As Early As During Current Session

It was made known by the 22nd that the LDP's younger and middle-ranking Diet members — in order to confirm the constitutionality of the Self-Defense Forces — have been promoting concrete work on checking into it, with the intention of resolving it at the Diet. This aims at having the SDF recognized by the authority of the Diet, for the reason that there are still arguments on the unconstitutionality of the SDF in spite of their actual existence and contribution to the nation's security and that even the court has not shown any clear-cut judgment. A draft resolution has already been formulated and it will be presented to the Party Executive, and after unification of views in the Party, they are going to present it to the Diet even as early as during the current session. The Opposition Parties are showing various attitudes toward the SDF, but these Diet members who are pushing this movement intend first of all to ask the DSP, whose Chairman SASAKI once made a similar proposal, and various middle-of-the-road political parties to support the draft resolution. The Diet resolution is to be adopted unanimously by all parties in principle. Therefore, it seems it will be difficult for it to pass the Diet smoothly. However, it is also presumed that with this as an opportunity, arguments may re-ignite as to whether or not the SDF are constitutional.

* * *

23 younger and middle-ranking Diet members, centering on such persons as Parliamentary JDA Deputy Director General Masakuni MURAKAMI and Lower House Member Kiyoshi MORI, plan to make clear the "constitutionality of the SDF" through a Diet resolution. They are Constitutional-revision-oriented Diet members, so to speak, and last autumn they formed an "Association for Promoting a Correct Constitution." They have studied Constitutional problems to date at a pace of twice a month, independently from existing organs of the Party, such as the Constitutional Affairs Research Council.

Drawing up the draft resolution was pushed in the course of this process, and on the basis of the judgment to the effect that "the SDF's being constitutional should be made clear by the authority of the Diet, and both the Government and the people should confirm it," the draft resolution, in its main text, incorporates such views as (1) every nation has its own right of self-defense, and the war renounced in Paragraph 1, Article 9 of the Constitution is a war of aggression, so to speak, and a war of self-defense is not renounced; (2) Paragraph 2 of Article 9 provides that "In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained;" this means that any war potential for a war of aggression will not be maintained, and accordingly war potential for self-defense can be maintained; and (3) the right of belligerency (of the State) can be recognized in case of the use of armed force for self-defense.

The Government also assumes the position of regarding the SDF as constitutional. Concerning the presence of self-defense power, however, the Government shows a cautious interpretation, saying as follows: "The maintenance of military power — even for self-defense — cannot be recognized, but the maintenance of a minimum necessary degree of actual power for self-defense is not against the Constitution." Concerning the use of self-defense power, too, the Government does not recognize the right of belligerency but says that "in case of legitimate self-defense, unconstitutionality will be barred." Standing on this judgment, the Government views that it will be possible to take action for self-defense. Compared with this, the draft resolution features such positive views as "a war for self-defense is not renounced" and "the right of belligerency (of the State) can be recognized in case of the use of armed force for self-defense."

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THE DAILY YOMIURI

JUN 19 1983

Group Urges Establishment Of New Natl Security Body

A working group of the Ad Hoc Administrative Reform Council Monday came up with a report which urges the government to set up a national security council to replace the present National Defense Council to better cope with emergencies in Japan's national security.

The working group concerning the function of the cabinet says in the report that it is an urgent task for Japan to become prepared to cope with emergencies, such as the situation following the downing of a Korean Air Lines (KAL) jetliner by a Soviet interceptor near Sakhalin on Sept. 1, 1983.

The report also says that an intelligence council chaired by the vice chief cabinet secretary should be set up and hold regular meetings, and a foreign policy coordination office to make overall adjustment of the government's international policies should be established.

The report also advises improvement in the administrative information system to strengthen the cabinet's overall adjustment capacity and improvement in the government's personnel management policy to pull down the barriers of sectionalism among ministries and agencies.

Regarding national defense, it says that the National Defense Council, set up in 1956, has become inefficient and should be dissolved.

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BRIEF SUMMARIES OF JAPAN ISSUES

JAPAN DEF

10/85

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ANNOUNCE

1. 1986 - 1990 Defense Program:

- Represents significant progress toward defense goals articulated in 1981 with respect to front line equipment and sustainability:
 - P3Cs will go to 100
 - Destroyers to 62 (12 DDG including 2 Aegis)
 - F-15s to 187
 - *All three services will have one month or more of sustainability.
- Elevation to Government level plan will make reductions more difficult, but FULL implementation is critical to achieving minimum required goals. Reductions would likely cut into critically required sustainability.
- Need to have Administration and Hill lobby the Japanese for FULL implementation. (Will require breaking ONE PERCENT but probably not until 1987 and Nakasone was rebuffed by party in doing it now).

2. Technology Transfer:

- Have reached final agreement on detailed arrangements (after much MITI/MOFA sparring for turf).
- First transfer (of GOJ-owned charged couple device for seeker of shoulder fired missile) is likely to U.S. Army by year's end).
- First transfer is really only a test case. Meaningful action, if any, will be industry to industry and concern dual use (vice strictly military) technology.
- Japanese media have confused issue with SDI. Same mechanism could be used for SDI-related defense technology, but again potential Japanese contribution is in dual use area.

3. OTHR:

- Japan is studying; likely to buy a system; only issue is ensuring proper cueing -- Japanese need to show use for Japan -- thus they want to "own" system.

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- "Ownership" means they will pay for most or all of system.
- This is fine so long as we can insure system is properly cued to interact with U.S. systems in Adak and Guam.
- "A real force multiplier".

4. NLP Miyake Jima:

- Resolution may finally be near. Citizens of Miyake are beginning to see golden egg.
- Once they agree it will take 3-5 years to build requisite runway; but once final decision is certain, interim use of nearby fields is expected to bridge gap.

5. FSX:

- Japanese need an air to ground fighter in mid-90s. Japanese industry wants to build all but engines in Japan.
- Study of issue between now and mid-1986 will include consideration of F-16 and F-18 coproductions and conversion of F-4 to air to ground role (and subsequent coproduction of more F-15s).
- If U.S. does not overplay its hand (openly bash for U.S. solution), Japan is unlikely to go for domestic production in view of fear of reaction in U.S.
- Need to pressure subtly. Believe we are on track DoD to JDA.

6. AWACs:

- Boeing is somewhat clumsily pushing for purchase NOW.
- No money for this in 1986 - 1990 program.
- Next revision of program is in 1987. AWACs is good but not only A/C available. Boeing needs to play it smarter.

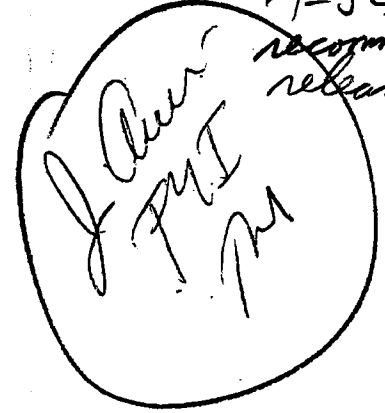
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October 1, 1985

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Honorable Richard L. Armitage
Assistant Secretary of Defense for
International Security Affairs
Washington, DC 20310

Dear Mr. Secretary,

The missions assigned to USARJ by current PACOM war plans do not agree with current Defense Department and Department of the Army thinking regarding global war scenarios. I have expressed my concerns in a message (copy enclosed) to the senior officers in the chain of command in the Pacific.

As I think that it's important to make you aware of my thoughts on this problem, I have enclosed a copy of this message for your review. Critical decisions are being made now, at both Department of Defense and Department of the Army, that will directly affect USARJ's ability to perform the missions assigned by PACOM war plans.

Jim Auer understands the issues. As he knows, it is not my intent to overemphasize the ground threat, but the GSDF do have an important role to play and we must keep them in the game. We can best do this by ensuring that we have a credible U.S. capability for Hokkaido.

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classified enclosures~~

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BY APA
DATE 4/13/99

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I would appreciate your views on the issues in the enclosed message and your thoughts on how we can make our requirements known to the appropriate decision making panels in the most effective manner. I will be in Washington later this month and look forward to seeing you then.

Your message following Jim Auer's visit here in September was very much appreciated. Thank you.

Very Respectfully,

Bill
Charles W. Dyke
Lieutenant General, USA
Commander
US Army Japan/IX Corps

Enclosure

~~REGRADED UNCLASSIFIED WHEN
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JOINT MESSAGEFORM						SECURITY CLASSIFICATION SECRET				
PAGE 01 of 04	DTG/RELEASER TIME			PRECEDENCE		CLASS	SPECAT	LMF	CIC	ORIG/MSG IDENT
	DATE-TIME	MONTH	YR	ACT	INFO	SSSS		TT		AJCG-LM
BOOK	MESSAGE HANDLING INSTRUCTIONS									
<p>FROM: CDRUSARJ IX CORPS CPZAMA JA //AJCG//</p> <p>TO: COMUSJAPAN YOKOTA AB JA //J00/J01//</p> <p>INFO CDRWESTCOM FT SHAFTER HI //APCG//</p> <p>DA WASH DC //DAMO-SS//</p> <p>SECRET PERSONAL FOR</p> <p>PERSONAL FOR LTG TIXIER, MG PHILLIPS FROM LTG DYKE</p> <p>INFO LTG BAGNAL, MG BRADSHAW</p> <p>SUBJ: FY 87-91 DEFENSE GUIDANCE (DG) AND JAPAN</p> <p>1. ED ED: USCINCPAC OPLAN 5000-84, AT JCS FOR APPROVAL, DEPLOYS THE 25ID TO HOKKAIDO TO AUGMENT THE JGSDF'S CAPABILITY TO PREVENT A SOVIET INVASION OF HOKKAIDO AND THE RESULTANT SOVIET CONTROL OF THE SOYA STRAIT. FAILING THAT, THE 25ID, ASSIGNED TO IX CORPS UNDER OPLAN 5000-84, WILL HELP THE JGSDF RESTORE THE TERRITORIAL INTEGRITY OF JAPAN BY EXPELLING SOVIET FORCES FROM HOKKAIDO. DRAFT OPLAN 5001-85, SCHEDULED TO UNDERGO PHASE II REFINEMENT CONFERENCE 4-8 NOV, DEPLOYS THE 25ID TO IX CORPS, WITH ESSENTIALLY THE SAME CS/CSS FORCE STRUCTURE REQUIREMENT, AND WITH THE SAME MISSIONS.</p> <p>2. THE THE DG DOES NOT YET REFLECT THESE CHANGES IN THE ROLE OF USARJ/IX CORPS IN THE DEFENSE OF US INTERESTS IN THE NEA/NWP. THE ILLUSTRATIVE PLANNING SCENARIO IN THE CURRENT DG DOES NOT MENTION A DISTR.</p>										
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R. L. KOHL, MAJ, GS 233-4429						CLASSIFIED BY: <u>MULTIPLE SOURCES</u>				
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CHARLES W. DYKE, LTG, USA <i>Charles W. Dyke, USA</i>						SECURITY CLASSIFICATION SECRET DATE TIME GROUP				

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BOOK	MESSAGE HANDLING INSTRUCTIONS									
<p>ROLE FOR GROUND FORCES IN JAPAN. THIS CONFLICTS WITH CURRENT USCINCPAC WAR PLANNING AS DESCRIBED IN PARA 1. THIS OMISSION MAKES IT DIFFICULT FOR USARJ/IX CORPS PLANNERS TO OBTAIN THROUGH THE DA FORCE ALLOCATION PROCESS THE RESOURCES NEEDED FOR ECHELON ABOVE DIVISION/CORPS AND FOR CS/CSS FORCES NEEDED TO SUPPORT THE 25ID DEPLOYED TO HOKKAIDO. WITHOUT THE BACKING OF THE DG SCENARIO AND THE IMPLEMENTING DA GUIDANCE THROUGH ARMY PLANNING AND PROGRAMMING CHANNELS, USARJ/IX CORPS CANNOT PRESENT ITS CASE EFFECTIVELY IN THE ARMY FORCE STRUCTURE DECISION-MAKING PROCESS.</p> <p>3. (U) RECOMMEND CONSIDERATION OF THE FOLLOWING MODIFICATIONS TO THE DG IF USARJ IS TO REALIZE THE MINIMUM ESSENTIAL FORCES NECESSARY TO IMPLEMENT USCINCPAC OPLANS 5000-84 AND 5001-85:</p> <p>A. (S) PAGE 20, LINE 25, AFTER THE LAST SENTENCE, ADD THE FOLLOWING:</p> <p>"AS A MINIMUM, INCREASE THE PLANNING LEVEL FOR U.S. CAPACITY TO AUGMENT THE DEFENSE OF JAPAN UNTIL THE GOAL OF INDIGENOUS TERRITORIAL, AIR, AND SEA DEFENSE, AS MENTIONED ABOVE, IS ACHIEVED."</p> <p>B. (S) PAGE 40, LINE 12, ADD:</p> <p>"-- MAINTAIN THE CAPABILITY TO RAPIDLY DEPLOY ONE DIVISION TO</p>										
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BOOK

MESSAGE HANDLING INSTRUCTIONS

KOROM/JAPAN TO AUGMENT DEFENSIVE CAPABILITIES, AS NEEDED."

C. ~~{~~ TOPAGE 44, LINE 44, CHANGE TO READ:

"-- DEPLOYMENT OF FORCES TO SWA AND THE PACIFIC, PARTICULARLY ROK AND JAPAN."

D. ~~{~~ PAGE 45, LINE 30, AND PAGE 46, LINE 24, CHANGE TO READ:

"{NEA KOREA/JAPAN C+ DAYS}"

E. ~~{~~ PAGE 61, APPENDIX II, ILLUSTRATIVE PLANNING SCENARIO,

CHANGE THE FOLLOWING COLUMNS TO READ AS INDICATED:

"TIME

RELATIVE

TO D-DAY"

"NEA/SWA"

"POSSIBLE US RESPONSE"

+5

SOVIETS WARN GOJ AND ROK

{ADD}

OF THREAT TO SOVIET

-GOJ-USG REACH AGREEMENT

SECURITY POSED BY

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REINFORCING FORCES.

USCINCPAC DEPLOYS FORCES

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SOVIETS ATTACK US/JSDF

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BOOK _____ MESSAGE HANDLING INSTRUCTIONS _____

{NATO FROM: NAVAL, AIR, AND GROUND -US FORCES BEGIN TO
 D-DAY} TO: FORCES IN NEA/NWP. ASSIST JAPAN IN
 {PACIFIC/ NORTH KOREA ATTACKS ROK. DEFENSE OF
 KOREA/ STRATEGIC STRAITS.
 JAPAN
 D-DAY}

4. THESE ARE THE MINIMUM CHANGES TO THE DG NECESSARY TO SUPPORT THE ACQUISITION OF RESOURCES BY USARJ/IX CORPS ESSENTIAL FOR THE EXECUTION OF CINCPAC WARPLANS. YOUR SUPPORT AND ASSISTANCE IN GETTING THESE CHANGES MADE TO THE NEXT ITERATION OF THE DG, WITH POSSIBLY OTHER CHANGES NECESSARY TO SUPPORT OTHER COMPONENTS OF USFJ, WOULD BE VERY MUCH APPRECIATED.

5. WARM PERSONAL REGARDS. BILL DYKE.

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JAPAN Doc

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RELEASE

JDA Starts to Check into Deployment of Submarines Also to Kuriles Area; To Review "16-Submarine Set-up"

In order to strengthen the defense of straits as a part of its sea-lane defense plan, the JDA has started to check into the deployment of submarines also to areas around the Kurile Islands, for the first time. The Medium-Term Defense-Power Consolidation Plan, which regards the period of five years from the next fiscal year as its object, aims at attaining the "16-submarine set-up," mentioned specifically in the list attached to the "Defense Plan General Outline." However, from the standpoint of securing constant deployment in areas around the northern territory or the Kurile Islands, a set-up covering 20 to 25 or so submarines will become necessary. The JDA plans to materialize the planned increase in the number of submarines at the time of revision of its Medium-Term Defense Plan, which revision is scheduled to be carried out three years hence. This will become connected directly with a review of the General Outline. It is also surmised that if the JDA's policy becomes clear, then Opposition Parties will criticize, for example, to the effect that this will result in changing the nature of Japan's defense policy. It will probably develop into a political problem.

At present, the MSDF has a total of 14 submarines, including Yushio-type (basic displacement: 2,200 tons) (ships). In various countries, the operation of submarines is a matter which is kept highly secret. The JDA has not made it public, either. It is viewed, however, that the JDA is aiming at establishing a 16-submarine set-up, so as to assign one submarine to the Soya Strait on a constant basis, two to the Tsugaru Strait, and two to the Tsushima Straits.

However, in the case of the Soya Strait among the three straits, it is impossible to keep sufficient watch, partly because it borders on Soviet territory. Recently, warships of the Vladivostok-based Soviet Pacific Fleet have stepped up their moves to enter the Sea of Okhotsk after passing through the Soya Strait and to go out into the Pacific Ocean after passing through the northern territory and the Kurile Islands.

In particular, the Soviet Union is attaching extremely great importance to the Sea of Okhotsk as a sea area for the purpose of attacking the US mainland directly with submarine-launched ballistic missiles (SLBM's). Therefore, the JDA, on its part has started checking into a plan to "strengthen, even slightly, our capability to keep watch over Soviet warships' moves in the Pacific, at Vladivostok, and in the Sea of Okhotsk," through the deployment of submarines in the northern sea areas.

It will be possible to keep watch over the moves of Soviet surface warships through the use of radar, SDF surface-ships, aircraft, etc. It is said, however, that "Submarines are most effective for carrying out surveillance over submarines." The JDA is now checking into the deploying of two or three submarines to the Pacific side of the northern territory or the Kurile Islands. It tentatively estimates that accompanying the proposed deployment for the first time, a total of 20 to 25 submarines will become necessary. The reason for this is that about three submarines will be incorporated into one group, because, in order to station such submarines in specific sea areas, it will also be necessary to take relief, repair, etc., into consideration.

Situation Concerning Soviet Warships' Passage through Straits

(Survey by the JDA)

Tsushima	155 ships (165)
Tsugaru	55 ships (60)
Soya	295 ships (270)

(Note) Average number for the past five years until the end of 1984.
Figures in parentheses denote the average number for the same period until the
end of 1983.

Q

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AOOIEK
RELEASE

- 9 -

Also, it attracts our attention that semi-conductor exports to the US "virtually decreased to half" (Nippon Electric Vice-President Kenzo NAKAMURA), reflecting the poor showing of the US computer industry and the growth of the Japan-US friction over semi-conductors.

It is expected that semi-conductor production of the five companies in the present fiscal year will amount to ¥1,710 billion in value, or 17.1 per cent less than that in the previous fiscal year, including the expected amount of production in the second half of this fiscal year. So, it is likely that the five companies' facilities investments connected with semi-conductors, too, will decrease to about ¥400 billion, or 30 per cent less than those in the previous fiscal year.

Thus, the trends of the semi-conductor industry have decisive bearing on the business records of electric machinery companies. As to when the semi-conductor industry can begin to recover, there is the growing view that "A fundamental recovery will not come until next autumn" (Mitsubishi Electric Managing Director Hiro'o NAMEEZAWA). Thus, it is expected by many that a fundamental recovery, which at first was expected to come next spring, will be delayed further. Besides, it deserves attention that the tempo of expansion of video tape recorder (VTR) production of the three big electric machinery companies has begun to show signs of slowing down, while computer and communications apparatus production of all companies has been increasing smoothly.

Results of Interim Settlement of Accounts of Five Major Electric Machinery and Communications Apparatus Companies (shown in billion yen; figures in parentheses show the rates of increase or decrease in percentage in comparison with the corresponding period of the previous year)

<u>Companies</u>	<u>Sales</u>	<u>Regular profits</u>	<u>Semi-conductor output</u>
Hitachi	1,558.8 (3.0)	100.8 (-16.9)	215.0 (-21.0)
Toshiba	1,323.5 (9.4)	62.0 (-9.3)	185.0 (-9.8)
Mitsubishi	882.5	28.2	74.0
Electric	(0.9)	(-19.4)	(-38.6)
Nippon	940.0	60.0	236.0
Electric	(7.3)	(13.3)	(-19.1)
Fujitsu	688.6 (18.7)	34.4 (-36.3)	105.0 (-16.0)

HF/3160t

NIHON KEIZAI (Page 2) (Full)

October 30, 1985

Re-organization of National Defense Council into Security Council; Prime Minister Enthusiastic about Proposing It to Next Diet Session

At the Lower House Budget Committee meeting on the afternoon of the 29th, Prime Minister NAKASONE clarified his intention in regard to a bill for the re-organizing of the National Defense Council into a Security Council, saying as follows: "The LDP is working diligently, acting in unity with the Government, for the formulation of a bill. If it can be prepared in time, we wish to present it to the next Regular Diet session." In connection with the problem of upgrading the Lower House Security Special Committee to a standing committee, the Prime Minister showed support, saying that "Though it is a matter to be decided by the Diet, the LDP will probably give it arduous support, if it is proposed by other Parties." This was in reply to questions advanced by Takashi YONEZAWA (DSP).

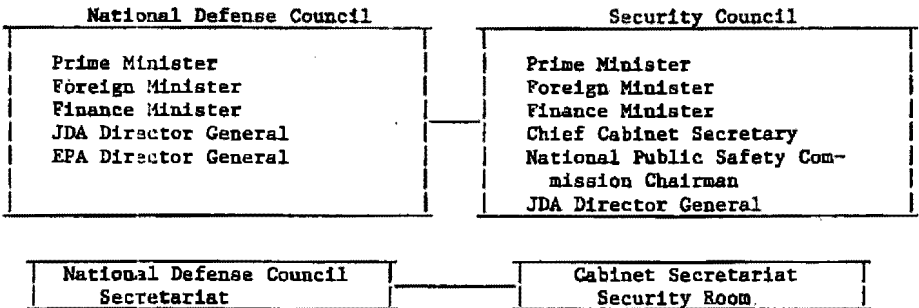
The Security Council will be newly established, by abolishing the National Defense Council. The aim is to consolidate a setup for coping with such emergency situations as the incident of the shooting down of the Korean Air Lines plane in September, 1983. It is also included in the "General Outline for Administrative Reform," which was decided by the Cabinet in September, based on the Provisional Administrative Reform Promotion Deliberation Council's (Chairman: Toshio DOKO) recommendation. Within the Government and the LDP, the work of drawing up bills for the revision of the JDA Establishment Law and the National Defense Council Law, which is needed for its establishment, is being hastened.

General Affairs Agency Director General GOTODA emphasized in his Diet replies that (1) it is necessary to cope with emergency situations in a proper way, and (2) it is necessary to activate the National Defense Council and to strengthen civilian control, and implied that the details of the bill are being worked out from this kind of viewpoint. According to the Provisional Administrative Reform Promotion Deliberation Council's recommendation, the Security Council is to be headed by the Prime Minister, and will be made up of the Foreign Minister, the Finance Minister, the JDA Director General and the Chief Cabinet Secretary, but it also proposes the inclusion of the Chairman of the National Public Safety Commission, who is not a regular member of the National Defense Council.

At the same time, the National Defense Council Secretariat will be abolished and a "Security Room" (tentative name) will be established anew in the Cabinet Secretariat, and the head of this Room is slated to be a person of a rank generally equal to that of a Vice Minister. With this, the Security Council will become an organ directly subordinated to the Cabinet, and compared with the National Defense Council, its authority will be stronger. A Government source explained that the functions and roles of the National Defense Council will be inherited by the Security Council but that they will be strengthened further.

However, among the Opposition Parties, there are some persons who harbor doubts about it, saying that "The main emphasis is placed on crisis management, and will it not lead to the weakening of the functions of civilian control, which is the all-important point?" The DSP takes the position that "It should be re-organized into a form like that of the National Security Council in the US" (YONEZAWA). The drafting of the bill is being pushed, centering on the National Defense Council Secretariat. However, as it takes the position that "We wish to heed the views of other Parties fully as reference materials" (Director General GOTODA), it is expected that there will be further turns and twists before the presenting of the Bill to the Diet.

Security Council Establishment Plan (Provisional Administrative Reform Promotion Deliberation Council's Draft Plan)



JAP AFP
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RELEASE

THE JAPAN TIMES

1 NOV 1985

Premier Does Not Rule Out Defense Blueprint Revision

Prime Minister Yasuhiro Nakasone indicated Thursday at the Diet that the "Defense Buildup Guideline of 1976," the current basic blueprint for defense efforts, may be revised after the new five-year government mid-term defense plan (1986-1990) approved last month has run its course.

He gave the indication at the fourth-day session of the Lower House Budget Committee, while refusing to declare that the guideline will never be changed in the future.

The prime minister was asked by Tetsu Ueda, a Japan Socialist Party Dietman, to confirm that the guideline would never be revised under pressure from the United States.

Nakasone said, "I can say that the defense guideline will be maintained during the five-year defense buildup plan, but I am not in a position to say what will happen beyond that."

"I cannot say anything that would bind future governments in any way," Nakasone added.

Ueda concentrated his questioning on the medium-term defense plan which was made into a formal government plan by upgrading the Defense Agency's internal program on Sept. 18.

Concerning the mid-term defense plan, Ueda criticized the Nakasone government for being secretive about how the plan had been worked out.

He demanded that the government provide the Diet with enough information as to why certain numbers of sophisticated, expensive weapons have been called for in the defense plan.

Ueda claimed to be in possession of documents which he said gives data and estimates on which the defense plan was based.

"I will not disclose everything because it would hurt Japan's national interest. But the government should at least give necessary data to the Diet provided that this does not hurt national interest."

Nakasone agreed to do so, saying that some data will be

released if they would not hurt national defense efforts.

Later in the budget committee session, Nakasone said, in response to a question from Kazumari Inoue, a JSP Dietman, that he would take into consideration the feelings of the peoples in neighboring nations when he plans his next official visit to Yasukuni Shrine.

The prime minister defended his official visit to the Yasukuni Shrine on Aug. 15, the first official visit by a postwar prime minister, by saying that his visit had not carried religious connotations and had been aimed at praying for peace.

Another JSP Dietman, Yusaku Yayama, criticized the

Nakasone government for having created Chief Cabinet Secretary Takao Fujinami's special advisory body for the "purpose of getting proposals supporting official visits to the shrine."

He claimed that the government had gathered people who were on Nakasone's side when forming the council.

"Such an act is bound to hurt democracy," he added.

Visit Defended

Chief Cabinet Secretary Takao Fujinami said Thursday that Prime Minister Yasuhiro

Nakasone's official visit to the Yasukuni Shrine during its spring or autumn festival does not constitute violation of the Constitution as long as it is conducted in a manner without any religious color.

Although the festivals themselves are sponsored by the shrine, the prime minister's official visits to the Shinto establishment on such occasions are basically the same as his Aug. 15 visit in that they all are conducted without any religious colors, Fujinami told a press conference.

A001EP

RELEASE

ASAHI (Page 3) (Full)

January 24, 1986

Largest Number of SSN's in History Make Port Calls; Reflection of New US Strategy?; "Killer"-Class Submarines Also Coming, One After Another, with Eye to Conventional War against Soviet Union

The US Los Angeles-class attack-type nuclear-powered submarine Indianapolis entered Yokosuka Port at noon on the 23rd. This is the third US nuclear-powered submarine to enter port this year. Last year, the number of US nuclear-powered submarines entering Yokosuka and Sasebo totalled 35, or the largest number ever recorded so far. Recently, US Chief of Naval Operations WATKINS published a treatise in a journal, the purport of which was that "The US will attack Soviet nuclear-powered submarines, carrying strategic nuclear missiles, even in the case of the arising of a conventional war against the Soviet Union." It seems possible to say that the increase in the port calls of these Los Angeles-class attack-type nuclear-powered submarines is a reflection of this new strategy of the US Navy. (Reporter Yusuke OMINE and Editorial Committee Member Iwao ISHIKAWA)

The Indianapolis (6,000 tons) berthed at the pier next to that of the Thresher-class attack-type nuclear-powered submarine Permit (3,750 tons), which has been in port since the 14th. Officers and non-commissioned officers clustered on the conning tower, while sailors on the deck, wearing bright red life jackets, cast mooring ropes.

An officer of the 74th Submarine Mission Unit, arriving in a black sedan, greeted it at the pier. He was preciously hugging a brown attache-case. Every time a nuclear-powered submarine enters port, this attache case, hugged preciously by an officer, is always carried into the submarine, first of all.

Cardboard cartons were being carried into the Permit from the pier, and it was in the midst of making preparations to sail. When this reporter asked about its navigation schedule, the reply was that "I do not have the authority to reply to that," and his expression suddenly became stern.

US nuclear-powered submarines' port calls at Japan have come to show a new look from last year. This is because, even apart from the large number of 35 submarines' (30 at Yokosuka and 5 at Sasebo) making port calls, new-face Los Angeles-class submarines, starting with the La Jolla in January of last year, are coming to make port calls, one after another.

For the solving of this mystery of the increase in the number of US Los Angeles-class attack-type nuclear-powered submarines' making port calls in Japan, the treatise published by US Chief of Naval Operations WATKINS in the January issue of "Naval Strategy," a journal of the US Naval Research Institute, is extremely important.

In the treatise, which bears the same title as the name of the journal, the Chief of Naval Operations says that (1) even in the case of a conventional war against the Soviet Union, Soviet nuclear-powered submarines, carrying strategic nuclear missiles, will be hit, (2) aircraft carriers and naval ships equipped with nuclear-tipped Tomahawks will be deployed in the neighborhood of the Soviet Union, and (3) with this, US nuclear war power will acquire superiority. He says that this is the US Navy's new strategy, formulated over a period of three years.

Some 20 or more Soviet nuclear-powered submarines, equipped with strategic nuclear missiles, are deployed in the Sea of Okhotsk and in the Pacific, in the Far East. It is the Los Angeles-class attack-type nuclear-powered submarines which will serve in the role of "killers" and which will also serve as the launching pad for nuclear Tomahawks for attacks against Soviet bases on land. When considered together with this new strategy of the US Navy, the background for the increase in their port calls becomes clear.

When viewed from a helicopter, it can be seen that there is a two-story building, one-half of which does not have any windows, near the pier where US nuclear-powered submarines berth. On the roof of this building, there are two rod-like antennae, which are thought to be for the use of the sending and receiving of communications to and from communications satellites. This is the headquarters of the US 7th Fleet 74th Submarine Mission Unit, which is also called the "Submarine Operations Control Center."

In regard to this facility, the "Sea Hawk," the base newspaper of the US Yokosuka Navy Base, wrote as follows: "This 74th Mission Unit handles more than 30,000 communications a month. Its mission is to decide the operational dispositions of the US nuclear-powered submarines deployed in the West Pacific and in the Indian Ocean and to give them their operational assignments."

It is also equipped with terminal equipment of the World-Wide Military Command and Control System (WWMCCS), which is directly connected with the US President, and it transmits orders to US nuclear-powered submarines operating underwater, via the US Navy's ultra-long-wave communications station in Kariya City, Aichi Prefecture.

There are also seen moves at the US Navy's Kamiseya Communications Facility in Seya-ku, Yokohama City, 27 kilometers northwest of Yokosuka, which moves correspond to the increase in the number of port calls by US nuclear-powered submarines.

There are the headquarters of the P3C anti-submarine patrol planes, assigned to the West Pacific, the "elephant's cage," which is an electronics information-collection facility, and the Ocean Surveillance Information Facility, which gathers information on Soviet naval ships, caught by reconnaissance satellites. Last year, the US Navy planned to strengthen these functions further and to newly establish a Fleet Operations Control Center here.

However, as the budget for this was not approved by the US Congress, the plan was cancelled for the time being, but it does not seem that the US Navy has given up this plan.

Every time a US nuclear-powered submarine enters Yokosuka Port, this reporter goes to the pier to gather news. Recently, they give the impression of coming in as if they had the right of way. Are they carrying, or not carrying nuclear-tipped Tomahawks? One cannot tell from just looking at their outward appearance. However, one's frank and honest feeling is that "nuclear weapons have now come to our bedside." Q

KH/4744t

JAPAN DEPT
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RELEASE

YOMIURI (Page 1) (Full)

Eve., June 26, 1986

Will Also Not Use Tactical Nuclear Weapons in the Pacific and the Atlantic for Defense of Allies; Former CIA Director

(Washington, June 25, Correspondent SAITO) Former CIA Director TURNER (Admiral), stated definitely, in a telephone interview with the Yomiuri Shimbun on the 25th, in connection with the "nuclear umbrella" problem, which is giving rise to discussions, that "America has no intention of using, not only its strategic nuclear missiles, deployed in the homeland, but also its tactical nuclear weapons, carried by naval ships, deployed in the Pacific and the Atlantic, against the Soviet Union for the defense of its allies," and made clear the view that US tactical nuclear weapons, deployed in the areas around its allies, are deployed for the purpose of the US itself, in the same way as its long-range strategic nuclear weapons, such as the ICBM's and SLBM's.

Admiral TURNER said, in his interview on the 23rd with this paper, that "the 'nuclear umbrella' over Japan and the European allies, is an illusion, and we have no intention of launching nuclear missiles against the Soviet Union from the US homeland for the defense of our allies."

However, Admiral TURNER gave further supplementary explanations in a telephone interview on the 25th, and emphasized that "It concerns not only the strategic missiles in the US homeland alone, and the way of thinking is the same toward tactical nuclear weapons deployed in the Pacific and the Atlantic."

The naval ships of the US 6th and 7th Fleets carry tactical nuclear weapons and nuclear bombs, and are carrying out patrol, with an eye on the Soviet Union. The allies, at which ports these naval ships make port calls, have taken the interpretation traditionally that these forward-deployed US tactical weapons are for the purpose of the defense of the allies.

According to Admiral TURNER, "The purpose of the forward-deployed tactical nuclear weapons is to deter a Soviet attack against US naval ships and US military facilities," and "There is no possibility of these tactical nuclear weapons being used against the Soviet Union, for the reason that Japan is attacked by the Soviet Union."
Q

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JAPAN DEP
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RELEASE

June 27, 1986

Will Be No Nuclear Attack on Japan; Interview with Former CIA Director TURNER; Will Support, in Case of Conventional Attack

[Washington, June 25, Correspondent Sotaro ISHIKAWA] Former CIA Director TURNER agreed to a telephone interview with the Sankei Shimbun Washington Branch on the afternoon of the 25th (early morning of the 26th, Japan time), and stated "It is inconceivable that the Soviet Union will launch a nuclear attack on Japan. However, the three US Forces will support Japan, using conventional weapons, should the country suffer a conventional attack." This was an explanation of the true meaning of the statement he made earlier in an interview with a certain Japanese newspaper to the effect, "The idea of a nuclear umbrella over Europe and Japan is an illusion." The former Director also said that "it is necessary to increase the Japanese defense budget to 7% of the GNP" in order to build up the power to defend against the Soviet Union.

Former Director TURNER first said with respect to the definition of a nuclear umbrella, "It is the concept of 'detering' the Soviet Union and the Warsaw Pact Forces from attacking the Western allies." He then said, in connection with the statement "The idea of a nuclear umbrella over Europe and Japan is an illusion," "I certainly said so. However, (the statement) was based on the assumption that the Soviet Union launches a conventional attack," and clarified that the statement was not based on the assumption that the Soviet Union will launch a nuclear attack.

According to former Director TURNER, "It is inconceivable that the Soviet Union will launch a nuclear attack on Japan." He further stated "Japan is a small island country, and will be destroyed completely by a nuclear attack. It is meaningless for the Soviet Union to occupy a destroyed Japan. Suppose that the Soviet Union launches a nuclear attack on Hokkaido and the US Forces retaliate on four Soviet cities. The country will still have many nuclear warheads left and will attack other districts in Japan. There also is a possibility that it will launch an attack on the US mainland. If that happens, Japan will be destroyed completely, and nothing, including its newest plants, will be left. This is meaningless for both the Soviet Union and the US."

Former Director TURNER thinks that the threat posed by the Soviet Union as regards Japan is not a nuclear attack, but a surprise attack using conventional weapons, and said "I firmly believe that the US Forces will support Japan, using conventional weapons in that case."

The former Director further stated "If the Soviet Union is to launch a nuclear attack on the Western allies, it probably will not be from within Soviet territory, but from East European countries belonging to the Warsaw Pact. In that case, it is conceivable that the US will launch a retaliatory attack on East European countries using INF deployed in NATO countries," and expressed the view that there is a possibility of dealing in a different way with a nuclear attack on NATO countries as compared with that on Japan.

In response to the question "Does that mean that Japan should arm with nuclear weapons, too?", the former Director said "I do not wish a further increase in the number of countries with nuclear weapons. Japan ought to build up its power to defend against the Soviet Union, and prepare for a Soviet surprise attack using conventional weapons." He gave as concrete measures (1) the establishment of a mine-laying structure to secure straits and sea lanes in times of emergency, (2) the reinforcement of the anti-Soviet submarine strategy in waters where there are no mines, (3) the perfection of air defense power to secure Japan's command of the airspace over its mainland, and (4) the perfection of the GSDF to enable it to counter a Soviet surprise attack. He stressed that "it is necessary to increase Japanese defense expenditures to 7% of the GNP," to that end. The former Director further asserted that the US should impose a surcharge of 6%, which is the difference between the ratios of the Japanese and the US defense budgets to the GNP (US - 7%, Japan - 1%), if Japan does not comply with the request.

Former Director TURNER is presently serving as a guest professor as Yale University. In addition to that, he is actively giving speeches and

undertaking writing activities. He is a Navy Admiral and is well versed in defense-related information.

[Note] Former Director TURNER said in an interview with a Yomiuri Shimbun correspondent, "There is no possibility of launching nuclear missiles from the US mainland for the defense of Japan. Who will retaliate by launching a nuclear attack on Moscow, just because the Soviet Forces invade Hokkaido and and still further Tokyo? We have no intention of going so far as to sacrifice Washington in defending our allies." Q

JY/7941t

EDITORIAL

A001EX
RELEASE

SANKEI (Page 10) (Full)

June 27, 1986

Security Council, Both Nominally and Actually

The Internal Administration Deliberation Room, External Administration Deliberation Room, and Security Room will start from July 1 in the Cabinet, and the functions of the Cabinet will come to be strengthened. It is something to welcome.

In particular, it is desirable that the hitherto National Defense Council will change into the Security Council, and that the establishment of a coping with an emergency situation and a control structure for a crisis of the nation is aimed at. We want it to handle an emergency situation, such as national security, terrorism, hijacking, a wide-scale disaster, etc., with a change of its appearance. Whether or not the new structure will be useful or not, will depend on with what posture the Prime Minister will face it, or moreover, in response to this, how the new organization will move. It will depend on how to use it.

The National Defense Council, which was established in March of 1956, will be re-organized for the first time in 30 years as the Security Council. The National Defense Council Secretariat will change, too, and will start as the Security Room, with an increase of personnel. In the situation where the number of persons is being reduced everywhere under the administrative reform, this will probably be one of a few sectors which will, in reverse, increase its staff in number.

There are reasons for that. That is, the Security Council is an organ which exists "so that it will cope with important matters pertaining to national defense and an important emergency situation." It will control the security of the nation and its people, as one might say. It is, thus, natural that the staff of the organization will increase in number and the structure will be prepared so that the Prime Minister will judge things appropriately, on the occasion of an emergency or the occurrence of an emergency situation.

With this, there are such criticisms as "The strengthening of the functions of the Security Council will lead to reinforcement of defense," or "It is dangerous because it will strengthen the Prime Minister's authority more than is needed. However, it cannot be said that they are discussions which look hard at the nature of the matter. In order to establish a national control structure for a crisis, it is most important to prepare a high-level assistant organization for the Prime Minister. Also, it is very good, too, to strengthen the Prime Minister's leadership.

Looking back on the past, did the Government sweat due to lack of such a control system for a crisis? On the occasion of the incident of shooting down the Korean airliner in September of 1983, Chief Cabinet Secretary GOTODA even said that "There are no connections horizontally. We feel like we are walking on thin ice." It tells that control and the functions of co-ordination were extremely unsatisfactory as to what immediate structure the Government will take in the face of a crisis.

By chance, at that time, the combination of Prime Minister NAKASONE and Chief Cabinet Secretary GOTODA coped well with things. However, things will not always go well like that. For this reason, in any case, a top leader will need a staff so that he can judge things appropriately, while collecting information at the center.

The members of the Security Council will be the Prime Minister, Foreign Minister, Finance Minister, JDA Director General, and EPA Director General, who are members of the National Defense Council, and in addition to them, the Chief Cabinet Secretary and Public Security Committee Chairman will be newly added as regular members. The members of the US National Security Council are the President, Vice President, Secretary of State, Secretary of Defense, and others, and the Chairman of the Joint Chiefs of Staff and CIA Director are added in the capacity of advisors.

Then, the problem is whether the Chairman of the Joint Staff Council, who is the top person in uniform, will attend the Security Council as a regular or associate member every meeting. In the context of the international military situation, too, or viewing the situation of foreign nations, we ought to materialize it by all means. There is a view that if a person in uniform attends and makes a positive statement, it will disturb civilian control, but it will be alright for the Diet to control politics.

The other is whether the Security Council will hold a regular meeting every month. The number of times of holding National Defense Council meetings is 70 times in the past 30 years. It can be said that it has become a very mere shell. We want (the Government) to make the Security Council a council accompanied by nominal and real things.

Q

KU/7944t

ASAHI EVENING NEWS

3 JUL 1986 Page 3

New Council Bolsters PM's Authority in Handling Crises

In what government officials describe as a major postwar move to reinforce the prime minister's authority over crisis management, the National Defense Council has been disbanded and replaced by the new National Security Council. Set up with Prime Minister Yasuhiro Nakasone overriding bureaucratic resistance, the new council, which came into being on Tuesday, is being met with suspicion even within Nakasone's ruling Liberal-Democratic Party. Party members say they are unsure about Nakasone's real motives.

The reorganization features the merger of the disbanded National Defense Council's secretariat and office of councilors into three offices of councilors on security, foreign policy and internal administration.

Establishment of the three divisions met strong resistance from related ministries. The

objections were particularly vigorous from the Foreign Ministry, which was adamantly opposed to "dualism in foreign policy" with the Prime Minister's Office.

The National Security Council deals with what is described in a recent Diet decision as a "grave state of emergency" that "might have a grave impact on national security," as well as important matters on national defense once dealt with by the defunct National Defense Council.

Defining "grave state of emergency," a spokesman cited as an example the landing of a Soviet MiG-25 fighter at Hakodate Airport in Hokkaido in 1976. Its pilot sought refuge in the United States. They also mentioned the hijacking in 1977 of a Japan Air Lines jet at Dhaka, Bangladesh, by terrorists identifying themselves as members of the Japanese

Red Army.

For its added function, the chief Cabinet secretary and the chief of the National Public Safety Commission are regular members to the body, chaired by the prime minister, besides the foreign minister, finance minister, Defense Agency director-general and Economic Planning Agency director-general.

Serving as secretariat for the crisis-management panel, the Office of National Security is headed by Atsuyuki Sasa, a veteran public-security official. He once served as chief of the Defense Facilities Agency. He is well known for his book "Know-How on Crisis Management."

The establishment of the office of foreign policy was strongly opposed by the Foreign Ministry because it will coordinate trade-related ministries that are often at variance on foreign-policy matters, including trade friction and aid to developing nations.

This group is headed by Michihiko Kunihiro, who once served as minister to the United States and chief of the Foreign Ministry's Economic Affairs Bureau.

—Asahi News Service



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-2400

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SECURITY AFFAIRSBIWEEKLY ACTIVITY REPORTOFFICE OF ORIGIN: ISA/EAPR *J. A. N. M. K.*

DATE OF BRIEF: 11 JUL 1986

1. ~~(S)~~ Japanese Parliamentary Elections. Japan's ruling Liberal Democratic Party gained 304 seats in the House of Representatives, an all-time record in the party's 31-year history, and a strong increase in the Upper House as well in Sunday's simultaneous elections. Prime Minister Nakasone's popularity and the Socialists' failure to produce a credible program seemed to induce the public, worried about an economic slowdown in the first quarter of 1986 caused by a higher yen, to opt for stability. Nakasone now has a firm mandate, the magnitude of which was clearly unexpected. Likely fallout of interest to DoD includes a political decision in favor of SDI, continued full funding of the 1986-1990 defense program at 5.4 percent annual real growth, adoption of force multipliers presently under study including OTHR, long range AEW aircraft, Aegis destroyers, and tanker aircraft, and consideration of a formal review of the 1976 National Defense Program Outline. A new MOD is likely to be named by Nakasone who will shuffle his Cabinet shortly after he is formally reelected Prime Minister on 21 July. (Mr. Auer, x57886).

2. ~~(S)~~ Thailand War Reserves. A State-DoD team departed for Bangkok 11 July to participate in U.S.-Thai negotiations on the establishment of a war reserve stockage program in Thailand. The two sides will begin meeting on 15 July. The U.S. delegation is headed by DCM Joseph Winder. The immediate Thai objective appears to be to reach agreement on the main text of the agreement prior to the 27 July Parliamentary elections. If this is the case, further talks will be required to work out detailed implementing annexes. (L. Bloomfield, 77348)

3. ~~(S)~~ US POW/MIA Delegation to Vietnam and Laos: A US delegation visited Hanoi on July 1-2, and Vientiane on July 4-5, to discuss the POW/MIA issue. Col Howard Hill, OASD/ISA, served as the DoD representative on the trip. While in Hanoi, the delegation met with Foreign Minister Thach and delivered a letter from ASD Armitage which contained a list of the actions the USG is prepared to undertake in support of the Vietnamese two-year plan to resolve the POW/MIA issue. The Foreign Minister noted the absence of a commitment by the USG to create a "favorable atmosphere" (a recurring Vietnamese theme demanding an end to anti-Vietnamese

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statements, etc.), but agreed to study the letter and respond through the SRV Embassy in Bangkok or at the UN, rather than through the media, as has occurred in the past. The Vietnamese did predict significant results at the October technical meeting, without divulging any specifics. They also indicated they were shifting the Orderly Departure Program to Hanoi. The trip to Vientiane was uneventful, with little movement by the Lao on the POW/MIA issue. Talks at both locations were cordial and positive. (COL Hill, X70555)

(U) National League of POW/MIA Families Annual Meeting (NLOF): The NLOF will hold its annual meeting in Washington, July 16-20, 1986. As in the past three years, COIN Assist airlift will be offered for up to two family members per missing or unaccounted for individual. This year, about 500 family members are expected to use COIN Assist. Also, the Services will host a luncheon for attending family members. The guest speaker for the main dinner will be Admiral Crowe. (COL Hill, X70555)

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★ ★ ★ US FORCES JAPAN / FIFTH AIR FORCE ★ ★ ★
DAILY NEWS SUMMARY
COMPILED BY HQ USFJ / J74 AND HQ 5AF / PA

TO: J00 J01 J02 J03 J1 J2 J4 J5 J6 28 JULY 1986
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THE JAPAN TIMES

28 JUL 1986 Page 2

Iwo Jima to Become Jet Training Site

By TOSHIO KOJIMA
IWO JIMA (Reuter-Kyodo) — Amid great secrecy, Japan is turning the site of one of its worst World War II defeats into its biggest training center for jet fighter-pilots.

About 30 construction men are hard at work building parking spots for aircraft along the recently-strengthened 2,650 meter runway at the center of Iwo Jima, a tiny Pacific island. Communications facilities have also been improved.

Little is known about what goes on at Iwo Jima as the Defense Agency has become more and more reluctant to let reporters view the base.

No civilians have been allowed to live on the island since the United States returned it to Japan in 1968.

I was allowed to land only to attend an annual memorial war service for the 20,000 Japanese who died trying to defend Iwo

Jima against a U.S. attack in 1945. I had to promise not to take pictures of the main air-base facilities.

Iwo Jima's coastline changes every year because of volcanic activity and the island has no port facilities. Our ship remained anchored offshore and we reached land in small boats.

The airbase is not big. But the dozen huts here when I last visited Iwo Jima 11 years ago have been replaced by new concrete buildings, a big radar dome and several antennae.

About 65 Japanese Navy men were stationed on Iwo Jima in 1975 to observe weather conditions and maintain the old facilities, including the runway, which were left behind by U.S. forces.

Now there are 280 navy and air force men on the island, 1,250 km south of Tokyo.

The U.S. Coast Guard also has about 30 men on Iwo Jima,

which would be strategically significant for the defense of American sea lanes during war-time.

The Japanese Air Force is conducting flight training on F-4 Phantom jets and the navy is training pilots of P-3-C Orion and P-2-J Neptune anti-submarine planes on the island. From Sept. 25 the level of training will increase.

Defense Agency officials said the government has been constructing facilities to train pilots on Iwo Jima since 1980 because such activities are restricted around Japan's main islands.

Most of the air training zones were moved away from the main islands following the 1971 mid-air collision between a jet fighter on a training mission and an All Nippon Airways Boeing 727.

Agency officials say the existing air training zones, mainly over the tiny islands that ring the main part of Japan, were inadequate for supersonic fighters.

Jets use too much time and fuel shuttling between their land bases and the training sites, they say.

The agency says it does not intend to use Iwo Jima as a shooting and bombing range because the remains of more than two-thirds of the Japanese soldiers killed here in 1945 have not been accounted for yet.

The United States lost 7,000 lives in the battle, symbolized by a famous photograph of six victorious U.S. marines raising a huge American flag on the island.

J Defense 8/86
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MEMORANDUM FOR MR. ARMITAGE

SUBJECT: Bullets for Meeting with Japanese Press

1. America's view and priorities in the U.S.-Japan defense relationship:

-- Despite various issues which make the press such as Miyake Jima, FSX, OTHR, etc. THE important issue in U.S.-Japan defense relationship is the DIVISION OF DEFENSE RESPONSIBILITIES AGREED TO BY THE U.S. AND JAPAN IN 1981. Both countries need to do more to achieve their requisite capabilities and we are pleased that Japan has a plan to do so in the 1986-1990 defense program.

2. U.S. views concerning Japan having a broader military role in the Far East:

-- We believe that the roles Japan has agreed to, defense of its territory, air, and sea-lanes to 1000 miles constitute those with which the Japanese people and their Asian friends and trading partners are comfortable. These roles are very meaningful, and I believe it is more appropriate to obtain the capability to carry out those roles rather than talking about expanded missions.

3. Points the correspondent did not list but might come up:

A. Dick Solomon said the U.S. has a new two front strategy (Pacific is second front):

-- U.S. strategy in the Pacific has not changed (deterrence, stability in the Western Pacific, prevention of intertheater conflict owing to Soviet military buildup); what has changed is U.S. capability to carry out its strategy. We have higher force levels and better readiness, i.e. our strategy is more credible.

B. NEW JERSEY visit to Sasebo:

-- Very pleased that the visit is going so well. Many Japanese seem to want to see NEW JERSEY rather than demonstrate against it. NEW JERSEY is part of the increased capability of the United States to meet its defense commitments in the Pacific and elsewhere.

C. WEINBERGER - KURIHARA Meeting:

-- A meeting of two well acquainted professionals. They need not talk technical details because they are men of high office. They will decide what parts of the big picture they wish to discuss. (Don't mention call on VP Bush -- KURIHARA will announce that 1 Sept).

D. SENATOR BYRD LTR to President:

-- Reflects the views of the Senator and perhaps others in Congress. Just note that it contains many portions taken from SECDEF's report to Congress on burdensharing in March. Seems as though DoD and Congress in closer agreement on U.S.-Japan defense than previously.

E. JAPAN'S SDI DECISION, KURIHARA PRESENT TO SECDEF:

-- I have read press reports that Japan may make a decision soon. I do not believe that Mr. Kurihara's visit is connected to any such decision. Secretary Weinberger wanted to invite Minister Kurihara early in his new term.

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DEPARTMENT OF DEFENSE
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//4900-4// P 7029

SUBJ: SUSTAINABILITY

A. 9 SEP 86 TELECON BETWEEN MAJ TRIPP AND LTCOL HIND.

1. PER REF A, INDICATIONS ARE THAT JDA HAS BECOME MORE AWARE OF THE IMPORTANCE OF SUSTAINABILITY DURING THE LAST YEAR AND IS PROMOTING MEASURES TO ADDRESS SOME OF THEIR WEAKNESSES IN THIS AREA. THE WILLINGNESS TO BEAR SOME OF THE PRICE BURDEN FOR THESE IMPROVEMENTS CAN BE SEEN IN THE JFY 87 BUDGET WHICH, AS IT CURRENTLY STANDS WITHIN JDA, HAS AN INCREASE OF ROUGHLY 25 PERCENT OVER PREVIOUS BUDGETS IN THE AREAS OF MUNITIONS ACQUISITIONS AND EQUIPMENT MAINTENANCE. BECAUSE THE BUDGET MUST STILL STAND UP TO DEBATES AND CERTAIN CUTS BY OTHER GOVT AGENCIES THROUGHOUT THE BUDGET REVIEW AND APPROVAL CYCLE, THIS INCREASE WILL PROBABLY NOT REFLECT ACTUAL BUDGET OUTLAYS FOR NEXT YEAR BUT ONLY A SIGNIFICANT JDA INTENT IN BUDGET FORMULATION. ALSO NOTE THAT, WHILE THE BUDGET INCREASES ARE IN THE AREAS OF MUNITIONS AND MAINTENANCE WHICH JDA NORMALLY CONSIDERS SUSTAINABILITY ITEMS, THEY STILL FALL SHORT OF ADEQUATELY ADDRESSING THE SUSTAINABILITY REQUIREMENTS OF ALL WEAPONS SYSTEM. FOR EXAMPLE, MSO HAS YET TO FUND SUFFICIENT MK46 HARPOONS TO PROVIDE ONE BASIC LOAD FOR THE END ITEMS THEY ARE FUNDING IN THE SAME BUDGET - MUCH LESS ADD TO THEIR WAR RESERVE STOCKS.

2. JASDF HAS ALSO INITIATED SEVERAL PROGRAMS IN RESPONSE TO CONTINUED U.S. EFFORTS TO INCREASE SERVICE AWARENESS OF SUSTAINABILITY. EXAMPLES ARE: A. AFTER SEVERAL USAF STAFF VISITS, JASDF HAS BEGUN A STUDY TO EVALUATE IMPLEMENTATION OF A SYSTEM OF WAR MATERIALS MANAGEMENT PATTERNED AFTER THE USAF RISK/BLSS SYSTEMS; B. 6TH AF IS ASSISTING JASDF IN THE DEVELOPMENT OF AN IMPROVED METHOD OF COMPUTING WARTIME MUNITIONS REQUIREMENTS; C. RECENT DEMONSTRATION AND JASDF TRAINING IN USE OF HOT REFUELING TECHNIQUES TO IMPROVE WARTIME READINESS AND SORTY GENERATION CAPACITIES FOR FIGHTER AIRCRAFT; D. RECENT JASDF DESIGN OF "FULL-UP" MISSILE CONTAINERS WHICH WILL PERMIT MORE RAPID AIR-TO-AIR MISSILE ASSEMBLY AND TRANSPORT TO OPERATIONAL UNITS; E. JASDF STUDY TO DEVELOP NEW MUNITIONS STORAGE DEPOTS WHICH WILL IMPROVE STORAGE CAPACITY AND DISTRIBUTION SYSTEM.

3. IN SUMMARY, JDA SEEMS TO ACKNOWLEDGE SHORTCOMINGS IN SUSTAINABILITY AND IS MAKING BUDGETARY EFFORTS TO IMPROVE THE SITUATION. THE JASDF ALSO IS UNDERTAKING STUDIES AND MAKING PLANS FOR IMPROVEMENTS. ALL OF THESE MEASURES, HOWEVER WELL MEANING, WILL BE SLOW IN ACHIEVING SIGNIFICANT CHANGES BECAUSE OF THE TIME NECESSARY TO COMPLETE ADMINISTRATIVE DETAILS SUCH AS PLANNING AND BUDGETING. BT

ACTION
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PAGE 1 OF 1
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1 December 1986

MEMORANDUM FOR THE ASSISTANT SECRETARY OF DEFENSE, INTERNATIONAL
SECURITY AFFAIRS

SUBJECT: U.S.-Japanese Strategic Dialogue

1. At a 19 November, 1986 session of the Pacific Basin Working Group, the Japanese military's representative at INSS presented a paper entitled The Maritime Strategy and Japan Defense Policy. The paper revealed a lack of cohesion in Japanese defense planning which was surprising to most members of the Group. It described a divergence among the Japanese military, political leadership and public on the basic thrust of Japanese strategy, based upon both differing assumptions of Soviet intentions and uncertainty about U.S. expectations for Japan's Self Defense Force. It appears that a U.S.-Japanese strategic dialogue at the politico-military level is necessary to clear up the confusion.

Japanese Strategic Views.

2. Two views of the Soviet threat compete in shaping Japanese defense policy. One holds that, should the U.S. and the U.S.S.R. engage militarily in another theater, Soviet policy toward Japan would be keyed to political objectives, and Japan might therefore avoid involvement by a policy of non-provocative armed neutrality. The other holds that the Soviets view horizontal escalation as inevitable, and will therefore be motivated by strategic considerations in their actions regarding Japan, in which case Hokkaido would be at risk regardless of Japanese efforts to remain uninvolved. The maritime strategy debate in the U.S. has caused a careful examination by the Japanese military hierarchy, especially the Ground Self Defense Force, which generally supports the second or global view regarding Soviet intentions. Although there is some support for this view within the government, there is no consensus in its favor. The public is somewhat more supportive of the first, or

local, view, and therefore concerned about any major shift in strategic focus.

3. The choice of a specific strategy is further complicated by the ever-present Japanese inter-service rivalry, which is intensified to some degree by competition for resources in a budget fixed on a percentage of GNP rather than driven by strategic imperatives. Given minimal strategic guidance from the political administration, each service of the JSDF tends to design its forces in accordance with its own strategic view which garners the largest share of resources to that service. Thus, the Maritime Self Defense Force seized upon the "SLOC to 1000 mile" mission to justify its budget, while the Air Self Defense Force proposed to defend all Japanese air space. The Ground Self Defense Force, meanwhile, is structuring itself to defend Hokkaido. The result, at the operational level, is force structure with less than optimum capabilities for concerted action toward a common goal.

U.S. Influence Upon Japanese Strategy.

4. The Japanese continue to regard the Mutual Security and Cooperation Treaty as the bedrock upon which their national security is based. They are sensitive, therefore, to what the U.S. perceives as being Japan's appropriate contribution to the objective of that treaty -- within specifically understood limits; i.e., a non-nuclear Japanese force capped at one percent of their GNP. What appears to be lacking is politico-military guidance from the U.S. toward the development of specific strategic objectives for the JSDF.

5. Discussions at the operational military level will not resolve the issue, and may be counterproductive. For example, in the most recent combined naval exercises, the JSDF found itself supporting a U.S.-developed scenario which involved offensive strikes by U.S. naval elements against Soviet Far East Forces in the Maritime Provinces and the Sea of Okhotsk. The reaction in the Japanese press, generally reflecting public sentiment, was severe. In the view of the press, it appeared that horizontal escalation was a given, and that the Japanese would be unavoidably -- and provocatively -- involved. The reaction may well have been caused less by opposition to such a strategy than by the failure of the government to develop a consensus for such a focus in advance. The press and public were, in effect, surprised.

Strategic Options.

6. Two broad strategic options for the JSDF are available. First, there is the local defense option, involving protecting all Japanese territory with support, both political and military, for U.S. attacks against Soviet Far East Forces to be

worked out as the situation develops. Second, there is the more aggressive northern orientation, which assumes that horizontal escalation of a U.S.-U.S.S.R. confrontation is either unavoidable or desirable. This option requires that U.S. and Korean forces dispose of any threat to southern Japan, since the JSDF will be committed to the north to defend Hokkaido and to block the straits providing Soviet egress from the Sea of Japan. The latest exercises indicate a U.S. bias toward the second option, but if that is the U.S.' intention for Japan's forces, Japan must be persuaded at the political level and, if she agrees, allowed time to build a supporting public consensus. Only then can the JSDF expect coherent strategic guidance for the design of the forces and their full integration into our coalition strategy. Given the indirect role played by the Japanese military in formulating strategy and the profound reticence of the Japanese people to change that, proposals at the military operational levels may serve only to sow confusion in the JSDF and generate concern in the body politic.

7. If the U.S. expects that Japan should only provide local security for herself and approve, on a case-by-case basis, our use of bases for any other purposes, then the situation is probably tolerable as it now stands. On the other hand, however, if we desire that Japan's contribution be to protect Hokkaido, close the straits, and actively support U.S. offensive operations, then we should consider how best to frame that requirement to the Japanese at the political level so as to generate guidance to the JSDF for a more coherent and coordinated force structure and operational strategy.

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THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301-2400



INTERNATIONAL
SECURITY AFFAIRS

In reply refer to:
I-19135/86

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY

SUBJECT: Courtesy Call by Japanese Congressman Yuji Tsushima --
INFORMATION MEMORANDUM

DATE AND TIME: 1 December 1986, 1350-1355, Your Office

PARTICIPANTS:

U.S.

The Deputy Secretary
DASD Jackson
MGen Buell
Mr. Auer

JAPAN

Honorable Yuji Tsushima
(Phonetic: tsue-she-mah)
(Addressed: Mr. Tsushima)
Counselor Orita
MGen Ishikawa

Mr. Tsushima, a member of the House of Representatives, is the majority Liberal Democratic Party's Defense Chief. Given the party's preeminence, this makes his influence over defense policy equivalent to the chairmen of our congressional armed services committees. Your Japanese counterpart, Vice Defense Minister Yazaki, requested late Thursday 27 November, that Tsushima be granted a photo opportunity with you prior to his substantive meeting with DASD Jackson in ISA.

A copy of Tsushima's bio is at Tab A, and ISA's talking paper is at Tab B. Recommend you make one point with Congressman Tsushima:

- Secretary Weinberger very much enjoyed his August meeting with Minister Kurihara. We hope your 1986-1990 defense program will be fully funded for 1987, and we are pleased to hear that additional labor cost sharing for U.S. Forces in Japan has been requested for 1987. We have a \$165 million shortfall for labor costs in Japan in FY 1987 and, with a \$60 billion trade deficit and a Senate controlled by Democrats, we need ammunition to prevent the linkage of trade and defense issues.

Lawrence Ropka, Jr.
Acting Assistant Secretary of Defense
(International Security Affairs)

Attachments a/s

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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-2400

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INTERNATIONAL
SECURITY AFFAIRS

MEMORANDUM FOR DR. JACKSON

SUBJECT: Talking Points for Your Meeting with Congressman Tsushima

(S) TSUSHIMA (pronounced tsue-she-mah, addressed Mr. Tsushima) is chairman of the Defense Committee of the Liberal Democratic Party. This roughly makes him equivalent in status to the chairmen of the Senate and House Armed Services Committees in the U.S. (of course defense is not nearly as high in the pecking order in Japan as in the U.S.).

(S) The following are subjects and talking points with respect to each that should be raised or responded to:

Japan's Overall Defense Effort:

- The U.S. is pleased with the defense goals which Japan enunciated in 1981 (defense of territory, air, and sea-lanes to 1,000 miles). We believe these should be achieved as quickly as possible.
- As a minimum, Japan should carry out the second year (1987) of the 1986-1990 defense program completely, procuring all the required front-line equipment and rear support items.
- We note the realism contained in the 1986 Defense White Paper which states that the Standard Force Level table of the 1976 National Defense Program Outline can be adjusted flexibly as changes in the international situation dictate.
- We believe that the studies of Over-the-Horizon Radar, in flight refueling, and improved air defense which are contained in the 1986-1990 defense program have the potential to provide significant improvement in Japan's defense capability. Items such as OTHR, tanker aircraft, and long range airborne early warning aircraft would act as "force multipliers", making Japan's current defense inventory more effective.

Labor Cost Sharing:

- Vice President Bush, Secretary Weinberger and others encouraged Minister Kurihara to fund Japan's defense program fully in 1987 and to consider funding additional U.S. labor costs if any extra monies are available.

CLASSIFIED BY: DIR, EAPR
DECLASSIFY ON: OADR

DECLASSIFIED

BY APA

DATE 4/13/99

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- Our labor costs have risen over \$250 million since September 1985, and, for U.S. fiscal year 1987, we have a projected shortfall of \$165 million. This shortfall, coupled with a \$60 billion trade deficit and a protectionist Congress, could result in calls for work force reductions.
- We have been pleased to read that Minister Kurihara has moved forthrightly on the labor cost issue as a Japanese initiative.
- We desire to keep the trade and defense issues separate. Japanese efforts to deal with our \$165 million shortfall would give us useful ammunition vis-a-vis the Congress.

FSX:

- We hope that the Defense Agency will choose the most cost effective aircraft which will also be interoperable with U.S. Forces.
- We believe that both the F-16 and F-18 are state of the art aircraft which will still be effective in the 1990s and beyond. These aircraft can be further updated and improved if more capability is desired.
- Based on our long experience in building military aircraft and in observing friends and allies building them, we believe it is very easy to underestimate the costs involved.
- Given Japan's limited defense budget, limited aircraft needs, and no arms export policy, we hope Japan will consider all factors very carefully in making its decision.

Night Carrier Landing Practice:

- Homeporting of USS MIDWAY at Yokosuka since 1973 has been a success in almost every way, particularly in enhancing the credibility of the Mutual Security Treaty.
- The only problem has been the lack of an adequate runway ashore for night landing practice to keep the pilots fully proficient before the ship returns to sea.
- Limits on our use of Atsugi (pronounced: aht-sue-gi) mean that some pilots and aircrew must train as far away as Misawa and Iwakuni. Some of these people see their families less than 25 percent of the year.
- We appreciate the efforts of the GOJ and the LDP to get a night landing practice site at Miyake Jima, and we hope these efforts will be successful in the not too far distant future.

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If Mr. Tsushima should raise the possibility of a floating runway:

- We have serious doubts as to the feasibility of such a platform -- the whole point is that the pilots are supposed to practice on a land base.
- We could not agree in advance to use such a facility until it had been constructed, tested, and proved fully adequate.

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~~CONFIDENTIAL~~

JAPAN DEF



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-2400

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INTERNATIONAL
SECURITY AFFAIRS

In reply refer to:
I-21629/87

MEMORANDUM FOR THE EXECUTIVE SECRETARY

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY

SUBJECT: Issue Paper on Japan's Defense Efforts for SecDef (U) --
INFORMATION MEMORANDUM

The attached issue paper regarding Japan's Defense efforts is forwarded for the Secretary's use in his meeting with the President.

Richard L. Armitage
Assistant Secretary of Defense
(International Security Affairs)

Attachment
a/s

J.E. Auer, ISA/EAPR, x57886

DECLASSIFIED
BY APA
DATE 4/13/99

CLASSIFIED BY: DIR, EAPR
DECLASSIFY ON: OADR

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~~SECRET~~

ISSUE: Japan's 1987 Defense Budget and the January 1987 U.S.-Japan Security Subcommittee (SSC) Meeting

BACKGROUND: As you wrote the President in January 1986 (Tab 1), U.S.-Japan defense relations have been transformed from a problem area (as trade remains at present) to a success story. The 1987 GOJ defense budget approved last month breaks the one percent of GNP defense spending limit, fully funds the second year of the 1986-1990 defense program and gives the U.S. an additional \$100 million in labor cost sharing under an arrangement which will last at least five years. The rapid appreciation of the yen since September 1985 has made the import of Japan's defense buildup under Prime Minister Nakasone more obvious in dollar terms, i.e., the 1983 budget was \$12 billion; the 1987 budget is \$22.5 billion; Japan already has more destroyers than the U.K., and by 1990 the GOJ's defense budget will likely exceed those of the U.K. and France. The SSC meeting in Honolulu chaired by ASD Armitage for the U.S. provided an opportunity to reaffirm the U.S.-Japan division of defense responsibilities as called for in the 1981 Reagan-Suzuki joint communique. Under this scheme Japan has agreed to defend its territory, air and sea-lanes to 1,000 miles. Full funding of the 1986-1990 defense program will give Japan the minimum capability to meet these goals.

TALKING POINTS:

As I wrote you last January, U.S.-Japan defense relations have become a success story since you met with Prime Minister Suzuki in 1981 and a U.S.-Japan division of defense responsibilities was decided.

Particularly since P.M. Nakasone has been in office, defense strength has grown steadily despite stringent controls on the growth of other budget categories. Defense spending in dollar terms has gone from \$12 billion in 1983 to \$22.5 billion for 1987, breaking the one percent of GNP spending limit decided in 1976. By 1990 it is likely the Japanese will be spending as much or more on defense than the British and the French. Equipment wise, the Japanese are already ahead in areas like destroyers -- the British have 45 and will reduce to 37; the Japanese have 52 and will increase to 60 in the early 1990s.

Despite efforts by the Congress to link trade and defense issues, keeping them separate has paid dividends. The Japanese are doing what we want them to do -- acquiring the capability to defend their territory, air and sea-lanes to 1,000 miles. They also just agreed to give us an additional \$100 million plus annually from 1987-1991 to defray U.S. labor costs in Japan. The Japanese now pay more of our costs annually than any other ally (in excess of \$1 billion). In Honolulu this month GOJ leaders told us they will keep going. Defense and trade issues should not be linked.

~~SECRET~~

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RELEASE

★ ★ ★ US FORCES JAPAN / FIFTH AIR FORCE ★ ★ ★
DAILY NEWS SUMMARY

COMPILED BY HQ USFJ/J74 AND HQ 5AF/PA

TO: J00 J01 J02 J03 J1 J2 J4 J5 JSO 05 MAR 1987
5AF/ CV CS DO LG IN XP SP DP

MAINICHI DAILY NEWS MAR 05 1987 P.16

THE JAPAN TIMES

MAR 05 1987 P.16

INF Talks

The so-called comprehensive arms control talks between the two superpowers in Geneva have been stalled since the unsuccessful summit talks in Reykjavik last October.

But the latest Soviet proposal, made public on Feb. 28, to hold talks on the elimination of Europe-based intermediate-range nuclear forces (INF) separately from talks on space-based missile defense systems and strategic offensive weapons, seems to have created conditions favorable to a breakthrough in the deadlocked arms talks.

It may sound odd, but General Secretary Mikhail Gorbachev's proposal can be described as "something new that evokes a sense of deja vu." In this sense, we should refrain from excessive optimism, but there is no denying that his proposal was most timely.

We sincerely hope that the White House will make the best use of this opportunity to achieve a major breakthrough in ensuring the safety of the countries in the East and West alike — Mainichi Shimbun (March 3)

US Military Plane Crash Victims Win Suit In Y'hama

YOKOHAMA — Almost 10 years after a U.S. military jet crashed into a residential district killing two and injuring seven people, the Yokohama District Court ruled Wednesday in favor of a family of victims and ordered the state to pay 45.8 million yen.

Presiding Judge Seichiro Uesugi, however, rejected a claim filed by the plaintiffs against pilot John Miller, and put the whole weight of responsibility on the Japanese government in a precedent setting ruling.

The family of Torao Shiiba filed a suit against the state and the pilot in 1980, demanding over 139 million yen in damages.

Torao's wife, Etsuko, 45,

suffered serious injuries and her two children were slightly injured when a U.S. F-4B Phantom jet crashed shortly after takeoff from nearby Atsugi Air Base on Sept. 27, 1977.

Six households were damaged when the plane crashed in Yokohama's Midori ward.

Four of the six families involved have reached an out-of-court settlement with the Japanese government, while a fifth has refused to settle.

The ruling is significant because it establishes for the first time the court's right to try a U.S. military official on assignment at a Japanese military base, judiciary sources said.

Reading out his verdict at the

close of the trial, Judge Uesugi said the court retains the right to call a U.S. military official as a defendant in a trial.

He rejected the plaintiffs' suit against Miller, explaining that a U.S. official could not be held responsible as an individual, according to the special civil law under the U.S.-Japan Security Pact.

The Shiiba filed a suit in 1980 charging that the U.S. pilot had failed to properly inspect his plane.

Their lawyer argued the special civil law enables civilians to press for damages resulting from negligence on the part of U.S. military officials.

They added that the Japanese government bears responsibility for allowing air bases to operate in densely-populated regions.

Plaintiff Shiiba welcomed the verdict, but added it was unfortunate that the court rejected the suit against Miller.

Following announcement of the verdict, Chief Cabinet Secretary Masaharu Gotoda said the government will study the court decision before making a decision whether to accept or appeal the ruling.

Okinawa: 'Keystone of the Pacific,' Strategically Important for the U.S.

Overwhelming Presence of Bases Poses Problems for Japan

By DANIEL SNEIDER
Defense News Correspondent

KADENA AIR BASE, Okinawa — An aircraft takes off or lands here every seven minutes, on average. Spectators regularly gather on a hillside above the runways to watch the air show. From the tapered black wings of an SR-71 spy plane to airborne early-warning aircraft and F-15 Eagle interceptors, virtually every aircraft in the U.S. military arsenal can be spotted using this facility.

The island of Okinawa, once the site of some of the fiercest battles of World War II, now has one of the largest concentrations of U.S. military forces abroad.

The strategic importance of the facilities on Okinawa has given it the label "keystone of the Pacific." It is part of the Ryukyu Islands, which stretch from a point south of the Japanese island of Kyushu down to land within eyesight of Taiwan. From this location, U.S. air, naval and ground forces sit astride the vital sea lane from the Indian Ocean into the western Pacific and toward Japan.

The main forces based here are from the U.S. Air Force, both tactical and strategic units, and the Marines. Okinawa also is home to the 3rd Marine division.

These forces are located at a nexus virtually equidistant from key theaters in Northeast Asia and Southeast Asia. Manila is 735 nautical miles away in one direction. Seoul is 705 nautical miles and Tokyo 840 nautical miles in the other.

"The magic of Kadena is in its central location to go in any direction," says Brig. Gen. Keith Connolly, commander of the 313th Air Division.

The buildup of Soviet air and naval forces in the Pacific has reinforced the importance of Okinawa, downplayed during the Vietnam War. "Soviet forces, from our perception here, have a very improved capacity," says Connolly, "and we are well within their strike capability."

The value of these facilities, American officials believe, is greatly underestimated in Washington, not only in Congress but also at the Pentagon. While a great deal of attention has been focused on the U.S. bases in the Philippines, little is said about Okinawa. "We do not know what will happen to Clark," says Connolly, referring to the air base in the Philippines.

Kadena, in a more stable environment, is comparable in size and capability to Clark, though less well known. "The Marines are the only deterrent force that is available to respond" in the western Pacific, adds Maj. Gen. E.J. Godfrey, commanding general of the 3rd Marine Division and Okinawa area coordinator.

The tendency to undervalue the role of the Okinawan bases extends to all the facilities in Japan. There is, American officials in Japan complain, a persistent problem of taking for granted the Japanese contribution in providing these facilities.

Officials here say there also is insufficient awareness, regarding Okinawa in particular, of the problems posed for Japan by the overwhelming presence of the bases. The American bases occupy more than 20 percent of the land area of this southern semitropical island. Some 60 percent of all U.S. forces in Japan are located here, and the approximately 65,000 military personnel and their dependents make up 5 percent of the population. The economic impact of the bases is huge — about 10 percent of Okinawa's gross national product (GNP), say U.S. military officials.

The Japanese island was under U.S. military occupation well after the rest of the country and did not revert to Japanese ad-

ministration until 1972. It was a major staging area during the Vietnam War. The relatively high density of U.S. military facilities here is a legacy, often decried by Okinawans, of that period.

The political sensitivity of the bases in Okinawa has deep roots. The Battle of Okinawa, which devastated the island, was the only land battle of the war fought in Japan. "The people suffered," says Godfrey. "I think this is a part of their memory and a part of their great aversion to war and to warlike symbols." Godfrey acknowledges the widespread feeling expressed by Okinawans that they "are carrying a disproportionate [part of the] burden of the U.S. military presence" in Japan.

Any incident, from off-base crime to aircraft noise, becomes a front-page item in the local press and a subject of political protest. Still, U.S. officials here insist, relations on a day-to-day basis are relatively cordial and cooperative.

The total U.S. forces here are concentrated in the central/south part of the island. There are 20,000 Marines, 10,000 Air Force personnel, about 1,000 Army personnel and 3,000 naval forces. The largest number of dependents are Air Force-related, about 11,000. The Marines have opted to bring in dependents, with longer tours of duty for their personnel, to create greater stability and lower costs.

Kadena Air Base is a key facility of the Pacific Air Forces (PACAF). The 313th Air Division of PACAF's 5th Air Force hosts a variety of forces here. The 318th Tactical Fighter Wing, equipped with three squadrons of F-15s and one reconnaissance squadron of RF-4C Phantoms, is the largest such wing in the Air Force. The 400th Munitions Maintenance Squadron occupies 6,400 acres of mountainous storage area adjacent to Kadena. The site provides munitions storage for the Pacific theater for both the Air Force and the Army. The 376th Strategic Wing bases 16 KC-135 refueling tankers and 3 E-3A early-warning and control aircraft at Kadena. A variety of airlift, maintenance and other units also are based here.

The main role of the 318th Tactical Fighter Wing is to provide air defense for the western Pacific region, and the wing also maintains a detachment at Osan Air Base in Korea. Its units regularly deploy for exercises and training throughout the Pacific, including Thailand, Australia, the Philippines, Korea and mainland Japan.

The Marines are forward deployed as the III Marine Amphibious Force (MAF), the landing force of the 7th Fleet. Two-thirds of the base areas in Okinawa are under Marine control, mostly large training areas used for small-unit training under semitropical conditions. Besides the 3rd Marine Division, the MAF includes the 1st Marine Aircraft Wing, which has both fixed-wing and rotary-wing aircraft, the former based mainly at Iwakuni Air Base on the Japanese island of Honshu. Marine air and ground units from other areas, however, also rotate through the Okinawa bases.

There also is the 3rd Force Service Support Group, which runs one of the largest storage and maintenance facilities, Camp Kinser, in the Pacific.

From the Marine point of view, says Godfrey, Okinawa is "extraordinarily important," particularly for the security of Northeast Asia. "We're forward deployed for a reason, because we do not necessarily have the assets within our defense structure to send them" to this area, Godfrey says. The deployment of a Marine brigade to this region, able to fight for 30 days, would take the equivalent of 4,900 sorties of C-130 transport aircraft, he says.

MAINICHI DAILY NEWS

Kanagawa Gov't Wants Part Of Construction Site

YOKOHAMA — Gov. Kazuji Nagasu of Kanagawa Prefecture said Tuesday his government plans to ask the central government to return part of a construction site for U.S. Army housing to Zushi, the city in which it is located.

Nagasu also told reporters that

his government plans to call for a greater scale-down in the housing plan than the 20 percent or so he earlier demanded.

Nagasu laid down the conditions as part of a political settlement for accepting the housing plan. The housing development has provoked strong protest by local residents on environment grounds.

Nagasu also said it will take a good deal of time for the Defense Facilities Administration Agency to prepare a report assessing the environmental impact of the housing plan to be submitted to the prefectural government.

The governor thus indicated it will be impossible to start the housing construction work within the current fiscal 1986 ending this month.

THE DAILY YOMIURI

MAR 05 1987

↓ P.2

Family Pleased With Ruling

Kaori Shiiba, who was injured along with her family in the 1977 crash of a U.S. Phantom jet, expressed great relief at the court ruling Wednesday which stated that the Japanese Government must pay the family ¥48.8 million in damages.

"I feel like the sun has finally burst through the dark clouds," said Shiiba, 20, a university sophomore. Two other members of her family were injured in the crash.

The family, including Etsuko Shiiba, 45, Kaori's mother, spoke at a press conference held after Wednesday's ruling by the district court. Etsuko, who was seriously injured in the crash, said the family had endured pain every day for the last 10 years.

Etsuko's daughter, Tamio Shiiba, 22, a university senior, also received injuries in the jet crash.

Torao Shiiba, 48, head of the family, said at the close of the conference that he would

throughout the country who offered support and assistance during the long ordeal.

He said he was especially pleased that the ruling virtually declared that the government had lied when it initially stated that accidents occurring while U.S. soldiers are on duty cannot be tried by Japan's judicial authorities.

Anguish Still Felt

"U.S. pilots have never apologized for the crash, and they never came to mourn for the dead," said Isamu Doshita, 61, of Yokohama's Midoriku. "I find their human sincerity very doubtful."

Doshita lost his daughter and two grandchildren as a result of the crash. His daughter Kazue died in February 1982, after having been bedridden for four and a half years.

Doshita has been struggling to establish a home for the mentally retarded, in pursuance of his daughter's wish. She had hoped to work with the handicapped.

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A. JAPANESE PERCEPTION.

1. EXTERNAL - THE GOJ DOES NOT ANTICIPATE AN IMMEDIATE EXTERNAL THREAT TO JAPAN'S SECURITY, THOUGH IT IS NATURALLY CONCERNED BY THE CONTINUING REGIONAL MILITARY BUILD-UP OF SOVIET FORCES AND INSTABILITY ELSEWHERE (E.G. KOREA, SE ASIA, THE MIDDLE EAST) THAT COULD AFFECT IMPORTANT INTERESTS. WHILE THE GOJ CONSIDERS DIRECT SOVIET AGGRESSION UNLIKELY IN THE NEAR TERM, IT IS SENSITIVE TO SOVIET ATTEMPTS TO PRESSURE JAPAN BY MILITARY POSTURING. JAPAN'S RESPONSE TO SUCH IMPLICIT THREATS EMPHASIZES RELIANCE ON THE US, GRADUAL IMPROVEMENTS IN DEFENSE CAPABILITIES, AND A VARIETY OF OTHER DIPLOMATIC, TRADE AND FOREIGN AID MEASURES SEEN AS ESSENTIAL TO ITS SECURITY.

2. INTERNAL - JAPAN IS NOT FACED WITH A SIGNIFICANT INTERNAL THREAT. THE POSSIBILITY OF FORCEFUL TAKEOVER BY EXTREMIST ELEMENTS IS AT PRESENT NEGLIGIBLE.
B. COUNTRY TEAM PERCEPTION: THE MISSION'S PERCEPTION OF EXTERNAL AND INTERNAL THREATS TO JAPAN DOES NOT DIFFER SIGNIFICANTLY FROM GOJ ESTIMATES.

III. JAPAN'S MILITARY ESTABLISHMENT:

A. CURRENT FORCE STRUCTURE:
1. GENERAL - JSDF STRUCTURE, DEVELOPMENT, AND PLANNING BY

~~CONFIDENTIAL~~ L SECTION D1 OF D8 TOKYO 04573

DEPARTMENT PLEASE PASS TO CMB, ACDA, AID, AND JFK SMC (SPECIAL WARFARE CENTER)

E.O. 12356: DECL: OADR
TAGS: MASS, JA
SUBJECT: (U) ANNUAL INTEGRATED ASSESSMENT OF SECURITY ASSISTANCE (AIASA)

REF: STATE 024125 (DTG 290011Z JAN 87)

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.

2. SUMMARY: THIS MESSAGE CONTAINS THE INTEGRATED ASSESSMENT OF SECURITY ASSISTANCE FOR JAPAN, PER INSTRUCTIONS UPDATED BY REFTEL. DATA PROVIDED BELOW ARE KEYED TO SUBPARAGRAPHS IN PARAS 3 AND 5 OF REFTEL. SINCE JAPAN DOES NOT RECEIVE SECURITY ASSISTANCE IN THE FORM OF MAP, FMS CREDITS, IMET, OR ESF, SOME DATA REQUESTED BY REFTEL WILL NOT BE APPLICABLE TO THIS REPORT; SUCH SECTIONS WILL BE INDICATED BY "N/A" BELOW. END SUMMARY.

3. I. US OBJECTIVES IN JAPAN:

A. POLITICAL: TO STRENGTHEN THE US-JAPAN ALLIANCE AND JAPAN'S CONFIDENCE IN ITS STRATEGIC RELIANCE ON THE US.
B. ECONOMIC: TO OBTAIN RETURNS FOR US INTERESTS THROUGH SALES AND LICENSES, AS WELL AS THROUGH RECIPROCAL FLOWBACK OF DEFENSE-RELATED TECHNOLOGY FROM JAPAN.

C. MILITARY: CONSISTENT WITH THE "ROLES AND MISSIONS" CONCEPT UNDERLYING THE DEVELOPMENT OF OUR DEFENSE COOPERATION WITH JAPAN, THE US HAS A CLEAR INTEREST IN ASSISTING THE DEVELOPMENT OF THE JAPAN SELF DEFENSE FORCES (JSDF), WHICH BEAR PRIMARY RESPONSIBILITY FOR JAPAN'S CONVENTIONAL DEFENSE. ENCOURAGING JAPANESE ACQUISITION OF US MILITARY SYSTEMS SUPPORTS STRENGTHENED JSDF CAPABILITIES, AS WELL AS STANDARDIZATION AND INTEROPERABILITY WITH US FORCES. US INTERESTS CONTINUE TO BE BEST SERVED BY A FLEXIBLE MIX OF FMS CASH SALES, COMMERCIAL SALES, AND COPRODUCTION PROGRAMS THAT MAINTAIN JAPANESE ACCESS TO US DEFENSE EQUIPMENT AND TECHNOLOGY, WHILE DISCOURAGING REDUNDANT AND POTENTIALLY COSTLY DOMESTIC DEVELOPMENT PROGRAMS THAT DETRACT FROM STANDARDIZATION AND INTEROPERABILITY. IN ADDITION, THE FLOWBACK OF MILITARY-APPLICABLE TECHNOLOGIES FROM JAPAN'S ADVANCED INDUSTRIAL BASE IS BECOMING AN INCREASINGLY IMPORTANT COMPONENT OF THE OVERALL DEFENSE RELATIONSHIP.

II. THREAT PERCEPTION:

ACTION USDP(11) USDP:DSAA(8) (U,6,7,8)
INFO CJCS:5) DJS:(*) J1(1) NIDS(*) J4(9) J7(4) J5(2)
CMB DC(1) JSOA(1) SECDEF(8) ASD:A&L(1) USDA(0)
USDR: IPT(3) ASD:PA&E(1) USDP:ISA(1) USDP:CAP(3)
NMIC:(*) OS1-IPU(1) OA-3(2) DIC-2A(1) DIO(1) DE-2(1)
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DATE 4/13/99

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JCS WASHDC

CNO WASHDC

CMC WASHDC

USCINCPAC HONOLULU HI

DISAM WPAFB OH

-- THE FLEET ESCORT FORCE CONSISTS OF 4 ESCORT FLOTILLAS. EACH FLOTILLA IS TO HAVE ONE LARGE HELICOPTER-CARRYING DESTROYER (DDH--THIS GOAL HAS BEEN ACHIEVED), 2 GUIDED MISSILE DESTROYERS (DDG--HAVE TOTAL OF 4 TO DATE), AND 5 DESTROYERS (DD--OLDER DESTROYERS ARE BEING RETIRED AS MODERN SHIPS BECOME AVAILABLE). SMALLER ESCORT SHIPS ARE ASSIGNED TO THE MSDF'S FIVE REGIONAL DISTRICTS.

-- THE FLEET ATR FORCE COMPRISES 8 ATR WINGS. FOUR OF THE WINGS CONTAIN P-3C, P-2J AND PS-1 AIRCRAFT FOR ASM AND RECONNAISSANCE. THE REMAINING WINGS CONTAIN ASM HELICOPTER SQUADRONS, AN AIRBORNE MINE COUNTERMEASURES HELICOPTER SQUADRON, SEARCH AND RESCUE SQUADRONS, AND A VARIETY OF RESEARCH, TRANSPORT AND TRAINING SQUADRONS.

-- THE FLEET SUBMARINE FORCE CURRENTLY HAS 14 SUBMARINES DIVIDED INTO 2 FLOTILLAS. PRESENT PLANS INDICATE THIS FORCE WILL INCREASE TO 18 BY THE END OF THE CURRENT MTOP IN 1990 AND WILL BE MODERNIZED AS OLDER SUBS ARE REPLACED BY NEWLY COMMISSIONED UNITS.

-- MINESWEEPER FORCES CONSIST OF 2 FLOTILLAS WITH 19 MINESWEEPERS AND A MINELAYER, PLUS AN ADDITIONAL 13 UNITS ASSIGNED TO REGIONAL DIVISIONS. THESE UNITS ARE BEING MODERNIZED, WITH A PLANNED INCREASE TO 34. BY

SECTION 02 OF 08 TOKYO 04573

DEPARTMENT PLEASE PASS TO OMB, ACDA, AID, AND JFK SWC (SPECIAL WARFARE CENTER)

E.O. 12366: DECL: OADR

TAGS: MASS, JA

SUBJECT: (U) ANNUAL INTEGRATED ASSESSMENT OF SECURITY

REFLECT CONSTITUTIONAL AND POLITICAL CONSTRAINTS THAT PROHIBIT THE USE OF MILITARY FORCE EXCEPT FOR SELF-DEFENSE. JSDF OPERATIONS ALSO ASSUME CONTINUED US COMMITMENT TO THE DEFENSE OF JAPAN BASED ON THE TREATY OF MUTUAL COOPERATION AND SECURITY.

2. GROUND SELF DEFENSE FORCE (GSDF). THE PRIMARY MISSION OF THE GSDF IS TO COUNTER AIRBORNE OR SEABORNE INVASIONS WITH ENOUGH STRENGTH TO COMPEL A MAJOR COMMITMENT BY HOSTILE FORCES IN AN ATTACK ON JAPAN. OTHER MISSIONS OF THE GSDF INCLUDE INTERNAL SECURITY, PROVISION OF LOGISTIC SUPPORT FOR MSDF AND ASDF OPERATIONS, AND DISASTER RELIEF OPERATIONS. GSDF IS ORGANIZED INTO FIVE MAJOR ARMY COMMANDS, WITH OPERATIONAL ELEMENTS AS FOLLOWS:

PERSONNEL: 22,588 OFFICERS, 3,221 WARRANT OFFICERS,
130,203 ENLISTED, TOTAL 155,992

BASIC UNITS DEPLOYED 12 INFANTRY DIVISIONS
(1 MECH)

REGIONALLY IN PEACETIME 2 COMPOSITE BRIGADES

MOBILE OPERATION UNITS 1 ARMORED DIVISION
ARTILLERY BRIGADE
1 TRAINING BRIGADE
HELICOPTER BRIGADE

LOW-ALTITUDE SURFACE-TO-AIR MISSILE UNITS 8 ANTI-AIRCRAFT ARTILLERY GROUPS (I-HAWK)

3. MARITIME SELF DEFENSE FORCE (MSDF). THE PRIMARY MISSIONS OF THE MSDF ARE TO DEFEND JAPAN AGAINST SEABORNE INVASIONS, TO PROTECT COASTAL WATERS, AND TO SECURE SEA LANES OUT TO 1000 MILES. TO ACCOMPLISH THESE MISSIONS THE MSDF MAINTAINS A FORCE OF APPROXIMATELY 165 SHIPS AND 300 AIRCRAFT. THE SELF DEFENSE FLEET IS COMPOSED OF THE FLEET ESCORT FORCE, THE FLEET AIR FORCE, THE FLEET SUBMARINE FORCE, AND TWO MINESWEEPER FLOTILLAS. IN ADDITION, THERE ARE FIVE NAVAL DISTRICTS THAT HAVE FORCES DIRECTLY ASSIGNED.

PERSONNEL: 9,429 OFFICERS, 796 WARRANT OFFICERS,
33,630 ENLISTED, TOTAL 43,855

ACTION USDP(11) USDP:DSAA(6) (I,M)
INFO CJCS(5) DJS:(*) J1(1) NIDS(*) J4(9) J7(4) J5(2)
CMB QC(1) JSOA(1) SECDEF(9) ASD:AB(1) USDA(0)
USDR:IPT(3) ASD:PA&E(1) USDP:ISA(1) USDP:EAP(3)
NMIC(*) OSI-IPU(1) OA-3(2) DIC-2A(1) DIG(1) DE-2(1)
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DISAM WPAFB OH

NONETHELESS, JAPAN WILL REMAIN UNABLE TO COUNTER A MAJOR THREAT WITHOUT US ASSISTANCE FOR THE FORESEEABLE FUTURE AND WILL LIKELY CONTINUE VIEWING ITS DEFENSE NEEDS WITHIN THE CONTEXT OF A US ALLIANCE.

2. GSDF: HAS PLACED MAJOR EMPHASIS ON IMPROVED AIR DEFENSE EQUIPMENT THROUGH CONVERSION OF BASIC HAWK TO I-HAWK WITH FOLLOW-ON PRODUCT IMPROVEMENT PROGRAMS, AS WELL AS PROCUREMENT OF STINGER AND THE DOMESTIC "TAN-SAM" MISSILE SYSTEM. UPGRADES IN FIREPOWER AND MOBILITY ARE BEING CARRIED OUT BY INTRODUCTION OF THE AH-1S ATTACK AND CH-47J TRANSPORT HELICOPTERS, THE M110A2 203MM SP HOWITZER, THE EUROPEAN FH-70 155MM HOWITZER, AND A NEW GENERATION OF JAPANESE-DEVELOPED ARMORED VEHICLES. PLANNED DEPLOYMENT OF THE SSM-1 GROUND-LAUNCHED ANTI-SHIPING MISSILE WILL GREATLY IMPROVE THE GSDF'S ABILITY TO COUNTER AMPHIBIOUS ATTACKS. GSDF IS CONSIDERING PROCURING MLRS BEGINNING FY 1990 TIME FRAME. THIS SYSTEM WILL BE DEPLOYED IN CONCERT WITH THE SSM-1 TO COUNTER SEABORNE INVASIONS.

3. MSDF: CURRENT EXPANSION AND MODERNIZATION PLANS FOCUS ON UPDATING THE AIR DEFENSE AND ASW CAPABILITIES OF THE SURFACE FLEET (E.G. TOWED ARRAY SONARS, UPGRADED TARTAR SYSTEMS, AND POSSIBLY AEGIS), INTRODUCTION OF SATELLITE COMMUNICATIONS SUITES, IMPROVED MINE WARFARE BT

~~SECTION 03 OF 08~~ SECTION 03 OF 08 TOKYO 04573

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4. AIR SELF DEFENSE FORCE (ASDF). THE MISSIONS OF THE ASDF ARE TO MAINTAIN SURVEILLANCE THROUGHOUT JAPANESE AIR SPACE, CARRY OUT AIR DEFENSE OPERATIONS WITH AIRCRAFT AND SURFACE-TO-AIR MISSILES (SAM), AND HELP COUNTER SEABORNE OR AIRBORNE INVASIONS. ASDF FORCE LEVELS:

PERSONNEL: 8,935 OFFICERS, 723 WARRANT OFFICERS,

- 35,787 ENLISTED, TOTAL 45,445

10 INTERCEPTOR SQUADRONS (6 WITH F-4EJ, 4 WITH F-15J);

3 SUPPORT FIGHTER SQUADRONS (DOMESTICALLY DEVELOPED F-1);

1 RECONNAISSANCE SQUADRON (RF-4EJ);

1 (PROVISIONAL) EARLY WARNING SQUADRON (E-2C);

3 TRANSPORT SQUADRONS (2 WITH C-1, 1 WITH C-130H

- REPLACING YS-11);

1 SEARCH & RESCUE WING;

1 TEST WING;

5 TRAINING SQUADRONS;

1 WEATHER GROUP;

6 SAM GROUPS (NIKE-J, TO BE REPLACED BY PATRIOT);

BASE AIR DEFENSE GROUND ENVIRONMENT (BADGE) SYSTEM.

B. PLANNED FORCE STRUCTURE IMPROVEMENTS:

1. GENERAL: JAPAN HAS COMMITTED ITSELF TO IMPROVED CAPABILITIES FOR THE DEFENSE OF ITS TERRITORY, AIR SPACE, AND COASTAL WATERS, AS WELL AS THE PROTECTION OF VITAL SEA LANES IN THE NW PACIFIC. THE JAPAN DEFENSE AGENCY (JDA) CONTINUES TO RELY ON THE 1978 NATIONAL DEFENSE PROGRAM OUTLINE (NDPO) AS THE BASIC RATIONALE FOR JSDF DEVELOPMENT, AND PLANS TO UPGRADE JSDF RESOURCES THROUGH A SERIES OF 5-YEAR PROCUREMENT PROGRAMS, NOW RATIFIED BY THE CABINET, KNOWN AS MID-TERM DEFENSE PLANS (MTDP). WHILE AGREEING WITH THE GENERAL DIRECTION OF JDA PROGRAMS, THE US HAS REPEATEDLY URGED JAPAN TO ACCELERATE THE PACE OF ITS EFFORTS. FOR THE FIRST TIME THIS YEAR JAPAN EXCEEDED ITS SELF-IMPOSED SPENDING LIMIT OF ONE PERCENT OF GNP IN FUNDING THE MTDP. HOWEVER, BUDGETARY CONSTRAINTS STILL CONTINUE TO DELAY THE CORRECTION OF NUMEROUS DEFICIENCIES IN MODERN EQUIPMENT AND CLEARLY AFFECT SPENDING ON OPERATIONS, MAINTENANCE, AND LOGISTICS. JAPANESE DEFENSE PLANNERS ARE WELL AWARE OF THESE PROBLEMS AND THE COMPLETION OF PROJECTED MODERNIZATION PROGRAMS OVER THE NEXT FIVE TO TEN YEARS SHOULD SUBSTANTIALLY STRENGTHEN JSDF CAPABILITIES.

ACTION USDP(11) USDP:DSAA(6) (I,M)

INFO CJCS(5) OJS:(*) J1(1) NIDS(*) J4(9) J7(4) J6(2)

COM QIC(1) JSOA(1) SECDEF(9) ASD:ABL(1) USDA(0)

USDR:PT(3) ASD:PA&E(1) USDP:ISA(1) USDP:EAP(3)

AMIC(*) OSI-IPU(1) OA-3(2) DIC-2A(1) DIO(1) DE-2(1)

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7. SERVICES	(SEE NOTE C)				
8. R&D	(SEE NOTE D)		436.0	436.0	
9. RESERVES		15.3	0.2	0.04	15.6
10. SPARES	(SEE NOTE E)				
11. MIL PAY		5920.0	1744.0	1719.3	7.7 9391.0
12. CIV PAY		37.0	14.1	14.6	33.7 99.4
13. TOTALS		9487.8	5688.2	5930.0	3007.3 24113.4

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EQUIPMENT, EXPANSION AND UPGRADING OF THE P-3C PATROL AIRCRAFT PROGRAM, INTRODUCTION OF NEW TORPEDOES, IMPROVING SUBMARINE CAPABILITIES, DEVELOPMENT AND PRODUCTION OF THE SHX (SH-60J) ASW HELICOPTER, THE EP-3 ELECTRONIC WARFARE AIRCRAFT, AND THE MH-53E MINESWEEP HELICOPTER.

4. ASDF: THE JASDF WILL CONTINUE TO STRENGTHEN AIR DEFENSE, C3, AND MARITIME SURVEILLANCE CAPABILITIES. LICENSED PRODUCTION OF THE F-15 FIGHTER WILL CONTINUE BEYOND THE CURRENT PROGRAM OF 155 AIRCRAFT TO A PROJECTED LEVEL OF 187. ADDITIONAL E-2C EARLY WARNING AIRCRAFT, THE PATRIOT SAM, AND THE IMPROVED BADGE C3 SYSTEM WILL BE INTRODUCED OVER THE NEXT FIVE YEARS. CURRENT F-4EJ FIGHTERS WILL RECEIVE AN AVIONICS UPGRADE AND SOME WILL BE MODIFIED TO INCREASE CURRENT RECONNAISSANCE ASSETS. A PROGRAM FOR THE DEVELOPMENT AND PRODUCTION OF A NEW SUPPORT FIGHTER (FSX) TO REPLACE THE F-1 WILL CONTINUE AS A HIGH PRIORITY FOR JDA. TRANSPORT CAPABILITIES WILL BE IMPROVED THROUGH PURCHASE OF ADDITIONAL C-130H'S, AS WELL AS CH-47J HELICOPTERS. DOMESTIC PROGRAMS TO IMPROVE INTEROPERABILITY, SUCH AS AIRCRAFT SECURE VOICE, WILL RECEIVE INCREASED EMPHASIS. FURTHERMORE, AWACS AND TANKER STUDIES ARE BEING COMPLETED AND MAY WELL LEAD TO ACQUISITION IN THE 5-7 YEAR TIME FRAME.

IV. ECONOMIC ANALYSIS.

A. PREVIOUS YEAR ACTUAL DEFENSE SPENDING: (\$ MIL)

	GSDF	MSDF	ASDF	OTHER	TOTAL
1. NEW EQUIPMENT	2891.3	2480.7	2286.0		7438.0
- (US PERCENTAGE (APPROXIMATE)	13 PCT (\$839.3 MIL))				
2. MODIFICATIONS (SEE NOTE A)					
3. OPERATIONS	304.9	435.2	422.8	381.3	1544.2
4. MAINTENANCE	304.0	738.0	1232.6	4.6	2279.2
5. CONSTRUCTION	181.3	135.3	176.0	2138.0	2800.6
-	SEE NOTE B)				
6. TRAINING	84.0	140.7	98.7	6.0	309.4

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THAT CURRENT JAPANESE EFFORTS ARE A REASONABLE RESPONSE TO THE SIGNIFICANT BUILDUP OF SOVIET FORCES IN THE FAR EAST AND CONTRIBUTE TO REGIONAL SECURITY. THIS SUPPORT RESTS ON THE ASSUMPTION THAT JAPAN NEITHER ASPIRES TO A REGIONAL SECURITY ROLE NOR PLANS TO ACQUIRE MILITARY CAPABILITIES BEYOND WHAT IS CLEARLY NECESSARY FOR SELF-DEFENSE.

VI. HUMAN RIGHTS SITUATION: DEPARTMENT OF STATE'S ANNUAL HUMAN RIGHTS REPORT ON JAPAN COVERS THIS ISSUE FULLY. JAPAN IS A FUNCTIONING DEMOCRACY COMMITTED TO RESPECT THE PERSONAL INTEGRITY, AS WELL AS THE CIVIL AND POLITICAL RIGHTS, OF ITS CITIZENS. THERE ARE NO HUMAN RIGHTS DEVELOPMENTS IN JAPAN WHICH SHOULD AFFECT JAPANESE DEFENSE PROGRAMS OR THE ACQUISITION OF US EQUIPMENT AND SERVICES.

VII. PROJECTED FY89 (JFY88) SECURITY ASSISTANCE PROGRAM:

A. GENERAL: N/A - US HAS NO SECURITY ASSISTANCE PROGRAM WITH JAPAN.

COMMENT: JAPAN FINANCES IN TOTAL ITS OWN PROCUREMENT PROGRAM. PROJECTED PROCUREMENT OF DEFENSE ARTICLES AND SERVICES THROUGH FMS CASH OR COMMERCIAL SALES REFLECTS JDA'S EMPHASIS ON IMPROVEMENTS IN AIR DEFENSE, ASW, GROUND FORCE FIREPOWER/MOBILITY, AND CBT, AS WELL AS INCREASING ATTENTION TO READINESS AND SUSTAINABILITY. BT

SECTION 05 OF 08 TOKYO D4573

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(D) R&D - IN JAPAN R&D IS NOT DIVIDED BY SERVICE BUT IS CENTRALIZED IN THE TECHNICAL RESEARCH AND DEVELOPMENT INSTITUTE (TRDI), A JDA SUB-AGENCY.

(E) SPARES - NO SEPARATE BREAKDOWN MAINTAINED; PART OF NEW EQUIPMENT.

B. THIRD COUNTRY MILITARY IMPORTS:

1. TOTAL VALUE: YEN 8.5 BILLION (\$58.6 MILLION)

2. PERCENTAGE OF TOTAL HC IMPORTS: 6.3 PERCENT

C. THIRD-COUNTRY SECURITY ASSISTANCE PROGRAMS: JAPAN RECEIVES NO ASSISTANCE FOR DEFENSE PROCUREMENTS IN THE FORM OF GRANTS OR CREDITS FROM ANY FOREIGN SOURCE.

COMMENT: THIRD-COUNTRY ACQUISITIONS (ALMOST ALL THROUGH LICENSED PRODUCTION) REFLECT EITHER LACK OF EQUIVALENT JAPANESE AND US SYSTEMS OR INABILITY TO PROCURE THE COMPETITIVE US SYSTEM ON SUFFICIENTLY ATTRACTIVE TERMS. RECENT ACQUISITIONS OF THIRD-COUNTRY EQUIPMENT INCLUDE:

- UK - ROLLS-ROYCE MARINE TURBINES
- FH70 155MM HOWITZER
- FRG - RHEINMETALL 120MM TANK CANNON
- ITALY - OTO MELARA 76MM NAVAL CANNON
- SWEDEN - BOFORS ASW ROCKET LAUNCHER
- CARL GUSTAV 84MM RECOILLESS RIFLE
- SWITZERLAND - OERLIKON 35MM AND 25MM CANNON

V. ARMS CONTROL SITUATION:

A. IMPACT ON ARMS CONTROL EFFORT IN THE REGION: THERE IS NO EVIDENCE THAT CURRENT OR PLANNED JDA ACQUISITIONS DIRECTLY INFLUENCE THE ARMAMENT PROGRAMS OF OTHER COUNTRIES IN THE ASIA/PACIFIC REGION.

B. IMPACT ON REGIONAL STABILITY: THERE IS GENERALLY UNDERSTANDING AND TACIT SUPPORT IN THE REGION (WITH THE NOTABLE EXCEPTION OF THE USSR) FOR JAPAN'S DEFENSE PROGRAMS. THE RECENT DECISION TO ELEVATE DEFENSE SPENDING BEYOND ONE PERCENT OF GNP WAS CRITICIZED BY CHINA; HOWEVER, JAPAN'S NEIGHBORS IN GENERAL RECOGNIZE

ACTION USDP(1) USDP:DSAA(8) (I,M)
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DIA WASHDC USCINCPAC HONOLULU HI
HQPACAF HICKAM AFB HI DISAM WPAFB OH
COMUSJAPAN YOKOTA AB JA

P-3C	12	180	COMM (CP)
			(SEE NOTE 2)
HARPOON MSL	8	12.8	FMS CASH
ENCAP HARPOON MSL	8	12.8	FMS CASH
MH-53E	4	80.8	COMM
MINE NEUT SYS	1	7.9	FMS CASH
SQQ-32 SONAR	1	10.2	FMS CASH
SUB BEACON	30	UNK	FMS CASH
SUB FLSE TGT CAN	80	UNK	FMS CASH
EP-3	1	UNK	COMM (CP)
			DOMESTIC SUITE
SH-80J	UNK	UNK	COMM (CP)
			DOMESTIC SUITE

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B. SPECIFIC MAP AND/OR FMS-FINANCED ACQUISITIONS: N/A.
JAPAN RECEIVES NO MAP OR FMS FINANCING.

C. ECONOMIC IMPACT OF PROJECTED PURCHASES: N/A.

COMMENT: JAPAN'S PROCUREMENT PROGRAMS WILL HAVE NO
NEGATIVE IMPACT ON JAPAN'S ECONOMY. THERE IS NO QUESTION
OF JAPAN'S TECHNICAL CAPABILITY TO ABSORB THE ADVANCED
SYSTEMS IT INTENDS TO ACQUIRE. THE MAIN PROBLEM FACED BY
JDA CONTINUES TO BE THE MANAGEMENT OF TRADE-OFFS DICTATED
BY BUDGETARY LIMITATIONS AMONG COSTLY PROCUREMENT
PROJECTS AND IMPROVEMENTS IN READINESS/SUSTAINABILITY.

D. COMMERCIAL LOAN PROGRAM ACQUISITIONS: N/A.

E. COMMERCIAL CASH SALES ACQUISITIONS: N/A - ALL OF
JAPAN'S ACQUISITIONS WILL BE EITHER FMS CASH OR
COMMERCIAL CASH. PLEASE SEE SECTION IX FOR BREAKDOWN
BETWEEN THE TWO.

VIII. ALTERNATIVE FY88 FUNDING LEVELS: N/A.

IX. TABLE OF PROBABLE FUTURE ACQUISITIONS IN PRIORITY
ORDER:

DEFENSE ITEM	QTY	EST COST (\$ MIL)	PAYMENT METHOD	ALTER-NATIVES
--------------	-----	-------------------	----------------	---------------

A. FY 90 (JFY 89)

GSDP

STINGER MSL SYS	43	\$ 3.0	FMS CASH	
STINGER MSL	2	0.1	FMS CASH	
TOW MSL HE	200	3.4	FMS CASH	
TOW MSL PRAC	180	2.5	FMS CASH	
203MM CANNON	8	0.6	FMS CASH	
203MM SP HOW ENG	8	0.2	COMM (SEE NOTE 1)	
70MM RKT	900	1.3	FMS CASH	
70MM RKT THG	5000	6.0	FMS CASH	
1-HAWK FLT TEST SVC	3	1.4	FMS CASH	
AWK ASP	700	3.9	FMS CASH	
AH-1S COMPONENTS	9	1.2	COMM	

MSDF

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INFO CJCS(5) DJS:(*) J1(1) NIDS(*) J4(8) J7(4) J5(2)
CMB OC(1) JSOA(1) SECDEF(9) ASD:A&L(1) USDA(0)
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HQPACAF HICKAM AFB HI DISAM WPAFB OH
COMUSJAPAN YOKOTA AB JA

ALQ-131 ECM	14	4.0	COMM
ALE-45 ECM	15	4.8	COMM
STINGER MSL SYS	48	3.6	FMS CASH
STINGER MSL	14	0.7	FMS CASH
NIKE ASP	800	3.5	FMS CASH
CBU-87/B	150	7.5	COMM (CP)
E-2C	3	185.0	FMS CASH
COMSEC	114	3.0	FMS CASH
PATRIOT FUZE	130	7.2	FMS CASH

NOTES:

(1) FOR COMMERCIAL PURCHASES, COST FIGURES REPRESENT ESTIMATED US CONTENT ONLY. THERE ARE SOME SYSTEMS WHICH, THOUGH PRODUCED UNDER US LICENSE, HAVE NO US CONTENT AND, THEREFORE, ARE NOT LISTED. EXAMPLES ARE THE AIM-7F AIR-TO-AIR MISSILE, THE PATRIOT MISSILE SYSTEM (EXCEPT FUZE), AND THE CH-47J HELICOPTER.

(2) CP - CO-PRODUCTION.

(3) AEGIS, VLS, STANDARD SM-2, AND THE LM-2500 GAS TURBINE ARE ALL PROPOSED AS PART OF THE JDA'S DDG-X PROGRAM; THE EXACT CONFIGURATION OF DDG-X SHIPS WILL BE DECIDED IN JFY 1987 (BEGINS 1 APR 87).
X. ECONOMIC SUPPORT FUND: N/A - JAPAN RECEIVES NO ESF. BY

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E-2C	2	110.0	FMS CASH
COMSEC	23	1.0	FMS CASH
PATRIOT FUZE	128	6.4	FMS CASH

DEFENSE ITEM	QTY	EST COST (\$ MIL)	PAYMENT METHOD	ALTERNATIVES
--------------	-----	-------------------	----------------	--------------

B. FY 91 (JFY 90)

GSDP

STINGER MSL SYS	44	3.4	FMS CASH
STINGER MSL	5	0.3	FMS CASH
TOW MSL	200	3.8	FMS CASH
TOW MSL PRAC	160	2.8	FMS CASH
203MM CANNON	8	0.7	FMS CASH
203MM SP HOW ENG	8	0.2	COMM
70MM RKT	1000	1.5	FMS CASH
70MM RKT TNG	5000	6.5	FMS CASH
I-HAWK FLT TEST SVC	3	1.5	FMS CASH
HAWK ASP	700	4.3	FMS CASH
AH-1S COMPONENTS	9	1.3	COMM

MSDF

P-3C	12	180.0	COMM (CP)
HARPOON MSL	8	13.1	FMS CASH
ENCAP HARPOON MSL	8	13.1	FMS CASH
MINE NEUT SYS	1	7.9	FMS CASH
SQQ-32 SONAR	1	10.2	FMS CASH
SUB BEACON	30	UNK	FMS CASH
SUB FLSE TGT CAN	60	UNK	FMS CASH
AEGIS SYSTEM	1	480.0	FMS CASH
			SEE NOTE 3)
VDS (MK-41 MOD 2)	1	43.1	FMS CASH
STANDARD SM2 MSL	78	80.0	FMS CASH
LM-2500 TURBINE	4	25.0	COMM
SH-60J	UNK	UNK	COMM (CP) DOMESTIC SUITE

ASDF

F-15	10	97.5	COMM (CP)
AIM-9L AOTD	398	5.0	FMS CASH
MH-60J	3	UNK	COMM (CP)

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E.O. 12356: DECL: OADR
TAGS: MASS, JA
SUBJECT: (U) ANNUAL INTEGRATED ASSESSMENT OF SECURITY
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ACTION USDP(11) USDP:OSAA(8) (I,M)
INFO CJCS(5) DJS:(*) J1(1) NIDS(*) J4(9) J7(4) J5(2)
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SHARING (LCS) AGREEMENT. I RESPONDED THAT I OFTEN
CITE THE LCS AGREEMENT, ALONG WITH THE ASSUMPTION
OF RESPONSIBILITY FOR SLOC PROTECTION AND FULL FUNDING
OF THE MID-TERM DEFENSE PLAN, TO MEMBERS OF CONGRESS
TO DEMONSTRATE THAT JAPAN MAKES A SUBSTANTIAL CONTRIBUTION
TO OUR MUTUAL DEFENSE INTERESTS.

PERSONAL FOR ADM CROWE AND ASD/ISA ARMITAGE
SECTION 01 OF 02
INFO AMB MANSFIELD, ADM TROST, ASST SEC SIGUR, ASST
SEC HOLMES, GEN GREGORY, AND LT GEN TIXIER FROM HAYS
SUBJ: USCINCPAC VISIT TO JAPAN (U)

1. SUMMARY: ALL GOJ LEADERS I SAW INCLUDING
THE FOREIGN MINISTER AND THE DEFENSE MINISTER ASSURED
ME THAT THE U. S. JAPAN SECURITY RELATIONSHIP WAS
IN EXCELLENT HEALTH -- AND THAT THEY ARE DETERMINED
TO KEEP SECURITY INTERESTS SEPARATE FROM TRADE FRICTIONS.
THEY ALSO EMPHASIZED THE GOJ COMMITMENT TO STEADY
IMPROVEMENT OF JAPAN'S SELF-DEFENSE FORCES, ALTHOUGH
NEEDED CHANGES IN THE MID-TERM DEFENSE PLAN ARE CONSIDERED
TOO POLITICALLY DIFFICULT TO UNDERTAKE SINCE THE DEFENSE
BUDGET IS NOW KEYED TO THE MID-TERM DEFENSE PROGRAM
INSTEAD OF THE ONE PERCENT OF GNP BARRIER. I WAS
ASSURED THAT THE GOJ WAS GIVING TOP PRIORITY TO OBTAINING
DIET APPROVAL OF THE LABOR COST SHARING AGREEMENT;
HOWEVER, PRECISE AREAS AND AMOUNTS THE GOJ WILL COVER
REMAIN TO BE NEGOTIATED. PLANS FOR YOKOSUKA MODERNIZATION
ARE PROCEEDING WELL. IKEGO HOUSING HIT ANOTHER SNAG
DURING MY VISIT WITH A RESULTING SLIP TO AUG-SEP FOR
PROJECT COMMENCEMENT. GOJ LEADERS PROFESS THAT THE
SOLUTION FOR REMAINING PROBLEMS IS IN SIGHT, BUT I
AM LESS SANQUINE. CARRIER LANDING PRACTICE ALTERNATIVE
TO ATSUGI REMAINS ON DEAD CENTER. DESPITE GOJ LEADERS'
ASSURANCES OF THEIR "UTMOST EFFORTS" TO SOLVE THE
PROBLEM, AT BEST, THE SOLUTION IS YEARS AWAY. END
SUMMARY.

2. AFTER EXCELLENT BRIEFINGS BY AMB MANSFIELD
AND HIS COUNTRY TEAM, I MET WITH FOREIGN MINISTER
KURANARI, DEPUTY FOREIGN MINISTER MURATA, JAPAN DEFENSE
AGENCY (JDA) MINISTER KURIHARA, DEPUTY JDA MINISTER
YAZAKI, JOINT STAFF COUNCIL CHAIRMAN GEN MORI, AND
DEFENSE FACILITIES ADMINISTRATION AGENCY (DFAA) DIRECTOR
GENERAL SHISHIKURA. I WAS ALSO GIVEN A TOUR OF THE
SELF-DEFENSE FORCES' NEW CENTRAL COMMAND POST -- AN
IMPRESSIVE BUT UNDERUSED SIX STORY BUILDING WITH THREE
STORIES ABOVE GROUND AND THREE BELOW.

3. THE 15-MINUTE COURTESY CALL ON FOREIGN MINISTER
KURANARI WAS EXTENDED TO 40 MINUTES. KURANARI STRESSED
THAT DESPITE TRADE DISPUTES, THE U. S. - JAPAN SECURITY
RELATIONSHIP IS "STRONGER THAN EVER," AND HE GAVE
SPECIAL CREDIT TO COMUSJAPAN, ED TIXIER, AS WELL AS
TO AMB MANSFIELD AND THE EMBASSY STAFF. KURANARI
TERMED THE U. S. MILITARY PRESENCE INDISPENSABLE TO
THE PEACE AND SECURITY OF ASIA. IN THE FACE OF THE
"SEVERE" SOVIET BUILD-UP, HE CONTINUED, MAXIMUM EFFORTS
TO MAINTAIN DETERRENCE ARE NEEDED, AND HE PLEDGED
THAT JAPAN WOULD CONTINUE TO IMPROVE ITS DEFENSES
AND SUPPORT U.S. FORCES. AS EXAMPLES, HE CITED THE
BREAKING OF THE ONE PERCENT OF GNP SPENDING LIMIT
(DESPITE CONTROVERSY IN THE DIET) AND THE LABOR COST

PERSONAL FOR ADM CROWE
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4. IN LINE WITH HIS SPECIAL INTEREST IN THE SOUTH
PACIFIC, KURANARI EXPRESSED CONCERN OVER SOVIET ATTENTION
TO THAT REGION. HE SAID THAT THE GOJ WOULD CAREFULLY
WATCH SOVIET ACTIVITIES AND STAY IN CLOSE CONTACT
WITH THE U. S. REGARDING THE SITUATION IN THE ISLANDS.
I REVIEWED USCINCPAC'S TRAINING ACTIVITIES, SUCH AS
USNS MERCY'S CRUISE AND SEABEE CONSTRUCTION WORK IN
THE SOLOMONS. KURANARI RESPONDED ENTHUSIASTICALLY
THAT THESE ACTIVITIES COMPLEMENTED JAPAN'S ASSISTANCE
PROGRAMS. IN CLOSING, KURANARI, AS THOUGH BY CHECKLIST,
PREDICTED THE START OF CONSTRUCTION AT IKEGO IN JUNE,
WHICH APPARENTLY IS A PREMATURE DATE, AND STATED THAT
THE GOJ WAS DOING ITS UTMOST TO RESOLVE THE NIGHT
LANDING PROBLEM. FINALLY, NOTING THAT SASEBO WAS
HIS "HOME TOWN," KURANARI SAID HE WAS PLEASED BY
THE "BREAKTHROUGH" OF THE USS NEW JERSEY'S VISIT THERE
AND HOPED WE WOULD CONTINUE THE PATTERN OF SHIP VISITS
TO SASEBO.

5. FOLLOWING UP ON THE FOREIGN MINISTER'S COMMENT,
DEPUTY FOREIGN MINISTER MURATA EMPHASIZED THAT THE
GOJ WAS GIVING "TOP PRIORITY" TO OBTAINING DIET APPROVAL
OF THE LABOR COST SHARING AGREEMENT -- ALTHOUGH AS
THE FIRST SECURITY AGREEMENT TO COME BEFORE THE DIET
SINCE THE 1960'S, IT WAS CERTAIN TO FACE OPPOSITION
AND DELAYING TACTICS. I EMPHASIZED TO HIM AS WELL
THE IMPORTANCE OF LCS IN ASSUAGING CONGRESSIONAL CONCERNS.
MURATA ADDED THAT HE UNDERSTOOD THE DIFFICULT FINANCIAL
SITUATION OF THE U. S. FORCES TODAY, BUT ASKED OUR
FOREBEARANCE REGARDING RIFS OF JAPANESE EMPLOYEES
-- WHICH "COULD CREATE PROBLEMS." UNFORTUNATELY,
MORE THAN SIMPLY OBTAINING DIET APPROVAL NEEDS TO
BE DONE BEFORE LCS CAN BE IMPLEMENTED. THE GOJ HAS
YET TO AGREE ON THE PRECISE AREAS AND AMOUNTS IT WILL
COVER -- AND STAFF LEVEL SIGNALS ARE NOT ENTIRELY
ENCOURAGING. IT WILL INDEED BE DIFFICULT TO AVOID
RIFS IF ADEQUATE LCS DOES NOT COME INTO EFFECT SOON.

6. DURING MY MEETINGS AT THE JDA, IMPLEMENTATION
OF THE MID-TERM DEFENSE PLAN WAS A MAJOR TOPIC. JDA
MINISTER KURIHARA PROMISED THAT IT WOULD BE IMPLEMENTED
STEADILY. JDA VICE MINISTER YAZAKI OFFERED MORE DETAIL,
SAYING THAT HE WAS ESPECIALLY CONCERNED ABOUT THE
SELF-DEFENSE FORCES' SUSTAINABILITY AND REAR AREA
SUPPORT. YAZAKI SAID THAT THE DEFENSE BUDGET WILL
CONCENTRATE ON THESE AREAS, AND THAT THE GOAL IS TO
BUILD TO A 30 DAY SUPPLY OF AMMUNITION BY 1990.
I ASKED YAZAKI WHETHER THERE WOULD BE CHANGES IN THE
PLAN TO REMEDY WEAKNESSES REVEALED BY THE SLOC STUDY,
AS SUGGESTED IN THE REVIEW AT THE JANUARY SECURITY
SUBCOMMITTEE (SSC) MEETING. YAZAKI RESPONDED THAT
THE CABINET HAD DECIDED NOT TO IMPLEMENT SUBSTANTIAL
CHANGES. AFTER BREAKING THE ONE PERCENT OF GNP LIMIT,

CHAIRMAN DISTRIBUTION REQUIRED

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ACTION CJCS(5) USDP(11)
INFO NMCC/DDO(1) SECDEF:(1) SECDEF(9)

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COSSEY FOR HIS "UNDERSTANDING."

8. PROSPECTS FOR THE NAVY HOUSING AT IKEGO TURNED OUT TO BE LESS PROMISING THAN EITHER FOREIGN MINISTER KURAWARI OR JDA MINISTER KURIHARA'S UPBEAT PROGNOSIS. A NERVOUS AND PERSPIRING DFAA DIRECTOR GENERAL SHISHIKURA HAD LESS ENCOURAGING NEWS. SHORTLY BEFORE THE CALL, SHISHIKURA TOLD ME, HE HAD BEEN INFORMED THAT THE MAYOR OF ZUSHI NOW WANTED "A FEW DAYS MORE" TO MAKE A DECISION. SHISHIKURA PREDICTED THAT THE START OF CONSTRUCTION WOULD BE AGAIN DELAYED TWO - THREE MONTHS, WITH A START DATE IN LATE AUGUST OR SEPTEMBER. SHISHIKURA INITIALLY MAINTAINED THAT WHILE THE GOVERNMENT PREFERRED TO HAVE THE MAYOR'S APPROVAL, THE GOJ WAS PREPARED TO PUSH AHEAD EVEN WITHOUT IT. AS WE DISCUSSED THE SUBJECT FURTHER, HOWEVER, IT BECAME APPARENT THAT THE RIVER BORDERING THE SITE COMES UNDER THE MAYOR'S JURISDICTION AND THAT ESSENTIAL FLOOD CONTROL AND CONSTRUCTION WORK ALONG THE RIVER CAN BE UNDERTAKEN ONLY BY PERMIT FROM HIM. SINCE THE MAYOR HAS BEEN OPPOSED TO THE HOUSING ALL ALONG, THIS REVELATION IS OF SOME CONCERN.

9. PROSPECTS FOR A NIGHT LANDING FIELD ARE BLEAK. DEPUTY FOREIGN MINISTER MURATA ASSURED ME HE WAS WELL AWARE OF THE IMPORTANCE OF THE PROJECT, AND MINISTER KURIHARA PROFESSED CONFIDENCE IN HIS NEW "QUIET," BUT OTHERWISE UNDEFINED, METHOD OF WORKING THE ISSUE. DFAA DIRECTOR GENERAL SHISHIKURA SAID POLITICIANS' COMPLAINTS MADE HIM VERY CONSCIOUS OF HOW UNSUITABLE ATSUGI WAS, AND HIS VISIT TO THE U. S. HAD BROUGHT HOME TO HIM HOW IMPORTANT IT WAS FOR PILOTS TO MAINTAIN READINESS. SHISHIKURA ASSURED ME THAT THE GOJ WAS "TRYING BY ALL MEANS" TO PERSUADE THE MIYAKE JIMA ISLANDERS. THIRTY PERCENT OF THE VOTERS ON MIYAKE JIMA ARE SUPPORTIVE. OF THE 70 PERCENT OPPOSED, ONLY 30 PERCENT WERE HARD-CORE OPPONENTS WHILE THE OTHER 40 PERCENT WERE MODERATE AND "WERE COMING TO UNDERSTAND." SHISHIKURA ALSO NOTED THAT WHEN THE FY-87 BUDGET IS SIGNED INTO LAW, IT WILL CONTAIN AN ALLOCATION TO BUILD A METEOROLOGICAL STATION ON THE PROPOSED RUNWAY SITE FOR SURVEY DATA. I REEMPHASIZED THAT NIGHT LANDING PRACTICE (NLP) WAS FUNDAMENTAL TO OUR PREPAREDNESS. THERE SEEMS LITTLE WE CAN DO BUT HOPE THEY PULL IT OFF, BUT I FEAR WE ARE FAR FROM A SOLUTION TO THE NLP PROBLEM.

10. ALTHOUGH MY JAPANESE HOSTS CAREFULLY AVOIDED THE TOPIC WITH ME, FSX WAS VERY MUCH IN THE AIR, AS MY VISIT COINCIDED WITH THAT OF KARL JACKSON'S DOD BRIEFING TEAM. TO ENSURE THAT THERE WAS NO MISUNDERSTANDING OF THE IMPORTANCE ALL IN THE USG PLACE ON FSX, I RAISED IT WITH VICE MINISTER YAZAKI, BUT HE MADE NO SUBSTANTIVE RESPONSE. IN VIRTUALLY ALL MY MEETINGS I PLACED STRONG EMPHASIS ON THE IMPORTANCE OF ACHIEVING THE GREATEST POSSIBLE INTEROPERABILITY BETWEEN OUR TWO FORCES. THIS SEEMED THE MOST EFFECTIVE WAY, FROM MY VANTAGE POINT, TO ENCOURAGE A DECISION ACCEPTABLE TO THE U.S.

11. IN SUMMARY, THE VISIT WENT VERY WELL BUT THE NEWS WAS MIXED. AS THE EXTENDED MEETING WITH THE FOREIGN MINISTER SUGGESTED, THE JAPANESE WANTED TO CONVEY SATISFACTION IN THE SECURITY RELATIONSHIP AND ONE GETS THE CLEAR IMPRESSION THAT THE GOJ IS COMMITTED TO A CAPABLE DEFENSE FORCE. AS FOR SPECIFIC ISSUES, YOKOSUKA MODERNIZATION IS PROCEEDING SATISFACTORILY, LABOR COST SHARING HAS STALLED FOR THE MOMENT AND THERE IS SOME UNCERTAINTY ABOUT THE DETAILS, WE ARE NOT AS CLOSE TO BREAKING GROUND FOR IKEGO HOUSING AS I HAD THOUGHT, AND THE OUTLOOK FOR A NEW PRACTICE LANDING FIELD IS DISCOURAGING. OTHERWISE, IT WAS A MOST SUCCESSFUL VISIT.

12. (U) WARMEST REGARDS.
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THE AGREED PROPOSAL BUT PROMISED HIS ANSWER IN 2-3 DAYS. TOMINO'S ACCEPTANCE WOULD MEAN THAT CONSTRUCTION COULD START IN AUGUST OR SEPTEMBER ACCORDING TO SHISHIKURA. THE GOVERNMENT'S POSITION, HE SAID, WAS TO PUSH AHEAD EVEN IF TOMINO DID NOT AGREE, WHILE ACKNOWLEDGING THAT THIS WOULD BE DIFFICULT BECAUSE OF ADMINISTRATIVE PROBLEMS, ONE OF WHICH IS THE REQUIREMENT TO OBTAIN A PERMIT FROM ZUSHI BECAUSE OF WATER DRAINAGE INTO THE ADJACENT RIVER. SHISHIKURA SAID THAT PLANS WERE TO MAKE UP FOR DELAYS INSOFAR AS POSSIBLE BY ACCELERATING CONSTRUCTION.

~~CONFIDENTIAL~~ SECTION 01 OF 02 TOKYO 08751

E.O. 12356: DECL: OADR
TAGS: OVIP (HAYS, RONALD J.), MARR, JA, US
SUBJ: CINCPAC DISCUSSIONS WITH JAPAN DEFENSE AGENCY SENIOR OFFICIALS (U)

1. ~~CONFIDENTIAL~~ ENTIRE TEXT.

2. SUMMARY. IN A SERIES OF MEETINGS WITH JDA MINISTER KURIHARA AND OTHER SENIOR JDA OFFICIALS APRIL 10, USCINCPAC ADMIRAL RONALD J. HAYS DISCUSSED THE FULL RANGE OF U.S.-JAPAN SECURITY ISSUES. IN ADDITION TO EXPRESSING APPRECIATION FOR JDA'S ASSISTANCE IN THE YOKOSUKA INITIATIVE, THE IKEGO NAVY HOUSING PROJECT, LABOR COST SHARING, AND THE EFFORT TO FIND AN ALTERNATIVE NIGHT LANDING PRACTICE SITE, ADMIRAL HAYS STRESSED THE IMPORTANCE OF INTEROPERABILITY. JDA OFFICIALS SAID THEY HOPE TO BEGIN ACTUAL CONSTRUCTION AT IKEGO THIS SUMMER AND BEHIND-THE-SCENES EFFORTS TO GENERATE PROGRESS ON A NLP SITE ARE CONTINUING. ACCORDING TO JDA, AMMUNITION STOCKS REMAIN INADEQUATE BUT THE SITUATION IS IMPROVING BECAUSE OF INCREASED BUDGET RESOURCES DEVOTED TO SOLVING THIS PROBLEM. ALSO, THE CHAIRMAN OF THE JOINT STAFF COUNCIL REAFFIRMED THE GOJ'S COMMITMENT TO U.S.-JAPAN FORCE INTEROPERABILITY. END SUMMARY.

3. CINCPAC, ADM RONALD J. HAYS MADE CALLS 10 APRIL ON JDA MINISTER YUKO KURIHARA, VICE MINISTER SHINJI YAZAKI, DFAA DIRECTOR GENERAL MUNEO SHISHIKURA AND CHAIRMAN JOINT STAFF COUNCIL, GEN'SHIGEHIRO MORI. TOPICS INCLUDED JAPAN'S MID-TERM DEFENSE PLAN (MTDP), INTEROPERABILITY, IKEGO, NLP AND OTHER TOPICS OF MUTUAL SECURITY INTEREST. ~~ESX~~ WHICH HAS BEEN THE HOTTEST PRESS ITEM IN TOWN AND THE SUBJECT OF MEETINGS BETWEEN JDA OFFICIALS AND A DOD TEAM THE FOLLOWING DAY, DID NOT COME UP.

4. DISCUSSIONS WITH KURIHARA WHICH BEGAN WITH BRIEF PLEASANTRIES IN THE PRESENCE OF THE PRESS WERE CORDIAL AND RELAXED. ADM HAYS BEGAN BY EXPRESSING HIS APPRECIATION FOR THE DIRECTOR'S SUPPORT FOR THE YOKOSUKA PORT UPGRADE PROJECT, IKEGO HOUSING, LABOR COST SHARING AND THE EFFORT TO FIND A SUITABLE NIGHT LANDING PRACTICE (NLP) SITE. HE ALSO PRAISED RECENT US/JAPAN EXERCISE COOPERATION AND EMPHASIZED ITS VALUE IN IMPROVING INTEROPERABILITY. KURIHARA RESPONDED THAT HIS FIRST PRIORITY WAS THE IMPLEMENTATION OF THE MID-TERM DEFENSE PLAN (MTDP), CLOSELY FOLLOWED BY THE STEADY DRIVE TO FIND SUCCESSFUL CONCLUSIONS TO SUCH PROBLEMS AS IKEGO, MIYAKE, ETC. HE EXPRESSED OPTIMISM CONCERNING AN IKEGO SOLUTION.

5. IN LATER DISCUSSIONS, DFAA DIRECTOR GENERAL SHISHIKURA RELATED THE LATEST DEVELOPMENTS ON IKEGO WHICH SHED FURTHER LIGHT ON RECENT PRESS REPORTS ABOUT MEETINGS INVOLVING THE KANAGAWA PREFECTURE GOVERNOR, ZUSHI MAYOR TOMINO AND DFAA. HE SAID THAT KANAGAWA PREFECTURE OFFICIALS AND DFAA WERE IN AGREEMENT ON IKEGO AND THAT THE KANAGAWA VICE GOVERNOR MET ZUSHI MAYOR TOMINO ON 10 APRIL. AT THAT MEETING, TOMINO DID NOT ACCEPT OR REJECT

ACTION (U, 6, 7, 8)
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6. CONCERNING PROGRESS ON MIYAKEJIMA AS AN NLP FIELD, KURIHARA AND SHISHIKURA REITERATED PREVIOUS ASSERTIONS BY SENIOR OFFICIALS THAT THEY WERE WORKING THE PROBLEM VERY HARD BUT NOT TALKING ABOUT IT PUBLICLY. SHISHIKURA SAID THAT SEVERAL INFLUENTIAL DIET MEMBERS WERE ALSO EXERTING INFLUENCE AND THE RESULT WAS THAT 30 PERCENT OF THE ISLANDERS NOW SUPPORTED THE FACILITY WITH AN EQUAL NUMBER OPPOSING. THE REMAINING 40 PERCENT OF UNCOMMITTED ISLANDERS ARE THE TARGET OF CURRENT EFFORTS. SHISHIKURA REVEALED THAT THE 1987 DEFENSE BUDGET WHICH IS CURRENTLY HELD UP IN DIET DELIBERATIONS HAS 322 MILLION YEN EARMARKED FOR SURVEYS OF THE PLANNED RUNWAY SITE. IN

~~CONFIDENTIAL~~ SECTION 02 OF 02 TOKYO 08751

E.O. 12356: DECL: OADR
TAGS: OVIP (HAYS, RONALD J.), MARR, JA, US
SUBJ: CINCPAC DISCUSSIONS WITH JAPAN DEFENSE AGENCY

RESPONSE TO ADM HAYS' COMMENTS CONCERNING THE IMPORTANCE OF NLP FOR READINESS AND THE NEED FOR AN ALTERNATIVE TO ATSUGI, SHISHIKURA RECALLED HIS VISIT TO THE CARRIER RANGER LAST YEAR AND INDICATED HIS APPRECIATION OF THE NEED AS WELL AS HIS DETERMINATION TO SOLVE THE PROBLEM.

7. QUESTIONS BY ADM HAYS LED TO DISCUSSION ON TWO AREAS OF DEFENSE PLANNING - SUSTAINABILITY AND REVISION OF THE MTDP. VICE MINISTER YAZAKI CONFIRMED OUR OBSERVATIONS THAT SDF STOCKS OF AMMUNITION ARE INADEQUATE BUT THIS DEFICIENCY HAS RECEIVED INCREASED ATTENTION IN RECENT DEFENSE BUDGETS. YAZAKI SAID THAT THE GOAL WAS TO HAVE 30 DAYS AMMUNITION SUPPLY BY 1990 WITH FURTHER INCREASES AFTER THAT. HE ALSO CLARIFIED THAT THE FIVE-YEAR MTDP WOULD BE REVIEWED AFTER THREE YEARS AS HAD BEEN DONE IN THE PAST; HOWEVER, BECAUSE 18.4 TRILLION YEN HAD, AS A POLICY, BEEN ESTABLISHED AS A CEILING, YAZAKI SAID HE THOUGHT IT WOULD BE VERY DIFFICULT TO EXCEED THAT LIMITATION.

8. YAZAKI ALSO TOLD ADM HAYS THAT ONE OF THE TOUGHEST BUDGET PROBLEMS WAS FINDING A PROPER BALANCE BETWEEN THE FRONT AND REAR. HE EXPRESSED PARTICULAR CONCERN ABOUT COMMAND AND CONTROL AND QUALITY OF LIFE ITEMS SUCH AS HOUSING, IN ADDITION TO SUSTAINABILITY DIFFICULTIES.

9. GEN MORI WAS QUITE INTERESTED IN EXERCISE TEAM SPIRIT, WHICH ADM HAYS HAD JU ST OBSERVED. ADM HAYS RELATED THAT HE WAS IMPRESSED BY THE EFFECTIVENESS OF UNITS FROM THE US THAT WERE ASSIGNED TO A ROK COMMANDER AND VICE VERSA, INDICATING ADVANCED INTEROPERABILITY. IN RESPONSE TO MORI'S QUESTIONS ABOUT THE REASON FOR THIS, ADM HAYS SAID THAT PREPLANNING AND THE COMBINED ORGANIZATION WERE KEY. GEN MORI SAID HE WAS STRIVING TO IMPROVE US-JAPAN INTEROPERABILITY BY WORKING VERY CLOSELY WITH COMMANDER US FORCES JAPAN BUT OFFERED THAT A COMBINED ORGANIZATION SUCH AS CFC WOULD NOT BE ACCEPTABLE IN JAPAN.

10. COMMENT: OVERALL, WE BELIEVE ADM HAYS' VISIT WAS VERY USEFUL IN REAFFIRMING THE IMPORTANCE OF OUR SECURITY RELATIONSHIP WHILE PROVIDING US WITH A GOOD OPPORTUNITY TO REVIEW THE SITUATION AS JAPAN'S KEY DEFENSE OFFICIALS SEE IT. END COMMENT.

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INTERNATIONAL SECURITY AFFAIRS

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ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

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23 FEB 1985
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HAS SEEN

In reply refer MAR 4 1985
I-06999/85

22 FEB 1985

MEMORANDUM FOR SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY *FI*

SUBJECT: Visit of Japanese MOD (U) -- ACTION MEMORANDUM

25 FEB 1985

Last month I delivered an invitation from you to new Japanese MOD Koichi Kato, suggesting an early visit to Washington, perhaps during Japanese "Golden Week" April 29 - May 3." Per the message at Tab 1, Kato indicated he would like to come then if the Diet schedule permits. Subsequently, Kato's office informed us that the only time in that week he could come would be April 29, and you have already scheduled your Turkish colleague on that date. Accordingly, the Japanese have asked for June 10 and 11 which look possible on your schedule.

When I met Kato in January, I was very impressed with his ability to deal with substance (in English as well as in Japanese) and believe he sincerely wants to meet his "Harvard senior." He needs to keep the dates confidential in Japan until the budget passes the Diet at the end of March or early April or risk causing a political storm. I recommend you approve the dates informally requested at this time so we can begin preliminary arrangements here pending the public Japanese response.

Please indicate your decision below.

Agree to visit week of June 10 *OK*

Disagree _____

Other _____

Rich Armitage

RICHARD L. ARMITAGE
Assistant Secretary of Defense
(International Security Affairs)

J. E. Auer, ISA/EAPR, x57886

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BY *APA*

DATE *4/13/99*

CLASSIFIED BY: DIR, EAPR

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KATO VISIT

BOOID
RELEASE



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

INTERNATIONAL
SECURITY AFFAIRS

2 FEB 1985

In reply refer to:
I-06999/85

MEMORANDUM FOR THE EXECUTIVE SECRETARY, DEPARTMENT OF DEFENSE

SUBJECT: Request for Executive Agent

Request an executive agent be designated for the visit of the Director General of the Japan Defense Agency, His Excellency Koichi Kato. Minister Kato is expected to come to the United States the week of June 10 as an official guest of the Secretary of Defense. Support required includes special air mission transportation, escort officer and other administrative arrangements. Point of contact within ISA is Mr. James E. Auer, Assistant for Japan, (x57886). Within the immediate office of the Secretary, point of contact is COL Richard J. Tiplady, Protocol Officer for the Secretary of Defense, (x77064).

(U) Informal contact with Air Force International Affairs Division indicates availability and willingness to handle this visit. It would be appreciated if consideration is given to assigning the Air Force as Executive Agent.

(U) Funding will be in accordance with OSD Memorandum of Understanding dated 2 December 1968.

A handwritten signature in cursive script, appearing to read "DR Brown".

David R. Brown
Colonel, USA
Military Assistant to
Assistant Secretary of Defense for
International Security Affairs

cc:
OSD/WHS Budget and Finance
OSD Protocol Office



~~CONFIDENTIAL~~

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

KATO VISIT ✓
D/EAP
BOOIE
RELEASE


27 FEB 1985

MEMORANDUM FOR SECRETARY OF THE AIR FORCE

SUBJECT: Designation of Executive Agent

Director General of the Japan Defense Agency, His Excellency Koichi Kato, is expected to visit the United States the week of June 10 as an official guest of the Secretary of Defense. The Air Force is designated Executive Agent in support of this visit. The logistic support required includes appropriate arrangements for transportation, hotels, security, escorts, and social activities as appropriate.

(U) Within the Immediate Office of the Secretary of Defense, the point of contact is Captain Richard E. Goolsby, Deputy Executive Secretary, x56064. OASD(ISA) action officer is Mr. James E. Auer, x57886. Funding will be in accordance with DoD Directive 7250.13, Subject: Official Representation Funds, dated 22 March 1984.


R. J. Affourtit
Colonel, USA
Executive Secretary

cc: OSD Protocol Officer
(Colonel Tiplady)
WHS Director of Budget & Finance
(Mr. Cratch)
OASD(ISA)
(Mr. James E. Auer)

DECLASSIFIED

BY APA

DATE 4/13/99

I-85107740

X34297

CLASSIFIED BY: ES
DECLASSIFY ON: OADR

SEC DEF CONTR No.

RELEASE

RCA ~~Wagner~~ JA
We gave Desires
a fill-in to send
out to Bill Clark.
VW
Jim

OFFICE OF THE SECRETARY OF DEFENSE

JAK - You may

wish to raise this in the margins of the

Memo For

Mr. Kelly

EA Informal (if known, and sign or date)

Thru: Colonel Martin

Commo Corsey ^{3/4}

Just received the attached P.S. fly from State. It's Japan's talk for Amaco's is good. obvious that our Embassy (and perhaps MOFA) know nothing of Kato's June 10 plans to come here (now on SECDEF's calendar).

Furukawa asked we not tell Emb till after budget passes (presumably then Furukawa will contact Emb). I told John Scott today & he'll inform DESAIX. DASD may want to discuss with P.W. Gaston. V/R, JAK

Jim:

Enclosed are some items of interest. First is a message from Priscilla concerning a possible Kato visit to China. Can you please share with Jim Kelly and Rich Armitage.

Second, a copy of the briefing paper we've put together for Mike's meeting with Koichi Kato in Tokyo later this month. Any thoughts and observations you have on it would be most welcome. *no problem*

Finally, a copy of the message containing the text of President Reagan's letter to former Prime Minister Miki on disarmament.

John Scott

UNCLASSIFIED

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DEPARTMENT OF DEFENSE
JCS MESSAGE CENTER

**BOOII
RELEASE**

ROUTINE
R 280501Z MAR 85
FM COMUSJAPAN YOKOTA AB JA//J7A//
TO AIG 8700
USS OLDENDORF
CG FMFPAC
COMDESRON FIFTEEN
CTF SEVEN FIVE
CTF SEVEN SEVEN

ZYUW RUADJNA1205 0871738
XMT USS MIDWAY
CG FIRST MAW
CG III MAF
CONSEVENTHFLT
CTF SEVEN FOUR

UNCLAS

SUBJECT: JAPANESE PRESS TRANSLATIONS FOR THURSDAY, 28 MAR 85
(NOTE: FOLLOWING ARE SUMMARY TRANSLATIONS APPEARING IN MAJOR
JAPANESE NEWSPAPERS. APPEARANCE HEREIN DOES NOT MEAN STORIES
ARE FACTUALLY ACCURATE AND DOES NOT CONSTITUTE ENDORSEMENT OF

1. N-SUB LEAVES YOKOSUKA:

(YOMIURI, ASAHI, TOKYO SHIMBUN) - THE STURGEON CLASS N-SUB, HAWKBILL
(3,640 TONS WITH A CREW OF 130, HEADED BY CMDR G. J. ROLLASTER), OF
THE U.S. NAVY DEPARTED FROM YOKOSUKA NS AT 1002 HOURS OF THE 27TH.
THE SHIP, WHICH IS SLATED TO CARRY TOMAHAWKS, HAS BEEN AT YOKOSUKA
SINCE THE 25TH. ITS DESTINATION HAS NOT BEEN PUBLISHED.

2. THREE F16'S TO MISAWA:

(TOKYO SHIMBUN) - ON THE 27TH, THE USF AT MISAWA BASE CLARIFIED
THAT THREE F16'S, INSTEAD OF THE (EARLIER ANNOUN-
CED) TWO, WILL ARRIVE ON 2 APR FOR ASSIGNMENT TO MISAWA AB. THIS
IS THE FIRST ASSIGNMENT TO THE JAPAN AREA OF F16'S, THE USAF MAIN-
STAY FIGHTER AIRCRAFT.

3. JDA PLAN FOR INTRODUCTION OF TANKER PLANES:

(NIPPON KEIZAI, SANKEI, TOKYO SHIMBUN) - IN ANSWER TO A CGP QUEST-
IONER AT AN UPPER HOUSE BUDGET COMMITTEE MEETING ON THE 27TH, JDA
DEFENSE BUREAU DIRECTOR YAZAKI REVEALED HIS DESIRE TO INTRODUCE
TANKER PLANES FOR UPGRADED JAPANESE AIR DEFENSE CAPABILITIES AT
SEA. HOWEVER, HE DID NOT CLARIFY WHETHER OR NOT INTRODUCTION OF
TANKER PLANES WILL BE INCLUDED IN THE '84 MID-TERM DEFENSE PROGRAM.
HE SAID THAT IT IS UNDER CONSIDERATION. THIS IS THE FIRST TIME
THAT THE JDA HAS REFERRED TO TANKER PLANES IN CONNECTION WITH SEA-
LANE DEFENSE.

4. '84 MID-TERM DEFENSE PROGRAM:

(NIPPON KEIZAI, SANKEI, MAINICHI) - ON THE 27TH, JDA DIRECTOR GENER-
AL KATO CONFERRED WITH PRIME MINISTER NAKASONE FOR ABOUT 30 MIN-
UTES. KATO EXPLAINED TO NAKASONE THE JDA PLAN TO FINISH COMPILING
'84 MID-TERM DEFENSE PROGRAM BY THIS SUMMER, WHICH NAKASONE HAS
ACKNOWLEDGED. ALSO IT HAS BEEN DECIDED THAT KATO, WITH A DIET
APPROVAL, WILL VISIT THE U.S. IN JUN FOR A JAPAN-U.S. DEFENSE AUTHO-
RITIES CONFERENCE WITH SEDEF WEINBERGER. THE JDA IS FORMING '84
MID-TERM DEFENSE PROGRA, ASSUMING THAT DEFENSE COST WILL EXCEED
1 PCT OF GNP. SO, DEFENSE COST FRAMEWORK WILL BECOME A FOCAL POINT
OF DISCUSSION IN FUTURE NEGOTIATIONS AMONG THE PARTIES CONCERNED.

5. SDF USE OF COMMUNICATION SATELLITE:

(ASAHI) - IN ANSWER TO A CGP QUESTIONER AT AN UPPER HOUSE BUDGET
COMMITTEE MEETING ON THE 27TH, JDA EQUIPMENT BUREAU DIRECTOR YAMADA
SAID THAT I THINK THE USE OF COMMUNICATION SATELLITE WOULD BE EF-
FECTIVE IN IMPROVING GREATLY THE SDF COMMUNICATION SYSTEM. THUS, HE
IMPLIED THAT THE JDA IS STUDYING POSSIBILITIES OF USING "CS3"
COMMUNICATION SATELLITE WHICH THE SPACE DEVELOPMENT AGENCY WILL
LAUNCH IN 1988.

6. HELICOPTER CRASH IN TEAM SPIRIT '85:

(MAINICHI) - A USF HELICOPTER CRASHED ON A PADDY FIELD IN SOUTH
KOREA ON THE MORNING OF THE 26TH WHILE ENGAGING IN AN EXERCISE OF
TEAM SPIRIT '85. TWO AMERICAN FLIERS, A FIRST LIEUTENANT AND A
SECOND LIEUTENANT, WERE BADLY INJURED. BT

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ACTION ASD:PA(1) DIA(1) (U,A)
INFO J3(8) NIDS(1) J5(2) SECDEF:(1) SECDEF(9) USDP(11)
NMIC(1) AT-3(1) VP(1) DIO(1) DE-2(1) DE-3(1) DB-2(1)
DB-2B(1) DB-2C(1) DB-2D(1) DB-2D1(1) DB-4G(1)
DB-4G2(1) DB-5D3(1) DT-5(1) DC-4A3(1)
+SAFE

MCN=85087/05281 TOR=85087/1744Z TAD=85087/1747Z

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PAGE 1 OF 1
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-- Defense --

JDA's HIGH RANKING OFFICIAL SHOWS ACTIVE INTEREST IN AIR TANKERS

Defense Agency's Defense Policy Bureau Director General Shinji Yazaki expressed active interest in introduction of air tankers as saying, "The agency understands that introduction of air tankers will be very effective in terms of ocean air defense."

His remark came at a budget committee of the House of Councilors on March 27. However, he refrained from declaring if the air tanker introduction should be featured in the next five-year defense buildup plan or so-called "59 Chugyo" (running FYs'86-90) now being drafted, although studies on the introduction are underway.

JDA BEGINS STUDYING SDI PROGRAM OF U.S.

The Defense Agency (JDA) has reportedly begun research and study of the U.S.'s Strategic Defense Initiative (SDI) program or so-called "Star Wars" defense plan, the focus of the arms limitation talks between the U.S. and the Soviet Union.

JDA started the research and studies because the SDI may drastically change the relation between the U.S. and the Soviet having influence over Japan's defense policy. While collecting and analyzing information on the SDI from a professional point of view, JDA aims at finding out the U.S.'s strategies.

Analysis of the SDI is said to be already underway from a technical point of view. JDA will also probe into feasibility of Japan-U.S. cooperation in the SDI.

JDA's research of the SDI is done by the research staff of the three services of the Self-Defense Forces as well as by the Internal Bureaus. The Ministry of Foreign Affairs has also asked the U.S. government for information on the SDI through diplomatic channels.

In addition to the information through the Foreign Ministry, in particular, the Ground Self-Defense Force took up the SDI as one of the major subjects of its technical intelligence analysis around last September and it has been making its own research and studies.

JDA's research and studies of the SDI will be centered on the various kinds of beam weapons to hit the Soviet's ICBM. JDA is said to have already found out specific figures of the preciseness to hit the

(Continued...)

(SDI PROGRAM, cont'd.)

targets and necessary radices.

What the U.S. asks Japan for is mainly the telecommunications technology. JDA believes that the U.S. wants the millimeter wave communications technology with which quite a lot of information can be sent simultaneously.

Although there are still many unknown factors as the SDI is still on the research stage, JDA evaluates based on the studies made so far that it is technically difficult to build a perfect system even in the year 2000 as the U.S. admits.

However, as the Nippon Telegraph and Telephone Public Corp. as well as JDA's Technical Research and Development Institute (TR&DI) are concerned with the millimeter wave telecommunications technology that the U.S. strongly asks for, JDA will make further research and studies of its own on the SDI through information exchanges among the experts.

-- Space --

SIX JAPANESE FIRMS LED BY SONY FOUND SATELLITE BUSINESS JOINT VENTURE

A new joint venture to research industrialization of communications satellite operation was established on March 28 by six Japanese companies, Sony Corp., Nissho Iwai Corp., Marubeni Corp., Orient Lease Co., Japan Lease Co., and Sony Finance International Inc.

The new company, named "Satellite Japan Corp.", is capitalized at ¥100 million, financed 30% by Sony, 23% by Nissho Iwai, 22% by Marubeni, 11% by Orient Lease, 10% by Japan Lease, and 4% by Sony Finance. The president post of the company is held by Sony Corp. Vice President Masahiko Morizono.

The company will research industrialization of selling or leasing transponders of telecommunications satellites to be purchased from RCA Astro Electronics, an American satellite maker which has tied up with Sony.

Satellite Japan is the third venture of this kind in Japan, following the ones founded by a group of C. Itoh & Co. and Mitsui & Co., and another group of Mitsubishi Corp. and Mitsubishi Electric Corp.

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DEPARTMENT OF DEFENSE
JCS MESSAGE CENTER

KATO VISIT
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ROUTINE
R 170501Z APR 85
FM COMUSJAPAN YOKOTA AB JA//J74//
TO AIG 8700
CG FMFPAC
COMDESRON FIFTEEN
CTF SEVEN SEVEN
CTF SEVEN SEVEN

ZYUW RUADJNA1715 1070838
CG FIRST MAW
CG III MAF
COMSEVENTHFLT
CTF SEVEN FOUR
USS MIDWAY

PREFECTURAL ROAD NO. 104 WAS CLOSED COMPLETELY. THE LOCAL POPULACE AND REFORMIST ORGANIZATIONS REACTED STRONGLY TO THE PRACTICE FIRING. THE PREFECTURAL GOVERNMENT HAD EARLIER ASKED THE USF FOR REDUCTION IN SCALE OF THE FIRING PRACTICE.

6. YOKOTA COMPLAINS OF NOISE FROM MOTORCYCLISTS: (ASAHI) - RECENTLY, YOKOTA AB COMMANDER WOHLFEIL ASKED TACHIKAWA CITY MAYOR KISHINAKA TO TAKE SOME REMEDIAL MEASURES AGAINST NOISY MOTORCYCLE RACES OF JAPANESE YOUTHS ON A CITY ROAD ADJACENT TO THE SOUTHERN SECTION OF YOKOTA AB. IT IS EXTRAORDINARY THAT THE AMERICAN MILITARY HAS COMPLAINED AGAINST JAPANESE NOISE. ON RECEIVING THE AMERICAN REPRESENTATION, THE TACHIKAWA CITY MAYOR REMARKED THAT USFJ IS GOOD AT DEALING WITH BIG DEFENSE BUT SEEMS TO BE BAD AT SMALL DEFENSE.

7. SOVIET FLOTILLA: (MOST PAPERS) - THE MSO ANNOUNCED ON THE 18TH THAT THE SOVIET FLOTILLA, WITH CARRIER NOVOROSSIYSK AS FLAGSHIP, PROCEEDED INTO THE OKHOTSK SEA PASSING THROUGH THE KUNASHIRI CHANNEL AT ABOUT NOON OF THE 18TH AND WAS MOVING WESTWARD AT A SPEED OF 20 KNOTS PER HOUR IN THE WATERS NORTH OF SHIRETOKO POINT, HOKKAIDO, ABOUT 1430 HOURS THAT DAY. THE FLOTILLA IS EXPECTED TO ENTER THE JAPAN SEA AFTER PASSING THROUGH THE SOYA STRAIT ON THE MORNING OF THE 17TH. (ASAHI) - IT SEEMS THAT THE SOVIET FLOTILLA WANTED TO DEMONSTRATE A SOVIET NAVAL OPERABILITY IN THE JAPANESE "1,000-NAUTICAL-MILE" SEA AREAS WHEN IT STAGED A BIG EXERCISE IN THE CENTRAL PACIFIC RECENTLY. BT

UNCLAS

SUBJECT: JAPANESE PRESS TRANSLATIONS FOR WEDNESDAY, 17 APR 85 (NOTE: FOLLOWING ARE SUMMARY TRANSLATIONS APPEARING IN MAJOR JAPANESE NEWSPAPERS. APPEARANCE HEREIN DOES NOT MEAN STORIES ARE FACTUALLY ACCURATE AND DOES NOT CONSTITUTE ENDORSEMENT OF POINTS OF VIEW BY USFJ.)

1. SECDEF MEETS WITH JAPANESE AMBASSADOR IN D.C.: (MOST PAPERS) - ON THE 15TH, SECDEF WEINBERGER TOLD THE NEWLY ASSIGNED JAPANESE AMBASSADOR TO THE U.S. MATSUMAGA, WHO VISITED HIM FOR COURTESY PURPOSES, THAT JAPAN AND THE U.S. ALIKE ARE REQUIRED TO FURTHER INCREASE THEIR DEFENSE FORCE AND THAT THEIR EFFORTS TO THIS END MUST BE "VISIBLE" IN LIGHT OF AFFAIRS INVOLVING THE U.S. CONGRESS. (ASAHI) - ALTHOUGH THE SECDEF DID NOT REFER TO ANY SPECIFIC THING WHEN HE POINTED TO THE NEED FOR "VISIBLE" EFFORTS IN DEFENSE INCREASE, HE APPARENTLY REFLECTED THE U.S. GOVERNMENT'S DESIRE FOR JAPAN'S ABOLITION OF THE 1 PCT OF GNP FRAMEWORK ON DEFENSE EXPENDITURES. (SANKEI) - WEINBERGER ASKED MATSUMAGA FOR FURTHER EFFORTS ON THE JAPANESE SIDE TO SOLVE THE NLP ISSUE. HE ALSO SAID HE IS LOOKING FORWARD TOWARD A VISIT TO THE U.S. OF JDA DIRECTOR GENERAL KATO.

2. NLP:

(NIPPON KEIZAI) - THE JDA AND DFAA HAVE FORMULATED A BASIC POLICY FOR THE SETTLEMENT OF THE NLP ISSUE, THE BIGGEST PROBLEM PENDING IN THE AREA OF JAPAN-U.S. DEFENSE COOPERATION. MAJOR POINTS FEATURING THE BASIC POLICY INCLUDE: (1) THAT THE GOVERNMENT WILL STRIVE FOR THE SETTLEMENT OF THE ISSUE AS A GOVERNMENT-WIDE PROBLEM, WITH THE JDA PLAYING A PRINCIPAL PART, ASSISTED BY THE FOREIGN OFFICE, FINANCE MINISTRY, TRANSPORTATION MINISTRY, HOME AFFAIRS MINISTRY, ENVIRONMENT AGENCY AND NATIONAL LAND AGENCY, (2) THAT THE ULTIMATE GOAL IS TO CONSTRUCT A NEW NLP SITE ON MIYAKE ISLAND AND (3) THAT THE GOVERNMENT WILL IMPLEMENT THREE STOP-GAP PROGRAMS, SHORT, INTERMEDIATE AND LONG RANGE, IN THE MEANTIME. AS STATED BY DFAA OFFICIALS, IT WILL BE IN SIX OR SEVEN YEARS, IF A MIYAKE NLP PLAN IS FINALIZED, THAT CONSTRUCTION OF A NEW NLP SITE CAN BE COMPLETED THERE BECAUSE OF ENVIRONMENTAL ASSESSMENT AND OTHER NECESSARY PROCEDURES. SO, THE JDA AND DFAA PLAN TO IMPLEMENT STOP-GAP REMEDIAL MEASURES IN THE MEANTIME - (1) FROM A SHORT RANGE POINT OF VIEW, TO POSITIVELY DEVELOP SOUND-PROOF WORK ON RESIDENTIAL BUILDINGS NEAR NAF ATSUGI (FOR CONTINUED NLP AT ATSUGI) AND (2) FROM AN INTERMEDIATE RANGE POINT OF VIEW, TO HAVE THE USF CONDUCT NLP AT SEVERAL DIFFERENT EXISTING BASES OTHER THAN NAF ATSUGI. JDA DIRECTOR GENERAL KATO WILL SHOW THE ABOVE PLAN TO AMERICAN AUTHORITIES WHEN HE VISITS THE U.S., PROBABLY, THIS JUNE, SEEKING AMERICAN UNDERSTANDING.

3. MSDF SHIPS PORT CALLS IN CHINA:

(MAINICHI) - A JDA SECTION CHIEF REVEALED BEFORE THE UPPER HOUSE FOREIGN AFFAIRS COMMITTEE ON THE 18TH THAT THE JDA IS NOW STUDYING THE MATTER AS TO WHETHER TO PRESENT THE CHINESE SIDE WITH A PLAN FOR MSDF SHIPS PORT CALL AT SHANGHAI. HE THUS INTIMATED THE POSSIBILITY OF JDA VICE DIRECTOR GENERAL NATSUME PRODUCING THE ABOVE PLAN WHEN HE VISITS CHINA EARLY NEXT MONTH.

4. N-SUB LEAVES YOKOSUKA:

(YOMIURI, "ORYO SHIMBUN") - THE LOS ANGELES CLASS ATTACK-TYPE N-SUB, NEW YORK CITY (8,000 TONS), DEPARTED FROM YOKOSUKA NS AT 1000 HOURS ON THE 18TH. SHE HAS BEEN AT YOKOSUKA SINCE THE 12TH.

5. USMC LIVE AMMO FIRING PRACTICE IN OKINAWA:

(TOKYO TIMES) - ON THE AFTERNOON OF THE 18TH, A USMC REGIMENT IN OKINAWA CONDUCTED LIVE AMMO PRACTICE FIRING WITH 156-MM "ATOMIC GUNS" AT THE CAMP HANSEN RANGE. DURING THE PRACTICE FIRING, OKINAWA

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ACTION ASD:PA(1) DIA(1) (U,A)
INFO J3(3) NIDS(1) J5(2) SECDEF:(1) SECDEF(9) USDP(11)
NMIC(1) AT-3(1) VP(1) DIO(1) DE-2(1) DE-3(1) DE-2(1)
DB-2B(1) DB-2C(1) DB-2D(1) DB-2D1(1) DB-4G(1)
DB-5D3(1) DT-5(1) DC-4A3(1)
+SAFE

MCN=85107/02411

TOR=85107/0843Z

TAD=85107/0851Z

CDSN=MAK256

PAGE 1 OF 1
170501Z APR 85

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REIBASE

B001Q

SCHEDULE FOR MR. KELLY
MONDAY, 22 APRIL 1985

8:15 ASD/ISA Staff Meeting

11:00 State (Mr. Anderson)

12:00 Lunch w/Mr. Kuroiwa

2:00 Cong. Solomon, Rm. 2342
RHOB

4:30 State - EA Informal

56064
Lt Col Jim
Klusman



INTERNATIONAL
SECURITY AFFAIRS

~~CONFIDENTIAL~~
ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

TO: EAP
ELA says
KATO VISIT
800IR
RELEASE

25 APR 1985

JA

MEMORANDUM FOR MR. ARMITAGE

SUBJECT: Guest List for SECDEF Dinner MOD Kato

(C) SECDEF has agreed to host a stag dinner in his dining room in honor of Minister Kato on Monday, June 10.

(U) Please make any additions/deletions you desire on the proposed guest list before we send it to the Secretary via Protocol.

Japanese side (based on estimate of party per past visits):

- Minister Koichi Kato ✓
- Ambassador Nobuo Matsunaga
- Mr. Shinji Yazaki, Director General Defence Bureau, JDA
- Mr. Kiyoshi Furukawa, Director General Foreign Relations, JDA
- Mr. Nagao Hyodo, Minister, Japanese Embassy
- Mr. Masaki Orita, Political Counselor Japanese Embassy
- Mr. Sadaaki Numata, Director Security Division, MOFA
- Mr. TBD Director Public Relations Division, JDA
- Lt Gen (or Col) TBD JSDF, Joint Staff
- MGen Yoshio Ishikawa, ASDF, Defense Attache
- Colonel T. Tamura, GSDF, Army Attache
- Captain Yasuo Wakabayashi, MSDF, Naval Attache
- Mr. Y. Orihara, Foreign Relations Division, JDA
- Mr. Ken Shimanouchi, Interpreter, Japanese Embassy
- Mr. TBD Private Secretary
- Mr. M. Shinkai, Official Secretary
- Lt TBD JSDF, Aide

great name

JA
Did JAK
have to pen
US own name
R/ell

U.S. Side

- SECDEF ✓
- DEPSECDEF ✓
- USDP ✓
- ASD/ISA ✓
- Dr. Gaston Sigur, Spec. Asst to the President for Asia, NSC
- SECAR
- SECNAV
- SECAF
- CSA

- CNO
- CSAF
- AMB Wm. Sherman, DAS East Asia, DOS
- LTGen Abrahamson ✓
- MGen Powell DASD/ISA/EAP
- COMO Cossey
- Mr. Auer
- COL Richard Bowers, Air Attache, Escort Officer
- Mr. Cornelius Iida, Interpreter

DECLASSIFIED
BY APA
DATE 4/13/99

J. Kelly

Viv
Jen

James A. Kelly
Deputy Assistant Secretary
(East Asia & Pacific Affairs)

Classified by: DIR, EAPR
Declassify on: Originating Agency's Determination Required

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DEPARTMENT OF DEFENSE
JCS MESSAGE CENTER

KATO VISIT

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ROUTINE
R 140501Z MAY 85
FM COMUSJAPAN YOKOTA AB JA//J74//
TO AIG 8700
CG FMFPAC
COMDESRON FIFTEEN
CTF SEVEN FIVE
CTF SEVEN SEVEN

ZYUW RUADJNA2443 1340935

CG FIRST MAW
CG III MAF
COMSEVENTHFLT
CTF SEVEN FOUR
USS MIDWAY

*recommended
release*

UNCLAS

SUBJECT: JAPANESE PRESS TRANSLATIONS FOR TUESDAY, 14 MAY 85
(NOTE: FOLLOWING ARE SUMMARY TRANSLATIONS APPEARING IN MAJOR JAPANESE NEWSPAPERS. APPEARANCE HEREIN DOES NOT MEAN STORIES ARE FACTUALLY ACCURATE AND DOES NOT CONSTITUTE ENDORSEMENT OF POINTS OF VIEW BY USFJ.)

1. CIA CHIEF IN TOKYO:

(NIHON KEIZAI, SANKEI, TOKYO SHIMBUN) - DIRECTOR WILLIAM CASEY OF THE CIA CAME TO JAPAN SECRETLY BY A USF PLANE ARRIVING AT YOKOTA AB ON THE MORNING OF THE 13TH, AND HAD TALKS WITH FOREIGN MINISTER ABE AND JDA DIRECTOR GENERAL KATO IN TOKYO BEFORE NOON. THIS WAS CONFIRMED BY GOVERNMENT SOURCES HERE ON THE NIGHT OF THE 13TH. CASEY STOPPED OVER IN TOKYO AFTER VISITING THE PHILIPPINES. AT THE TALKS, THE CIA CHIEF AND JAPANESE LEADERS EXCHANGED VIEWS ON THE RECENT PHILIPPINE SITUATION. THEY ALSO DISCUSSED MATTERS OF MUTUAL INTEREST ABOUT THE PROCEEDINGS OF JAPAN-CHINA DEFENSE TALKS THIS TIME WITH THE VISIT TO CHINA OF JDA VICE DIRECTOR GENERAL NATSUME. FOREIGN MINISTER ABE AND OTHER JAPANESE OFFICIALS SOUGHT A CIA BRIEFING ON THE CONFERENCE LAST MONTH IN THE U.S. OF ROK PRESIDENT CHUN DOO HWAN AND PRESIDENT REAGAN. THEN, IT SEEMS, IN-DEPTH DISCUSSION DEVELOPED BETWEEN THE TWO PARTIES REGARDING BALANCE OF POWER BETWEEN TEH CHUN REGIME AND ROK OPPOSITION PARTIES WHOSE INFLUENCES HAVE BEEN GAINING MOMENTUM SINCE THE RECENT GENERAL ELECTION IN SOUTH KOREA.

2. IKEGO ISSUE:

(YOMIURI) - AT A PRESS INTERVIEW ON THE 13TH, DFAA VICE DIRECTOR GENERAL UMEOKA SUGGESTED THE POSSIBILITY OF SKIPPING PRESENTATION TO THE LOCAL POPULACE OF THE USF IKEGO HOUSING CONSTRUCTION PROGRAM IF THE ZUSHI CITY ADMINISTRATION IS RELUCTANT TO OFFER A PUBLIC FACILITY FOR THE PRESENTATION NOW THAT MORE THAN A MONTH HAS PASSED SINCE THE DFAA FORWARDED AN ENVIRONMENTAL ASSESSMENT REPORT (TO THE KANAGAWA PREFECTURAL GOVERNMENT). THE DFAA HAS BEEN SHOWING IMPATIENCE WITH A DELAY IN FORMAL PROCEDURES INVOLVING LOCAL ADMINISTRATIONS. IN FACT, THE INITIAL MEETING HAS NOT BEEN HELD YET. THE ADOPTION BY THE ZUSHI CITY ASSEMBLY ON THE 11TH OF A MOTION FOR QUICK CONSTRUCTION OF THE IKEGO HOUSING AREA APPARENTLY PROMPTED THE DFAA TO DECIDE ON SKIPPING A PRESENTATION AS THE CASE MAY BE.
BT

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ACTION ASD:PA(1) DIA(1) (U,A)
INFO J3(8) NIDS(1) J5(2) SECDEF:(1) SECDEF(9) USDP(11)
NMIC(1) AT-3(1) VP(1) DIO(1) DE-2(1) DE-3(1) DB-2(1)
DB-2B(1) DB-2C(1) DB-2D(1) DB-2D1(1) DB-4G(1)
DB-5D3(1) DT-5(1) DC-4A3(1)
+SAFE

MCN=85194/03955 TOR=85134/1447Z TAD=85134/1509Z

CDSN=MAK641

PAGE 1 OF 1
140501Z MAY 85

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>>> P R I O R I T Y <<<

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*Jim Kelly -
Jim Am -
Pls a quick bk
to Timon tech. fr
that we'll have
this with Kato
at the meeting
Plm in the
priority
D*

~~CONFIDENTIAL~~

ISO DIA PLEASE PASS TO OSD
PERSONAL FOR ADM WILLIAM J. CROWE AND MR. RICHARD L. ARMITAGE FROM
LT GEN TIXIER
DELIVER DURING NORMAL DUTY HOURS

I AM SOLICITING YOUR HELP TO ALLEVIATE A SITUATION THAT IS
ARISING OUT HERE THAT I FEEL WILL IMPACT COMMANDER, US FORCES, JAPAN
ABILITY TO INTERACT EFFICIENTLY WITH JDA AND GOJ. THERE SEEMS TO BE
A CONCENTRATED EFFORT TO BLOCK OUT MEETINGS BETWEEN MINISTER KATO AND
ME. AT FIRST BLUSH I THOUGHT IT WAS ONLY DOWN AT BUREAUCRATIC
LEVEL BELOW KATO. BUT RECENTLY EVENTS HAVE INDICATED KATO IS A PLAYER.
I DO NOT KNOW ANY REASON FOR THIS BUT I HAVE NOT BEEN ABLE TO MEET
WITH HIM NOW FOR SOME TIME. THERE IS ALWAYS ONE EXCUSE/REASON
OR ANOTHER TO PRECLUDE OUR GETTING TOGETHER. I SENSE THAT KATO DOES
NOT FULLY UNDERSTAND OR APPRECIATE POSITION OF COM US FORCES,
JAPAN AS SENIOR DEPARTMENT OF DEFENSE REPRESENTATIVE WITH
NEGOTIATING POWER, SIGNATORY POWER, ETC. SO FAR EFFORTS TO MAKE HIM
AWARE HAVE BEEN UNSUCCESSFUL. I SOLICIT YOUR HELP IN YOUR MEETINGS
IF HIS STATESIDE TRIP TO EMPHASISE COMMANDER, US FORCES, JAPAN
POSITION AND IMPORTANCE. IF I CONTINUE TO BE BLOCKED FROM MEETINGS
OR DISCUSSIONS, I SEE TROUBLE. I BELIEVE WE SHOULD
FIX THIS PROBLEM IN THE BUD BEFORE IT BECOMES UNWORKABLE.
APPRECIATE ANY HELP YOU CAN GIVE AND AM CERTAINLY OPEN TO ANY

DECLASSIFIED
BY APA
DATE 4/13/99

~~CONFIDENTIAL~~
~~PERSONAL FOR~~

~~CONFIDENTIAL~~
~~PERSONAL FOR~~

PAGE 2 MLN#29615
IAN#405-922706 OCDSN#MDP658

>>> P R I O R I T Y <<<

SUGGESTIONS YOU MAY HAVE.
BE VERY RESPECTFULLY AND WARM REGARDS.
DECLAS: OADR
10172

JNNN

~~CONFIDENTIAL~~
~~PERSONAL FOR~~

RECEIVED

~~SECRET~~

COPY NUMBER 16

DEPARTMENT OF DEFENSE
JCS MESSAGE CENTER
+++PERSONAL FOR+++

BOOIBEZ

ZYUW RUADJNA2865 1260724

*P T-JCS
recommend
release*

IMMEDIATE
O 060630Z MAY 85
FM COMUSJAPAN YOKOTA AB JA//JOO//
TO USCINCPAC HONOLULU HI
INFO SECDEF WASH DC//ISA//

~~SECRET PERSONAL FOR~~ ADM CROWE INFO MR ARMITAGE FROM
LT GEN TIXIER

DELIVER DURING NORMAL DUTY HOURS

SUBJ: NEW TONE TO BILATERAL RELATIONSHIP

1. MEMBERS OF MY STAFF AS WELL AS PERSONNEL OF EMBASSY POL MIL
HAVE NOTICED A CHANGING ATTITUDE WITHIN JDA. DEF MIN KATO PRESSING
FOR NEW TONE TO OUR BILATERAL RELATIONSHIP EMPHASIZING EQUALITY.
THIS APPROACH EXPRESSED BY DIRECTOR GENERAL DFAA, MR SAXXA TO DFAB
DIRECTORS AT RECENT CONFERENCE. HE EMPHASIZED EQUAL, SOVEREIGN
STATUS OF US/GOJ BILATERAL RELATIONSHIP CAUTIONED REPEATEDLY AGAINST
"OCCUPATION MENTALITY" AND ENJOINED HIS STAFF TO PURGE THIS MIND SET
FROM THEIR ORGANIZATIONS. HE STATED GOJ OFFICIALS SHOULD "FIGHT
HARD" TO ENSURE US COUNTERPARTS TREAT THEM WITH MUTUAL RESPECT.

2. WHAT LONG TERM EFFECT THIS WILL HAVE HERE IN TOKYO AS WELL AS
BASE COMMANDERS WITH RESPECTIVE DFAB COUNTERPARTS IS CONJECTURE.
BELIEVE COOPERATION WILL CONTINUE, BUT NAME OF THE GAME HAS
BEEN CHANGED TO HARD BALL.

3. VERY RESPECTFULLY AND WARM REGARDS, ED.

DECL: OADR BT

3 MAY 1985

OFFICE OF THE ASSISTANT SECRETARY
INTERNATIONAL SECURITY AFFAIRS

J. Auer

*Will just have to be more
explicit in our presentation*

Any units?

*From: Mil Asst
To: J AFR EAP*

*Attached msg forwarded
w/ RLA comment*

PERSONAL
This is
if

DECLASSIFIED
BY APA
DATE 4/13/99

INFO: MR ARMITAGE/USDP:ISA

ACTION
INFO SECDEF: (1) SECDEF (9) USDP:ISA (1)

MCN=85126/00966 TOR=85126/0731

4/14
[Signature]
R. COLBY, JR.
CDR USN
Military Assistant

~~SECRET~~

B00/BN KATO
RELEASE

Proposed Guest List for Secretary of Defense Dinner (Stag) iho
MOD of Japan (Koichi Kato), Monday, June 10, 1985, 6:30 cocktails,
7:00 dinner, Room 3E912

- 2 The Secretary of Defense
- R The Deputy Secretary of Defense
- a Secretary of the Army
- R Secretary of the Navy
- R Secretary of the Air Force
- R General Vessey
- R Admiral Watkins
- R General Gabriel
- R General Wickham
- R General Kelley
- ? a Dr. Ikle
- a Dr. Gaston Sigur
- a Mr. Armitage
- a Lt/General Abrahamson
- a Mr. Kelly
- a Amb. Sherman
- a MajGeneral Powell
- a COMO Cossey
- a Mr. Auer
- a Colonel Richard Bowers (Escort Officer)
- a Mr. Cornelius Iida (Interpreter)
- a [faint]
- R [faint]
- R [faint]
- a [faint]
- a [faint]
- a [faint]
- a [faint]

GUEST LIST
FOR
SECRET
DINNER
FOR KATO
10 JUNE

Bay	
JC	
JAK	

Guest List for SecDef/MOD Japan Dinner - June 10, 1985 (Cont'd)

The Minister of Defense (Koichi Kato)

Ambassador Matsunaga

Mr. Yazaki (Dir. General Defense Bureau, JDA)

~~Mr. Shiki Nishikubo (Dep. Vice Minister, Def. Agency)~~

Mr. Furukawa (Dir. General Foreign Relations, JDA)

Mr. Hyodo (Minister, Japanese Embassy)

Mr. Orita (Political Counselor, Japanese Embassy)

Mr. Numata (Director, Security Division, MOFA)

~~Mr. Masao Morimoto (Dir. Public Relations Div., JDA)~~

~~Lt/General or Colonel (TBD) (JSDF, Joint Staff)~~

MajGeneral Ishikawa (ASDF, Defense Attache)

Colonel Tamura (GSDF, Army Attache)

Captain Wakabayashi (MSDF, Naval Attache)

~~Mr. Orihara (Foreign Relations Div., JDA)~~

Mr. Shimanouchi (Interpreter, Japanese Embassy)

~~Mr. (TBD) (Private Secretary)~~

Mr. Shinkai (Official Secretary)

~~Mr. (TBD) (JSDF, Aide)~~

Mr. Masatoshi Shinko
Mr. Ofuru (Japanese Embassy, First Secretary)

Col. Otani

LtCol Shigemura

Edr Kohno

Mieting

Minister

Ambassador

Yazaki

Nishihiro

Furukawa

~~Morotomi~~ OK but
no
dinner

Shinkai

Nohara

~~Iwaijunt~~

Shinbo

Shida

Nunata

Orita

Shunanouchi

Ogura

Ishikawa

Wakabayashi

Tamura

Dinner

Hyodo

Konno

Shigemura

Otani

Aeronautics and Space Administration, or its elaborate subsidies to agribusiness.

Such realities could turn the US-Japan industrial-policy talks into ammunition for forging closer economic cooperation, perhaps inching towards an alliance at the expense of the Europeans, under the auspices of free trade. In all likelihood, the Reagan administration will slowly adopt some aspects of industrial policy such as working with the private sector to facilitate research and development, or backing moves to waive anti-trust regulations to permit collective research and development among US companies.

Given the deep-seated American aversion to government tampering with the myth of free enterprise, if Reagan can fashion what can be packaged as a free-market response to the problems industrial policy seeks to solve, he may well outflank the Democrats as well as ease tensions with Japan. The administration can point to concrete successes in prodding Japan to open its markets. The recent passage by the Japanese Parliament, the Diet, of legislation on import standards and procedures is one of many areas of progress the administration can point to in defusing protectionist sentiment.

Moreover, Japanese support for Reagan's emphasis on expanding the General Agreement on Tariffs and Trade to services and Nakasone's success in boosting Tokyo's security role, can be seen to encourage the administration's effort to move beyond bilateral problems to multilateral solutions involving its growing partnership with Japan.

By the same token, as industrial policy moves from idea to reality, from theory to practice, the Democrats drift towards a more retrograde implementation of that policy which spells trouble for Japan. It would be politically easier to adopt the adjustment aspects of industrial policy, emphasising the troubled smoke-stack industries and protectionist measures, than to make the leap to unorthodox and untried ideas.

The notion of the government "playing God" and picking winners and losers is the most controversial dimension of the industrial-policy debate and the hardest for the US to digest intellectually. Government allocation of large amounts of capital through a finance corporation or national industrial development bank will certainly be the most difficult aspect of industrial policy for which to create a consensus, and to implement.

This being the case, a Democratic victory in 1984 could put the US-Japan partnership — or many elements of it — in suspended animation. So far, the novelty of industrial policy has mystified many. But the critics have only begun to play their hand. As the debate heats up, as it undoubtedly will next year when the election campaign swings into top gear, much of the novelty will wear off and the danger of industrial policy becoming a pale image of the hold new horizons promised by its advocates will increase. □

Energy cooperation: The pieces are starting to fit

By Robert Manning



Washington: There is a seemingly natural market relationship between Japan's large capital reserves, substantial markets and energy dependence and the vast Alaskan oil and gas reserves and United States coal resources on the other side of the Pacific. Like pieces of a puzzle, these factors fit together to render US-Japan energy-cooperation a key component — with economic, trade and security dimensions — in the quietly unfolding Pacific basin partnership.

But a number of obstacles, ranging from parochial US domestic political concern on environmental hazards, to questions of financial feasibility, remain before such energy cooperation can be realised. That there is a growing mutual interest in both Washington and Tokyo in developing energy bonds as part of a strengthening of the alliance is reflected in the decision to establish the US-Japan Energy Working Group after Japanese Prime Minister Yasuhiro Nakasone's visit in February.

At present, the US sells only a small amount of Alaskan natural gas to Japan and under the US "Atoms for Peace" programme helped start its burgeoning nuclear industry. Both US and Japanese officials are optimistic about the prospects of adding Alaskan oil and US coal in coming years to the gas exports, though in all three cases it will be at least several years before anything gets off the drawing board.

Nonetheless, the underlying logic is compelling. By bolstering its energy ties with the US, Japan would: increase its own energy security and diversity of supply; heighten US-Japan strategic interests in the North Pacific while devaluing the strategic importance of the Straits of Malacca; reverse the lopsided trade imbalance, thus easing trade tensions, and create a deeper economic underpinning to the US-Japan partnership.

For the administration of US President Ronald Reagan, exporting energy to Japan is an economic strategic idea whose time has come. The hard realities of devising workable schemes to realise the idea, however, are complex and promise to lead to protracted negotiations before anything concrete is attained.

The sources of energy — oil, gas and coal — present their own set of problems, but as Alaskan natural-gas exports would require building an 800-mile, multi-billion-dollar pipeline and coal would require a sweeping conversion of Japanese power-generating plants, exporting Alaska's North Slope oil is the development

most likely to occur in the shorter term. "Exporting Alaskan oil to Japan, State Department official told *THE REVIEW*, "is simply a matter of politics will, that is to say, overcoming opposition led by the maritime industry and union. With current production at 1.5 million barrels a day (b/d) and proven reserves of 9.6 billion barrels, oil from Alaska Prudhoe Bay oilfields is now transported to the US West Coast and Gulf Coast. Japanese officials are interested in Alaskan oil to reduce dependence on Middle East crude, though aware that the Americans are wary about exporting energy sources following the oil crisis of 1970s.

The export of Alaskan oil is prohibited by several legislative restrictions, primarily the 1979 Export Administration Act, which currently is being revamped. During the congressional hearings on proposed extension of the act (which due to expire in September), the Reagan administration has testified that it would like to see the ban lifted. At any rate there are no immediate plans to export Alaskan oil.

Well-placed White House sources say that under Reagan, with the support of the Department of Energy, State Department and the Pentagon, favours exporting Japan a small amount — no more than 200,000 b/d. Such a move would set a precedent and lay the groundwork for larger oil collaboration in the future. Japanese officials view it as a symbolic, but important, first step.

But a well-organised lobby largely comprised of the maritime industry and unions has led the opposition to export Alaskan oil to Japan. Legislation to extend indefinitely the provisions of the Export Administration Act restricting Alaskan oil exports has found support from 177 congressmen in the House of Representatives; a companion bill in the Senate has the backing of 25 senators.

Opponents of the ban's lifting also cite national security grounds, arguing that the future energy crisis might force Washington to choose between Japan and its own needs. They argue that if oil were shipped to Japan, it would hurt the US fleet which is protected by legislation requiring US-flag ships to carry to US ports and that such a move would be interpreted as a "concession" by Japan which would encourage what are viewed as Tokyo trade practices.

Although on close scrutiny most of the arguments against exporting the oil appear dubious and have been challenged in two recent studies, "it is unlikely that a president will spend his political capital fighting such a strong sentiment in Congress," a State Department official told

BOOIBO
RELEASE

KATO

PARTICIPANTS FOR THE NMCC TOUR/SDI BRIEFING

Minister Koichi Kato*

Mr. Shinji Yazaki*

Mr. Seiki Nishihiro

Mr. Kiyoshi Furukawa*

Mr. Masakatsu Shinkai

Mr. Yukio Nohara

Mr. Masatoshi Shinbo

Mr. Sadaaki Numata*

Ambassador Nobuo Matsunaga*

Counselor Masaki Orita*

1st Secretary Ken Shimanouchi

1st Secretary Kazuo Ofuro

Major General Yoshio Ishikawa*

Captain Yasuo Wakabayashi*

Colonel Tomotoshi Tamura

Lt Colonel Katsuhiko Shigemura

Commander Hirotohi Kohno

Colonel Richard L. Bowers (USAF)*

Mr. Cornelius Iida (State Department)*

Mr. James Auer (OSD/ISA)*

* Indicates those individuals who will attend DIA Briefing

ITINERARY

**BOMB
RELEASE**

KATO

(US Tour Group, NIDS)

DATE	TIME	LEAVE & ARRIVAL	FLT NO	PLACE TO VISIT	PLACE TO STAY
June 16 (Sun)	1500	Lv Tokyo	JL-66		Colorad Springs
	0845	Ar Los Angeles			
	1140	Lv Los Angeles	CO-10		
	1450	Ar Denver			
	1520	Lv Denver	Vehicle		
	1730	Ar Colorado Springs			
June 17 (Mon)	AM			*North American Air Defense Command	Washington, D.C.
	1330	Lv Colorado Springs	CO-206		
	1400	Ar Denver			
	1530	Lv Denver	CO-382		
	2045	Ar Washington			
June 18 (Tue)	AM			*Department of Defense *The Joint Staff *Office of the Assistant Secretary of Defense (International Security Affairs)	Washington, D.C.
	PM			*Arlington National Cemetery *Embassy of Japan *City Tour	
June 19 (Wed)	AM			*National Defense University *Industrial College of the Armed Forces	Washington, D.C.
	PM			*National War College	
				*Reception hosted by Group Leader	
June 20 (Thu)	0935	Lv Washington	CO-385		Honolulu
	1345	Ar San Francisco	CO-15		
	1745	Lv "	PA-125		
	2110	Ar Honolulu			
June 21 (Fri)	AM			*Consulate-General of Japan at Honolulu *Headquarters of the US Pacific Command *Naval Facilities in Pearl Harbor	Honolulu
	PM			*Historical Site in Island	
June 22 (Sat)	1045	Lv Honolulu	JL-71		
June 23 (Sun)	1345	Ar Tokyo			



ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

KATO VISIT
B001BQ
RELEASE

In reply refer to:
I-07890/85

INTERNATIONAL
SECURITY AFFAIRS

MEMORANDUM FOR SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY

SUBJECT: Schedule for Japanese MOD Visit (U) -- ACTION MEMORANDUM

(S) Per Tab A the Japanese have formally requested locking in the dates for Minister Kato's visit to Washington which you agreed to per Tab B.

(U) In view of the fact that Kato has not been here before and that he will likely be hosting you in Tokyo several weeks later, I recommend you approve a schedule similar to those provided his predecessors so as to help his image as a potential future prime minister of Japan.

(U) Please indicate your decision below for events with respect to the Minister's visit.

Full honors Ceremony, Monday, June 10

Approve _____

Disapprove _____

Meeting Following Ceremony

Approve _____

Disapprove _____

Lunch Following Meeting

Approve _____

Disapprove _____

Host Dinner Monday Evening

Approve _____

Disapprove _____

Ambassador's Dinner, Tuesday, June 11

Accept _____

Regret _____

(U) At this time it is unknown whether Mrs. Kato will accompany the Minister; however, informally, the Japanese have indicated she is unlikely to accompany him.

Attachments
a/s

J. E. Auer, ISA/EAPR, x57886

CLASSIFIED BY: DIR, EAPR
DECLASSIFY ON: OADR

DECLASSIFIED
BY: APA
DATE: 4/13/99

BOO/BR
RELEASEIn reply refer to:
I-22519/85

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Key Issues in Japanese MOD Visit (C)

(C) The following are the key issues in the visit of Koichi Kato (kah-toh) on Monday, June 10:

1. Timing of Decision to Break One Percent of GNP Limit -- this involves political maneuvering following the illness of LDP Kingpin Tanaka. Kato will raise this with you privately and seek your support for an early decision. Recommend you give it.
2. Explanation of 1986-1990 Mid Term Defense Plan -- Kato will explain JDA's good draft which will increase air and naval capability, interoperability, and sustainability. Your support will make it less likely to be reduced by the Finance Ministry.
3. Explanation of Situation regarding Miyake Jima for Night Carrier Landing Practice -- GOJ/LDP are in a full court press to get Miyake's agreement. Kato hopes you will be satisfied that GOJ is sincerely trying. It is; progress by late summer possible.
4. OTHR - Kato would like to initiate this discussion and hear your support for the GOJ's efforts with a few caveats on the need to work out problems such as technology transfer -- GOJ wants joint project but wants to create impression idea is for Japan only system, not a U.S. idea which is being forced on Japan--an image the press would like to convey.
5. SDI - Kato will listen to your support for SDI and will be briefed by LT General Abrahamson in the afternoon. GOJ has already endorsed the participation of Japanese industries but is laying the groundwork for eventual Government endorsement.

(C) FSX - We do not expect him to do so, but, it is possible that Kato may raise the issue of Japan's follow-on fighter (to the F-15) which would come on-line in the late 1990s. McDonnell Douglas is lobbying for buy American or at least co-production (as with the F-15), but many in Japan would like to make everything there but the engines. Engines will almost certainly be American. The GOJ has been advised of the possible political ramifications of building a better fighter (on top of better automobiles). If queried, I recommend you maintain the high road: Purpose of defense is not to redress trade balances. Tell Kato Japan may find the cost of developing its own fighter extraordinarily high, but we hope their decision will result in a high capability aircraft interoperable with U.S. Forces.

CLASSIFIED BY: DIR, EAPR
DECLASSIFY ON: OADR

DATE

5/9

6/10 (MON)

6/11 (TUE)

5/1

BOEBS
RELEASE
EVENTS

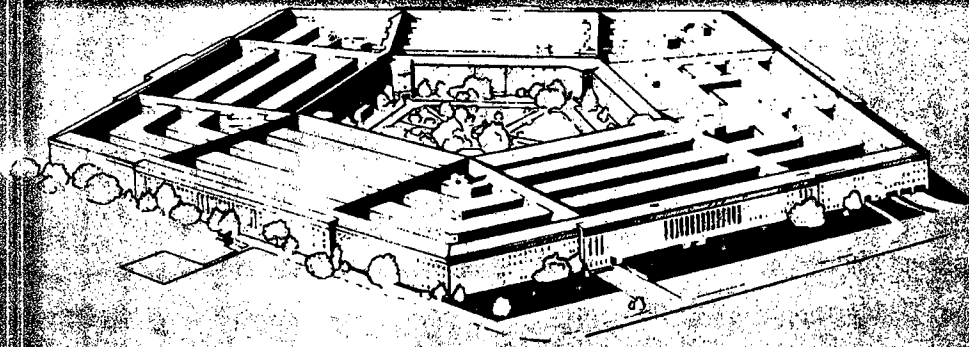
	Ar. Andrews AFB	5/9	6/10 (MON)	6/11 (TUE)	5/1
Defense Minis					
KATO, Koichi					
MAZAKI, Shinji					
ASHIHIRO, Seiki					
YUKAWA, Yoshi					
EROTOMI, Masuo					
SHINKAI, Masakatsu					
YARA, Yukio					
MAIZUMI, Takehisa					
MINBO, Masatoshi					
WIDA, Hidenori					
MUMATA, Sadaaki					
Ambassador MAESUNAGA					
Minister MURAZUMI					
Minister SATO					
Minister HYODO					
Counselor ORITA					
1st Secretary SHIMANOUCI					
1st Secretary OFURU					
Major General ISHIKAWA					
Captain WAKABAYASHI					
Colonel TAMURA					
Colonel CTANI	CP	CP	CP	CP	CP
Lt. Colonel SHIGEMURA	C	C	C	C	C
Commander KOHNO	H	H	PT	H	H
Counselor HARAGUCHI					
1st Secretary SATO					
1st Secretary HINEI					
1st Secretary KAWAMURA					
2nd Secretary NAGASHIMA					
JAFFE					
SAKAI					
ASAQVH					

PT = Pentagon Tour

I = Interpreter

CP = Command Post

C = Car



The Department of Defense

WELCOMES

HIS EXCELLENCY KOICHI KATO
DIRECTOR GENERAL
OF THE JAPAN DEFENSE AGENCY
JAPAN

guest of

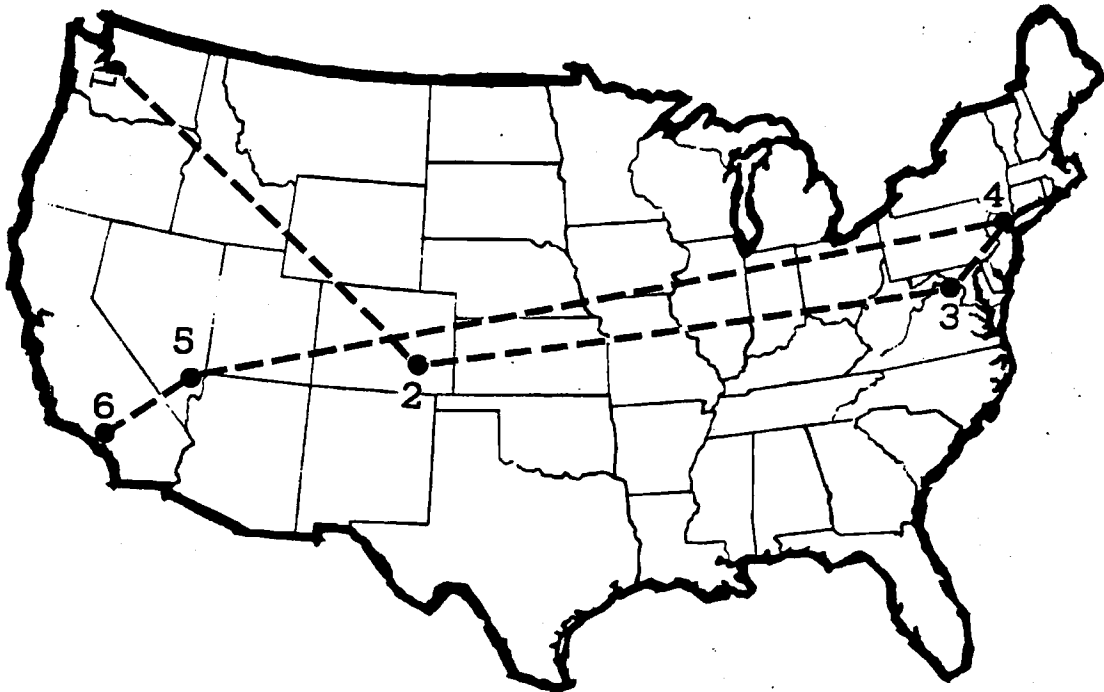
THE HONORABLE
CASPAR W. WEINBERGER
SECRETARY OF DEFENSE

7-13 JUNE 1985



International Affairs Division
Office of the Vice Chief of Staff
United States Air Force





FRIDAY-SATURDAY

7-8 JUN 85..... 1. SEATTLE, WA

SATURDAY-SUNDAY

8-9 JUN 85..... 2. PETERSON AFB, CO

SUNDAY-WEDNESDAY

9-12 JUN 85..... 3. WASHINGTON, DC

WEDNESDAY-THURSDAY

12-13 JUN 85..... 4. WEST POINT, NY
NEW YORK CITY, NY

THURSDAY

13 JUN 85..... 5. NELLIS AFB, NV
6. LOS ANGELES, CA



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C.

AF/CVAI

7 JUNE 1985

P R O G R A M
FOR THE VISIT OF
HIS EXCELLENCY KOICHI KATO
MINISTER OF STATE
DIRECTOR GENERAL, JAPAN DEFENSE AGENCY
7-13 JUNE 1985

LIEUTENANT COLONEL THOMAS R. YARBOROUGH, is USAF ACTION OFFICER
FOR THIS VISIT, AUTOVON: 227-1383; COMM: (202) 697-1383;
HOME: (703) 569-4407

ITINERARY
FOR THE VISIT OF
HIS EXCELLENCY KOICHI KATO
MINISTER OF STATE
DIRECTOR GENERAL, JAPAN DEFENSE AGENCY

7-13 JUNE 1985

(All Times Local)

FRIDAY
7 Jun 85

1035 PDT* Arrive Seattle-Tacoma International Airport via
JAL Flight 10. Met by Rear Admiral William J.
Holland, Jr., Commander, Submarine Group Five

Proceed to Bangor, Washington

1225 Arrive Bangor Submarine Base Officers' Club

1230 Luncheon in honor of Minister Kato hosted by
Admiral Holland

1315 Proceed to Headquarters, Submarine Group Nine

1330 Command Overview and Briefing

1415 Proceed to Delta Pier

1430 Tour Ohio-Class submarine

1530 Depart Bangor for Seattle via Winslow-Seattle Ferry

1715 Arrive hotel: Four Seasons Olympic Hotel
411 University Street
Seattle, WA 98101
Tel: (206) 621-1700

Remainder of evening as arranged by Japanese
Consulate

SATURDAY
8 Jun 85

Breakfast as desired in hotel

0900 Baggage ready for pickup

*Pacific Daylight Time

SATURDAY
8 Jun 85 (Continued)

0930 Depart hotel for Boeing Field

1000 Arrive Boeing Field Operations Complex

1030 PDT* Depart Seattle for Peterson Air Force Base (AFB),
Colorado, via USAF C-9 aircraft

ADVANCE WATCH ONE HOUR

Lunch served onboard aircraft

1355 MDT** Arrive Peterson AFB. Met by Lieutenant General
Donald C. Mackenzie, Deputy Commander in Chief,
North American Aerospace Defense Command (NORAD)

Proceed to NORAD Cheyenne Mountain Complex (NCOMC)
via helicopter to include aerial tour of Consol-
idated Space Operations Center, US Air Force
Academy, and Fort Carson

1440 Arrive NCOMC for security processing

1500 NORAD/Space Command Overview Briefing

1610 NCOMC tour to include:

- Missile Warning Complex
- NORAD Space Surveillance Center
- Air Defense Operations Center
- Command Post

1730 Depart NCOMC for hotel:

The Broadmoor
Lake Avenue and Lake Circle
Colorado Springs, CO 80901
Tel: (303) 634-7711

Remainder of afternoon at leisure

1925 Proceed to Bailey Stratta Room, Broadmoor

2000 Dinner in honor of Minister Kato hosted by General
Robert T. Herres, Commander in Chief, NORAD
DRESS: Civilian Informal

As Desired Return to quarters

*Pacific Daylight Time
**Mountain Daylight Time

SUNDAY
9 Jun 85

0855 Baggage ready for pickup

0900 Breakfast in the hotel with General Herres

1015 Depart hotel for Peterson AFB

1045 Arrive Peterson AFB Base Operations

1100 MDT* Depart Peterson AFB for Andrews AFB, Maryland, via
 USAF C-9 aircraft

 ADVANCE WATCH TWO HOURS

 Lunch served onboard aircraft

1715 EDT** Arrive Andrews AFB. Met by Mr. James A. Kelly,
 Deputy Assistant Secretary of Defense (East Asia
 and Pacific Affairs)

 Proceed to hotel:

 The Watergate Hotel
 2650 Virginia Avenue, N.W.
 Washington, DC 20037
 Tel: (202) 965-2300

 Remainder of evening as planned by Embassy of Japan

MONDAY
10 Jun 85

 Breakfast as desired in hotel

0945 Depart hotel for Pentagon

1000 Arrive Pentagon, River Entrance

 FULL HONORS ARRIVAL CEREMONY

1015 Private meeting with the Honorable Caspar W.
 Weinberger, Secretary of Defense. Room 3E880

1030 Group discussions hosted by Secretary Weinberger.
 Room 3E929

1200 Luncheon in honor of Minister Kato hosted by
 Secretary Weinberger. Room 3D854

*Mountain Daylight Time
**Eastern Daylight Time

MONDAY
10 Jun 85 (Continued)

1330 Briefing and Tour of the National Military
Command Center (NMCC). Enter via Guard Post #2

1400 Strategic Defense Initiative (SDI) Briefing.
DC Conference Room

1500 Soviet Trends and Capabilities Briefing.
DC Conference Room

1600 Depart Pentagon, River Entrance, for Watergate
Hotel

1615 Arrive hotel

1715 Depart hotel for National Press Building

1730 Press conference hosted by Minister Kato

1815 Depart for Pentagon, River Entrance

1830 Cocktails and dinner in honor of Minister Kato
hosted by Secretary Weinberger. Room 3E912

As Desired Return to hotel

TUESDAY
11 Jun 85

0800 Working breakfast hosted by Minister Kato in
Board Room, Watergate Hotel

0930 Depart hotel for the Hart Senate Office Building

0945 Office call with the Honorable Richard G. Lugar
Room 306

1030 Proceed to Arlington National Cemetery

1045 Wreath Laying Ceremony at Tomb of the Unknowns

1055 Return to hotel

1125 Proceed to the Japan Inn
1715 Wisconsin Avenue, N.W.
Washington, DC
Tel: (202) 337-3400

1140 Press luncheon hosted by Minister Kato

1340 Proceed to The White House (Northwest Gate)

TUESDAY
11 Jun 85 (Continued)

- 1400 Office call with Mr. Robert C. McFarlane, Assistant to the President for National Security Affairs (Tentative)
- 1430 Return to hotel
- 1500 Proceed to Department of State, 2201 "C" Street, N.W., Washington, DC (Diplomatic Entrance)
- 1515 Office call with the Honorable George P. Schultz, Secretary of State
- 1545 Return to hotel
- 1615 Proceed to the Cannon House Office Building, Independence Avenue and "C" Street, S.W., Washington, DC
- 1630 Office call with the Honorable Les Aspin, Chairman, House Committee on Armed Services. Room 442
- 1700 Return to hotel
- 1730 Proceed to National Press Building
- 1745 Press Conference hosted by Minister Kato
- 1830 Return to hotel
- 1915 Proceed to 4000 Nebraska Avenue, N.W., Washington, DC, Tel: (202) 234-2266
- 1930 Dinner in honor of Minister Kato hosted by His Excellency Noboo Matsunaga, Ambassador to the United States
DRESS: Civilian Informal
- As Desired Return to hotel

WEDNESDAY
12 Jun 85

- Breakfast as desired in hotel
- 0745 Baggage ready for pickup
- 0815 Depart hotel for Andrews AFB
- 0850 Arrive Distinguished Visitors' Lounge, Andrews AFB
- 0900 Depart Andrews AFB for Stewart Field, New York, via USAF C-9 aircraft

WEDNESDAY
12 Jun 85 (Continued)

0945 Arrive Stewart Field. Met by Brigadier General
Peter J. Boylan, Jr., Commandant of Cadets, United
States Military Academy (USMA)
Proceed to West Point, New York

1015 Arrive Administration Building, USMA

1020 USMA Command Briefing presented by General Boylan

1100 Corps of Cadets Briefing

1200 Proceed to Washington Hall

1205 Luncheon in the Cadet Dining Hall hosted by
General Boylan

1245 Tour USMA facilities

1400 Travel to Stewart Field

1430 Depart Stewart Field for LaGuardia International
Airport, NY, via USAF C-9 aircraft

1500 Arrive LaGuardia (Butler Aviation)
Proceed to hotel:
St. Moritz
50 Central Park South
New York City, NY
Tel: (212) 753-4500

1640 Depart hotel for 58 East 68th Street, Manhattan

1700 Attend session of Council on Foreign Relations

1830 Proceed to 333 East 47th Street, Manhattan

1900 Dinner in honor of Minister Kato hosted by the
Japan Society
DRESS: Civilian Informal

As Desired Return to hotel

THURSDAY
13 Jun 85

Breakfast as desired in hotel

0900 Baggage ready for pickup

THURSDAY
13 Jun 85 (Continued)

0930 Depart hotel for LaGuardia International Airport

1010 Arrive LaGuardia International Airport

1030 EDT* Depart New York for Nellis AFB, Nevada, via USAF
C-9 aircraft

RETARD WATCH THREE HOURS

Lunch served onboard aircraft

1245 PDT* Arrive Nellis AFB. Met by Major General Eugene H.
Fischer, Commander, USAF Tactical Fighter Weapons
Center (USAFTFWC)

1300 Flightline Tour and Static Display

1330 Range Group/Red Flag Briefing

1415 "Black Jack" (Radar Monitoring Instrumentation
Facility) Briefing

1430 Tour of the 4513th Adversary Threat Training Group

1515 Fighter Weapons School Briefing and Tour

1600 Air Combat Maneuvering and Instrumentation (ACMI)
Briefing

1645 64th Aggressor Squadron Briefing and Tour

1715 Tour USAF "Thunderbird" Squadron

1745 Proceed to Nellis AFB Base Operations

1800 Depart Nellis AFB for Los Angeles, California, via
USAF C-9 aircraft

Snack served onboard aircraft

1900 Arrive Los Angeles International Airport. Met by
personnel from Los Angeles Air Force Station Protocol

Proceed to PAN AM Distinguished Visitors' Lounge

2100 Depart Los Angeles for Honolulu, Hawaii, via
PAN AM Flight 811

END OF OFFICIAL VISIT

Proposed Guest List

KATO

BOOBY
RELEASE

D I N N E R
by
the Ambassador of Japan
in honor of
His Excellency Koichi Kato, Minister of State for Defense,
on Tuesday, June 11, 1985, at 7:30 p.m.
at the Residence

Civilian informal
Military informal

THE WHITE HOUSE

The Hon. Robert McFarlane

Assistant to the President
for National Security Affairs

National Security Council

2 Dr. Gaston Sigur

Special Assistant to the President
and Senior Director for East Asian
Affairs

DEPARTMENT OF STATE

3 The Hon. Michael H. Armacost

Under Secretary for Political
Affairs

4 The Hon. Paul D. Wolfowitz

Assistant Secretary for East
Asian and Pacific Affairs

The Hon. William C. Sherman

Deputy Assistant Secretary for
East Asian and Pacific Affairs

6 Mr. L. Dessaix Anderson

Director, Japan Desk

DEPARTMENT OF DEFENSE

7 The Hon. Casper W. Weinberger

Secretary of Defense

8 The Hon. William H. Taft

Deputy Secretary of Defense

The Hon. Fred C. Ikle

Under Secretary for Policy

The Hon. Talbot S. Lindstrom

Deputy Under Secretary, International
Programs and Technology

10 The Hon. James P. Wade, Jr.

Acting Under Secretary for
Research and Engineering

12 The Hon. Richard L. Armitage

Assistant Secretary for International
Security Affairs

17	Mr. James A. Kelly	Deputy Assistant Secretary East Asia and Pacific Affairs, ISA
19	Mr. James E. Auer	Japan Desk, Office of the Directorate of East Asia and Pacific Region, ISA
15	Lt. General Phillip C. Gast	Director, Defense Security Assistant Agency
16	Lt. General James A. Williams	Director, Defense Intelligence Agency
17	Lt. General James A. Abrahamson	Director, Strategic Defense Initiative Organization
	<u>Organization of Joint Chiefs of Staff</u>	
18	General John W. Vessey	Chairman
19	Lt. General Jack N. Merritt	Director, Joint Staff (U.S. Army
	<u>Department of the Army</u>	
7	The Hon. John O. Marsh, Jr.	Secretary of the Army
21	General J. A. Wickham, Jr.	Chief of Staff
	<u>Department of the Navy</u>	
22	The Hon. John F. Lehman, Jr.	Secretary of the Navy
23	Admiral J. D. Watkins	Chief of Naval Operations
	<u>Department of the Air Force</u>	
24	The Hon. Verne Orr	Secretary of the Air Force
25	General Charles A. Gabriel	Chief of Staff
	<u>U.S. Marine Corps</u>	
26	General Paul X. Kelley	Commandant
	<u>U.S. Escort Officer & Interpreter</u>	
27	Colonel Richard L. Bowers	Air Attache, American Embassy in Tokyo
28	Mr. Cornelius K. Iida	Interpreter, U.S. Department of State

KATO
KATO/BYE

THE JAPAN TIMES

JUN 14 1985

BOOBY
RELEASE

Japan-U.S. Defense Talks

The business-like manner in which the defense chiefs of Japan and the United States conducted their annual consultative talks earlier this week in Washington is indicative of the more or less trouble-free security relations between the two Pacific allies.

Secretary of Defense Caspar Weinberger expressed his appreciation for Japan's efforts in the past years to steadily boost its defense capabilities and the hope that Japan will strive to continue to do so. Mr. Weinberger had every reason to be pleased, if not completely satisfied, with Tokyo's posture toward defense. Defense Agency Director General Koichi Kato reiterated Japan's intention to strengthen the capabilities of the Self-Defense Forces (SDF) to defend sea lanes within 1,000 nautical miles from its shores. It has become a national commitment since the issue was first discussed at a Japan-U.S. summit meeting in May 1981.

Mr. Kato explained that the sea-lane defense plan will be incorporated in a new five-year, \$80 billion defense buildup program currently being worked out. It may not be a truly ambitious program, but it is the best Japan can afford in the face of growing financial restraints.

Marking the 10th anniversary of such annual consultative meetings between the defense chiefs of the two countries, Mr. Kato set a precedent in that he used most of the time allotted for the tete-a-tete with Mr. Weinberger to explain Japan's new defense plan as well as its need to obtain sophisticated American defense equipment and technology. In the past, American defense chiefs used to dominate the conversations with their Japanese counterparts.

One of the advanced U.S. weapons systems Tokyo is most interested in is the so-called "over-the-horizon" (OTH) long-range surveillance radar. The ground-based OTH radar, with its reputedly effective search range of up to 4,000 km well beyond the horizon, will considerably enhance Japan's ability to monitor the ever-increasing Soviet military activity in this part of the world. Also, the U.S. Navy's latest Aegis ship-board air-defense system, if introduced to the naval force of the SDF as planned, will greatly improve Japan's sea-lane defense capabilities.

Mr. Kato, a Harvard-educated, diplomat-turned-politician, did his best in enhancing mutual understanding with Mr. Weinberger, who happens to be a fellow alumnus. Even so, as Mr. Kato himself warned in a meeting with senior officials of the Reagan administration, the relatively good defense relations between Tokyo and Washington could be marred by trade friction and other delicate issues if both sides failed to exercise prudence.

The U.S. Senate's adoption of a non-binding resolution declaring that Japan has not honored its defense commitments, — apparently timed to coincide with Mr. Kato's visit — was most unfortunate in this sense. As Mr. Kato put it, there is a national consensus here that Japan requires a conscious effort to maintain an adequate level of military capability to defend its territorial waters and airspace in line with constitutional provisions while strengthening Japan-U.S. security arrangements.

In spite of constitutional constraints and public sentiment against any drastic change in the nation's defense policy, the Japanese government has done its best to increase defense spending and modernize the SDF. Therefore, such a highly politicized action to prod Tokyo on this score is superfluous to say the least.

That's all



It's really getting yinged about Congress. Their action was "tacky", in nice words, at least as viewed from the trenches

15/6

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PROGRAM THAN ON ANY SUBJECT OTHER THAN THE ONE PERCENT OF GNP
LIMIT ON DEFENSE SPENDING. BECAUSE OF THESE SENSITIVITIES, HE
URGED US TO COORDINATE CLOSELY WITH THE JAPAN SELF DEFENSE
FORCES, WHILE HE AND HIS STAFF WOULD "CONTINUE TO COORDINATE
WITH THE CIVILIAN LEADERSHIP OF DOD." I RESPONDED THAT I WAS
AWARE OF THE HIGH POLITICAL VISIBILITY OF THE EXERCISE PROGRAM
AND WE WANT TO BE SENSITIVE ON THAT SCORE AND WISH TO WORK
CLOSELY WITH JAPANESE DEFENSE PERSONNEL TO AVOID PROBLEMS.
4. I THEN TURNED TO INTEROPERABILITY AND CONGRATULATED KATO
ON HIS APPROVAL OF THE INTEROPERABILITY MOU, WHICH I PREDICTED
WOULD BRING VERY SIGNIFICANT BENEFITS. I MENTIONED JAPAN'S
POSSIBLE PURCHASE OF THE AEGIS SYSTEM AS AN EXAMPLE OF THE KIND
OF INTEROPERABILITY WE WOULD HOPE TO ACHIEVE. KATO RECIPROCATED
MY SENTIMENTS ABOUT INTEROPERABILITY, WHICH HE SAID WE SHOULD
STRENGTHEN IN ALL FIELDS, INCLUDING APPROACHES TO STRATEGY AND
LANGUAGE. REGARDING AEGIS, HE NOTED RATHER POINTEDLY (AND NOT
PARTICULARLY ENCOURAGINGLY) THAT THE QUESTION OF WHETHER TO
ACQUIRE IT IS STILL UNDER INTERNAL DISCUSSION WITHIN THE GOJ.
5. TURNING TO OVER-THE-HORIZON RADAR (OTHR), I COMMENTED
THAT WE ARE EXAMINING OUR OWN AIR DEFENSE STRUCTURE, INCLUDING
OUR EARLY WARNING CAPABILITIES. I EMPHASIZED THAT I CONSIDERED
OTHR VERY IMPORTANT FOR EARLY WARNING AND BELIEVED IT WOULD
ENHANCE JAPAN'S DEFENSE. KATO AGREED, CITING THE IMPORTANCE OF
OTHR FOR MARITIME AND AIR DEFENSE. HE SAID THAT HE HAD ASKED
SECRETARY WEINBERGER TO SUPPLY SOME ADDITIONAL TECHNICAL DATA,
TO ASSIST HIM IN JUSTIFYING OTHR IN TERMS OF JAPAN'S DEFENSE.
(I EXPLAINED WE WOULD BE SUPPLYING THIS INFORMATION THROUGH GEN
TIXIER.) KATO CAUTIONED THAT OTHR IS VERY CONTROVERSIAL AND
MUST BE TREATED AS SENSITIVE AND RELATED SOLELY TO JAPAN'S
DEFENSE. I PLEDGED THAT WE WOULD TREAT IT ACCORDINGLY.
6. TURNING TO FCPL, I TOLD KATO I KNEW HE HAD BEEN WORKING
THIS ISSUE HARD AND WAS VERY GRATEFUL FOR HIS EFFORTS BUT THAT I
WANTED TO EMPHASIZE THE IMPORTANCE I PLACED ON NIGHT LANDING
PRACTICE, FROM THE SAFETY AND READINESS POINTS OF VIEW. KATO
RESPONDED THAT THIS WAS THE SOLE ISSUE THE PRIME MINISTER RAISED
WHEN HE APPOINTED KATO DEFENSE MINISTER; HE IS IN CONSTANT
COMMUNICATION WITH NAKASONE ON THE PROBLEM AND DEVOTES AS MUCH
TIME TO IT AS TO THE ONE PERCENT GNP CEILING. KATO SAID THEY
WOULD BE WATCHING THE JUNE 20 MUNICIPAL COUNCIL MEETING ON
MIYAKE JIMA CAREFULLY, AS THEY THOUGHT IT COULD BE A "CRUCIAL
STAGE" IN WEAKENING THE CURRENT MAYOR'S POLITICAL FOOTHOLD.
7. KATO ALSO ASSURED ME THAT HE WOULD CONTINUE TO TRY TO
RESOLVE THE IKEGO HOUSING ISSUE. I TOLD HIM I REALIZED THE
PROBLEM WAS A DIFFICULT ONE AND APPRECIATED THE PRIORITY HE WAS
GIVING TO IT.
8. KNOWING KATO WOULD FEEL IT NECESSARY TO SPEAK OF
INCIDENTS ON OKINAWA, I THOUGHT IT BEST TO UNDERLINE OUR CONCERN
BY RAISING THE ISSUE, AND I ASSURED HIM WE ARE INTENSIFYING OUR
EFFORTS TO SENSITIZE OUR TROOPS, FURTHER TIGHTEN UP DISCIPLINE,
AND INCREASE SAFEGUARDS TO PREVENT INCIDENTS. KATO RESPONDED
THAT HE WOULD APPRECIATE OUR "CONTINUED EFFORTS TO PREVENT
UNWARRANTED INCIDENTS." HE EMPHASIZED THAT THE CONSERVATIVE
POLITICIANS CURRENTLY IN POWER IN OKINAWA, WHO UNDERSTAND THE
IMPORTANCE OF THE U.S.-JAPAN SECURITY RELATIONSHIP, ARE NOW IN A
"VERY DELICATE POSITION." BT

SECTION 01 OF 02
PERSONAL FOR GEN VESSEY, INFO ASD ARMITAGE, EAP AS WOLFOWITZ,
ACTING PM DIRECTOR HAWES, AMB MANSFIELD, AND LT GEN TIXIER FROM
CROME

SUBJ: JAPANESE MOD KATO'S DISCUSSIONS AT HQ USCINCPAC (U)
1. SUMMARY. DURING HIS DISCUSSIONS HERE, JAPANESE MOD KATO
EXPRESSED GREAT SATISFACTION WITH HIS MEETINGS WITH SECRETARY
WEINBERGER AND WITH HIS TRIP IN GENERAL. I EXPRESSED
APPRECIATION FOR CURRENT POSITIVE TRENDS INCLUDING IMPROVED
COMBINED EXERCISES, THE 1986-90 DEFENSE PLAN, AND THE GOJ'S
EMPHASIS ON SUSTAINABILITY. KATO CONCURRED IN THE IMPORTANCE OF
ALL OF THESE BUT EMPHASIZED THE NEED TO HANDLE THE EXERCISE
PROGRAM WITH EXTRA SENSITIVITY. WE AGREED ON THE IMPORTANCE OF
INTEROPERABILITY, ALTHOUGH KATO NOTED POINTEDLY THAT THE
POSSIBLE PURCHASE OF AEGIS IS STILL UNDER "INTERNAL DISCUSSION."
KATO ALSO AGREED ON THE IMPORTANCE OF OTHR BUT STRESSED ITS
SENSITIVITY AND THE NEED TO RELATE IT SOLELY TO JAPAN'S DEFENSE.
KATO DESCRIBED HIS EFFORTS TO RESOLVE THE FCPL PROBLEM AND SAID
THE JUNE 20 MUNICIPAL COUNCIL MEETING ON MIYAKE JIMA COULD BE A
CRUCIAL TURNING POINT. HE ALSO ASSURED ME HE WOULD CONTINUE TO
TRY TO RESOLVE THE IKEGO HOUSING PROBLEM. I RAISED THE MATTER
OF INCIDENTS ON OKINAWA, STRESSING OUR DETERMINATION TO
SENSITIZE TROOPS, TIGHTEN DISCIPLINE, AND PREVENT ACCIDENTS;
KATO SAID HE WOULD APPRECIATE OUR CONTINUED EFFORTS AND NOTED
THE "DELICATE POSITION" OF THE CONSERVATIVE POLITICIANS NOW IN
POWER IN OKINAWA. END SUMMARY.

2. JAPANESE MINISTER OF STATE FOR DEFENSE KOICHI KATO MET
WITH ME FOR OVER AN HOUR ON 14 JUNE. HE WAS ACCOMPANIED BY
SHIMIZU YAZAKI, DIRECTOR GENERAL OF THE JDA BUREAU OF DEFENSE
POLICY (WHO KATO VOTED WOULD BECOME VICE MINISTER ON HIS
RETURN); SEIKI NISHIHARA, DIRECTOR GENERAL OF THE MINISTER'S
SECRETARIAT; AND KIYOSHI FURUKAWA, DIRECTOR GENERAL OF THE JDA
FOREIGN RELATIONS BUREAU. KATO OPENED THE MEETING BY
EMPHASIZING HE HAD BEEN DEEPLY SATISFIED WITH HIS MEETINGS WITH
SECRETARY WEINBERGER -- AND INDEED WITH HIS WHOLE TRIP -- AND
THAT HE BELIEVED THE U.S.-JAPAN DEFENSE RELATIONSHIP WAS IN
EXCELLENT CONDITION. HE PARTICULARLY EMPHASIZED HIS
SATISFACTION THAT DESPITE OUR TRADE PROBLEMS, BOTH SIDES ARE
DETERMINED TO DO THEIR UTMOST TO PREVENT ANY LINKAGE BETWEEN
THOSE FRICTIONS AND OUR DEFENSE RELATIONSHIP.

3. I TOLD KATO I WAS PLEASSED WITH THE POSITIVE DEVELOPMENTS
IN BOTH THE GOJ'S SELF DEFENSE EFFORT AND IN OUR BILATERAL
SECURITY RELATIONSHIP AND COMPLIMENTED KATO ON HIS PERSONAL
CONTRIBUTIONS TO THOSE TRENDS. I PARTICULARLY NOTED
IMPROVEMENTS IN COMBINED JOINT EXERCISES, IMPROVEMENTS IN THE
1986-90 MID-TERM DEFENSE PLAN (MTOPI), AND THE INCREASED GOJ
EMPHASIS ON SUSTAINABILITY. KATO NOTED THAT THEY HAD TRIED IN
THE MTOPI TO BALANCE EMPHASIS ON LOGISTICS SUPPORT,
SUSTAINABILITY, AND INCREASED INVULNERABILITY. REGARDING THE
EXERCISE PROGRAM, HE COMMENTED THAT IT HELPED INCREASE THE
DETERRENT VALUE OF THE U.S.-JAPAN ALLIANCE AND HE WELCOMED THE
PROSPECT OF CLOSER COOPERATION. HE CAUTIONED, HOWEVER, THAT
WHILE HE WAS CONFIDENT THE EXERCISE PROGRAM COULD BE DEFENDED ON
THE BASIS OF ITS CONTRIBUTION TO JAPAN'S SELF-DEFENSE, IT HAS A
HIGH POLITICAL PROFILE; HE RECALLED THAT DURING THE RECENT DIET
SESSION MORE QUESTIONS WERE "HURLED" AT HIM ON THE EXERCISE

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FINAL SECTION OF 02

9. IN CLOSING I STRESSED HOW CLOSELY I WORKED WITH LGEN TIXIER IN ADDRESSING U.S.-JAPAN ISSUES AND IN LIAISONING WITH THE JAPANESE MILITARY. I FOUND HIS KNOWLEDGE AND ENERGY INVALUABLE. IN TURN, I ENCOURAGED MINISTER KATO TO TAKE FULL ADVANTAGE OF COMUSFJ AND HIS STAFF IN NOURISHING OUR RELATIONSHIP. HE REACTED POSITIVELY, ALTHOUGH THE FOREGOING DIALOGUE DID NOT SUGGEST THAT HE LOOKS AT COMUSFJ IN SUCH A FASHION

10. COMMENT: THE MEETING WAS SOMEWHAT STIFF, PERHAPS IN PART TO ITS BEING CONDUCTED THROUGH AN INTERPRETER, BUT CORDIAL. (MR. IIDA, THE INTERPRETER, DID HIS USUAL OUTSTANDING JOB.) ASIDE FROM KATO'S DEMURRER ON AEGIS, NO AREAS OF DISAGREEMENT SURFACED. KATO CAME ACROSS AS SOMEONE GENUINELY CONVINCED OF THE NEED FOR A GREATER JAPANESE SELF-DEFENSE EFFORT, SUPPORTIVE OF THE U.S.-JAPAN PARTNERSHIP, AND DEDICATED TO IRONING OUT THE DIFFICULTIES IN OUR RELATIONSHIP. THE ONLY POTENTIAL PROBLEM I SENSED WAS THAT KATO SEEMS TO TAKE THE POSITION THAT HIS ROLE IS TO DEAL WITH THE U.S. CIVILIAN DEFENSE LEADERSHIP IN WASHINGTON (SEE PARA 3) RATHER THAN WITH U.S. MILITARY LEADERS IN JAPAN. HENCE, OUR MILITARY COMMANDERS IN JAPAN MAY HAVE SOME DIFFICULTY OBTAINING ACCESS TO HIM. I LATER ENTERTAINED MINISTER KATO AT A DINNER IN MY HOME AND SAW HIM AT A NUMBER OF JAPANESE SOCIAL FUNCTIONS. I ALSO SAW HIM OFF AT THE AIRPORT. HE BECAME PROGRESSIVELY MORE FRIENDLY AND INFORMAL. BY THE TIME HE DEPARTED WE WERE EVEN EXCHANGING JOKES. I AM CONFIDENT THAT THE VISIT DID A GREAT DEAL TO PROMOTE THE JDA-USCINCPAC TIE.

11. (U) WARMEST REGARDS.
DECL: OADR BT

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US FORCES PERSONNEL AGAINST JAPANESE NATIONALS HAS DECREASED FROM 274
C110 VIOLENT. IN 1974 TO 88 (24 VIOLENT) IN 1984. THERE HVE BEEN 55
SUCH OFFENSES (16 VIOLENT) THROUGH 31 MAY 85. STAYING IN CLOSE TOUCH
WITH LOCAL COMMANDERS ON THIS MATTER TO DISCERN CAUSES UNDER OUR
CONTROL AND TO TAKE SOONEST APPROPRIATE PUNITIVE AND PRE-EMPTIVE
MEASURES.

SUBJ: KATO/NISHIME VISITS (U).
PERSONAL FOR ADMIRAL CROWE, INFO ASD
ARMITAGE, GENERAL VESSEY FROM LT GEN TIXIER
DELIVER DURING DUTY HOURS

E. CU) LIVE FIRING INCIDENT. IN WAKE OF 9 APR, IGEI VILLAGE STRAY
ROUND INCIDENT, A REVIEW OF LIVE FIRING PROCEDURES IN OKINAWA HAS
BEEN CONDUCTED, AND RESULTING SAFETY PRECAUTIONS WILL BE INSTITUTED
BY LATE SUMMER 85. THIS FACT WAS CONVEYED TO MOFA 26 JUN, AND
GENERAL DAY HAS BRIEFED GOVERNOR NISHIME ON NEW PROCEDURES 27 JUN.
WILL BRIEF MOFA 3 JUL 85. NISHIME'S REACTION FAVORABLE.

1. CU) APPRECIATED VERY MUCH EXCELLENT FEEDBACK ON JDA DIRECTOR
KATO'S AND GOVERNOR NISHIME'S RECENT VISITS TO THE STATES. STRONG
AND JUDICIOUS SUPPORT BY ALL AND YOUR THOUGHTS ON KEY ISSUES MOST
HELPFUL TO CHANNEL AND FINE TUNE OUR EFFORTS IN COMING MONTHS.
2. CC) AS NOTED, MEETINGS WITH GOVERNOR NISHIME SERVED AS VISIBLE
REMINDER OF URGENT AND UNCEASING RESPONSIBILITY TO MAINTAIN
SATISFACTORY RELATIONSHIP WITH PEOPLE OF OKINAWA. FOLLOWING ARE SOME
THINGS WE ARE DOING AS NEW STARTS OR CONTINUATION OF EXISTING
EFFORTS:

3. EXPANDED OSD-JDA CIVILIAN DEFENSE POLICY DIALOGUE. FULLY
SUPPORT, HOWEVER, FEEL KATO'S ATTITUDE TOWARD DEALING WITH US
MILITARY LEADERS IN JAPAN OR LACK THEREOF, REMAINS MATTER FOR
CONCERN. IF IT REPRESENTS "PARTY LINE" PENETRATING ENTIRE
JDA STAFF, AND IF PASSD TO HIS SUCCESSOR, WE COULD BE IN FOR
ROUGHER SAILING IN BILATERAL DEFENSE WATERS. AS REVEALED IN KATO'S
DISCUSSION OF POMCUS ISSUE, WE SHOULD ALSO BE CAREFUL TO ENSURE
EXPANDED CIVILIAN DISCUSSIONS DO NOT RESULT IN BRIDLING MORE
CONFIDENT, PROGRESSIVE, AND ENERGETIC JAPANESE MILITARY LEADERSHIP IN
BILATERAL MILITARY DIALOGUE. JDA POLICY BUREAU IS CURRENTLY WORKING
TO ARRANGE MEETING BETWEEN MR KATO AND ME TO DISCUSS BEST METHODS FOR
CONTINUING TO ADVANCE BILATERAL DEFENSE COOPERATION. WILL LET YOU
KNOW OUTCOME OF THESE DISCUSSIONS FOLLOWING MEETING. AS CONCERNS MR
KATO'S COMMENTS ON OTHER ISSUES, I SEE NOTHING NEW. PICTURE REMAINS
AS I STATED IN PRE-KATO-WEINBERGER MESSAGE: STATUS OF DEFENSE
PROGRAMS IN JAPAN GOOD AND EXPECTED TO GET BETTER. WILL CONTINUE TO
ENCOURAGE INCREASED COMMUNICATION BETWEEN MILITARY AND CIVILIAN JDA
COUNTERPARTS AT ALL LEVELS. CONSIDER DIRECT USFJ-JDA FACE-TO-FACE
COORDINATION ESSENTIAL. WOULD ALSO URGE ALL FUTURE DEFENSE ISSUES BE
TAKEN TO JAPANESE THROUGH DEFENSE CHANNELS AS OPPOSED TO STATE. FROM
OUR PERSPECTIVE, THIS HAS AND CONTINUES TO BE ONE OF MR KATO'S
BIGGEST FRUSTRATIONS. WILL ALSO DEMONSTRATE GREATER DEGREE OF
EQUALITY IN OUR MILITARY-TO-MILITARY RELATIONSHIP WHICH MR KATO AND
JDA SO STRONGLY DESIRE.

A. ACCESS TO ON-BASE UNIVERSITY FACILITIES. REQUEST TO PERMIT
OKINAWAN STUDENTS ACCESS TO ON-BASE AMERICAN UNIVERSITY FACILITIES
HAS POTENTIAL TO GENERATE CONSIDERABLE GOODWILL. GENERAL DAY
APPROACHED GOVERNOR NISHIME INFORMALLY, 27 JUN, STATING US WOULD BE
RECEPTIVE TO ANY GOJ PROPOSAL WHICH MEETS NEEDS OF ALL CONCERNED.
CURRENTLY RESEARCHING DETAILS TO INCLUDE CONCERNS WHICH WILL INVOLVE
BOTH SIDES. CONCERNS INCLUDE COMPLIANCE WITH SOFA, ACCREDITATION,
COSTS/CHARGES, STUDENT/TEACHER RATIO, SECURITY, SPACE AVAILABILITY,
ETC. ALSO, MUST AVOID PERCEPTION OF ENCOURAGING COMMERCIAL GAINS FOR
INSTITUTIONS INVOLVED, AND REALIZE THAT, IF APPROVED FOR OKINAWA,
MAINLAND CONSTITUENCY MAY REQUEST EXPANSION JAPAN-WIDE. WITHIN ABOVE
PARAMETERS, WILL FULLY SUPPORT INITIATIVE AND BE MOST RECEPTIVE TO
THEIR PROPOSALS.

4. CU) VERY RESPECTFULLY, ED.
DECL OADR BT

B. RELEASE OF AGREEMENTS AFFECTING REVERSION OF OKINAWA. ONLY
AGREEMENTS NOT RELEASED TO PUBLIC ARE THOSE IN JOINT COMMITTEE
DEALING WITH FACILITIES AND AREAS, AND THEIR CONDITIONS OF USE.
THESE AGREEMENTS APPEAR IN JOINT COMMITTEE MINUTES, AND CAN BE MADE
PUBLIC ONLY BY MUTUAL AGREEMENT. MUTUALLY AGREED 4 MAY 78 TO MAKE
PUBLIC SUMMARIES OF 22 AGREEMENTS. AM PREPARED TO COMPLETE RELEASE
OF REMAINDER OF DOCUMENTS EXCEPT POSSIBLY ONE OR TWO WHICH REQUIRE
REVISION BECAUSE FACILITIES USE HAS CHANGED SINCE 72 CTORII STATION,
ETC... WILL MAKE SUCH OFFER THRU JOINT COMMITTEE CHANNELS AND PLACE
BALL CLEARLY INTO THEIR COURT. FOR YOUR INFO, GOJ HAS IN PAST
CONSISTENTLY REFUSED TO PERMIT RELEASE OF ANY VERBATIM JOINT
COMMITTEE AGREEMENTS AND MAY BE UNLIKELY TO AGREE TO DO SO IN THIS
INSTANCE. GOJ IS AWARE OF GOVERNOR NISHIME'S REQUEST. EXPECT II TO
MOVE ONLY IF GOJ PERCEIVES CLEAR PUBLIC RELATIONS ADVANTAGE.

DASD HAS SEEN
J. Kelly
J. Davis
TRT
RA

C. REVERSION OF US FACILITIES. ALL FACILITIES PREVIOUSLY
IDENTIFIED FOR RELEASE HAVE BEEN OFFERED FOR RETURN TO GOJ. IN MOST
INSTANCES GOJ HAS TAKEN NO ACTION TO CARRY OUT RELEASES BECAUSE
LANDOWNERS INVOLVED HAVE NO DESIRE TO HAVE LAND RETURNED AND WOULD
INSTEAD PREFER TO CONTINUE RECEIVING LAND RENTAL PAYMENTS.
RELOCATION CONSTRUCTION PROGRAM TO ALLOW NAHA PORT RELEASE IN OFFING.
EXPECT GOJ APPROACH ON ISSUE THIS FALL. PHASE I, CONCEPTUAL
DEVELOPMENT PLAN, BEGUN 15 MAY 85 WITH EXPECTED COMPLETION OF 30 SEP
85. PHASE II, FACILITY REQUIREMENTS, TARGETED FOR COMPLETION 30 MAR
86. IN CASE OF BOTH FUTENMA AND IE SHIMA AUXILIARY AIRFIELD, LATEST
INFORMATION IS GOJ CONSIDERS REPLACEMENT OF THESE FACILITIES TOO BIG
TO TACKLE NOW. EXPECT NO ACTION IN FORESEEABLE FUTURE. THEY ARE
AWARE OF OUR READINESS TO TALK, AND WILL SO REEMPHASIZE IN FUTURE
FACILITIES SUB-COMMITTEE SESSION.

D. (U) INCIDENTS. RASH OF INCIDENTS PUBLICIZED IN RECENT MONTHS,
INCLUDING VEHICLE ACCIDENTS, MURDER, AND RANGE SAFETY GIVES DISTORTED
VIEW OF OVERALL SITUATION ON OKINAWA. FOR EXAMPLE, CRIME FIGURES
SHOW SIGNIFICANT REDUCTION IN PAST DECADE, REFLECTING ACTIVE
EFFORTS BY LOCAL COMMANDERS IN TROOP INDOCTRINATION, DISCIPLINE AND
OTHER RELATED AREAS. TOTAL NUMBER OF REPORTED OFFENSES COMMITTED BY

CHAIRMAN DISTRIBUTION REQUIRED
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BY APA
DATE 4/13/99

USDP:ISA FOR MR ARMITAGE

ACTION
INFO CJCS(4) SECDEF:(1) SECDEF(9) USDP:ISA(1)

(M)

MCN=85183/02807 TOR=85183/1120Z TAD=85183/1125Z

CDSN=MAK521
PAGE 1 OF 1
020700Z JUL 85

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~~PERSONAL FOR Armitage~~

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INTERNATIONAL
SECURITY AFFAIRS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

~~Copy~~
NISHIME
VISIT

COOIE
RELEASE

22 FEB 1985

The Honorable Junji Nishime
Governor
Okinawa Prefecture

Dear Governor Nishime,

It was most unfortunate that your trip to the United States last spring had to be cancelled because of your operation. I sincerely hope that you have fully recovered and that I might have the privilege of meeting you in Washington.

I understand you have rescheduled your visit for June 5-20 this year, and I would like to take this opportunity to invite you to visit me at the Department of Defense to discuss topics of mutual interest. As I said last year, we regard our forces on Okinawa as being of critical importance to the mutual defense of Japan and the United States, and we wish to keep abreast of all developments there.

Your visit affords us a good chance to exchange views about current conditions in Okinawa, your plans for economic development and your desire to ease problems arising from our military presence there.

I understand you will be in touch with my office through the American Consulate General with regard to a detailed schedule.

I look forward to welcoming you to Washington.

Sincerely,

[Handwritten signature]
RICHARD L. ARMITAGE
Assistant Secretary of Defense
(International Security Affairs)

UNCLASSIFIED

NISHIME VST

DEPARTMENT OF DEFENSE
JCS MESSAGE CENTER

COOIF

RELEASE

PRIORITY
P 262055Z FEB 85
FM SECDEF WASHINGTON DC//USDP//
TO SECSTATE WASHINGTON DC
INFO USCINCPAC HONOLULU HI
COMUSJAPAN YOKOTA AB JA
DAC CAMP BUTLER JA

ZYUW RUEKJCS6507 0572055

AMEMB TOKYO JA
AMCONSUL NAHA

UNCLAS

SUBJECT: OKINAWA GOVERNOR VISIT

REF: A. AMCONSUL NAHA 190130Z FEB 85 (NAHA 0128)

1. LETTER REQUESTED REF A MAILED TO CONGEN NAHA FEBRUARY 25. BT

COME BACK

ACTION USDP (11) (6,7,8,F)
INFO CMB QC (1) SECDEF: (1) SECDEF (9) ASD:MIL (2)
USDP:ISA (1) USDP:EAP (3) USDP:DSAA (4)

MCN=85057/07469 TOR=85057/2052Z TAD=85057/2058Z

CDSN=MAK605
PAGE 1 OF 1
262055Z FEB 85

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INTERNATIONAL SECURITY AFFAIRS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

22 APR 1985
APR 24 1985

In reply refer to:
I-08967/85

COOP
RELEASE

MEMORANDUM FOR SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY ~~DF~~ 22 APR 1985

SUBJECT: Visit by Governor of Okinawa, Japan (U) -- ACTION MEMORANDUM

(U) The Honorable Junji Nishime, the first conservative governor of Okinawa Prefecture since its reversion to Japan in 1971, will visit Washington on June 5-7. Life in Okinawa prior to Nishime's election in 1978 was much more difficult for U.S. and Japanese forces stationed there. Nishime has adopted an extremely courageous, pro-defense and pro-U.S. position, frequently in very difficult, emotional crises such as a recent brutal murder of an Okinawan Japanese by a U.S. serviceman. Even during times when other Okinawan LDP politicians have been unwilling to resist the temptation to take a popular, anti-defense position, Governor Nishime has stood fast in support.

I will have a substantive meeting with Nishime and host him socially; however, a brief courtesy call and photo opportunity with you would greatly aid the Governor's prestige and help his 1986 reelection effort. Ambassador Mansfield, our able Consul General in Okinawa, Ed Featherstone, and I recommend you agree to meet briefly with Governor Nishime. (Tab A refers).

(U) Please indicate your decision below:

Agree to meet briefly OK
Do not desire to meet _____

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BY APA
DATE 4/13/99

Attachment a/s

20 A-1/f
RICHARD L. ARMITAGE
Assistant Secretary of Defense
(International Security Affairs)

J. E. Auer, ISA/EAPR, x57886

u

CLASSIFIED BY: DIR, EAPR
DECLASSIFY ON: OADR

SEC DEF CONTR No. X34974

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OFFICE OF THE SECRETARY OF DEFENSE

15 May 85

Memo For ROTHR - J WORKING GROUP

SUBJECT: Message to CINCPAC/COMUSJAPAN

Request your coordination, to the level you deem appropriate, on the attached message to CINCPAC/COMUSJAPAN. Please respond to Annette by noon, 17 May 1985.



Richard N. Smull
Colonel, USAF
OAUDDIP/RJ

Attachment

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BY APA

DATE 4/13/99

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when separated from
Classified enclosure

GPO : 1984 O - 447-393

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SECDEF WASHINGTON DC//USDP//
USCINCPAC HONOLULU HI
COMUSJAPAN YOKOTA AB JA
INFO AMEMB TOKYO JA
CINCPACFLT PEARL HARBOR HI
COMNAVELEXSYSCOM WASHINGTON DC
COMNAVSPACOM DAHLGREN VA
JCS WASHINGTON DC//J5/C3S//
CNO WASHINGTON DC//OP 94//
HQ USAF WASHINGTON DC//XO/RD//

~~CONFIDENTIAL~~ RELEASEABLE TO JAPAN

SUBJ: OVER THE HORIZON RADAR {OTHR} {U}

REF: A. USCINCPAC 040316Z MAY 85

B. COMUSJAPAN 030501Z MAY 85 {NOTAL}

1. {U} SCHEDULE

A. {U} THE SCHEDULE PROPOSED IN REF A. IS ACCEPTABLE
IN PRINCIPLE, HOWEVER, THE WEEK OF 17 TO 21 JUNE WOULD BE
PREFERABLE.

DECLASSIFIED

BY APA

DATE 4/13/99

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~~CONFIDENTIAL~~

02 03

00 00 CCCC

B. ~~(S)~~ WE NEED TO KNOW WHETHER THE JAPANESE WISH TO TAKE THE LOW KEY APPROACH {APPROXIMATELY THREE U.S. TEAM MEMBERS} OR IF A FULL SITE SURVEY TEAM IS ACCEPTABLE. IN ADDITION, IT WOULD FACILITATE PREPARATION FOR THE QUICK LOOK SURVEY TO KNOW IF THE JAPANESE HAVE IDENTIFIED SPECIFIC LOCATIONS ON IWO JIMA/ CHI CHI JIMA AS PREFERRED SITES FOR THE RECEIVER/TRANSMITTER, IF THEY HAVE ANY PRELIMINARY INFORMATION ON THE ELECTROMAGNETIC ENVIRONMENT AT EACH SITE, THE NATURE AND CAPABILITY OF EXISTING COMMUNICATION SYSTEMS, THE POWER/UTILITIES AVAILABLE, AND ACCESSABILITY OF THE POTENTIAL SITES {E.G., ABILITY TO LAND HEAVY EQUIPMENT}.

C. ~~(S)~~ FOR THE ACTUAL SURVEY, REQUEST THE JAPANESE TEAM INCLUDE A SURVEYOR AND PROVIDE A LASER RANGEFINDER AND SOIL CONDUCTIVITY MEASUREMENT EQUIPMENT.

D. {U} PLEASE FORWARD ANY SPECIAL REQUIREMENTS {E.G., CIVILIAN CLOTHING VS UNIFORM} AND DETAILS OF THE SURVEY TRIP {E.G., LOCATION FOR INITIAL MEETING, PICK-UP POINT, QUARTERS ARRANGEMENTS, ETC} AS THEY BECOME AVAILABLE.

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03 03

00 00 CCCC

2. ~~[]~~ REF B, PARA 3.: TRANSLATION OF ASAHI NEWSPAPER ARTICLE INDICATES THAT THE MID-TERM DEFENSE PROGRAM INCLUDES 36B YEN (APPROX \$148M) FOR THE ROTHF PROGRAM. IF THIS IS A FACTUAL ESTIMATION OF THE JAPANESE COMMITMENT TO THE ROTHF PROGRAM, REQUEST COMUSJAPAN ASSESSMENT OF THE JAPANESE INTENTION ASSOCIATED WITH THE FISCAL COMMITMENT (E.G., DO THEY INTEND TO FUND THE ENTIRE JAPAN SITE; IS THIS A FISCAL ESTIMATE THAT COVERS ALL EVENTUALITIES BUT MAKES NO STATEMENT AS TO SITE OWNERSHIP; DOES IT INCLUDE MORE THAN ONE SECTOR; ETC.)

~~CONFIDENTIAL~~

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DEPARTMENT OF DEFENSE
JCS MESSAGE CENTER

NISHIME

COBIAA

T-JCS

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PRIORITY ZYUW RUHQSGG8454 1410624

P 210553Z MAY 85
FM USCINCPAC HONOLULU HI
TO OASD WASHINGTON DC//MI&L/I-NATO//
CINCPACFLT PEARL HARBOR HI//N44//
PACAF HICKAM AFB HI
COMMARCORBASESPAC CAMP H M SMITH HI

P 170810Z MAY 85
FM COMUSJAPAN YOKOTA AB JA//J4//
TO USCINCPAC HONOLULU HI
INFO DIVENGR USAEDPO FT SHAFTER HI//PODED//
CDRUSAEJ JAPAN CP ZAMA JA COMNAVFORJAPAN YOKOSUKA JA
OAC CP BUTLER JA CDRMTMC WASH DC
CDRMTMC WA OAK CA
DEPCOMMARCORBASESPAC FWD CP BUTLER JA
CDRUSARJ CP ZAMA JA//AJEN//
COMUSAFJ YOKOTA AB JA//CS/DE/XP/LG//
CDRMTMC FDP HONOLULU HI CDRMTMC TML YOKOHAMA JA
CDRMTMC TML NAHA JA CDRUSAGO MAKIMINATO JA

~~XXXXXXXXXX~~ HOFORN

USCINCPAC FOR J44

SUBJ: NAHA PORT RELOCATION ;U)

REF: USCINCPAC HONOLULU HI (U) 090350Z MAY 85

- (U) REF CONCURRED IN COMUSJAPAN HOSTING CONFERENCE ON NAHA PORT RELOCATION AND REQUESTED SUMMARY OF CONFERENCE.
- ~~(S)~~ HQ USFJ REVIEWED: (A) AGREEMENT-IN-PRINCIPLE FOR RELOCATION OF NAHA PORT REACHED AT XV SECURITY CONSULTATIVE COMMITTEE, 30 SEP 74; (B) USG MEMORANDUM SUBMITTED SEP 74 WHICH PROPOSED RELOCATION OF PORT TO MAKIMINATO SERVICE AREA (MSA), ALONG WITH PROVIDING 250 ACRES OF LANDFILL, 500 LINEAR FEET OF DEEP WATER BERTH AND MISCELLANEOUS FACILITIES. (C) 27 SEP 83 USG MEMORANDUM WHICH RE-VALIDATED SEP 74 MEMORANDUM AND ADDED QUALIFIER THAT FACILITIES "MAY BE MODIFIED BY MISSION REQUIREMENTS"; AND (D) GOJ EFFORTS OVER THE PAST 10 YEARS, IN BUILDING CONSENSUS FOR THE PORT TO BE RELOCATED TO MSA BY DEVELOPING ECONOMIC AND POLITICAL BASIS AT URASOE CITY AND CULMINATING IN OKINAWA GOVERNOR NISHIME NOW PRESSING FOR EXPEDITIOUS IMPLEMENTATION.
- ~~(S)~~ ARMY REP SHOWED CONCERN ON VALIDITY OF MSA AS ONLY RELOCATION SITE AND COMMENTED THAT PAST YEARS HAVE SEEN DEMOGRAPHIC/ OPERATIONAL SHIFT FROM SOUTHERN PORTION OF ISLAND TO MIDDLE/NORTHERN AREAS. ARMY ALSO PRESENTED ITS GENERAL OPERATIONAL/CONTINGENCY REQUIREMENTS AS WELL AS LISTING OF CURRENT PORT ASSETS. NAVY REP MADE NO PRESENTATION OF ITS REQUIREMENTS. MARINE REP CONCURRED ON MSA AS ADEQUATE LOCATION BUT PROPOSED AN AGENCY BE TASKED WITH REVIEWING ADEQUACY OF OTHER SITES. AIR FORCE REP STATED ITS REQUIREMENTS COULD BE MET AS LONG AS THE CURRENT CAPABILITY WAS DUPLICATED. MILITARY TRAFFIC MANAGEMENT COMMAND (MTMC) REP BRIEFED ON ALL EXISTING ASSETS/REQUIREMENTS, STATED EXISTING QUID SHOULD MEET KNOWN FUTURE REQUIREMENTS AND EXPRESSED CONCERN THAT CONTINGENCY PLANS MAY NOT REFLECT ACCURATE REQUIREMENTS. CONFEREES WERE ENCOURAGED TO REVIEW OPLAN'S CAREFULLY TO INSURE AN ADEQUATE FACILITY WAS BUILT.
- ~~(S)~~ DISCUSSIONS THEN CENTERED ON HAVING PHASE I STUDY PERFORMED BY TRANSPORTATION ENGINEERING AGENCY (TEA), AN ELEMENT OF MTMC, WITH KNOWN EXPERTISE IN THIS FIELD AND WITH CAPABILITY OF DEVELOPING CONCEPTUAL PLAN. JED CONCURRED WITH PROPOSAL DUE TO CONCERN OVER ABILITY FOR TIMELY COMPLETION OF PHASE I WORK. A/E CONTRACT PROCEDURE WOULD BE TOO TIME CONSUMING TO MEET SHORT SUSPENSE. CONFEREES AGREED ON 30 SEP 85 TARGET DATE FOR PHASE I COMPLETION AND 15 JUN 86 TARGET DATE FOR PROVIDING ALL INPUT REQUIREMENTS TO J4.
- ~~(S)~~ USCINCPAC ASSISTANCE REQUESTED IN GAINING TEA EXPERTISE TO ACCOMPLISH PHASE I EFFORT BY 30 SEP 85 AND IN OBTAINING FUNDS FOR JED TO DEVELOP PHASE II WORK. JED WILL DEVELOP COST ESTIMATE AFTER EXTENT OF TEA INVOLVEMENT DETERMINED.

DECLAS: OADR BT

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BY APA
DATE 4/13/99

ACTION ASD:MIL(2)
INFO SECDEF:(1) USDP(11)

(6,7,F)

MCN=85141/01728 TOR=85141/0630Z TAD=85141/0630Z CDSN=MAJ582
PAGE 1 OF 1
170810Z MAY 85

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DEPARTMENT OF DEFENSE
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ROUTINE
R 221846Z MAY 85
FM SECDEF WASHINGTON DC//ASD:PA/DCR//
TO USCINCPAC HONOLULU HI//J74//
INFO AMCONSUL NAHA

ZYUW RUEKJCS9500 1421846

USIA WASHINGTON DC//IV//

UNCLAS

SUBJECT: OKINAWA GOVERNOR'S US VISIT

REF: NAHA 160120Z MAY 85

1. REF MSG PROVIDES ITINERARY FOR GOVERNOR NISHIME.
2. REQUEST YOU TAKE SUCH PARTS OF REF MSG FORAC AS PERTAIN TO PUBLIC AFFAIRS ACTIVITIES WITHIN YOUR COMMAND.
3. CONTACT FOR DOD IS MR JAMES AUER, OASD (ISA), EXT 57886. BT

ACTION ASD:PA (1)
INFO CMB QC (1) SECDEF: (1) SECDEF (9) USDP (11)

(D,6,7,F)

MCN=85142/05898 TOR=85142/1845Z TAD=85142/1916Z

CDSN=MAJ100
PAGE 1 OF 1
221846Z MAY 85

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NISHIME
INCOMING
TELEGRAM

PAGE 01 TOKYO 11113 310825Z
ACTION EAP-08

2747 EAP0581

TOKYO 11113 310825Z

2747 EAP0581

-- USFJ WILL DO EVERYTHING POSSIBLE TO ENSURE THE SAFETY OF THE LOCAL COMMUNITY AND CONTINUED COOPERATION OF THE LOCAL COMMUNITY AND THE GOVERNMENT OF JAPAN.

ACTION OFFICE J-05
INFO P-01 RA-01 PHU-01 X-01 /B09 A2 DDK

INFO LOG-08 COPY-01 ADS-08 INR-10 SS-08 CIAE-08 NSAE-08
SSO-08 L-03 PM-10 OMB-01 INRE-08 SP-02 SPD-01
/028 W

3. FULL TEXT OF THIS NON-PAPER WILL BE HAND-CARRIED TO WASHINGTON BY JIM AUER.

CLARK

O 310818Z MAY 85
FM AMEMBASSY TOKYO
TO SECDEF WASHDC IMMEDIATE
INFO SECSTATE WASHDC 1704
AMCONSUL NANA
COMUSJAPAN YOKOTA AB JA
COMNAVFDRJAPAN YOKOSUKA JA

0 MAR 7 1-2b

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SECDEF FOR ASD/ISA ARMITAGE

E.O. 12356: DECL: OADR
TAGS: MARR, JA, US
SUBJECT: SUPPLEMENTARY TALKING POINTS FOR USE WITH GOVERNOR NISHIME

REF: NANA 334 (DTG 170728Z MAY 85)

1. ON MAY 30, MGEN PHILLIPS, THE US CHAIRMAN OF THE JOINT COMMITTEE, PASSED A NON-PAPER TO THE JAPANESE CHAIRMAN ENUMERATING MEASURES THAT ARE BEING TAKEN OR WILL BE TAKEN TO CORRECT THE SITUATIONS LEADING TO A SERIES OF MOTOR VEHICLE ACCIDENTS BY US MARINES IN OKINAWA AND THE STRAY BULLET INCIDENT AT CAMP HANSEN. THE FOLLOWING HAS BEEN EXCERPTED FROM THIS NON-PAPER FOR POSSIBLE USE BY ASST. SECRETARY ARMITAGE IN HIS MEETING WITH OKINAWA GOVERNOR NISHIME ON JUNE 7.

2. TALKING POINTS:

-- USFJ SINCERELY REGRETS THE RECENT SERIES OF ACCIDENTS IN OKINAWA AND HAS RECENTLY REPORTED TO THE JOINT COMMITTEE ON MEASURES THEY PROPOSE TO TAKE TO CORRECT THIS SITUATION.

-- IN THE CASE OF ACCIDENTS INVOLVING OVERWEIGHT/ OVERSIZED VEHICLES ELEVEN NEW PRACTICES AND REGULATIONS HAVE BEEN ADOPTED TO IMPROVE AND POLICE THE USE OF SUCH VEHICLES ON PUBLIC ROADS. THESE INCLUDE SUCH STEPS AS ANALYSIS OF THE ACCIDENTS TO DETERMINE CAUSAL FACTORS AND RECOMMEND REMEDIAL ACTION; NEW DRIVER TRAINING METHODS; ADDITIONAL SAFETY INSPECTIONS; LIMITS ON THE NUMBER OF VEHICLES ON THE ROADS, ESPECIALLY DURING FUSH HOURS; PUNITIVE ACTIONS AGAINST REPEAT TRAFFIC SAFETY OFFENDERS AND POSITIVE REINFORCEMENT OF SAFE DRIVERS; IMPROVED MAPS AND MIRRORS ON VEHICLES.

-- WITH REGARD TO THE STRAY BULLET INCIDENT, THE BALLISTICS REPORT WAS COMPLETED ON MAY 1 AND THE SERIAL NUMBER OF THE RIFLE HAS BEEN VERIFIED. THE INVESTIGATION WILL CONTINUE TO DETERMINE THE FIRING POSITION OF THE RIFLE AND IDENTIFY THE CAUSE OF THE ACCIDENT. IN THE MEANTIME, NEITHER BLANK NOR LIVE FIRING IS BEING CONDUCTED ON THE RANGE AND FIRING WILL NOT RESUME UNTIL REMEDIAL MEASURES, IF REQUIRED, HAVE BEEN TAKEN TO ENSURE THAT SUCH AN ACCIDENT WILL NOT REOCCUR. IN ADDITION, A RANGE SAFETY SURVEY IS NOW BEING CONDUCTED ON ALL OTHER RANGES TO DETERMINE POSSIBLE HAZARDS.

ACTION DA JM BC JS
INFO RB BR BM
DA JM BC JS
KB BR JIM

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reassignment
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INCOMING
TELEGRAM

PAGE 01 TOKYO 1127J 00 OF 02 040830Z 7079 EAP2727
ACTION EAP-00

TOKYO 11278 00 OF 02 040830Z 7079 EAP2727

ACTION OFFICE J-03
INFO P-01 RA-01 PHU-01 X-01 /009 R2 DDK

INFO LOG-00 COPY-01 ADS-00 /001 W
104171 040832Z /21

R 040407Z JUN 85
FM ANEMBASSY TOKYO
TO SECSTATE WASHDC 1084

~~XXXXXXXXXX~~ TOKYO 11278

FOR EAP/J - JOHN SCOTT

E.O. 12956: N/A
TAGS: MARR, US, JA
SUBJECT: VISIT OF GOVERNOR NISHIME: RECENT INCIDENTS
ON OKINAWA

REF: TOKYO 11113

1. THE FOLLOWING IS FULL TEXT OF NON-PAPER SUMMARIZED
IN REFTEL. PLEASE PASS A COPY TO JIM AUER IN ISA (HE
FAILED TO GET IT INTO HIS HANDS BEFORE HE LEFT TOKYO).

2. BEGIN TEXT:

WE AT US FORCES, JAPAN REGRET THE RECENT INCIDENTS IN
OKINAWA SURROUNDING VEHICLE ACCIDENTS AND THE STRAY M-16
ROUND. WE WANT TO CONTINUE OUR COOPERATIVE RELATION-
SHIP WITH THE LOCAL COMMUNITY AND ARE DOING EVERYTHING
POSSIBLE TO INSURE THAT INCIDENTS OF THIS NATURE DO NOT
RECUR.

IN REGARD TO THE ACCIDENTS INVOLVING OVERWEIGHT/OVER-
SIZED VEHICLES, THE FOLLOWING STEPS HAVE BEEN TAKEN TO
PRECLUDE FURTHER INCIDENTS:

- A. ADDITIONAL COMMAND EMPHASIS HAS BEEN STRESSED CON-
CERNING STRICT ADHERENCE TO SAFETY STANDARDS AND
REGULATIONS.
- B. A DETAILED ANALYSIS OF MOTOR VEHICLE ACCIDENTS HAS
BEEN CONDUCTED TO DETERMINE THE SIGNIFICANT FACTORS
INVOLVED IN ORDER TO CONCENTRATE APPROPRIATE COR-
RECTIVE MEASURES.
- C. INCREASED EMPHASIS ON DRIVER TRAINING FOR NEW DRIVERS
REPORTING TO OKINAWA FOR DUTY TO INCLUDE INDOCTRINA-
TION AND TRAINING OF LOCAL RULES, REGULATIONS, AND
TRANSITION TO LEFT SIDE DRIVING AND INCREASED REMEDIAL
DRIVER TRAINING AND SCHOOLING FOR DRIVERS INDICATING
SUCH A NEED.
- D. IMPLEMENTATION OF REGULARLY SCHEDULED, WELL-PLANNED
AND STRUCTURED SAFETY STANDOWNS. STANDOWNS WILL IN-
CORPORATE CLASSROOM INSTRUCTION ON ALL ASPECTS OF
SAFETY AND HANDS-ON TRAINING OF DRIVERS WITH EQUIP-
MENT. INVOLVEMENT OF COMMANDERS IS MANDATORY TO
ENSURE GENUINE COMMAND INTEREST.
- E. LIMITING THE NUMBER OF MILITARY VEHICLES ON THE ROAD.
RIGOROUS COMMAND SCREENING OF ALL VEHICLES TO INSURE
COMPLIANCE OF SAFETY MEASURES AND ESTABLISHED REGU-
LATIONS PARTICULARLY FOR OVERSIZE/OVERWEIGHT VEHICLES
AND THAT ALL MOVEMENT IS NECESSARY AND EFFICIENT.
INCREASE USE OF COMMERCIAL VEHICLES FOR TACTICAL
VEHICLES WHERE APPROPRIATE. CONSOLIDATE LOADS AND

- TRIPS. MAXIMIZE USE OF BUSES TO INCLUDE TROOP TRANS-
PORT. AVOID DISPATCHING DURING TRAFFIC RUSH HOUR
AND CURTAIL MOVEMENT DURING BAD WEATHER TO MAXIMUM
DEGREE.

- F. ENSURE STRICT ADHERENCE TO APPROVE TRAVEL TIMES,
ROUTES AND VEHICLE EQUIPMENT COMBINATIONS. ENFORCE
REQUESTS FOR WAIVERS FOR ALL PREVIOUSLY UNAPPROVED
MOVEMENT. CONSIDER USE OF NJP IN DEALING WITH UNSAFE
DRIVING CITATIONS AND REEMPHASIZE LEADERSHIP RESPONSIBILITIES
IN PREVENTIVE/CORRECTIVE SAFETY PROGRAMS.

- G. CONTINUE UTILIZATION OF TEN ROADMASTERS FOR SUR-
VEILLANCE AND TO INSURE COMPLIANCE WITH VEHICLE
SAFETY PROGRAMS. ROADMASTERS ARE NOW CONDUCTING SPOT
CHECKS TO ENSURE THAT OFF BASE OVERSIZE/OVERWEIGHT
MOVEMENTS HAVE REQUIRED MOVEMENT PERMITS.

- H. DRIVERS' LICENSES OF REPEAT TRAFFIC OFFENDERS WILL BE
REVOKED AND SUCH INDIVIDUALS WILL BE ASSIGNED TO NON-
DRIVING DUTIES.

- I. POSITIVE MOTIVATION/REINFORCEMENT. RECOGNIZE AND
PROPERLY COMMEND SUPERIOR DRIVING PERFORMANCE.

- J. CONTINUE EXPANSION OF USE OF LOCALLY FABRICATED
THREE-WAY MIRRORS WHICH PROVIDE FOR RIGHT FRONT,
FRONT DOWN AND RIGHT REAR VIEW OF NORMALLY RESTRICTED
AREAS FOR LARGE VEHICLES.

- K. BASE ORDER ON MOVEMENT OF OVERSIZE/OVERWEIGHT VEHICLES
IS CURRENTLY UNDERGOING REVISION. CHANGES INCLUDE
DATA SHEETS ON NEW OVERSIZE/OVERWEIGHT VEHICLES AND
UPGRADE OF ROAD MAPS OF APPROVED ROUTES OF MOVEMENT
TO MINIMIZE/ELIMINATE MISINTERPRETATION AND MISREADING.

IN REGARD TO THE STRAY BULLET INCIDENT: THE BALLISTICS
REPORT WAS COMPLETED ON 1 MAY AND THE SERIAL NUMBER OF
THE RIFLE HAS BEEN VERIFIED. THE FOLLOWING ACTIONS ARE
CURRENTLY ONGOING:

- A. THE INVESTIGATION IS CONTINUING TO DETERMINE THE
FIRING POSITION OF THE RIFLE AT THE TIME OF THE
INCIDENT. ONCE THIS HAS BEEN IDENTIFIED, IT WILL
GIVE US A BETTER IDEA OF WHAT CAUSED THE BULLET TO
STRAY.
- B. THERE IS NO BLANK/LIVE FIRING BEING CONDUCTED ON
THE TRANSITION RANGE. NO RESUMPTION OF FIRING ON
THE RANGE IS PLANNED UNTIL THE INVESTIGATION IS
COMPLETE AND MEASURES, IF REQUIRED, ARE TAKEN TO
PREVENT A RECURRENCE.
- C. RANGE SAFETY SURVEY IS BEING CONDUCTED ON ALL RANGES
TO IDENTIFY POSSIBLE HAZARDS. ALL RANGES WILL BE
MADE SAFE TO THE MAXIMUM EXTENT POSSIBLE.

WE EXPECT TO DO EVERYTHING POSSIBLE TO INSURE THE SAFETY
OF THE LOCAL COMMUNITY. THE COOPERATION OF THE GOVERNMENT
OF JAPAN AND THE LOCAL COMMUNITY IS VITAL TO US FORCES,
JAPAN AND WE WANT THAT POSITIVE RELATIONSHIP TO CONTINUE.
SUGGESTIONS OF ADDITIONAL ACTIONS THAT MAY BE USEFUL
WILL BE WELCOME. END TEXT.

MANSFIELD

~~CONFIDENTIAL~~

DEPARTMENT OF DEFENSE
JCS MESSAGE CENTER

NISHIME

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PRIORITY
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FM USCINCPAC HONOLULU HI
TO JCS WASHINGTON DC//J4
INFO OASD WASHINGTON DC

ZYUW RUHQSGG6878 1552009

~~CONFIDENTIAL~~ //NO4020//

SUBJ: OKINAWA GOVERNOR'S U.S. VISIT (U)

A. AMCONS L NAHA 170728Z MAY 85 (PASEP)

1. (U) REF ADVISED OF OKINAWA GOVERNOR JUNJI NISHIME'S CONCERN WITH A NUMBER OF ISSUES CONCERNING U.S. BASE REDUCTION AND CONSOLIDATION ON OKINAWA.

2. (U) REGARDING THE GOVERNOR'S CONCERN WITH THE RETURN OF THE PETROLEUM PIPELINE BETWEEN GINOWAN AND URASOE CITIES (VALVE BOX 20-28): AS PART OF THE NAHA RELOCATION NEGOTIATIONS, COML SJAPAN IS PREPARED TO RETURN VALVE BOX 1-19 (NAHA TO GINOWAN CITY). HOWEVER, THERE ARE NEVER ANY INTENTIONS ON THE PART OF U.S. FORCES TO RETURN VALVE BOX 20-28. THIS SECTION OF THE PIPELINE TIES A COMMERCIAL REFINERY INTO THE PETROLEUM DISTRIBUTION SYSTEM OKINAWA AND WHILE NOT CURRENTLY IN USE, PROVIDES A VALUABLE CONTINGENCY CAPABILITY WHICH MUST BE RETAINED. ADDITIONALLY, SINCE THE COMMERCIAL REFINERY HAS PORT RECEIVING CAPABILITIES, RETENTION OF THE TIE IN AT VALVE BOX 20 PROVIDES A SECOND MAJOR RECEIPTION PORT FOR PETROLEUM IN SUPPORT OF U.S. FORCES.

3. (U) IN ADDITION TO THE SUGGESTED RESPONSE PROVIDED IN REF MSG ON THIS TOPIC, RECOMMEND THE IMPORTANCE TO COMMON DEFENSE OF THIS SECTION OF THE PIPELINE (VALVE BOX 20-28) BE STRESSED TO GOVERNOR NISHIME.

DECL OADR BT

DECLASSIFIED

BY APA

DATE 4/13/99

ACTION J4 (4) (U, 6, 7, 8, F)
INFO CJCS (4) DJS: (2) NIDS (1) J5 (2) CMB QC (1) SECDEF: (1)
USDP (1)

26

MCN=85155/05651 TOR=85155/2021Z TAD=85155/2022Z

CDSN=MAK017

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NISHIME
COO/IA
RELEASE



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-2400

INTERNATIONAL
SECURITY AFFAIRS

5 JUN 1985

MEMORANDUM FOR MR. ARMITAGE

SUBJECT: Visit of Okinawa Governor Junji Nishime (U)

AGD/ISA has seen

Tab 1 contains Governor Nishime's talking points for use in your meeting with him plus Ed Featherstone's recommended response for each. We have prepared a smaller package for the Governor's courtesy call on SecDef.

Tab 2 contains follow on messages from Embassy Tokyo highlighting actions the U.S. has taken to alleviate incidents in Okinawa. You may also wish to tell the Governor over lunch, as a follow-on to point 5, that former USFJ Chief of Staff Marc Moore, now the Chancellor of National University in San Diego, hopes to open an Okinawa campus of his university to administer an MBA program. If successful, General Moore stated he would welcome Okinawan students.

A biography of the Governor is at Tab 3.

V. resp.
Jin

James A. Kelly
Deputy Assistant Secretary of Defense
(East Asia and Pacific Affairs)

Attachment
a/s

B10
COOLAI
RELEASE

JUNJI NISHIME

GOVERNOR, OKINAWA PREFECTURAL GOVERNMENT--Liberal Democratic

Party

DOB: 5 November 1921

POB: Chinen-Son, Okinawa

EDUCATION: Mito Higher School
Graduate of Law Department,
Tokyo University--1948

CAREER: Chief, Economic Section, Ministry
of Foreign Affairs, GOJ--1948
Chief, Planning Section, Ryukyu
Trade Agency--1949
President, Okinawa Asahi
Shimbun (newspaper)--1949
Elected, Government of the Ryukyu Islands (GRI)
Legislature--1954
Appointed Director, GRI Economic Department--1958
Appointed Director, GRI Planning Department--1961
Mayor, Naha-Shi--1962 (two terms)
Elected, member of the House of Representatives--1970
Elected, Governor, Okinawa Prefectural Government--1978

FAMILY: Married with four children

HOBBIES: Go and Golf



COOIAJ
RELEASE

SEA newspaper sometime say
US devel PRC as successful venture - Key
U.S. - Japan

OTHER ~~tech~~ - heritage TBS

FIP - via Jap fact too

Okawara told us the other day, U.S. focused
not to win self budget, justice the time
for other nations to do something

Nishime - CWW

N: Appl to RLA hope you understand

CWW: Yes, + appreciate your support

N: Long range contain seem ul

CWW: Exactly same, by number of
troops always prob, in States also,
I am trying to infra + civil
understand of infra - when shares of
war

N: Close infra time - good health

6/7/85 RLA Nishime

RLA: reiterate SECDEF

some recent incidents seriously report
SECDEF instruce - try to correct, not
repeat, safety assured

N: hands joints + give heartfelt feelings
first, 14 years since incident

3 times as Diet member

able to establish 3 members

DFAA, OPG, US milit, friendly atmosphere

During USCAR Occupation - ^{I was} ~~was~~ policy coord.
occurs fought but gear but when
truthful + bear soul

philos US offer assets for return + reduce base
going on, 44% of bases case in Okinawa, 75%
used use, to people of Okinawa not
going to agreements think still
strong.

biggest source of revenue tourism
200 B\$

150 B\$ - sugar + pineapple

some amt from bases - so very ~~not~~
significant

sugar crop bring in 35 B\$ in
revenue, sweat + work

from bases, etc bring in
significantly more

budget for Okinawa 340 mil \$ per

annum

tax base only 20%

return of Naba fort

Mentioned to Ben Kelly - giving Route 100

in Assembly - US + J must decide

no personal injury but
strong eds long property

request
either term or reduction
reality I live with

Comm + Oppo - wave flag

- if I ever hit or killed

big cause celeb

my fear

water tank rupture - now

Okawa wide problem

- 1. ideal intention stop live firing
- 2. just possib - every possib
just

3. reduction

Futaba Airfield - now in an encroached
area

in middle of Heiswan
hills - big possib of accid
not after - just in front

1E Jima Island (stomach map) - civilian fire
reg. - speeding early return - attempt
ava united use for firing ops

With Bill Sherman - contents of memo May 15
reversion - # of still soft released
public but some still
not released - like 100%
released

(Again map) N Train Area - 3 major dam
used by USMC as overwater bomb
~~any~~ - strong request for stop
I don't believe pollute
but psychol things
Oppos uses as lever
could be a prob.

that water is diverted to all
Okavawa incl U.S.

still useful if I can say
no more water bombing

Don't want give idea wast all
bomb stopped

- just farm + water
getting farm from mil
- ~~as a~~ ~~the~~ ~~farm~~

Kadena noise

Next pt - not complaint - U.S. mil office

fullest roof - no flight after 2200
no " over schools

continuing problem
just airport -
continue effort
around Kadena

BS2s, recent accid given Oppost cause
for fus

agreed upon relationship
always was - enemy typhoon

I'll continue

raise fus - shelters on Guam
when no real need to
Okinawa

With Gen Kelly - Maines young enlisted

several months this yr - giving
Oppos tremendous tool

like to request full brief
training - report laws
& customs good citizens

Maryland Univ - Students young Okinawa
nothing to do w. milit

taken up with Chancellor of Univ of
Maryland

in Decuf many went to U.S.
Oki every yr 5, 6 no 10
h. i. h.

OKI was I want you sol'd like to have yours

and important presence of U.S. mil is my desire

serious consid w/ U.S. presence + exist of OKI diff situation since end of war

Japan China
US - China

Soviets in Com Ronk Bay

but give OKI new look at strategic value

whatever unness to JSDF than Jap themselves

RLA

1. Agreed to revert thous of acres, over 3000, outstn amt, near future Nickmints will help we will route

2. Naha Port - correct agreement

need to identify

our night ft - contingency

CAM, RAN, ROK, SAT

Govt of Naha, may
relieve

3. his Firing - indeed prob

Pentagon very concerned
flight city

trust Gen Kelly referred to

SECDEF instr

ensure safety city

ensure strict instr

don't want Offos + Commun

excuse

frankly injud - no city

of Okinawa org

harm

will valuable board
- Government

1E Jura

(4) Airfield on stand
look at more carefully
if can ease, will
try manual

(5) Jam + over water bomb
look at
drink water but any
prob to public

(6) Noise Pollution Pentagon
very Jamil - Nat airport
by RLA airport
in honor of You visit
reroute
noise statement concern
some problem
continue work w you further

⑦ BSA Acid

use of Kodera safety - protect
 protect in storms; etc higher
 precedent but always look
 to alleviate probs

⑧ Recent incident esp MURKERS

no excuse
 will not go unpunished
 grateful for school effort
 we must do better job
 in counselling will
 - cannot continue

Our women must act as good
 citizen (as Gov suggest)
 + good guest - we will
 insist

⑨ Final pt - training for students
 hope student who study
 in US return for US

SOFA, etc govern
but if permit inclined to
do

base access, etc. spec
avail basis
if all condit met
so will look into

much

Kelly - raise
air access

Nishumie - rest

essen OK energy

Oppose squawle
but I say OK

Phil Miyaher - most often
as house as Tom How don't you

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DEPARTMENT OF DEFENSE
JCS MESSAGE CENTER

OKINAWA
SPEC FOR

ROUTINE
R 192322Z JUN 85
FM SECDEF WASHINGTON DC//USDP//
TO SECSTATE WASHINGTON DC
INFO USCINCPAC HONOLULU HI
COMUSJAPAN YOKOTA AB JA

ZYUW RUEKJCS6130 1702322

AMEMB TOKYO JA

COO/AF
RELEASE

UNCLAS

SUBJ: JAPANESE MEDIA REPS LETTER TO SECDEF ON SPECIAL FORCES
REF: A. AMEMB TOKYO 190918Z JUN 85 (TOKYO 12534)
1. IN RESPONSE TO REF A CONCUR WITH OBSERVATIONS. DOD WILL
WITHHOLD RESPONSE PENDING OUTCOME OF CONSULTATIONS OF AMEMBASSY
TOKYO WITH USFJ AND MOFA OVER ISSUES RAISED IN THE LETTER. BT

ACTION USDP(1)

(D,6,7,8,F)

INFO CMB QC(1) SECDEF:(1) SECDEF(9) ASD:MIL(2)
USDP:ISA(1) USDP:EAP(3) USDP:DSAA(4)

MCN=85170/07481

TOR=85170/2322Z

TAD=85170/2334Z

CDSN=MAK416

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192322Z JUN 85

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DEPARTMENT OF DEFENSE
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NISHIME
COOLIA
F-JCS
recommend release

PRIORITY
P 202231Z JUN 85
FM USCINCPAC HONOLULU HI
TO JCS WASHINGTON DC
INFO SECSTATE WASHINGTON DC
AMBASSY TOKYO
COMUSJAPAN YOKOTA AB JA
CINCPACAF HICKAM AFB HI
CG FMFPAC

ZYUW RUMQSGG7093 1720118
SECDEF WASHINGTON DC
AMCONSUL NAHA
CINCPACFLT PEARL HARBOR HI
CDRWESTCOM FT SHAFTER HI

WHICH WILL ALLOW OKINAWA TO DEVELOP AND PROSPER. I SAID WE AGREE IN PRINCIPLE, TO THE EXTENT POSSIBLE, THAT FACILITIES SHOULD BE RETURNED OR RELOCATED, BUT OUR MAJOR PROBLEM IS FINDING SUITABLE REPLACEMENTS. I ALSO EMPHASIZED THAT WE DEPLORED INCIDENTS AND ACCIDENTS, AND CITED SEVERAL MEASURES TO REDUCE THEM INCLUDING CAREFUL SCREENING OF TROOPS SENT TO OKINAWA, STRENGTHENED DISCIPLINE, SAFETY AND CONTROL MEASURES FOR OUR TRAINING ACTIVITIES, AND MORE EFFECTIVE COORDINATING MECHANISMS WITH THE GOVERNMENT OF OKINAWA.

SECTION 01 OF 02
FOR CINCPACFLT, CINCPACAF, CDRWESTCOM AND CG FMFPAC,
PLEASE PASS TO FIELD COMMANDS

SUBJ: VISIT BY OKINAWA GOVERNOR NISHIME (U)
1. SUMMARY. OKINAWA GOVERNOR NISHIME AND PREFECTURAL ASSEMBLY SPEAKER SHIMURA VISITED HQS USCINCPAC ON JULY 17 AND 18, RESPECTIVELY. BOTH MADE PITCHES FOR ACCELERATED RELEASE OF LAND AND FACILITIES, MORE EFFECTIVE PREVENTION OF ACCIDENTS, AND GREATER EFFORTS TO ELIMINATE CRIMES BY U.S. TROOPS IN OKINAWA. BOTH EMPHASIZED THEY SUPPORTED THE PRESENCE OF U.S. FORCES IN OKINAWA AND THE U.S.-JAPAN SECURITY TREATY AND MADE CLEAR THEY FELT UNDER PRESSURE FROM OPPOSITION POLITICIANS OPPOSED TO BOTH. WHILE NOTING THAT LACK OF REPLACEMENT FACILITIES LIMITED OUR ABILITY TO RELEASE LAND, I REAFFIRMED OUR COMMITMENT TO EVEN MORE EFFECTIVE ACCIDENT PREVENTION MEASURES AND TO INTENSIFIED EFFORTS TO SENSITIZE OUR TROOPS AND STRENGTHEN DISCIPLINE. BOTH SEEMED TO APPRECIATE THEIR WARM RECEPTIONS HEREAND TO FEEL THE ASSURANCES WE RECEIVED WOULD BE HELPFUL. HOWEVER, ANY CONCRETE RESPONSES WE MIGHT BE ABLE TO MAKE TO THESE PRO-AMERICAN POLITICIANS WOULD OBVIOUSLY BE EXTREMELY BENEFICIAL. NISHIME'S PROPOSAL FOR OKINAWANS TO ATTEND COLLEGE COURSES ON OUR BASES STRIKES ME AS ONE TO WHICH WE MAY WELL BE ABLE TO RESPOND POSITIVELY -- AND AT LITTLE COST OR SACRIFICE. I HOPE WE WILL PURSUE THIS IDEA SERIOUSLY AND PROMPTLY. END SUMMARY.
2. IN HIS MEETING WITH ME ON JUNE 17, OKINAWA GOVERNOR JUNJI NISHIME EXPRESSED APPRECIATION FOR THE DISCUSSIONS HE HAD IN WASHINGTON WITH UNDER SECRETARY ARMACOST AND DEPUTY ASSISTANT SECRETARY SHERMAN AT THE STATE DEPARTMENT AND WITH SECRETARY WEINBERGER, ASSISTANT SECRETARY ARMITAGE AND GENERAL KELLY AT DOD. HE SAID THAT SINCE HE HAD DISCUSSED SPECIFIC ISSUES IN WASHINGTON, HE DID NOT WISH TO BELABOR THEM WITH ME, AND HE LIMITED HIMSELF TO RELATIVELY GENERAL COMMENTS.
3. NISHIME EMPHASIZED THAT HE RECOGNIZED THE NEED FOR THE U.S. MILITARY PRESENCE IN OKINAWA AND SUPPORTS THE U.S.-JAPAN SECURITY TREATY. HE NOTED THAT THROUGHOUT HIS CAREER AS MAYOR OF NAHA AND SUBSEQUENTLY AS A MEMBER OF THE DIET, HE HAD SUPPORTED OUR PRESENCE ON OKINAWA. IN AN IMPLICIT PLEA FOR FASTER RELEASE OF LAND AND FACILITIES, NISHIME SAID IT HAS BEEN 14 YEARS SINCE REVERSION, AND RECENT TIMES HAVE BEEN PEACEFUL. NEVERTHELESS, THE U.S. IS RETAINING AN EXCESSIVE AMOUNT OF LAND ON OKINAWA. HE COMMENTED THAT 44 PERCENT OF U.S. FACILITIES IN JAPAN AND 75 PERCENT OF BASE LANDS FOR EXCLUSIVE U.S. USE ARE LOCATED IN OKINAWA. HE ALSO EMPHASIZED THE NEED FOR BETTERING OUR SAFETY RECORD IN TRAINING ACTIVITIES, AND CALLED FOR HIGHER STANDARDS OF BEHAVIOR BY OUR MILITARY PERSONNEL.
4. I RESPONDED THAT I APPRECIATED THE GOVERNOR'S DELICATE POLITICAL POSITION AND ASSURED HIM THAT WE WISH TO WORK WITH HIM TO LESSEN TENSIONS. I ALSO EXPRESSED THE HOPE THAT HE APPRECIATED THE GREAT SIGNIFICANCE OF OUR OKINAWA BASES, NOT ONLY FOR THE SECURITY OF JAPAN BUT ALSO FOR THE STABILITY OF THE PACIFIC REGION. I NOTED THAT WHILE WE HAVE HAD A NUMBER OF YEARS OF PEACE, U.S. STRENGTH IN THE REGION, AS EXEMPLIFIED BY THE OKINAWA BASES, IS ONE OF THE PRIME REASONS FOR THIS SITUATION. I ALSO STRESSED OUR DEEP CONCERN ABOUT THE SOVIET BUILD-UP AND THEIR APPARENT INTENT TO UPSET THE MILITARY BALANCE IN THE PACIFIC.
5. AS FOR THE PROBLEMS IN OKINAWA, I COMMENTED THAT IT IS A SMALL AREA AND WE BOTH HAVE TO LIVE AND LABOR TOGETHER THERE. I ASSURED THE GOVERNOR WE WISH TO WORK WITH HIM TOWARD SOLUTIONS

6. IN CONCLUSION, I NOTED THAT I FOUND HIS PROPOSAL TO ENABLE OKINAWANS TO ATTEND COLLEGE COURSES ON OUR BASES VERY INTERESTING AND IMAGINATIVE. I ASSURED HIM I WOULD LIKE VERY MUCH TO SEE IT COME TO PASS AND WE WILL EXAMINE HIS SUGGESTION CLOSELY. FOLLOWING OUR OFFICE MEETING, GOVERNOR NISHIME AND HIS PARTY WERE GIVEN A PACIFIC AREA UPDATE BRIEFING, CALLED ON FMFPAC COMMANDER, GEN COOPER, AND HAD LUNCH WITH ME AND SENIOR USCINCPAC STAFF. NISHIME THANKED ME FOR HIS RECEPTION, FOR WHICH HE SEEMED GENUINELY GRATEFUL.
7. ON JUNE 13, OKINAWA PREFECTURE ASSEMBLY SPEAKER KEI SHIMURA VISITED THE HEADQUARTERS. HE ENGAGED ME IN CONSIDERABLY MORE DETAILED AND LENGTHY DISCUSSIONS THAN DID GOVERNOR NISHIME. SHIMURA EMPHASIZED HIS SUPPORT FOR THE SECURITY TREATY AND THE PRESENCE OF U.S. FORCES IN OKINAWA. HE EXPLAINED CANDIDLY THAT HIS REASON FOR COMING WAS TO STRENGTHEN HIS POSITION VIS-A-VIS SOCIALISTS AND COMMUNISTS IN THE OKINAWA LEGISLATURE, WHO ARE ATTACKING THE LDP LEADERSHIP.
8. SHIMURA PRESENTED A LETTER, WHICH SUMMARIZED RECENT INCIDENTS AND RELEVANT RESOLUTIONS OF THE OKINAWA PREFECTURAL ASSEMBLY. HE ASKED THAT WE "RE-COMMIT" OURSELVES TO SENSITIZING MILITARY PERSONNEL IN THEIR RELATIONS WITH LOCAL CITIZENS, AND INTENSIFY OUR SURVEILLANCE OF TRAINING IN ORDER TO PREVENT ACCIDENTS. I RESPONDED THAT WE DEPLORE SUCH INCIDENTS AND SHARE THE OKINAWAN AUTHORITIES' INTEREST IN ELIMINATING THEM. I EMPHASIZED OUR COMMITMENT TO ENHANCING THE CULTURAL AWARENESS OF OUR TROOPS AND STRENGTHENING DISCIPLINE.
9. SHIMURA ALSO COMPLAINED ABOUT ALLEGED DELAYS AND INADEQUACIES OF COMPENSATION FOR LOSSES OR DAMAGES RESULTING FROM ACCIDENTS, AND HE ASKED IF THERE WAS NOT SOME WAY OKINAWAN AUTHORITIES COULD BE INVOLVED BEFORE SETTLEMENTS ARE MADE. I AGREED TO LOOK INTO THE MATTER AND URGED THAT ANY SPECIFIC INSTANCES BE BROUGHT TO THE ATTENTION OF GENERAL DAY, OR IF NECESSARY, TO GENERAL TIXIER.
10. SHIMURA THEN ASKED THAT AS WE CONDUCT OUR ANNUAL REVIEWS OF MILITARY ACTIVITIES IN OKINAWA, WE RELEASE LANDS WE DON'T NEED. I RESPONDED THAT WHILE I AGREED IN PRINCIPLE THAT LAND AND FACILITIES SHOULD BE RELEASED IF NOT NEEDED OR, IF POSSIBLE, RELOCATED TO LESS CONGESTED AREAS, FROM OUR PERSPECTIVE THE MAIN BT

ACTION J3(8) (I,M)
INFO CJCS(4) DJS:(*) J3:NMCC(*) NIDS(*) SECDEF:(*)
SECDEF(9) USDP(11)
SECTIONAL(1)

TOTAL COPIES REQUIRED 32

MCN=85172/00338 TOR=85172/0125Z TAD=85172/0134Z CDSN=MAK346

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202231Z JUN 85
SECT 01 OF 02

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DATE: 4/13/99

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DEPARTMENT OF DEFENSE
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PRIORITY
P 202231Z JUN 85
FM USCINCPAC HONOLULU HI
TO JCS WASHINGTON DC
INFO SECSTATE WASHINGTON DC
AMEMBASSY TOKYO
COMUSJAPAN YOKOTA AB JA
CINCPACAF HICKAM AFB HI
CG FMFPAC

ZYUW RUHQSGG7094 1720118

SECDEF WASHINGTON DC
AMCONSUL NAHA
CINCPACFLT PEARL HARBOR HI
CDRWESTCOM FT SHAFTER HI

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FINAL SECTION OF O2

PROBLEM IS TO FIND REPLACEMENT FACILITIES. I EMPHASIZED, HOWEVER, THAT GENERAL DAY IS ALWAYS WILLING TO DISCUSS WAYS OF RELIEVING CONGESTION PROBLEMS.

11. IN CONCLUSION, SHIMURA EMPHASIZED HE HAD NOT COME TO COMPLAIN; HIS PURPOSE WAS TO "PRESERVE THE GOOD THINGS WE HAVE". HE ALSO SPOKE FAVORABLY OF THE STATE OF RELATIONS WITH THE U.S. MILITARY UNDER GENERAL DAY. HE SAID THAT HE HAD PARTICIPATED IN ONE MEETING WITH GENERAL DAY, IN WHICH BOTH SIDES WORKED TOWARD MUTUAL UNDERSTANDING, AND HE HOPED SUCH MEETINGS WOULD BE HELD REGULARLY. SHIMURA NOTED THAT PROBLEMS TEND TO GET BLOWN OUT OF PROPORTION IN ELECTION CAMPAIGNS AND SAID HE APPRECIATED OUR EMPHASIS ON RESOLVING THEM. I CONCLUDED BY STRESSING HOW IMPORTANT OUR ACCESS TO OKINAWA IS AND EMPHASIZED MY GRATITUDE FOR THE GOOD RELATIONS WE ENJOY WITH THE GOVERNMENT AND THE PEOPLE OF OKINAWA. I EXPRESSED CONFIDENCE THAT BOTH SIDES GENUINELY WISH TO FURTHER IMPROVE RELATIONS AND RE-EMPHASIZED WE ARE ALWAYS WILLING TO DISCUSS NEW WAYS OF DOING THIS.

12. COMMENT: BOTH NISHIME AND SHIMURA MADE IT CLEAR THEY FEEL UNDER PRESSURE POLITICALLY AT HOME AND THEIR TRIPS HERE (AND IN NISHIME'S CASE TO WASHINGTON) WERE IN LARGE PART POLITICALLY MOTIVATED. WHILE NEITHER WAS ABLE TO RETURN HOME WITH ANY CONCRETE CONCESSIONS FROM US, THEY APPEARED TO BELIEVE THAT THE FACT THEY HAD BEEN RECEIVED AT HQS USCINCPAC AND GIVEN ASSURANCES OF OUR CONCERN AND DESIRE TO COOPERATE WITH THEM IN REDUCING THE CAUSES OF FRICTION WOULD HELP THEM POLITICALLY. NEVERTHELESS, IF THERE IS ANY LOW-COST PRACTICAL GESTURE WE CAN MAKE TO HELP THESE PRO-AMERICAN POLITICIANS, IT WOULD OBVIOUSLY BE FAR MORE USEFUL THAN THE GENERAL ASSURANCES OFFERED IN THEIR MEETINGS HERE. GOVERNOR NISHIME'S PROPOSAL TO ENABLE OKINAWANS TO ATTEND COURSES ON OUR BASES STRIKES ME AS A POSSIBILITY, AND I HOPE WE WILL WORK SERIOUSLY AND PROMPTLY WITH HIM ON IT -- SO AS TO HAVE DEMONSTRABLE RESULTS SOON ENOUGH TO GIVE THE GOVERNOR AND HIS ALLIES SOME POLITICAL CAPITAL.

13. (U) WARMEST REGARDS
DECL OADR BT

ACTION J3(8) (I,M)
INFO CJCS(4) DJS:(*) J3:NMCC(*) NIDS(*) SECDEF:(*)
SECDEF(9) USDP(11)
SECTIONAL(1)

TOTAL COPIES REQUIRED 32

MCN=85172/00328 TOR=85172/01242 TAB=85172/0126Z

CDSN=MAK330
PAGE 1 OF 1
202231Z JUN 85
SECT 02 OF 02

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OJCS INFORMATION
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*NISHIME
COOL AW
RELEASE*

ROUTINE
R 251712Z NOV 86
FM SECDEF WASHINGTON DC//USDP//
TO AMCONSUL NAHA JA
INFO SECSTATE WASHINGTON DC
AMEMB TOKYO JA

ZYUW RUEKJCS3531 3291712

USCINCPAC HONOLULU HI
COMUSJAPAN YOKOTA AB JA

UNCLAS

SUBJECT: LETTER TO GOVERNOR NISHIME

1. CONGEN IS REQUESTED TO PASS THE FOLLOWING MSG TO GOVERNOR NISHIME. QUOTE:

DEAR GOVERNOR NISHIME,
SINCEREST CONGRATULATIONS ON YOUR REELECTION AS GOVERNOR OF OKINAWA. ALL U.S. FORCES FROM OKINAWA TO MAINLAND JAPAN TO THE CONTINENTAL UNITED STATES SALUTE YOUR WELL DESERVED VICTORY. I AM PLEASED THAT WE HAVE MADE PROGRESS ON SOME OF THE INITIATIVES YOU BROUGHT TO WASHINGTON SUCH AS OKINAWAN STUDENTS IN UNIVERSITY OF MARYLAND CLASSES. I LOOK FORWARD TO WORKING TOGETHER EVEN MORE CLOSELY IN THE FUTURE, AND I HOPE TO MEET YOU AGAIN IN NAHA OR IN WASHINGTON. SINCERELY, RICHARD L. ARMITAGE, UNQUOTE. BT

PRIME BACK COPY

ACTION USDP(11) (D,6,8,F)
INFO CMB QC(1) SECDEF(9) USDP:ISA(1) USDP:EAP(3)
USDP:DSAA(4) ISA(1) EAPR(1)

MCN=86328/05382 TOR=86328/1712Z TAD=86329/1717Z CDSN=MAJ673
PAGE 1 OF 1
251712Z NOV 86

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INTERNATIONAL SECURITY AFFAIRS

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SEC DEF HAS SEEN

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-2400

FEB 11 1986

08 FEB 1986

In reply refer to: I-06202/86

OFFICE OF THE SECRETARY OF DEFENSE

DOOLB RELEASE

10 FEB 1986

MEMORANDUM FOR THE SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY *Rt*

SUBJECT: Visit of Japanese Opposition Party Chief (U) -- ACTION MEMORANDUM

(U) The Honorable Yoshikatsu Takeiri, Chairman of the Japanese moderate opposition party "Komeito", will visit Washington March 10-14 and has requested meetings with you, the Vice President and Secretary Shultz. Ambassador Mansfield strongly recommends you attempt to see Takeiri; and the meeting has also been enthusiastically, and unusually, supported by LDP Vice President Nikaido.

(U) Komeito is the political arm of the nationalistic and disciplined Buddhist sect "Sokka Gakkai" and has over 60 seats in the House of Representatives. Komeito switched from a neutralist to moderately pro-defense party in the 1970s and has become gradually more supportive since 1981, helped along by your meeting with its Vice Chairman, Junya Yano. MOD Kurihara told you in 1984 that Komeito support was critical to getting a night landing field at Miyake Jima. Within this week, Komeito has come publicly onboard to support a Miyake Jima solution.

(U) I recommend you meet Takeiri for about 30 minutes. I will try to host him for breakfast or lunch before the meeting. As your meetings with the Chairmen of the Socialist and Democratic Socialist Parties in 1984 and 1985, respectively, have very much helped gain favorable changes in opposition parties' defense posture, a meeting with Takeiri could lead to short term gains at Miyake Jima and a continued long term pro-defense position of Komeito.

(U) Please indicate your decision below:

OK Agree to meet for ^{*skan*} 30 minutes.

Decline.

DECLASSIFIED

BY APA

DATE 4/13/99

VR/RI
RICHARD L. ARMITAGE
Assistant Secretary of Defense
(International Security Affairs)

J.E. Auer, ISA/EAPR, x57886

CLASSIFIED BY: DIR, EAPR
DECLASSIFY ON: OADR

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(724)
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SEC DEF CONTR No.

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DOOIE
RELEASE



THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-2400

INTERNATIONAL
SECURITY AFFAIRS

In reply refer to:
I-06228/86

5 MAR 1986

5 MAR 1986

MEMORANDUM FOR THE SECRETARY OF DEFENSE

THROUGH: UNDER SECRETARY OF DEFENSE FOR POLICY *ZI*

SUBJECT: Your Meeting with Japanese "Komeito" (Clean Government Party)
Chairman, Yoshikatsu Takeiri (U) -- INFORMATION MEMORANDUM

Time/Place: 10:00-10:30, Tuesday, 11 March 1986/Room 3E912

Participants:

U.S.

The Secretary
The Deputy Secretary
ASD Armitage
DASD Kelly
DAS Sherman
MGEN Powell
RADM Baker
Mr. Auer
Colonel Holt
Mr. Iida, Interpreter

Japan

Honorable Yoshikatsu Takeiri, Chairman
Komeito Party (phonetic: tah-kay-ee-
rhee) addressed: Mr. Chairman or
Mr. Takeiri)
Ambassador Matsunaga
Honorable Bunzo Ninomiya, Upper House,
Deputy Chairman
Honorable Masaki Yoshiaki, Lower House,
Chairman, Policy Council
Honorable Yuichi Ichikawa, Lower House,
General Secretary
Honorable Akira Kuroyanagi, Upper House,
Director Int'l Bureau
Honorable Takeshi Kusano, Lower House,
Deputy Chairman Diet Affairs
Honorable Takenori Kanzaki, Lower House,
Director Central Chapter
Mr. Kasami, Director General Affairs
Mr. Orita, Political Counselor
MGEN Ishikawa, Defense Attache
Mr. Shimanouchhi, Interpreter
Mr. Tokumaru, Secretary to the Chairman

SETTING:

(C) "Komeito" (The Clean Government Party) is the political arm
of the highly disciplined Sokka Gakkai Buddhist sect. It is the
second largest opposition party in Japan, presently having 59 seats
in the House of Representatives (majority LDP has 267, Japan Socialist
Party (JSP) has 113). More important, the "Komeito" has switched from

J. E. Auer, ISA/EAPR, x57886

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a neutralist to a moderately pro-defense position in the 1980s. Defense Minister Kurihara told you in 1984 that "Komeito" was critical to solving the night carrier landing practice problem at Miyake Island, and Takeiri appears to be leaning towards support of Miyake as a "souvenir" to bring to the United States. The Komeito leadership, Ambassador Mansfield, and the LDP leadership (including Vice President Nikaido and Minister Kato) have all asked that you meet the Chairman. Through Gaston Sigur and Vice Minister Yazaki, Kato has strongly requested that you seek Takeiri's support for the Miyake Island site. I will have had breakfast with Chairman Takeiri and his party before your meeting, and we will provide some of his accompanying parliamentarians requested briefings on OTHR and SDI. All of these occasions, particularly your meeting, despite its brevity (30 minutes including translation) will be major news in Japan, making it a good lead-in to your visit to Tokyo next month. I recommend you refer to the points at Tab 1, giving special emphasis to the importance of night landing practice and his support for the Miyake site.

|||
||| Imp-
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MISCELLANEOUS:

- Cameramen will be present at the beginning of the meeting.
- Consecutive interpretation will be provided by Mr. Iida of the State Department and by Mr. Shimanouchi of the Embassy of Japan.
- A biography of Chairman Takeiri is at Tab 2.

Mr Secretary,

VR/ Rch

Attachments
a/s

*I'll also host a
breakfast for him -
Rch*

RICHARD L. ARMITAGE
Assistant Secretary of Defense
(International Security Affairs)

~~CONFIDENTIAL~~

TALKING POINTS

DOOIEI
RELEASE

COURTESY:

- Welcome Chairman Takeiri and his party to the Pentagon. It has been too long since his last visit to Washington (1972), but we are glad that this time he is visiting the Pentagon.
- We were pleased that "Komeito" (koh-may-toe) Secretary General Yano (yah-noh) visited the Pentagon in 1981 and we are happy that Deputy Chairman Ninomiya (nee-noh-me-yah) and five other Diet members including Mr. Armitage's old friend Senator Kuroyanagi (kew-roh-yah-nah-gi) and Representative Ichikawa (ichi-kah-wah) whose election district includes the carrier MIDWAY's home base of Yokosuka (yoh-koh-skah) could also come.
- Express your happiness that the group will visit NORAD and CINCPAC. We will provide briefings here to some of the members on Over-the-Horizon-Radar and SDI as requested.

NIGHT CARRIER LANDING PRACTICE:

- Indicate how very successful MIDWAY's basing in Japan since 1973 has been in providing a strong defense shield for Japanese and U.S. interests in the Western Pacific and Indian Oceans. The only problem has been the difficulty of getting adequate refresher landing practice at night when the ship has been in port for several weeks. Atsugi (aht-sue-gi) is too limited owing to its location in a dense urban area and the resultant time and number of planes in the pattern restrictions.
- The Government of Japan believes it has found a suitable location at Miyake Island (me-ah-kay-gee-mah). Although this is Japan's decision to make, we hope the "Komeito" will support a resolution of this problem.
- Express your appreciation for Komeito's support when the carrier ENTERPRISE visited Sasebo in 1984. Mr. Armitage still owes Senator Kuroyanagi (kew-rah-yah-nah-gi) a ride on the MIDWAY. Of course the Chairman would be welcome also.

JAPAN'S DEFENSE EFFORTS:

- Tell the Chairman that we believe the 1986-1990 defense plan should be fully funded in order to meet Japan's defense goals of defending its own territory, air, and sea-lanes to 1,000 miles.
- These goals are non-threatening to Japan's Asian neighbors and represent a meaningful contribution to Japan's self-defense, which is backed up strongly by U.S. military power in Asia.

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(Takeiri may ask about the 1976 "National Defense Program Outline" which the Japanese press claims you labelled as out of date in 1982 but which DASD Kelly said was unnecessary to change from the U.S. point of view at the Security Subcommittee Meeting in Honolulu this January.)

- The 1976 National Defense Program Outline is a Japanese policy which Japan can change as it sees fit. What I have said previously, and what Mr. Kelly said in Hawaii in January are the same: We think the philosophy of Japan - U.S. roles and missions in the Outline, in the Mutual Security Treaty of 1960, and in the Suzuki-Reagan communique of 1981 is correct. We agree with Prime Minister Nakasone and Defence Minister Kato that the force levels contained in the table attached to the Outline should be reviewed for adequacy depending on the threat Japan faces at a particular time.

(Subjects to speak to only if raised by Chairman Takeiri)

- SDI:

- We will provide a briefing as requested for several of the members of the party.
- We are not pressing Japan (or any other country) to participate or to pass new security legislation.
- Japan is welcome to participate, and its high technology base means that there might be opportunities for Japanese companies.
- Japan's security record is good so we would rely on the Japanese Government to decide WHETHER to permit classified contracts and, IF SO, how to protect classified information, i.e., we trust Japan's ability to protect information within existing laws and procedures.

- OVER-THE-HORIZON RADAR (OTHR):

- A briefing will be provided for some members as requested.
- The U.S. is deploying OTHR and Japan is separately studying the subject -- the two projects are NOT directly related.
- We believe OTHR is very useful, and we understand Japan's study will determine whether it is beneficial to Japan's defense.
- Minister Kato requested U.S. technical information to support Japan's study, and we are providing it.

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3

YOUR VISIT TO JAPAN:

- Recommend you tell Chairman Takeiri you are hoping to visit Japan next month and ask him to pass your best wishes to the Prime Minister and Minister Kato if he has the opportunity.

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BOOK MESSAGE HANDLING INSTRUCTIONS

FROM: OSD
 TO: USCINCPAC
 INFO SECSTATE
 COS TOKYO
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*DOOIE3
 RELEASE
 per JCS
 concerned*

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QQQQ

ISA/EAPR 448/86

PERSONAL FOR ADM HAYS INFO ASSISTANT SECRETARY WOLFOWITZ, AMBASSADOR MANSFIELD AND LIEUTENANT GENERAL TIXIER FROM ASD RICHARD L. ARMITAGE
 SUBJECT: VISIT OF KOMEITO CHAIRMAN TAKEIRI {U}

1. ~~{U}~~ VICE MINISTER YAZAKI CALLED ME A.M. 24 FEBRUARY TO ASK THAT SECDEF REQUEST KOMEITO SUPPORT FOR A NLP SITE AT MIJAKE JIMA. I ASSURED YAZAKI THAT BOTH THE SECRETARY IN HIS MEETING AND I IN BREAKFAST DISCUSSIONS WITH TAKEIRI ON 11 MARCH WOULD DO SO.
2. ~~{U}~~ THE VICE MINISTER ALSO SAID THAT TAKEIRI AND/OR HIS PARTY MIGHT ASK QUESTIONS HERE OR AT CINCPAC ABOUT OTHR. YAZAKI REQUESTED WE MAKE TWO POINTS: {1} THAT THE U.S. PROGRAM IS NOT DIRECTLY RELATED TO JAPAN'S STUDY OF OTHR AND {2} THAT JAPAN IS STUDYING OTHR

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DRAFTER TYPED NAME TITLE, OFFICE SYMBOL, PHONE JAMES E. AUER, ASST FOR JAPAN, 24 FEB 86, X5788E		SPECIAL INSTRUCTIONS <i>EAP Jewell</i>
RELEASER TYPED NAME TITLE, OFFICE SYMBOL AND PHONE RICHARD L. ARMITAGE Assistant Secretary of Defense (International Security Affairs)	25 FEB 1986	SECURITY CLASSIFICATION CONFIDENTIAL EYES ONLY
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BOOK MESSAGE HANDLING INSTRUCTIONS

WITH A VIEW TO DETERMINING ITS UTILITY FOR THE DEFENSE OF JAPAN --
 A STUDY WHICH THE U.S. IS ASSISTING WITH TECHNICAL DATA AT JAPAN'S
 REQUEST. KNOWING HOW THE JAPANESE USUALLY WORK, YOU WILL PROBABLY
 RECEIVE THESE POINTS THROUGH ONE OR MORE DIFFERENT CHANNELS AS
 WELL, BUT I THINK WE ARE WISE TO RESPOND ALONG THESE LINES.

3. (U) WARM REGARDS, RICH.

SSO NOTE: DELIVER DURING NORMAL DUTY HOURS.

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DO NOT TRANSMIT VIA OPINTEL BROADCAST
QQQQ

PERSONAL FOR ASD ARMITAGE AND AMB MANSFIELD, INFO AS SIGUR AND
LT GEN TIXIER FROM HAYS

SUBJ: VISIT OF KOMEITO CHAIRMAN TAKEIRI (U)

A. OSD 252019Z FEB 86

B. AMEMBASSY TOKYO 270259Z FEB 86 (BOM)

1. I APPRECIATE THE INFORMATION IN REFS A AND B. WE WELCOME
CHAIRMAN TAKEIRI'S VISIT TO USCINCPAC HEADQUARTERS, AND WILL NOT
MISS THE OPPORTUNITY TO REINFORCE THE POINTS MADE IN WASHINGTON.
WOULD APPRECIATE YOUR PROVIDING A SUMMARY OF DISCUSSIONS IN
WASHINGTON IN TIME FOR US TO TAILOR OUR APPROACH TO CHAIRMAN
TAKEIRI.

2. (U) WARMEST REGARDS.

DECL 28 FEB 94

SSO NOTE: DELIVER DURING DUTY HOURS
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KOMEITO

JOINT MESSAGEFORM

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FROM: OSD
TO: STATE/RCI
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ISA/EAPR 460/86

PERSONAL FOR ASSISTANT SECRETARY SIGUR {STATE/RCI}, AMBASSADOR MANSFIELD {COS TOKYO}, ADM HAYS {USCINCPAC} AND LT GENERAL TIXIER {SSO 5 AF} FROM ASD RICHARD L. ARMITAGE

SUBJECT: VISIT OF KOMEITO CHAIRMAN TAKEIRI {U}

1. ~~(S)~~ SUMMARY: CHAIRMAN TAKEIRI AND ENTOURAGE VISITED PENTAGON ON 11 AND 14 MARCH. I HOSTED A BREAKFAST PRIOR TO THEIR MEETING WITH THE SECRETARY ON 11 MARCH. TAKEIRI REQUESTED A PRIVATE MEETING WITH SECDEF AND ME PRIOR TO THE GENERAL SESSION. PRIVATELY HE INDICATED HE WOULD IN TIME SUPPORT MIYAKE AND IKEGO INITIATIVES; WHILE IN THE GENERAL SESSION, HE CONTINUED THE POSTURE HE HAS TAKEN PUBLICLY THAT KOMEITO WOULD NOT DO ANYTHING TO OPPOSE THE WISHES OF

ISA/EAPR

JAMES A. AUER, 57886
ASST FOR JAPAN, 15 MAR 86

EAP Jewell

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THE MIYAKERO PEOPLE. AT THE DELEGATION'S REQUEST, BRIEFINGS WERE PROVIDED ON OTHR AND SDI WHICH WERE ALSO MAJOR FOCII OF DISCUSSIONS WITH SECDEF AND ME. THE MISUNDERSTANDING ON OTHR SOFTWARE CAUSED BY THE RECENT ASAHI SHIMBUN ARTICLE ON THE SUBJECT WAS CLEARED UP BY THE SECRETARY PERSONALLY, AND THE DELEGATION CAME OUT OF THE SDI BRIEFING PURPORTING TO UNDERSTAND WHAT WE ARE DOING IN A POSITIVE LIGHT. A MESSAGE FOR RELAY TO VICE MINISTER YAZAKI IS INCLUDED HEREIN. END SUMMARY.

2. ~~11~~ AT THE BREAKFAST MEETING AT THE MARRIOTT ON 11 MARCH, TAKEIRI ASKED WHAT THE U.S. EXPECTS OF JAPAN IN THE DEFENSE AREA, SPECIFICALLY WANTING TO KNOW IF WE WANTED AUTONOMOUS DEFENSE TO 1,000 MILES IN ALL DIRECTIONS. WHEN HE WAS TOLD WE HAD COMPLEMENTARY ROLES EVEN W/I THE 1,000 MILES SEAROUTES TO THE SE AND SW, HE WANTED TO KNOW IF THESE WERE MARITIME OR MILITARY ROUTES {ANSWER: IN PEACETIME MARITIME, IN CRISIS COULD BE EITHER OR BOTH}. HE ASKED ABOUT THE U.S. VIEW OF THE 1976 NATIONAL DEFENSE PROGRAM OUTLINE AND WAS TOLD ONLY JAPAN SHOULD DECIDE ITS FATE; BUT TO US THE PHILOSOPHY SEEMED SUPPORTIVE OF AGREED ROLES AND MISSIONS--WE AGREED WITH P.M. NAKASONE AND MOD KATO THAT NDPO FORCE TABLE SHOULD BE FLEXIBLY

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PAGE 03 OF 08

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INTERPRETED DEPENDING ON THE THREAT. REGARDING OUR OPINION ABOUT 1986-1990 DEFENSE PLAN, I TOLD THE CHAIRMAN THAT FULL FUNDING OF THE FINAL FOUR YEARS WOULD SIGNIFICANTLY IMPROVE JAPAN'S CAPABILITIES. CONCERNING OTHR THERE WERE SEVERAL QUESTIONS (RESPONSES IN PARENTHESES): CURRENT STATE OF DEPLOYMENT IN PACIFIC? {U.S. WILL DEPLOY SYSTEM AT AMCHITKA AND ANOTHER SITE}; CAN JDA ANALYZE THE DATA ON ITS OWN/WILL U.S. PROVIDE SOFTWARE TO JDA? {WE WILL IF JAPAN REQUESTS AND PROCURES THE SYSTEM}; WHEN WILL U.S. OTHR BE OPERATIONAL? {IN 2 YEARS}; DO YOU HOPE JAPAN WILL BUY A SYSTEM? {JAPAN MUST DECIDE; WE PROVIDE TECHNICAL DATA AT JAPAN'S REQUEST}. REGARDING SDI, TAKEIRI ASKED IN WHAT AREAS JAPANESE CONTRIBUTIONS WERE REQUESTED. I TOLD HIM THAT WAS THE DOMAIN OF TECHNICAL EXPERTS, THAT WE DID NOT HAVE SPECIFICS IN MIND BUT WERE LOOKING FOR INDUSTRY-TO-INDUSTRY COOPERATION. I TOLD THE CHAIRMAN OF THE SIGNIFICANCE OF MIDWAY'S PRESENCE IN THE SEVENTH FLEET AND THE IMPORTANCE OF NIGHT LANDING PRACTICE. I SAID THE GOJ WAS WORKING HARD TO SOLVE THE PROBLEM BY UTILIZING MIYAKE JIMA AND SOLICITED KOMEITO'S SUPPORT. 3. ~~ISA~~ TO THE ASTONISHMENT OF EMBASSY'S POLITICAL COUNSELOR AND INTERPRETER, I TOOK TAKEIRI TO THE PENTAGON IN MY CAR AND ESCORTED

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HIM ALONE ~~W~~ INTO THE SECRETARY'S OFFICE WITH ONLY INTERPRETER IIDA ACCOMPANYING. THIS WAS PER A LAST MINUTE REQUEST FROM THE CHAIRMAN WHO SAID HE WAS BRIEFED ON MIYAKE AND IKEGO BY THE JDA AND WOULD LIKE TO HEAR SECDEF'S OPINION. THE SECRETARY STATED THESE WERE HIGH PRIORITY PROJECTS. REGARDING MIYAKE, HE SAID THERE WAS AN ESSENTIAL NEED FOR NIGHT LANDING PRACTICE, A NEED IT WAS IN THE INTEREST OF BOTH JAPAN AND THE U.S. TO FILL. TAKEIRI SAID KOMEITO ACCEPTED THE NEEDS AS REQUIREMENTS OF THE MUTUAL SECURITY TREATY. HE SAID THERE WOULD BE UPPER HOUSE ELECTIONS IN JUNE AND NATIONAL ELECTIONS IN APRIL 1987 AND SAID IT WOULD BE HELPFUL IF WE COULD WAIT. THE MEETING ENDED VERY CORDIALLY. THE SECRETARY SAID THE GOJ KNOWS THE BEST WAY TO PROCEED AND THAT WE CAN ONLY STATE OUR NEEDS WHICH ARE VITAL. HE CONCLUDED BY SAYING THAT IN DEMOCRACIES THERE ARE ALWAYS ELECTIONS.

4. ~~101~~ IN THE GENERAL SESSION WITH SECDEF, TAKEIRI ASKED WHAT TIME LIMIT THE U.S. HAD IN MIND FOR JAPAN'S RESPONSE TO THE SECRETARY'S INVITATION TO PARTICIPATE IN SDI. SECDEF ANSWERED THAT REDUCTION OF THE DANGER OF NUCLEAR WEAPONS WAS VERY IMPORTANT, THAT JAPAN HAD VERY ADVANCED TECHNOLOGY AND THAT JAPANESE INDUSTRIAL PARTICIPATION

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WAS WELCOME QM "THE SOONER THE BETTER." IN RESPONSE TO THE CHAIRMAN'S QUESTION WHETHER JAPAN WOULD NEED NEW DOMESTIC LEGISLATION TO PROTECT SDI SECRETS, SECDEF RESPONDED THAT JAPAN HAS A VERY GOOD RECORD IN PROTECTING THE MILITARY INFORMATION IT RECEIVES FROM THE U.S. AND THAT IT IS UP TO THE GOJ TO DETERMINE WHETHER PRESENT PROCEDURES ARE ADEQUATE OR NOT--OUR ONLY INTEREST IS IN ADEQUATE SECURITY. WE WOULD ACCEPT WHATEVER THE GOJ CERTIFIES AS ADEQUATE. TAKEIRI STATED THAT ALTHOUGH HE HAD DISCUSSED THE RELEASE OF OTHR SOFTWARE TO JAPAN AT BREAKFAST, THIS WAS VERY IMPORTANT TO THE KOMEITO AND ASKED THE SECRETARY IF JAPAN COULD RECEIVE THE SOFTWARE? SECDEF SAID "YES" AND DEPARTED FOR THE WHITE HOUSE. I CONTINUED ON THE SECRETARY'S BEHALF SO THAT THE CHAIRMAN COULD BRIEF THE PRESS REGARDING MIYAKE DISCUSSIONS. I RESTATED THE NEED AND A REQUEST FOR KOMEITO SUPPORT, AND IN THIS FORUM TAKEIRI STATED THAT KOMEITO WOULD LIKE TO RESPECT THE WILL OF THE MIYAKE RESIDENTS.

5. ~~10~~ IMMEDIATELY FOLLOWING THE MEETING WITH SECDEF, COLONEL SMULL OF OSD AND CAPTAIN YOUNG OF OPNAV--THE SAME BRIEFERS WHO DISCUSSED OTHR AT THE SSC--PROVIDED AN EXCELLENT UNCLASSIFIED BRIEF ON THE U.S. OTHR PROGRAM WHICH AVOIDED ANY REFERENCE TO WHAT JAPAN'S

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STUDY MIGHT INCLUDE OR ANY DETAILS ON SHARING OF INFORMATION. ONLY THE AMCHITKA SITE WAS SPECIFICALLY MENTIONED AND ITS POTENTIAL COVERAGE WAS ILLUSTRATED. THE JDA REPRESENTATIVE HERE WAS REPORTEDLY ADMONISHED BY HIS HOME OFFICE BECAUSE OUR BRIEFING CONTAINED MORE DETAIL THAN JDA HAD PREVIOUSLY PROVIDED THE DIET ON SUBJECTS SUCH AS FREQUENCY INTERFERENCE (CAPTAIN YOUNG CAREFULLY EXPLAINED HOW THE SYSTEM AUTOMATICALLY AVOIDS INTERFERENCE). THE BRIEFING WENT OVER EXTREMELY WELL, AND BY FRIDAY BOTH POLITICAL COUNSELOR ORITA AND THE JDA REP WERE PRAISING THE KOMEITO'S DISCRETION IN NOT TRYING TO SENSATIONALIZE THE INFORMATION PROVIDED--WE EMPHASIZED THAT THE BRIEFING WAS NOT PROVIDED TO OUTSIDERS REGULARLY BUT WAS GIVEN TO KOMEITO AT THE SECDEF'S REQUEST.

6. ~~17~~ ON FRIDAY, 14 MARCH, DR. AL MENSE, SPECIAL ASSISTANT TO SDIO CHIEF SCIENTIST YONAS, PROVIDED THE DELEGATION A TECHNICAL BRIEFING ON SDI. CHAIRMAN TAKEIRI SAID HE NOW FINALLY UNDERSTOOD WHAT WE WERE DOING IN SDI. KUROYANAGI TOOK HIS CUE FROM THAT AND EXCLAIMED IN ENGLISH "I HAVE NEVER UNDERSTOOD ANYTHING ABOUT SDI IN THE DIET. I NOW UNDERSTAND COMPLETELY. SDI--BANZAI." SINCE THERE WAS NO TIME FOR QUESTIONS, KUROYANAGI RESERVED THE RIGHT TO

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SEND THEM ~~FIWA~~ LETTER.

7. ~~FOR~~ FOR AMBASSADOR MANSFIELD/LT GENERAL TIXIER: REQUEST THE FOLLOWING MESSAGE BE TRANSMITTED TO VICE MINISTER YAZAKI QUOTE HIS EXCELLENCY SHINJI YAZAKI ADMINISTRATIVE VICE MINISTER DEFENSE AGENCY DEAR MR. YAZAKI,

I AM PLEASED TO REPORT TO YOU THAT THE KOMEITO DELEGATION HAS DEPARTED WASHINGTON AFTER MORE THAN FIVE HOURS OF DISCUSSIONS AND BRIEFINGS WITH SECRETARY WEINBERGER, MYSELF, AND SOME OF OUR BEST TECHNICAL EXPERTS. I BELIEVE THE SECRETARY MADE THE REQUIREMENT FOR NIGHT LANDING PRACTICE VERY CLEAR AND ENLISTED THE KOMEITO'S SUPPORT FOR A MIYAKE JIMA SOLUTION. CHAIRMAN TAKEIRI PRIVATELY INDICATED A POSITIVE KOMEITO POSTURE OVER TIME ON BOTH MIYAKE AND IKEGO ALTHOUGH PUBLICLY HE CONTINUED TO SAY KOMEITO WOULD LIKE TO SUPPORT THE VIEWS OF THE LOCAL RESIDENTS.

REGARDING SDI AND OTHR, I BELIEVE THE KOMEITO WAS IMPRESSED THAT SECRETARY WEINBERGER DIRECTED THAT THEY BE GIVEN BRIEFINGS. THESE WERE UNCLASSIFIED, BUT WE REQUESTED THAT CHAIRMAN TAKEIRI USE HIS

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JUDGMENT ~~ON~~ RELEASING THE INFORMATION SINCE THESE BRIEFINGS ARE NOT ORDINARILY MADE PUBLIC.

ON THE WHOLE, MY IMPRESSION IS THAT KOMEITO WILL NOT OPPOSE PROGRESS IN ANY OF THE SUBJECT AREAS DISCUSSED AND THAT GRADUALLY KOMEITO MAY OFFER SOME SUPPORT.

I VERY MUCH LOOK FORWARD TO MEETING YOU IN MISAWA ON APRIL 4TH AND TO CONTINUING OUR ACTIVE DIALOGUE THROUGHOUT THE VISIT OF SECRETARY WEINBERGER.

SINCERELY, RICH

UNQUOTE.

7. ~~(S)~~ I HOPE THE LENGTH OF TIME SPENT WITH KOMEITO WILL PROVE TO HAVE BEEN WORTHWHILE. THE ATMOSPHERE OF ALL OF THE SESSIONS WAS POSITIVE AND EVEN THE PUBLICLY SILENT SIX ACCOMPANYING DIET MEMBERS WERE PRIVATELY POSITIVE. REPRESENTATIVE KANZAKI WAS PARTICULARLY IMPRESSIVE. THE CHAIRMAN WAS TOLD HE WOULD BE WELL RECEIVED AT CINCPAC AND SAID HE WAS VERY MUCH LOOKING FORWARD TO THE VISIT.

8. (U) WARM REGARDS, RICH.

SSO NOTE: DELIVER DURING NORMAL DUTY HOURS.

DECL OADR

ISA/EAPR

SUBJECT: Visit of Komeito Chairman

CURRENT SUSPENSE DATE (YYMMDD)
 Set 2/5

SUMMARY: (Describe briefly the origin, purpose, action recommended and coordination - (Attach original tasking - SD Form 14, etc.))

ORIGIN: SecDef will meet with Komeito Party Chairman Takeichi on 11 March from 10:00-10:30.
 PURPOSE: To forward the talking paper.
 RECOMMENDATION: You sign the attached.

**DOOK
RELEASE**

James A. Kelly
 James A. Kelly

Deputy Assistant Secretary
 (East Asia & Pacific Affairs)

SEQ NO.	DIR/OFC	INITIAL	DATE (Mo, Day)	SEQ NO.	DIR/OFC	INITIAL	DATE (Mo, Day)	SEQ NO.	DIR/OFC	INITIAL	DATE (Mo, Day)
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	USD/P				DUSD/PLAN & RES				ASD/ISP		
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	SA LEGIS				INT'L FIN & ECON				SEC DEF REPS		
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	AUSD/POL PLAN				MA				RESEARCH		
	AUSD/SPEC REV				PDASD/ISA						
					MA				EUR - NATO		
	ADMIN				FMRA				MA		
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	TRADE SECURITY				DIR				NA		
	MUN				DEP DIR						
	MUN TECH				EXEC OFFICER				OTHER		
	STRAT TRADE				COUNSEL						
	STRAT TRADE TECH				PLANS						
	TECH SEC				CONG REL						
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					OPS						

JS 3/11 3:00 PM

LAST NAME OF ORIGINATOR: AUER, JAMES E. DIRECTORATE/OFFICE: OASD (ISA/EAPR) EXTENSION: X57886 SIGNATURE: *[Signature]*

SD Form 161, DEC 85

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 WHEN RUM CLASSIFICATION

Previous editions of this form are obsolete.

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 BY: APA
 DATE: 4/13/99

T

- 1) Honor to see you
- 2) You are very popular among Japanese people
- 3) Appointments cancelled discussions

con: important relationship; maintain close; share values, face common dangers. Particularly friendly mit-uit relations

T: I feel the same way. JSP is making many remarks about my being on a two week trip.

con: Good time of year for it. RR has a bit dark a motto "No man's life, property or life safe when legislature in session"

T: We have consistently failed to be ruling party. Can't May republicans have trouble with governing. Hoping to be in opposition

→ next page

con: Anything special for now?

T: Yes. MOFA VISA have briefed me on Miyuki's visit especially to hear Miyuki's views. T. Kato's housing from you, etc.

con: Must have Miyuki's visit to practice right-landship. Mutual need of it in the interests of both countries. To practice right-landship essential for better of both countries.

T: I don't need to go into details of Miyuki's as far as Keneko Party. I've been on the honor of acceptance of US-Japan Security Treaty - but support the effect of Govt of US - June of this year Upper House election. April 8? Water into election. Promise that my be disband house here. There are gains & pol. solution. It would be helpful to make them trade over & then deal with Miyuki's visit. (VV) Govt know banks don't let it. We can only

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E 0010
RELEASE
2 January 1980
C-STATE

ASSESSMENT OF THE GLOBAL AND REGIONAL BALANCE

Background

- Beijing recognizes that the US remains the principal strategic counterweight to the Soviet Union.
- Precisely for this reason, China's leaders are concerned by trends in the US-Soviet military competition and by what they view as a lack of American will. They will see in your visit an opportunity to urge not only a more vigorous US effort in the arms competition, but also a greater readiness to oppose Soviet "adventurism."
- Your objectives in these discussions are to:
 - Persuade the Chinese that our assessment of the balance is realistic and that we have an effective long-term strategy for coping with the Soviet challenge;
 - Emphasize that in Asia, our fleet still dominates the Western Pacific and that concern over the regional balance should be focused on the Sino-Soviet border rather than on the US-Soviet naval balance.
 - Solicit Chinese views on the East Asian and PRC-USSR balance, with an emphasis on specific information (rather than theories) about Soviet intentions or actual plans, and on China's own security concepts and actual defense plans.
 - Offer our views about how the Chinese contribution to the global and regional balances can be enhanced.

This opening presentation is fairly general, but designed to be comprehensive and place our defense efforts in a credible political and strategic context. Supplemental -- and more detailed -- points on various aspects of this subject follow.

Suggested Talking Points

- The broad political-military competition between the US and the USSR has been the central focus of our national security policy for almost 35 years. It has been China's central strategic preoccupation for more than a decade.
- Our convergent interest is to limit the ability of the Soviet Union to translate its growing military strength into political advantage, and to find ways of resisting Soviet military pressures, both direct and of the "Cuban" variety.
- Given our common concerns, I would like to suggest that we discuss the global and regional military balance that exists today, and the actions that our two countries are taking to meet our respective security needs.
- I am prepared to begin with our assessment of the nature of the Soviet challenge and we could then turn to a more detailed examination of

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BY APX
DATE 4/13/99

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specific issues. In particular, I would be interested in your assessment of the military balance along the Sino-Soviet border and the growth of Soviet naval forces in the Pacific. For my part, I am prepared to discuss our assessments of the strategic balance, the actions NATO is taking to strengthen its forces, the naval balance and other topics in which you might be interested.

- Let me start by noting that the climate of opinion in America is changing. Our experience in Vietnam, as well as Watergate, stimulated a deprecation of the value of military power, wariness about overseas security commitments, and adjustments in executive-legislative relationships which complicated our ability to respond to external events.

-- However, you have doubtless detected a changing public mood on defense issues in our country, crystallized particularly by the SALT debate, a knowledge of the steady Soviet military buildup, Soviet forces in Cuba and events in Iran. There is a new sense of national unity; a greater willingness to support increased defense expenditures; and a greater acceptance of the indispensability of adequate military forces to protect our national interest and support our diplomacy.

- There is also a growing consensus on the nature of the Soviet military challenge.

-- Since the mid-1960s, the Soviets have significantly improved their strategic nuclear forces and have moved from a position of strategic inferiority to a position of strategic equivalence with the US. They are now continuing to improve these forces -- in a manner that raises serious and disturbing questions about their overall objectives, their strategic doctrine, and even more fundamental questions about the overall trend of Soviet external policy.

-- More recently, they have expanded the deployment of the SS-20 and other theater nuclear forces in both Europe and Asia, while at the same time trying to head-off US and NATO improvements in both short and long range theater nuclear forces by means of a propaganda campaign, which, as you know, has failed.

-- The Soviet Union is also carrying out a massive program to improve and expand its conventional forces both in Europe and along the Sino-Soviet border.

-- The Soviet Navy has now developed the capability to maintain a presence around the globe. The still very limited power projection capability of the Soviet Navy is also increasing. The two KIEV class carriers with VSTOL aircraft (with two more under construction), large underway replenishment ships, and ocean-going amphibious assault ships may be just the beginning of a long-term effort.

-- The Soviet Union is also seeking increased access to overseas facilities -- in Cuba, the Mediterranean, the Horn of Africa, the Arabian Peninsula, Afghanistan, and Vietnam -- which will enhance the global reach of Soviet power.

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-- In addition, the Soviet Union has gained operational experience and the confidence that is inspired by success since Soviet advisers and generals have directed operations in Ethiopia, Afghanistan, and perhaps elsewhere.

-- Finally, the Soviet Union has followed a policy of "opportunism" in areas of instability and unrest, and has encouraged proxies -- Cuba and Vietnam -- to intervene militarily in ways that further Moscow's interests.

- Like you, we recognize that the Soviet threat cannot be viewed exclusively -- or even primarily in military terms. Rather they are striving to orchestrate political and economic, as well as military instruments to achieve long-term objectives. In this regard, pro-Soviet parties, (like the Khalq in Afghanistan) and Soviet aid programs to countries as diverse as Libya and Turkey are just as much military actions and military capabilities as tank divisions in Germany or ICBMs.

-- Although, in general, we have enormous advantages over the Soviet Union in economic and political competition, they too have advantages, particularly in unstable areas of the Third World where political processes are often dominated by military elements, where the scope for subversion is great, and where Soviet propaganda can exploit ignorance or religious fanaticism to fan hatred of America.

- I believe that the Soviets hope to achieve their objectives without fighting a major war with NATO or with the United States. This is not because I hold an optimistic view of Soviet motives or consider that Soviet behavior is defensive or status quo-oriented. However, I do believe that if we concentrate solely on how to win a major war we will play into the trap of Soviet strategy.

-- Permit me to use an analogy from chess that is, I think, not only illuminating but also appropriate, since the Russian approach to strategy is very much that of a methodical chess player. The Soviet Union would much rather build up its position through a series of attacks on isolated pawns than to gamble on forcing a decision through the uncertain outcome of a spectacular battle between the queens.

-- While the strength of Soviet nuclear forces has indeed grown enormously from a position of gross inferiority, I believe--and I think they believe also--that the nuclear forces of the United States are still at least as militarily effective as theirs and will remain so through the 1980s, although it is true that our margin will shrink--we will be ahead on some measures, they in others. Moreover, while the Warsaw Pact's conventional forces have been stronger by most measures than NATO's for some time (and will continue to be, although their margin will diminish to our benefit), NATO's conventional forces are strong enough--given some natural advantages of the defense--to make the outcome of a Soviet attack on Europe highly uncertain.

-- The only thing that is certain is that such an attack would cost both sides very dearly. Unless the Soviet Union can expect to defeat NATO quickly, it will eventually be overwhelmed by the mobilization of Western industrial might. Moreover, if it were to achieve rapid victories on the ground in Europe it would have to confront the prospect of our use of nuclear weapons, both tactical and strategic.

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-- It is for these reasons that I believe that the Russians would much prefer to use an indirect approach: by making gains in areas where there is little or no opposition; by avoiding when they can the appearance of direct challenges and relying instead on covert action, or failing that on third country "proxies", always using their own military forces only as a last resort; and by challenging us in circumstances where they can hope to limit our response by the manipulation of Western or Third World public opinion.

— In this way they hope to build a position of strength through which they can intimidate our major allies and friends -- and, perhaps they think, ultimately even the United States itself.

-- If that happens, we are defeated as surely as if we were to be defeated in a bloody war. Thus, I do not believe that the Soviet interest in avoiding a major war makes our problems any easier. Instead, it means that we must find ways to combat Soviet encroachments in areas where there may be little military strength to oppose them, and where political circumstances may make the use of our own military strength difficult or even counterproductive. At the same time, we must take care also to maintain the military capabilities necessary to keep the Soviets from thinking that a military attack on the West would benefit them, or that they can intimidate us in smaller crises.

- In combating this Soviet strategy we have a number of important advantages. But first let me go back to the two most important problems that we face: the enormous buildup of Soviet military capabilities and the many sources of instability in the Third World, particularly in the vital oil-producing region of the Persian Gulf.

-- One measure of the growth in Soviet military capabilities comes from the growth of their defense budget. While our knowledge of how the Soviets allocate their resources is imperfect (and we would be interested in your views on these matters), there are some obvious trends. During the last decade the total Soviet defense effort has grown at a real rate of approximately 4 to 5 percent per annum in rubles (3-4% in dollars). Because defense spending has grown at about the same rate as the economy as a whole these expenditures have absorbed a relatively constant 11 to 12 percent of the Soviet Gross National Product.

-- Only a relatively small fraction of Soviet defense spending goes to manpower; most goes into hardware procurement, military construction, research and development, and other "investments" that contribute to the actual growth of Soviet military capability. What we have to worry about is the cumulative effect of many years of such "investment".

- This Soviet defense expenditure has resulted in a substantial expansion of Soviet military forces and an across-the-board improvement in the quality of weapons and equipment. The most significant increases have taken place in Frontal (tactical) Aviation and Ground Forces--especially in Central Europe and along the Sino-Soviet border--in the strategic missile forces, and in the Soviet Navy.

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-- I would be most interested in exchanging views with you on the recent and prospective changes in the military balance in Europe and Asia, the naval balance, and the nuclear balance. It is easy, however, to summarize the changes wrought by the last fifteen years of Soviet military build-up: they have increased their advantages in areas where they were already ahead and significantly reduced our advantages in areas where they were behind.

- The other important advantage the Soviets have is the dependence of ourselves and our major allies on oil from the Persian Gulf, a politically unstable area increasingly accessible to Soviet military power.

-- US dependence on Persian Gulf oil is not the key concern, although it too must be reduced. The dependence of Western Europe and Japan is much greater and will persist for at least the next decade or two, even with the greatest possible efforts in conservation and in the development of alternative sources.

-- The collapse of Iran as a stabilizing force has completely altered the military balance in the region and leaves the weaker countries in the area (which happen also to be most of the biggest oil producers) more vulnerable than ever to both internal and external security threats. Iran's military weakness obviously renders that country ineffective as a barrier to the projection of Soviet military power into the Persian Gulf. Even more important perhaps, is the fact that Iran is no longer there to oppose indirect threats, e.g., by helping the smaller states.

-- Moreover, the Soviet Union has also been projecting power in the region through its build-up in Afghanistan, South Yemen and the Horn of Africa.

-- This Soviet presence is already an instrument of pressure on neighboring countries like Saudi Arabia and Pakistan and could become a base for Soviet military operations against them or even us. For example, by blocking US access to the region through the Red Sea or the Straits of Hormuz.

-- For all of these reasons, the major oil-producing countries are more dependent than ever on the United States to provide security from external threats. However, an American military presence that is too overt may make their internal security problem even more severe. Recognizing this difficulty, as well as the fact that the problem is both political and military, we plan to pursue a strategy that responds to both the internal and the external security problems.

- So much for our most urgent problems. But of course the Soviet Union too has problems, and they are perhaps more severe in the long run: While we believe that the defense spending of the USSR is likely to continue to increase over the next five years at or near the high rate of the past 15 years, the continued growth of Soviet capabilities is not inevitable. Our experts note that there are economic constraints as well as political factors which make it difficult to forecast Soviet defense programs and expenditures in the 1980s.

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-- Soviet economic growth has been slowing down and has recently fallen below the rate of growth estimated for defense expenditures. Energy problems and demographic problems are likely to lead to a further economic slowdown in the 1980s, so that defense activities could begin to consume an increasing share of Soviet resources. If so, continued growth in the defense sector could actually result in a cessation of growth or even a real decline in the Soviet standard of living. This would confront the Soviet leadership with some fundamental decisions, quite possibly at a time of a crisis over the political succession. It is impossible to predict how such a crisis might be resolved; but one may outline the good and the bad possibilities for the rest of the world.

-- Rather than resolve these contradictions, the Russians may simply press along the same path they have followed for the last 15 years, at the cost of greater internal strains and greater burdens on the Soviet people, but perhaps avoiding any decisive crisis;

-- Alternatively, the Soviets may be forced to question in a fundamental way the extent to which they can continue a policy that requires such a high level of military investment, and choose instead a strategy of greater accommodation and cooperation with competing regimes;

-- A third and most ominous alternative is that the Soviet leadership, perhaps a younger and bolder leadership, might decide that it should move decisively to extract advantage from the huge investment made in the military forces. This could prompt aggressive Soviet military actions, even at a high risk of global conflict.

-- Against these prospects our strategy can be defined simply: We must create incentives, both positive and negative, for the Russians to choose the second alternative and we must have the military capability to protect ourselves in case they choose the third.

- Our somber appraisal of Soviet strategy should not lead us to exaggerate Soviet strengths or to ignore their many weaknesses. To do so would be dangerous and defeatist. To have an effective strategy of our own we must exploit our own strengths and Soviet weaknesses vigorously. Fortunately, we do have many advantages.

-- First, the Soviet Union started from a position of marked inferiority, especially in the strategic fields; it still has much catching up to do in the less obvious areas of capability (reliability, sensors, guidance, etc.)

-- Second, the Soviet Union is now faced by a coalition of nations opposed to the expansion of Soviet influence. Soviet allies are by contrast relatively weak. For example, the total defense expenditures of the US and its NATO allies already exceed those of Soviet Union and its Warsaw Pact allies. Some of Moscow's allies could be as much a drain as an asset.

-- Third, Soviet actions have helped to stimulate a turnaround in Western defense spending, improved relations between us and also Japan, and Western Europe; and suspicion of Moscow on the part of many countries, including several key nations in the Middle East and S.E. Asia.

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-- The great change in the political climate of the industrial democracies will permit us to exploit our considerable economic and technological advantages to restore a more satisfactory military balance. The widespread realism about Moscow also offers a basis for an effective strategy to counter Soviet efforts in the Third World. Such a strategy must build on the desire of Third World countries to be free of Soviet domination, and, if our vital interests are threatened, on the military strength of the United States.

-- I would like to provide you with a brief overview of what the US and its allies are doing to meet the purely military aspects of the Soviet challenge:

-- We are modernizing our strategic-nuclear forces by: providing t MINUTEMAN III with improved accuracy, developing a mobile ICBM, replacing the POLARIS SLBMs with the TRIDENT system, equipping our B-52 manned bombers with cruise missiles, and developing sea and ground-launched cruise missile technology for development within a few years. The overall goal here is to ensure that the Soviet Union will not be able to intimidate our allies with nuclear threats, and of course to dissuade the Russians from any thought that they might win a nuclear war with us.

-- Let me pause for a moment to mention an interesting consequence of our development of cruise missiles; these weapons will make much of the Soviet Union's strategic air defense system obsolete. Nearly \$100 billion of Soviet investment in strategic air defense systems will have been largely wasted and Moscow will have to either accept its new vulnerability to cruise missiles, or else invest heavily in the research, development and deployment of an expensive, high-technology air defense system that may or may not be capable of countering cruise missiles. Cruise missiles may well produce a major change in the conventional balance as well. Later in the decade, our M-X will render an equally large Soviet investment in fixed ICBMs obsolete.

-- Steps are being taken to improve our theater nuclear forces as well. Last month, NATO formally approved its plans to modernize its long range tactical nuclear forces. This occurred at the end of a long process of consultations in which the US exercised a strong leadership role and despite last minute maneuverings by the Soviets to head off such a decision.

-- As a result, NATO will deploy the PERSHING II long range theater nuclear system in 1983. In the same year it will begin deploying ground launched nuclear weapons. In addition, the US will begin procurement of a new 8-inch nuclear artillery round this year.

-- The US is also improving its conventional forces--Army, Air Force and Navy. These improvements capitalize on our technological lead over the Soviets. For example, F-15 aircraft have already been deployed to Europe and F-16s will follow in 1982. Modern ships -- SPRUANCE class destroyers, PERRY-class frigates, and LOS ANGELES Class SSNs -- are joining the fleet. We are also taking steps to improve the operational readiness of all our forces. These improvements are on-going; and will continue during the next few years.

-- We are strengthening our naval forces in the Indian Ocean. And, of course, we can deploy additional forces to the Indian Ocean during a crisis. However, since it takes a long time to increase the total size of the Navy, these deployments must initially be drawn from elsewhere, including the Pacific.

-- Security assistance has been important in some case to stabilize local situations; (e.g., the Middle East and the Mediterranean) as well as to ensure that we continue to have access to key overseas facilities in such places as Spain and the Philippines.

-- Finally, we are adding to our already substantial capability to deploy land, air and naval forces quickly from the United States to contingencies anywhere in the world. We have made major improvements in airlift and we have just recently launched the CX program of large air transports, as well as a sealift program, to give more mobility to our heavy forces. While this effort will be focused initially on the Middle East, it will also improve our capability to react to crisis elsewhere.

- These US force improvements reflect and emphasize our main strengths in meeting the Soviet competition.

-- US technological advances are apparent across the board. The MX will be the most accurate and most survivable ICBM in the world. Small cruise missiles will be very difficult for Soviet radars to see. Our new tactical aircraft have radars, weapon systems, and performance characteristics which make them far superior to the best Soviet aircraft. And US submarine and anti-submarine technologies give our Navy a decided edge over Soviet naval forces.

-- US forces are also designed to be flexible to meet a range of contingencies and our conventional forces can be rapidly deployed around the world. The Soviets have nothing comparable to our 12 large aircraft carriers and our strategic airlift force is far superior to theirs. Moreover, we are expanding the size of the strategic airlift fleet and have begun to develop a new transport aircraft.

-- Finally, US bases overseas allow us to stage effective military operations in remote areas far from our shores. One of our recent initiatives has been to upgrade the facilities at Diego Garcia and to buy new ships to base there with prepositioned equipment.

- The US, of course, does not stand alone. Our allies are also making major contributions.

-- The actual increase in real defense spending by our NATO allies this year and next will be slightly more than 2.5% per year. This is, frankly, less than we would like but it is a substantial improvement from the past and we hope to continue to do better.

-- NATO has also adopted a Long-Term Defense Plan--with more than 120 specific measures to improve its conventional forces. During the first year and a half of this program, NATO has made significant improvements in readiness reinforcement capabilities, air defense and early warning, and many other areas. As you know, NATO will now take steps to improve both its battlefield and longer range tactical nuclear weapons, despite sharp opposition from the Soviet Union.

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-- In Asia, we have greatly expanded the scope of our security cooperation with key allies while assured the continued presence of balanced and flexible US military capabilities in the region. With Japan we are developing a more effective working partnership marked by direct military-to-military planning, more equitable cost sharing, and greater interoperability of forces and equipment. In Korea, we have placed withdrawal of US combat units in abeyance pending the evolution of a more stable local balance and a serious, substantive dialogue between North and South. In Southeast Asia, we have stabilized our ability to protect the SLOCs through the amendment of our Military Base Agreement with the Philippines. And by expanding FMS credits and accelerating military equipment deliveries to ASEAN countries, we are attempting to bolster the confidence and the defenses of key friends in Southeast Asia. We are particularly concerned about events along the Thai-Kampuchea border and this is an issue we will want to discuss in detail in the course of my stay here.

- In summary, I would note that while the Soviet Union has done much to improve its military forces, the US and its allies are not reacting by improving their forces too. And, of course, I have not even mentioned the separate and important contribution of China's own forces to the global military balance.

- I would now greatly appreciate hearing your views on the global balance and especially your assessment of the military balance along the Sino-Soviet border.

*** BREAK FOR CHINESE RESPONSE***

~~SECRET~~



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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

February 21, 1980

*Jim Linn
FY I
AND Retention
RP*

PROGRAM ANALYSIS
AND EVALUATION

MEMORANDUM FOR THE UNDERSECRETARY OF DEFENSE FOR POLICY

SUBJECT: Japanese Financial Assistance to the ROK (U)

~~(S/NF)~~ In response to your question of yesterday, I have little doubt that ROK defense would be improved by low-cost Japanese loans. Such assistance could take two forms: (1) near-term aid to the 1980 ROK defense budget to offset the loss in buying power caused by increased inflation and a more-than-20% devaluation of the Won, and (2) long-term support for ROK force improvements.

- Near-Term Needs. The budget was planned for a 13% inflation rate but the current rate is about 23%. About \$200 million will be needed to compensate for increased inflation. Also, since nearly 40% of the ROK defense budget is for purchases of foreign goods and services, an additional \$290 million will be needed in 1980 to offset the devaluation of the Won and maintain the intended level of procurement. In summary, a total of about \$500 million would be needed to restore the buying power of the ROK defense budget in 1980.
- Long-Term Needs. Last year, PA&E suggested an eight-year ground force improvement program that would reduce the fire-power ratio between North Korea and the ROK from its present 1.9:1 to about 1.5:1 by 1988-1990. The plan would cost about \$7 billion (\$ FY 79) by 1988. If the ROK defense budget were to reach 7% of GNP by 1985, they could (by 1988) generate the total funds needed to procure and support these improvements. However, there would be a near-term shortfall of \$1.5 billion between 1980 and 1983, 80-90% of which would be in foreign exchange. There would be a good case for the utility of a Japanese loan to ease the ROK over this critical hurdle.

~~(S)~~ To do the most good, Japanese loans should be concessionary and available quickly. There are precedents for concessionary Japanese loans. In 1979, Japan extended the PRC a \$10 billion loan package on favorable terms. Japan extended a total of \$1.5 billion in development aid in 1978 at an average interest rate of less than 3.4% for 26-year repayment periods, plus an 8.5 year grace period; about \$90 million of this aid was to the ROK.

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BY APA

DATE 4/13/99

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Classified by ASD(PA&E)
Declassify on 2/21/80

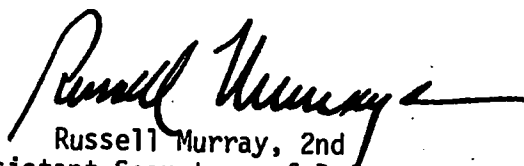
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*USDP
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(S) Loans to the ROK need not be directed to the defense sector. ROK government investment in 1979 was about \$3.4 billion. If Japan stepped in with investment funds for the civilian sector (e.g., electrical power generation), the ROK government could divert the offset to defense. We would have to be prepared to bring U.S. pressure to bear on the ROK to encourage that the savings from the civilian sector be spent for defense.

(S) I feel that we should focus on the near-term problem. It is more immediate, less expensive, and consistent with existing ROK plans. If we get the ROK to hold to its current plan, then we might usefully pursue improvements beyond that. But we are less likely to scare the Japanese if we begin with the immediate requirement of getting the ROK over the security problems caused essentially by oil price rises.

(S) Some groundwork already has been laid since Mike Armacost broached the idea of loans to the ROK to various Japanese on several occasions. We should raise it again with Japan, but not raise Korean expectations until we have some feedback from the Japanese. *AMM*



Russell Murray, 2nd
Assistant Secretary of Defense
Program Analysis and Evaluation

DIRECTORATE FOR DEFENSE INFORMATION
PRESS DIVISION

OKITA 4C840
E001Z
CAPT
SMITH
RELEASE

DATE 20 March 1980 TIME 1130 OSD REP Peterson

QUERY FROM DOD Press Briefing; ASD Ross

QUERY:

In regard to Foreign Minister Okita's meeting with Secretary of Defense today:

1. Were any specific hardware issues discussed in terms of Japanese purchases?
2. What is the current Japanese offset of our costs in Japan? What do we expect from them this next fiscal year?

ANSWER:

1. No. The subject did not arise.
2. Japan provided about \$1 billion in FY-1979 to help offset the cost of 46,000 U.S. military personnel stationed in Japan. While Japan's initiative has been very responsive in this regard and we expect such assistance to continue, the level of future offset expenditures is a matter for the Japanese to ~~announce~~ decide.

SOURCE OF ANSWER Posture statement; CAPT Smith, IS PHONE 74689

COORDINATION _____

COMPLETED BY _____ TIME INQUIRER NOTIFIED _____

THIS REPORT IS TO BE TURNED IN TO PRESS CHIEF IMMEDIATELY UPON COMPLETION.



POLICY

~~SECRET~~

THE UNDER SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

I-21822/80
April 7 1980

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E O O I A D
R E L E A S E

Good, done

MEMORANDUM FOR ASD/ISA

Japanese Contribution to ROK Security

While he is in Tokyo, I want Nick Platt to explore discreetly what the Japanese can do to help enhance ROK security. An obvious example would be for Japan to contribute economic aid to S. Korea--on the clear private understanding that the ROKs would turn around and buy the same value in equipment from the US.

I also want Nick to ascertain in Seoul the kind of Japanese contribution the Koreans might find acceptable. The ROK too must be brought to understand that the US cannot pay all the external bills.

I know these topics are politically sensitive in both capitals, but that does not mean we should not put the two governments on private notice that we are addressing it, and that they should be too.

I leave to Nick the tactics of his approaches in both capitals, but I want from him after his return a report on what he learned and how we can most effectively encourage Japan over the long term to contribute more to ROK security.

RWK
R. W. Komer

DECLASSIFIED
BY APA
DATE 4/13/99

cc: Nick Platt

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Nopier -

Not sure you saw this. We got #1 & 2 to NP before he left. Would like something further on #3 & 4 for a B/C.

Rep



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

EODI ADI
RELEASE

INTERNATIONAL SECURITY AFFAIRS

8 April 1980

MEMORANDUM FOR ~~MR. FLINT~~ *PF*
CAPTAIN SMITH

SUBJECT: Japanese Contribution to ROK Security

See Ambassador Komer's attached memo. Mr. Platt would like to reply ASAP after his trip. Therefore, he needs to take the necessary background with him to study during the trip.

Please provide:

1. Precisely what the GOJ and ROKG are doing in security cooperation. My understanding is, not much, and what there is is indirect and low order . . . visits, etc. What do they do through us?
2. In what ways does Japan support Korea economically, public and private?
3. Thoughts on what Japan might do in the future, perhaps on a rising scale.
4. Thoughts on what we might do to foster such support.

Suspense: As much as possible for NP to take on his trip (need by COB Wednesday) but we can also backchannel further inputs.

TCPinckney
T. C. Pinckney
Brigadier General, USAF
Director, East Asia & Pacific Region

Nepier -

Not sure you saw this. We got #1 & 2 to NP before he left. Would like something further on #3 & 4 for a B/C.

TCP

~~SECRET NOFORN~~

WHEN WITH ATTACHMENT
ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

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INTERNATIONAL
SECURITY AFFAIRS

9 April 1980

MEMORANDUM FOR THE DASD/EAP REGION

SUBJECT: Korean-Japanese Economic and Security Relations--
INFORMATION MEMORANDUM

In preparation for your trip to Korea, you asked for a brief description of Korean-Japanese economic and security relations. Attached is a short paper prepared by my staff.

From the available information, it is concluded that the Korean and Japanese economies are interdependent, and while there is some indications that Japan would like to diversify its investment and import dependence away from Korea (and Taiwan) toward ASEAN, current politico-economic conditions in Southeast Asia will constrain major new economic initiatives for the foreseeable future. Both Korea and Japan have shown interest in strengthening the security relationship. However, each nation is proceeding slowly to overcome political inhibitions.

A handwritten signature in cursive script, appearing to read "Carl".

CARL H. GROTH, JR.
Director, International
Economic Affairs

Attachment
a/s

DECLASSIFIED
BY APA
DATE 4/13/99

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WHEN WITH ATTACHMENT

~~SECRET NOFORN~~

KOREAN-JAPANESE ECONOMIC AND SECURITY RELATIONS

Summary

(U) In trade, investment, and lending Japan plays a predominate role in the Korean economy. The Republic of Korea is the second largest market for Japanese exports and attracts a major share of Japanese investment. In 1979, Japan loaned Korea over \$2 billion to finance current production requirements and industrial development. While there is some indication that Japanese businessmen would like to diversify investments toward other Asian nations, the political and economic realities dictate that much of Japan's foreign investment will continue to flow to Korea. Both South Korea and Japan have shown interest in strengthening the security relationship. However, each nation is proceeding slowly to overcome political constraints.

Trade

(U) South Korea ranks second only to the United States as an export market for Japanese goods. Since 1970, Japan's exports to South Korea grew at an average annual rate of 25 percent, measured in nominal US-dollar terms, reaching \$1.5 billion in 1979 compared to \$1 billion of US exports to the ROK. Manufactured goods account for 93 percent of Japanese exports to South Korea with steel products, industrial and electrical machinery, and chemicals accounting for the largest shares. One economic model predicts that Japanese exports to Korea will reach over \$2 billion by 1982. (See Tab A.)

(U) South Korea's exports to Japan grew at an average annual rate of 31 percent since 1970, reaching \$752 million in 1979, 3.2 percent of total Japanese imports. None of the exports is critical to Japanese needs, but in many areas South Korea is Japan's major foreign supplier. Two-thirds of the purchases are manufactured goods such as consumer apparel and textiles. In a number of areas such as yarn and fabrics, imports of South Korean products account for at least a 25 percent share of Japan's total imports of these goods. South Korea exported around \$550 million in food products to Japan in 1978.

Investment

(U) The South Korean market attracts much of Japanese overseas investments. Between 1962 and 1978 Japanese companies invested over \$531 million in the Korean economy compared to \$162 million invested by US companies. Approximately 340 Japanese companies have direct investments in Korea with most of these being less than \$1 million. Nearly 20 Japanese-affiliated companies in Korea now have capital exceeding \$10 million, including several large synthetic fiber plants owned by Toray and Teijin, several chemical plants, a shipyard, steel plant, motorcycle factory, transistor factory, as well as several banks and securities companies. From the Korean side, the Japanese are by far the largest investors, accounting for 58 percent of cumulative foreign investment.

Future Investment

(S) Because of slowing growth and rising inflation, many Japanese began in 1979 to turn away from South Korea as an investment prospect, preferring

Classified by D/IEA
Declassify on 4/9/88

~~SECRET NOFORN~~

to look to countries such as Singapore and other members of ASEAN. Taiwan, Japan's other prime investment area of the 1970s, also slipped several notches in the Japanese view since normalization of relations with the Peoples Republic of China.

~~(S-NE)~~ Despite their desire to concentrate more on ASEAN, the Japanese face difficulties that will cause them to continue making major investments in Korea. In Singapore, for example, the labor market is very tight. In addition, it is difficult for Japanese to find partners in Singapore for joint ventures because Singapore's businessmen generally prefer projects with rapid paybacks in the range of 3 to 5 years while Japanese investors are more conservative and are willing to undertake projects with longer-range returns. As to other ASEAN countries, the labor force in the Philippines is considered unreliable and products carrying a made in the Philippines tag are often viewed as substandard. Indonesia has major political problems of its own and Malaysia is not seen as a prime investment prospect.

Lending

(U) Japan is a major supplier of credit to South Korea with public and private debt totaling an estimated \$2.1 billion in 1979 (see Tab B). The Japanese have long considered South Korea a good risk because it is one of the most stable developing countries in Asia.

\$23M/88
(U) The South has also received sizable amounts of Japanese grants and aid. Since 1965 when Tokyo established diplomatic relations with South Korea, the ROK^{has} received about one-fifth of total Japanese bilateral grant assistance totaling \$350 million. Currently grant aid is being phased out and is restricted to the construction of two hospitals. In addition, the South received a generous share of government-backed export credits extended on concessional terms.

Mutual Security

~~(S-M)~~ The Japanese are slowly moving forward with South Korea on the sensitive issue of mutual defense. As in the past, the key constraint on this relationship is the Japanese reluctance to take actions or make commitments that entail a direct security involvement in Korea. Elements within the Japanese Government and ruling party now seem ready to discuss security issues more seriously and objectively than in the past.

~~(S)~~ Recently, there have been subtle indications that the talks are moving forward. Seoul and Tokyo are now permitting exchanges at higher levels and more frequently and publicly than in the past. In addition, new organizational ties are being created to facilitate security discussion. In both countries, public reaction to these moves has been relatively calm.

UNCLASSIFIED

REPUBLIC OF KOREA

Bilateral Trade*
(Millions of US Dollars)

	<u>1978</u>	<u>1979</u>	<u>1980P</u>	<u>1981P</u>	<u>1982P</u>
UNITED STATES:					
<i>Rok</i> Exports <i>to US</i>	1,015	956	1,256	1,627	2,129
<i>Rok</i> Imports <i>from US</i>	761	992	1,179	1,354	1,645
Trade Balance	254	- 37	77	273	484
JAPAN:					
Exports	657	752	952	1,142	1,466
Imports	1,495	1,512	1,866	2,191	2,707
Trade Balance	- 839	- 761	- 915	-1,049	-1,241
EEC:					
Exports	446	463	653	883	1,164
Imports	308	477	537	630	810
Trade Balance	138	- 14	116	253	353
IMPORTS FROM OPEC	549	704	1,162	1,376	1,691

* Data Resources Incorporated forecast of Bilateral Trade 1980-1982.

UNCLASSIFIED

(March 1980)

TAB
A

Japan: Holdings of South Korea
Disbursed Debt by Source
(Million US \$)

	<u>1976</u>	<u>(Yearend Values)</u>		<u>1979</u>
		<u>1977</u>	<u>1978</u>	
Government	665	1012	1114	1133
Supplier Credits	339	505	819	831
Banks	64	71	141	136
Total	1068	1588	2074	2100

1. Estimated



POLICY

~~SECRET~~

THE UNDER SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

I-22628-80
24 May 1980

0420
At: CAP
am: 167
E001 AJI
RELEASE

MEMORANDUM FOR ASD/ISA

(S) We ought to move toward making Japan help out more in supporting South Korea, as a matter of joint concern. After all, it's to protect Japan that we're in Korea in the first place. And we have now acquired major new responsibilities for defending Japan's access to ME oil.

hardly
FDIC
"still" but
word

(S) If Japan can't contribute directly to the security of the ROK, it should be pressed to do so indirectly. I have in mind consulting with Japan frequently about the Korean situation, and laying the groundwork for asking the Japanese to provide (1) greater economic aid to ROK as a means of offsetting political dissidence; (2) giving a part of such aid in a manner that will lead to Korea buying more military equipment from the US (since our FMS is going down).

(U) Nick Platt is familiar with my thinking and agrees. *Could I have ISA recommendations.*

RWK
R. W. Komer

cc: SecDef
ASD/PAE

I-22628/80

Declassify 24 May 86

~~SECRET~~

DECLASSIFIED
BY: APA
DATE: 4/13/99



DEPARTMENT OF DEFENSE
 WASHINGTON HEADQUARTERS SERVICES
 WASHINGTON, D. C. 20301

*EOOIAS
 RELEASE*

(Budget and Finance)

June 4, 1980

MEMORANDUM FOR ACTING ASD (ISA)

Your request dated 17 May 1980 for the use of representation funds for official entertainment expenses for the 12th US-Japan Security Subcommittee Meeting, Honolulu, Hawaii, 29 June - 3 July 1980, has been approved in an amount not to exceed \$ 2,140.00.

My office can effect reimbursement in either of two ways:

- (1) reimbursement to the individual paying the bill; the bill to be supported by paid invoices or receipts.
- (2) reimbursement to the vendor, to be supported by invoice(s).

The information below should be filled in, signed by the person who paid the bill or made the arrangements, and one copy forwarded to the Director of Budget and Finance, DOD/WHS, Room 3B287, Pentagon.

Carl W. Fisher
 Carl W. Fisher
 Director of Budget and Finance

 The attached invoice(s) (is) (are)

_____ partial bill for expenses (check one)
 _____ complete bill covering all expenses

incurred under the above authorization. Also attached is a list of persons attending each function, showing their official titles or the organizations they represent.

<u>Date of Services</u>	<u>Name of Vendor</u>	<u>Make check to</u> (include mailing address)	<u>Amount of Invoice</u>
-------------------------	-----------------------	---	--------------------------

I certify that the above supplies or services have been satisfactorily received or performed; that the expenses were incurred for the official purposes authorized; and that the above invoice is correct and just and proper for payment.



_____ Date



ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

E001ASI
RELEASE

INTERNATIONAL
SECURITY AFFAIRS

In reply refer to:
I-04903/80

MEMORANDUM FOR THE SECRETARY OF DEFENSE

THROUGH: THE DEPUTY ASSISTANT SECRETARY OF DEFENSE (ADMINISTRATION),
OASD/C

SUBJECT: Request for Funds - ACTION MEMORANDUM

I request funds in the amount of \$3,340.00 be approved to pay for official DOD protocol arrangements connected with USG participation in the 12th US-Japan Security Subcommittee Meeting in Honolulu, Hawaii, 29 June - 3 July 1980. I will lead the US delegation. At the request of the GOJ, the meetings will be held exclusively at a civilian hotel. We have agreed to this arrangement because it will allow for greater informal interaction, and is responsive to Japanese political sensitivities. The funds will be used in the following manner:

a. Conference Room Expenses (28 June - 3 July)	\$1,200
b. Opening Reception (29 June)	650
c. Dinner hosted by the head of the US Delegation	
Bar and services	200
Food and services	700
d. Luncheon hosted by the head of the US Delegation	<u>590</u>
	Total \$3,340

A proposed list of attendees is attached.

Attachment

Copy to:
USDP

E00KAS2
RELEASE

Guest List for Opening Reception - 29 June

US Delegation

ASD/ISA McGiffert
Ambassador Mansfield
Adm Long
LTG Ginn
LTG Gorman
DASD Platt
DASD Wolfowitz
DASS Armacost
Mr. Gregg
Mr. Seligmann
RADM Tissot

JAPANESE DELEGATION (Tentative)

Vice Minister Takashima
Vice Minister Hara
Director General Asao
Director Shiota
Director Tamba
Director Ikeda
MGen Hamaya
5 additional

Guest List for Luncheon - 30 June

US DELEGATION - 12
US Support Team/Observers
Capt Smith
Commander Auer
Colonel Harvey
LCol Lohmann
4 others

JAPANESE DELEGATION - 12
JAPANESE COUNSULATE - 4

Guest List for Reception - 30 June 1980

US DELEGATION - 12

JAPANESE DELEGATION - 12

US SUPPORT TEAM (WASHINGTON and TOKYO - 6)

Consul General and Wife
1st Consul and Wife
Pol-Military Counselor and Wife
CINCPACOM and Wife
C of S PACOM and Wife
DC of S PACOM and Wife
J-2 and Wife
J-3 and Wife
J-4 and Wife
J-5 and Wife
Political Advisor, PACOM and Wife

CINCPACFLT and Wife
Vice CINCPACFLT and Wife
CINCPACAF and Wife
Vice CINCPACAF and Wife
Vice Cmdr, FMFPAC and Wife
Cmdr, USACSG and Wife
CINCPAC Support and Wife
CINCPAC Support and Wife

JAPAN PETROLEUM & ENERGY WEEKLY

JAPAN'S OIL STOCKPILE EXPANSION PROJECT ENTERS NEW STAGE

GOVERNMENT-OWNED STOCKPILE

The Japanese government's ambitious plan for building its own oil stockpile will enter a new stage this fall, when construction of crude oil storage tanks will be started at the Mutsu-Ogawara base in Aomori Prefecture, the northernmost part of Honshu — Japan's main island. To be completed by March 1983, the project is being undertaken by a joint government-industry company, Mutsu-Ogawara Oil Storage Co., Ltd. (MOOS) — the first company of its nature ever established in Japan. The company was established December 20, 1979, by the government-owned Japan National Oil Corp. (JNOC) and several private firms, including seven petroleum refining companies.

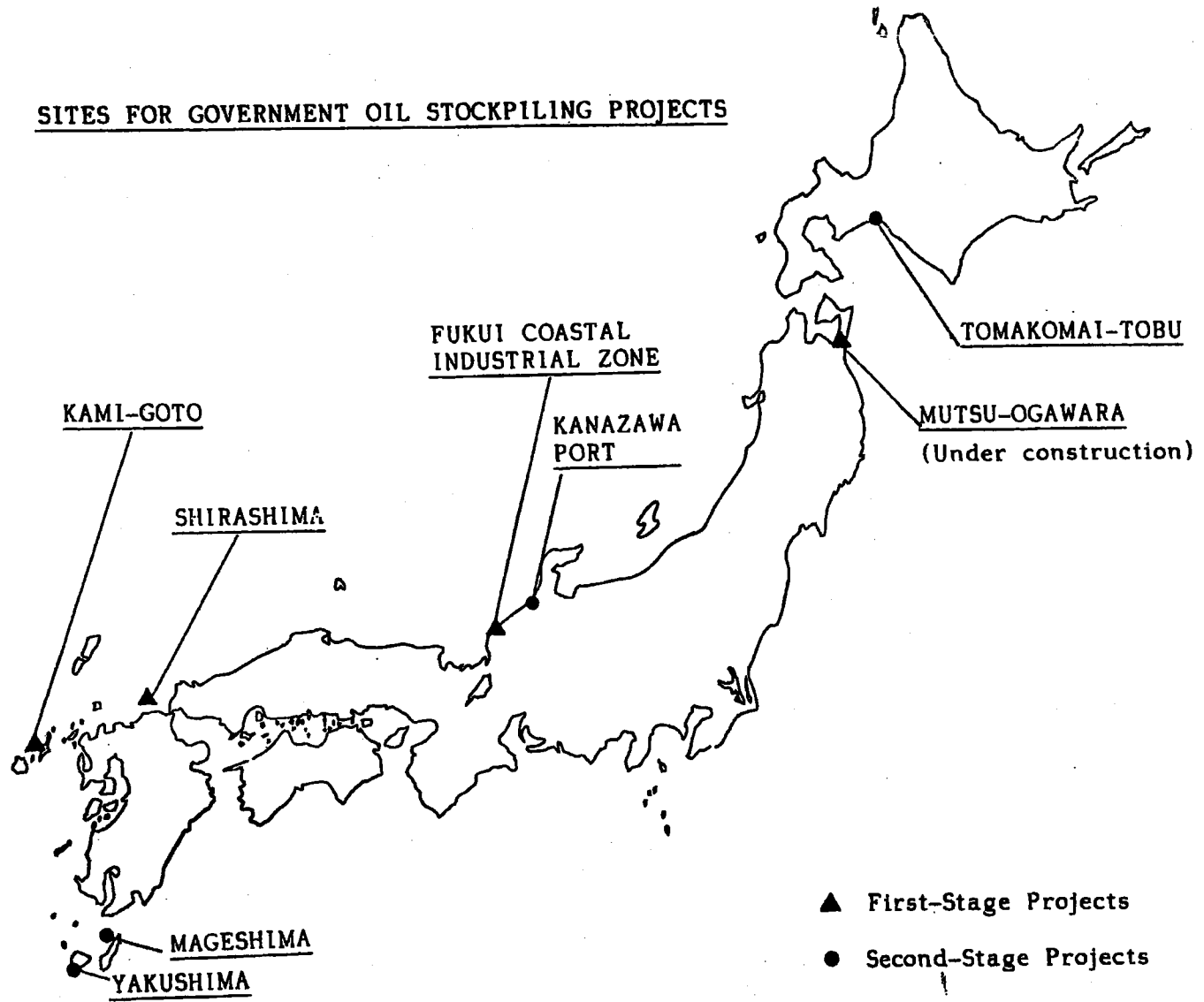
Prior to this, a ground-breaking ceremony was held November 21, 1979, by Mutsu-Ogawara Development Inc. for development of 240 hectares (590 acres) of land for the oil stockpiling base. Mutsu-Ogawara Development Inc. was established March 25, 1971, jointly by the government (i.e. the Hokkaido-Tohoku Development Corp.), the Aomori Prefectural Government, and 165 private companies. The company's original industrial development plan (announced in August 1977) for the 5,280-hectare (13,050-acre) Mutsu-Ogawara area envisaged construction of, among others, a 1.0 million-barrel-per-day refinery, a 1.6 million-ton-per-year ethylene plant, a 3.2 million-kw thermal power plant, etc. However, recent developments in the international oil and energy situation dictate a drastic retreat from the original plan for industrial development in the Mutsu-Ogawara area.

In this connection, the MOOS project is expected to spearhead a series of government-owned oil stockpile expansion projects to follow suit (see the map on the next page), and it will also be the first project to enter the Mutsu-Ogawara industrial area now being developed by Mutsu-Ogawara Development Inc.

The Mutsu-Ogawara oil stockpiling project, to be followed by a number of

ENCL 1

SITES FOR GOVERNMENT OIL STOCKPILING PROJECTS



OIL STOCKPILE EXPANSION PROJECT (continued)

projects of similar nature, is designed to build up and maintain oil stockpiles wholly owned by the government (i.e. owned by JNOC), and thus is different from private projects, started in 1972, which are still under way with financial aid from and preferential treatment in taxation measures by the government to build up and maintain oil stockpiles wholly owned by the private industry.

By contrast with MOOS, however, two other joint JNOC-industry oil stockpiling companies — Niigata Joint Oil Stockpiling Co. and Hokkaido Joint Oil Stockpiling Co., each of which is 50 percent owned by JNOC — are intended to maintain privately-owned stockpiles. (For these privately-owned oil stockpiles, see pages 6 through 13 of this issue.)

Outlined below is the Mutsu-Ogawara oil stockpiling project:

- JNOC purchased the 240-hectare (590-acre) site from Mutsu-Ogawara Development Inc. for approximately ¥34,000 million (US\$155 million based on the current exchange rate of 220 yen to the US dollar) at a unit price of ¥13,100 per M². JNOC leases the land to MOOS at a fee to be determined later between JNOC and MOOS.
- MOOS will construct oil stockpiling facilities (including related roads, pipelines, sea berth and crude oil unloading facilities, etc.) at an estimated total cost of ¥113,500 million (US\$520 million) and will maintain JNOC-owned stockpiles at a fee to be determined later between JNOC and MOOS.
- Oil storage tanks will have a total capacity of 5.6 million M³ (35.2 million barrels) — 51 tanks having a capacity of 110,000 M³ (692 thousand barrels) each. A single-point-buoy-mooring berth will be built off the Pacific coast for receiving 100,000-300,000-dwt tankers.
- The seven refiners participating in MOOS will have the right to utilize the oil storage capacity in accordance with their percentage shares of equity interest. A 15-percent equity capital shareholder of MOOS, Toa Nenryo Kogyo, for example, can utilize a tank capacity of 840,000 M³ (=5.6 million M³ x 15%) for its own purposes.

MOOS is currently capitalized at ¥5,000 million (US\$22.7 million), 70 percent of which is owned by JNOC and the balance by seven refiners and others, as shown below:

<u>Shareholder</u>	<u>¥ Million</u>	<u>% Share</u>
Japan National Oil Corp.	3,500	70
Seven refiners:		
. Toa Nenryo Kogyo K.K.	750	15
. Daikyo Oil Co., Ltd.	50	1
. Fuji Kosan Co., Ltd.	50	1

- Continued on next page -

OIL STOCKPILE EXPANSION PROJECT (continued)

<u>Shareholder</u>	<u>¥ Million</u>	<u>% Share</u>
Seven refiners (cont'd):		
. Kashima Oil Co., Ltd.	50	1
. Kyokuto Petroleum Industries, Ltd.	50	1
. Nippon Mining Co., Ltd.	50	1
. Tohoku Oil Co., Ltd.	50	1
Aomori Prefectural Government	50	1
Tohoku Electric Power Co., Inc.	50	1
Others — 32 banks and 20 insurance co's	350	7
	<u>5,000</u>	<u>100</u>

The government's plan for increasing its own oil stockpiles is presently being undertaken jointly by the Natural Resources and Energy Agency of the Ministry of International Trade and Industry (MITI) and JNOC, with JNOC playing the role of implementing the project plans.

The present MITI/JNOC plan calls for building up the government-owned crude oil stockpile to 10 million kiloliters (63 million barrels) by the end of fiscal 1982 — i.e. March 31, 1983 — and eventually up to 30 million kiloliters (nearly 200 million barrels) in later years. This 30 million-kl stockpile will be equivalent to 43 days' supply, based on Japan's net oil imports for domestic consumption of fuel products in calendar 1979.

JNOC has so far selected eight sites on which to build oil stockpiling facilities, two of which will be the world's first floating storage complex, with large clusters of steel oil containers moored at the pier of an island. Shown below and on page 2 are the eight sites and their planned oil stockpiling capacities:

<u>Location</u>	<u>Oil Stockpiling Capacity</u>	
	<u>1,000 M³</u>	<u>Million Bbls</u>
First Stage:		
. Mutsu-Ogawara (Aomori Pref.)	5,600	35.2
. Fukui Coastal Industrial Zone (Fukui Pref.)	3,300	20.8
. Shirashima Island (Fukuoka Pref.)	5,400	34.0
. Kami-Goto Islands (Nagasaki Pref.)	5,900	37.1
	<u>20,200</u>	<u>127.1</u>
Second Stage:		
. Tomakomai-Tobu (Hokkaido)	8,000	50.3

- Continued on next page -

OIL STOCKPILE EXPANSION PROJECT (continued)

<u>Location</u>	<u>Oil Stockpiling Capacity</u>	
	<u>1,000 M³</u>	<u>Million Bbls</u>
Second Stage (cont'd):		
• Kanazawa Port (Ishikawa Pref.)	3,000	18.9
• Mageshima (Kagoshima Pref.)	5,000	31.4
• Yakushima (Kagoshima Pref.)	3,000	18.9
	<u>19,000</u>	<u>119.5</u>
Total	<u>39,200</u>	<u>246.6</u>

The project for building up government-owned oil stockpiles was launched in April 1978 under a five-year program, according to which the government-owned strategic reserves will be expanded to 10 million kiloliters (63 million barrels) by March 1983. In this connection, the old Japan Petroleum Development Corporation Law (Law No.99 of 1967) was amended in June 1978, and the corporation was renamed the Japan National Oil Corporation, effective June 27, 1978, so that JNOC now can have its own oil stockpile, in addition to its old function of providing financial aid to private oil expansion projects.

It generally takes much time to acquire land for oil stockpiling, due to difficult negotiations with local residents concerned, particularly fishermen who are fearful of losing their fishing grounds due to likely water contamination in case of accidents. Therefore, MITI/JNOC started tanker stockpiling of five million kiloliters (31.5 million barrels) toward the end of 1978 as a forerunner of the five-year program referred to above.

At present, ten VLCC's loaded with 250,000 kl each are anchored off Tachibana Bay, Nagasaki Pref., Kyushu, and another ten VLCC's loaded with 250,000 kl each are cruising off Iwojima Islands in the Pacific. Plans are now under way for increasing these government-owned tanker oil stockpiles, from 5 to 7.5 million kiloliters (47.2 million barrels) in fiscal 1980. (These 7.5 million kl stockpiles will be equivalent to 10.8 days' supply, based on net oil imports for domestic consumption of fuel products, which averaged 4,386 thousand barrels per day during calendar 1979.)

MITI/JNOC officials believe this is the best time to increase oil stockpiles in tankers, since nearly all crude oil tanks at Japanese refineries are full in this period of more-than-ample oil supply.

This tanker oil stockpiling scheme is expected to continue through March 1983, when the construction of national oil tanks will be completed at the Mutsu-Ogawara base and elsewhere and the crude oil will be transferred from tankers to permanent oil storage facilities.

OIL STOCKPILE EXPANSION PROJECT (continued)

PRIVATELY-OWNED STOCKPILE

Japan's privately-owned oil stockpile has been rising rapidly in recent months, as shown below, due primarily to sluggish demand for oil:

- (A) = Crude oil as of the end of month, 1,000 kiloliters
- (B) = Fuel products and semi-refined fuel products as of the end of month, 1,000 kiloliters
- (C) = Total oil stockpile in terms of fuel products (=0.95A + B) as of the end of month, 1,000 kiloliters/million barrels
- (D) = Days' supply

Note Figures in the following table are obtained by adding figures as reported by individual companies, and hence "C" does not precisely equal the figures calculated using the formula $(0.95 \times "A" + "B")$.

	(A)	(B)	(C)		(D)
			1,000 Kl	Mil.Bbls	
January 1980	36,449	28,716	63,345	398.4	91.3*
February	35,394	27,050	60,676	381.7	87.4*
March	37,369	25,453	60,955	383.4	87.8*
April	38,582	26,906	63,567	399.8	91.2**
May	38,967	28,967	65,987	415.1	94.6**
June	41,311	28,042	67,291	423.3	96.5**

(*) Based on 694,110 kl/day (4,366 thousand barrels per day), net daily oil imports for domestic consumption of fuel products in calendar 1978.

(**) Based on 697,270 kl/day (4,386 thousand barrels per day), net daily oil imports for domestic consumption of fuel products in calendar 1979.

According to the latest revised MITI targets, announced April 14, 1980, these privately-owned oil stockpiles are expected to be expanded to 62.7 million kiloliters (394 million barrels), or 90 days' supply, by the end of March 1981, increasing to 68.9 million kiloliters (434 million barrels) by the end of March 1984, to maintain the stockpiles at the 90 days' supply level (JPEW Vol.15, No.16 dated April 21, 1980 - page 8). The foregoing table shows that the current stockpiles have already exceeded the March 1981 target as a result of the unusual situation in the domestic market.

Japan's oil storage tank capacities as of December 31, 1978 — the latest available MITI statistics at this time — are as shown below: (All of the capacities shown below are for privately-owned stockpiles.)

OIL STOCKPILE EXPANSION PROJECT (continued)

(Unit: 1,000 M³)

	<u>Crude</u>	<u>Semi-Refined Products</u>	<u>Fuel Products</u>	<u>Total</u>
Refineries	40,543	20,282	18,218	79,043
CTS	11,246	13	316	11,575
Marketing/primary distribution companies' terminals & depots	-	-	9,182	9,182
Trading companies' depots	-	-	1,412	1,412
Others	<u>228</u>	<u>61</u>	<u>774</u>	<u>1,063</u>
	52,017	20,356	29,902	102,275

For further details, see pages 9 through 13.

Japan should be proud of the world's largest CTS (~~central terminal station~~) with its total crude storage capacity of 7.3 million M³ (45.8 million barrels). Located at Kiire, Kagoshima Bay, Kyushu, the CTS was built (with the first stage completed in 1972) and is being operated by Nippon Oil Staging Terminal Co., Ltd. — 50 percent owned by Nippon Oil Co., Ltd., 33.3 percent by Nippon Petroleum Refining Co., Ltd. and 16.7 percent by Koa Oil Co., Ltd. Four ULCC's (ultra large crude carriers) — Nisseki-Maru (372,698 dwt), Nissei-Maru (484,337 dwt), Globtik Tokyo (483,664 dwt) and Globtik London (483,939 dwt) — are being operated on a shuttle service basis between the Persian Gulf and the CTS by Tokyo Tanker Co., Ltd. (64 percent owned by Nippon Petroleum Refining, 32 percent by Koa Oil and 4 percent by Nippon Oil).

Japan's second largest CTS was completed by Okinawa CTS Corp. (jointly owned by Mitsubishi Oil and Maruzen Oil on a 65:35 basis in favor of Mitsubishi Oil), with its total storage capacity of 2.1 million M³ (13.2 million barrels), and its dedication ceremony was held March 6, 1980. This is the second CTS to go into operation in Okinawa, after Okinawa Terminal's 1.14 million M³ (7.2 million barrels) CTS.

Apart from the foregoing wholly privately-financed CTS projects, there are at present two joint JNOC-industry oil stockpiling projects being undertaken by Niigata Joint Oil Stockpiling Co., Ltd. and Hokkaido Joint Oil Stockpiling Co., Ltd. Although these companies are 50 percent owned by JNOC, with JNOC also financing the construction of oil stockpiling facilities, the crude oil stockpiles maintained in these facilities are wholly owned by private shareholders of these companies.

Outlined below are these two companies:

Niigata Joint Oil Stockpiling Co., Ltd.

Date of establishment: February 28, 1977
 Capitalized at: ¥5,320 million (US\$24.2 million)

OIL STOCKPILE EXPANSION PROJECT (continued)

Niigata Joint Oil Stockpiling Co., Ltd. (cont'd)

Shareholders:	¥ Million	%
Japan National Oil Corp.	2,660	50
Showa Oil Co., Ltd.	1,330	25
General Sekiyu Seisei K.K.	266	5
Nichimo Sekiyu Seisei K.K.	266	5
Toa Oil Co., Ltd.	266	5
Toho Oil Co., Ltd.	266	5
C. Itoh & Co., Ltd.	159.6	3
Maruzen Oil Co., Ltd.	106.4	2
	<u>5,320.0</u>	<u>100</u>

Crude oil storage capacity:	1,132,300 M ³ (7.1 million barrels)
Site area:	508,000 M ² (125.5 acres)
Date onstream:	April 1, 1979
Estimated total cost:	
Land	¥6,048 million (\$27.5 million)
Facilities	<u>¥27,250 million (\$123.9 million)</u>
	<u>¥33,298 million (\$151.4 million)</u>

Since JNOC has no right to utilize the above storage capacity, Showa Oil, for example, as a shareholder of the 25 percent of the company's equity capital, has the right to utilize 50 percent of the total capacity.

A monthly tank utilization fee is reported to be in the range from 350 to 400 yen per kiloliter (25-29 cents per barrel).

Hokkaido Joint Oil Stockpiling Co., Ltd.

Date of establishment:	March 15, 1979
Capitalized at:	¥7,580 million (\$34.5 million)

Shareholders:	¥ Million	%
Japan National Oil Corp.	3,790	50
Idemitsu Kosan Co., Ltd.	1,895	25
Showa Oil Co., Ltd.	758	10
Maruzen Oil Co., Ltd.	379	5
General Sekiyu Seisei K.K.	303.2	4
Toho Oil Co., Ltd.	303.2	4
Nichimo Sekiyu Seisei K.K.	151.6	2
	<u>7,580</u>	<u>100</u>

Crude oil storage capacity:	5.0 million M ³ (31.5 million barrels) (Under construction for partial completion by October 1982)
Site area:	2.0 million M ² (494 acres)
Estimated total cost:	
Land	¥24,000 million (\$109 million)
Facilities	<u>¥106,000 million (\$482 million)</u>
	<u>¥130,000 million (\$591 million)</u>

JAPAN'S OIL STORAGE TANK CAPACITY

(As at December 31,1978)

(Unit: M³)

Company	Crude Oil	Semi- Refined Products	Liquid Products				Total	Asphalt	LPG	
			Gasoline	Kerosine	Gas Oil	Fuel Oils				Lube Oils
(1) Refineries										
<u>Asia Kyoseki</u>										
Sakaide	1,070,000	377,500	48,500	108,700	39,400	381,300	-	577,900	12,000	50,400
<u>Asia Oil</u>										
Hakodate	304,100	32,140	10,600	40,000	8,000	38,500	140	97,240	3,360	700
Yokohama	277,000	114,770	45,000	75,000	40,300	247,090	-	407,390	-	24,800
	581,100	146,910	55,600	115,000	48,300	285,590	140	504,630	3,360	25,500
<u>Daikyo Oil</u>										
Yokkaichi	1,340,000	664,110	122,000	99,178	11,150	125,375	17,848	375,551	15,500	40,756
<u>Fuji Kosan</u>										
Kainan	729,000	84,700	31,000	24,400	5,200	134,600	47,260	242,460	21,400	3,210
<u>Fuji Oil</u>										
Sodegaura	1,527,000	812,780	81,740	207,200	74,750	171,930	-	535,620	12,000	22,500
<u>General Sekiyu Seisai</u>										
Kawasaki	281,800	257,924	30,000	68,610	11,000	73,500	400	183,510	-	240
Sakai	556,000	172,020	43,000	74,907	25,087	472,169	-	615,163	-	17,400
	837,800	429,944	73,000	143,517	36,087	545,669	400	798,673	-	17,640
<u>Idemitsu Kosan</u>										
Aichi	1,242,000	640,000	50,500	110,000	80,000	50,000	-	290,500	-	387,000
Chiba	2,463,011	1,874,960	294,234	343,386	54,363	130,383	209,493	1,031,859	35,866	153,134
Hokkaido	783,721	407,062	44,233	171,202	26,446	110,446	-	352,327	9,000	21,000
Hyogo	960,000	895,500	165,000	230,000	21,000	70,020	-	486,020	-	28,000
Tokuyama	1,220,000	461,700	301,000	180,000	20,000	346,000	-	847,000	12,840	16,890
	6,668,732	4,279,222	854,967	1,034,588	201,809	706,849	209,493	3,007,706	57,706	606,024
<u>Kansai Oil</u>										
Sakai	930,000	368,300	52,400	143,400	67,500	70,000	-	333,300	-	12,960
<u>Kashima Oil</u>										
Kashima	2,625,000	789,500	215,000	70,000	45,000	90,000	-	420,000	15,800	208,600
<u>Koa Oil</u>										
Marifu	612,000	607,250	123,300	41,200	12,700	112,400	-	289,600	6,000	31,500
Osaka	484,000	553,450	33,000	127,000	6,000	82,000	-	248,000	-	44,000
	1,096,000	1,160,700	156,300	168,200	18,700	194,400	-	537,600	6,000	75,500
<u>Kyokuto Petroleum Ind.</u>										
Chiba	1,105,689	280,849	282,627	165,385	22,525	430,459	-	900,996	12,000	9,000
<u>Kyushu Oil</u>										
Ohita	1,045,000	271,500	178,500	94,000	10,000	489,700	-	772,200	-	36,500
<u>Maruzen Oil</u>										
Chiba	1,044,586	1,043,524	277,377	202,036	30,602	82,383	23,904	616,302	18,313	54,100
Matsuyama	381,290	152,486	39,798	120,960	98,364	252,503	-	511,625	-	6,500
Shimotau	123,320	148,081	15,570	9,230	1,000	61,792	17,402	104,994	4,190	4,380
	1,549,196	1,344,091	332,745	332,226	129,966	396,678	41,306	1,232,921	22,503	64,980
<u>Mitsubishi Oil</u>										
Kawasaki	595,200	312,600	46,100	174,500	72,600	79,400	10,700	383,300	2,630	2,560
Mizushima	1,547,800	1,019,570	172,800	107,500	91,500	213,800	31,700	617,300	30,800	51,400
	2,143,000	1,332,170	218,900	282,000	164,100	293,200	42,400	1,000,600	33,430	53,960

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JAPAN'S OIL STORAGE TANK CAPACITY (continued)

(Unit: M³)

Company	Crude Oil	Semi-Refined Products	Liquid Products					Total	Asphalt	LPG
			Gasoline	Kerosine	Gas Oil	Fuel Oils	Lube Oils			
Nansel Sekiyu										
Nishihara	565,200	1,080	69,400	47,000	66,300	186,200	-	368,900	-	6,520
Nichimo Sekiyu Seisei										
Kawasaki	262,170	180,620	17,890	34,650	13,000	80,830	-	146,370	-	7,720
Nihonkai Oil										
Toyama	525,000	205,944	3,072	-	-	27,797	-	30,869	-	6,316
Nippon Mining										
Funakawa	192,045	42,543	6,263	4,762	2,319	20,543	2,389	36,276	4,145	-
Mizushima	1,438,342	658,331	181,031	149,100	34,800	282,622	2,492	650,045	33,000	42,140
Sodegaura	-	7,700	-	-	-	-	1,850	1,850	-	-
	<u>1,630,387</u>	<u>708,574</u>	<u>187,294</u>	<u>153,862</u>	<u>37,119</u>	<u>303,165</u>	<u>6,731</u>	<u>688,171</u>	<u>37,145</u>	<u>42,140</u>
Nippon Oil										
Niigata	125,900	32,183	25,162	40,771	12,328	155,341	2,173	235,775	1,035	5,100
Nippon Petroleum Refining										
Kudamatsu	295,000	59,430	24,181	15,176	7,781	114,746	16,625	178,509	3,347	-
Muroran	492,000	427,710	111,770	152,360	103,540	154,330	-	522,000	24,012	18,000
Negishi	1,232,000	1,828,937	169,486	336,605	105,832	91,860	6,313	710,096	25,512	30,348
Okinawa	140,000	29,881	22,072	9,700	16,000	65,768	-	113,540	-	2,070
Yokohama	314,000	275,943	21,639	26,626	17,835	91,960	9,024	167,084	9,244	890
	<u>2,473,000</u>	<u>2,621,901</u>	<u>349,148</u>	<u>540,467</u>	<u>250,988</u>	<u>518,664</u>	<u>31,962</u>	<u>1,691,229</u>	<u>62,115</u>	<u>51,308</u>
Nippon Seiro										
Tokuyama	69,341	36,941	-	-	589	13,097	8,181	21,867	-	-
Okinawa Sekiyu Seisei										
Okinawa	48,000	150,520	71,550	84,650	38,200	319,190	-	513,590	-	6,700
Seibu Oil										
Yamaguchi	1,620,000	484,500	105,000	80,000	41,000	39,000	-	265,000	14,000	20,000
Showa Sekiyu										
Kawasaki	968,660	132,850	62,210	46,100	13,000	174,430	-	295,740	19,500	15,810
Kobe	-	7,500	-	-	-	-	4,235	4,235	-	-
Niigata	791,000	28,988	25,480	45,150	23,070	182,220	41	275,961	-	6,250
Osaka	-	1,500	-	-	-	-	300	300	-	-
	<u>1,759,660</u>	<u>170,838</u>	<u>87,690</u>	<u>91,250</u>	<u>36,070</u>	<u>356,650</u>	<u>4,576</u>	<u>576,236</u>	<u>19,500</u>	<u>22,060</u>
Showa Yokkaichi Sekiyu										
Yokkaichi	1,895,000	585,925	107,000	206,800	56,000	44,200	36,000	450,000	30,960	22,320
Taiyo Oil										
Kikuma	952,250	130,759	106,962	29,540	10,910	70,229	-	217,641	-	4,180
Teiseki Topping										
Kubiki	12,330	1,063	22,723	3,057	666	6,238	-	32,684	-	-
Toa-Kyoseki										
Nagoya	720,000	470,000	54,000	126,000	50,000	76,000	-	306,000	-	21,000
Toa Nenryo Kogyo										
Kawasaki	606,267	592,188	37,360	73,554	21,836	118,891	-	251,641	8,728	42,550
Shimizu	347,036	79,703	19,820	12,198	8,884	39,520	35,102	115,524	1,718	1,815
Wakayama	2,357,123	852,203	61,553	367,580	50,670	174,350	4,983	659,136	8,930	50,853
	<u>3,310,426</u>	<u>1,524,094</u>	<u>118,733</u>	<u>453,332</u>	<u>81,390</u>	<u>332,761</u>	<u>40,085</u>	<u>1,026,301</u>	<u>19,376</u>	<u>95,218</u>

JAPAN'S OIL STORAGE TANK CAPACITY (continued)

(Unit:M³)

Company	Crude Oil	Semi- Refined Products	Liquid Products					Total	Asphalt	LPG
			Gasoline	Kerosine	Gas Oil	Fuel Oils	Lube Oils			
<u>Toa Oil</u>										
Kawasaki	89,000	236,200	26,000	40,000	30,500	98,000	-	194,500	11,500	
<u>Toho Oil</u>										
Owase	387,000	6,232	31,700	8,514	11,295	196,505	-	248,014	-	
<u>Tohoku Oil</u>										
Sendai	851,000	392,611	79,900	170,420	57,750	145,128	-	453,198	229,420	
Total	<u>40,543,181</u>	<u>20,282,261</u>	<u>4,166,503</u>	<u>5,098,107</u>	<u>1,668,592</u>	<u>7,284,745</u>	<u>488,555</u>	<u>18,706,502</u>	<u>409,285</u>	<u>1,779,032</u>

(2) CTS

<u>Abeny Oil Co.,Ltd.</u>									
Chiba	19,574	-	-	-	-	-	-	-	-
<u>Fuji Kosan</u>									
Onahama	599,000	-	100,000	5,000	3,000	10,000	-	118,000	3,000
<u>General Sekiyu</u>									
Tsurumi	8,000	-	-	-	-	-	-	-	-
<u>C.Itoh & Co.,Ltd.</u>									
Edajima	88,000	-	-	-	-	88,000	-	88,000	-
<u>Kansai Minas Kosan Co.,Ltd.</u>									
Sakai	130,000	-	-	-	-	-	-	-	-
<u>Mitsubishi Corp</u>									
Kanokawa	456,000	-	-	-	-	-	-	-	-
<u>Niigata Joint Oil Stockpiling Co.,Ltd.</u>									
Niigata	567,300	-	-	-	-	-	-	-	-
<u>Nippon Oil Staging Terminal Co.,Ltd.</u>									
Kiire	7,274,070	7,698	-	59	4	110,250	-	110,313	-
<u>Ogishima Oil Terminal Co.,Ltd.</u>									
Yokohama	513,000	-	-	-	-	100	-	100	-
<u>Okinawa Terminal Co.,Ltd.</u>									
Okinawa	1,144,680	795	-	-	-	-	-	-	-
<u>Showa Oil Co.,Ltd.</u>									
Nishi Nagoya	66,000	-	-	-	-	-	-	-	-
Yokohama	<u>30,000</u> 96,000	=	=	=	=	=	=	=	=
<u>Toho Oil</u>									
Atsumi	350,000	5,000	-	-	-	-	-	-	-
Total	<u>11,245,624</u>	<u>13,493</u>	<u>100,000</u>	<u>5,059</u>	<u>3,004</u>	<u>208,350</u>	<u>-</u>	<u>316,413</u>	<u>3,000</u>

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JAPAN'S OIL STORAGE TANK CAPACITY (continued)

(Unit: M³)

Company	Crude Oil	Semi-Refined Products	Liquid Products				Total	Asphalt	LPG
			Gasoline	Kerosine	Gas Oil	Fuel Oils			
(3) Lube oil refineries									
<u>Matsumura Oil Co., Ltd.</u>									
Kobe	-	3,125	-	-	-	-	245	245	-
<u>Niigata Sekiyu K.K.</u>									
Niigata	530	167	-	-	-	10	329	339	40
<u>Nippon Specialty Lubricants Co., Ltd.</u>									
Akita	-	-	4,706	37,900	2,740	5,600	-	50,946	2,800
Kashiwazaki	5,298	11,241	2,980	512	100	3,009	616	7,217	-
Tokyo	-	2,809	-	-	-	-	473	473	-
	<u>5,298</u>	<u>14,050</u>	<u>7,686</u>	<u>38,412</u>	<u>2,840</u>	<u>8,609</u>	<u>1,089</u>	<u>58,636</u>	<u>2,800</u>
<u>Rekisei Koyu K.K.</u>									
Niigata	47,810	4,010	-	-	90	130	2,000	2,220	2,870
<u>Sankyo Yuka Kogyo K.K.</u>									
Ichikawa	7,000	2,023	-	-	5,780	690	11,550	18,020	5,068
<u>Taniguchi Sekiyu K.K.</u>									
Kawagoe	30,000	10,352	-	-	-	300	4,569	4,869	980
<u>Union Sekiyu Kogyo Co., Ltd.</u>									
Iwakuni	6,000	14,100	-	-	-	7,350	8,030	15,380	-
Total	<u>96,638</u>	<u>47,827</u>	<u>7,686</u>	<u>38,412</u>	<u>8,710</u>	<u>17,089</u>	<u>27,812</u>	<u>99,709</u>	<u>11,758</u>
(4) Other quasi-refineries									
<u>Eureka Industry Co., Ltd.</u>									
Chiba	-	1,900	-	-	-	-	-	-	2,500
<u>Petrocokes, Ltd.</u>									
Mizushima	131,000	11,500	5,000	-	-	-	-	5,000	-
Total	<u>131,000</u>	<u>13,400</u>	<u>5,000</u>	-	-	-	-	<u>5,000</u>	<u>2,500</u>
									<u>8,620</u>
									<u>8,620</u>

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JAPAN'S OIL STORAGE TANK CAPACITY (continued)

(Unit: M³)

Company	Fuel Products				Total	Lube Oils	Asphalt	LPG
	Gasoline*	Kerosine**	Gas Oil	Fuel Oils				
(5) Marketing & primary distribution companies' terminals & depots								
Daikyo Oil	69,401	206,346	41,130	180,162	497,039	12,000	18,300	-
Esso Standard	64,687	138,886	37,341	154,438	395,352	49,313	5,070	227,534
General Sekiyu	46,223	169,386	22,757	212,588	450,954	-	-	-
Idemitsu Kosan	179,454	358,535	110,559	348,941	997,489	104,504	4,100	42,568
Kygnus Sekiyu	18,079	41,201	8,175	46,980	114,435	68	-	-
Kyodo Oil	145,748	360,509	98,323	261,966	866,546	4,563	26,900	98,425
Maruzen Oil	101,750	286,560	58,970	275,138	722,418	4,380	24,350	211,690
Mitsubishi Oil	97,015	199,911	59,183	218,444	574,553	1,170	25,260	-
Mobil Sekiyu	80,238	192,503	47,710	152,516	472,967	28,732	3,000	1,000
Nippon Oil	275,158	821,569	191,060	782,830	2,070,617	21,265	19,655	-
Shell Sekiyu	159,783	396,252	81,593	489,265	1,126,893	58,942	29,106	5,195
Showa Oil	97,052	327,635	52,333	408,750	885,770	1,879	3,000	7,880
Taiyo Oil	-	185	185	1,171	1,541	-	-	-
Fuji Kosan	-	2,000	-	3,000	5,000	-	-	-
Total	1,334,588	3,501,478	809,319	3,536,189	9,181,574	286,816	158,741	594,292
(6) Trading companies' terminals								
C. Itoh & Co.	3,738	5,108	3,107	16,438	28,391	-	3,000	5,625
Daito Tsusho	-	5,500	-	13,900	19,400	-	-	-
Hayashikane Sekiyu	-	2,150	150	33,750	36,050	-	-	-
Kamei Shoter	1,662	8,599	750	61,264	72,275	-	-	1,121
Kanematsu-Gosho	-	9,480	12,496	267,109	289,085	-	-	17,230
Marubeni Corp.	-	85,214	1,000	256,370	342,584	-	-	148,925
Mitsubishi Corp.	40,000	38,000	19,000	181,950	278,950	5,140	1,650	120,949
Mitsui & Co.	12,090	16,786	8,595	102,016	139,487	-	-	-
Nissho-Iwai	-	-	-	100,808	100,808	-	-	6,549
Sumitomo Shoji	2,780	10,760	500	91,219	105,259	-	-	4,400
Total	60,270	181,597	45,598	1,124,824	1,412,289	5,140	4,650	304,799
(7) LPG companies' terminals								
Bridgestone Liquefied Gas	-	-	-	-	-	-	-	429,073
General Gas	-	-	-	-	-	-	-	207,570
Mitsubishi Liquefied Gas	-	-	-	-	-	-	-	22,838
Nikko Liquefied Gas	-	-	-	-	-	-	-	164,370
Nippon Petroleum Gas	-	-	-	-	-	-	-	452,458
Tokyo Gas	-	-	-	-	-	-	-	44,148
Total								1,320,457
(8) Other companies' terminals								
C. Itoh Oil Terminal Co., Ltd.	2,000	3,000	980	91,960	97,940	-	2,000	-
Nippon Oil Terminal	30,700	41,390	16,620	37,510	126,220	-	-	-
Tozai Oil Terminal	70,160	242,420	40,430	119,450	472,460	-	10,500	-
Total	102,860	286,810	58,030	248,920	696,620		12,500	

(*) Includes naphtha tank capacity.
(**) Includes jet fuel tank capacity.

(Source: MITI)

OFFICE OF THE SECRETARY OF DEFENSE

8 Aug 1980

E0018C
RELEASE
C-STATE

Memo For Mr. Platt
THRU: RAdm Jones
Col Carr
Capt Smith
Cdr Auer

Useful summary of where we stand - prepared by Ms. Sylvestri. At our next opportunity, we should have prepared a description of the existing situation.

PAUL FLINT

To evaluate the assumption that Japanese-South Korean defense cooperation will only take place if the United States acts as a catalyst, it is necessary to begin by looking at what currently exists. Quite obviously both Japan and South Korea have congruent defense interests and Japan has publically acknowledged that the ROK is vital to the security of Japan. Of primary concern to both countries is a continued U.S. security assurance in South Korea. The economic factors must not be underestimated. Japan dominates the region economically but South Korea's economic ties also have assumed a significant role. U.S. economic ties with both countries continue to increase. The security of the Republic of Korea (ROK) is therefore at the crux of ongoing and future relations between the three countries.

The Koreans continue to be suspicious of the Japanese and are uncertain regarding the new government of Japan's future foreign policy goals. The Koreans also express special concerns about shifting relationships amongst their larger neighbors. Their suspicions have led them to try to increase their economic and security ties in other regions; however Japan remains of fundamental strategic importance. A recent lack of negative public response in South Korea towards cooperation with the Government of Japan (GOJ) indicates that the Koreans are ready for expanded ties. Thus the South Koreans could be expected to welcome any cooperation that directly involves the U.S. The groundwork is set with the GOJ and we can anticipate continual cooperation, the extent of which remains to be seen.

Japan has maintained reasonably stable relations with the two Kcreas. Their relationship with Seoul can be described as very good; that with Pyongyang as correct. Economic cooperation between the ROK and the GOJ has increased at a rapid rate since the normalization of relations. Moreover, recently perceived changes in both international and regional situations have increased Japan's appreciation of the close security relationship between the two governments. In light of its large economic and security stake in South Korea, Japan has undertaken not to make any moves towards North Korea that would prove potentially harmful to the ROK.

Domestically, Japan has its own underlying political interests. Internal politics is perhaps the most dominating factor affecting Japanese defense policy and the policy must contend with the anti-military attitudes of a large portion of the electorate. However, the Japanese also have an innate appreciation of the danger implicit in having as neighbors two expansionist Communist powers, China and the U.S.S.R. Hence, Japan's defense policy values the security of the peninsula.

ROK/Japan military cooperation has seemingly hopeful prospects for the future. Beginning steps were tentative and include recent high level official visits between defense officials. The development will probably be a slow and gradual process where complimentarity will play a leading role. Undoubtedly a large degree of cooperation is needed on the part of the U.S. Both Japan and the ROK agree that it would be counterproductive for the U.S. to push the pace or make any attempts to try to establish formal or informal tripartite consultative mechanisms.

In retrospect the picture is of a sensitive nature. Japan is opposed to any actions which would indicate that they are seeking to return to the ideas associated with the greater Co-Prosperity Sphere. Similarly, the Korean public has made it clear that they are opposed to any action which would reflect Japanese military power in Korea. The result will most likely be some type of limited cooperation between the GOJ and the ROK, with the U.S. as a surrogate. Complimentarity will be the underlying theme. In both Japan and South Korea steps must be taken to educate the people regarding the security of the nation. As they become educated to the necessities, the future direction of defense cooperation will be more clear cut.

Limited cooperation aimed at improved air and sea defense appears to make sense militarily and have proven to achieve acceptability to both the GOJ and the ROK. The communication lines are becoming gradually more visible with several very recent high level military visits. The slow but steadily increasing growth in military to military interchanges between the GOJ and ROK aim in the direction of a mutual GOJ/ROK defense cooperation policy.

The role of the United States as a catalyst is without a doubt a vital element in a future defense cooperation policy between the GOJ and the ROK. For progress to effectively continue in this direction, we must first understand the existing situation and based upon that information, begin to consider how U.S. influence might be best applied to bring about a greater defense cooperation between Japan and South Korea. Although cost savings are not our primary goal, such consideration should play an important role in development of future cooperative programs.

DEPARTMENT OF DEFENSE

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BT

~~SECRET~~
SUBJ: USE OF JAPANESE COMMERCIAL SHIPS AND AIRCRAFT IN CONTINGENCIES (U)

1. (U) THE FOLLOWING MSG IS QUOTED FOR YOUR INFO. QUOTE. 122254Z JUL 80

FM CINCPAC HONOLULU HI

TO COMUSJAPAN YOKOTA AB JA

~~SECRET~~ FOR LT GEN GINN FROM RADM BIRD

DELIVER DURING DUTY HOURS

SUBJ: USE OF JAPANESE COMMERCIAL SHIPS AND AIRCRAFT IN CONTINGENCIES (U)

1. (U) THIS MSG SOLICITS YOUR VIEWS CONCERNING THE USE OF JAPANESE SHIPS AND AIRCRAFT TO AUGMENT THE CAPABILITIES OF MAC (INCLUDING CRAF) AND MSC IN SUPPORT OF CONTINGENCIES.
2. (U) THE INABILITY OF OUR OWN AIRLIFT AND SEALIFT TO MEET THE TIME-PHASED MOVEMENT REQUIREMENTS OF OUR OPERATIONS PLANS IS WELL DOCUMENTED. AS A STEP TOWARD ALLEVIATING THIS SHORTFALL, WE ARE WORKING ON AGREEMENTS UNDER WHICH THE ROKG WOULD PROVIDE THE USE OF KOREAN COMMERCIAL SHIPS AND AIRCRAFT IN CONTINGENCIES. WE HAVE DEVELOPED TWO DRAFT MEMORANDA OF AGREEMENT (MOA) WHICH HAVE BEEN APPROVED BY STATE AND DEFENSE AND ARE NOW UNDER REVIEW BY ROKG. THE OUTLOOK IS GOOD, AND WE WILL MEET WITH ROKG IN SEOUL 30 JUL-1 AUG 80 FOR DETAILED DISCUSSIONS. THE KEY POINTS OF THE MOAS ARE:

A. (U) THE ROK WOULD IDENTIFY SHIPS AND AIRCRAFT THAT WOULD BE MADE AVAILABLE WHEN REQUIRED.

B. (U) DURING PERIODS OF HEIGHTENED TENSIONS, THESE SHIPS/AIRCRAFT WOULD BE OFFERED TO THE U.S. WHEN ACCEPTED.

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~~SECRET~~

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BY APA

DATE 4/13/99

DEPARTMENT OF DEFENSE

JOINT CHIEFS OF STAFF

MESSAGE CENTER

PAGE 2

69933

~~SECRET~~
THEY WOULD OPERATE UNDER THE OPERATIONAL CONTROL OF MSC/MAC.
3. ~~(U)~~ REQUEST YOUR VIEWS ON APPROACHING THE JAPANESE
(INITIALLY MILITARY-TO-MILITARY) TO MOVE TOWARD SIMILAR
AGREEMENTS FOR USE OF JAPANESE COMMERCIAL SHIPS/AIRCRAFT
TO AUGMENT U.S. MILITARY SEALIFT AND AIRLIFT IN CONTINGENCIES.

4. ~~(U)~~ MY J4 REPS COULD ATTEND YOUR PHASE II PLANNING
CONFERENCE EITHER BEFORE OR AFTER THEIR VISIT TO SEOUL TO
DISCUSS THE KOREAN MOAS WITH YOU AND YOUR PEOPLE AND
APPLICABILITY OF THIS CONCEPT IN JAPAN.

5. (U) VERY RESPECTFULLY.

END QUOTE.

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TO RUEKJCS/JCS WASHINGTON DC//J4//

INFO RUEKJCS/SECDEF WASHINGTON DC

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SUBJ: USE OF JAPANESE AIRLIFT/SEALIFT IN CONTINGENCIES (U)

A. CINCPAC 122254Z JUL 80 (PASEP)

B. COMUSJAPAN 170935Z JUL 80 (PASEP)

C. JCS 061929Z AUG 80

1. (U) THIS MSG PROVIDES COMMENTS REQUESTED IN REF C.

2. (U) ON THE WAY BACK FROM KOREA, U.S. NEGOTIATORS BRIEFED THE COMUSJAPAN STAFF ON THE STATUS OF KOREAN FLAG SHIPPING/ KOREAN AIRLINE AIRCRAFT NEGOTIATIONS. COMUSJAPAN STAFF CONFIRMED THEY HAD DISCUSSED USE OF JAPANESE ASSETS AS STATED PARA 2, REF B. AS REF A IMPLIES, WE SUPPORT NEGOTIATING FOR USE OF JAPANESE ASSETS IN CONTINGENCIES, AND PROPOSE TO DO SO AS PART OF OUR BILATERAL PLANNING, PHASE II, EFFORTS. HOWEVER, WE DEFER TO COMUSJAPAN JUDGMENT ON TIMING OF NEGOTIATIONS.

3. (U) WE WILL KEEP YOU INFORMED OF OUR PROGRESS.

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SECURITY CLASSIFICATION

USD/P INTEROFFICE CONTROL SHEET				DATE 22 Aug 1980		I-21237/80					
SUBJECT: US-Japan Cooperation Vis-a-Vis Korea						CURRENT SUSPENSE DATE					
SUMMARY: (Describe briefly the origin, purpose, action recommended and coordination - (Attach original tasking - SD Form 14, etc.))											
<p>ORIGIN: By memo of 18 Aug and 19 Aug telecon, USDP Komer inquired about Japanese approaches to Korea to parallel those of the US concerning Chon Du Huan and Kim Dae Jung.</p> <p>BACKGROUND: Specific examples of US-Japan cooperation were provided by the appropriate State Department Country Directors who also gave precise characterization of our efforts with Japan; these are included in the attached memo to Komer.</p> <p>PURPOSE: For your information.</p> <p>RECOMMENDATION: The attached memo be forward to Ambassador Komer.</p>											
						<i>copy</i> Donald S. Jones Rear Admiral, USN Dir/OFC, INSEC					
SEQ NO.	DIR/OFC	INITIAL	DATE	SEQ NO.	DIR/OFC	INITIAL	DATE	SEQ NO.	DIR/OFC	INITIAL	DATE
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COORDINATION OUTSIDE USD/P (Continue on reverse)											
NOTE: For memoranda items forwarded to Sec Def/Dep Sec Def, external coordination at the office head or principal deputy level will be shown on the memorandum.											
ACTIVITY				NAME AND TITLE				INITIAL		DATE	
NAME, DIRECTORATE AND EXTENSION OF ORIGINATING OFFICIAL N.V. Smith, Capt, USN, EAPR/ISA 64789						IN MACHINE		SIGNATURE <i>N. V. Smith</i>			

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OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

22 August 1980

In reply
refer to: I-21237/80

MEMORANDUM FOR MR. KOMER

THRU: PRINCIPAL DEPUTY ASSISTANT SECRETARY, INTERNATIONAL
SECURITY AFFAIRS

SUBJECT: Parallel US-Japan Contacts with Korea

(U) This responds to your 18 August memorandum and your follow-up conversation with the EAP region on this subject.

There have been regular meetings concerning recent events in Korea and how both countries should handle the situation by parallel actions.

- a. Ambassador Mansfield has met with Prime Minister and Foreign Minister to review what coordinated efforts can be done.
- b. State desk officers have made representations to Japan Embassy and they are "fully satisfied" with level and form of Japan's efforts.
- c. President Carter urged Okita in May to join the US to bring about common goals for Korea.
- d. Foreign Minister Okita told SecState that Japan would take non-economic step to urge the Korean Government toward democracy. Recently this has been extended to economic area and was lately reported they are "sitting on" 150 applications to do business in Korea.
- e. Japan Ambassador in Seoul pointed out to the ROK that Japan would continue to pay attention to Kim Dae Jung, particularly a trial in military court -- Japan having been concerned about Kim since 1973 when he was kidnapped from a downtown Tokyo Hotel by the KCIA.
- f. On 13 June the GOJ dispatched a special envoy to Korea (Akedane Kiuchi) to relay to the ROK Foreign Minister Japan's concerns over the detention of Korean political leaders. Japan told ROK they were prepared to postpone the planned ROK-GOJ ministerial meeting - then scheduled

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for September. (That meeting now has been postponed until November and is given less than a 50% chance of coming off this year).

g. On 18 August Prime Minister Suzuki in addressing the Japanese Press Club stated the Government of Japan would continue to impress upon the ROK Government authorities its "grave concern about the life of Kim Dae Jung."

h. Japanese Embassy Seoul told American DCM on 22 August that Japanese authorities wanted to know if the US would send a letter of congratulations to Chon as our decision to do so would weigh heavily with them.

(1) State EA/K and EA/J insist that US-Japan consultations vis-a-vis Korea have been unusually cooperative, that the Japan Government has been extremely frank in expressing its concern about Korea -- especially in public, and has braced the Koreans several times at high level concerning the safety of Kim Dae Jung.

DS Jones

Donald S. Jones
Rear Admiral, USN
Director, East Asia
& Pacific Region

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SUBJECT: JAPANESE PRESS TRANSLATIONS FOR THURSDAY, 9 OCT 80
 NOTE: FOLLOWING ARE SUMMARY TRANSLATIONS APPEARING IN MAJOR JAPANESE
 NEWSPAPERS: APPEARANCE HEREIN DOES NOT MEAN STORIES ARE FACTUALLY
 ACCURATE AND DOES NOT CONSTITUTE ENDORSEMENT OF POINTS OF VIEW BY
 USFJ.

1. JAPANESE MILITARY ATTACHES WILL OBSERVE U.S.-ROK EXERCISES:
 (NIHON KEIZAI) - JSC CHAIRMAN GENERAL TAKEDA TOLD NEWSMEN ON THE 8TH
 THAT HE ASKED GENERAL WICKHAM TO ENABLE JAPANESE MILITARY ATTACHES
 TO OBSERVE U.S.-ROK JOINT EXERCISES (TEAM SPIRIT) AND OBTAINED HIS
 UNDERSTANDING OF THE REQUEST.
2. FY81 DEFENSE EQUIPMENT PROCUREMENT: (NIHON KEIZAI) - JDA AND
 DEFENSE INDUSTRY SOURCES PRESUME FY81 DEFENSE EQUIPMENT EXPENDITURES
 WILL AMOUNT TO YEN 750 BILLION OR SO, OR 10 PERCENT OR MORE OVER FY80
 APPROPRIATIONS. THE AMOUNT OF MONEY TO BE PAID TO JAPANESE DEFENSE
 INDUSTRIES FOR JDA PROCUREMENT OF DOMESTICALLY PRODUCED DEFENSE
 EQUIPMENT DURING FY81 WILL BE YEN 650 BILLION OR SO, OR OVER 10 PER-
 CENT MORE THAN FY80. (THE JDA HAS PRESENTED TO THE FINANCE MINISTRY

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A FY81 DEFENSE RELATED BUDGET REQUEST AMOUNTING TO YEN 2,446.5 BILLION.)

3. JDA VIEW ON COUNTERMEASURES TO SURPRISE ATTACKS: (NIHON KEIZAI) THE JDA HAS DRAWN UP ITS VIEW ON A LEGAL BASIS FOR COUNTERACTION THE SDF MAY TAKE AGAINST A SURPRISE ATTACK FROM THE OUTSIDE ON THIS COUNTRY. ACCORDING TO THE JDA VIEW, A SDF UNIT MAY TAKE COUNTER-ACTION, BEFORE AN OPERATIONAL ORDER IS MADE BY THE PRIME MINISTER, IN ACCORDANCE WITH ARTICLE 95 OF THE SDF LAW PROVIDING SDF POLICE ACTION, INCLUDING USE OF ARMS FOR THE PROTECTION OF ARMS. THE JDA FEELS ARTICLE 95 IS INSUFFICIENT FOR FULL SDF POLICE ACTION IN SUCH A CASE BECAUSE IT DOES NOT INCLUDE RADIO FACILITIES, SUCH AS RADAR, AS BEING SUBJECTED TO PROTECTION BY USE OF ARMS. IT THINKS THE ARTICLE MUST BE REVISED.

4. NEW ASDF MISSILE STATIONS: (YOMIURI) - ON THE 8TH, THE 21ST AIR DEFENSE MISSILE STATION OF THE ASDF 6TH AIR DEFENSE MISSILE GROUP WAS INAUGURATED IN SHRIKI VILLAGE, ADMORI PREF. THIS IS THE FIRST AIR DEFENSE MISSILE STATION IN THE TOHOKU (NORTHEAST) DISTRICT OF THE COUNTRY.

5. JDA PAID OVER FOR AIRCRAFT REPAIRS: (TOKYO SHIMBUN, TOKYO TIMES) - THE BOARD OF AUDIT HAS FOUND THAT THE JDA PAID YEN 50 MILLION TOO MUCH TO A COMMERCIAL ELECTRIC APPARATUSES COMPANY DURING FY76-79 FOR SDF AIRCRAFT REPAIRS.

6. AIRCRAFT LANDING ACCIDENT: (SANKEI) - ON THE 8TH, ASDF'S F104J AIRCRAFT RAN OVER THE RUNWAY OF KOMATSU BASE IN LANDING THERE. THE PILOT WAS INJURED AND HOSPITALIZED IN THE ACCIDENT.

7. GENERAL SECURITY COUNCIL CONCEPT: (YOMIURI) - PRIME MINISTER SUZUKI DETERMINED ON THE 8TH THE FRAMEWORK OF A GENERAL SECURITY COUNCIL, WHICH HE IS GOING TO ESTABLISH, SEPARATE FROM THE EXISTING NATIONAL DEFENSE COUNCIL, AFTER THE CURRENT EXTRA DIET SESSION IS OVER NEXT MONTH. THE PROJECTED COUNCIL WILL BE COMPOSED OF SEVEN CABINET MINISTERS - FOREIGN MINISTER, FINANCE MINISTER, MITI MINISTER, AGRICULTURE-FORESTRY-FISHERIES MINISTER, JDA DIRECTOR GENERAL, ECONOMIC PLANNING AGENCY DIRECTOR GENERAL AND CHIEF CABINET SECRETARY - IN ADDITION TO THE PRIME MINISTER. IT WILL MEET REGULARLY ABOUT ONCE A MONTH TO MAKE BASIC RESEARCH NECESSARY FOR POLICY DECISIONS REGARDING JAPANESE NATIONAL SECURITY. THE COUNCIL MAY HOLD EXTRA MEETINGS AND CABINET MINISTERS OTHER THAN REGULAR COUNCIL MEMBERS MAY PARTICIPATE IN COUNCIL MEETINGS WHEN NECESSARY.

8. FY81 BUDGET: (TOKYO TIMES AND OTHERS) . ON THE 8TH, PRIME MINISTER SUZUKI TOLD AN UPPER HOUSE PLENARY SESSION THAT THERE WILL BE NO "SANCTUARY" TO REMAIN INTACT IN THE GOVERNMENT EFFORTS FOR A RECONSTRUCTION OF THE NATIONAL FINANCE. HE THUS INDICATED A STRONG STANCE TO REVIEW EVEN COSTS FOR DEFENSE AND PUBLIC WELFARE (IN COM-

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PILING A FY81 NATIONAL BUDGET PLAN) FOR A SOUND NATIONAL FINANCE. (ALL PAPERS) - ON THE 8TH, THE FINANCE MINISTRY PUBLISHED A REPORT ON WHAT WILL HAPPEN IF FY81 NATIONAL EXPENDITURES REMAIN THE SAME AS FY80 OR "ZERO INCREASE" OF NATIONAL EXPENDITURES. THE REPORT SHOWS GREAT SETBACKS IN NATIONAL ADMINISTRATIONS, INCLUDING DEFENSE AND PUBLIC WELFARE CATEGORIES, THEREBY SUGGESTING THE NEED OF TAX INCREASE IN FY81.

9. "UNARMED AND NEUTRAL JAPAN": (ASAHI) - EX-JSP SECRETARY GENERAL MASASHI ISHIBASHI IS GOING TO PUBLISH A BOOK IN WHICH HE EXPLAINS WHY THE JSP ADVOCATING AN "UNARMED AND NEUTRAL JAPAN" IS THEORETICALLY CORRECT. "AS THE CASE MAY BE," HE CONTENDS, "SUR-RENDER TO INVADING FORCE" WOULD BE THE BEST CHOICE.

NOTE! DUE TO JAPANESE AND AMERICAN HOLIDAYS ON 10 AND 13 OCT 80, THE NEXT MSG ON JAPANESE PRESS TRANSLATIONS WILL BE 14 OCT 80.

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DEMAND RESTRAINT REVIEW OF JAPAN/US CO-EXAMINER'S REPORT

Japan has adequate legislative authority to cope with a demand restraint situation caused by an oil supply interruption. In an emergency situation the provisions of the Petroleum Supply and Demand Adjustment Law of 1973 (PSDAL) would become operational upon determination by the Cabinet. Specific measures that can be invoked under the law include petroleum supply targets in relation to existing stocks and anticipated imports; monthly marketing and import plans submitted by refiners and importers to MITI; authority to modify such plans; authority to promulgate restrictions on the use of petroleum; provision for mediation in disputes concerning oil allocation; and authority to impose allocation and rationing schemes.

However, while legislative authority does exist for crude and product allocation as well as gasoline rationing, it does not appear that a program plan specifying sectoral allocations capable of rapid implementation in the event of an emergency has been developed. Further, a standby gasoline rationing plan - including the printing of coupons - has not been adopted.

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In the case of petroleum allotments to industry, it is possible that the drawing up and publication of such a scheme could have an adverse economic impact in that certain industries would have advance notification of emergency allotments which in turn could lead to speculation. On the other hand, a similar advantage would not necessarily accrue to any particular sector if a gasoline rationing plan including advance printing of coupons were adopted. The deployment of a standby gasoline rationing system could have an advantageous psychological impact from the standpoint of predictability.

In light of the above it is questionable whether or not Japan could put into effect a comprehensive 7-10% petroleum reduction program within three weeks without reliance on market clearing forces. A favorable factor is the highly developed cooperative spirit of the Japanese themselves and their anticipated ability to voluntarily reduce petroleum consumption if requested. Nonetheless, it is suggested that consideration be given to the development of a specific oil allocation program as well as the development of a gasoline and kerosine rationing program which would include the printing of rationing coupons. The standby allocation and rationing programs (including coupons) might be administered in conjunction with MITI's 11 regional offices which, in turn, could coordinate emergency allocations with the Prefectural governments.

CONSERVATION

Japan has already taken significant steps to cut back on oil consumption. One of the major elements in this program has been and continues to be a conservation effort to reduce oil consumption through voluntary savings, market clearing forces, and investment incentives. The gasoline tax has been raised by about 25% - gasoline retails for approximately \$2.40 per gallon - and kerosine prices have been deregulated. However, as the industrial sector accounts for 58.7% of Japanese energy consumption (more than the other sectors combined) industry appears to offer the most promising area for additional conservation efforts.

The Energy Savings Act of 1979 encourages industry in the efficient use of energy by means of energy conservation plans and loans at normal interest rates. Greater energy savings could be achieved by offering preferential low interest loans promoting additional investments in industrial energy conservation.

NEAR TERM ENERGY ALTERNATIVES

In contrast to the 58.7% of energy that industry consumes, 24.3% represents the residential share and transportation

accounts for 17%. Against this background, electricity demand, even with a vigorous industrial conservation program, is expected to rise. Thus, alternatives to oil-fired electricity generating capacity will be crucial to Japan's success in decreasing oil imports. Of the alternatives, coal, nuclear power and LNG offer the most promise for the near-term. Each however presents its own set of problems. It is expected that the demand for imported steam coal will total 22 million tons by Japan fiscal year 1985 accounting for 13.6% of Japan's total energy supply. In JFY 1990 imported steam coal is projected to be 53.5 million tons. Combined domestic and imported steam coal use is projected to supply 13.6 and 15.6% of Japan's energy requirements for JFY 1985 and JFY 1990 respectively. The Japanese government is encouraging the use of conversion to coal-fired boilers which is meeting with some success. Utilities have been reluctant to construct coal-fired plants due to the problem of fly-ash, large and expensive tracts of land required for storage, and increased personnel costs required for coal handling. Nonetheless, construction of coal-fired plants is gaining a higher level of acceptability among the utilities. Toward this end, Tokyo Electric Power Company has recently agreed to construct three 1100 MWE coal-fired plants and

this decision is expected to have a favorable influence on other Japanese utility companies.

Japan has the second largest nuclear generating capacity in the world with approximately 15,000 MWE. The country has a long history in the field of nuclear power development as one of the most promising means by which to achieve energy security. Original estimates by the government projected a total of approximately 33,000 MWE installed by JFY 1985 which would account for approximately 7% of Japan's energy supply. This target was revised downward by about 10% to 30,000 MWE and was recently again revised downward to 28,000 MWE. These revisions have not been due to any technological problems in the Japanese nuclear industry, but have to do with the difficulty encountered in site selection. The Three Mile Island nuclear accident had an adverse impact on public acceptance of additional nuclear power plants. In response the government has had to act with considerable restraint in nuclear expansion efforts. The Japanese government is in the process of standardizing nuclear power equipment as well as enhancing the safety aspects of existing nuclear plants. Further, Japan is vigorously conducting a research and development program directed toward development of the full nuclear cycle including exploration for uranium, construction of enrichment facilities, reprocessing and waste treatment.

Japan currently purchases more than one-half of the LNG imported by all nations. In JFY 1977, Japan imported 8.4 million tons and it is expected that LNG imports will total 29 million tons in JFY 1985 and 45 million tons in JFY 1990. However, at the recent international LNG Conference held in Kyoto, LNG supplier countries indicated that the price of LNG should be index-linked to the price of oil. Moreover, site selection in Japan presents a problem parallel to that faced with nuclear power. Finally, long term LNG imports will be dependent upon the successful conclusion of contracts with supplier countries as well as the ability to complete construction of liquefaction plants in supplier countries without major cost over-runs.

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SUBJ: USE OF JAPANESE COMMERCIAL SHIPS AND AIRCRAFT (U)
A. CINCPAC 12254Z JUL 80 (NOTAL)
B. COMUSJAPAN 170935Z JUL 80 (NOTAL)
C. COMUSJAPAN 081048Z AUG 80 (NOTAL)
D. JCS 061929Z AUG 80 (NOTAL)

1. THIS MESSAGE REQUESTS AN UPDATE ON PROPOSAL FOR USE OF JAPANESE SHIPS AND AIRCRAFT TO AUGMENT THE CAPABILITIES OF MAC AND MSC IN SUPPORT OF CONTINGENCIES.
2. REF A REQUESTED YOUR REACTION TO APPROACHING THE JAPANESE WITH A PROPOSAL TO MOVE TOWARD AGREEMENTS SIMILAR TO THOSE NEGOTIATED WITH THE KOREANS FOR USE OF COMMERCIAL TRANSPORTATION ASSETS IN CONTINGENCIES. REFS B AND C AGREED IN PRINCIPLE WITH THE CONCEPT, INDICATED MOVEMENT REQUIREMENTS WERE STILL BEING ESTABLISHED, AND STATED FORMAL ADDRESSAL OF REQUIREMENTS THROUGH DIPLOMATIC CHANNELS WOULD BE PREMATURE AND WOULD CAUSE PROBLEMS FOR JAPANESE MILITARY. REF D WAS A JCS QUERY ON THIS SUBJECT.
3. (U) THE AGREEMENT TO USE KOREAN FLAG SHIPPING HAS BEEN NEGOTIATED AND IS READY FOR SIGNATURE. THE KOREAN AIRLINES AGREEMENT IS UNDERGOING NOK REVIEW.
4. WE WANT TO PURSUE SIMILAR AGREEMENTS WITH JAPAN. REQUEST YOUR ASSESSMENT OF PROGRESS IN QUANTIFYING MOVEMENT REQUIREMENTS

ACTION
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AND RECOMMENDATIONS REGARDING APPROACH TO THE JAPANESE ON THIS
SUBJECT.

9. (U) CINCPAC STAFF POCS ARE LCOL DEBOLT, USAF, J434, 477-6777
AND CDR FULTON, USN, J433, 477-6672.

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CJCS//GENERAL JONES//
KADNC//ASST SECSTATE//HOLDRIDGE//
KQAC/DASD//ARMITAGE//
JFO COMUSK//GENERAL WICKHAM
DDANC/COMUSJAPAN//LTGEN GINN//
RDLNC/AMEMB TOKYO//AMB MANSFIELD//
EN/ADMIN CINCPAC//LTGEN POSTON//
KADNC//ASST SEC STATE//PH BERT//
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DDI
JLF 02 FOR ADMIN CINCPAC
JAPAN - ROK MILITARY COOPERATION (C):
I BELIEVE A GOOD TIME MAY BE AT HAND TO OFFER QUIET
ENCOURAGEMENT ON SOME LOW VISIBILITY INITIATIVES TO FOSTER BROADER
MILITARY CONTACTS BETWEEN JAPAN AND KOREA, CINCPAC WILL BE PUTTING
TOGETHER A GAME PLAN FOR JCS CONSIDERATION USING RECOMMENDATIONS
FROM GENERAL WICKHAM, LTGEN GINN, AND AMBASSADORS MANSFIELD AND

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- EYSTEEN.
2. (U) INITIAL LOW KEY STEPS IDENTIFIED AS POSSIBILITIES TO EXPLORE INCLUDE:
 - A. (S) ASKING COMUSK AND COMUSJ TO ENCOURAGE THE FOLLOWING IN PRIVATE CHANNELS:
 - (1) (S) VISIT OF ROK NAVAL TRAINING SQUADRON TO JAPANESE PORTS.
 - (2) (S) RECIPROCAL INVITATIONS TO OBSERVE COMBINED EXERCISES, (E.G., JAPANESE OBSERVERS TO ULCHEI FOCUS LENS, KOREAN OBSERVERS TO NEXT COPE NORTH).
 - B. (S) SECRET, OVER THE HORIZON, SMALL SCALE THREE NATION NAVAL EXERCISES.
 3. (S) IN CONJUNCTION WITH COMUSK AND COMUSJ, I WOULD ALSO LIKE TO TEST THE WATER ON ROK AND JAPANESE PARTICIPATION IN A PRIVATE CINCPAC-SPONSORED SEMINAR ON NE ASIA SECURITY.
 4. (U) IF THESE INITIAL STEPS ARE POSITIVE, PLANNING COULD THEN LEAN TOWARD ENCOURAGING:
 - A. (S) EXPANDED JAPAN-ROK INTELLIGENCE EXCHANGES STARTING WITH VISITS AND EXPANDING TO REGULAR CROSSFEED OF TACTICAL INTELLIGENCE
 - B. (S) CROSS TELL OF OPERATIONS INFORMATION ON AIR AND SEA MOVEMENTS IN SEA OF JAPAN AREA, PERHAPS BEGINNING WITH AIR SPACE MANAGEMENT/PATROL SEMINARS SPONSORED BY THE US.
 - C. (S) COMBINED SAR/ASW/AD EXERCISES.
 5. (S) ALL CONCERNED REALIZE PROGRESS SHOULD BE SLOW AND THAT IT MUST BE CAREFULLY PACED TO THE EVOLVING POLITICAL SITUATION. ALSO, TO AVOID MISUNDERSTANDING, GOJ AND ROKG LEADERS MUST BE BRIEFED OF OUR INTENTIONS BEFOREHAND AND REASSURED OF OUR CONTINUING STRONG COMMITMENT. NONETHELESS, GAINS CAN BE VERY BENEFICIAL AND WORTHY OF PRIORITY ATTENTION.
 6. I WOULD APPRECIATE YOUR COMMENTS ON THE MERIT OF THIS PROPOSAL AND ADVICE ON HOW AND WHEN TO BEGIN IMPLEMENTATION.
 - 7 (U) WARM REGARDS.
- DECL 28 FEB 87

SSO NOTE: DELIVER DURING DUTY HOURS.
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JAPAN - KOREA

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BOOK MESSAGE HANDLING INSTRUCTIONS

FROM: SECDEF WASHINGTON DC FEB 24 21 56 '81

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TO: CINCPAC
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SSO KOREA
COS TOKYO

~~SECRET EYES ONLY~~

RRRR

ISA/EAPR 070/81

FOR ADMIRAL LONG. INFO: GENERAL JONES, AMB HOLDRIDGE, AMB MANSFIELD, ASST SEC BURT, GEN WICKHAM AND LTGEN GINN FROM DASD. R. A. ARMITAGE

SUBJ: JAPAN - ROK MILITARY COOPERATION (C)

REF: A. CINCPAC 212300Z FEB 81

1. I SUPPORT THE INITIATIVES SUGGESTED IN REF A AND WOULD WELCOME CINCPAC GAME PLAN. I BELIEVE THAT INITIALLY THOSE INITIATIVES THAT PROVIDE FOR A PROMINENT US ROLE WILL HAVE A GREATER CHANCE OF SUCCESS.

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RELEASER	TYPED NAME, TITLE, OFFICE SYMBOL AND PHONE D-S. JONES, RADM, USN DIR, EAPR, 54175	SECURITY CLASSIFICATION SECRET	
	SIGNATURE <i>[Signature]</i>	DATE TIME GROUP	

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JOINT MESSAGE FORM

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PAGE 02	DTG RELEASE TIME			PRECEDENCE		CLASS	SPECAT	LMF	CIC	OTHER MSG C. NO.
	DATE TIME	MONTH	YR	ACT	INFO	SSSS				ISA/EAPR
BOOK	MESSAGE HANDLING INSTRUCTIONS									

2. ~~TOP SECRET~~ REGARD TO SECRET NAVAL EXERCISES, ALTHOUGH INITIAL DISCUSSIONS WOULD NATURALLY BE CLOSELY HELD, I DON'T BELIEVE EXERCISES THEMSELVES COULD REMAIN FROM PUBLIC KNOWLEDGE FOR ANY LENGTH OF TIME. ONE OF THE CRITICAL FACTORS IN JUDGING WHETHER TO PROCEED WITH SUCH AN INITIATIVE SHOULD BE CERTAINTY THAT IT WOULD BECOME PUBLICIZED EITHER BY SOVIET OR JAPANESE PRESS AIR SURVEILLANCE (LATTER WOULD PROBABLY BE FIRST TO NOTICE). SUCH PUBLICITY NEED NOT PRECLUDE US FROM AT LEAST THINKING OF SUCH EXERCISES, WE JUST NEED TO CONSIDER IT AND PLAN ACCORDINGLY.

3. {U} BEST REGARDS.

SSO NOTE: DELIVER UPON WAKING HOURS

DECLAS 24 FEB 87

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JAPAN-KOREA

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PAGE 1

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DAN: 301-020351
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TOR: 91950Z MAR 81 TOT: 91957Z MAR 81

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0000
FOR ADMIRAL LONG, INFO DAS ARMITAGE, AMR HOLDBRIDGE, AMR
MANSFIELD, ASST SEC BERT, GEN WICKHAM AND LTGEN GINN FROM
GEN JONES, CJCS
SUBJECT: JAPAN - ROK MILITARY COOPERATION (C)
REFERENCE: CINCPAC 212300Z FEB 81
1. (U) SUPPORT IN PRINCIPLE YOUR INITIATIVES SUGGESTED IN

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REFERENCE. ALSO, SHARE YOUR VIEWS THAT PROGRESS SHOULD BE CAREFULLY PACED TO THE EVOLVING POLITICAL SITUATION.

2. ~~1~~ REQUEST EXPLICIT GAME PLAN ALONG WITH TIME TABLE AS SOON AS FEASIBLE. WE WILL SEEK APPROPRIATE COORDINATION WITH OTHER AGENCIES HERE ON ELEMENTS OF PLAN.

SSO NOTE: DELIVER DURING DUTY HOURS.

REVW 3 MAR 87

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DEPARTMENT OF DEFENSE
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PTTCZYUW RUEHULA5181 1140657
PRIORITY
P 240654Z APR 81

FM AMEMBASSY SEOUL

TO AMEMBASSY TOKYO PRIORITY 7641

INFO SECSTATE WASHDC PRIGRITY 3205 SECDEF WASHDC
SA CINCUNC KS CHJUSMAG SEOUL KS
COMUSKOREA SEOUL KS//BJ-IS CINCPAC HONOLULU HI
COMNAVFORKOREA SEOUL KS CG III MAF

BT

~~CONFIDENTIAL~~ SEOUL 05181

E.O. 12065: GDS 4/24/87 (MONJO, JOHN C.) OR-M
TAGS: OTRA, KS, JA, US
SUBJECT: VISIT OF ROK MARINE OFFICERS TO OKINAWA

REF: A. TOKYO 7196 (DTG 210950Z APR 81) B. COMNAVFORKOREA
- 220740Z APR 81 C. COMNAVFORKOREA 180635Z APR 81
- (NOTAL)

1. ~~(1)~~ ENTIRE TEXT.
2. EMBASSY BELIEVES THAT REF C. PROVIDES A SUPPORTABLE RATIONALE FOR THE KOREAN MARINE CORPS OFFICERS' VISIT TO OKINAWA, AND THAT THE SMALL GROUP LISTED IN REF B. COULD MAKE A LOW-KEY VISIT TO OKINAWA WHICH SHOULD NOT TRIGGER JAPANESE SENSITIVITIES.
3. WE SUPPORT THE PROPOSED VISIT, AND WISH YOU WELL IN CONVERSATIONS WITH THE MINISTRY OF FOREIGN AFFAIRS.
GLEYSTEN
BT

ACTION INFO SECDEF:(*) SECDEF(7) USDP(15)

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PAGE 01 OF 01
240654Z APR 81

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TO JCS WASHINGTON DC

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COMUSJAPAN YOKOTA AB JA

SECDEF WASH DC
COMUSKOREA SEOUL KS
ADMIN CINCPAC HONOLULU HI

BT

EXCLUSIVE FOR GENERAL JONES INFO ASST STATE
HOLDRICE, DASO ARMITAGE, AMBASSADOR MANSFIELD, GENERAL WICKHAM AND
LT GEN GINN FROM LONG
TANGU OG: FOR ADMIN CINCPAC

SUBJ: ROK-JAPAN MILITARY COOPERATION (C)
A. JCS 092002Z MAR 81
1. FOLLOWING GAME PLAN IS SUBMITTED FOR CONSIDERATION
IAW REF. PLAN REFLECTS INPUTS FROM COMUSJ, COMUSK,
AMBASSADOR MANSFIELD AND AMEMB SEOUL. ~~ALL CONCERNED AGREE~~
THE US SHOULD REMAIN A LOW VISIBILITY BACKSTAGE CATALYST
AND THE PROGRAM MUST BE CAREFULLY PLED TO THE EVOLVING
POLITICAL SITUATION. A SLOW DELIBERATE PACE IS ANTICIPATED AND
CLOSE EMBASSY COORDINATION WITH GOVERNMENTS OF JAPAN AND
KOREA WILL BE REQUIRED TO PRECLUDE MISUNDERSTANDINGS.
2. SPECIFIC INITIATIVES ARE GROUPED INTO NEAR,
MID- AND LONG TERM APPROACHES. CORRESPONDING TO
FY 81-82, FY 83-84, AND FY 85 AND BEYOND. THOROUGH STEP BY
STEP EVALUATION WILL BE REQUIRED AND PROGRESSION FROM ONE PHASE TO
ANOTHER WOULD BE PREDICATED ON A FAVORABLE MILITARY AND
POLITICAL ASSESSMENT OF RESULTS.

A. NEAR-TERM (FY 81-82)
- ROKMNF OFFICERS VISIT OKINAWA AS GUESTS OF CG III
MAF TO VIEW TRAINING PROCEDURES, FACILITIES AND ORGANIZATIONS.
- JSDF/ROK CADETS/MIDSHIPMEN AND MILITARY ACADEMY
INSTRUCTORS REINITIATE EXCHANGE VISIT PROGRAM TERMINATED BY
KIM DAE JUNG AFFAIR. (US NOT DIRECTLY INVOLVED BUT SHOULD
INDICATE SUPPORT.)
- JSDF OFFICERS VISIT KOREA AT CFC INVITATION WITH
ROK CONCURRENCE TO OBSERVE CPX ULCHI FOCUS LENS.
- ROKN OFFICERS OBSERVE JMSDF ANNUAL EXERCISE FROM US
PARTICIPATING SHIPS. EXCHANGE OF USN/JMSDF OFFICERS DURING
THIS EXERCISE WOULD PROVIDE DESIRED VISIBILITY AND CONTACT WITH
ROK OFFICERS.
- ROKAF OFFICERS OBSERVE MAJOR AIR DEFENSE EXERCISE
THROUGH ATTACHMENT TO US LIAISON TEAM AT THE BADGE ADDC.
- ROKAF/JASDF OFFICERS OBSERVE COPE WORTH EXERCISE IN
JAPAN/EXERCISES IN KOREA AT CFC INVITATION WITH ROK CONCURRENCE.
- JSDF OFFICERS VISIT KOREA AS GUESTS OF COMMANDER
EUSA TO VIEW TRAINING PROCEDURES, FACILITIES AND ORGANIZATIONS
WITH CFC AND ROKG CONCURRENCE.
- CINCPAC HOSTS NE ASIA SECURITY SEMINAR IN HAWAII.
- ROKN OFFICERS OBSERVE RIMPAC 82 FROM US SHIPS.
- ROKA OBSERVERS VISIT HAWAII TO OBSERVE CPX GOPHER
BROCKE. INVITATIONS TO BE CONTINUED AS EXERCISE ALTERNATES
BETWEEN HAWAII AND JAPAN.

B. MID-TERM (FY 83-84)
- JSDF OFFICERS VISIT KOREA BY CFC INVITATION TO
OBSERVE TEAM SPIRIT EXERCISES.
- EXCHANGE JSDF/ROK CADETS/MIDSHIPMEN AT MILITARY
AC/DEMIES. (US NOT DIRECTLY INVOLVED BUT SHOULD INDICATE
SUPPORT.)
- BEGIN RECIPROCAL PORT VISITS BY ROKN/JMSDF TRAINING
UNITS. (US INDICATES SUPPORT)
- CONDUCT SMALL-SCALE COMBINED US/JMSDF AND US/ROK
BILATERAL ASW EXERCISES IN VICINITY OF TSUSHIMA STRAIT.
COMBINED USAF/JASDF/ROKAF LIAISON TEAMS IN AIR DEFENSE DIRECTION
CENTERS TO COORDINATE AIR SURVEILLANCE INFORMATION ON
PARTICIPATING VP AIRCRAFT.

OPERAT EXCLUSIVE
FINAL DISTR BY NAME PER MR WASH OCJCS/JWB
DISTR ONE COPY IN SEALED ENVELOPES ACTION: JS FOR LTG GORMAN;
INFO: CJCS FOR GEN JONES AND OJS FOR VADM BRANSON

ACTION JS(1)
INFO CJCS:(1) CJCS(3) OJS:(1)

(M.C)

- PUBLICIZE COMBINED US/JSDF/ROK SAR MISSIONS BY EMPHASIZING HUMANITARIAN ASPECTS OF OPERATIONS.
- CINCPAC HOST INTELLIGENCE EXCHANGE CONFERENCES IN HAWAII. INITIAL FOCUS WOULD BE ON REQUIREMENTS, THREAT DEFINITIONS.
- US INVITE ROKN PARTICIPATION IN RIMPAC 84 EXERCISE.
- C. LONG-TERM (FY 85 AND BEYOND)
 - COMMENCE DIRECT EXCHANGE OF TACTICAL INTELLIGENCE INFORMATION.
 - COMMENCE DIRECT EXCHANGE OF AIR SURVEILLANCE INFORMATION BETWEEN ROKAF AND JASDF AIR DEFENSE DIRECTION CENTERS.
 - COMMENCE DIRECT EXCHANGE OF MARITIME RECONNAISSANCE INFORMATION BETWEEN ROKN/JMSDF AND INITIATE COOPERATIVE EFFORTS TO COUNTER AGENT BOATS TARGETED AGAINST ROK.
 - CONDUCT COMBINED US/JMSDF/ROK ASW EXERCISES IN TSUSHIMA STRAIT AND SEA OF JAPAN.
 - EXPAND TEAM SPIRIT SCENARIO TO INCLUDE PROVISIONS FOR JSDF INTERACTION IN JAPAN WITH US PARTICIPATING FORCES DURING REDEPLOYMENT PHASE OF EXERCISE. THIS WOULD BE IN LINE WITH FOLLOW-ON BILATERAL PLANNING INITIATIVES.
 - CONDUCT LARGE SCALE COORDINATED US/JASDF/ROKAF AIR DEFENSE EXERCISE.
- 3. PROPOSAL ADDRESSES TYPES OF INITIATIVES AND ANTICIPATED TIMING. DETAILED PROCEDURES TO IMPLEMENT EACH SPECIFIC INITIATIVE WOULD BE WORKED OUT BY MY STAFF AND THE COMPONENTS FOLLOWING JCS REVIEW OF GAME PLAN.
- 4. (U) WARM REGARDS.

DEEL: 31 MAY 87
BT

MSB

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PAGE 1 OF 1
240220Z JUN 81

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JAPAN - ROK

PAGE 1

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INFO COS TOKYO
SSO KOREA //IASGG-KRA//
STATE/RCI
AFSSO 5 AF
SSO DIA
COS SEOUL
ZEM

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CINCPAC FOR ADM LONG, COS TOKYO FOR AMB MANSFIELD, SSO KOREA FOR
CEN WICKHAM, AFSSO 5 AF FOR LTG GINN, STATE FOR MR. HOLDRIDGE,
DIA FOR MR. ARMITAGE, AND SEOUL FOR MR. MONJO FROM GEN JONES, CJCS
SUBJ: ROK-JAPAN MILITARY COOPERATION (C)
REF: CINCPAC 240220Z JUN 81

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DATE 4/13/99

1. (S) SUPPORT YOUR POSITIVE PROGRAM KE INITIATIVES TO ENHANCE ROK-JAPAN MILITARY COOPERATION. AGREE WITH YOUR CONCLUSION THAT US SHOULD STAY IN BACKGROUND AND THAT THE PROGRAM SHOULD BE CAREFULLY PAGED TO EVOLVING POLITICAL SITUATION IN BOTH COUNTRIES. DEVELOPMENT OF THIS PROGRAM MUST BALANCE EFFORTS TO ACHIEVE DESIRED GAINS IN REGIONAL DEFENSE CAPABILITY WITH CONCERN FOR POLITICAL SENSITIVITIES ON BOTH SIDES.

2. (S) WITH REGARD TO SPECIFIC INITIATIVES OUTLINED IN PROPOSED PROGRAM, FOLLOWING IS RECOMMENDED:

A. (S) PEACETIME COOPERATIVE EFFORT TO COUNTER AGENT BOATS TARGETED AGAINST THE ROK, WHILE PROGRAMMED FY 1985 AND BEYOND, SHOULD NOT BE PURSUED. IT WOULD PROBABLY BE PUBLICLY CONTENTIOUS IN JAPAN AND IN CONFLICT WITH INTERNATIONAL AND JAPANESE LAWS.

B. (S) RECOGNIZING JAPANESE SENSITIVITY TOWARDS MULTILATERAL EXERCISES, CAUTION MUST BE EXERCISED IN BRINGING THE ROKN INTO RIMPAC. GOJ PERMISSION FOR JMSDF TO PARTICIPATE IN RIMPAC 88 PROVED A VERY DIFFICULT DECISION FOR THEM. NOW THAT THE PRECEDENT HAS BEEN SET, WE DO NOT WANT TO LOSE THE JMSDF PARTICIPATION IN FUTURE RIMPAC'S. JMSDF MUST BE CONSULTED BEFORE ANY ROKN INVITATION IS EXTENDED.

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072303Z NOV 81

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INFO SECDEF WASHINGTON DC
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COMUSKOREA SEOUL KOREA
CINCPACFLT PEARL HARBOR HI
CDRWESTCOM FORT SHAFTER HI

SECSTATE WASHINGTON DC
AMEMBASSY SEOUL KOREA
COMUSJAPAN YOKOTA AB JA
CINCPACAF HICKAM AFB HI

BT

PERSONAL FOR GEN JONES, INFO ASST SECDEF WEST, ASST
SECSTATE HOLDRIDGE, AMB MANSFIELD, AMB WALKER, GEN WICKHAM, ADM
WATKINS, LTGEN BRASWELL, LTGEN DONNELLY AND LTGEN FORRESTER FROM LONG
SUBJ: JAPAN-ROK COOPERATION (U)

1. JCS 142000Z JUL 81 (COMINT)
2. SECSTATE 240206Z JUL 81

3. APPRECIATE YOUR SUPPORT IN FOSTERING INCREASED JAPAN/ROK
MILITARY COOPERATION. (REFS A AND B GERMANE)
4. WORKING LEVEL ASSESSMENT OF NEAR TERM INITIATIVES FOR
OPERATIONAL FEASIBILITY HAS BEEN COMPLETED. AS BEING STEPPED
INTEND TO AUTHORIZE USMC AND USFJ TO INFORMALLY MEET THE WATER
WITH THEIR COUNTERPARTS ON MOST PROMISING INITIATIVES IDENTIFIED
BELOW PROVIDED ALL CONCERNED AGREE THAT PROPOSALS REMAIN WITHIN
PREVIOUSLY COORDINATED GUIDELINES FOR PACIFIC INITIATIVES WITHIN
EVOLVING POLITICAL SITUATION.

5. INVITE ROKNME OFFICERS TO VISIT OYAMA AS GUEST OF
USFJ (MAY EARLY CY 82)

6. INVITE ROKAF OFFICERS TO OBSERVE COPE NORTH EXERCISE IN
JAPAN (EPR 82) AND JASDF OFFICERS TO OBSERVE COPE JADE EXERCISE
ROK (MAY 82)

7. INVITE JCSDF OFFICERS TO ROK AS GUEST OF COMUSMACV (MID
CY 82)

8. CONCURRENT HOSTING OF ROKN/JMSDF MIDSHIPMEN AND
SEVENTH FLEET (MID) SHIPBOARD TRAINING PROGRAM

9. INVITE ROKA/JCSDF OFFICERS TO OBSERVE TROPIC EXERCISE
EXERCISE IN HAWAII (JUN 82)

10. INVITE ROKA OFFICERS TO OBSERVE GOPHER BROKE EXERCISE IN
HAWAII (LATE CY 82) USDF SCHEDULED TO BE ACTIVE PARTICIPANT

11. CONDUCT NE ASIA SECURITY SEMINAR IN HAWAII DURING SAN
TIME FRAME AS GOPHER BROKE EXERCISE (LATE CY 82)

12. I BELIEVE THE FOREGOING APPROACH RECOGNIZES THE NEED TO
GO SLOW WHILE MAKING GAINS WHENEVER POSSIBLE. OBJECTIVE IS TO
FOCUS EFFORTS ON BILATERAL INITIATIVES HOSTED BY US WHILE
REMAINING IN THE BACKGROUND ON JAPAN/ROK BILATERAL PROGRAMS
WOULD APPRECIATE YOUR COMMENTS/VIEWS.

DECL: 31 OCT 87

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INFO: CJCS FOR GEN JONES AND DJS FOR LGEN DALTON.

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INFO CJCS:(1) CJCS(3) DJS:(1)

(M.C)

+++PERSONAL FOR+++

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OUTLINE

1. Objectives - in broad terms
 - Increase aid to ROK
 - Improve military ties between Japan and ROK
2. Inability to move forward in near terms
 - Impact of Kim Dae Jung issue on US-ROK Relations
 - Impact of Kim Dae Jung issue on ROK-Japan relations
 - Example: Brown visit
3. Desirability of setting medium and long term goals
4. Existing situation
5. Existing situation
 - Economics - extent of trade
 - extent of loans
 - purposes for which loans made
 - Defense - Regional defense roles
 - U.S. Alone
 - Sea LOC Defense
 - Strategic/tactical air
 - Early warning/surveillance
 - Intelligence
 - Other
 - US-ROK
 - Bilateral Planning
 - CFC
 - Troop presence
 - Intelligence

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US-Japan

Bilateral Planning
Sea LOC surveillance
Troop presence
US Base utilization
UNC SOFA

Japan alone

Patrols/mining
Air Defense
Force modernization
Host Nation Support

Extent of GOJ-ROK Cooperation

Visits and exchanges, including observers at exercises
Intelligence
Control of air and sea space

6. Prospects for expanded cooperation

Considerations/Assumptions:

Importance of interoperability of equipment
Significance of US bases in Japan in a contingency
Dependence upon GOJ industrial capability
US role as a catalyst
Dangers in going too fast
Reaction of Asian neighbors

Economic cooperation

Increase in GOJ loans to ROK
Amount
Terms
Fungibility

Increase in ROK-GOJ trade

Extent of possible increase

GOJ support for ROK defense industry

Technical assistance - problems and conditions

Procurement of non-lethal equipment

Support for Sales to third countries

Rationalization of GOJ and ROK defense industry to
efficiently support their own and regional defense requirements

Defense

Expansion of trilateral efforts, including exercises

Shift of US missions/activities to ROK and/or GOJ

Areas of possible GOJ-ROK cooperation

Intelligence

Airlift/sealift

Depot maintenance

EW/Surveillance

Patrols

Joint production

POL/WRSA procurement and storage

Joint use of training facilities (ranges)

7. Timetable

Near term objectives -- priority on peacetime programs

Long term objectives

8. Recommendations

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Japan Investment in Korea **RELEASE**

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'76	44 m
'77	29 m.
'78	79 m
'79	42 m
'80	(projected) 40 m

Japan Aid and/or Loans to Korea

Official	Commercial
'75 #13 m.	'75 #10 m
'76 117 m.	'76 590 m
'77 62 m	'77 275 m
'78 185 m	'78 870 m
'79 -	'79 283 m
'80 (projected) 90 m	'80 156 m

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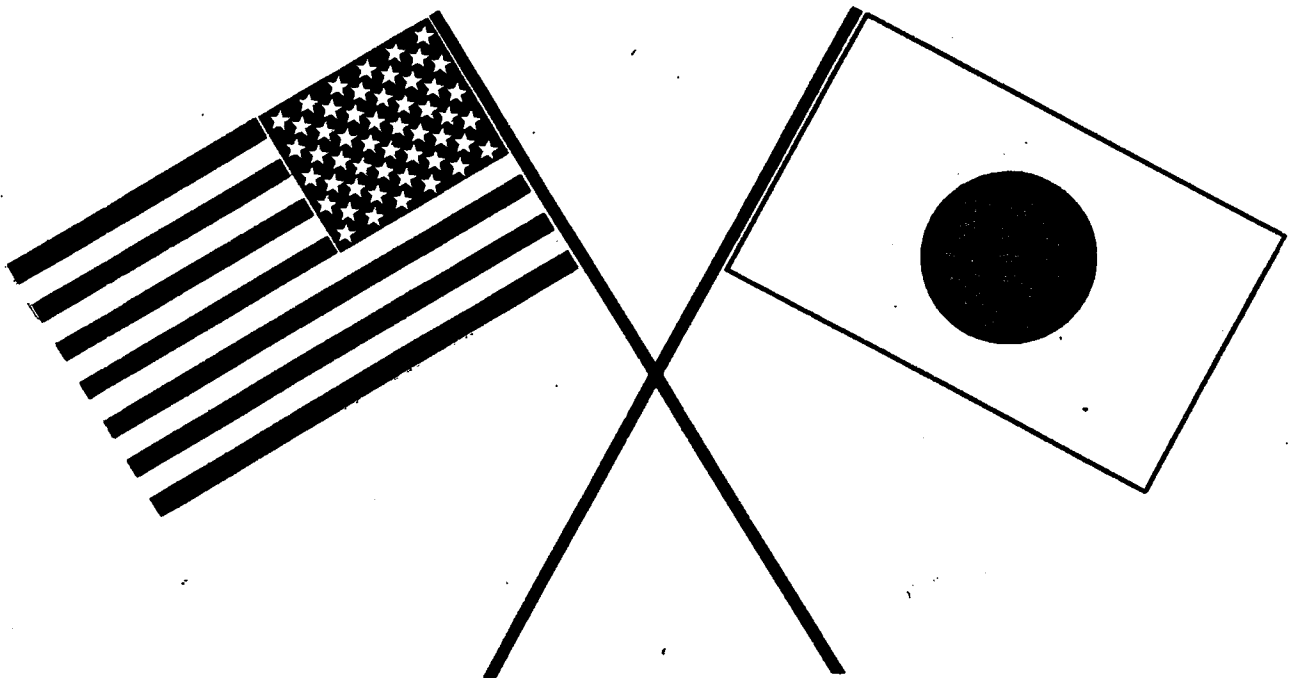
Briefing Book (Principals)

SSC XI
8/79

~~TOP SECRET~~

Eleventh U.S. - Japan Security Subcommittee Meeting (SSC)

FOIA
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31 July - 2 August 1979

Honolulu
Hawaii

MASTER

~~TOP SECRET~~

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OFFICE OF THE SECRETARY OF DEFENSE

Memo For Walter in Hawaii, 21 July
Neper or Jim

- ① Get Debrief from Armacost on anything discussed re: Taiwan with CINCPAC, i.e., AIT-CINCPAC relationship backchannel; "hit list" of how CINCPAC is being cut out, etc
- ② Debrief on what Sullivan thought on arms sales to Taiwan in 1980 issue
- ③ Hope fully, earlier in trip he will get Lawson's Sullivan "chop" on ~~Financing~~ Procedure to Process Taiwan Tug Requests ^{page} (that Puckney will give him) and will have you or Jim call me to give me greenlight to Jim

FOOID
RELEASE

ELEVENTH MEETING
SUBCOMMITTEE OF THE UNITED STATES - JAPAN
SECURITY CONSULTATIVE COMMITTEE
ILIKAI HOTEL, HONOLULU, HAWAII
SCHEDULE OF EVENTS

28 July 1979

0900 COMUSJAPAN and party arrives HNL

29 Jul 1979

0900 SSC XI Administrative office opens. Molikai Room

1015 Japanese delegation arrives. HNL
Met by RADM Shelton and Mr Ohki,
Japanese Consul General.

1230 Washington delegation arrives HNL
Met by LTGEN Poston.

1304 Golf hosted by Admiral Weisner Navy Marine GC

30 July 1979

0900 Amb Mansfield arrives. Met HNL
by LTGEN Poston.

0945-1000 Japanese office call on Admiral J00 office
Weisner (Mr. Watari, Mr. Nakajima,
Mr. Ohki, VADM Sakonjo).

0945-1000 Coffee for remainder of ECR
Japanese delegation hosted
by LTGEN Poston with J02
and J heads.

1000-1100 Briefing for Japanese hosted CCBR
BY J00 with J heads.

1115-1300 Japanese lunch with MAJGEN Lynn Schofield Brks

1300-1400 Aerial tour of military facilities
for Japanese .

1400	Japanese return to Ilikai Hotel except for VADM Sakonjo.	
1400-1600	US Unilateral Organizational Meeting.	Kauai Room
1415-1445	VADM Sakonjo office call on RADM Wentworth. Accompanied by CMDR Saito JMSDF LNO.	Pearl Harbor
1615-1815	Japanese Unilateral Organizational Meeting.	Kauai Room
1830-2000	No host get acquainted Cocktail party.	Imperial Suite
31 July 1979		
0900-1200	First Session	Hilo Suite
1215-1330	Luncheon hosted by Mr. Watari	Hana Suite
1400-1700	Second Session	Hilo Suite
1830-2030	Reception in-honor-of SSC XI participants hosted by Consul General Ohki.	Japanese Con- sulate. Aloha/ casual attire. Bus transportation departs Ilikai at 1800 returns 2045.
1 August 1979		
0900-1200	Third Session	Hilo Suite
1215-1330	No host counterpart luncheon	Individually arranged.
1400-1700	Fourth Session	Hilo Suite
1830-2030	Reception in-honor-of GOJ participants hosted by Asst Secretary McGiffert	Derussey Hall, Hale Koa Hotel. Bus transportation departs Ilikai at 1820 returns 2015.

2 August 1979

0900-1200	Open session. Meeting if necessary.	TBA
0900-1030	Pearl Harbor tour for Japanese.	PACFLT Boat landing
0900-1100	Military to Military Meeting	ECR
1215-1330	Luncheon hosted by Asst Secretary McGiffert.	Hana Suite
1400-1700	Final Session. Free discussion.	Hilo Suite
1700	Amb Mansfield departs	HNL

3 August 1979

0930-1000	LTGEN Ginn office call on LTGEN Poston.	J01 office
1145	Japanese delegation departs	HNL
1600	Washington delegation departs	HNL
1700	COMUSJAPAN and party and remainder of Embassy Toyko party departs.	HNL

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11th SSC MEETING SCHEDULE

SESSION	GENERAL TOPIC	SPECIFIC TOPIC	U.S. LEAD	SUPPORT	RESPONSE TO GOJ LEAD	OBJECTIVE
#1 31 JULY 0900-1200	OPENING STATEMENT	-	ASD:ISA	-	-	Convey atmosphere of informality/Agree on press coverage - None/
	GLOBAL SITUATION	SALT and US Nuclear Strategy Europe & NATO Mid-East, Persian Gulf, Indian Ocean	ASD:ISA	JCS	-	Increase Japanese awareness of our mutual concerns in the global security environment.
	ASIAN SITUATION	Security Situation in East Asia US Responses	ISA	NSC		Reassure the Japanese we will remain a Pacific power; describe challenges in a way that invites GOJ to reconsider the adequacy of their own efforts.
#2 31 JULY 1400-1700	JAPAN'S SECURITY POLICY IN THE 1980'S	Japanese Paper on Security	-	-	ISA/STATE	Support Japanese beliefs; probe future intentions in regional security involvement.
	STATUS OF GUIDELINES IMPLEMENTATION	Bilateral Planning Joint Exercises Training Intelligence Exchange	COMUS-JAPAN	ISA EMBASSY	-	Insure the GOJ that US is politically committed to bilateral planning to identify defense needs; to support continuation and sophistication of such efforts in the future.

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SESSION	GENERAL TOPIC	SPECIFIC TOPIC	U.S. LEAD	SUPPORT	RESPONSE TO GOJ LEAD	OBJECTIVE
#3 1 AUGUST 0900-1200	LONG RANGE PROSPECTS FOR JAPAN'S DEFENSE	Weapons Systems & Force Security	-	-	PA & E CINCPAC	Discuss the adequacy of Japan's efforts in view of oil crisis, US limitations.
	US FORCE POSTURE IN ASIA AND INDIAN OCEAN IN 1980's	Soviet Military In Asia Developments in the Indian Ocean & Middle East US Indian Ocean Activities: Outlook for US in Asia in 1980's	JCS	CINCPAC	-	Describe realistically our force posture and explain our appreciation of the shared necessity in maintaining free trade access to these ocean areas.
#4 1 AUGUST 1400-1700	DEFENSE COOPERATION OBJECTIVES	Cost-Sharing Technology Transfer Interoperability Comparison with NATO	ISA	EMBASSY COMUS-JAPAN PA & E		Promote a further expansion of GOJ cost-sharing measures and explore informally various possibilities. Defuse Japanese criticism of unequal treatment compared to our NATO allies. Lay groundwork for <u>ad hoc</u> committee to discuss RSI, development, technology transfer, etc.

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SSC Schedule

All events listed at Ilikai unless otherwise noted

Monday July 30

US Unilateral -time to be announced by Col Dewey.

1830-2030 No host Get Acquainted Cocktail Hour

Tuesday July 31

0900-1200	SSC Session I
1200-1400	Lunch hosted by Japanese Delegation
1400-1700	SSC Session II
1830-2000	Dinner hosted by Japanese Consul General (Japanese Consulate)

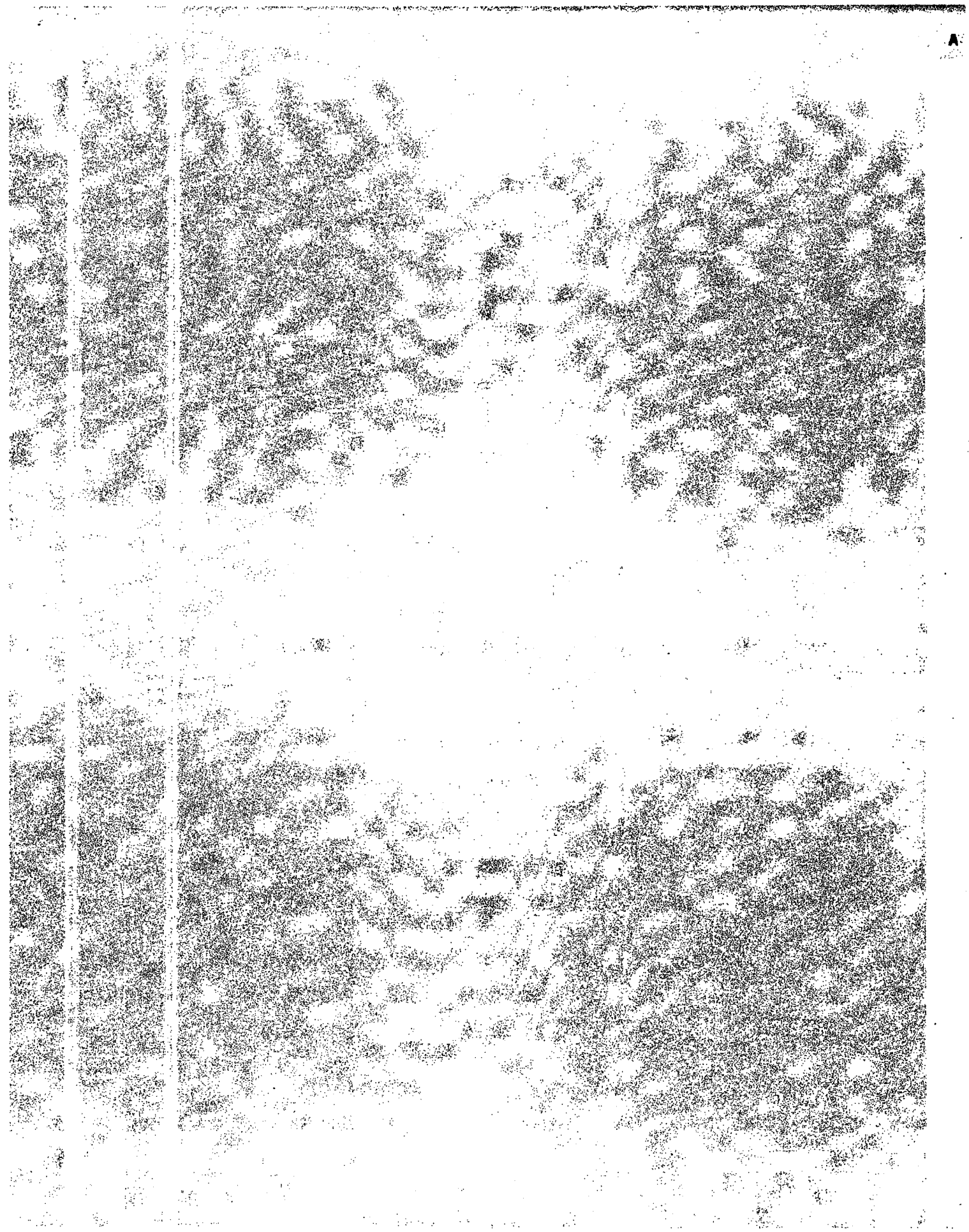
Wednesday August 1

0900-1200	SSC Session III
1200-1400	Lunch (as desired)
1400-1700	SSC Session IV
1830-2000	Reception hosted by Mr. McGiffert (Hale Koa Hotel)

Thursday August 2

1200-1400	Lunch hosted by US Delegation
1400-1700	Final SSC Session

*Dress for all meetings and all social functions is aloha casual.



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SCOPE PAPER
FOR THE ELEVENTH SECURITY SUBCOMMITTEE MEETING
31 July -- 2 August 1979

Last year's meeting reactivated the SSC following a four-year hiatus. The 11th meeting will again be held in Hawaii and will include policy level representatives from OSD, JCS, State, NSC, Embassy Tokyo, CINCPAC and USFJ, on the US side; and from the Ministry of Foreign Affairs, the Defense Agency, and the Embassy on the Japanese side.

Because the SSC involves Washington and Tokyo policy-making levels, has traditionally placed a premium on informal and candid discussions, and does not seek to produce negotiated agreements or communiques, it can reinforce what we are seeking to accomplish in bilateral defense planning as well as explore other aspects of defense cooperation.

SETTING

Defense is no longer a taboo subject in Japan. In part this reflects increasing Japanese apprehensions over the growth of Soviet military power in the Pacific (e.g., the anticipated deployment of the Minsk, access to facilities in Vietnam, and expanded military activities in the disputed Northern Territories); in part it reflects concerns about the US defense posture and the reliability of our support. The Self-Defense Forces presently enjoy unprecedented approval of the Japanese public: a broad national consensus supports continuation of the Security Treaty. The moderate opposition parties (Komeito, Democratic Socialists and New Liberal Club) have accordingly been more supportive of Japan's alliance with the US. Equally important, Japanese government officials have become noticeably more flexible and positive over the past two years in dealing with us on defense-related matters. Support for the Security Treaty and the SDF by the PRC has not only undermined much of the opposition from the Left but has focused Japanese concern more than ever on the Soviet threat. The one percent GNP limitation on defense spending is no longer a critical issue and has already been exceeded if US accounting procedures are utilized. The crucial question that needs to be addressed by both the US and the Japanese is not how much money should be spent but for what purposes.

The Japanese participants at the SSC are generally willing and eager to expand defense cooperation. They recognize the virtues of interoperability; they acknowledge the necessity of expanded cost-sharing arrangements; they will be looking for ways of increasing cooperation in such areas as intelligence, logistics, C³, exercises, and training although they will want to take their time to develop Japanese methodologies for meeting our desires. They will be rather broad-gauged officials whose interest vis-a-vis US policy and force structure are not confined to WESTPAC. Despite these common perceptions, there are also strong bureaucratic rivalries between Foreign Ministry and JDA officials which may be reflected in the substantive exchanges.

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Our broad goals in the talks must be to consolidate current trends in our defense relationship; keep Japan closely tied to the United States; assure that as Japan's defense capabilities grow, they complement our own efforts; and prevent trade frictions from jeopardizing Japanese-American security cooperation.

OBJECTIVES

At this SSC, we should seek these specific objectives:

1. Increase Japanese awareness of our mutual concerns in the global security environment. We will review developments in SALT, the Middle East, Southeast Asia, relations with the PRC and the growth of Soviet conventional military, (particularly naval) power. We will emphasize that US or allied forces countering the Soviets anywhere are acting also in the global interest of Japan and that Japanese forces countering the Soviets around the Japanese littoral are acting in the interests of the United States. We need, on the one hand, to reassure the Japanese of our determination to remain a major Pacific power, including maintenance of our military presence, and, on the other hand, to describe the challenges we face in ways that invite the GOJ to reconsider the adequacy of their own efforts--both in providing for their defense and in support of our efforts.
2. Insure the Japanese that the USG is politically committed to bilateral military planning as a means by which both sides can identify their defense needs more clearly and to support the continuation and sophistication of such efforts in the future. We will provide our assessment of the planning effort under the guidelines to date and indicate our support for increasingly realistic scenarios in the future. We can expect the Japanese to query us rather specifically on such matters as joint training and exercises, secure communications, intelligence exchanges, etc.
3. Describe realistically our force posture in the Pacific and Indian Ocean areas and explain to the Japanese our appreciation of the shared necessity in maintaining free trade access to these ocean areas. We need to add realism to Japanese thinking which has questioned on occasion our ability to come to their local defense in times of a worldwide conflict. We will try to accomplish this by discussing more explicitly the linkages between our commitments in East Asia and the Middle East, and the indirect threats -- i.e., extraregional threats -- to Japan's security. We want to correct mis-impressions from the past (e.g. projections of Seventh Fleet sizing). We will emphasize that U.S. forces countering the USSR in the Pacific and Indian Ocean areas are acting in the interests of Japan. We will point out that US forces are capable of deploying east or west as they did in Vietnam, noting that earmarking forces for a certain area does not mean unequal treatment of other areas but is merely a recognition of possible threat scenarios. We want to indicate the firmness of our commitment and the flexibility of our forces while explaining our problems, especially from the late 1980's when our force levels may decline. We should not be bashful about discussing fiscal realities and the constraints and uncertainties that they introduce in our force structure.

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We might also probe, outside the formal meetings, Japanese attitudes as to whether GOJ maritime and air forces operating in the seas west of Guam and north of the Bashi channel in regional SLOC protection missions would be constitutionally permissible and/or politically manageable.

4. Promote a further expansion of GOJ cost-sharing measures and explore informally various possibilities. Following conclusion of the Brown-Kanemaru talks last year, the GOJ adopted a new \$120 million cost-sharing package for JFY 79, bringing the total GOJ expenditure for US Forces for the year to approximately \$750 million. Although cost-sharing has been increasing of late, the GOJ bureaucracy feels it has very little additional maneuvering room within the SOFA on future labor cost-sharing arrangements. It is absolutely necessary, however, that other avenues be sought. And we will need to persuade the Japanese that we expect US political and economic pressures for cost-sharing will increase. Some specific measures we can explore include:

- Joint use of both US and Japanese bases with the GOJ assuming a progressively larger share of maintenance and security costs.
- Japanese construction of new joint operational facilities.
- Japanese funding of depot level maintenance efforts.

5. Defuse Japanese criticism of unequal treatment compared to our NATO Allies. We will tell the Japanese of our attempts to eliminate inequalities which exist in areas such as communications security, limitations on and delays in equipment purchases, technology transfer, etc. At the same time, we will point out to the Japanese some of the reciprocal obligations embodied in NATO arrangements, e.g. long term defense program.

PROCEDURE

We will want to conduct the SSC informally. The arrangements for the meetings (social events, seating arrangements, dress stipulation) are designed to insure such informality. We will have to deal with the propensity of the Japanese press to exaggerate what the USG is asking of the GOJ by limiting both sides' public statements to generalities and giving the meeting a low public profile.

Schedule of Events

This SSC spans three days. There will be a no host, get acquainted social function the evening of July 30. Formal morning and afternoon sessions are scheduled for July 31 and August 1. The Japanese will host a luncheon and evening reception on July 31, and we will host a social function the evening of August 1. The final morning, August 2, is deliberately open so that it can be utilized flexibly for another formal session following up unfinished business, for private meetings, golf, Pearl Harbor tours, etc. We will host a luncheon on the final day which will be followed by a free discussion session to allow each delegation to raise any desired issue(s). Conclusion of this session in the late afternoon allows evening departures if delegates desire.

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TALKING PAPER
FOR
FIRST SESSION - U.S. - JAPAN SSC
July 31 - August 2, 1979

SUBJECT: Review of Major Global Issues

✓ 1 Introduction

- Since the last SCC there have been rather dramatic changes in the security landscape--SALT II agreement; developments in Africa, the Middle East, and South Asia; challenges to the Western position in the Indian Ocean/Persian Gulf; the Sino-Japanese Peace and Friendship Treaty and the normalization of U.S.-PRC diplomatic relations; further changes in our Korean policy; and the situation in Indochina.

✓ - In discussing these developments we will be particularly interested in exploring their implications for U.S.-Japanese defense cooperation.

✓ 2 SALT II and U.S. Nuclear Strategy

- Let me start with SALT II. I won't repeat the details of the agreement. A short paper outlining the agreement has been passed to you. Neither will I rehearse the arguments and counterarguments that have surfaced in Washington. I would only like to make a few key points.

- First, a few words about its political implications.

-- Within the U.S. there has been growing concern about the growth of Soviet nuclear and conventional military power, as well as Soviet involvement in Africa and elsewhere. This concern is reflected most notably in growing public and Congressional support for real increases in defense spending.

-- The Soviet response has been ambivalent. During 1978, Moscow showed somewhat greater caution in Africa, but they increased their activities on their strategic periphery in Norway, in the Middle-East, and in Northeast Asia--perhaps in part due to a self-induced fear of encirclement.

✓ -- The net result is that the debate over SALT II has become more than a debate on strategic arms limitation treaty. Ratification of the treaty thus takes on greater significance.

- We believe that the SALT II Agreement serves the interests of global stability by imposing limits on the numbers of central strategic systems.

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✓ -- The numerical limits in the treaty actually require that the Soviets dismantle over 250 launchers by the end of 1985. These limits provide greater predictability as to the size of our future strategic challenge and enable us to better plan our own strategic capabilities.

✓ -- SALT II does not preclude U.S. efforts to modernize its own strategic forces, e.g. providing the MINUTEMAN III with improved accuracy, developing a mobile ICBM, continuing deployment of the TRIDENT SLBM system, equipping our B-52s with air launched cruise missiles, and developing SLCM and GLCM technology.

✓ -- With regard to verification, the treaty does not require that we trust the Soviets. The loss of our sites in Iran will temporarily limit our information on some aspects of Soviet programs. In any case, the treaty is verifiable from signing, i.e. we could detect any violations that threaten our security. Since strategic systems take years to develop, we are confident that we can detect and respond to any Soviet cheating before it could affect the strategic balance.

✓ -- Finally, the treaty clearly takes our allies' interests into account. Strategic equivalence is maintained; U.S. Forward Based Systems are not included; NATO options to modernize long-range theater nuclear forces with cruise missiles are fully preserved; existing patterns of collaboration and cooperation between the U.S. and its allies are unaffected. The non-circumvention provision is simply a reiteration of obligations under international law, and we successfully resisted Soviet attempts to include a no-transfer ban in the treaty. In addition, our position is that any future limits on U.S. systems primarily designed for theater missions should be accompanied by appropriate limits on Soviet theater systems.

✓ - What are the chances of ratification by the U.S. Senate? Consensus building takes time. Many Senators have expressed reservations about the treaty. All are examining the treaty with care. The initial round of hearings has given us a chance to address the Senators' concerns. The treaty has won support from distinguished outsiders (list some - Toon, Harriman, Gaylor Kidd, Dougherty) and from the JCS. All of us have stressed the need for vigorous U.S. and allied defense efforts with regard to SALT. Whether these reservations can be answered during discussions or whether they will take the form of non-binding Senate resolutions or even amendments to the treaty is not clear at this time. However, we expect that the Senate will vote on the ratification of the treaty late this year--perhaps in early November.

-- Basic guidelines for subsequent negotiations on the limitation of strategic arms contained in the SALT II Agreement sets very general guidelines. However, within the USG we are

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We can out do Sov in soc. pol, & Econ areas but in military they are superior.
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US & USSR have difficulty they channel missile into weapons production. maintain high level of mil investment
studying alternative approaches to SALT III; and participating in a special NATO planning group that is discussing how theater nuclear forces might be addressed in SALT III.

3. Europe and NATO

- Since 1973 the Soviets have been expanding and improving their conventional and theater nuclear forces in Europe. The force expansion programs show signs of leveling off, but the modernization programs probably will continue at a rapid pace during the next few years. Specifically, since January 1973:

-- Soviet and NSWP forces have been increased by approximately 62,000 men with more than half the increase occurring in the Group of Soviet Forces in Germany and Polish ground forces;

-- There has been only a slight increase in tactical aircraft.

-- The East European states have improved their military organizations and capabilities and they now play a greater role in Pact military planning and strategy for employment.

- In response to this increased threat, NATO--to include the U.S.--has taken a number of steps to shore up the Alliance's defense posture.

-- This spring, at the DPC, the members of NATO reaffirmed their goal of a 3% real increase in annual defense expenditures; and, with minor exceptions, it appears that this goal will be met. (Table 1 indicates some measure of NATO's defense burden.)

-- A Long Term Defense Plan--with more than 120 specific measures to improve NATO's conventional forces--was adopted at the Washington Summit in May of last year and we are making good progress in implementing it. A brief summary of the LTDP has been given to your delegation.

-- NATO is also taking steps to improve both its battlefield and longer-range theater nuclear weapon systems.

- I would like to emphasize three general points about our efforts in NATO.

-- First, our current efforts are designed to correct the consequences of prolonged neglect arising out of our involvement in Vietnam.

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-- Second, improvements in Europe are not coming at the expense of our forces in Asia. Our NATO defenses complement our forces in East Asia and the Western Pacific and vice versa. We are continuing to honor our pledge to maintain our current level of forces in the Pacific--and we are making some quantitative, as well as qualitative, improvements to our forces in the region.

-- Third, as you are well aware, we are facing an adversary who is making extraordinary efforts in developing his military forces. However, the strength of the free world lies in our alliance structure. Although the Soviet Union may be outspending the U.S., the defense spending of the U.S. and other NATO nations, when combined, is greater than the Soviet Union plus its Warsaw Pact allies. Table 2 shows this fact graphically. Our security depends on our ability to capitalize on our combined strength.

- Before we turn our attention to Asia, I would like to say a few words about the Middle East.

4. The Middle East, Persian Gulf, and Indian Ocean

- The U.S., Japan, and the rest of the industrialized nations share a major interest in the Middle East--unimpeded access to oil. That is one reason we are so concerned about recent events in Iran, Ethiopia, Afghanistan and Yemen.

✓ - The major threats to unimpeded access to Middle East oil center around a renewal of the Arab-Israeli conflict, radical and Soviet-sponsored adventurism, and internal instability.

-- Our response must include effective follow through on the Camp David accords, countering Soviet supported adventurism (as in North Yemen), and dealing with those conditions which generate internal instability.

✓ - The U.S. has maintained a military presence in the Indian Ocean for thirty years in the form of the MIDEAST force and routine deployments of additional naval forces.

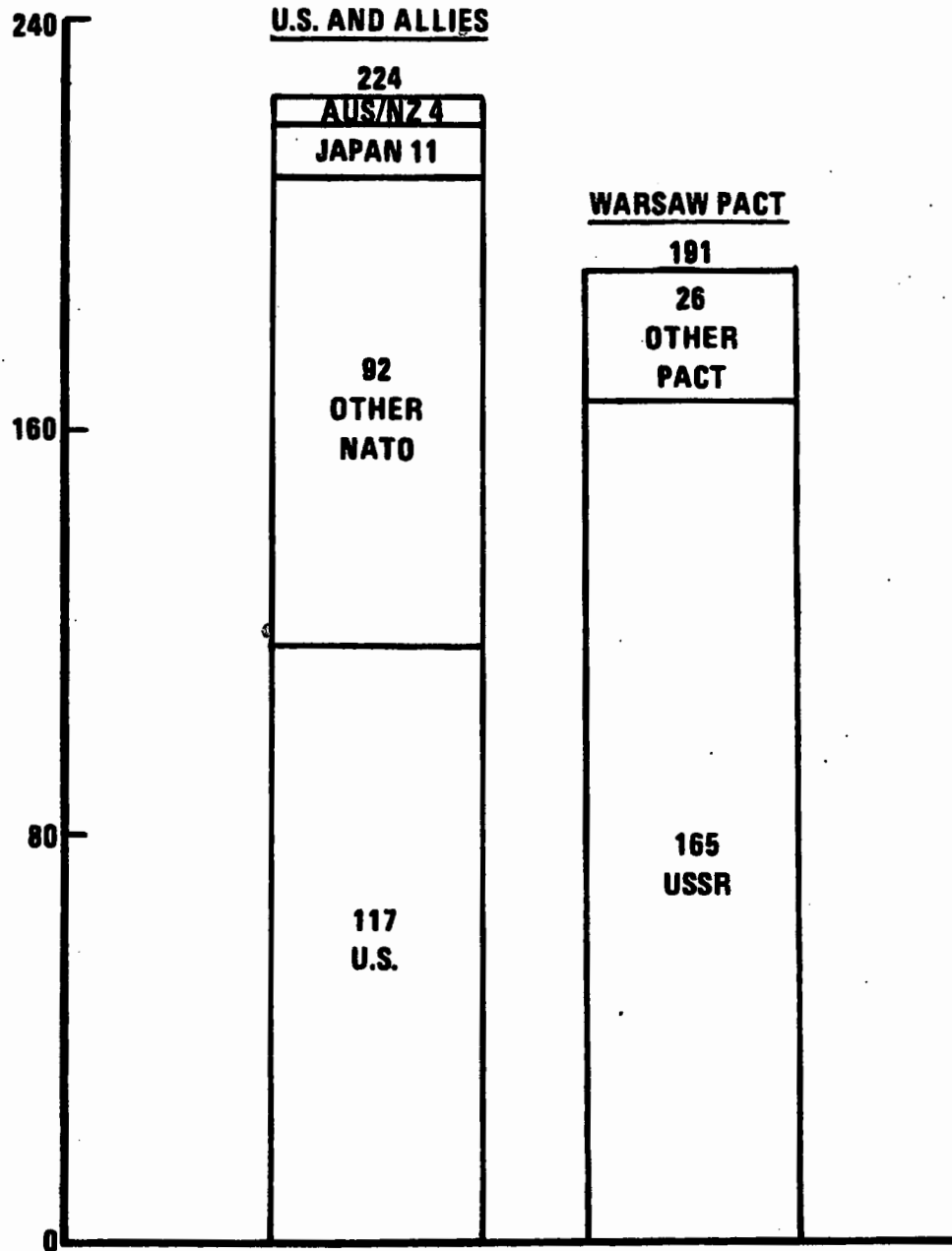
✓ -- We have augmented this presence during periods of crisis.

✓ -- Currently, the U.S. Navy presence in the Indian Ocean includes the MIDEAST Force (three permanently deployed surface combatants) plus the deployment three times a year of alternating carrier battle groups and surface combatant

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COMPARISON OF 1978 DEFENSE EXPENDITURES

BILLIONS FY 80
DOLLARS



Health issues
concerning J's plans to
support stab. in ME ~~to~~ visit it.
Ans. too soon to know

Water/F0
depend on US calc of possible outcomes
- if advantages to west - J's support
Kobayashi - J's support
express concern about US planning out US mid power
in asia area -
Wasser
CMCF argument will come from 6th IAB
deployment for 6th.
7th, no further draw down.

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task groups. (Right now there is a surface task group of a cruiser, three destroyers/frigates, and an oiler in the Indian Ocean).

-- In addition, a detachment of Navy patrol aircraft (P-3s) has been staging out of Diego Garcia on a continuous basis since 1974; and, more recently, U.S. P-3s have operated out of Singapore.

- The Department of Defense has recently recommended:

-- The MIDEAST Task Force be augmented on a permanent basis by two or three surface combatants drawn from our forces in the Atlantic and Mediterranean;

-- Periodic task force deployments from the Atlantic and Pacific be increased from three to four per year and if feasible include a Marine Amphibious Task Force;

-- At least one land-based tactical aircraft be deployed to the region periodically; and

-- Steps be taken to improve our security relations with the regional states and improve their self defense capabilities as well as our capability to support our forces in the region.

- The President has not yet made a decision on this recommendation. But some expanded deployments are likely to reflect our awareness of the strategic significance of Middle Eastern oil.

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*symbol
CMFR in
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water
Stob of MG noted to 'Jo'. "I" support us about.
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ask about us pol for MG.

MG - Unilateral Force - had talk - not go alone
Under 1 1/2 war - have limited coalitions -
AG, Korea, etc

MG
10 arms talks - second session - when some entered Ethiopia
told them this coming to their announcements -
does "I" think it wise to secure 10 talks?

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Session 1, Part 2
Current Asian Situation (Mr. Armacost)

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1. The security situation in East Asia has been substantially transformed in recent months.

✓ A. On the positive side of the ledger there have been these key developments:

✓ 2. American military power in the Pacific has been stabilized.

✓ 3. US-Japan defense cooperation is greater than ever before.

✓ 4. The proliferation of Sino-Japanese and Sino-US economic technological, and scientific exchanges tend to confirm Beijing's "opening to the West."

✓ 5. Seoul has continued to outdistance Pyongyang in the political-economic competition on the Korean Peninsula.

✓ 6. Sino-Soviet rivalry shows no sign of abating; and recent conventional military conflicts in East Asia have been limited to the communist countries.

✓ 7. Taiwan is adjusting well to Sino-US normalization.

- The Soviet Union has been unable to translate its growing military power in the Pacific into unilateral political advantage.

✓ 8. The ASEAN states -- individually and collectively -- have displayed impressive resilience and cohesion.

✓ 9. The Pacific Basin economy remains strong, providing the underpinnings for political stability in the non-communist, market economy countries.

✓ 10. The Pacific Island mini-states have made (or are making) the transition to independence without undue strife or external manipulation.

All in all these are hopeful trends, and our joint interests are served by working to consolidate them.

✓ B. On the negative side of the ledger, there have also been some developments which cause concern.

✓ The Soviet Union continues to expand its capacity to project power into the Western Pacific and Indian Ocean: expansion of Soviet Far Eastern forces; deployment of the Minsk and the Ivan Rogov to Vladivostok; increased fortifications in the

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- ✓ Northern Territories; acquisition of limited military operating rights in Vietnam; provision of massive military supplies to Vietnam, thereby facilitating SRV aggression in Cambodia.
- ✓ The erosion of Western influence in the Persian Gulf and Indian Ocean littoral combined with the establishment of a stronger Soviet military foothold in Southeast Asia, raises new questions about the security of these sources of oil which are so critical to security of Japan and the United States, and, to a lesser extent about the security of the SLOCs themselves. In addition, we have seen the problem that even a small loss of oil production can cause the world economy.
- ✓ The presence of seven Vietnamese divisions on the Thai border creates an obvious potential for incidents and poses risks that the conflict may spill over into Thailand.
- ✓ The conflicts in Indochina have forced not only Thailand but Malaysia, Indonesia, and Singapore to reconsider the adequacy of their defenses.
- ✓ The massive exodus of refugees from Indochina has become an enormous humanitarian problem in Southeast Asia; and its has some security overtones since the large influx of Chinese could disrupt the internal balance in Malaysia and Indonesia, and could induce "beggar-thy-neighbor" policies between the ASEAN members.
- ✓ Sino-Vietnamese conflict could recur.
- ✓ In Korea, new intelligence information reveals that we previously underestimated North Korea's military strength; more urgent efforts are required to overcome deficiencies in ROK defenses, particularly its ground defenses.
- ✓ 2. We have begun to chart responses to these developments, but much remains to be done.
- ✓ With respect to the expanding Soviet military access to Indochina, we should work to see that Moscow pays a high political and diplomatic price throughout the region as a result of its entree to military facilities in the SRV, and its underwriting of Hanoi's invasion in Cambodia.
- ✓ Recent developments in some of the Indian Ocean littoral states require that the United States expand deployments into that area. There may be some diversion of assets currently assigned to the Pacific. Insofar as US assets are stretched thinner, we need to consider how we can complement each other's efforts more effectively in protecting the SLOCs, (i.e., ASW, surveillance, patrolling, etc.) and in promoting stability in major supplier countries.

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✓ We have attempted to minimize the dangers to Thailand posed by SRV invasion of Cambodia by 1) reaffirming our commitment to Thai security; 2) warning the Vietnamese and Soviets of the consequences of allowing the conflict to spread into Thailand; and 3) expanding our security assistance to the RTG, including the acceleration of equipment deliveries.

✓ Beyond this, the efficacy of our efforts to encourage a political resolution of the Kampuchean problem will turn upon the balance of forces which develops in Kampuchea over the coming months. We are seeking to forestall recognition of the Heng Samrin puppet regime; and keeping the idea of an international conference on Kampuchea alive. (Note helpful GOJ role on refugees and economic aid.)

✓ The other ASEAN countries require our support to increase the readiness of their defenses without jeopardizing development programs. The United States is attempting to preserve -- and to the extent possible, expand -- FMS credit levels, expeditiously process requests for defensive equipment, and handle arms transfer requests with greater sensitivity to ASEAN requirements. Difficulties in the short-term include: 1) an austere budget; 2) a depletion of excess defense stocks; and 3) legal inhibitions against airlifting equipment. Explore whether Japan might be able to lend additional help through the provision of fungible economic assistance. (E.g. something analogous to our SSA)

10-15% cut
stocks
depletes

✓ With respect to China, it is in neither of our interests unwittingly to promote China's efforts to forge an anti-Soviet "common front." The appropriate stance for us is 1) deepened US-GOJ defense cooperation, and 2) promotion in parallel of our respective bilateral political and economic relationships with Beijing.

✓ In Korea, recently announced adjustments of US troop withdrawals will bolster deterrence, and the ROK has agreed substantially to augment its own defense effort. Given the high rate of inflation in the ROK, these steps may exacerbate domestic economic problems. It would be helpful if the GOJ could look at ways in which it might contribute to ROK security by easing these economic difficulties -- e.g., liberalizing trade access, expanding credit, etc.

16%

✓ On refugees, acknowledge Japan's initiative dramatically to expand its financial support for the UNHCR, and take note of the fact that we are implementing steps which involve a wider DOD contribution to the refugee effort.

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BACKGROUND PAPER

on

THE SALT II AGREEMENT

General

The first phase of the Strategic Arms Limitations Talks (SALT I) between the United States and the Soviet Union ended in May 1972 and produced two agreements. The first agreement, the ABM Treaty, permanently restricted the deployment of antiballistic missiles by both countries. The second, the Interim Agreement on Strategic Offensive Arms, froze for five years the number of strategic launchers of each country at the level then deployed or under construction.

The United States and the Soviet Union began a subsequent series of negotiations - SALT II - in November 1972 with the objective of replacing the Interim Agreement with a long-term, comprehensive and balanced treaty limiting strategic offensive weapons. After overcoming many difficult and complex points of contention, the United States and the Soviet Union signed the SALT II Agreement on June 18, 1979 in Vienna.

The agreement consists of three basic parts: a Treaty to last until the end of 1985, a shorter term Protocol that will expire on December 31, 1981, and a Joint Statement of Principles. In addition, SALT II includes a commitment by the Soviet Union to restrict the production and capability of the Backfire Bomber, a joint memorandum listing the number of strategic weapons deployed by each side, and a lengthy set of agreed statements and basic understandings interpreting and supplementing the Treaty and Protocol.

The Treaty

The provisions of the treaty fall into three major categories: quantitative limits, qualitative limits and verification measures.

Quantitative Limits. Upon entry into force of the Treaty, each country will be limited to 2400 strategic nuclear delivery vehicles. This limit includes launchers of intercontinental ballistic missiles (ICBMs), launchers of submarine-launched ballistic missiles (SLBMs), air-to-surface ballistic missiles (ASBMs) of range greater than 600km, and heavy bombers. In 1981, the initial 2400 limit will be reduced to 2250. Within these overall ceilings, there will be three further sub-limits:

- There will be a limit of 1320 on the total number of ballistic missile launchers (ICBMs, SLBMs, ASBMs) equipped with multiple independently targetable reentry vehicles (MIRVs) and heavy bombers equipped for long-range cruise missiles (that is cruise missiles capable of a range in excess of 600km).

- Of the 1320, neither side is permitted more than 1200 launchers of MIRVed ballistic missiles.

- Of the 1200, neither side is permitted more than 820 MIRVed ICBMs.

Provisions also ban the construction of additional fixed ICBM launchers and any increase in the number of fixed launchers for heavy ICBMs above existing levels. (Heavy ICBMs are defined as those ICBMs with a launch weight or throw weight greater than that of a Soviet SS-19; other ICBMs are called "light" ICBMs).

Qualitative Limits. The treaty also places a number of qualitative restrictions on the deployment and development of nuclear weapons. These include:

- The number of warheads on ICBMs will be limited to the maximum already tested on each particular type of ICBM. SLBMs will be limited to a maximum of 14 warheads, the most that either side has tested to date.

- Each side will be permitted to flight-test and deploy only one new type of ICBM for the duration of the treaty. The new ICBM must be a light ICBM and cannot carry more than 10 warheads.

- Changes allowed in the parameters of existing ICBMs are limited.

- Neither side will be allowed to develop, test, or deploy certain types of strategic systems such as long-range ballistic missiles launched from ships, fixed or mobile ballistic or cruise missile launchers based on the seabed, fractional orbital missiles, any new heavy ballistic missile, or MIRVed cruise missiles.

Verification Measures. The treaty provides for the protection and improvement of each nation's ability to verify the compliance of the other to the SALT II agreement. It explicitly states that this verification will be accomplished through national technical means. These means include satellites, ground stations, and aircraft-based sensors. It also explicitly prohibits both sides from interfering with these means, or from taking deliberate concealment measures which impede verification (such as the encoding during testing of telemetry data relevant to verification).

To further aid verification, counting rules are established. For example, once one missile is tested with MIRVs, all are counted as MIRVed. Also the Treaty requires observable differences between ALCM-equipped heavy bombers and other heavy bombers. Further, under the Treaty each nation would give advance notice before certain ICBM test launches. They have also agreed to use the US-Soviet Standing Consultative Commission, established under SALT I, as the forum where either nation may raise issues of concern relevant to the SALT process, such as possible questions about compliance with the agreement, and as the vehicle for notifying each other of changes in the number of their strategic offensive forces, as well as working out other procedures necessary for implementation of the provision of the Treaty.

The Protocol

The United States and the Soviet Union could not come to a long-term agreement regarding limitations on certain weapon systems, but they did agree to put temporary limitations on some weapon systems in the protocol to the Treaty. The protocol will enter into force at the same time as the Treaty, but will expire considerably earlier, on December 31, 1981. The protocol prohibits:

- The deployment of mobile ICBM launchers or the flight-testing of ICBMs from such launchers.
- The flight-testing and deployment of ASBMs.
- The deployment of long-range (greater than 600km) ground or sea-based cruise missiles.

The Joint Statement of Principles

The Joint Statement of Principles declares that both nations have agreed to work for further reductions and qualitative limitations on their strategic forces and for a longer term resolution to the issues covered by the protocol. In addition, it notes that in the next series of negotiations - SALT III - each side may raise any relevant topic it wishes.

BACKFIRE STATEMENT. In its written statement, the Soviet Union agreed not to increase the radius of action or capability of the BACKFIRE in such a way to enable it to strike US territory. The Soviets also agreed in the statement not to increase the BACKFIRE production rate; President Brezhnev confirmed orally to President Carter that rate is 30 per year.

for 13 yrs some have been used & in mil force.

US & allies have done some - comparable investment

- result - trends favour for China -

- 1) Duplication of US/allies efforts waste resources do not produce standardized or interoperable equipment.
- 2) Expenditure are concentrated on hardware - create long term mil capability

Procedures -

what are asks.

SALT III - what about Forward Based Systems?

- other outlooks on SALT III?

Some want to include FBS - US rejected idea

to get US to talk about FBS - some will have to agree to include their MBBM, etc since they are FBS vis a vis Europe.

This raises two threshold questions -

- 1) Whether FBS/theta system are separate or same as (central) (special) systems?
- 2) How important should such limits be?

Tamba - asked some question last year -

- How will FBS impact MBFR talks

Manufactured - praised "J" defense efforts
-- 8% growth, yearly, in def. exp.
-- Recognized growth of base for R&D
as big in NE Asia
-- Hope new white paper will be presented
-- Appreciate aid in regard of USFF -
!... labor cost, util, building, etc.

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RELEASENATO LONG-TERM DEFENSE PROGRAMMEGeneral

The NATO Long-Term Defense Programme (LTDP) was produced in response to a directive issued at the London Summit Meeting in May of 1977. Its purpose was to: (1) identify problem areas within NATO's defenses, (2) remedy deficiencies in NATO's defenses over the long run; (3) establish a schedule for implementation of recommendations; (4) recommend the machinery for greater allied cooperation; (5) increase allied cooperation on interoperability and standardization; (6) place NATO planning in the long term.

The Defense Ministers of the NATO nations prepared this report and presented it on May 31, 1978 at the meeting of the North Atlantic Council in Washington. It was accepted by the Allied Heads of State.

Background

The LTDP calls for the strengthening of NATO's security through the continuation of a policy of detente, as well as through the stiffening of the defense and deterrent systems. It recognizes that the continued buildup of Warsaw Pact forces could undermine NATO's deterrence capabilities if they are not countered.

Under the LTDP, NATO's defense and deterrence continues to rest upon the concept of a forward defense that is based upon conventional weapons and theatre nuclear forces.

The LTDP

The LTDP seeks to increase Allied cooperation and to increase defense capabilities within the resources already allotted to NATO. Specifically, the LTDP is designed to improve NATO's capabilities in ten areas. These

are: (1) readiness; (2) reinforcement; (3) reserve mobilization; (4) maritime forces; (5) air defense; (6) communications, command and control; (7) electronic warfare; (8) logistics; (9) rationalization; and (10) theatre nuclear forces.

All of the governments in NATO have agreed to its provision of the programme. However, to be successful, it must be vigorously followed through. As part of this follow up, a study on the strengthening of international machinery will be undertaken and compliance will be monitored.

Action Areas

Readiness: The increasing sophistication of the Warsaw Pact forces has limited the response time available to the NATO forces. Because of this, the Allies must now increase their defense capabilities in several areas, including anti-armor missiles. Supplies of these weapons are to be brought up to existing consumption rates while the force is to be expanded and modernized over the mid-term (1979-1984) and long-term (1985-1990).

Chemical Warfare capabilities are to be improved as well. Equipment will be standardized, and all NATO units, including air units, are to be equipped with approved gear.

The 1st Netherlands Corps is to be deployed in Germany over the mid to long-term. This move will improve their reaction time.

Also, responses to the NATO Alert System are to be improved. Questions of national sovereignty, however, have delayed agreement upon this future.

Reinforcement: The rapid reinforcement of our European forces is essential during times of crisis. Therefore, NATO's reinforcement capability is to be increased as part of the LTDP. This program contains two principal features. The first is the expediting of reinforcement. The second is purely organizational.

As part of the first program, the United States has agreed to store the heavy equipment needed for three additional divisions in Europe. However, the plan requires the European Allies to provide support facilities for the equipment. The plan will be implemented as the facilities are made available. Another feature of this plan involves the modification of 65 civilian aircraft, over the mid-term, for military use during times of crisis. Over the long-term, another 23 craft may be modified. The second part of the program involves the planning of these conversions. The aircraft and ship types are to be identified, and the technical and legal problems are to be resolved.

Reserve Mobilization: Reserve forces comprise a significant portion of NATO's ground forces. Their fighting ability and deployment will be especially important during a crisis.

The LTDP calls for national policies to be synchronized and coordinated with the NATO Alert System, and ships involved in pre-mobilization contingency plans are to be brought up to strength.

The reserve forces will be brought up to the level of regular forces, and the naval reserves of several navies have to increase their personnel.

Also, several European nations have begun studies designed to add mechanized battalions and brigades to their reserves over the long-term. The personnel for these units is expected to come from uncommitted reserve manpower.

Maritime Forces: NATO's maritime capabilities are to be expanded under the LTDP. Specifically, survivability and combat effectiveness are to increase. Several improvements are to be made in communications, command and control. These improvements include having Link II terminals installed aboard designated vessels, development of a common message

language for tactical data links, the installation of secure voice and ECM-resistant communications, the installation of satellite communications (SATCOM) on board the appropriate vessels, and the development of shore-based broadcasting equipment with suitable reception facilities in submarines. For air defense, a program for point defense missile systems (PDMS) has been announced. An improved PDMS for both large and small vessels is being developed by the NATO Conference of National Armament Directors (CNAD), though, this is still a long-term project. Also over the long-term, the US, FRG, and Denmark have begun cooperative work on the development of the Rolling Airframe Missile (RAM).

In mine warfare, older vessels will be kept on to increase NATO's MCM capabilities over the mid-term. A new generation of mines is being considered for the future, and production lines may be reopened.

Anti-Submarine Warfare (ASW) capabilities will be increased under the LTDP also. Most NATO nations will provide their ships with new medium range/sonar, and over the mid and long-term a new generation of torpedoes is being considered.

Air Defense: The NATO nations have achieved a cooperative agreement on air defense. The Air Defense Planning Group (ADPG) will carry out the detailed planning.

IFF will be improved, though, the long term solution will require intensive development and technology transfers. Concept work for Interoperable and ECM-resistant Multifunctional Information Distribution System (MIDS) has begun. The US's Joint Tactical Information Distribution System (JTIDS) may be the basis for the MIDS and for several other systems.

To integrate NATO's command-control, various actions are being considered. One calls for the US to procure the German EIFEL/DISTEL air command and control system and to install the system at the Air Tactical Operation Center. These and other measures are being undertaken to increase NATO's ability to intercept hostile aircraft at all levels.

Communications, Command and Control: There is a great need for further integration in communications, command and control (C³); such capabilities are essential to maritime, air defense, and electronic warfare. In May of 1978, agreement was reached to coordinate national projects. This step has proven quite useful, and significant improvements have occurred in communications interoperability.

The NATO Integrated Communications System (NICS) is expected to be operational by the early 1980s. It will provide a voice/teletype/data system and will be connected to high command levels. The NICS is to replace and absorb most NATO funded communications systems now in use. Further work is being undertaken to allow automated interoperability between dissimilar systems and to allow inter-allied use of nationally owned communications satellites.

Electronic Warfare: Immediate action is required in electronic warfare (EW) to counter the Warsaw Pact's increasingly sophisticated capabilities. EW units will support assigned/earmarked corps and divisions. Existing equipment is meant to satisfy requirements over the mid term. EW defense capabilities are to be developed for Army aircraft, Combat Vehicles, and troops, while more sophisticated re-programmable equipment will be developed for tactical aircraft.

Various programs are also in the early stages for expendable and non-expendable jamming devices.

A separate EW section is presently being formed at NATO headquarters, as part of the EW program.

Logistics: Logistical support to combat forces will be improved through policy and organizational improvements. Host Nation Support (HNS) has been strengthened, and the US has increased its use of Allied civil and military logistics resources. Further work has been accomplished on harmonizing logistics in the communications zone (COMMZ).

Other useful projects that are being undertaken include: forward area fleet support facilities, aircraft cross servicing, and improvement of the war reserve stocks' situation.

Rationalization: Rationalization is meant to achieve economic savings and to enhance military efficiency by increasing the level of standardization and interoperability. The CNAD has been working toward this goal. Cooperation is being planned for a NATO Anti-Surface Ship Missile (ASSM), Explosive Resistant Multi-Influence Sweep System (ERMIS), Small Surface-to-Air Ship Self Defense System, Torpedo NEARTIP Conversion, Aircraft Cross-Servicing, Small Arms Ammunition, and NATO AWACS. Preliminary work is also underway on interoperability for C³ equipment. To further NATO's rationalization effort, the United States has been procuring Allied equipment.

Theatre Nuclear Forces: The Theatre Nuclear Forces (TNF) are being studied by planners assembled by the Nuclear Planning Group. Their report on long-term modernization of the TNF's will be forthcoming.

Work is now being undertaken on the deployment of the LANCE missile system, the development of replacement artillery-fired atomic projectiles and certification of additional nuclear-capable systems.

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Session 2

"Status of Joint Planning Effort" Under the "Guidelines
for Defense Cooperation"

The following text was prepared jointly by U.S. Forces Japan and the Japan Self Defense Forces. It was intended to be a presentation to the SSC on the Implementation of the Guidelines for Defense Cooperation.

QUOTE "(S) Good Afternoon Gentlemen: I am pleased to have the opportunity to present to you, on behalf of the Japan Self-Defense Forces and the U.S. Forces, Japan, a status report of our military-to-military planning efforts to implement the Guidelines for Defense Cooperation. As most of those present are aware, the guidelines were prepared by the Subcommittee for Defense Cooperation, or SDC, following detailed consultations between our two governments, and were approved by both government in late November of last year. The Guidelines for Defense Cooperation document contains agreed government of Japan and United States joint policy and guidance regarding important aspects of the future defense relationship of our two countries. Generally speaking the guidelines provide the policy guidance and the framework for improving key areas of defense cooperation. First, they provide for bilateral military studies and planning for the defense of Japan against armed attack. Second, the guidelines provide for studies and cooperative efforts in numerous activities associated with, and necessary to, our overall planning endeavors, and third, the guidelines provide for studies of Japan-US cooperation in the case of situations in the Far East that might impact

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on Japan's security. Immediately following bilateral approval of the guidelines, the joint staffs of the JSDF and US Forces Japan, working closely together, developed a "memorandum for the conduct of joint studies and associated activities" which was signed on 15 February 1979. This memorandum provides for mutually agreed detailed procedures for conducting the military-to-military studies; it establishes the required working groups, and it allocates the planning responsibilities for the preparation of the joint studies and associated activities. The completion of the memorandum on agreed planning methodology set in motion the actual military planning process, the first step of which was the formulation of a joint planning directive. Developing an agreed planning directive was perhaps one of the most difficult steps undertaken thus far in our planning endeavors. This was true for several reasons. First, this directive specifies the full scope of the study. Second, it contains key statements necessary for completion of the detailed study -- such things, for example, as the key assumptions and preliminary concept of operations, and last, it will be used as the common baseline by all planners in developing the detailed portions of the full study. The time expended in developing an adequate, agreed planning directive was essential to ensure that the planning would be sound and in accordance with the guidelines. Also, the time spent in resolving difficult issues that arose during the development of the planning directive will perhaps shorten the time required to complete the more detailed joint study. At the same time development of the joint planning directive began, work on the several associated activities also started. The guidelines identify five activities associated with our main planning goals. These associated activities are shown on this slide. The study and analysis performed in these various areas are underway, and their interrelationships are being explored for both short term and long term implications regarding joint

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military operations between U.S. Forces and the JSDF. Our feeling at this point is that examinations of these subjects will necessarily be on-going and continuous in nature. However, the immediate objective in all these associated activities is to gain important, necessary information required for the detailed joint planning for the defense of Japan. At the present time we have almost completed the work in those associated activities related to defining the scope of the studies, methodology to be used, and study objectives to be satisfied. Because of their importance to planning, as well as to our ability to perform effectively in joint operational activities, we would like to discuss the associated activities in more detail. In the intelligence area, we have had for some time a good level of cooperation in the exchange of key intelligence information, so here we are concerned with: (1) refining the requirements for information exchange; (2) defining the organizational structure appropriate to bilateral intelligence operations; and, (3) determining the procedures best suited for the timely transfer of intelligence data. In the coordination center study we are presently in the process of defining the numerous objectives to be satisfied regarding the coordination of joint JSDF-US Forces operations, as well as procedures to be used between us. Also, we are examining equipment requirements for a coordination center, and discussing the adequacy of currently possessed communication sub-systems to carry our joint operations. In the logistics coordination study we are jointly examining support requirements in a variety of areas, to include appropriate levels of war reserve materials, maintenance capability needs, and transportation requirements that will be necessary in the bilateral defense of Japan. This, incidentally is a very complex subject and one that will require continuous re-evaluation over the long term, as will some of the other associated activities. The defense

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preparedness conditions, or PREPCON study, relates directly to the joint study for the defense of Japan. This study aims at setting up force readiness stages, with associated actions to ensure that agreed force preparedness procedures are followed. In addition, appropriate reporting procedures must be worked out for both sets of forces. Most importantly, the study will examine the most appropriate process by which joint decisions on force readiness status can be made when necessary.

Joint training and exercises: The ultimate objective of this study is to define how best to test the draft defense plan and to provide exercises that will ensure that the JSDF and US Forces can work together effectively as a team. Specifically, the study will try to identify the best method to move in a step-by-step way toward large scale command post exercises and field training exercises in the future. Here, we are attempting to build on our already fine experiences in service-to-service exercise programs. The goal is to provide a good effective training and exercise program which can proceed at a reasonable yet productive pace -- in terms of frequency and scope -- toward large scale exercises based on the joint plan for the defense of Japan. Let me say at this point that the associated activities are obviously very important to our overall planning, and I have stressed here only some of the more important features of these activities. I would like to summarize the status of our joint military-to-military planning now by using this graphic depiction of the process to indicate how the various actions relate to one another. On your left, as indicated earlier, a memorandum for the conduct of planning and associated activities between US Forces Japan and the JSDF was signed in Feb 1979, followed by

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the completion of a joint planning directive which was signed on 13 July. This directive provides the basic guidance to the joint staffs of the two military forces on which to base the actual writing of the draft defense plan. The first steps of writing the plan are in progress, with the various staff estimates being written at the present time. Our current thinking is that a first draft of the joint plan could -- barring unforeseen circumstances -- be completed around the end of this year. It should be noted that studies on the five associated activities are also underway, and much of the data that is produced by these studies will be reflected in the first iteration of the plan, while other information will be useable in later reviews and revisions of the plan. When the draft plan is completed, including applicable review and approval actions on both sides, the service staffs shown will be asked to jointly produce detailed supporting plans based on the approved draft plan for the defense of Japan. Once these supporting plans are completed the entire family of draft plans will be subject to an annual review and update cycle. A great deal of progress has been made since the guidelines were signed. Both to provide a sound basis for our bilateral studies and planning, and to ensure a responsive process and quality products. The pace of progress in this important endeavor appears to us to be appropriate at the present time. Gentlemen, this concludes the progress report on the implementation of the Guidelines for Defense Cooperation." UNQUOTE

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Session II

Status of Joint Planning

Since both the US and Japan delegations have the text of the planned presentation, it will be more productive if we acknowledge the effort which went into its preparation and its informative content. If possible, without stepping on toes, we should seek to dispense with a formal reading of the text and proceed directly to elaborative comments by participants in the planning efforts (e.g. Gen. Ginn, Admiral Sakonju.)

The presentation suggests that we need to encourage expansion of the subjects covered by the planning process. Recognizing that those now involved in the process are fully occupied with the purely military/defense aspects of planning, you may want to plant the seeds for downstream discussions, possibly including Washington level participation, of weapons systems needs, National Military Command and Control interfaces, with supporting equipment, and creation of mechanisms to facilitate out-years handling of threat assessment, plan revision and problem resolution. This approach should aim at developing Japanese awareness that the planning process will be an on going one which will grow and change in content as conditions and situations evolve.

To get these ideas into open discussion, we should question the US and Japan planning staffs concerning:

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- How and where they intend to test the plans once developed,
- The geographic areas in which joint exercises will be conducted, e.g. Hokado, Hawaii, Sea of Japan, Japan, Guam

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Taiwan Triangle, etc.

- How much will JSDF officer training in the US need to be expanded to support the more integrated military relationship resulting from these plans.
- Will the planning staffs need to be increased to accommodate the expanding scope of military planning, exercises and review which will exist as our defense relationship matures.

With the above questions we should be able to engage the Japanese in discussions concerning:

- Additional areas into which the planning process should move once the immediate defense plans have been developed.
- How this planning effort will lead to matters such as recommending hardware procurement, dividing mission area between US and Japanese force, and,
- To what extent and how Washington and Tokyo may need to inject themselves into the planning process.

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ON THE GUIDELINES FOR
JAPAN-UNITED STATES DEFENSE COOPERATION

November 28, 1978
Ministry of Foreign Affairs
Defense Agency

The Japan-United States Security Consultative Committee has, at its November 27, 1978, meeting, approved the report of the Subcommittee for Defense Cooperation concerning Japan-United States defense cooperation. That report is shown in the attachment.

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(Attachment)

THE REPORT OF THE SUBCOMMITTEE FOR DEFENSE COOPERATION
APPROVED BY THE JAPAN-UNITED STATES SECURITY CONSULTATIVE
COMMITTEE

REPORT OF THE SUBCOMMITTEE
FOR DEFENSE COOPERATION
TO THE SECURITY CONSULTATIVE COMMITTEE

The Subcommittee for Defense Cooperation, established by the July 8, 1976, meeting of the Security Consultative Committee, has held eight meetings to this date. In carrying out the tasks referred to it by the SCC, the SDC agreed on the following premises and subjects for its studies and consultations:

1. Premises of Studies and Consultations

(1) Matters concerning "Prior Consultation," matters concerning the Japanese constitutional limitations and the Three Non-Nuclear Principles will not be the subjects of the SDC's studies and consultations.

(2) The conclusions of the SDC's studies and consultations will be reported to the Security Consultative Committee and the disposition of those conclusions will be left to the judgement of the respective Governments of Japan and the United States. Those conclusions will not be such as would place either government under obligation to take legislative, budgetary or administrative measures.

2. Subjects of Studies and Consultations

(1) Matters relating to the case of an armed attack against Japan or to the case in which such

an attack is imminent.

(2) Matters relating to situations in the Far East other than those mentioned in (1) above, which will have an important influence on the security of Japan.

(3) Others (joint exercise and training, etc.)

At the outset of conducting its studies and consultations, the SDC heard the Japanese side's basic concept concerning the scope and modalities of defense cooperation between Japan and the United States under the Japan-U.S. Security Treaty in the case of an armed attack against Japan, and decided to proceed with its work using this concept as a basis for its studies and consultations. The SDC established, with a view to facilitating its studies and consultations, three subsidiary panels, namely the Operations, Intelligence and Logistics Panels. These Panels have conducted studies and consultations from a professional standpoint. The SDC has also conducted studies and consultations on other matters concerning cooperation between Japan and the United States which come within its purview.

The SDC hereby submits for approval to the Security Consultative Committee "The Guidelines for Japan-United States Defense Cooperation" representing the result of the SDC's activities described above.

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GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION

These guidelines shall not be construed as affecting the rights and obligations of Japan and the United States under the Japan-U.S. Security Treaty and its related arrangements. It is understood that the extension of facilitative assistance and support by Japan to the United States, which are described in the guidelines, is subject to the relevant laws and regulations of Japan.

I. Posture for Deterring Aggression.

1. Japan, as its defense policy, will possess defense capability on an appropriate scale within the scope necessary for self-defense, and consolidate and maintain a posture to ensure the most efficient operations; and assure, in accordance with the SOFA, the stable and effective utilization of facilities and areas in Japan by U.S. Forces. The United States will maintain a nuclear deterrent capability, and the forward deployments of combat-ready forces and other forces capable of reinforcing them.

2. In order to be able to take coordinated joint action smoothly in the event of an armed attack against Japan, Japan and the United States will endeavor to achieve a posture for cooperation between the Self-Defense Forces and U.S. Forces in such areas as operations, intelligence and logistics.

Accordingly,

(1) in order jointly to conduct coordinated operations for the defense of Japan smoothly and effectively, the JSDF and U.S. Forces will conduct studies on joint-defense planning. They will also undertake necessary joint exercises and training when appropriate. In addition, the JSDF and U.S. Forces will study and prepare beforehand common procedures deemed necessary for operational needs in order jointly to undertake operations smoothly. Such procedures include matters related to operations, intelligence and logistics.

As communications/electronics are absolutely essential to effecting command and liaison, the JSDF and U.S. Forces will also determine in advance their mutual communications/electronics requirements.

(2) The JSDF and U.S. Forces will develop and exchange intelligence necessary for the defense of Japan. The JSDF and U.S. Forces will, in order to ensure smooth intelligence

intelligence exchange, determine in coordination the nature of the intelligence to be exchanged and the specific JSDF/USF units to be assigned responsibility for the exchange. In addition, the JSDF and U.S. Forces will promote close intelligence cooperation by taking such required actions as establishing systems for mutual communications.

(3) The JSDF and U.S. Forces, acting from the basic principle that each nation is responsible for the logistics of its own forces, will closely coordinate with each other or conduct studies in advance in regard to such functions as supply, transportation, maintenance, facilities, etc. so that mutual support can be arranged appropriately when needed. Detailed requirements for this mutual support will be developed through joint studies and planning. In particular, coordination will be made in advance in regard to foreseeable supply deficiencies, quantities, priorities for satisfying deficiencies, emergency acquisition procedures, etc., and studies will be undertaken relating to the economical and efficient utilization of the bases and facilities/areas of the two forces.

II.

II. Actions in Response to an Armed Attack Against Japan.

1. When an armed attack against Japan is imminent:

Japan and the United States will conduct closer liaison and will take necessary measures respectively and, as deemed necessary due to changes in the situation, will make necessary preparations in order to ensure coordinated joint action, including the establishment of a coordination center between the JSDF and U.S. Forces.

The JSDF and U.S. Forces will establish in advance a common standard as regards preparations which will be respectively conducted by the two forces so that the two nations may select coordinated common readiness stages, and ensure that effective preparations for operations can be cooperatively undertaken by the JSDF and U.S. Forces respectively.

This common standard will indicate readiness stages from an increase of unit-alert posture to a maximization of combat-readiness posture concerning intelligence activities, unit readiness, movements, logistics, and other matters relating to defense preparations.

The JSDF and U.S. Forces will respectively conduct defense preparations considered necessary according to the readiness stage selected by mutual agreement between the two governments.

2. When an armed attack against Japan takes place:

(1) In principle, Japan by itself will repel limited, small-scale aggression. When it is difficult to repel aggression alone due to the scale, type and other factors of aggression, Japan will repel it with the cooperation of the United States.

(2) When the JSDF and U.S. Forces jointly conduct operations for the defense of Japan, they will strive to achieve close mutual coordination to employ the defense capacity of each force in a timely and effective manner.

(i) Concept of Operations:

The JSDF will primarily conduct defensive operations in Japanese territory and its surrounding waters and air space. U.S. Forces will support JSDF operations. U.S. Forces will also conduct operations to supplement functional areas which exceed the capacity of the JSDF.

The JSDF and U.S. Forces will jointly conduct ground, maritime and air operations as follows:

(a)

(a) Ground Operations:

The Ground Self-Defense Force (GSDF) and U.S. Ground Forces will jointly conduct ground operations for the defense of Japan. The GSDF will conduct checking, holding and repelling operations.

U.S. Ground Forces will deploy as necessary and jointly conduct operations with the GSDF, mainly those for repelling enemy forces.

(b) Maritime Operations:

The Maritime Self-Defense Force (MSDF) and U.S. Navy will jointly conduct maritime operations for the defense of surrounding waters and the protection of sea lines of communication.

The MSDF will primarily conduct operations for the protection of major ports and straits in Japan; and anti-submarine operations, operations for the protection of ships and other operations in the surrounding waters.

U.S.

U.S. Naval Forces will support MSDF operations and conduct operations, including those which may involve the use of task forces providing additional mobility and strike power, with the objective of repelling enemy forces.

(c) Air Operations:

The Air Self-Defense Force (ASDF) and U.S. Air Force will jointly conduct air operations for the defense of Japan.

The ASDF will conduct air-defense, anti-airborne and anti-amphibious invasion, close air support, air reconnaissance, airlift operations, etc.

U.S. Air Forces will support ASDF operations and conduct operations, including those which may involve the use of air units providing additional strike power, with the objective of repelling enemy forces.

(d) When carrying out ground, maritime, and air operations, the JSDF and U.S. Forces will provide necessary support for each other's forces in various activities related to operations, such as intelligence, logistics, etc.

(ii)

(ii) Command and Coordination:

The JSDF and U.S. Forces, in close cooperation, will take action through their respective command-and-control channels. In order to be able jointly to conduct coordinated operations effectively, the JSDF and U.S. Forces will take actions in accordance with operational processes which will be coordinated in advance.

(iii) Coordination Center:

In order jointly to conduct effective operations, the JSDF and U.S. Forces will maintain close mutual coordination on operations, intelligence and logistic support through a coordination center.

(iv) Intelligence Activities:

The JSDF and U.S. Forces will, through operations of their respective intelligence systems, conduct intelligence activities in close cooperation in order to contribute to the joint implementation of effective operations. To support this, the JSDF and U.S. Forces will coordinate intelligence activities closely at

each

each stage of requirements, collection, production, and dissemination. The JSDF and U.S. Forces will each have responsibility for their own security.

(v) Logistic Activities:

The JSDF and U.S. Forces will conduct efficient and appropriate logistic support activities in close cooperation in accordance with relevant agreements between Japan and the United States.

Toward this end, Japan and the United States will undertake mutual support activities to improve the effectiveness of logistic functions and to alleviate functional shortfalls as follows:

(a) Supply

The United States will support the acquisition of supplies for systems of U.S. origin while Japan will support acquisition of supplies in Japan.

(b) Transportation

Japan and the United States will, in close cooperation, carry out

transportation

transportation operations, including airlift and sealift of supplies from the United States to Japan

(c) Maintenance

The United States will support the maintenance of items of U.S. origin, which are beyond Japanese maintenance capabilities, and Japan will support the maintenance of U.S. Forces' equipment in Japan. Maintenance support will include the technical training of maintenance personnel as required. As a related activity, Japan will also support U.S. Forces' requirement for salvage and recovery in Japan.

(d) Facilities

The U.S. Forces will, in case of need, be provided additional facilities and areas in accordance with the Japan-U.S. Security Treaty and its related arrangements. If it becomes necessary to consider joint use of bases and facilities/areas to improve effective and economical utilization, the

USDF

JSDF and U.S. Forces will conduct joint use in accordance with the above Treaty and arrangements.

III. Japan-U.S. cooperation in the case of situations in the Far East outside of Japan which will have an important influence on the security of Japan.

The Governments of Japan and the United States will consult together from time to time whenever changes in the circumstances so require.

The scope and modalities of facilitative assistance to be extended by Japan to the U.S. Forces in the case of situations in the Far East outside of Japan which will have an important influence on the security of Japan will be governed by the Japan-U.S. Security Treaty, its related arrangements, other relevant agreements between Japan and the United States, and the relevant laws and regulations of Japan. The Governments of Japan and the United States will conduct studies in advance on the scope and modalities of facilitative assistance to be extended to the U.S. Forces by Japan within the above-mentioned legal framework. Such studies will include the scope and modalities of joint use of the Self-Defense Forces bases by the U.S. Forces and of other facilitative assistance to be extended.

Memorandum for the Conduct of
Joint Studies and Associated
Activities of 15 February 1979
to be provided.

Joint Planning Directive
of 13 July 1979
to be provided.

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SESSION 3

US Force Posture in Asia and Indian Ocean in 1980's.
(LTG Lawson)

Our objective during this session is to describe realistically our force posture in the Pacific and Indian Ocean areas and explain to the Japanese our appreciation of the shared necessity in maintaining free trade access to the nations bordering these ocean areas.

Talking Points

- Introduction. Earlier in our discussions we indicated that:
 - Overall we believe that the Asian security situation is relatively stable.
 - The U.S. is committed to remaining militarily powerful in East Asia, the Persian Gulf and the Indian Ocean as well as to maintaining our strategic nuclear equivalence vis-a-vis the Soviets. However, we view with concern the Soviets increasing conventional military, particularly naval, buildup and will act jointly with our allies and friends to meet this challenge.
- But before we focus on United States force posture in Asia and Indian Ocean in 1980's, I will briefly discuss recent Soviet military activities in Asia and developments in the Indian Ocean and Middle East.
- ✓ -- The recent opening of Vietnamese ports and airfields to Soviet forces could have far-reaching consequences in the Western Pacific, should the Vietnamese give political approval to continuation of such activities. For example:
 - Such bases could provide convenient staging points for Soviet forces and improve Soviet capabilities to sustain their forces in both the South China Sea and the Indian Ocean. Vietnamese basing could also provide the Soviets with facilities for crew shore leave, replenishment, and repair for both forces in transit and those operating in these areas.

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- Soviet reaction times would be improved. For example, Vladivostok is about 1,900nm from Subic Bay and about 2,900nm from Singapore; Cam Ranh Bay is only 650nm from Subic and 700nm from Singapore.
- Soviet forces operating from Vietnam could also conduct surveillance of the vital sea lines of communications in the region as well as monitor U.S. Navy activities in the area. For example, Soviet TU-95 reconnaissance aircraft and IL-38 ASW aircraft operating from Vietnam could cover the Lombok, Sunda and Malacca Straits. They could also monitor, on a continuous basis, U.S. carrier and other naval operations in the Subic Bay operating area.
- In support of the Vietnamese, Soviet naval aircraft could provide a quick reaction maritime patrol and surveillance capability in the South China Sea as well as search for Chinese ships supporting Kampuchean forces.
- The Soviets may also use Vietnamese Naval Bases and airfields as staging bases for exercises in the South China and Philippine Seas. In particular, coordinated ASW training would be enhanced by the short transit time and distance for their ASW aircraft.
- The principal threats to allied shipping in the Pacific are the Soviet general purpose submarine force and elements of the Soviet Naval Aviation forces (bombers with air-to-surface missiles).
- In the past, sea lanes in the Pacific were safer due to geographic and operating constraints on Soviet forces.
- ASW barriers in the exits to the Sea of Japan and off Petropavlovsk could inflict losses on Soviet submarines deploying and returning to their bases in Soviet Asia.

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- The range of the Soviet TU-16 equipped with surface-to-air missiles is approximately 1,450nm without aerial refueling and 2,050nm with one refueling. Operating from bases in Soviet Asia, these aircraft could operate only as far South as the northern Philippines.
- The addition of the BACKFIRE bomber to Soviet Naval Aviation forces in Asia and extended Soviet use of air and naval facilities in Vietnam would seriously impact on our defense planning.
- The BACKFIRE has an unrefueled combat radius of 2,600nm; almost twice that of the TU-16 it replaces. If used in an anti-shipping role and based in Soviet Asia, its unrefueled operating area would include the Philippine and South China Seas and this could be extended even further by using in-flight refueling.
- TU-95s and TU-16s operating extensively from Vietnam would provide the Soviets with SLOC surveillance throughout the Southern Pacific and the eastern portions of the Indian Ocean. They could also be provided fighter escorts, if necessary.
- Establishment of submarine operating bases in Vietnam would shorten transit time for Soviet submarines; make our ASW barriers at the exits to the Sea of Japan and in the vicinity of Petropavlovsk less effective; and, initially, would complicate our ASW efforts in the Western Pacific.
- In short, Soviet bases in Vietnam would significantly enhance Soviet capabilities to interdict allied sea lines of communications in Asia during the early stages of a major conflict.
- I would now like to turn to the Indian Ocean and discuss recent events in that region.

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- The U.S. has maintained a military presence in the Middle East for thirty years in the form of the MIDEAST Force which has historically been comprised of a command ship and two destroyer type ships. We have augmented this force during periods of crisis such as the Indo-Pakistani War in 1971, the 1973 Arab-Israeli War, and most recently as a result of the fighting in Yemen. We have also deployed on a yearly basis both carrier battle groups and surface combatant task groups from Seventh Fleet assets in the Western Pacific. Normally, the carrier battle group makes one deployment to the Indian Ocean for about 45-60 days. The other two deployments of like duration by our surface combatants are typically made up of a guided missile cruiser, three escorts, and a mobile logistics ship.
- In addition, a detachment of Navy patrol aircraft (P-3s) has been operating from Diego Garcia on a continuous basis since 1974; and, more recently, U.S. P-3s have used Singapore facilities for transit purposes.
- As a result of recent events in the Middle East, the U.S. is considering several proposals concerning its military presence in the region. These include increasing the number and type of forces permanently stationed in the area; increasing the frequency of our naval deployments; and, perhaps, deploying land-based aircraft to the region on a random basis.
- The rationale behind proposals to increase U.S. presence in the Indian Ocean is that positive steps are needed in the aftermath of events in Iran, Afghanistan, Ethiopia, and now Yemen to reassure U.S. allies who feel threatened by Soviet activities and to demonstrate U.S. resolve to protect its interests in the region.

✓ - In the face of the Soviet developments I have just described, the US has not stood still. We have maintained our military strength in Asia. In fact, we have increased our forces somewhat while continuing to improve them qualitatively. The outlook for the 1980's is as follows:

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✓ -- Navy

--- The Seventh Fleet represents the forward deployed naval component of CINCPAC's forces. Centered around two carrier battle groups and two amphibious ready groups, its principal missions include peacetime presence in the Western Pacific and Indian Oceans, contingency response, SLOC protection and offensive operations in wartime.

✓ --- Despite uncertainties about funding levels and procurement programs, total Navy force levels should slowly increase through the years. Moreover, the increase will be concentrated in major surface combatants and attack submarines while offsetting reductions will come from the ranks of auxiliaries and reserve ships. Particularly significant, I think, is the increased use that we will be making of civilian-manned MSC fleet support ships. In general, we expect that the Pacific Fleet's share of total Navy assets will remain close to the present ratio. Moreover, our forces are inherently flexible, and can meet worldwide requirements. During Vietnam, we augmented the Pacific fleet with ships from the Atlantic. More recently, we drew on ships from both the Mediterranean and Pacific to enhance our presence temporarily in the Indian Ocean. We will continue to respond to those threats which directly affect our interests, in close consultation with our allies. *mid 1980s*

✓ --- In addition to the carrier air wings afloat, significant numbers of Navy and Marine Corps aircraft are located at bases ashore. ASW patrol aircraft (P-3s) regularly operate from several fields ranging from Adak, Alaska to Diego Garcia. Support and special mission squadrons are similarly deployed. Marine Corps attack or fighter-attack squadrons are located in Japan and Hawaii, and a detachment of AV-8 HARRIERS is on Okinawa.

✓ --- By the end of the FYDP period, all carrier air wing F-4s, with the exception of those on Midway and Coral Sea, will have been replaced with F-14s. F/A-18s will be introduced to Marine Corps fighter squadrons. Carriers will begin receiving F/A-18s. Land-based ASW capabilities will be improved with the P-3 update program. Surface ship ASW will be markedly enhanced by the introduction of a new towed array and the LAMPS MK III helicopter.

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✓ Air Force

✓ --- PACAF controls ten tactical fighter squadrons, totalling 192 F-4s. Two squadrons are in the Philippines, four are on Okinawa, and four are in Korea. Those at Osan, Kunsan and Taegu are specifically tasked for Korea; the rest are available for general Asian contingencies. Two tactical airlift squadrons in Japan and the Philippines, plus some reconnaissance and special operations units, round out the inventory.

✓ --- F-15s will begin operating from Kadena next year. All squadrons in Japan will transition to the F-15, the first AWACS will be on rotation to Kadena, and F-4G WILD WEASEL aircraft will deploy to Clark. We plan that F-16s will replace F-4s in Korea and a total of five AWACS will be available in WESTPAC.

-- Major Ground Forces

✓ --- The 28,000 troops of the Eighth U.S. Army (EUSA) are part of the Combined Forces Command's strategic reserve. By July 1979, 3,700 men had been withdrawn. By Presidential decision:

✓ --- Withdrawals of combat elements of the 2d Division will remain in abeyance. The structure and function of the Combined Forces Command will continue as established last year.

---- Between now and the end of 1980 some reductions of personnel in U.S. support units will continue. This will include one I-HAWK air defense battalion whose transfer to the ROK had been planned since 1976.

✓ --- The timing and pace of withdrawals beyond these will be re-examined in 1981. In that review the United States will pay special attention to the restoration of a satisfactory North-South military balance, and evidence of tangible progress toward a reduction of tensions on the peninsula.

---- No changes in Marine Corps deployments are programmed.

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✓ We also have afloat a Marine Amphibious Unit (MAU) and a Battalion Landing Team (BLT). These units are deployed in the Western Pacific aboard two Amphibious Ready Groups (ARG). Totalling about 3,100 men, they provide rapid reaction forces for limited contingencies in the region. No force level changes are programmed, but amphibious shipping with Marines embarked may be deployed more often into the Indian Ocean.

✓ The 25th Infantry Division in Hawaii, with its reserve roundout brigade, constitutes CINCPAC's strategic reserve. The remaining brigade of the 3d Marine Division also is based on Oahu. Although no decisions have been made, the future configuration and orientation of the 25th Division is under review.

✓ In the Eastern Pacific, we have I MAF, consisting of the 1st Marine Division and the 3d MAF, located at Camp Pendleton. No change is contemplated for the employment of I MAF.

✓ Strategic Forces

✓ A squadron of B-52Ds, various tanker and reconnaissance units, and 10 POLARIS-equipped SSBNs are based in Guam. Additional reconnaissance and support forces are located throughout PACOM. The first TRIDENT submarine is expected to deploy to the Pacific in FY 1981.

✓ Mobility Forces

✓ The Military Airlift Command (MAC) operates 70 C-5A and 234 C-141 transports. Although largely based in the Continental US, these aircraft contribute to our capabilities in all theaters. Their range and payload are essential to our ability to deliver reinforcements during Korean and Persian Gulf contingencies. In the last few years, mid-air refueling techniques have further enhanced the responsiveness of our strategic airlift. The C-141B stretch program will add 30 percent to the payload of each aircraft, along with improved fuel economy and aerial refueling probes. Planned modifications to the C-5 wings will extend the service life of these unique transports through the end of the century.

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✓ Limited Contingency Force

✓ A limited contingency force is being developed consisting of land, naval, and air forces capable of responding to a wide range of non-NATO contingencies with emphasis on the Middle East, the Persian Gulf, and Korea. The contingency force will have strategic mobility and will be largely independent of overseas bases and support. The exact size and composition of forces for any particular contingency will necessarily depend upon the nature and location of the contingency. It is envisaged that the force will generally be self-sustaining and capable of operating in an austere environment for at least 60 days.

✓ Indian Ocean

✓ Thus far, the majority of Indian Ocean deployments have come from PACOM, but EUCOM contributions could increase in the future. It is anticipated that a policy decision will be made shortly to modestly increase MIDEASTFOR on a permanent basis; and increase periodic naval deployments (drawing from PACOM and EUCOM). U.S. capabilities throughout the Indian Ocean area suffer from a lack of supporting infrastructure. Programmed improvements to facilities on Diego Garcia should be completed by the end of FY 1980, but the island will remain a very austere base. Aircraft parking space would be a particular problem during periods of heavy use.

✓ Summary. As you see, our forces will be maintained essentially at present levels with significant added qualitative improvements. However, Navy's overall force size remains a long-term concern to us, particularly as we encounter additional requirements in the Indian Ocean. Eventual outcome will depend not only on multi-year funding levels, but also on Navy programming decisions, national political commitments, allied contributions and the nature of the threat. Nonetheless, the capability, and probably the size, of the fleet will grow at least through the mid-1980's and there still is time to make decisions for the longer term on a deliberate basis. This overview has focused mostly on in-place forces. However, the combination of sealift, mid-air refueling, strategic airlift and the civil reserve air fleet (CRAF) also allows us to reinforce rapidly in contingencies anywhere in the world. Specific deployment rates are very sensitive to assumptions about the scenario. For example, simultaneous crises in Europe and the ROK would spread our mobility forces very thin. Allied air and sealift would become very important. Nevertheless, our own capabilities are substantial.

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Session 4: Cost-Sharing

In this session we expect the Japanese to point out what they have done for the US in JFYs 78 and 79; state their intent to go further in the facility construction area in future years (at about the rate of \$100 million per year); and restate their contention that additional labor cost-sharing is unlikely during the next few years -- they have already carried out the most gymnastic reinterpretation of Article 24 of the SOFA (i.e., cost-sharing) possible.

Our strategy should consist of efforts in the formal meetings to 1) probe the limits of cost-sharing possibilities within the current framework, and 2) emphasize the importance of looking beyond that framework for additional possibilities in the JFY81 timeframe. This approach should be supplemented by more detailed private explorations of specific cost-sharing possibilities with Tamba and Watari outside the formal sessions.

We should point out to the Japanese that fiscal constraints are a growing consideration in our ability to provide a worldwide defense to our allies and friends. DOD's foreign exchange-based expenditures in FY 77 alone totalled some \$5.5 billion. A combination of factors is leading to increased pressure on our forward defense posture.

Talking Points

- Express appreciation for past GOJ cost-sharing efforts, noting that these have helped limit RIF actions, reduce Congressional criticism of Japan's defense role, and stabilize the US presence.

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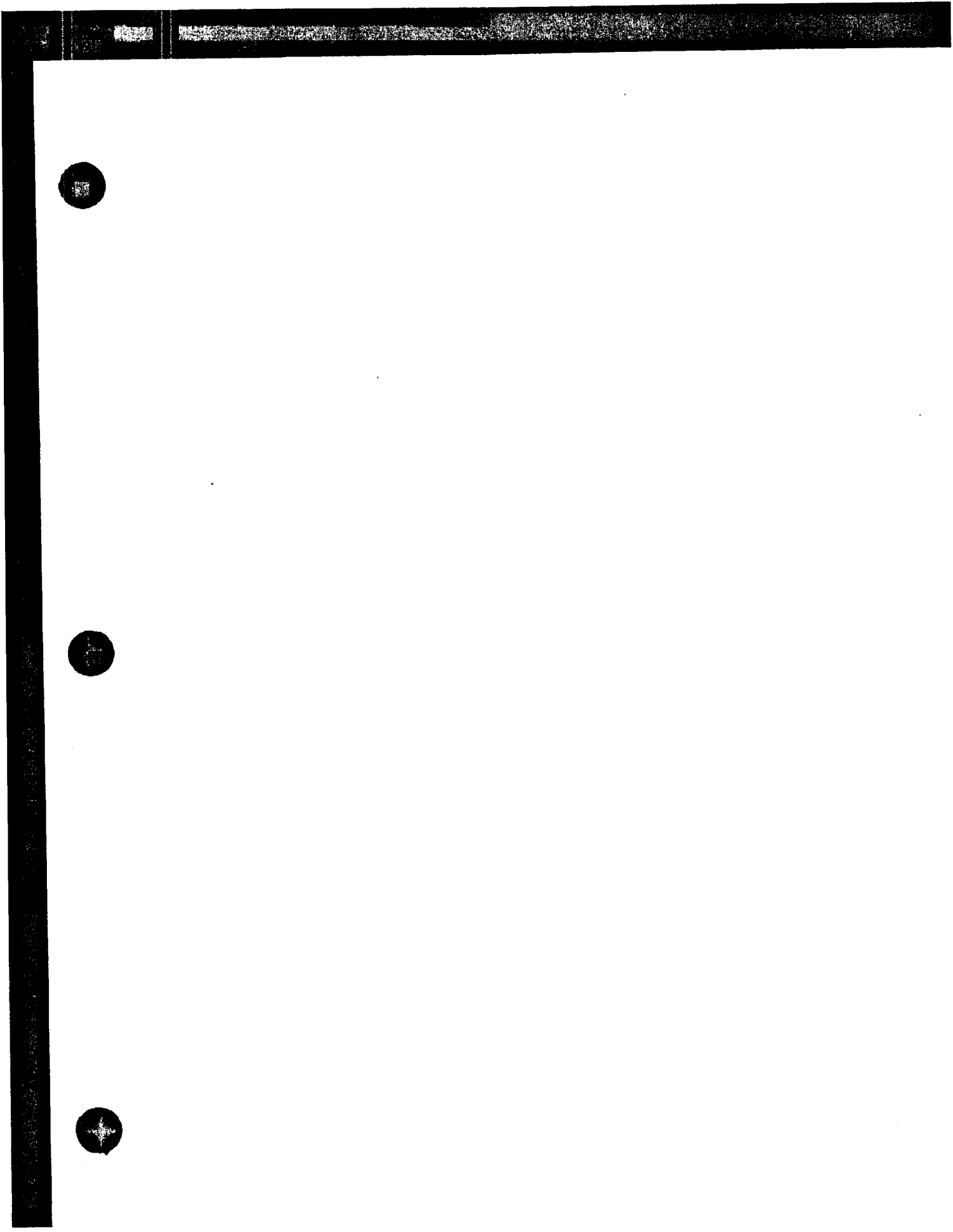
- ~~[Point out that]~~ while personnel costs have leveled off, O&M costs will increase by 10% this year, despite the GOJ's cost sharing efforts.
- ^{we} ~~[Note our]~~ hope ~~[and expectation]~~ that cost-sharing arrangements will continue to expand in the future.

~~[Review with the Japanese the details of next year's program.~~

~~(See Enclosure (1))~~

- ~~[Explore possibilities of]~~ raising the dollar figure in facilities construction program in future years ^{will ease our O & M burden, however,} and emphasize the im-
~~portance of including~~ ^{more} environmental ^{projects new} and operational construction projects, as well as housing, ^{need to be considered.} ~~Point out that~~ assistance in areas that reduce US budget expenditures are doubly effective in that they not only help support our presence in Asia but also they help quiet Congressional and other critics who carp that Japan is getting a free ride in defense.
- ~~[Probe for Japanese flexibility concerning future labor cost-sharing initiatives.]~~
- ~~[Emphasize the need to begin now to consider additional measures for the JFY-81 period, e.g. assumption of maintenance, security and utilities expenses at US facilities, etc.]~~

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[In the private sessions with Iamba and Watari explore possibilities such as]

[- Lump sum payments (similar to those provided under the previous SOFA) to help offset the continually rising cost of stationing US Forces in Japan.]

-- Japan's Planned construction of new joint operational facilities (e.g. Iwo Jima) which may offer a precedent for other joint use arrangements,

- [Japanese performance of depot level maintenance of US equipment to help ease our O&M burden. In Korea the ROK currently performs operational maintenance on our F-4s that are co-located with a squadron of ROK F-4 aircraft. ROK in March of 1980 will begin overhauls of all USAF F-4s in PACOM at a PDM facility now being established. Cost sharing formula will be examined.]

-- Construction of operational facilities such as hardened aircraft shelters.

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COST SHARING
FACILITIES CONSTRUCTION
(YEN, BILLIONS)

	<u>JFY 79</u>	<u>JFY 80</u>	<u>TOTAL</u>
Misawa Barracks	.7	.9	1.6
Iwakuni Barracks	2.6	0	2.6
Yokota Housing and Barracks	3.3	4.5	7.8
Atsugi Housing	3.8	1.4	5.2
Replacement of Iorizaki Oil storage tanks	1.4	1.9	3.3
Kadena Sound Suppressors	2.1	0	2.1
Associated Administrative Expenses	<u>.2</u>	<u>0</u>	<u>.2</u>
Total	14.1	8.7	22.8
Dollars @190:1 (millions)	74.2	45.7	119.9

Note: The GOJ intends to introduce further facilities construction packages in following years' budgets. We do not know size of follow-on packages.

JFY 79 LABOR COSTS
(YEN Y BILLIONS)

10% Pay Differential	4.4
Language Allowance	.3
*Retirement Pay	1.8
Spillover into overtime, etc.	<u>.5</u> 7.0
Minus areas where U.S. pays less than prevailing rate	<u>-.5</u>
Net	¥ 6.5 B
Dollars @ 190:1	\$34.2M

Note: In JFY 78, GOJ voted a labor package which then amounted to \$23.7 M. Now, 1 year later, its worth about \$30-35M.

Note: These figures will recur annually and will increase with inflation and yen appreciation.

* Retirement pay is questionable. Without retirement, total would be 4.7 billion Yen or \$24.7M.

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Technology Transfer and US-Japan R&D Cooperation

US policy towards Japan in the area of R&D data exchange and the co-production of US-designed systems is generally comparable to our policy towards NATO. Nevertheless, Japan perceives second-class treatment. Our inconsistent handling of specific weapons sales and licensed production has reinforced this perception and overshadows the fact that Japan receives equal or better treatment than our NATO allies in the bulk of the cases.

Watari intends to bring up technology transfer in general, and electronic warfare equipment in particular, during the SSC. We should make every effort to dispel the perception of less favorable treatment for Japan than for NATO. To this end, we should be prepared to speak candidly on any subject relating to R&D, licensed production, and system interoperability that may be raised. A frank and continuous dialogue on technology transfer is needed to help establish a more consistent US policy, as well as offset the arguments of those who would have Japan "go it alone" to satisfy her defense equipment modernization needs.

US Presentation (We have the lead on this session)

We should point out that we have made significant progress over the past year in improving R&D cooperation and resolving technology transfer issues with Japan. In particular, we have:

- Established a DOD Working Group on R&D/production/system interoperability cooperation. The Working Group conducted

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exploratory discussions with counterparts in Japan last November which resulted in (1) an improved understanding of technological cooperation, (2) revitalization of existing areas and identification of new areas for R&D cooperation, (3) more active bilateral visitations of technical project officers, and (4) exploration of release of appropriate technical data packages for Japanese production of US designed ammunition (e.g. M735 APFSDS round), and (5) exploration of JDA use of test ranges.

- Agreed to the release of the SG-50 crypto security equipment to permit secure data links between US and Japanese naval forces and among units of Japanese forces.
- Agreed to the release of Mode IV for the MK XII IFF system, thereby achieving interoperability between US-Japan air defense forces and ground/air units.
- Arranged for the training of Japanese pilots in the US; however, some funding questions remain to be resolved.
- Initiated discussions of the Patriot missile system, with release expected after 1983 when it enters active US service.
- Expanded the scope of the technology to be released under the F-15 licensed production agreement (released composite material technology for repair of airframes).

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- Released licensed production of the complete AIM-7F missile.

These developments will improve US-Japan defense technological cooperation, the capabilities and interoperability of our forces, and indicate the importance that we attach to our alliance with Japan. They are, however, just a beginning and a continued dialogue is necessary to avoid past misunderstandings.

Stress that our treatment of Japan is even-handed compared with NATO.

- Without divulging specifics we should inform them that we grant them the same classified material access as NATO.

- Overall, Japan in general fares as well as or better than any single NATO country, and in most cases better than NATO as a whole. For example:
 - The release of technology to Japan for the F-15 (approximately 50 percent) exceeds that which has been released to NATO for the less-sophisticated F-16 (about 40 percent). Moreover, NATO's program is spread among four countries.

 - In addition to approval of Japan's licensed production of the complete AIM-7F missile system we also released certain composite materials technology for F-15 overhaul and repair purposes.

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- Note, however, that often the specific context of a case determines its handling, e.g. the case of the FRG request to produce the AIM-9L. Initially permission for German production was denied because of the sensitive technology involved. It was later approved, however, on the grounds that German aircraft will make a major contribution to the defense against a Warsaw Pact threat of some 2,500 of the world's most modern tested aircraft. Furthermore, Germany agreed to stop development and production of the Viper missile in return for getting the AIM-9L.

- Note also the differences between the Security Treaty with Japan and the NATO alliance. We have neither a formal technology exchange relationship with Japan similar to the NATO Defense Research Group nor reciprocal procurement Memoranda of Understanding as we have with individual NATO countries.

In the past some of our bilateral problems in this area on specific cases resulted from technical and administrative delays rather than any systematic effort to treat Japan differently from NATO. Outline briefly the process by which we reach our decisions on technology transfer requests.

- Receipt of a request for the release of defense technology, either through direct sale or licensed production, initiates a case-by-case assessment by the USG -- primarily by the DOD and State.

- On major coproduction programs, an ad hoc committee - which includes representatives of the cognizant service,

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DSAA, and USDR&E, is formed to develop a DOD position.

- Many security and technology criteria are considered within the context of the overall security relationship with the allied country. These include:

- US Foreign Policy,
- The country's capability to protect the US information involved,
- The country's need to know (for its defense),
- US National Disclosure policy for classified material, and
- The political advantage to the US.

Pressures are exerted from many different directions reflecting desires to preserve the leading edge in key technologies, industrial interests in export sales or royalties, concerns about the protection of classified data and processes and NATO restraints on systems in use in NATO, e.g., NATO common systems and NATO developed systems.

- Problems also arise because:
 - An ad hoc group evaluates each individual proposal which requires specialized expertise. Coordination is

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not easy given the number and variety of participants.

- Some of the evaluation criteria are inherently subjective.
- Conditions change. Classes of technology that may have been closely held a few years ago may now be partly releasable. The ALR-56 is an example.
- Acknowledge the fact that bureaucratic and special interests occasionally influence the final decision. But stress that the stronger and more visible our defense cooperation is, the easier it is to overcome such obstacles to technology release on grounds that release will contribute materially to our common defense. By the same token it is helpful to be able to demonstrate how the release of technology will contribute to the more efficient use of scarce allied defense resources:
- Technology release may be useful where it minimizes unnecessary duplication of R&D efforts.
- Even more important, it may improve the ability of our forces to operate together with common logistics in an effective fashion. This will become increasingly important as we cooperate more and more closely in the future.
- However, domestic production of limited numbers of complex systems often represents an inefficient use of resources. In

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cases such as these, a much stronger case can be made for direct sale than for coproduction. If however, development of indigenous industrial capability is a goal, JDA should push to have MITI or other ministries share the developmental burden - e.g. fund all costs over and above direct purchase costs.

- Solicit the views of the Japanese on their own problems in the technology transfer area. We are especially interested in their policies, procedures, bureaucratic interests, and for signs of ways to cooperate in resolving differences.

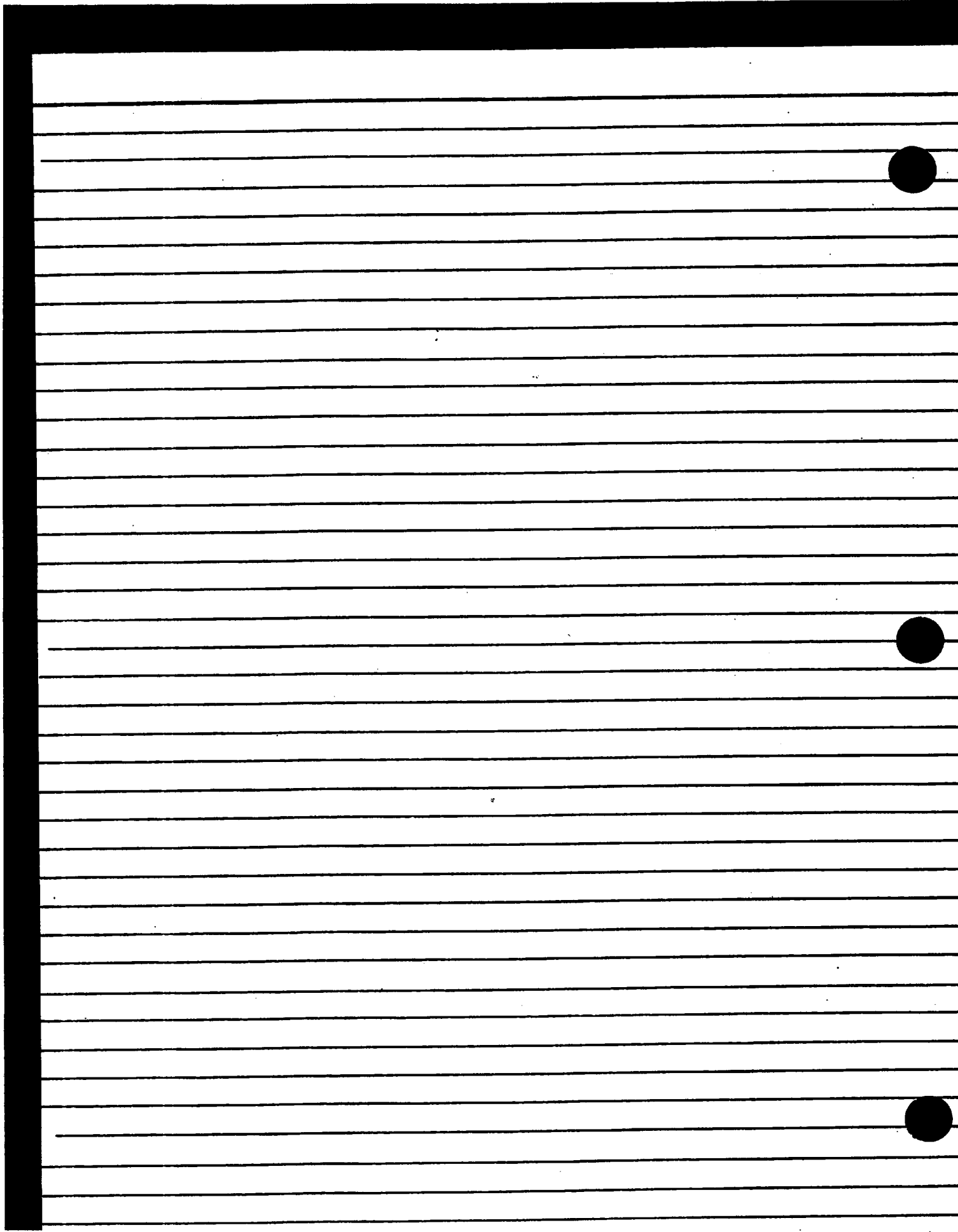
- In this exchange, explore ways that the Japanese could facilitate a more receptive climate for future transfers.
 - Evidence of reciprocity, e.g., agreements to purchase specific systems/subsystems in exchange for R&D data or coproduction.

 - Increasing the flow of their information through Data Exchange Agreement (DEA) channels.

 - Improved planning for system interoperability and standardization of weapons and logistics climates early in the system/use cycle.

 - Development of an increasingly close overall defense relationship.

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Finally, we should explore improved mechanisms for mutually beneficial R&D, production, and system interoperability cooperation. Since we do not have firm organizational preferences of our own, we should be willing to discuss a range of options. The goal, however, should be to expedite decisions and improve the cohesion of our technology transfer policy.

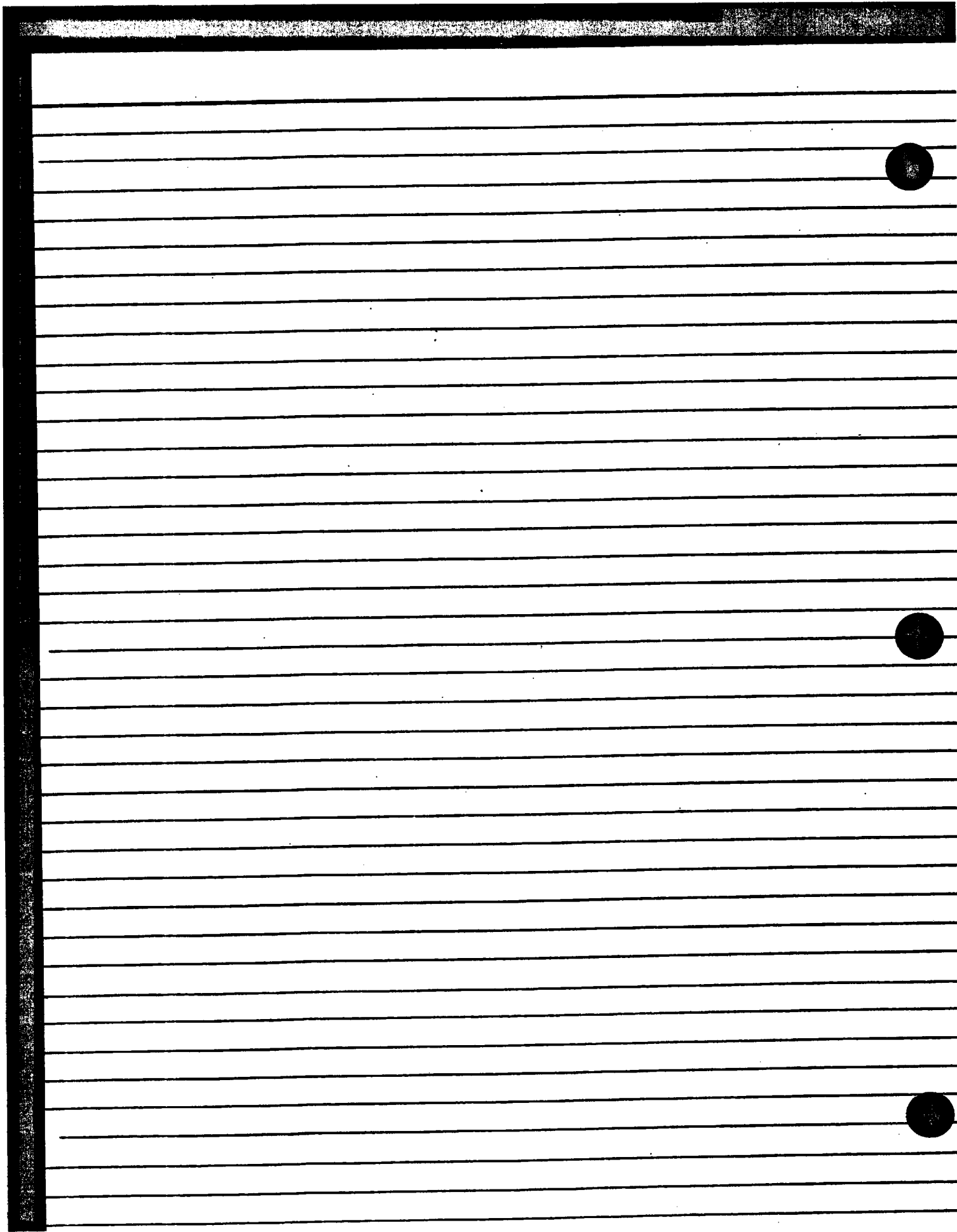
Points we expect Japan to Raise

Watarl probably will point out that:

- Japan needs a broader understanding of USG willingness or reservations to help decide whether to buy, license produce, or develop indigenous varieties of systems and subsystems, e.g. AIM-9L, ALR-56 and ALQ-135. (Hopefully, this will be ameliorated by the foregoing discussion.)

- The US should be quicker to approve the sale of mainline weapons systems in order to put Japan on a par with NATO countries. (Hopefully, our discussions of the decision-making process, the examples of Japanese treatment vis a vis NATO, and the possibilities of new cooperative mechanisms will suffice in this area.)

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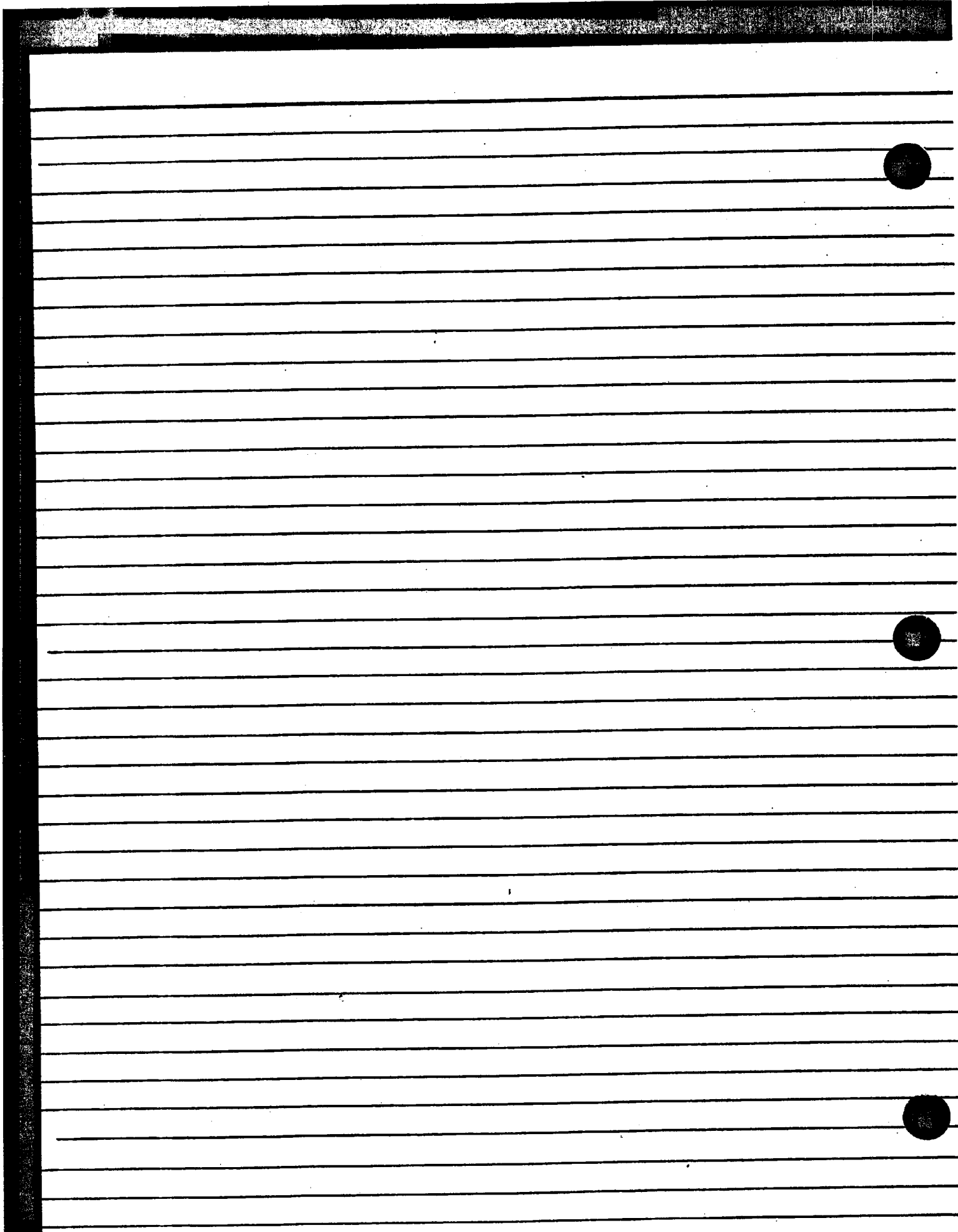
In addition, there probably will be specific questions concerning our intentions regarding:

- ALR-56
- ALQ-135
- AIM-9L
- MK 46 Torpedo

At this time, we are not prepared to make any firm commitments on these systems. In fact, it will be difficult to resolve these issues prior to Minister Yamashita's visit with SecDef on August 16. (A favorable decision on the MK 46 would require SecDef/DepSecDef action.) Our best approach would be to point out specific difficulties, indicate they will be given policy-level attention in DOD, and promise the earliest possible resolution, drawing on progress made at the SSC.

- Equipments such as the ALR-56 Radar Warning Receiver and ALQ 135 Jammer were specifically excluded from the F-15 MOU licensed production sideletter. Japan, therefore, undertook to develop an indigenous electronic warfare system for use in the F-15. Now, Japan is considering whether to purchase these equipments from the US or produce them indigenously. To help make their decision the GOJ must request specific technical data from the US. We are prepared to consider their specific queries and respond to the extent possible within our disclosure constraints. We also would consider limited licensed production of non-critical ALR-56 hardware.

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- The AIM-9L is available under FMS. Japan seeks to license produce. DOD does not support this request. The FRG will coproduce the AIM-9L for reasons given earlier.
- Navy will not release MK 46 torpedo technology to any country, however, the MK 46 is available to NATO and Japan through FMS. Navy cites sensitivity of technology and difficulty of production as the reasons for opposing second country production. SecDef/DepSecDef action is required to override Navy on this.

These issues are complex, involving technical problems which are best left to appropriate experts. Recommend we stress that we are giving policy level attention and encourage Japan to work toward a systemic improvement in how the USG and GOJ handle technology transfer questions in general.

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OPERATING COSTS -- JAPAN

1978 (ACTUAL)		1979 (BUDGET)		1980 (BUDGET)	
O&M	MILPERS	O&M	MILPERS	O&M	MILPERS
501	493	562	551	609	550

PERSONNEL COSTS ARE REMAINING FAIRLY CONSTANT WHILE O&M IS RISING APPROX 10% PER YEAR DESPITE COST SHARING WHICH HAS BEEN DEDUCTED FROM THE O&M FIGURES LISTED ABOVE.

JAPANESE LABOR COSTS

	<u>Man Yrs</u>	<u>Total Compensation (\$ Thous)</u>
FY 78	18675	\$361,433
FY 79	18629	\$312,772
FY 80	18101	\$353,619

Compensation includes salaries plus severence pay.

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BOP MILITARY ACCOUNT WITH US

<u>Country</u>	<u>Year</u>	<u>US Military Payment to Country (Mil \$) FY</u>	<u>US Military Receipts From Country (Mil \$) FY</u>	<u>DoD Surplus (+) (Mil \$) FY</u>
Japan	1974	755	61	-694
	1975	771	60	-711
	1976	747	48	-699
	1977	774	61	-713
	1978	865	89	-776
Germany	1974	1552	337	-1215
	1975	1599	436	-1163
	1976	1576	590	- 986
	1977	1793	245	-1548
	1978	2142	184	-1958
NATO EUR	1974	2298	704	-1594
	1975	2496	827	-1669
	1976	2419	1029	-1340
	1977	2661	698	-1963
	1978	3213	985	-2228

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SECTION 01 OF 02 //J5111//J

DEFENSE COST SHARING PROGRAM (U)
A. SECDEF 7543/200403Z MAY 78 (NOTAL)
1. REF A REQUESTED BASIC COST DATA FOR US FORCES STATIONED IN JAPAN TO SUPPORT COST SHARING DISCUSSIONS BETWEEN SECDEF AND DEPMIN KANEMARU ON 20 JUN 78.
2. (U) FOLLOWING IS SUMMARY COST INFORMATION BASED ON SERVICE INPUTS AND BEST AVAILABLE DATA FOR NAVY:
A. TOTAL DIRECT COSTS FOR MAJOR APPROPRIATIONS FY 77 (MILLIONS OF DOLLARS):

	MILPERS	O&M	FAHMSG	MILCON	PROC	OTHER	TOTAL
ARMY	42.8	148.7	9.8	9.6	--	--	210.9
NAVY	113.3(1)	178.8	.2	1.3	--	--	293.6
AF	176.0	138.1	25.8	0.3	0.5	3.4	344.1
MARINES	204.4	79.3	1.2	--	1.3	0.2	286.4
DOD (2)	--	35.8	--	--	--	--	35.8
TOTAL	536.5	500.7	37.0	11.2	1.8	3.6	1,170.8

NOTE (1) - INCLUDES OPERATING FORCES.

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NOTE (2) - OTHER DOD COSTS BELIEVED ON ORDER OF 2.0% YEAR.
 B. O&M - FY78 APPROVED BUDGET (MILLIONS OF DOLLARS)

(1) BY FUNCTIONAL GROUPING:

	ARMY	NAVY	AIR FORCE	MARINES	TOTAL
FACILITY MAINT	18,642	23,208	29,738	12,114	83,698
SECURITY & FIRE PROTECTION	13,398	.032	6,673	6,618	26,719
MISSION OPS & RELATED MAINT	32,945	180,107	30,448	39,823	283,323
MAINT OF WRM	NONE	NONE	1,639	NONE	1,639
MEDICAL ADMIN & OVERHEAD	20,643	9,632	35,745	20,738	86,758
OTHER	62,424	1,023	22,435	0,257	85,139
TOTAL	148,050	213,000	126,676	79,550	567,276

NOTE - SERVICE FUNCTIONAL COST ACCOUNTING PROCEDURES VARY.
 (2) BY CATEGORY OF EXPENSE:

	ARMY	NAVY	AIR FORCE	MARINES	TOTAL
LABOR	111,010	16,320	63,240	38,718	229,288
TRAVEL	1,846	1,372	3,424	2,037	8,679
TRANSPORTATION	1,953	360	1,855	1,191	5,359
UTILITIES	10,152	18,390	15,756	12,850	57,148
RENTALS	0,595	0,050	0,387	0,295	1,247
COMMUNICATIONS	0,403	1,461	1,601	1,027	4,492
MINOR CONST	1,171	19,842	0,376	1,809	22,998
CONTRACT SVCS	12,646	127,648	13,951	4,637	158,882
MATERIALS	8,274	28,030	25,803	17,815	79,922
OTHER	NONE	(,281)	0,363	2,171	2,253
TOTAL	148,050	213,000	126,676	79,550	567,276

NOTE - SERVICE COST ACCOUNTING PROCEDURES BY CATEGORIES VARY.

C. O&M TOTAL - FY75-78 (MILLIONS OF DOLLARS):

	ARMY	NAVY	AIR FORCE	MARINES	TOTAL
FY 75	168.9	132.1	108.9	51.2	461.1
FY 76	178.3	160.8	123.4	64.2	525.9
FY 77	148.7	178.8	138.1	79.3	544.9
FY 78	148.1	213.0	126.7	79.6	567.4

NOTE: FY77 TRANSITION PERIOD JUL-SEP 76 NOT INCLUDED.

3. (U) TREND ANALYSIS:

A. GRADUAL INCREASE OF O&M COST OVER YEARS REPRESENTS CUMULATIVE EFFECTS OF SEVERAL LARGER TRENDS. SCALE OF US FORCES ACTIVITIES AND ASSOCIATED PERSONNEL/LABOR/FACILITIES BASE HAS DECREASED WHILE DOLLAR COST OF SUPPLIES, SERVICES AND PARTICULARLY LABOR HAVE INCREASED DRAMATICALLY. A COMPARISON OF O&M COSTS AGAINST POPULATION AND FACILITIES SHOWS THESE EFFECTS:

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FY	FACILITIES	MIL	POPULATION/WORKFORCE (AT START OF FY)		USPJ O&M COSTS (\$MIL)
			CIV	JN	
73	180	64,964	3,937	50,269	UNKNOWN
74	188	58,914	5,156	41,235	UNKNOWN
75	142	55,220	4,822	33,214	481.0
76	139	50,930	3,953	28,839	545.9
77	128	49,951	2,970	25,343	561.1
78	126	48,180	3,103	22,731	567.4

B. COST OF OPERATING AND MAINTAINING FACILITIES IN JAPAN HAVE NOT ONLY RISEN BUT ARE ALREADY CONSIDERABLY HIGHER THAN COSTS IN UNITED STATES, AND IN MOST CASES, EUROPE AS WELL. BASED ON FACILITIES ENGINEERING ANNUAL SUMMARY OF OPERATIONS FOR FY 76 PUBLISHED BY CHIEF OF ARMY ENGINEERS, HQ, DA, FOLLOWING COST FACTORS WERE APPLICABLE TO ARMY INSTALLATIONS WORLDWIDE:

CATEGORY	CONUS AVG	EUROPE AVG	JAPAN
COST MAINT OF REAL PROPERTY (DOLLARS PER THOUSAND SF)	885.8	838.4	985
UTILITIES OPERATIONS (DOLLARS PER CAPITA)	262.9	394.6	378.5
FIRE PROTECTION (DOLLARS PER THOUSAND SF)	71.4	30.76	152.06
MINOR CONSTRUCTION (DOLLARS PER THOUSAND SF)	58.6	46.8	92.88

CONSIDERING ALL ENGINEER ACTIVITY CATEGORIES, COST OF OPERATING ARMY FACILITIES IN JAPAN PER SQUARE FOOT IS 54 PER CENT HIGHER THAN IN UNITED STATES. ASSUME THESE FACTORS ARE GENERALLY APPLICABLE TO OTHER SERVICES IN JAPAN.

C. APPROXIMATELY 65 PERCENT OF ALL O&M FUNDS ARE YEN PAYABLE. O&M COST INCREASES REFLECTED IN COST OF YEN PURCHASES TO PAY FOR LABOR, GOODS AND SERVICES. OTHER APPROPRIATIONS SUCH AS FAMILY HOUSING, PROCUREMENT, MILCON, AND CLAIMS CONTRIBUTE TO YEN PURCHASE SUMMARIZED BELOW:

TOTAL OFFICIAL YEN PURCHASE (MILLIONS OF DOLLARS)	
FY 75	458.0
FY 76	463.8
FY 77	483.5
FY 78	550 (PROJECTED)

SHOULD NOTE THAT ABOVE FIGURES INCLUDE OFFICIAL YEN PURCHASES BY AGENCIES WHOSE BUDGETS ARE NOT COVERED BY SERVICE COMMANDS, SUCH AS US COAST GUARD, OOD ACTIVITIES, FEDERAL AVIATION ADMINISTRATION, ETC.

D. SERVICE COST DATA ARE FUNDS APPROPRIATED BY CONGRESS AND DISTRIBUTED THROUGH SERVICE CHANNELS. FUNDS RECEIVED DO

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NOT USUALLY COVER SERVICE REQUIREMENTS. FOR EXAMPLE, AIR
FORCE EXPERIENCED SEVERE CUT IN FY 77 O&M FUNDS, INSUFFICIENT
TO COVER ALL PROGRAMS. ALL SERVICES HAVE FY 78 UNFINANCED

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REQUIREMENTS FOR SAME REASON AND HAVE REPORTED NEARLY \$100
MILLION UNFINANCED ITEMS SUCH AS SALARY INCREASES, BACKLOG
OF MAINTENANCE AND REPAIR (BMAR) OF FACILITIES, MISSION
ESSENTIAL PURCHASES AND YEN EXCHANGE LOSSES.
INSUFFICIENT FUNDING IN PAST YEARS IS MANIFESTED BY LARGER FIGURES
IN UNFINANCED CATEGORIES AND CURTAILED OPERATIONS.

4. (U) COST DATA AND ANALYSES ABOVE FORWARDED AS PART OF OVERALL
COST SHARING PROGRAM FOR DISCUSSION WITH GOJ. GOJ HAS REQUIREMENT
FOR THIS DATA IN DEVELOPMENT OF COST SHARING RATIONALE WITHIN THEIR
MINISTRIES. EARLY AUTHORIZATION FOR COMUSJAPAN TO RELEASE ABOVE
DATA TO GOJ RECOMMENDED.

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April 16, 1979

DoD Annual Operating Costs of Maintaining U.S.
Military Forces in Foreign Countries & Areas

Country	FY 1978	(\$ Millions)	
		FY 1979 ^{a/} _{b/}	FY 1980 ^{a/}
Belgium	37	40	41
Denmark (Incl. Greenland)	48	53	57
France	1	1	1
Germany	4,384	4,721	5,007
Greece (Incl. Crete)	60	65	69
Iceland	62	74	82
Italy (Incl. Sicily and Sardinia)	212	232	241
Netherlands	36	38	39
Norway	3	3	3
Portugal (Incl. Azores)	29	33	34
Spain	165	182	186
Turkey	124	135	142
United Kingdom	370	420	447
Forces Afloat-Western and Southern Europe	622	525	514
Other Western and Southern Europe	2	2	2
Australia	16	16	15
Japan/Okinawa	994	1,034	1,079
New Zealand	1	1	1
Philippines	244	247	254
South Korea	790	846	759
Taiwan	20	15	9
Thailand	2	2	2
Forces Afloat East Asia and Pacific	544	555	572
Other East Asia and Pacific	4	4	3
Bahrain Island	4	4	5
British Indian Ocean (Incl. Diego Garcia)	15	18	18
Iran	18	21	22
Saudi Arabia	9	9	9
Other Africa, Near East and South Asia	14	10	10
Bahamas	2	2	1
Brazil	2	2	2
Canada	8	9	9
Other Western Hemisphere	58	63	60
Other	3	4	4
TOTAL	8,903	9,386	9,699

a/ DoD accounting records are not maintained to reflect total U.S. costs on an area basis. Operating costs for all years, therefore include estimates developed by the use of appropriate factors. Included are the salary costs of all military and civilian personnel located overseas and the cost of operating and maintaining facilities overseas. These estimates do not include indirect logistic and administrative costs for support from outside of the country, nor do they include major procurement or military construction costs.

b/ Estimates include military and civilian salary rates in effect on 1 October 1978.

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Table 1

MEASURES OF RELATIVE DEFENSE BURDEN 1978 a/

	Defense Expenditures as Percent of GDP	Total Defense Exp. (Billion US \$ ^{c/} actual exch. rates)	Defense Expenditures Per Capita (US \$) actual exch. rates	Active Dut Manpower (MIL and CI as Percent of Total Populatio
Belgium	3.3	3.1	312	1.19
Canada	2.0	4.1	174	.50
Denmark	2.5	1.3	247	.86
France	4.0	17.8	333	1.34
FRG	3.3	20.5	336	1.10
Greece	5.9	1.8	198	2.31
Italy	2.6	6.1	107	.96
Luxembourg	1.1	b/	102	.37
Netherlands	3.4	4.2	303	.97
Norway	3.2	1.3	313	1.22
Portugal	3.3	.6	63	.91
Turkey	5.2	2.5	58	1.80
U.K.	4.7	14.1	252	1.05
U.S.	5.0	105.1	481	1.40
Average NATO	4.2	182.5 (Total)	323	1.26
Japan c/	.9	9.1 e/ 2,094.5 ¥ b. 79 e/	129 e/	.26 mil + civ.
Japan, using expanded formula d/	1.5	14.8 e/		.26 @ mil. only

a/ Drawn by OECD from national data. Defense categories standardized among NATO nations.

b/ Less than \$.1 billion.

c/ Japanese defense spending usually is referenced to GNP, but the difference between Japanese GNP and GDP is too small to affect these comparisons.

d/ Includes pensions for World War II veterans, survivors benefits for SDF dependents and various administrative costs. Reportedly, this is closer to the NATO categories, but it is not exact.

e/ 210/1 estimated exchange rate used. Japanese fiscal year 78 expenditures. NATO expenditures are calendar years.

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Suggestions for Discussions Outside the Meetings

The SSC focuses on long-range issues. Although cost sharing will be discussed at some length in one or more sessions, one ongoing, near term issue that would be assisted by raising it at high levels in the social gatherings and in corridor conversation is the assumption by the GOJ of further costs associated with the maintenance of our forces in Japan. Related to cost sharing, which is an immediate matter of concern, is longer term relief from the US defense burden in the Western Pacific by the assumption of some constitutional regional responsibilities on the part of the Japanese. The following are some of the ideas which could be raised informally with Watari, Okazaki, and Tamba on cost sharing and regional burden sharing.

Labor Cost Sharing

Many of our bases are already Joint Use Facilities because of a small Japanese presence IAW SOFA Article 24(A) (Joint Use-US Major User), e.g. Yokosuka and Sasebo; some are already governed by SOFA Article 24(B) (Joint Use-Japan Major User), e.g. Atsugi. Since we do not desire to proceed any further with joint use agreements due to overcrowding which already exists and since we do not desire to change the SOFA, we should sound out the Japanese on their picking up security functions and other costs which are not related to the stationing of US Forces but are integral to maintenance of the bases themselves which are sovereign Japanese territory and which are already jointly used. The methodology of doing this could be left to them.

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Facilities Cost Sharing

We hope more and more in the future to see Japanese funding of facilities/improvements which will improve the defense capability of US and Japanese armed forces. The hardening of aircraft shelters at Kadena and a Joint Mine Stowage Facility in Misawa are examples of such projects which have already been discussed. An area which should be explored with the Japanese is the storage of US owned War Reserve Materiel (WRM) in Japan. The GOJ could possibly provide for the storage, security and maintenance of US owned WRM. Accountability and management of these resources would be retained by the US Government. WRM could be made available for contingencies involving either ROK or Japan.

Regional Defense Roles

While we will not present the Japanese in Session 3 with specific projections of future Pacific Fleet force levels since we are directed not to do so by SECDEF guidelines, we will see a decrease in numbers in the latter half of the 1980's. These decreases are potentially very large in the 1990's as some of our Polaris and attack nuclear submarines are retired. Although our carrier force levels will be maintained until the end of the century and although the new cruisers and destroyers we are building will be highly capable, their costs will limit their numbers, exacerbating the problem in the Pacific Command of being responsible for the two largest ocean areas in the world. Japan is one of the few Allies which is financially able of doing more to help in the defense area. To be

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certain, there are constitutional and political problems, but Japan could possibly within these constraints contribute more. Could, Japan for example build greater numbers of the types of surface ships, reconnaissance and patrol aircraft, and conventional submarines than are now in the SDF inventory? Could the Japanese expand the limits to which they conduct anti submarine warfare and air defense operations? The US would not want, and Japan would be frightened by a US pullout from Northeast Asia but an increase in Japanese military operating areas would ease the pressure on US ability to maintain a presence in other parts of the Western Pacific and Indian Oceans. Other suggestions for possible SDF Force Improvements are included at Tab D3.

WRAP UP SESSION:

(U) DOMESTIC POLITICS: Either in one of the sessions on the final day and/or socially we could profitably discuss the implications of domestic politics with the Japanese. It seems very likely now that they will have a lower house dissolution in the early fall. We hear that the LDP is looking to increase its slim majority and we might sound out what our counterparts see as most likely courses of events now and in the future. We might candidly discuss the implications of a Connally candidacy vis-a-vis relations with Japan and other US domestic political considerations associated with the 1980 elections.

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MR MCGIFFERTS STATEMENTS FOR SOCIAL FUNCTIONS

TO BE WRITTEN BY SUPPORT TEAM DURING

THE SESSION

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SSC Background Paper on
Possible SDF Improvements

There are a number of improvements to the SDF which could be affected at a low cost, both in monetary and political terms, and which could significantly enhance current Japanese defense capabilities. Reasons for suggesting these improvements include:

- The importance of these improvements to Japan's ability to defend itself is the primary concern.
- There is a need to ensure that Japanese resources are allocated in the most effective way;
- Certain improvements can effectively complement strategic US defense efforts in the region without calling on the Japanese to exceed the constitutional limitations on their SDF;
- Informal discussions of this sort will further the US-Japanese defense dialogue, and enhance the US-Japan security relationship;
- Discussion will help us in planning future US-Japan cooperation.

In informal discussions with the Japanese, it would be valuable to discuss the following suggestions. Only suggestions for the MSDF and ASDF are included here, since there is general agreement that these forces face the more serious threats.

Possible MSDF Improvements

- Enhanced minelaying capability. The ability to lay mines quickly by air and sea in all three of the key straits would be the most cost-effective way to prevent Soviet submarines from attacking Japan's SLOCs. Sufficient means of delivery, adequate training and substantial stockpiles of mines are essential to perform this task.

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- Underway Ammunition Replenishment. Although MSDF ships have relatively long range, they may be limited in their SLOC and coastal defense roles by the size of their ammunition magazines. Ship-board missiles are in particularly short supply on MSDF vessels. Systems for underway ammunition replenishment, perhaps by merchant ships converted in wartime, could be readily designed and would increase on-station time for MSDF vessels.
- Truck-mounted Harpoon. Although this particular system has not yet been made operational, a new US or Japanese design seems feasible. Truck-mounted Harpoon missiles could be quickly moved to coastal defense positions to counter Soviet invasion ships. This inexpensive way to defend the coastline would free MSDF ships for other missions such as SLOC defense.
- Improve Point Defense. Acquisition of Sea Sparrow or an equivalent point defense SAM would give MSDF vessels a much greater degree of survivability against air attack, and would in turn increase SLOC convoy survivability.
- WRM Increases. Current stocks of SAMs, ASROCs, ASW torpedoes, ammunition and sonobouys -- roughly a ten-day supply -- should be increased significantly, ensuring the effectiveness of the force early in a conflict and lessening re-supply requirements later on.

Possible ASDF Improvements

- Improved defense of airfields and critical facilities. Planning should ensure that under threat of attack, valuable aircraft could be dispersed immediately to a large number of airfields, complicating enemy targeting. Additionally, the defense of airfields and critical facilities could be upgraded by adding short range SAMs and medium AAA. BADGE improvements can be accelerated. Perhaps the most cost-effective action would be to accelerate hardening of airfields and critical facilities.
- Stockpiles. As with naval forces, increased WRM stockpiles and increases in spares on hand would be low key and low cost, yet provide needed

capability in event of hostilities.

- Early warning and C³ improvements. While much is already being done in the C³ area, further improvements might include accelerated efforts to link SDF facilities on microwave lines, thereby lessening dependence on commercial facilities. Resumption of E-2C procurement will add significantly to Japanese early warning capabilities. (FYI: Japanese E-2C funding was recently resumed in the wake of a payoff scandal involving Grumman and several Japanese political figures. End FYI)
- ECCM. Considerable benefit would be derived from intensifying the training of SDF crews in ECCM technology. Training should emphasize SAM and radar operations in Soviet-type ECM environments.

All of the ideas above could readily be accommodated in Japan's current political environment, since they would contribute only to Japan's defense. They could not be construed as an attempt to develop an ability to "project force abroad".

While these ideas have not been formally studied, they are indicative of things which would significantly improve Japanese defense capabilities without high monetary or political costs.

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JAPANESE DELEGATION (PROTOCOL ORDER)

1. Akira Watari, Administrative Vice Minister, JDA
2. Toshihiro Nakajima, Director General, American Affairs Bureau, MOFA
3. Mr. Ohki, Consul General Hawaii (Observer only)
4. Hisahiko Okazaki, Director General, Foreign Affairs Division, JDA
5. VADM Naotoshi Sakonju, JMSDF, Director, Secretariat, Joint Staff Office
6. Koji Watanabe, Deputy Director General, Asian Affairs Bureau, MOFA
7. Hisakatsu Ikeda, Director, Defense Planning Division, JDA
8. Tatsuo Arima, Counsellor for Political Affairs, Embassy of Japan, Washington
9. MGen Kouya Hamaya, JASDF, J-3, JSO
10. Minoru Tamba, Director, Security Affairs Division, American Affairs Bureau, MOFA
11. Colonel Toru Isaji, (JGSDF) J-5, JSO
12. Masakatsu Shinkai, Defense Planning Division, JDA
13. Fumiaki Takahashi, Security Affairs Division, Mofa
14. Shigeru Mochida, Security Affairs Division, MOFA

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PRECEDENCE LIST OF U. S. DELEGATION

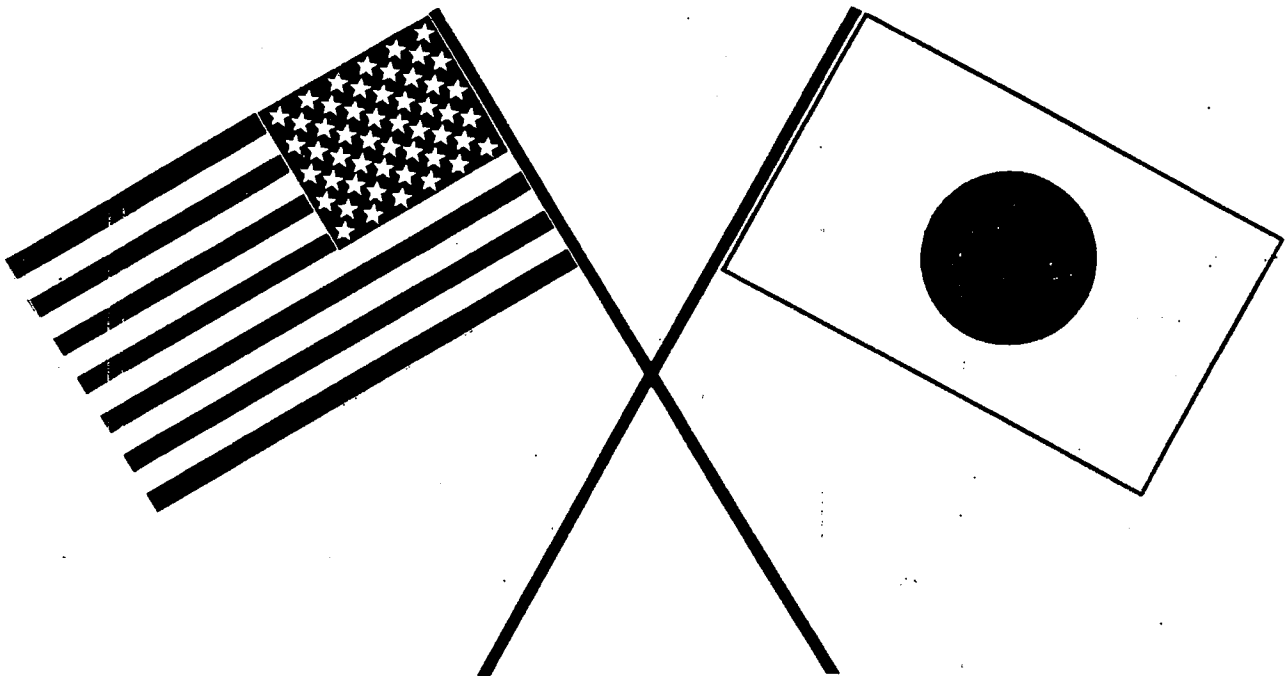
1. Mr. McGiffert
2. Ambassador Mansfield
3. Admiral Weisner
4. LtGen Lawson
5. LtGen Ginn
6. Mr. Sullivan
7. Mr. Armacost
8. Mr. Wolfowitz
9. Mr. Platt
10. Admiral Shelton
11. Mr. Romberg
12. Mr. Seligmann

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Eleventh U.S. - Japan Security Subcommittee Meeting (SSC)



31 July - 2 August 1979

Honolulu
Hawaii

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REFERENCE MATERIALS FOR SESSION 1

- R.1.1 The Strategic Balance
- R.1.2 POL-MIL Situation in Asia
- R.1.3 Soviet Military Capabilities in Asia

REFERENCE MATERIALS FOR SESSION 2

- R.2.1 Military Balance on the Korean Peninsula
- R.2.2 Japanese Views of the Korean Troop Withdrawal
- R.2.3 Japan: Defense Contacts with South Korea

REFERENCE MATERIALS FOR SESSION 3

- R.3.1 US Force Posture in the Pacific and Indian Oceans
FY 79-84
- R.3.2 US Taiwan Security Adjustments
- R.3.3 US-PRC Security Cooperation

REFERENCE MATERIALS FOR SESSION 4

- R.4.1 US-Japan Complementarity
- R.4.2 NATO Rationalization, Standardization and Interoperability

REFERENCE FACT SHEETS

- R.F.1 Forums for US-Japan Security Dialogue
- R.F.2 1979 Japan Defense Budget
- R.F.3 Status of Major Acquisitions of the JDA
- R.F.4 Past and Present Co-Production Arrangements with the Japanese
- R.F.5 US Military Forces in Japan
- R.F.6 Available Forces (Pacific)

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June 1979

THE STRATEGIC BALANCE

BASIC ASSESSMENT (U)

(U) There is at present rough equivalence between the U.S. and the Soviet Union. We are committed to preserving this political concept of equivalence, and we are confident of our ability to do so. Because of the paramount importance of the strategic balance, it is an area where we must have high confidence of the adequacy of our posture.

(U) A number of developments raise concerns about this balance. The Soviet programs in the strategic area have been very extensive in recent years, and the margin of superiority which the U.S. possessed ten years ago has been eliminated. We are concerned about trends in the balance:

- Soviet deployment of very accurate ICBMs now and in the early 1980s make our ICBM silos increasingly vulnerable. The growing accuracy of Soviet ICBMs, is causing us to change the basing mode of our own ICBMs in order to safeguard them against pre-emptive attack.
- Soviet war survivability programs, encompassing both active and passive defense measures as they continue to develop, erode our assured destruction capability.
- There is a growing body of evidence that Soviet strategic doctrine is significantly different from our own. It has led them to seek counterforce ICBM capabilities, to an extensive war survival program whose effectiveness is uncertain, and to an emphasis on the endurance of strategic forces through a sustained conflict. It may be that Soviet assessments of the strategic balance, based on their own doctrine, show U.S. vulnerabilities which their planning tries to exploit. U.S. relative neglect of C³I vulnerabilities and strategic survival and endurance make our posture less deterring than it might be.

The U.S. has ongoing programs to hedge against these concerns; the rate at which these programs will move ahead will depend upon Soviet decisions and the outcome of the SALT process:

- Significant improvements are programmed for our SLBMs. Trident is progressing slowly and may get back on schedule in the next two or three years. Some extension can be expected in the life of Poseidon boats.

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- The MX missile system can be deployed after 1986 in a survivable mode.
- Strategic cruise missile programs are underway. Initial deployment of the first B52 squadron carrying cruise missiles will take place in late 1982. We expect 2,000 deployed by 1985. We will continue to explore this technology so that the next generation of this missile can stay ahead of Soviet countermeasures.
- The U.S. is better at ASW because of superior technology and geographical advantages, some of which derive from the assistance of allies.

MAJOR UNCERTAINTIES AND ISSUES (U)

(U) The strategic balance is becoming increasingly complex. We must go beyond the assessment of obviously strategic systems to consider the impact of "gray area weapons" such as Backfire, the SS-X-20, and the FB-111 and many other uncertainties. There is a widespread myth that the strategic balance is simple to understand and easy to reduce to a few numbers. The fact is that its complexities and offsetting asymmetries preclude exposition which is both simple and accurate. No single index or calculation gives a fair picture of the balance. Indeed a comprehensive assessment must include (1) an assessment from the Soviet perspective to measure the deterrent effectiveness, (2) an assessment of how the forces would perform with respect to U.S. objectives in a wide set of scenarios should deterrence fail, and (3) an evaluation of allies and other 3rd party perceptions of the balance.

(U) Probably neither we nor the Soviets understand how strategic weapons would interact with other military forces if conflict actually occurred. There are major uncertainties with respect to target hardness and EMP effects. There are also special uncertainties associated with the effects of attacks on command and control systems, the operational yield and accuracy of weapons, and the consequences of widespread destruction of cities.

(U) Our views of Soviet assessments are not well developed, and necessarily uncertain. In the future we must assess Soviet doctrine, and the most salient scenarios in their view as to how war might come. There is clear evidence that Soviet assessments are likely to differ from ours. They may emphasize different scenarios and/or dimensions, e.g. C³I and endurance. In addition, they may believe that their ASW or air defenses are better able to deal with U.S. forces than we think they are.

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C. Dr. Auer

DRAFT

U.S. Posture in the Pacific and Indian Oceans* (U)
FY 79-84

(U) Table 1 summarizes U.S. forces in the PACOM area on 31 December 1978. Although all are not directly under the operational control of CINCPAC, most would be made available to him in a crisis. Additional augmentation also could be provided from CONUS if the situation dictated.

Major Ground Forces (U)

(U) Figure 1 outlines the deployment of major Army and Marine Corps ground units. Their missions are highlighted below:

Korea (U)

- Status: The 28,000 troops of the Eighth U.S. Army (EUSA) are part of the Combined Forces Command's strategic reserve.
- Trends: Under the current plan, U.S. ground forces will be withdrawn from Korea in three increments. By July 1979, 3,700 men had been withdrawn. Further withdrawals are being held in abeyance while the plan is re-examined.

*Unless otherwise noted, projections in this paper are drawn from the Services' Basic-level POM-81 submissions. The effects of different funding levels are addressed in the Uncertainties section on page 12.

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Asia Division
6/15/79 - Wells
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AVAILABLE FORCES (As of 31 December 1978)

ARMY	NAVY/MARINES	AIR FORCE
OPCOM TO CINCPAC*		
<ul style="list-style-type: none"> 1 Army Headquarters 2 Corps Headquarters 2 Infantry Divisions 1 Air Defense Brigade w/12 HAWK Batteries 6 Separate Aviation Companies 	<ul style="list-style-type: none"> 3 Numbered Fleets 6 Attack Carriers 16 Cruisers 23 Destroyers/Frigates 10 Submarines (NSR/SSN) 23 Submarines (NSR/SSN) 23 Amphibious Warfare Ships 6 Carrier Air Wings 30 Fighter/Attack Sqds 10 Reconnaissance/FW Units 7 Early Warning Units 10 Carrier ARW Sqds 4 LAMPB Sqds 12 Patrol Sqds 6 Tanker Detachments 1 Light Photo Sqds 2 EC-130Q VLP Reby (TACAMO) Aircraft 3 SORLN Stations 1 Naval Special Warfare Group * Includes Naval Air Units deployed to LANTCOM/EUCOM. 	<ul style="list-style-type: none"> 3 Numbered Air Forces 2 Air Divisions 1 Composite Wing 1 Tactical Airlift Wing 2 Tactical Fighter Wings 1 Aeronautics Sqds 2 Tactical Air Support Sqds 1 Tactical Reconnaissance Sqds 1 Special Operations Sqds 10 Tactical Fighter Sqds 2 Tactical Airlift Sqds 1 Airbase Command & Control Sqds 1 Tactical Fighter Training Aggressor Sqds
IN PACOM BUT NOT OPCOM TO CINCPAC		
<ul style="list-style-type: none"> 1 Engineer Group 1 Signal Brigade 1 General Support Group 1 Heavy Boat Co USASA Units in the Pacific Army National Guard Units 1 Infantry Brigade Army Reserve Units 1 Infantry Battalion 1 Civil Affairs Group 1 Engineer Construction Battalion 1 Corps Headquarters (AUG) 	<ul style="list-style-type: none"> 10 Destroyers (Naval Reserve Trng) 2 Mine Warfare Ships (Naval Reserve Trng) 2 Amphibious Warfare Ships (Naval Reserve Trng) 47 Auxiliary Ships 1 Fleet Composite Operations Readiness Group 	<ul style="list-style-type: none"> 1 Air Division (BAC) 2 Strategic Wings (BAC) 1 Air Refueling Sqds (BAC) 1 Bomber Sqds (BAC) 2 Strategic Reconnaissance Detachments (BAC) 1 Weather Reconnaissance Sqds (BAC) 1 Test Group (AFSC) 1 Tactical Fighter Sqds (Air National Guard) Air Force Security Service Units (AFSS) Air Force Communications Service Units (AFPCS) Air-Sea Rescue/Recovery Sqds (MAC) Air Weather Service Units (MAC)

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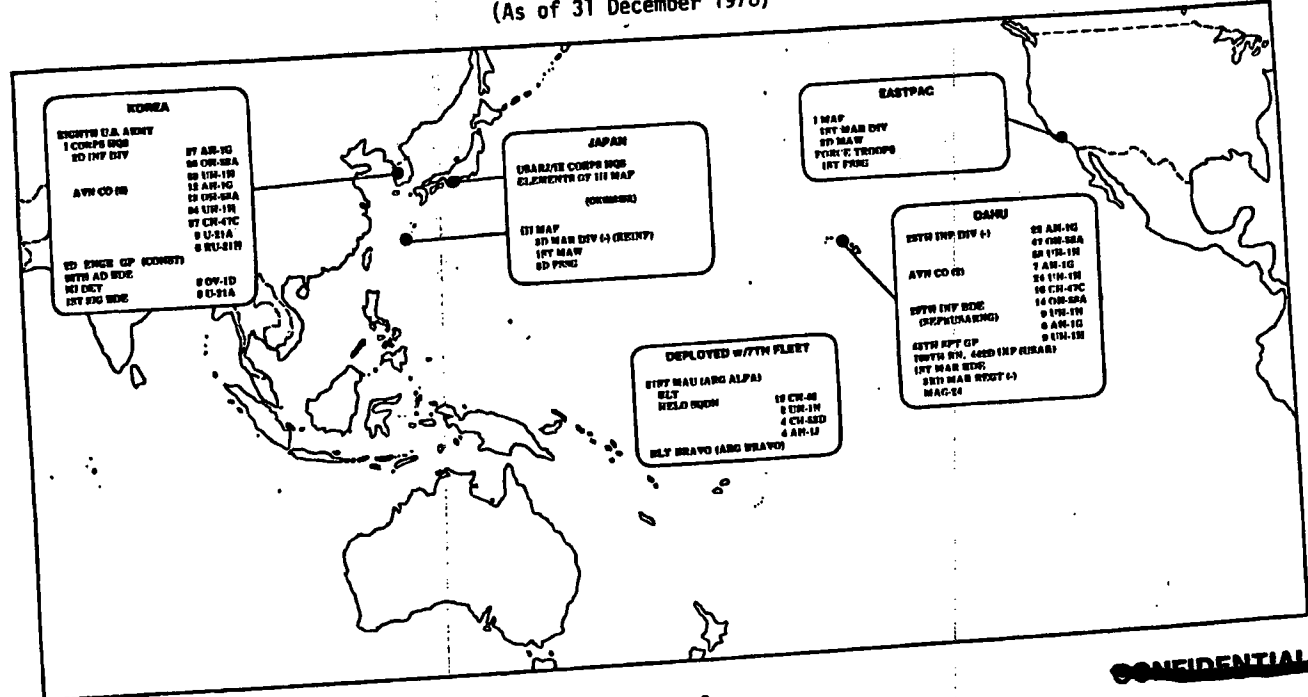
SOURCE: J33

Table 1

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DEPLOYMENT OF MAJOR GROUND UNITS (As of 31 December 1978)



SOURCE: J33

Figure 1

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Japan (U)

- Status: Two regiments of the 3rd Marine Division are deployed to Japan and Okinawa. Together with the 1st Marine Air Wing (MAW) they provide air and ground forces for amphibious operations. Such operations would be under the command of III Marine Amphibious Force (MAF), whose headquarters is in Okinawa. In addition, the headquarters of the U.S. Army's IX Corps is established under USFJ. It could control additional forces should they be assigned.

- Trends: Army presence and facilities in Japan are being consolidated on Honshu in accordance with the recommendations of the WestPac III study. No changes in Marine Corps deployments are programmed.

Afloat (U)

- Status: A Marine Amphibious Unit (MAU) and a Battalion Landing Team (BLT) are deployed in the Western Pacific aboard two Amphibious Ready Groups (ARG). Totaling about 3,100 men, they provide rapid reaction forces for limited contingencies in the region.

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- Trends: No force level changes are programmed, but amphibious shipping with Marines embarked may be deployed more often into the Indian Ocean.

Hawaii (U)

- Status: The 25th Infantry Division, with its reserve roundout, constitutes CINCPAC's strategic reserve. The remaining regiment of the 3rd Marine Division also is based on Oahu.

- Trends: Although no decisions have been made, the future configuration and orientation of the 25th division is under review.

Eastern Pacific (U)

- Status: I MAF, consisting of the 1st Marine Division and the 3rd MAW, is located at Camp Pendleton. Although part of CINCPAC forces, it is also planned for use in Europe during a NATO war.

- Trends: Although there are no major changes programmed for I MAF, the reduction in amphibious lift from 1.33 to 1.15 AE may extend its closure time.

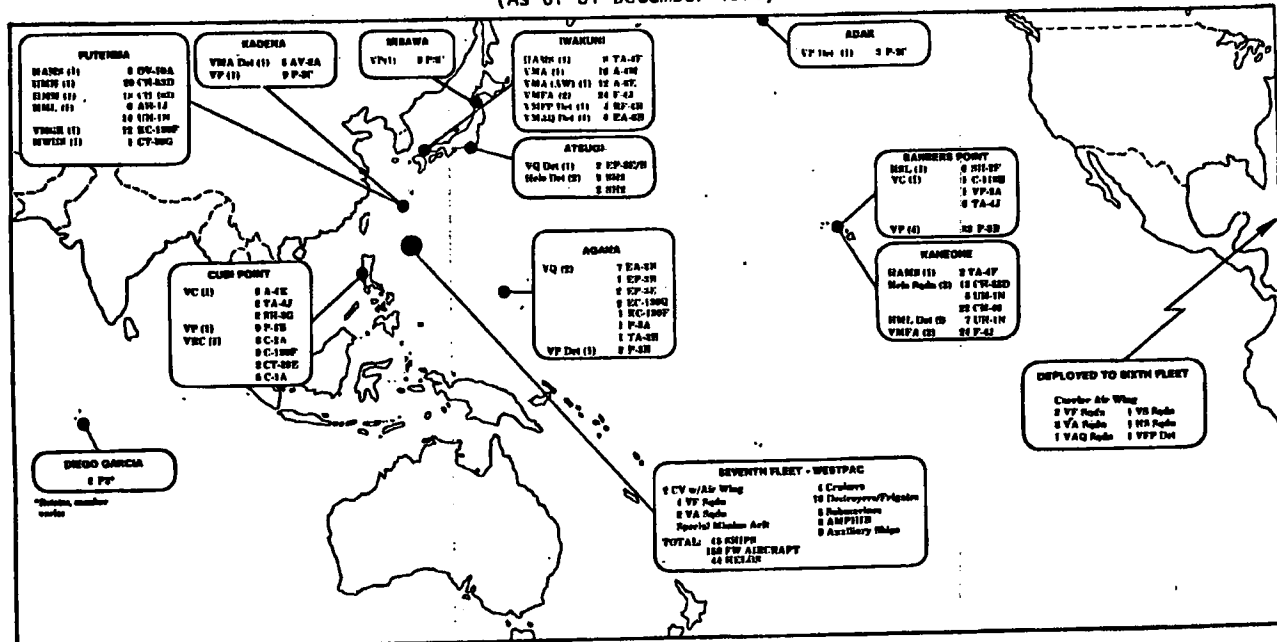
Naval Ship and Aviation Units (U)

- (S) These deployments are outlined in Figure 2.

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DEPLOYMENT OF NAVAL AIR & SHIPS UNITS WESTPAC (As of 31 December 1978)



SOURCE: J33

Figure 2

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Afloat (U)

(U)

- Status: The Seventh Fleet represents the forward-deployed naval component of CINCPAC's forces. Centered around two carrier battle groups and two amphibious ready groups, its principal missions include peacetime presence in the Western Pacific and Indian Oceans, contingency response, SLOC protection and offensive operations in wartime. Some Seventh Fleet units are homeported in Japan and the Philippines, but most are supplied on a rotational basis from Third Fleet.

The Third Fleet's area of responsibility extends as far west as 160° East Longitude (between Guam and Wake). In wartime, the fleet would be responsible for combat operations in the central and eastern Pacific, including protection of the SLOCs to Alaska and Hawaii. Peacetime missions include surveillance of potentially hostile forces and the provision of training and readiness support services to units not actually deployed to WestPac. In some circumstances, Third Fleet units might be swung to the Atlantic in support of NATO.

- Trends: Despite uncertainties about funding levels and procurement programs, the Pacific fleet will increase its combat power through the next several

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years. As shown in Table 2, total ship numbers should increase through FY 84, but then will begin to decline slowly. However, the growth will be concentrated in major surface combatants and attack submarines while offsetting reductions will come from the ranks of auxiliaries and reserve ships. The most significant changes in the Pacific fleet should be the addition of a second nuclear carrier when CVN-70 becomes deployable about FY 83, and the introduction of AEGIS missile ships in the mid-80s.

Table 2

U.S. PACIFIC FLEET NAVAL FORCES BY CATEGORIES FY 79-88 (S)

Type	Beginning FY 79	End FY 84	End FY 88 a/
Carriers	6	6	5 b/
Major Surface Combatants	80	101	105
Attack Submarines	35	47	35
Amphibious Ships	33	30	29
Auxiliaries, Patrol, Minecraft	47	33	26
Total Active (Less SSBNs)	201	217	200
Naval Reserve Force	23	17	9
MSC Fleet Support	9	19	23
Total Pacific Force (Less SSBNs)	233	253	232
Total Navy (Less SSBNs)	490	546	499

Source: SASDT update 19 May 1979, Section E, basic level.

a/ Due to the uncertainties in funding levels, program decisions, and inter-fleet distribution, FY 88 figures should be considered approximations rather than firm projections.

b/ Assumes retirement of Coral Sea, the transfer of Midway to training carrier status, the addition of 1 CVV to PACFLT in FY 86 and the first SLEP of a PACFLT carrier beginning in FY 87.

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Ashore (U)

- (U)
- Status: In addition to the carrier air wings afloat, significant numbers of Navy and Marine Corps aircraft are located at bases ashore. ASW patrol aircraft (P-3s) regularly operate from several fields ranging from Adak, Alaska to Diego Garcia. Support and special mission squadrons are similarly deployed. Marine Corps attack or fighter-attack squadrons are located in Japan and Hawaii, and a detachment of AV-8 Harriers is on Okinawa.
 - Trends: By the end of the FYDP period, all carrier air wings, with the exception of Midway and Coral Sea, will have replaced F-4s with F-14s. F/A-18s will be introduced to Marine Corps fighter squadrons in FY 84 (although the AV-8B issue may affect the IOC). Carriers will begin receiving F/A-18s about FY 85. Land-based ASW capabilities will be improved with the P-3 update program. Surface ship ASW will be markedly enhanced by the introduction of a new towed array (SQR-19) and the LAMPS MK III helicopter in the mid-1980s.

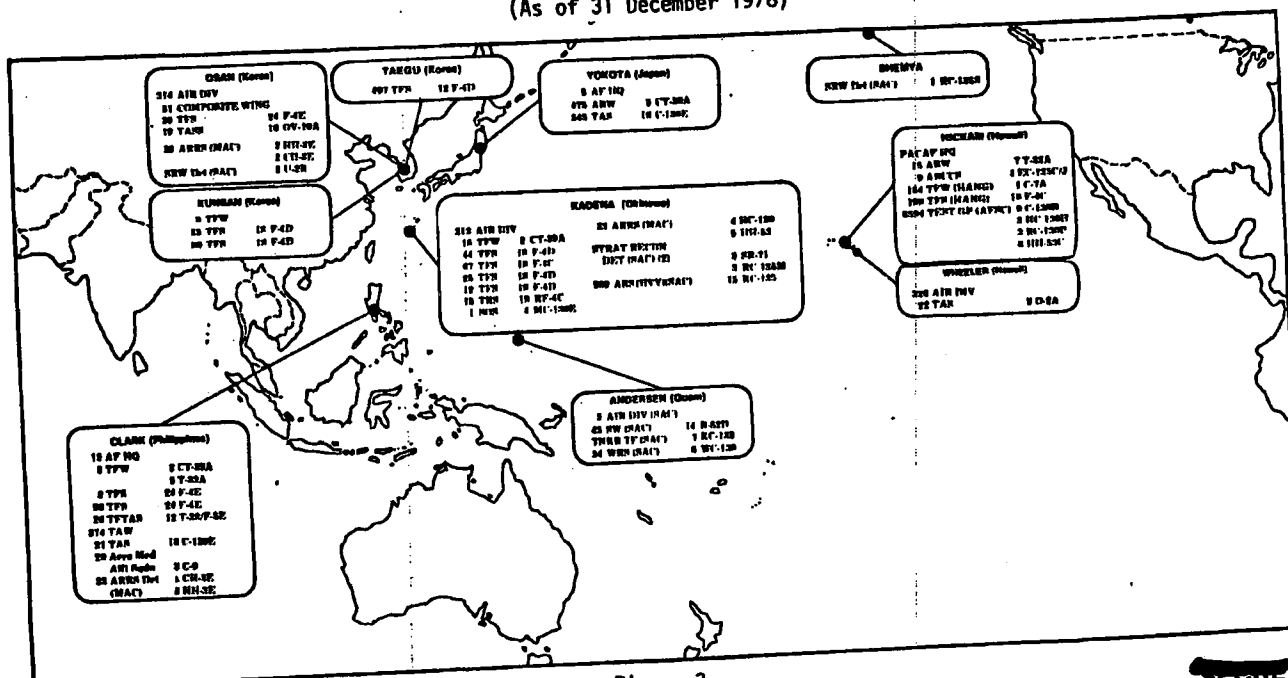
Major Air Force Units (U)

(U) Air Force deployments are outlined in Figure 3.

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DEPLOYMENT OF MAJOR AIR FORCE UNITS (As of 31 December 1978)



SOURCE: J33

Figure 3

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- Status: PACAF controls ten tactical fighter squadrons, totalling 192 F-4s. Two squadrons are in the Philippines, four are on Okinawa, and four are in Korea. Those at Osan, Kunsan and Taegu are specifically tasked for Korea; the rest are available for general Asian contingencies. Two tactical airlift squadrons in Japan and the Philippines, plus some reconnaissance and special operations units, round out the inventory.

- Trends: F-15s will begin operating from Kadena in the last quarter of FY 79. By the end of FY 80, all squadrons in Japan will have transitioned to the F-15, the first AWACS will be on rotation to Kadena, and F-4G Wild Weasel aircraft will be deployed at Clark. F-16s will completely replace F-4s in Korea during FY 83. By FY 84, a total of five AWACS should be available in WestPac.

Strategic Forces (U)

- (U) - Status: A squadron of B52Ds, various tanker and reconnaissance units, and 10 Polaris-equipped SSBNs are based in Guam. Additional reconnaissance and support forces are located throughout PACOM.

- Trends: The first Trident submarine is expected to deploy to the ~~SECRET~~ FY 81. However, the PACFLT

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SBN force will drop to 2 ships in FY 82 as the Polaris submarines are retired or converted to SSNs.

Indian Ocean (U)

In addition to CINCPAC's forces shown above, the three-ship MIDEASTFOR operates in the Indian Ocean under the operational control of CINCEUR. Other U.S. ships operate in the Indian Ocean on a temporary basis. Thus far, the majority of such deployments have come from PACOM, but EUCOM contributions could increase in the future. It is important to note that the Persian Gulf, the Red Sea and the adjacent states lie within U.S. CINCEUR's area of responsibility (although not within SACEUR's). Thus our presence in that region could be increased without shifting units between CINCs.

U.S. capabilities throughout the Indian Ocean area suffer from a lack of supporting infrastructure. Programmed improvements to facilities on Diego Garcia should be completed by the end of FY 80, but the island will remain a very austere base. Limited aircraft parking space would be a particular problem during periods of heavy use.

Uncertainties (U)

Funding Levels (U)

- Army. Aside from the Unilateral Corps (ULC) for non-NATO contingencies, the Army does not program ground forces for Asia beyond those now in place. Thus alternative budget

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levels have relatively little direct impact on ground forces deployed in PACOM. (However, various OPPLANS do involve Army forces from outside the theater, and these would be affected by program cuts.) Of much more importance for both the Pacific and Indian Oceans is the Korean withdrawal decision (outlined below). This will affect not only the ROK, but also the make-up of the Unilateral Corps.

- Marine Corps. Although the Marine Corps has several important force structure issues pending, the current level of WestPac deployments should be maintainable for the foreseeable future.
- Navy. The Minimum-level Navy POM would not significantly reduce combatant ship numbers through FY-84, but it would affect readiness and delay air wing modernization. For example, the IOC of the F/A-18 would be slipped about a year. However, several years of reduced funding would have a serious impact on the force structure in the late 1980s and 1990s. This is because there will be a bloc obsolescence problem in this period as the ships from the large building programs of the late 1950s and 60s approach 30 years of age.
- Air Force. The Minimum-level Air Force POM would not affect the introduction of new aircraft into PACOM, but it would reduce readiness and delay supporting infrastructure.

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Programming Decisions (U)

- The Navy's overall force size is a long-term concern. The eventual outcome will depend not only on multi-year funding levels, but also on Navy programming decisions (e.g., high mix versus low mix), national political commitments, allied contributions and the nature of the threat. For the purpose of this discussion, however, it is enough to note that (1) the capability, and probably the size, of the fleet will grow at least through the mid-80s; (2) there still is time to make decisions for the longer term on a deliberate basis.

- The outcome of the AV-8B debate will affect the composition of both Navy and Marine fighter and attack squadrons (since the VSTOL would displace some F/A-18s), but this should not alter our basic Pacific posture.

Overseas Basing (U)

- (U) - The homeporting of additional ships overseas might increase our forward deployed posture, but also could generate pressures to redistribute non-deployed units.
- Philippine basing issues could be resolved less favorably during the next round of negotiations.

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- Increased support for a larger U.S. presence might be forthcoming from states in the Middle East and Persian Gulf region.

Korean Troop Withdrawal (U)

- The FY 81 Army POM has been developed on the assumption that the 2nd division will be mechanized after its return from Korea and made available to the ULC. Stopping the withdrawal probably would reassure our Asian allies, but it also would affect plans to improve our ability to deploy heavy forces to the Persian Gulf.

Size and Source of Indian Ocean Deployments (U)

- To date, most increases in our Indian Ocean presence have reduced our ability to respond to contingencies in WestPac. Some of this burden may be shared if future Indian Ocean deployers also are drawn from EUCOM, but the extent of such inter-regional cooperation is uncertain. The U.S. also has not decided what type and level of Indian Ocean presence we want to sustain.

Simultaneity (U)

- Our response to a major contingency in the Pacific or Indian Ocean would be constrained by airlift availability.

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The problem is particularly severe in the Persian Gulf. Concurrent crises in other regions would compound the shortfall, even if sufficient combat forces were available.

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BACKGROUND PAPER

Subject: U.S.-Taiwan Security Adjustments

General

(U) Since the announcement of normalization last December, we have radically transformed the contours of our security ties with Taiwan in accordance with understandings reached with Beijing. Our new security relationship with Taiwan has four major points:

- No U.S. military will be stationed on Taiwan after 30 April 1979.

- The Mutual Defense Treaty will terminate on 31 December 1979.

- The U.S. will continue to give Taiwan access to defensive arms on a selected basis after 1979 to include follow-on support (such as spare parts and ammunition) for equipment previously supplied. No sales of new items will be authorized in 1979, but previous commitments to include follow-on support will be delivered in 1979.

- The U.S. continues to have an interest in the security and well-being of the people on Taiwan.

Withdrawal of U.S. Military Forces

The withdrawal of U.S. forces and equipment was managed in an orderly fashion.

- All U.S. military personnel were withdrawn by 30 April:

-- One serviceman, convicted in 1975, is serving a ten-year sentence for intentional homicide.

-- One serviceman must return to Taipei to stand trial.

- Periodic depot maintenance (PDM) work on USAF and U.S. Navy F-4's will continue through 1979 after which the work will be transferred to South Korea. Seven DOD civilians remain in Taiwan on a TDY basis to provide contract supervision.

- Some Air Force WRM remains in Taiwan, and will be transferred to Taiwan cost free in 1980 by authorization contained in the Foreign Assistance Act of 1979 now before Congress.

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- Approximately three quarters of a million barrels of war reserve POL is being retained under U.S. title in Taiwan; it will be withdrawn as alternate storage facilities become available in PACOM (anticipated to be 2-4 years).

- DOD civilians from the Defense Logistics Agency have been authorized to visit Taiwan on a TDY basis to dispose of excess personal property in accordance with applicable law and DOD regulations.

- Within the American Institute in Taiwan (AIT), a Technical Affairs Office--composed of three people performing MAAG-type functions, two people for purposes of seeking and exchanging military intelligence, and one clerical/administrative support person--has been established. These individuals are true civilians and are on station in Taipei except for the two military intelligence individuals.

Mutual Defense Treaty (MDT)

To manage liaison between CINCPAC and Taiwan defense authorities until the MDT is terminated on 31 December, a small planning group (Provisional Plans Office) of approximately 40 people was created at CINCPAC.

- Two civilians, chosen by CINCPAC, were hired by AIT and are serving as CINCPAC's representatives in Taipei for the balance of the year.

- State also authorized the posting through 1979 of a Taiwan civilian (a retired Admiral) to the Honolulu branch of its unofficial entity, the Coordination Council for North American Affairs (CCNAA) to permit liaison on a reciprocal basis.

Arms Sales

No LOA's were signed in 1979 until the last week in June for the following reasons:

- Congressional authority was needed and the Taiwan Relations Act did not become law until 10 April.

- The Executive Order authorizing State and thus AIT to implement the Taiwan Relations Act and designating CCNAA as Taiwan's unofficial entity capable of making commitments on behalf of Taiwan was not signed until 22 June.

- The Executive Order required extensive staffing throughout the government due to its uniqueness and was delayed while State and Taiwan resolved an impasse over GONT statements that portrayed CCNAA as an official agency of the Republic of China.

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- DSAA and State disagreed on the procedures to use in conducting arms sales.

(U) The backlog of 50 LOA's ready for signature have been signed and agreed procedures on conducting arms sales have been implemented.

1/ We have not yet told Taiwan when we will be prepared to discuss future commitments, but have hinted broadly that we probably won't address that until autumn. In May, CCNAA presented to Mr. David Dean, Director, AIT, a list of new items it desires approved expeditiously so that LOA's and contracts can be signed at the beginning of 1980.

Training of Taiwan Military Personnel

2/ NSC decisions to terminate exercises as of last December 15 and to prohibit training in Taiwan after April 30, 1979, prevented efforts to correct deficiencies in Taiwan ASW. A mobile training team proved impossible to organize due to insufficient lead time. However, on a case-by-case basis State and the NSC have been permitting DOD civilians to go TDY to Taiwan in connection with FMS cases. For example, in May, five USAF civilians performed an audit on the first F-5F co-produced under the terms of the LOA. Fifteen visits of approximately 40 DOD civilians are projected this year.

3/ Consistent with the NSC decisions, technical training of Taiwan military personnel is continuing and the annual technical training proposal for FY-80 should be submitted for DOD and State review this summer. We have not yet faced Taiwan requests for future professional training, but we assume that it will be next to impossible to demonstrate that any particular course is so critical that its denial would lead to an unacceptable degradation in Taiwan's defense capabilities.

Military-to-Military Contacts

4/ The current modus operandi reveals greater sensitivity to things done in Taiwan than in the U.S. The degree and nature of continued military contacts is being resolved on a case-by-case basis through experience.

- As a general rule, we have told the services and CINCPAC that we must handle our contacts through the unofficial entities; we have disallowed Taiwan participation in U.S.-sponsored military conferences.

- Taiwan military officers have visited U.S. military installations on a very selected basis for FMS-related reasons. Requests that amount to social or orientation visits are being turned down.

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- A Taiwan Navy liaison officer formerly located at the U.S. Navy Logistics Center in Philadelphia now operates from CCNAA's office in Washington, but is authorized occasional trips to Philadelphia as necessary.

- Contacts between CCNAA officials in Washington and DOD personnel are working themselves out under the general understanding that working level contacts are appropriate for those that have business with Taiwan, e.g., personnel connected with security assistance.

Reassurance to Taiwan

There have been a few decisions on defense-related issues that provide some tangible reassurance to the Taiwanese of our continued interest in their well-being. Decisions on combined exercises, training, and ship visits were slow in coming, and have been adjusted in the direction of harsher treatment.

- Combined exercises, initially to be reviewed on a case-by-case basis, were later prohibited.

- Ship visits, resumed in March, were terminated in June. Taiwan does not yet know about this latter decision.

Conclusion

We conducted a successful withdrawal of our military forces from Taiwan and have made adequate provisions to discharge our responsibilities under the Mutual Defense Treaty in 1979. The mechanisms for continued arms sales developed appear workable though they are not likely to be a model of efficiency. Our efforts to give substance to our statements of continued interest in Taiwan's well-being beyond arms sales have provided a measure of reassurance to Taiwan authorities, but the ship visit decision will heighten concerns over other aspects of our relationship, especially future arms sales.

Prepared by Maj McCallum, OSD/ISA, x77348, 6 Jul 79

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BACKGROUND PAPER

SUBJECT: U.S.-PRC Security Cooperation

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DATE 4/13/99

Background

We have gained significant security advantages from past improvements in our relations with the PRC.

- We have ended the "era of confrontation" with China. Given the magnitude of our ongoing Soviet problem and existing political and budgetary constraints, the ending of our confrontation with Beijing has freed U.S. resources and provided us greater flexibility in our global security planning.

- Improved Sino-American relations, combined with the continuation of the Sino-Soviet split, have also increased Soviet concerns about what they view as a two-front security problem.

- In a more positive sense, our dealings with the Chinese support our own national security position. Beijing now actively supports a strong NATO and no longer seeks to undermine the U.S.-Japanese defense relationship or our presence in such countries as Thailand and the Philippines.

This is not to say that China's foreign policy goals and actions

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Fully support American interests and policies. Clearly they do not. Nor can we expect the Chinese to forego their interests any more than we are willing to subordinate our interests to theirs. However, the fact remains that we have gained significant advantages from past improvements in Sino-American relations and we expect normalization will consolidate these gains and lay the ground work for future cooperation.

The Current Relationship

Normalization aside, we have taken several steps which either inadvertently or through design have served to develop a security component in U.S.-PRC relations. For example, on several occasions--most recently during the Deng visit in January--we have exchanged views on a wide range of security issues. We have also provided the Chinese with information on SALT II, U.S. contributions to NATO, and other issues. In addition, while maintaining a posture of "even-handedness" in the sale of U.S. arms and technology to the PRC and USSR, we have been somewhat more forthcoming in response to Chinese requests to purchase dual-use technology and are embarked on a wide-ranging scientific and exchange program with the PRC which includes the sale of a communications satellite. Finally, we have publicly taken the position that we would not oppose the sale of defensive arms to China by third countries.

Moreover, as a result of normalization, we are taking several

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actions which could be construed to be the beginnings of an active security relationship. There has been a reciprocal posting of defense attaches in Beijing and Washington; a delegation of our National Defense University has visited China; the U.S. Army Corps of Engineers has offered to train 40 Chinese engineers in a wide variety of fields, all related to construction and management of large-scale hydroelectric projects; and we have broached the subject of U.S. Navy ship visits to China with Beijing.

Reactions by Others

Soviet perceptions of what they might view as a U.S.-PRC security relationship are difficult to gauge because Soviet interests argue strongly for the leadership in Moscow to conceal whatever anxieties it may have about improved U.S.-PRC relations. Still, there have been propaganda blasts and veiled warnings about the implications of a U.S.-Chinese-Japanese entente directed against the Soviet Union. A continuation of the current level of U.S.-PRC security cooperation--parallel policies, consultations, diplomatic support, acquiescence in limited third country arms sales of defensive arms, and provision of dual-use technology on an ostensibly "even-handed" basis--is not likely to elicit a strong Soviet response. Nor would U.S. Navy ship visits or exchange visits by military students, since in both instances we have had similar contacts with the Soviets. However, to go much beyond this level of U.S.-PRC security interaction could risk a reaction

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from Moscow that would not serve our interests.

To date, our allies have been out-in-front in the areas of arms sales to China and military-to-military contacts. For example, in all likelihood, the British and French will eventually conclude some form of arms sales agreement with the PRC; a French frigate has already visited Shanghai, and many of our allies-- including Japan--have established military-to-military contacts.

Despite their own actions, however, our allies are likely to take a more cautious view of U.S.-PRC security relations. Japan is a special case in point. By signing a peace treaty and a long-term trade agreement with China, Tokyo has already signaled a limited "tilt" in its relations between Beijing and Moscow. However, the Japanese have expressed their doubts about the benefits of a Sino-Japanese-U.S. security connection, fearing complications in their relations with Moscow, a loss of diplomatic freedom of action, and the inevitable Diet criticism.

The continuation of current forms of U.S.-PRC security relations would probably elicit little response from our allies. Acts which have a precedent in Soviet-American relations, such as ship visits and low-level military-to-military contacts, might cause some initial concern but could be explained away. However, U.S.-PRC security cooperation beyond that "threshold" is likely to generate deeper apprehensions, especially if it precipitates a

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strong Soviet response or a deterioration in Soviet-American relations.

Future Developments in Sino-American Relations

In the period since normalization, the U.S. and China have expanded their relationship in a number of ways. They have agreed to establish consular relations; signed an agreement on cooperation in science and technology; exchanged letters of understanding on cooperation in education, agriculture and space; and settled the claims-assets issue. These agreements represent a logical extension of normalization and further agreements of this nature are likely.

We will also continue our discussions of strategic issues with the Chinese--both in Washington and Beijing.

There will also be some expansion of our Defense Attache Offices and further military-to-military and defense contacts. We do not, however, anticipate any change in our policy concerning arms sales. Specifically, the U.S. will not sell arms to either the PRC or the USSR; nor will we authorize third country sales of defensive arms to China if those arms include U.S. components or technology which require U.S. Government approval for their sale.

Prepared by: LTC A. K. Richeson, OSD/ISA, x77348, 5 July 79

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WORKING PAPER
DESTROY WHEN NO LONGER NEEDED

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Background Paper for the US Delegation to SSC XI,
31 July - 2 August 1979.

I. SUBJECT: US-Japan Complementarity (U)

II. MAJOR POINTS:

A. Complementarity is a concept for enhancing US-Japan mutual defense cooperation in such key areas as force structure, operational concepts, and resource allocation.

B. Complementarity goals are to:

- Improve compatibility and interoperability between military forces, to include equipment; military planning; operations and logistics concepts; and command, control, and communications capabilities.
- Develop and delineate specific areas of cooperation and sharing of responsibilities in ASW and mine warfare, airborne early warning, and air defense, with a view toward achieving increased mutual effectiveness and economy of operations.
- Expand current personnel exchange programs and increase joint/combined training exercises.

C. US Position

- The US has and will continue to have a need to operate effectively with non-NATO Allies. This requires maintenance of at least the current level of interoperability with Japan and continuous effort to attain complementarity goals.
- Interoperability should be a standard "check list" item for all new equipment acquisitions and operations/logistics concepts.

D. Japanese Position

- JDA supports complementarity goals.
- Recent signals indicate JDA desire to place more emphasis on interoperability.

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E. Specific areas for complementarity.

- ASW. Coordinate ASW operations in and around Japanese territorial seas and adjacent waters with bulk of forces furnished by JMSDF. US Forces concentrate on SLOCs farther out. Intermesh of communications and intelligence for "take" from surveillance.
- Air Defense. Primary responsibility on JASDF, reenforced, as required by US Air Force and US Navy. Ground environment provided by Japanese with coordinated assets by US Forces. Fast reaction times require facilities and systems in-being for contingencies as well as constant exercise of AC&W/GCI, beddown of US assets.
- Intelligence. Develop authorities and mechanism to share strategic and tactical intelligence.
- Communication. Need in-being system for contingency coordinated operations, interfacing JSDF/US Forces as well as NCA's. In-being system required to exercise and develop procedures and for coordination/control of peacetime operations.

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WORKING PAPER
DESTROY WHEN NO LONGER NEEDED

Background Paper for the US Delegation to SSC XI,
31 July - 2 August 1979.

I. SUBJECT: NATO Rationalization, Standardization, and
Interoperability

II. MAJOR POINTS:

A. Definitions

- Rationalization: Any action increasing effectiveness of Alliance Forces. Includes: redirecting national priorities to alliance needs; standardization; interoperability; specialization; and mutual support. Applies to both weapons/material and non-material military matters.
- Standardization: Process to achieve closest practicable cooperation among forces; efficient use of R&D and production resources; common or compatible procedures. Components, weapons, and tactical doctrine.
- Interoperability: Ability of forces, units or systems to provide services from other forces, units or systems in order to operate effectively together.

B. Rationalization covers full range of actions to improve NATO's defense posture.

C. Standardization is a long-term goal to simplify logistic, operational, and fiscal coordination problems.

D. Interoperability is a short/mid-term goal for improving the ability for national components to operate together more effectively.

E. Five high priority standardization/interoperability areas adopted by NATO Military Committee.

- Interoperable C³.
- Aircraft cross-servicing.
- Interchangeability and standardization of ammunition.
- Interoperable surveillance/target designation and acquisition systems.
- Interoperability or standardization of spare parts.

F. Three approaches for cooperative development and production of armaments.

- General procurement MOUs. A major goal is the reduction of national barriers to fair competition by NATO defense industries by reciprocal waivers of various "buy national" requirements and practices. Using the UK-US agreement as the initial model, we have completed agreements with seven NATO nations, and five others have expressed interest in negotiations.
- Dual production of existing weapons systems. Under this approach, a nation that has developed a system useful to the alliance would permit others to produce the system, thereby avoiding the need to develop a similar system. The US is presently involved in such arrangements on the French/German-developed ROLAND and has offered for European production the AIM-9L air-to-air missile, the COPPERHEAD Laser-guided Artillery Projectile, and the STINGER shoulder-launched surface-to-air missile.
- Family of Weapons approach is to avoid duplicative R&D and, where practicable to achieve production by early agreement among nations on the responsibility for developing the weapon systems of the family. As we envision the implementation of this concept, participating NATO nations would group weapons with similar missions and then agree on which nations would take the lead for development of specific system. Each developing nation would make available the weapon system to the other nations or would provide a data package for co-assembly or co-production.

G. No Alliance-wide agreement exists on all of the initiatives nor on how to achieve these goals. Indeed, all is not smooth within the US itself. Europeans are somewhat cool to the US push for greater standardization and are generally keeping a "wait and see" attitude. This attitude is based on the feeling that, although US executive branch officials are sincere in their intent to support cooperative arms development programs, there is significant doubt that various other US interests such as industry, labor and Congress will cooperate. These attitudes are being addressed in various international fora by the US in an attempt to allay these fears, and nationally to gain congressional, industry and labor support for these initiatives. Progress is being made, particularly in the field of interoperability, but a great many hurdles remain if NATO's military posture is to be improved to the point necessary to meet a Warsaw Pact thrust.

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SOME BENEFITS AND COSTS OF CO-PRODUCTION

(U) Analyses of co-production seem to fall into two distinct categories. Proponents look at co-production benefits relative to the inefficient manufacture of nonstandardized equipment by allies, or the purchase of equipment from third parties. Skeptics compare co-production costs to potential returns from direct sales by the U.S.

(U) Unfortunately, the disparate bases from which the comparisons are drawn lead almost inevitably to their respective conclusions. In fact, each approach tends to overstate its case. The benefits from co-production usually fall short of projections for a variety of political, social and economic reasons. Similarly, the fact that prospective co-production partners have other options besides direct U.S. purchases limits our ability to extract concessions (although we probably could do a better job than we have so far).

(U) With this in mind, some of the costs and benefits addressed by the proponents and detractors of co-production are summarized in the attached tables.

Asia Div
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(U) Most of the problems that we have gotten into over co-production seem to have come from overly optimistic forecasts of benefits without adequately considering the political or technical compromises that would have to be made to implement the co-production agreement. An example is Roland, where the U.S. Army's requirement that the European electronics be extensively reworked for U.S. production negated most, if not all, the cost savings that had been predicted.

(U) Future plans for co-production should discuss potential costs and savings only in the context of a detailed implementation scheme. The U.S. also probably needs to be more hard-nosed in its bargaining for co-production agreements. In fact, we probably should discourage co-production unless the results are clearly in the best interests of both ourselves and the alliance. However, we also should not forget that allies do have options in their weapons procurement decisions, and that some of these options could leave us all worse off than the co-production choice.

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ALTERNATE VIEWS OF THE COSTS AND BENEFITS OF COPRODUCTION

PROPOSERS' VIEW

(Comparisons relative to individual national efforts or procurements from non-U.S. sources)

BENEFITS TO ALLIANCE

Reduced Total Costs to Allies for a Given System

- Reduced R&D costs by avoiding duplicate national systems. (Savings estimated as high as \$2 billion if Patriot co-produced)
- Economies of scale or rate could be as high as \$4.5 billion per year if all NATO procurement were allocated to the most efficient producer.

Increased Standardization

- Improved operational efficiency
- Reduced logistic support costs

Expanded Production Base

- Reduced wartime vulnerability

BENEFITS TO U.S.

Economies of Scale (or Rate)

- Reduced costs of US-built components

Trade Balance Advantages

- A percentage of a coproduction deal is better than no share of a unilateral foreign development program, or purchases from non-U.S. sources

COSTS TO U.S.

Procurement of Unattractive Systems

- In the name of alliance solidarity, e.g. Roland

Technology Transfer

- Problems in this area can be monitored and contained

COSTS TO ALLIANCE

Few to None

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OPPONENTS
(Comparisons relative to direct sales from U.S. manufacturers)

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BENEFITS TO ALLIANCE

Few to None

BENEFITS TO U.S.

Such political benefits as are gained involve excessive economic concessions

COSTS TO U.S.

Loss of Revenues

- Returns from coproduction usually are less than from direct sales

Balance of Payments

- Direct sale returns could ease our trade balance

Technology Transfer

- U.S. economy no longer is in a position to "give away" technology
- Coproduction also implies a possible subsidizing of future foreign competition

Loss of Jobs

- Coproduction returns often are in the form of royalties and license fees that don't create jobs.

COSTS TO ALLIANCE

Ineffective Use of Total Alliance Resources

- Lowest-cost supplier is best. (100 Japanese F-15s could have been bought for about \$1.96 billion vs. \$3 billion plus via coproduction)

Increased Tensions

- Inefficiencies of coproduction and unequal sharing of benefits will introduce strains

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AVAILABLE FORCES
(As of 31-December 1978)

ARMY	NAVY/MARINES	AIR FORCE
OPCOM TO CINCPAC*		
<ul style="list-style-type: none"> 1 Army Headquarters 2 Corps Headquarters 1 Infantry Division 1 Air Defense Brigade w/12 HAWK Batteries 8 Separate Aviation Companies 	<ul style="list-style-type: none"> 2 Numbered Fleets 6 Attack Carriers 16 Cruisers 63 Destroyers/Destroyer Escorts 12 Submarines (SSBN) 25 Submarines (SS/RBN) 22 Amphibious Warfare Ships 6 Carrier Air Wings 20 Fighter/Attack Sqds 10 Reconnaissance/Intelligence Units 7 Early Warning Units 10 Carrier ANW Sqds 4 LAMPS Sqds 12 Patrol Sqds 6 Tanker Detachments 1 Light Photo Sqdn 3 EC-130Q VLF Relay (TACAMO) Aircraft 9 SOSUS Stations 1 Naval Special Warfare Group <p style="font-size: small;">* Includes Naval Air Units deployed to LANTCOM/EUCOM.</p>	<ul style="list-style-type: none"> 2 Numbered Air Forces 3 Air Divisions 1 Composite Wing 1 Tactical AirFB Wing 3 Tactical Fighter Wings 1 Aeronautics Sqdn 2 Tactical Air Support Sqds 1 Tactical Reconnaissance Sqdn 1 Special Operations Sqdn 10 Tactical Fighter Sqds 2 Tactical AirFB Sqds 1 Airborne Command & Control Sqdn 1 Tactical Fighter Training Aggressor Sqdn
IN PACOM BUT NOT OPCOM TO CINCPAC		
<ul style="list-style-type: none"> 1 Engineer Group 1 Signal Brigade 1 General Support Group 1 Heavy Boat Co UBASA Units in the Pacific Army National Support Units 1 Infantry Brigade Army Reserve Units 1 Infantry Battalion 1 Civil Affairs Group 1 Engineer Construction Battalion 1 Corps Headquarters (AUG) 	<ul style="list-style-type: none"> 10 Destroyers (Naval Reserve Trng) 3 Mine Warfare Ships (Naval Reserve Trng) 2 Amphibious Warfare Ships (Naval Reserve Trng) 47 Auxiliary Ships 1 Fleet Composite Operations Readiness Group 	<ul style="list-style-type: none"> 1 Air Division (RAC) 2 Strategic Wings (RAC) 1 Air Refueling Sqdn (RAC) 1 Bomber Sqdn (RAC) 3 Strategic Reconnaissance Detachments (MAC) 1 Weather Reconnaissance Sqdn (MAC) 1 Test Group (AFRC) 1 Tactical Fighter Sqdn (Air National Guard) Air Force Security Service Units (AFSS) Air Force Communications Service Units (AFCS) 1 Air-Sea Rescue/Recovery Sqdn (MAC) Air Weather Service Units (MAC)

SOURCE: J33

Table 1

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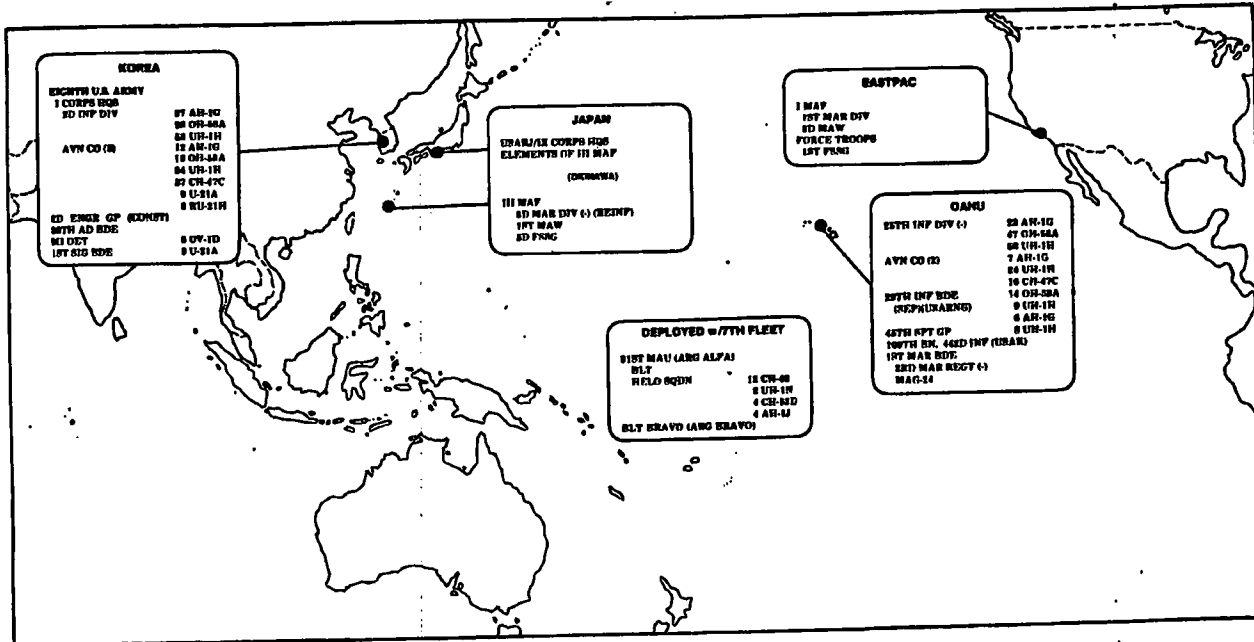
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DEPLOYMENT OF MAJOR GROUND UNITS (As of 31 December 1978)



SOURCE: J33

Figure 1

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Japan

- Status: Two brigades of the 3rd Marine Division are deployed to Japan and Okinawa. Together with the 1st Marine Air Wing (MAW) they provide air and ground forces for amphibious operations. Such operations would be under the command of III Marine Amphibious Force (MAF), whose headquarters is in Okinawa. In addition, the headquarters is in Okinawa. In addition, the headquarters of the U.S. Army's IX Corps is established under USFJ should additional forces be assigned.

- Trends: Army presence and facilities in Japan are being consolidated on Honshu in accordance with WESTPAC III recommendations. No changes in Marine Corps deployments are programmed.

Afloat

- Status: A Marine Amphibious Unit (MAU) and a Battalion Landing Team (BLT) are deployed in the Western Pacific aboard two Amphibious Ready Groups (ARG). Totalling about 1,800 men, they provide rapid reaction forces for limited contingencies in the region.

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- Trends: No force level changes are programmed, but amphibious shipping with Marines embarked may be deployed more often into the Indian Ocean.

Oahu

- Status: The 25th Infantry Division, with its reserve roundout, constitutes CINCPAC's strategic reserve. The remaining brigade of the 3rd Marine Division also is based on Oahu.
- Trends: Although no decisions have been made, the future configuration and orientation of the 25th division is under review.

Eastern Pacific

- Status: I MAF, consisting of the 1st Marine Division and the 3rd MAW, is located at Camp Pendleton. It is earmarked for Europe during a NATO war.

- Trends: Although there are no major changes programmed for I MAF, the reduction in amphibious lift to 1.15 AE may extend its closure time.

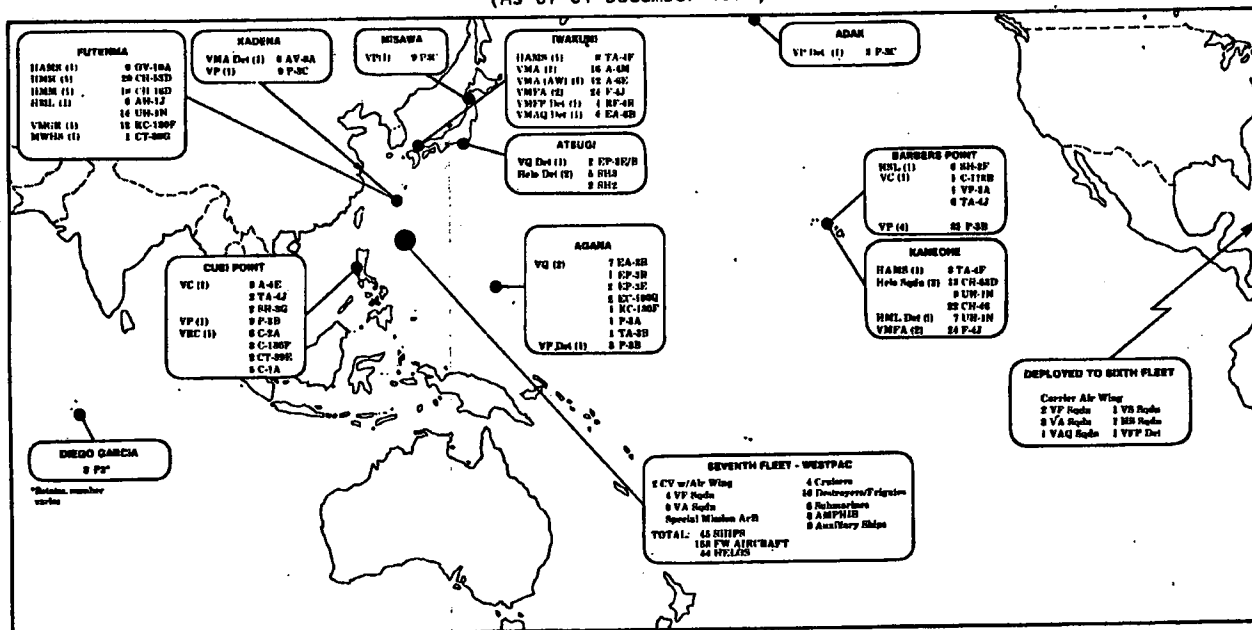
Naval Ship and Aviation Units (U)

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These deployments are outlined in Figure 2.

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DEPLOYMENT OF NAVAL AIR & SHIPS UNITS

WESTPAC
(As of 31 December 1978)



SOURCE: J33

Figure 2

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Afloat

- Status: The Seventh Fleet represents the forward-deployed naval component of CINCPAC's forces. Centered around two carriers and two amphibious ready groups, its principal missions include peacetime presence in the Western Pacific and Indian Oceans, contingency response, SLOC protection and offensive operations in wartime. Seventh Fleet units are homeported in Japan and the Philippines, but most units are supplied on a rotational basis from Third Fleet.

In wartime, the Third Fleet would be responsible for combat operations in the central and eastern Pacific, including protection of the SLOCs to Alaska and Hawaii. Peacetime missions include surveillance of potentially hostile forces East of 160°E and the provision of training and readiness support services to units not actually deployed to WestPac. In some circumstances, Third Fleet units might be swung to the Atlantic in support of NATO. *(In others, Second Fleet units might be swung to Pacific). jeh*

- Trends: Despite uncertainties about funding levels and procurement programs, the Pacific fleet will increase its combat power through the next several years. As shown in Table 2, total ship numbers should increase through FY 84, but then will begin to

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decline slowly. However, the increase will be concentrated in major surface combatants and attack submarines while offsetting reductions will come from the ranks of auxiliaries and reserve ships. The most significant change in the fleet should be the addition of a second nuclear carrier after CVN-70 becomes deployable about FY 83.

Table 2
U.S. Pacific Fleet Naval Forces by Categories FY 79-88 (S)

<u>Type</u>	<u>Beginning FY 79</u>	<u>End FY 84</u>	<u>End FY 88</u>
Carriers	6	6	5
Major Surface Combatants	80	101	105
Attack Submarines	35	47	35
Amphibious Ships	33	30	29
Auxiliaries, Patrol, Minecraft	47	33	26
Total Active (Less SSBN)	201	216	200
Reserves	23	17	9
MSC Fleet Support	9	19	23
Total Pacific Force (Less SSBNs)	233	252	232
Total Navy (Less SSBNs)	490	546	499

Source: SASDT update 19 May 1979, Section E, basic level.

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Ashore

- Status: In addition to the carrier air wings afloat, significant numbers of Navy and Marine Corps aircraft are located at bases ashore. ASW patrol aircraft (P-3s) regularly operate from several fields ranging from Adak, Alaska to Diego Garcia. Support and special mission squadrons are similarly deployed. Marine Corps attack or Fighter-Attack squadrons are located in Japan and Hawaii, and a detachment of AV-8 Harriers is on Okinawa.

- Trends: By the end of the FYDP period, all carrier air wings, with the exception of Midway and Coral Sea, will have replaced F-4s with F-14s. F-18s and A-18s will be introduced to Marine Corps squadrons in FY 83 and 84 respectively (although the AV-8B issue may affect the IOC). Carriers will begin receiving F/A-18s about FY 85. Land-based ASW capabilities will be improved with the P-3 update program.

Major Air Force Units (U)

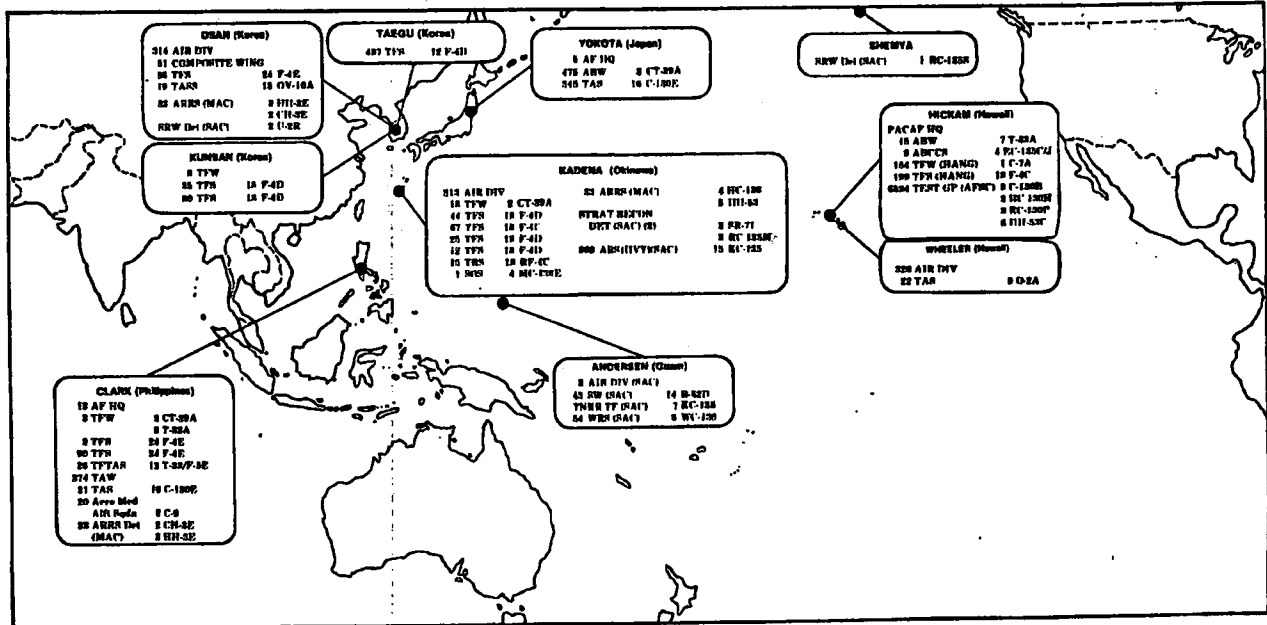
~~(S)~~ Air Force deployments are outlined in Figure 3.

- Status: PACAF controls ten tactical fighter squadrons, totalling 192 F-4s. Two squadrons are in the

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DEPLOYMENT OF MAJOR AIR FORCE UNITS (As of 31 December 1978)



SOURCE: J33

Figure 3

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Philippines, four are on Okinawa, and four are in Korea. Those at Osan, Kunsan and Taegu are specifically tasked for Korea, the rest are available for general Asian contingencies. Two tactical airlift squadrons in Japan and the Philippines, plus assorted support and special operations units, round out the inventory.

- Trends: F-15s will begin operating from Kadena in the last quarter of this Fiscal Year. By the end of FY 80, all squadrons in Japan will have transitioned to the F-15, four AWACs will be on rotation to Kadena and F-4G Wild Weasel aircraft will be deployed at Clark. F-16s will completely replace F-4s in Korea during FY 83. The deployment of Pave Tack and Pave Penny-equipped aircraft will allow 24 hour use of laser-designated PGMs.

Strategic Forces

- Status: A squadron of B-52Ds, various tanker and reconnaissance units, and 10 Polaris-equipped SSBNs are based in Guam. Additional reconnaissance and support forces are located throughout PACOM.
- Trends: The first Trident submarine is expected to deploy to the Pacific in FY 81. However, the PACFLT

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SSBN force will drop to 2 ships in FY 82 as the Polaris submarines are retired or converted into SSNs.

Indian Ocean (U)

In addition to CINCPAC's forces shown above, the three-ship MIDEASTFOR operates in the Indian Ocean under the operational control of CINCEUR. Thus far, the majority of U.S. Indian Ocean deployments have come from PACOM, but increased EUCOM contributions may develop in the future. It is important to note that the Persian Gulf, the Red Sea and the adjacent states lie within U.S. CINCEUR's area of responsibility, but not within SACEUR's.

Uncertainties (U)

Funding

Navy. The minimum level of the Navy POM would retire older ships faster than the basic level, but would not significantly affect the fleet's combat power through FY-84. The IOC of the F/A-18 would be shipped about a year. However, the impact of reduced funding would become increasingly severe through the late 1980s and 1990s since there will be a bloc obsolescence problem as the ships from ^{the} large building programs of the late 1950s and 60s approach 30 years of age.

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DEFENSE BULLETIN

Public Information Division, Defense Agency

VOL. II, NO. 3 APR, 1979

TEL 408-5211 7-45 AKASAKA 9-CHOME, TOKYO, JAPAN

OUTLINE OF THE DEFENSE BUDGET FOR FY 1979

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Translated by the Foreign Press Center, Japan
from Boei Antenna (Defense Antenna)
Japan Defense Agency Public Information Division,
February 1979, pp. 9-21

PREFACE

The defense budget for Fiscal Year 1979 is designed to maintain a balanced forward defense strength and logistic support through the replacement and modernization of equipment in accordance with the "National Defense Program Outline" taking into consideration the prevailing tight economic and financial circumstances and maintaining harmony with the various non-defense policy needs of the Nation.

The total defense budget for FY 1979 is ¥2,094.5 billion, an increase of ¥193.5 billion or 10.2% over the previous year's initial budget of ¥1,901 billion.

As a result, the ratio of defense budget to GNP is 0.90%, the same as the previous year's. However, compared to the Treasury's General Account, defense is down to 5.43% of the budget (cf. 5.54% last year). This decline is primarily attributed to the 26.6% increase in the National Bond allocations, the 20.0% increase in public works expenditure and other like increases.

In formulating this year's defense budget, the following policies were given special emphasis:

(1) Equipment Improvement

Renewal modernization is stressed for ships and aircraft. In addition, acquisition of the E-2C, an airborne early warning aircraft, is to be initiated this year for the purpose of filling up a weak point in early warning surveillance to cope with low altitude infiltration.

	<u>FY 1978</u>	<u>FY 1979</u>
Tanks	48	48
Aircraft	92	71
Ships	5	10
(Tonnage)	(9,880)	(15,280)

(2) Extension of Retirement Age for Self Defense Forces Personnel

The retirement age of the Self Defense Forces Personnel is to be extended by three years. In FY 1979, to begin with, the retirement age of 50 for the ranks from Warrant Officer to Lieutenant Colonel is to be extended by one year to 51.

(3) Promotion of Research and Development

In order to raise the quality of the defense capability, promotion of research and development is to be pressed forward. For this purpose, the allocation of budget for Technical Research and Development is increased.

FY 1978	¥19.3 billion
FY 1979	¥24.3 billion

(4) Improvement of Defense Facilities

In order to maintain a balanced forward defense strength and logistic support, improvement of defense facilities in the air bases, ports and ammunition depots is to be implemented. Also positive efforts are to be made to improve corps living facilities, including rebuilding old barracks and civilian housing.

	<u>FY 1978</u>	<u>FY 1979</u>
Facilities	¥46.4 billion	¥60.5 billion

(5) Positive Countermeasures for SDF bases

- a. With the increasing importance of SDF base problems, substantial expansion is planned in the budget for measures to counter base-associated problems by increasing budget related to maintenance work in the areas adjacent to SDF facilities.
- b. Taking the recent yen appreciation into consideration, measures have been taken to bear a part of payment for the Japanese employees who work for the U.S. Security Forces (measures for the employees) as well as to promote maintenance of facilities provided for the use of the Security Forces as necessary expenses incurred in the stationing of the U.S. Forces so that they are able to carry out their duties smoothly.

	<u>FY 1978</u>	<u>FY 1979</u>
* Various countermeasure work in the areas adjacent to SDF bases	¥96.5 billion	¥117.7 billion
* Maintenance cost for facilities provided to the Security Forces	None	¥14 billion
* Measures for the Japanese employees working for the U.S. Forces bases	¥6.4 billion	¥13.8 billion

1. Scope of Defense Budget

(Unit: 100 million Yen)

	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979
Defense Budget (A)	13,273	15,124	16,906	19,010	20,945
Percentage increase over previous year	21.4%	13.9%	11.8%	12.4%	10.2%
Defense Agency	11,974	13,707	15,349	17,089	18,526
Percentage increase over previous year	21.5%	14.5%	12.0%	11.3%	8.4%
Defense Facilities Administration Agency	1,298	1,415	1,549	1,849	2,346
Percentage increase over previous year	20.6%	9.0%	9.5%	19.2%	27.1%
National Defense Council	1	1	1	1	1
Finance Ministry	0	0	7	74	72
Gross National Product (B)	1,585,000	1,681,000	1,928,500	2,106,000	2,320,000
General Account (C)	212,888	242,960	285,143	342,950	386,001
Percentage increase over previous year	24.5%	14.1%	17.4%	20.3%	12.6%
(A)/(B)	0.84%	0.90%	0.88%	0.90%	0.90%
(A)/(C)	6.2%	6.3%	5.9%	5.5%	5.4%

- Note:*
1. Both defense budget and General Account figures are initial budget figures.
 2. Finance Ministry figures are the Special Account for Consolidation of Special National Property.
 3. GNP is initial forecast.
 4. Figures hereinafter have been rounded off, such that totals do not necessarily equal the simple sum of the components.

2. Expenditure

(1) Breakdown by Organization

(Unit: million Yen)

	FY 1979(A)	FY1978(B)	(C)=(A) -- (B)	(C)/(B)%
Ground Self-Defense Force (GSDF) .	859,871	798,853	61,018	7.6
Maritime Self-Defense Force (MSDF)	454,004	421,109	32,895	7.8
Air Self-Defense Force (ASDF)	482,653	437,842	44,812	10.2
Sub-total	1,796,528	1,657,804	138,724	8.4
Internal Bureau	6,845	6,058	788	13.0
Joint Staff Council	803	765	38	5.0
National Defense College	897	720	178	24.7
National Defense Academy	8,677	8,478	199	2.3
National Defense Medical Collge.	8,591	7,887	704	8.9
Technical Research and Development Institute (TRDI)	26,843	22,535	3,307	14.1
Central Procurement Office	3,438	3,652	Δ 214	Δ 5.9
Sub-total	56,094	51,095	4,999	9.8
Defense Agency (Total)	1,852,622	1,708,898	143,724	8.4
Defense Facilities Administrative Agency (DFAA)	234,574	184,630	49,944	27.1
Finance Ministry (FM)	7,171	7,385	Δ 215	Δ 2.9
DA + DFAA + FM (Total)	2,094,367	1,900,914	193,453	10.2
National Defense Council	123	116	7	5.9
Defense-related Budget (Total)	2,094,489	1,901,030	193,460	10.2

(2) Breakdown by Item

(Unit: million yen)

	FY 1979(A)	FY 1978(B)	(C) = (A) - (B)
General Administration Expenditure (Defense Agency)	1,191,257	1,147,011	44,246
1. Personnel (Uniform and Civilian)	1,026,511	984,704	41,808
2. Travel	8,193	7,911	281
3. Office Administration	37,057	35,839	1,218
4. Clothing	6,555	6,371	184
5. Rations	33,377	33,530	Δ 153
6. Medical Care	15,739	14,147	1,592
7. Training and Education	24,334	23,569	765
8. Fuel	28,569	30,967	Δ 2,398
9. Others	10,921	9,972	948
Weapons and Vehicles, etc.	159,903	115,266	44,637
Aircraft	142,700	130,829	11,871
Ships	89,944	79,678	10,267
Facilities	60,497	46,203	14,295
Equipment Maintenance	186,419	171,156	15,263
Facility Construction and Maintenance Incidental Administration	1,547	1,346	201
Research and Development	20,355	17,411	2,943
Defense Agency (Total)	1,852,622	1,708,008	143,724

(Unit: million yen)

	FY 1979(A)	FY 1978(B)	(A) - (B)
General Administration Expenditure (Defense Facilities Administration Agency)	18,011	17,624	387
1. Personnel (Civilian)	16,467	16,180	286
2. Others	1,544	1,443	101
Labor Administration Expenditure	16,220	8,838	7,381
Expenditure in relation to Administration of Facilities and Areas	179,945	142,342	37,603
Relocation/Consolidation Expenditure on Facilities and Areas	20,293	15,728	4,564
Contributions by GOJ Under Japan-U.S. Mutual Defense Assistance Agreement	106	98	8
DFAA (Total)	234,574	184,630	49,944
(National Defense Council)			
1. Personnel	96	91	4
2. Others	27	24	3
National Defense Council (Total)	123	116	7
Finance-Ministry	7,171	7,385	Δ 215
Defense Budget (Total)	2,094,489	1,901,030	193,460

3. Contract Authorization and Continued Expenditure

(1) Contract Authorization (New)

(Unit: million yen)

Item	FY 1979(A)	FY1978(B)	(A) - (B)
Ordnance.....	78,596	60,554	18,042
Ammunition.....	37,313	38,540	Δ 1,227
Aircraft.....	116,308	295,442	Δ 179,134
Ships.....	16,704	7,767	8,938
Equipment Maintenance....	93,145	93,121	24
Others.....	79,733	40,916	38,818
DA (Sub-total).....	421,799	536,339	Δ 114,539
DFAA (Sub-total).....	28,756	18,608	10,148
Total	450,555	554,947	Δ 104,392

(2) Continued Expenditure (New)

(Unit: million yen)

	Total	Future Obligations by year				
		FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
(FY 1979)						
DD	91,290	2,476	22,231	15,255	36,620	14,708
DE	15,052	534	5,317	6,830	2,371	-
SS	25,871	275	12,463	6,949	6,184	-
(FY 1978)						
DDG	45,885					
DD	29,346					
SS	26,343					

(3) Future Obligations

(Unit: million yen)

	FY 1979			FY 1978		
	New	Scheduled	Total	New	Scheduled	Total
A. Contract Authorization						
Ordnance	72,611	15,994	88,605	56,156	9,215	65,372
Ammunition	37,141	4,562	41,703	38,463	4,741	43,203
Aircraft	111,546	230,302	341,848	290,146	119,327	409,473
Ships	15,513	5,377	20,890	7,644	12,648	20,292
Equipment Maintenance ..	92,072	1,514	93,587	91,947	3,830	95,777
Others	70,556	4,379	74,935	38,043	2,075	40,118
Sub-total	399,440	262,128	661,568	522,400	151,835	674,235
B. Continued Expenditure	128,928	110,940	239,868	99,509	88,673	188,182
DA Total	528,368	373,068	901,436	621,909	240,508	862,417
Contract Authorization	17,970	0	17,970	12,095	0	12,095
DFAA Total	546,338	373,068	919,406	634,004	240,508	874,512
Contract Authorization (Total)	417,410	262,128	679,538	534,496	151,835	686,331
Continued Expenditure (Total)	128,928	110,940	239,868	99,509	88,673	188,182

4. Personnel Ceiling

(Unit: persons)

	FY 1978			FY 1979 Increase			At the end of FY 1979 (Requested)		
	Uniformed	Civilian	Total	Uniformed	Civilian	Total	Uniformed	Civilian	Total
GSDf	180,000	11,409	191,409	0	(Δ 116) 31	Δ 85	180,000	11,324	191,324
MSDF	42,278	4,389	46,667	814	(Δ 41) 17	790	43,092	4,365	47,457
ASDF	45,492	4,730	50,222	325	(Δ 45) 20	300	45,817	4,705	50,522
Sub-total	267,770	20,528	288,298	1,139	(Δ 202) 68	1,005	268,909	20,394	289,303
Internal Bureau	0	512	512	0	(Δ 3) 7	4	0	516	516
Joint Staff Council	83	34	117	0	0	0	83	34	117
National Defense College	0	91	91	0	0	0	0	91	91
National Defense Academy	0	699	699	0	(Δ 4) 1	Δ 3	0	696	696
National Defense Medical College	0	789	789	0	(Δ 3) 145	142	0	931	931
Technical Research and Development Institute	0	966	966	0	(Δ 9) 4	Δ 5	0	961	961
Central Procurement Office	0	595	595	0	(Δ 5) 3	Δ 2	0	593	593
Sub-total	83	3,686	3,769	0	(Δ 24) 160	136	83	3,822	3,905
DA Total	267,853	24,214	292,067	1,139	(Δ 226) 228	1,141	268,992	24,216	293,208
DFAA	0	3,503	3,503	0	(Δ 26) 31	5	0	3,508	3,508
TOTAL	267,853	27,717	295,570	1,139	(Δ 252) 259	1,146	268,992	27,724	296,716
Reserve Personnel	39,600			1,000 (GSDf)			40,600		

Note: Figures in parentheses are personnel reductions (250) and personnel transferred (2)
to the Ministry of Foreign Affairs.

5. Breakdown of Major Items
 I. Acquisition of Capital Equipment
 (1) Class A

(Unit: million yen)

	Quantity	Total Amount	FY 1979	Future Obligation
Type-64 Rifle	5,500	737	0	737
Type-62 Machine Gun	94	159	0	159
Type-60 106mm SPRR.	6	345	0	345
Type-64 81mm Mortar	69	161	0	161
Type-74 105mm SP Howitzer.	26	6,880	0	6,880
35mm Twin AAMG.	2	1,188	0	1,188
Type-64 ATM Launcher	4	70	0	70
Type-75 130mm SP Multi-Rocket Launcher.	8	1,408	0	1,408
Type-74 Tank.	48	14,927	0	14,927
Type-73 APC	6	553	0	553
Type-73 Tractor	9	1,008	0	1,008
Type-70 SP Pontoon Bridge.	3	406	0	406
84mm Recoilless Rifle	141	230	0	230
Type-78 Tank Recovery Craft	3	719	0	719
Type-78 Snowmobile	22	476	0	476
Anti-Boat Anti-Tank GM Launcher.	5	286	0	286
TOTAL		29,551	0	29,551

(2) SAM

(Unit: million yen)

	Total Amount	FY 1979	Future Obligation
Hawk (Replacement for 1 Hawk Group)	33,139	3,557	29,583

(3) Aircraft

(Unit: million yen)

	Quantity	Total Amount	FY 1979	Future Obligation
GSDF				
OH-6D	12	1,795	129	1,666
HU-1H	3	1,427	106	1,321
V-107A	1	1,020	81	939
LR-1	3	1,307	86	1,221
Sub-total	19	5,550	403	5,146
MSDF				
US-1	1	5,696	272	5,424
KM-2	3	393	27	366
TC-90	2	701	71	630
HSS-2B	8	20,394	686	19,708
S-61A	2	3,355	139	3,216
Sub-total	16	30,538	1,194	29,344
ASDF				
F-1	5	12,551	220	12,331
C-1	1	4,733	231	4,502
E-2C	4	34,293	1,151	33,142
T-2	11	23,768	1,037	22,730
T-3	12	1,961	304	1,657
MU-2	1	492	34	459
V-107A	2	2,422	187	2,235
Sub-total	36	80,220	3,164	77,056
TOTAL	71	116,308	4,761	111,546

(4) Ships

(Unit: million yen)

	Quantity (Tonnage)	Total Amount	FY 1979	Future Obligation
DD	3 (8,700)	91,290	2,476	88,814
DE	1 (1,400)	15,052	534	14,518
SS	1 (2,200)	25,871	275	25,596
MSC	2 (880)	8,150	181	7,969
LSU	2 (1,000)	3,667	410	3,257
ASG	1 (1,100)	4,888	601	4,287
Sub-total	10 (15,280)	148,918	4,477	144,441
(Miscellaneous Auxiliary)	5 (609)	516	516	0
TOTAL	15 (15,889)	149,434	4,993	144,441

(Unit: million yen)

	FY 1979	FY 1978	Remarks
II. Securing Acquisition of Ammunition	(37,141) 47,805	(38,463) 33,782	
III. Extension of Retirement Age and Promotion of Personnel Recruitment			
1. Extension of Retirement Age			To be extended by 3 years at most
2. Personnel Filling Rate			(to be implemented one year at a time, beginning in FY 1979)
GSDF	86.0%	85.75%	
MSDF	96.0%	95.5%	
ASDF	96.0%	95.5%	
IV. Improvement of Corps Facilities	(264) 68,037	(96) 58,907	
1. Increase of Administration Expenditure, etc.	(74) 18,227	(96) 17,336	Expenditure for household goods, fuel, electricity, water, etc.
2. Improvement of Living Environment	25,266	20,420	Expenditure for new construction and renovation of facilities
(1) Barracks	8,045	7,270	FY 1978 approx. 80,200 sqm. FY 1979 approx. 94,200 sqm.
(2) Gymnasiums, Swimming Pools and Welfare Facilities	1,405	709	FY 1978 8 FY 1979 12
(3) Boiler Renovation . . .	2,611	1,898	
(4) Civilian Housing	13,205	10,543	1. Qualitative improvement (upgrading standards) 2. Number of Houses FY 1978 1,388 units FY 1979 1,536 units (of the National Government-controlled houses) - 788 units 938 units
3. Measures for Retiring Personnel	696	785	Expenditure for supporting re-employment, including vocational training, management orientation programs, etc.
4. Improvement of Health and Medical Measures	(191) 23,848	20,367	
(1) National Defense Medical College	(191) 8,248	6,871	FY 1978 440beds FY 1979 600 beds
(2) Maintenance of Medical Facilities	2,143	1,374	Sasebo Regional Hospital, etc.

(Unit: million yen)

	FY 1979	FY 1978	Remarks
(3) Expenditure for Medical Care	13,456	12,122	Includes both JDA and non-JDA medical facilities
V. Promotion of Research and Development	(9,816)	(9,646)	
	24,305	19,341	
	(973)	(4,342)	
1. Guided Missiles	5,596	4,982	
	(4,262)	(2,530)	
2. Electronics Equipment	6,387	3,624	
	(1,104)	(1,274)	
3. Firearms and Vehicles	2,987	1,644	
4. Ships and Underwater Weapons	1,102	2,081	
5. Construction of Test Ships	1,360	973	900 tons
	(3,477)		
6. Aircraft	995	838	
7. Others	5,878	5,198	
VI. Construction of Defense Microwave Communications Network	(374)	(1,386)	Between Ichigaya and Itami and other areas
	5,244	3,528	
VII. Improvement of Civil Cooperation	(11,333)	(11,471)	
	11,190	6,201	
1. Rescue Aircraft	(11,333)	(11,375)	New procurement of 6 aircraft, including US-1
	9,088	4,404	
2. Civil Engineering Equipment	1,696	1,468	Bulldozers and others
		(96)	
3. Others	406	330	Mine-sweeping, unexploded bomb demolition, etc.
VIII. Improvement of Defense Facilities	(3,854)	(1,954)	
	60,497	46,415	
	(2,796)	(1,954)	
1. Operational Facilities	16,476	11,303	Airfields, harbor-related facilities, etc.
2. Living Facilities	20,267	16,963	Barracks, civilian housing, etc.
3. Environment Protection Facilities	3,330	3,305	Sewage treatment facilities, etc.
	(1,058)		
4. Logistic Support Facilities	20,423	14,845	Education, communications, supply facilities, etc.

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Past and Present Co-Production Arrangements
With the Japanese

The Japanese have traditionally insisted upon co-production as a condition for making a sale of advanced equipment. Major co-production arrangements past have included:

- E/J Phantom;
- Sparrow Air-to-Air Missile (AIM 7E) and Sea Sparrow;
- Nike Hercules Missile;
- Improved Hawk Air Defense System;
- BADGE Air Defense System - various commercial agreements, including military and civilian helicopters.

In June 1978, after months of difficult discussions, two additional co-production arrangements were signed. The first commits the U.S. government to release technology needed to build 100 F-15 fighters. The second covers a similar release for 45 P-3C Update II aircraft. These two agreements spread the production and acquisition over a seven year period. The approximate U.S. benefit is estimated to be 60% of the value (up from the only 10% gained on the F-4 co-production). However, in terms of jobs created, a significant share of the earnings are in the form of contractors overhead, license fees, and know how transfers.

The F-15 contract has the following terms associated with it:

- \$50 million for disclosure fees;
- 1/3 of the U.S. dollar value (\$18 million per airplane) for manufactured parts and sub assemblies made in the U.S.;
- 14 aircraft built in the United States but assembled in Japan;
- R&D recoument of \$160 million; and
- a royalty of .0775 calculated on the Japanese invoice price minus the value of U.S. supplied parts.

We can use these facts to estimate the probable return to the United States from co-production. Assuming a U.S. aircraft price of \$18 million (FY80), then 1/3rd of the U.S. price, in terms of parts, is equal to \$6

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million per aircraft. The remaining \$12 million cost to complete the aircraft (in U.S. dollars) would generate the minimum royalty per aircraft, or an additional \$.93 million. The maximum royalty, expected by MacAir the prime contractor, assumes a doubled Japanese cost of \$24 million thus a license fee of \$1.86 million per aircraft. On a buy of 100 aircraft (14 totally produced in the U.S. and 86 manufactured in Japan) the total expected U.S. dollar value for the program should be a maximum of \$1.138 billion. On a direct sale the recoupment would be \$1.96 billion. In terms of U.S. employment effects, only \$768 million can be counted as U.S. employment generating sales with the remaining amount of royalties to contractors and R&D recoupment for the U.S. government. Thus the maximum return on the F-15 contract is at most 5% of the value of a direct U.S. export.

There is little disagreement that the cost of producing these few aircraft in Japan will be significantly above U.S. production costs. Our own independent estimate is that the Japanese production at the rates suggested in the MOUs will be at least twice, possibly three times, as costly and this assumes that no license fees are paid and only recurring costs are accounted for (this excludes the approximate \$0.5 billion capital investment of McDonnell Douglas alone). When all fees and computed costs are added in then the real costs can escalate to three, even four times U.S. ones.

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FNS Undelivered Material Cases

As of April 30, 1979

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JFY	Implementing Agency	Contract Value			Undelivered Value			Main Undelivered Material Cases
		Case	Million Yen	Thousand Dollars	Case	Million Yen	Thousand Dollars	
1973	B	33	2,367	8,642	0	0	0	Taurus Missile System (SM-1 missile and others) COSMAL for DDG 2308
	P	38	11,723	40,613	3	6,105	22,291	
	D	39	2,406	8,785	0	0	0	
	Subtotal	130	15,896	58,040	3	6,105	22,291	
1974	B	51	1,335	5,244	1	16	55	Hawk Repair Parts SM-1 missile, ORDALTS for DDG 2303, COSMAL for DDG 2308
	P	35	2,561	10,116	8	2,080	7,106	
	D	26	1,821	6,221	0	0	0	
	Subtotal	112	6,317	21,582	9	2,096	7,161	
1975	B	50	1,396	5,337	2	98	328	Nike Support Equipment, Basic Hawk Rebuild of Components and Assemblies Equipment and Tools for DDG 2303, Equipment for DDH 2403 Annual Buy Program Repair Parts
	P	27	4,656	15,569	4	352	1,177	
	D	29	1,735	5,802	1	70	234	
	Subtotal	106	7,987	26,707	7	520	1,739	
1976	B	40	2,260	7,730	6	326	1,115	Nike Support Equipment, Basic Hawk Rebuild of Components and Assemblies Equip. and Services for JLATS, Computer UTK 20, FUSA Mk 31 Tank Assy, Cartridge, AIM 9J-LSidewinder Missile
	P	40	6,081	20,800	6	587	2,008	
	D	18	973	3,328	3	380	1,984	
	Subtotal	98	9,314	31,859	15	1,493	5,107	
1977	B	33	1,196	4,662	8	194	756	Technical Data for ECCM Assistant Technician Measuring SET 500 Lb. BOMB, Rebuild of AIM-9B
	P	44	13,282	51,778	8	79	308	
	D	21	1,352	5,271	2	22	86	
	Subtotal	98	15,830	61,711	18	295	1,150	
TOTAL	B	227	8,954	31,615	17	634	2,254	
	P	184	38,103	138,876	29	9,203	32,890	
	D	133	8,287	29,407	6	672	2,304	
	TOTAL	544	55,344	199,898	52	10,509	37,448	

Remarks: (1) Implementing Agency Code

B: Department of the Army

P: Department of the Navy

D: Department of the Air Force

(2) For calculation of the dollar value, a average exchange rate of each year is used.

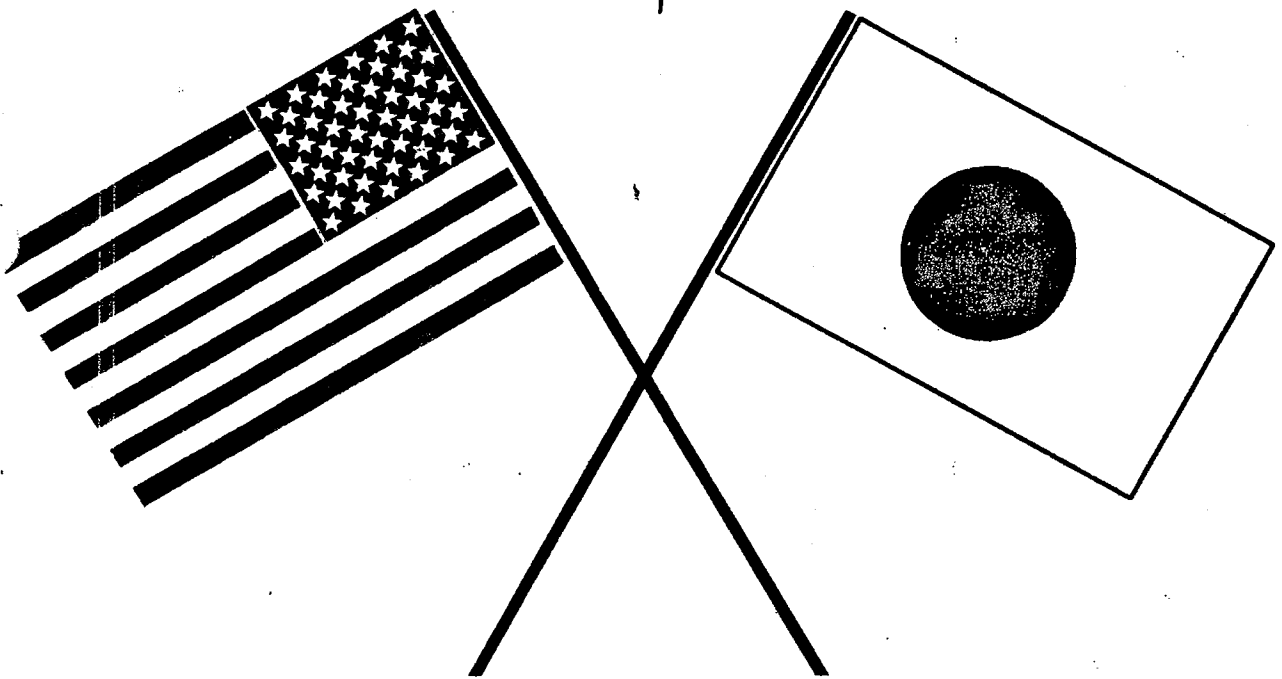
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Principals Book

**Twelfth U.S. - Japan
Security Subcommittee
Meeting (SSC)**

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TO: EAP



30 June - 2 July 1980

**Honolulu
Hawaii**

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SSC SCHEDULE

All events listed at Ilikai unless otherwise noted.

Sunday June 29

US Unilateral - 1700 unless notified otherwise by Commander Bozzelli

1830-2030 No Host Get Acquainted Dinner Cruise

Monday June 30

0900-1200 SSC Session 1
1200-1400 Luncheon hosted by US Delegation
1400-1700 SSC Session 2
1830-2000 Evening reception hosted by Japanese Consulate

Tuesday July 1

0900-1200 SSC Session 3
1200-1400 Lunch (as desired)
1400-1700 SSC Session 4
1830-2000 Reception hosted by US Delegation

Wednesday July 2

0900-1200 Final SSC Session
1200-1400 Luncheon hosted by Japanese Delegation

* Dress for all meetings and all social functions is aloha casual.

12th SSC MEETING SCHEDULE

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SESSION	GENERAL TOPIC	SPECIFIC TOPIC	U.S. LEAD	SUPPORT	RESPONSE TO GOJ LEAD	OBJECTIVE
#1 30 JUNE 0900-1200	OPENING STATEMENT	-	ASD/ISA	-	-	Open the meeting with atmosphere of informality/agree on nature of press coverage.
	GLOBAL POLITICAL-MILITARY SITUATION	Strategic Balance Europe & NATO Mid-East, Indian Ocean & Persian Gulf.	ASD/ISA	CINCPAC	-	Exchange views on recent developments focusing on Mid-East and Southwest Asia as rationale for increased US defense efforts.
	REGIONAL POLITICAL-MILITARY SITUATION	Security Situation East Asia	DASD/ISA	NSC		Reassure Japanese of our determination to meet East Asia commitments. Discuss frankly US limitations and rationale for increased Japanese defense and security assistance efforts.
		Japanese Presentation			Designated by ASD if appropriate	
#2 30 June 1400-1700	FUTURE OF JAPAN'S MID-TERM DEFENSE ESTIMATE & JAPAN'S FY 81 BUDGET-- TO INCLUDE COST SHARING AS NECESSARY	Define the meaning of acceleration of the Mid-Term Defense Estimate	-	-	DASD Wolfowitz	To make clear the meaning of acceleration of the Mid-Term Defense Estimate and to encourage increase of cost sharing efforts.

J001D1

SESSION	GENERAL TOPIC	SPECIFIC TOPIC	U.S. LEAD	SUPPORT	RESPONSE TO GOJ LEAD	OBJECTIVE
#3 1 July 0900-1200	GUIDELINES IMPLEMENTATION	Assessment of the status of US-Japan Combined Exercises.	LTG Ginn	-	-	Support bilateral planning and encourage its continuation and development.
	RECENT SECURITY & DEFENSE DEBATE IN JAPAN				Designated by ASD if appropriate	
#4 1 July 1400-1700	LONG TERM DEFENSE CO-OPERATION	US-Japan Defense Cooperation 1985-1995	DASD: Armacost DASD Wolfowitz	-	-	Assure Japanese of our commitment to long range security cooperation and to seek responsibility on Japan's part.

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SCOPE PAPER

FOR THE TWELFTH SECURITY SUBCOMMITTEE MEETING

30 JUNE - 2 JULY 1980

(U) The 12th Security Subcommittee Meeting (SSC) will be held 30 June - 2 July in Hawaii. Participants will include policy level representatives from OSD, JCS, State, NSC, Embassy Tokyo, CINCPAC, and USFJ on the U.S. side; and on the Japanese side from the Ministry of Foreign Affairs, the Defense Agency, and Embassy Washington.

(S) Traditionally a confidential forum for candid, informal exchanges on defense issues, the SSC this year is also a key meeting in the sequence of our concerted effort to encourage significant Japanese defense budget increases for FY 81 and the years beyond. The meeting is scheduled a month early this year to give the Japanese enough time to consider our views while preparing their Fall budget submissions.

(S) Setting. For the past several years the U.S.-Japan security relationship has been in transition from a client protectorate to a working alliance. Participants in the meeting are all fully aware of the trends and the interrelated pressures that are driving the change: slow and still incomplete recovery of Japanese self-confidence; responsibilities of an economic great power; Japanese vulnerability; the buildup of Soviet military power in East Asia; the relative decline of U.S. military power; doubts about American will and ability to meet its commitments; and U.S. pressure on Japan to strengthen its own capabilities. Constraints against the development of Japanese defense capabilities are also well-known, including a constitution that forbids the development of offensive weapons forces, policy measures that prevent the sale of Japanese military goods abroad, the self-imposed policy constraint of 1% GNP dedicated to defense, budgetary stringency imposed by declining rates of economic growth, an uncomfortably high percentage of deficit financing, and continuing political and public sensitivity to significant expansion of the armed forces based on fears of reviving militarism.

(S) Although we have yet to reach the stage of a working alliance with shared operational responsibilities, there has been a substantial broadening and deepening of defense cooperation with Japan. Guidelines for joint military planning have been agreed and reasonable progress is being made. Japanese initiatives on labor cost sharing and facilities construction have augmented significantly the level of GOJ financial contributions to the maintenance of U.S. forces in Japan. Accelerated procurement of advanced U.S. weapons systems will enhance JSDF capabilities and further advance its modernization plans.

(S) Since the last SSC, a number of events have added impetus to the process of change. Deployment of the carrier Minsk, buildup of forces on the disputed Northern Territories, and increased Soviet

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access to naval and air facilities in Vietnam have spurred apprehension in Japan over growing Soviet military capabilities in the region. The invasion of Afghanistan has clarified doubts about Soviet willingness to use those capabilities. At the same time the invasion of Afghanistan and the deteriorating situation in Iran have significantly increased U.S. security responsibilities in the Indian Ocean and stretched thin U.S. forces both in the Pacific and the Atlantic.

(S) With these features as backdrop, the U.S. has since January organized a campaign of quiet but steady pressure on the Japanese to increase their defense budget. Designed to move towards a consensus without causing a major domestic political backlash in Japan, the campaign has stressed early completion of Japanese plans to improve self-defense rather than assume new roles or missions. Our efforts have emphasized increased capabilities rather than percentages of GNP devoted to defense and have concentrated on direct, blunt, confidential approaches from the highest levels of Government on down, while avoiding public U.S. comments. The objective has been to encourage the Japanese to develop the consensus themselves from within their system.

(S) The campaign began with Secretary Brown's conversations with Prime Minister Ohira last fall and in January, continued with the Brown-Okita meeting in March, the visit to Japan of Deputy Assistant Secretaries Armacost and Platt in April, and climaxed during the President's meeting with Prime Minister Ohira in May. The SSC provides the final and most appropriate forum to press our points before the FY 81 budget is made up.

(S) The defense issue has become a priority topic of discussion in Japan during the year and may feature in the elections for both the Upper and Lower Houses which will occur June 22. The make up of the Government may still be unsettled when the SSC begins. In practice few candidates are likely to place much weight on defense, with notable exceptions such as former Generals Genda and Kurisu.

(S) Objectives. At this SSC we have four specific objectives:

1. Review the rationale for increased Japanese and US defense efforts. We will want to exchange views on global and regional developments, focussing on those events in Southwest Asia and the Middle East which required an expansion of US responsibilities and deployments in the Indian Ocean. We need to reassure the Japanese of our determination to meet our commitments in East Asia while acting to preserve mutual security interests in the Indian Ocean. At the same time we should discuss frankly our limitations, explaining how Japanese capabilities can contribute to fill gaps, and where we recommend they place their priorities during the next several years. Part of the discussion will include our spending plans and those of other allies.

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2. Carefully define the meaning of acceleration of the Mid-Term Defense Estimate to insure the Japanese understand our intent. In the course of our discussions so far we have gone from broad appeals for steady and significant increases in defense spending to more pointed requests that Japan complete the JDA Mid-Range Estimate a year early (in 1983); improve ammunition stocks and overall readiness posture; and contribute more to cost sharing, particularly mission-oriented construction. At the SSC we will want to make clear that acceleration of the Mid-Range Estimate refers not only to procurement of equipment but also to the manpower, maintenance and logistical capabilities that accompany procurement. We will want to insure that JDA's interpretation does not merely mean that JDA will get to one percent of GNP by 1983 or that critical war readiness measures are deleted in favor of major procurement items only.

3. Insure the Japanese understand that in addition to accelerating the Mid-Range Estimate we also expect continued expansion of cost sharing initiatives. We will provide several options, all of which would show a steady and significant increase and all of which can be publicly proclaimed Japanese initiatives. We need to make it clear that the SECDEF's acceleration proposal was not intended to suggest a lessened requirement for continued, increased cost sharing in all aspects of US force presence. Our presentation will not emphasize any one program which may be misinterpreted as an exclusive request and will not cite specific dollar amounts. We will convey the urgency of need for mission-related cost sharing, housing, O&M, and labor cost sharing.

4. Support and expand the joint planning process. We will need to provide some explanation for the delays we have caused in the military-to-military contingency planning process this year, and reassure the Japanese of our continued strong commitment to the process. In addition we should sound out the Japanese, informally if need be, on long-term issues in ways that would assure them of our commitment to long-range security cooperation and integrate political with military considerations in our planning. Aware of the similarities with the NATO long-range defense plans, we would take pains to emphasize the bilateral nature of our thinking. We would also make clear that we have not, at this stage, devised a formal plan.

(U) Procedure. We will want to continue to conduct the SSC informally. The arrangements for the meeting (social events, seating arrangements, dress stipulation) are designed to insure this. We will have to deal with the propensity of the Japanese press to exaggerate what the USG is asking of the GOJ by limiting both sides' public statements to generalities and giving the meeting a low public profile.

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(U) Schedule of Events. The SSC spans three days, beginning with a no-host, get-acquainted dinner cruise the evening of June 29. Formal morning and afternoon sessions are scheduled for June 30 and Jul 1. The US will host a luncheon and the Japanese Consulate an evening reception on June 30. The US will host a social function the evening of July 1 and the Japanese a lunch on July 2. The morning of July 2 is a free discussion session to allow each delegation to raise any desired issues. Conclusion of the meeting after lunch allows evening departure if delegates desire.

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POINT PAPER FOR SESSION I

SUBJECT: Global and Regional Developments (US Lead)

TIME AND PLACE: Monday, June 30, 0900-1200, Ilikai Hotel, Honolulu

Prior to this opening session there will have been a US unilateral meeting and a get acquainted social function on June 29. The agenda for Session I includes the following subjects:

- US Soviet Strategic Balance (Mr. McGiffert)
- Southwest Asia (Mr. McGiffert)
- Current Asian Security Situation (Mr. Platt)
- (The Japanese also desire to make a presentation)

We have the lead for this session. We want to set the tone for the entire meeting and through the opening statement to create an atmosphere of informality and give and take. We are hosting this meeting and will make opening remarks.

Introduction and Welcome

Express sadness at the death of PM Ohira, best wishes to the new Prime Minister (whoever it is), and congratulations to Mr. Hara on his appointment as Vice Minister of Defense.

- Express appreciation for the timing of this meeting during a difficult political period for Japan, noting; however, that Minister Okita and Secretary Brown agreed in March that the SSC take place now to afford maximum impact prior to the formulation of the JFY 81 defense budget.
- Express our belief that this meeting is a continuation of discussions which began in January of this year in Tokyo where Secretary Brown stopped en route home from Beijing (shortly after the Soviet invasion of Afghanistan) and which were expanded in March when the Secretary and Vance met with Minister Okita in Washington and in May with President Carter. Emphasize that both the intensity of our dialogue and its substantive importance appear to be increasing and that the SSC is appropriately a key part of that dialogue.
- Convey our delegation's commitment to a profitable meeting and introduce the US delegation.
- Express our desire for open and informal meetings, unrestrained by fears of having to live with tomorrow's press, for no press conferences and/or backgrounders, and for only a final general statement to the press which our staffs can develop.

Invite introductory comments from Admiral Long, and from the Japanese Chairman (who is Mr. Katori even though Mr. Hara is senior in protocol order).

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Talking Paper for the SSC

Current East Asian Security Situation

- I do not have time to review every facet of the security situation in East Asia during the eleven months since we last met. Many features remain the same as last year. The strength of our relationships in the area -- with Japan, with ANZUS and ASEAN -- contributed significantly to our ability to project power into the Indian Ocean. The need to project that power was accepted by virtually all the countries of the region as serving their own security needs, and as providing a credible rationale for increased defense efforts on their own part.

- I plan today to concentrate on three subjects within the region, all of which involve change, or conflict, or both, and relate directly to East Asian security. These are developments in Korea, the growth in the relationship between the US and Chinese defense establishments, and the prospects for Indochina as seen from the perspective of the ASEAN Foreign Ministers meeting in Kuala Lumpur last week. All of these topics are ones on which we are particularly anxious to exchange views with you.

Korea

- The trend of recent events in the ROK has been disturbing. We were initially encouraged by the approach adopted in the ROK to maintaining stability in the aftermath of President Park's death, an approach which emphasized both a gradual broadening of the political base with measures to maintain law and order. However, the sweeping imposition of Martial Law in response to the student demonstrations, the Kwangju insurrection and the emergence of the military authorities in the new National Committee as the major power center in Korean civilian politics has set back the timetable for liberalization, clouded the prospects for lasting stability within the country and threatened to undo years of effort by both the US and ROK Governments to repair the image of Korea in the eyes of the US Congress and public.

-- Since the death of President Park, the US has performed two basic functions in Korea:

--- preserve the international security environment surrounding the peninsula, and,

--- urge on all elements of the body politic in South Korea a moderate, orderly approach to political liberalization.

- The fundamentals of our policy will not change despite recent events.

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-- Our security commitment remains entirely firm. We will maintain an effective deterrence against North Korean attack. Pyongyang, Beijing, and Moscow are all clear on this point.

-- We will use some leverage on the Korean power structure to moderate the repressive aspects of its rule, reduce politicization of the senior military leadership, and achieve a measure of legitimacy through constitutional reform and elections.

-- We will avoid actions that will affect the confidence of international investors and hurt the Korean economy. To do so would be to fuel instability and narrow the margins for economic reform.

-- At the same time we plan to keep some distance between ourselves and the present government. While maintaining relations with the people who hold power in Korea we want to prevent identification in the eyes of either the Korean or American people with repressive government actions.

-- As far as Japan is concerned, we are fully aware of the strategic importance that Korea holds for you and of your own domestic political sensitivities regarding that country. We are glad that we have begun to increase the tempo and improve the substance of our consultations with you on the Korean situation.

- Last year, in the context of expanding ROK defense expenditures and high inflation rates, we asked you to look at ways of contributing to ROK security by easing economic difficulties -- e.g., liberalizing trade access, and expanding credit. The need for such support is now greater than ever, given the relationship between economic health and political stability during a delicate historical transition period. Over the long run, as Korea moves to improve its defense capabilities, indirect support from Japan will be increasingly vital, as larger percentages of US resources are devoted to protecting both Japanese and Korean interests in the Middle East and Southwest Asia.

China

- Secretary of Defense Brown's trip to China in January laid the foundation for normal ties between our defense establishments, supplementing and strengthening the security relationship that we have had with Peking since 1972. Vice Premier Geng Biao's return visit to the United States last month built modestly on that foundation.

- During his discussions with US leaders, Geng emphasized that the Chinese see improved Sino-American relations as in their long term strategic interest. We assured him that we share this view, but that the best way to build for the long term is carefully and step-by-step. The Chinese accepted the need for this approach.

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- During the discussions in Washington, the Chinese repeated known positions on most regional security issues. They emphasized the need to view the Soviet invasion of Afghanistan and the Vietnamese presence in Kampuchea in global terms and stressed the need for the withdrawal of Soviet and Vietnamese forces from these countries. They urged US restraint in Iran and noted that strong sanctions or military actions would create opportunities for the Soviets to intervene. Differences continue to exist over the future role of Pol Pot and the DK in any political settlement in Kampuchea.

- On Korea, the Chinese repeated what Premier Hua told you, i.e., that North Korea would not use current unrest as an opportunity to attack the South. In addition, they stressed that creation of a military dictatorship in South Korea would result in instability and urged the US to use its influence to bring about democratization of the South.

-- The Chinese were particularly interested in technology transfers and military equipment sales. They knew at the outset that we would not sell them arms and did not press. They assured us at the outset that they were interested in technological items that would improve the economy as a whole in addition to having military applications, that they plan to manufacture their own weapons, but need foreign technology to improve quality and variety; that they did not expect other countries to sell them their best technology, and that there were limits to what they could absorb. At the same time, they were not interested in purchasing technology that they themselves could produce.

- During the visit the US Government did approve pending export license applications for several items on the munitions list, including tactical air defense radars, transport helicopters, pressure transducers used in testing jet engines, truck tractors, antennas for early warning radars, transport aircraft, and passive counter-measure devices. In most cases, the licenses were for permission to US firms to make sales presentations to the Chinese. We have no idea what they may actually wish to purchase or in what amounts, but once they make a decision another export license will be required.

- We also informed Vice Premier Geng of license approvals for export of certain dual technology items in preparation for submission to CCCOM. The licenses were for establishment of facilities in China to assemble certain integrated circuits for civil use and to manufacture commercial transport helicopters, applications for the sale of peripheral equipment for use with existing computers in China's petrochemical operations and the sale of three computers for use in aluminum refining in China. We have as yet received no license applications for sale of dual use technology for military use, but approval of the above items paves the way for approval should applications be made on these items.

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- With regard to future contacts between the US and Chinese defense establishments, Dr. Perry, Undersecretary of Defense for Research and Engineering and Assistant Secretary McGiffert will visit China together sometime this Fall. In addition, we expect a delegation from the Chinese military academy to visit the US in early October. We also expect to exchange delegations to study logistical techniques by the end of the year.

Indochina

(To be updated in accordance with the results of the ASEAN Foreign Ministers meeting in Kuala Lumpur).

- The ASEAN Foreign Ministers meeting in Kuala Lumpur maintained the tough line toward Hanoi adopted last year at Bali. The participants were heartened by the fact that the Vietnamese dry season offensive in Kampuchea had ended without consolidation of Vietnamese control of the countryside. Despite the obvious cost to Hanoi of continuing the conflict, all agreed that Hanoi had shown no evidence of softening its position, leaving ASEAN with no choice but to maintain its current posture.

- Our objectives vis-a-vis Indochina remain unchanged. We seek the withdrawal of Vietnamese forces from Kampuchea and the restoration of an independent and neutral country that is not threatening its neighbors. We seek to avoid the conflict spreading to Thailand and to prevent Laos from falling further under Vietnamese and Soviet domination. Ultimately, we want Vietnam to loosen its ties with Moscow.

- There have been no changes in US policy toward Indochina. We will not recognize Heng Samrin. We will not establish diplomatic relations with Hanoi as long as Vietnamese troops remain in Kampuchea.

- We continue to support a political solution to the Kampuchean problem, but not one including participation by either Pol Pot or Heng Samrin. We will continue to provide military assistance to Thailand and the other ASEAN states.

- The refugee situation remains serious. We are grateful for Japanese help and would like it to continue.

FOLLOWING THE GOJ RESPONSE TELL THE JAPANESE CHAIRMAN THAT YOU BELIEVE THE GOJ WISHES TO MAKE A PRESENTATION ALSO IN THIS SESSION.

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U.S. Defense Spending Projections 1980-1985
(As of 4/21/80)

	FY 1980		FY 1981		FY 1982		FY 1983		FY 1984		FY 1985	
	TOA	Outlays	TOA	Outlays	TOA	Outlays	TOA	Outlays	TOA	Outlays	TOA	Outlays
Current	141,693	130,885	161,763	146,971	184,141	167,286	206,774	188,570	230,488	210,968	256,119	234,162
Constant 81 \$	153,830	142,716	161,763	146,971	169,528	153,291	176,987	160,036	184,420	166,918	192,166	173,762
% Real Growth	2.8	2.4	5.2	3.1	4.8	4.3	4.4	4.4	4.2	4.3	4.2	4.1

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MEASURES OF RELATIVE DEFENSE BURDEN 1979^{a/}

	<u>Defense Expenditures as Percent of GDP</u>	<u>Total Defense Exp. (Billion US \$; 1979 Exchg. Rates)</u>	<u>Defense Expenditures Per Capita (US \$; 1979 Exchg. Rates)</u>	<u>Active Duty Manpower (Mil Only) as Percent of Total Population</u>
Belgium	3.3	3.7	374	1.2
Canada	1.8	4.1	172	.3
Denmark	2.4	1.5	297	.7
France	4.0	22.1	413	1.1
FRG	3.3	24.4	400	.8
Greece	5.6	2.1	221	2.0
Italy	2.3	7.3	128	.9
Luxembourg	1.0	b/	117	.3
Netherlands	3.3	4.9	353	.8
Norway	3.2	1.4	103	1.0
Portugal	3.8	.8	77	.8
Turkey	4.6	2.8	65	1.6
U.K.	4.9	19.1	339	.6
U.S.	5.2	122.3	555	.9
Average NATO	4.3	216.6 (Total)	380.7	.9
Japan <u>c/</u>	.9	9.6	82 <u>d/</u>	.2

- a/ NATO defense expenditures and GDP statistics are from NATO publication (ISM-79-9) Basic Statistical Data on the Defense Effort and Economic Development of NATO Countries. Defense expenditure data for Japan is from the Japanese Government publication "Defense of Japan, 1979."
- b/ Less than \$.1 billion.
- c/ Figures for Japanese 1979 gross domestic product (GDP) were not available, so GNP data was used, but in the past Japanese GNP varied less than 2 percent from GDP and, assuming 1979 data is not abnormal, a 2 percent deviation would be too small to affect these comparisons significantly.
- d/ Japanese fiscal year 79 expenditures. NATO expenditures are calendar years.

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POINT PAPER FOR SESSION II

SUBJECT: Future of Japan's Mid-Term Defense Estimate and Japan's
FY 81 Budget -- to include Cost Sharing as necessary

TIME AND PLACE: Monday, June 30, 1400-1700 - Ilikai Hotel, Honolulu

ISSUES:

The GOJ has the lead for this session and will present an update of the Mid-Term Defense Estimate as well as GOJ ideas on cost sharing. DASD Wolfowitz will offer opening comments on the Japanese presentation. DASD Platt's presentation of the US case for increased defense efforts and DASD Wolfowitz's "unofficial suggestions" for Japanese Defense improvements, both given to Defense Planning Director Ikeda on March 18, 1980 are repeated below as reference documents for the Japanese presentation. CINCPAC views on cost sharing strategy for JFY81 and suggested approaches for increased cost sharing are contained in paragraphs 4 and 5 of TAB 2.2.

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MEMORANDUM

18 March 1980

TALKING POINTS
HISAKATSU IKEDA, DIRECTOR
DEFENSE PLANNING DIVISION, JDA

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- Last year at the SSC you presented us the outline of your Mid Range Plan for improvement of the Self-Defense Forces. Minister Yamashita also presented this plan to Secretary Brown in Washington in August. At that time Secretary Brown asked Minister Yamashita if he thought the plan would be adequate in view of the threat described in your Defense White Paper for 1979. Minister Yamashita said that he thought it would but that you would update it as necessary.

- In October last year when Secretary Brown visited Japan, he told Minister Yamashita he had had a chance to examine the plan more closely and thought it was well designed. That evaluation has not changed.

- What has changed is the international situation. The events in Afghanistan were unexpected although we knew of the Soviet's capability. Particularly, because of the remote scenario, we have been hard pressed to mount an adequate response. We have had to readjust our deployments in both the Western Pacific Ocean and in the Mediterranean Sea.

- We will substantially increase both our presence and force projection capability in the Indian Ocean, but it will cost us elsewhere.

- We believe that our Indian Ocean presence is as much in the interest of Japan and our NATO allies as it is in our own. Your reliance on imported oil is greater than ours, and our sole purpose in being in the Indian Ocean is to insure stability in the Middle East/Persian Gulf area. We were pleased to see the understanding of the mayor of Yokosuka City who greeted the aircraft carrier MIDWAY following her return from many months in the Indian Ocean with the words "I came to meet MIDWAY for the first time because she was in the Indian Ocean protecting Japanese tankers."

- As you know, we size our forces on the 1½ war concept. For the past decade, despite detente, the Soviets have far outspent us in military hardware and in research and development. We have been hard pressed and not completely successful in maintaining our 1½ war capability as combat ready as we would like.

- Despite serious economic problems of our own and of many other NATO countries, we and they made commitments last year to increase military spending significantly in real terms in order to counter the Soviet buildup. These decisions by the US and its NATO allies were made prior to Afghanistan. The 3% growth we achieved in 1979 and 1980 will be exceeded in 1981 when despite our anti-inflation program our defense effort will consume more than 5% of GNP.

- Faced with an 18% inflation rate, President Carter is ordering significant budget cuts in all US government agencies except in the Department of Defense. DOD will increase significantly despite the very difficult times.

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- Accordingly, we would hope for more cost sharing in support of our forces in Japan. Your past efforts have helped to defuse the idea held by some Capitol Hill critics that Japan is getting a "free ride in defense". This aid should continue to grow -- possibly by the GOJ picking up additional labor costs -- if we are to have evidence with which to counter the charges of the "free ride" advocates.

- The Japan Self-Defense Forces have developed impressively since their beginning, but they still have significant weaknesses. There has always been a presumption on the part of some people in both countries that these deficiencies could in an emergency be largely rectified by support from the United States. But this is not the case. Our military-to-military planning talks are considering what forces Japan might need in excess of what US forces might be available if Japan were to be directly attacked by the Soviet Union. The US will bear the responsibility for a nuclear umbrella, security of the ROK and a blue water naval capability, meanwhile, Japan itself must provide the great preponderance of forces for ground, air and maritime defense of Japan and local Northeast Asian waters.

- In any case that scenario is very unlikely. The Soviets need not attack Japan directly to achieve their aims. Soviet actions in the Middle East can affect Japan, the United States, and Western Europe. Since your military role is limited to defense of the home islands and near by sea lanes of communication, we are bearing the military burden in the rest of Asia and the Indian Ocean for our mutual interests. We need your help; you are virtually the only free country in Asia financially and technologically able to do significantly more.

- In strictly military terms, we are not interested in what percentage of GNP you spend on defense, but we are interested in a significant expansion of your self defense capabilities. Percentages do make an impact on political systems, however. One of the most significant of these is real term percentage growth in defense spending, from one year to the next over an extended period. I hope you will bear this in mind as you prepare your FY 81 budget.

- You have asked for our suggestions on defense spending. We provide them in full realization that the decisions are your sovereign prerogative.

- One of our goals is for the US and Japan to maintain and improve our interoperability so that our forces are always able to work together in a "real time" command and control environment for the defense of Japan and Northeast Asia. We must be able to communicate instantly, securely and have compatible weapons and logistics.

- A second objective to have you reduce the existing deficiencies in all three of your forces as rapidly as possible. At a minimum, in order that your forces become able to sustain themselves in a conventional crisis for as long as possible, we feel you should (1) fully fund and accelerate the Mid-Range Program, to be completed in FY 1983, (2) improve combat effectiveness via non-glamorous but necessary mission sustainability measures, and (3) develop and refine joint training of the Japanese services.

- Finally, and this is my personal private view that because of the necessity for the U.S. to deploy forces to remote parts of the world on a moment's notice, we would like to see Japan, through a coordinated, and sustained effort, carefully keeping within your local defense role,

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significantly increase the size and capabilities of its air and naval forces so that you can effectively provide for the air defense and sea control of the Northwest Pacific Ocean area by 1990. Based on a preliminary analysis, PA&E has prepared a paper listing the mission areas and more specific recommendations for force improvement within functional areas. We look forward to working with you to refine this if you desire.

- We believe you can make these steady and significant improvements and increases without violation of the spirit of your Constitution and without alarming our mutual Asia friends and allies. Also we believe that China will support them. Only the Soviet Union will complain, but the Soviets respect resolve, and the United States and Japan will together present a stronger resolve to the Soviets.

- We realize the political and economic difficulties for you in what we are asking, but we hope you will consider our recommendations and act in accordance with what we believe are our mutual national interest.

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SECTION 01 OF 02

CINCPAC FOR J44

SUBJ: FACILITIES IMPROVEMENT PROGRAM (FIP)

1. THIS MESSAGE SEEKS CINCPAC ASSISTANCE AND APPROVAL FOR THE DEVELOPMENT OF A MULTI-YEAR FACILITIES IMPROVEMENT PROGRAM (FIP) COMMENCING JFY 82 RATHER THAN CONTINUING WITH THE AD HOC ANNUAL SUBMISSION OF THE FIP WHICH IS THE CURRENT PRACTICE.

2. THERE ARE A NUMBER OF COMPLETING REASONS WHICH MAKE ADOPTION OF A MULTI-YEAR PROGRAMMING APPROACH TO FIP THE BEST COURSE OF ACTION FOR BOTH THE U.S. AND THE GOJ IN THIS NEW DECADE OF ANTICIPATED INCREASED DEFENSE COOPERATION.

A. U.S. INTERESTS WOULD BE SERVED BY:

(1) PERMITTING BETTER MANAGEMENT OF CONSTRUCTION IN JAPAN THROUGH USE OF COHESIVE MULTI-YEAR PROGRAM WHICH WILL BE MOST BENEFICIAL IN CONVINCING THE WASHINGTON ARENA THAT U.S. FORCES IN JAPAN ARE IN CONTROL OF CONSTRUCTION IN JAPAN AND KNOW WHAT THE GOJ PLANS TO BUILD FOR U.S. FORCES.

(2) ALLOWING THE SERVICES MORE LEAD TIME TO DEVELOP NE-

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CESSARY U.S. PROGRAMMING ACTION (O&M FUNDS, COLLATERAL EQUIPMENT, ETC).

(3) ALLOWING SERVICE HEADQUARTERS IN WASHINGTON TO BETTER JUDGE WHICH PROJECTS TO SUPPORT FOR MILCON FUNDING AS GOJ FUTURE PLANS FOR FIP CONSTRUCTION WOULD BE CLEAR FURTHER IN ADVANCE.

(4) PERMITTING THE IMPLEMENTATION OF LARGE CONSTRUCTION PROJECTS (I.E., 1000 UNITS OF HOUSING AT IKEGO) 86 AIRCRAFT SHELTERS AT KADENA) WHICH BY THEIR SIZE MUST BE DONE ON A MULTI-YEAR BASIS, GOJ WOULD THUS HAVE TO COMMIT ITSELF WELL IN ADVANCE TO THESE PROJECTS AND WOULD HAVE TO BE GUIDED BY LONGER-RANGE U.S. PLANS.

B. THE FOLLOWING REASONS PERTAIN TO JAPANESE DESIRE FOR A MULTI-YEAR PROGRAM:

(1) SITING OF FIP PROJECTS ON U.S. CONTROLLED REAL ESTATE MUST BE CAREFULLY STUDIED BY THE GOJ AND CONTENTIOUS ISSUES INCLUDING LOCAL CONSENSUS MUST BE WORKED OUT. (FREQUENTLY A TIME-CONSUMING EFFORT).

(2) THE GOJ NEEDS TO DISTRIBUTE CONSTRUCTION GEOGRAPHICALLY THROUGHOUT JAPAN TO MEET ITS POLITICAL/ECONOMIC CONSTRAINTS.

(3) SOME PROJECTS REQUIRE CONSIDERABLE POLITICAL PERSUASION, AT BOTH THE NATIONAL AND PREFECTURAL LEVEL.

(4) MORE DELIBERATE STUDY OF PROJECTS WILL ALLOW ACCURATE DETERMINATION OF NECESSARY SUPPORTING FACILITIES AND UTILITY UPGRADE, AVOIDING NEEDLESS AND COSTLY ADD-ONS.

3. COORDINATION BY MESSAGE AND THROUGH WORKING GROUP INTERACTION HAS BEEN EFFECTED WITH SERVICE COMPONENTS IN JAPAN AND ALL EXCEPT NAVY SUPPORT BOTH GENERAL CONCEPT OF MULTI-YEAR PLANNING AND THE SPECIFIC PROPOSAL OUTLINED IN PARA 4 BELOW. NAVY OBJECTIONS WITH USFJ COMMENT ARE CONTAINED IN PARA 5.

4. SPECIFIC DETAILS OF THE PROPOSED MULTI-YEAR FIP ARE AS FOLLOWS:

A. BEGINNING WITH DEVELOPMENT OF JFY 82 PROGRAM, HQ USFJ PROVIDES GUIDANCE ON FUNDING LEVELS AND PROJECT CATEGORIES FOR JFY 82, 83 AND 84 (ASSUMED TIME FRAME JAN - MAR 81).

B. SERVICES SUBMIT LINE ITEM RECOMMENDATIONS BY CATEGORY AND PRIORITY WITHIN EACH CATEGORY. JFY 82 PROJECTS TO BE SUPPORTED BY DD 1391 (FRONT PAGE ONLY, AND SITTING SKETCH) JFY 83 AND 84 PROJECTS TO BE SUBMITTED AS LINE ITEM ONLY.

C. HQ USFJ WILL DEVELOP DRAFT LIST BY JFY AND FORWARD TO CINCPAC.

D. UPON CINCPAC AND/OR JCS APPROVAL, HQ USFJ WILL COORDINATE WITH GOJ (DFAA) BASED ON DRAFT PROGRAM AND DEVELOP MUTUALLY ACCEPTABLE PROGRAM WHICH DFAA WILL USE AS A BASIS FOR SEEKING JFY 82 FUNDS FOR CONSTRUCTION (JFY 82 LIST), DESIGN (JFY 83 LIST) AND STUDY (JFY 84 LIST).

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E. FOLLOWING JOINT COMMITTEE APPROVAL AND FUNDING OF THE JFY 82 PROGRAM, ACTIONS IN SUBPARA A ABOVE WILL BE REPEATED. SPECIFICALLY, PROJECTS IN JFY 83 PROGRAM (ALREADY APPROVED FOR DESIGN) WILL BE VALIDATED AND CHANGES, IF ANY, TO THE JFY 83 AND 84 LISTS WILL BE RECOMMENDED. BY THIS TIME GOJ INTEREST ITEMS SHOULD ALREADY BE REFLECTED IN THE PROGRAM. ALSO, A NEW LIST OF PROJECTS FOR JFY 85 WILL BE RECOMMENDED IN LINE ITEM FORM.

F. PRIOR TO INSTITUTING THE MULTI-YEAR FIP PROGRAM AS OUTLINED ABOVE, THIS HQ WOULD OBTAIN UNDERSTANDING OF DFAA THAT THE TWO OUT YEARS MUST BE FLEXIBLE ENOUGH TO ACCOMMODATE QUOTE SPECIAL UNQUOTE PROJECTS FROM BOTH THE U.S. AND JAPANESE SIDES APART FROM THE QUOTE REGULAR UNQUOTE PROJECTS AGREED TO PREVIOUSLY. INTENTION IS TO INCLUDE IN THE REGULAR LIST THOSE U.S. REQUIREMENTS FIRMLY KNOWN NOW AND ACCEPTABLE FORGOJ FUNDING BUT RESERVE FLEXIBILITY TO ADD GOJ INTEREST ITEMS AND U.S. PROJECTS WHICH WERE EITHER UNFORESEEN OR WHICH GOJ PREVIOUSLY WAS UNABLE TO CONSIDER.

G. ASSUMPTIONS MUST BE MADE RELATIVE TO FUNDING AND TYPES OF PROJECTS GOJ WILL SUPPORT IN ORDER THAT SERVICES CAN FORMULATE RECOMMENDATIONS. CURRENT ASSUMPTION IS THAT FUNDING LEVEL WILL BE IN RANGE OF 25 - 35 BILLION YEN/YEAR. FURTHER ASSUME GOJ WILL UNDERTAKE FOLLOWING TYPE CONSTRUCTION BY YEAR.

(1) JFY 82 - BEQ/BOQ REPLACEMENT AND NEW CONSTRUCTION (WHERE SHORTAGE IS SUBSTANTIATED); DINING FACILITY CONSTRUCTION; FAMILY HOUSING CONSTRUCTION (UP TO 90 PERCENT OF REQUIREMENT); ENVIRONMENTAL CORRECTIONS; SELECTED UTILITY REPLACEMENT; SAFETY IMPROVEMENTS (RANGES, PDL STORAGE FACs, ETC); LIMITED MISSION RELATED FACILITIES; DESIGN SELECTED BOQ/BEQ FOR MODERNIZATION AND FOR REPLACEMENT OF DETERIORATED SUPPORT FACILITIES.

(2) JFY 83 - SAME AS JFY 82 PLUS INCREASED EMPHASIS ON MISSION RELATED FACILITIES. MODERNIZATION OF SUBSTANDARD BEQ/BOQ AND REPLACEMENT OF SOME DETERIORATED SUPPORT FACILITIES.

(3) JFY 84 - SAME AS JFY 83

5. COMNAVFORJAPAN OBJECTIONS WITH USFJ COMMENT FOLLOW:

A. GOJ REPS CANNOT COMMIT THE GOJ TO EVEN A ONE YEAR PROGRAM UNTIL BUDGET IS APPROVED. (REFERENCE TO FACT THAT DFAA, IN FACE OF OVERALL GOJ BUDGET CUT, HAD TO ACCEPT A 20 PERCENT INCREASE IN IT'S JFY 80 FIP, INSTEAD OF THE 30 PERCENT INCREASE ORIGINALLY PROPOSED). USFJ COMMENTS: INABILITY OF DFAA TO COMMIT GOJ TO MORE THAN ONE YEAR AT A TIME IS NO DIFFERENT THAN THE U.S. LIMITATIONS OF FUNDING THE SERVICE MILCON (AND OTHER APPROPRIATIONS AS WELL) FOR MORE THAN ONE YEAR AT A TIME. THIS DOES NOT PREVENT SERVICES FROM SPENDING CONSIDERABLE EFFORT ON THE FIVE YEAR DEFENSE PLAN (FYDP) PROCESS WITH NO ASSURANCE OF CONGRESSIONAL FUNDING FROM ONE YEAR TO THE NEXT.

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BM MULTI-YEAR PROGRAM PRESENTS SHOPPING LIST TO GDJ, GIVING INITIATIVE TO GDJ TO DETRIMENT OF U.S. DESIRES. USFJ COMMENTS THE POTENTIAL FOR USE OF A THREE YEAR PROGRAM AS A SHOPPING LIST WILL BE MINIMIZED BY CONTROL OVER THE SIZE OF THE INITIAL PROGRAM WITH WHICH WE APPROACH DPA. EVEN THE PRESENT SYSTEM DOES NOT PRECLUDE SHOPPING, AS GDJ ACCEPTS SOME PROJECTS, BUT DOES

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TAKE A GIVEN PROJECT, EXCEPT REPEATED GOJ ASSURANCE THAT IT WILL NOT
BUILD SOMETHING WE DO NOT WANT. IN FACT, GOJ HAS MAINTAINED AT ALL
TIMES THE FIP IS THEIR INITIATIVE, THEIR PROGRAM TO HELP THE U.S.
FORCES.

C. MULTI-YEAR PROGRAMMING IS INCONSISTENT WITH NAVY PLANNING AND
PROGRAMMING.
USFJ COMMENT MULTI-YEAR FIP PROGRAMMING DOES NOT APPEAR TO BE INCON-
SISTENT WITH NAVY PLANNING. THE NAVY MULTI-YEAR PROGRAMMING SYSTEM
(AS OUTLINED IN NAVFAC P-238 MILITARY CONSTRUCTION PROGRAM MANAGEMENT)
IS THE BASIS FOR ALL MILCON PROGRAMMING BY THE NAVY. THIS PUBLICA-
TION PROVIDES GUIDANCE FOR THE PROCEDURE WHEREBY
THE SYSTEM OF PLANNING, PROGRAMMING, BUDGETING, AND EXECUTION FUNC-
TIONS OF MILCON ARE PERFORMED IN A SEQUENTIAL ORDER TO PRODUCE THE
D. A MULTI-YEAR PLAN, IF ACCEPTED BY GOJ, WOULD BE DIFFICULT AND
EMBARRASSING FOR USG TO CHANGE -- AND CHANGES WOULD INVARIABLY ARISE.

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FURTHER, A MULTI-YEAR PROGRAM WOULD PROBABLY BE LARGER THAN GOJ WOULD BE WILLING TO CONSTRUCT. UNCLUSION OF U.S. PROJECTS WOULD BE UNCERTAIN IN FACE OF LIMITED (AND UNKNOWN) GOJ FUNDING AND UNCERTAINTY OF GOJ INTEREST ITEMS WHICH WOULD BE INCORPORATED BASED ON ITS POLITICAL NEEDS.

USFJ COMMENT: WE WILL MAKE EVERY EFFORT TO BUILD FLEXIBILITY INTO THE PROGRAM (ESPECIALLY THE DUT YEARS WHERE ONLY DESIGN FUNDS ARE INVOLVED) WHERE NONE EXISTS TODAY. IT WOULD APPEAR THAT GOJ MAY DESIRE TO RETAIN SOME FLEXIBILITY AS WELL, SINCE THERE UNDOUBTEDLY WILL BE GOJ INTEREST ITEMS WHICH ARE UNFORESEEN. E. MULTI-YEAR PROGRAM WILL REQUIRE U.S. TO REVEAL REQUIREMENTS EARLIER THAN MAY BE POSSIBLE OR DESIRABLE.

USFJ COMMENT: INABILITY TO REVEAL SOME U.S. REQUIREMENTS WILL NOT BE A MAJOR CONCERN AT THIS TIME BECAUSE THEY MOST LIKELY WOULD INVOLVE MISSION RELATED FACILITIES, WHICH HAVE NOT YET BEEN ACCEPTABLE TO JAPANESE. SERVICES SHOULD KNOW HOUSING, SUPPORT AND ENVIRONMENTAL REQUIREMENTS WHICH WILL PROBABLY FORM BULK OF PROGRAM FOR NEAR TERM.

F. MULTI-YEAR PROGRAMMING WOULD ADVERSELY AFFECT MILCON AS CONGRESS WOULD ASSUME GOJ FUNDING OF ANY ITEMS LISTED.

USFJ COMMENT: A MULTI-YEAR PROGRAM SHOULD HAVE A BENEFICIAL RATHER THAN ADVERSE IMPACT ON U.S. MILCON PROGRAMS SINCE SERVICE HEADQUARTERS IN WASHINGTON WILL BE ABLE TO SUPPORT THEIR MILCON PROJECTS BEFORE OSD AND CONGRESS WITH A BETTER UNDERSTANDING OF WHAT GOJ WILL AND WILL NOT UNDERTAKE.

G. THIS HEADQUARTERS FIRMLY BELIEVES THAT THE ADVANTAGES OF MULTI-YEAR PROGRAMMING FOR THE FIP FAR OUTWEIGH ANY DISADVANTAGES THAT MAY EXIST. KNOWING WHAT THE GOJ WILL DO OVER A PERIOD OF YEARS, BEING ABLE TO PLAN AND DESIGN IN ADVANCE, AND BEING ABLE TO SEEK APPROPRIATE FUNDING TO COVER THOSE ITEMS WHICH ARE A U.S. RESPONSIBILITY FULLY SUPPORT A MOVE TO A MULTI-YEAR PROGRAM. CINCPAC ASSISTANCE IN RESOLVING NAVY OBJECTIONS AND AUTHORIZING COMUSJAPAN TO PROCEED WITH A THREE YEAR PLAN IS REQUESTED.

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OASD(C)
April 28, 1980

DoD Annual Operating Costs of Maintaining U.S.
Military Forces in Foreign Countries & Areas

Country	(\$ Millions)		
	FY 1978	FY 1979	FY 1980
<u>Western and Southern Europe</u>			
Belgium	39	42	45
Denmark (Incl. Greenland)	73	76	94
Germany	4,592	5,001	5,588
Greece (Incl. Crete)	70	76	81
Iceland	72	84	91
Italy (Incl. Sicily and Sardinia)	233	259	282
Netherlands	36	37	39
Portugal (Incl. Azores)	35	37	39
Spain	179	193	209
Turkey	170	204	286
United Kingdom	452	514	553
Forces Afloat	270	330	334
Other	8	7	11
Total Western & Southern Europe	6,229	6,860	7,652
<u>Eastern Europe</u>			
	3	3	3
<u>Africa, Near East and South Asia</u>			
Bahrain Islands	4	5	6
British Indian Ocean (Incl. Diego Garcia)	21	26	28
Egypt	1	1	1
Iran	4		
Israel	2	2	2
Saudi Arabia	10	12	13
Afloat	19	14	14
Other	6	8	7
Total Africa, Near East & South Asia	67	68	71
<u>East Asia and Pacific</u>			
Australia	21	22	28
Japan (Incl. Okinawa)	938	1,000	1,050
Philippines	257	271	292
South Korea	888	927	973
Thailand	5	2	3
Afloat	311	353	358
Other	6	7	4
Total East Asia and Pacific	2,426	2,582	2,708
<u>Western Hemisphere</u>			
Bermuda	28	31	33
Canada	46	54	56
Cuba (Guantanamo)	47	51	55
Panama	10	126	175
Afloat	22		
Other	11	11	12
Total Western Hemisphere	164	273	331
Grand Total	8,889	9,786	10,765

Notes

DoD accounting records are not maintained to reflect total U.S. costs on an area basis. Operating costs for all years, therefore include estimates developed by the use of appropriate factors. Included are the salary costs of all military and civilian personnel located overseas and the cost of operating and maintaining facilities overseas. These estimates do not include indirect logistic and administrative costs for support from outside of the country, nor do they include major procurement or military construction costs.

Estimates include military and civilian salary rates in effect on 1 October 1978.



COMPTROLLER
(Program/Budget)

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

To: Cdr Greer
Figures are partial.
Use w. care.

APR 30 1980

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MEMORANDUM FOR DIRECTOR, EAST ASIA AND PACIFIC REGION (ISA)

SUBJECT: Twelfth SSC Meeting (U)

This is in response to your memorandum of 17 April 1980, same subject. An unclassified fact sheet providing U.S. Defense expenditures in Asia and the Pacific is attached.

Enclosure

R. G. Sherick
for Joseph H. Sherick
Deputy Assistant Secretary of Defense
(Program/Budget)

U.S. DEFENSE EXPENDITURES IN EAST ASIA AND PACIFIC

DoD accounting records are not maintained to reflect total U.S. costs on an area basis. However, annual operating costs are developed by the use of appropriate factors. Included are the salary costs of all military and civilian personnel located overseas and the cost of operating and maintaining facilities overseas. These estimates do not include indirect logistic and administrative costs for support from outside of the country, nor do they include a pro rata share of major procurement or military construction costs. On this basis, the following table provides annual operating costs of maintaining U.S. military forces in East Asia and the Pacific in FY 1978-80:

	<u>\$ Millions</u>		
	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>
<u>East Asia and Pacific</u>			
Australia	21	22	28
Japan	938	1,000	1,050
Philippines	257	271	292
South Korea	888	927	973
Thailand	5	2	3
Afloat	311	353	358
Other	<u>6</u>	<u>7</u>	<u>4</u>
Total	2,426	2,582	2,708

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CINCPAC FOR J5/J44

SUBJ: US FORCES, JAPAN COSTS

REF A: COMUSJAPAN 270112Z JULY 79

1. THIS MESSAGE PROVIDES UPDATE OF REF A COST DATA PER TELEPHONIC REQUEST OF LTC LOHMANN, CINCPAC J5112 ON 5 JUNE.

2. REF A PROVIDED RATIONALE FOR ESTIMATING US FORCES JAPAN COSTS USING YEN EXPENDITURE DATA AND MILITARY PERSONNEL COST DATA PROVIDED BY OSD. THIS METHOD PROJECTED TOTAL ANNUAL COSTS (LESS MIL PAY) FOR FY 79 AT \$853 MILLION BASED ON PROJECTED YEN PURCHASES OF \$650 MILLION. MIL PERSONNEL COSTS WERE ESTIMATED AT \$551 MIL (BASED ON OSD DATA). TOTAL US COSTS WERE THUS \$1,404 MILLION. ACTUAL YEN PURCHASES FOR FY 79 TURNED OUT TO BE \$620.3 MILLION INSTEAD OF \$650 MILLION AS PROJECTED. THE TOTAL FY 79 COST ESTIMATE SHOULD THEREFORE REFLECT \$1,369 MILLION INSTEAD OF \$1,404.

3. YEN EXPENDITURE DATA FOR FY 80 IS AVAILABLE ONLY FOR THE FIRST SEVEN MONTHS AND IT IS NOT YET POSSIBLE TO MAKE A GOOD PROJECTION OF TOTAL FY 80 COSTS. ADDITIONALLY/THE ERRATIC YEN/DOLLAR EXCHANGE RATE AND LARGE UTILITIES RATE INCREASES EXPERIENCED BY USFJ BEGINNING, 1 APRIL 80 MAKE AN ACCURATE FORECAST DIFFICULT. THE RELATIVELY STRONG POSITION OF THE DOLLAR AT THE BEGINNING OF FY 80 (250 YEN TO THE US DOLLAR) HAS CAUSED YEN PURCHASES FOR THE FIRST HALF OF FY 80 TO BE ONLY 74 OF THE 1ST HALF FY 79 PURCHASES. HOWEVER, THE RECENT WEAKENING OF THE DOLLAR HAS BEEN REFLECTED IN YEN PURCHASES NOW

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STARTING TO EXCEED THOSE OF A SIMILAR PERIOD LAST YEAR.
4. WHILE IT MAY BE SAFE TO ASSUME FY 80 COSTS MAY END UP WITHIN 10
OF FY 79 COSTS, IT WOULD BE UNWISE TO MAKE A FIRM PROJECTION AT THIS
TIME. A QUERY ON FY 79 COSTS FROM MINISTRY OF FOREIGN AFFAIRS IN
MARCH THIS YEAR WAS ANSWERED BASED ON THE METHOD OUTLINED IN REF A,
AND GOJ WAS GIVEN THE \$1,389 FIGURE MENTIONED IN PARA 2 ABOVE.
FURTHER, GOJ WAS ADVISED THAT IT IS NOT YET POSSIBLE TO MAKE A USEFUL
PROJECTION OF FY 80 COSTS AT THIS TIME. RECOMMEND THAT SSC DISCUS-
SION NOT DWELL ON DETAILS OF US COSTS, BUT DRAW ON REF A AND INFORMA-
TION IN PARA 2 ABOVE AS REQUIRED.

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INFO RUEKJCS/JCS WASHINGTON DC
RHHMERA/CINCPACFLT PEARL HARBOR HI
RUHVAAA/CINCPACAF HICKAM AFB HI
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CINCPAC FOR J5/J44

SUBJ: US FORCES, JAPAN COSTS

- A. CINCPAC 260841Z JAN 78
- B. COMUSJAPAN 290545Z APR 78
- C. SECDEF 240515Z MAY 79
- D. CINCPAC 042110Z JUN 78

1. SUBJECT OF US FORCES, JAPAN COSTS HAS BEEN OF INTEREST TO GOVERNMENT OF JAPAN (GOJ) AS COST SHARING DISCUSSIONS HAVE EVOLVED OVER PAST SEVERAL YEARS. AS RESULT OF THAT INTEREST AND IN RESPONSE TO CINCPAC TASKING IN REF A, THIS HQ GATHERED DATA ON US COSTS IN FY 77, AND DY 78.

2. SELECTED DATA WAS FORWARDED BY REF B TO CINCPAC, AND SUBSEQUENTLY FORWARDED TO GOJ, WITH ADDITIONAL INPUT PROVIDED BY REF C. AS NOTED IN REF B THE EFFORT TO GATHER COST DATA FROM ALL SERVICE COMMANDS IN JAPAN WAS NOT ENTIRELY SUCCESSFUL.

3. GOJ HAS CONTINUED TO EXPRESS INTEREST IN US FORCES COSTS, BUT WE HAVE NOT RESPONDED WITH DETAILS BECAUSE OF THE EXPERIENCE WITH SERVICE DIFFICULTIES LAST YEAR AND ALSO TO AVOID A YEARLY DISPLAY OF SUCH DETAILED INTERNAL U.S. INFORMATION.

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4. AS A RESULT, GOJ HAS BEEN INFORMED THAT THE DATA GIVEN WAS THE RESULT OF A SPECIAL ONE TIME STUDY TO SHOW AN EXAMPLE OF US COSTS IN JAPAN AND THAT SUCH DETAILED INFORMATION IS NOT AVAILABLE THIS YEAR (FY79). AS AN ALTERNATIVE, USE OF OFFICIAL YEN PURCHASE DATA, WHICH IS HIGHLY ACCURATE AND REPORTED MONTHLY TO GOJ ALREADY, HAS BEEN SUGGESTED.

5. BY COMPARING KNOWN COSTS GATHERED FOR FY 77 AND 78 WITH OFFICIAL YEN EXPENDITURES IN THE SAME YEARS, IT IS POSSIBLE TO PROJECT FY 79 AND FUTURE YEARS COSTS BASED ON YEN EXPENDITURES OR PROJECTED EXPENDITURES. THIS ASSUMES A FIXED RELATION BETWEEN TOTAL EXPENDITURES AND OFFICIAL YEN PURCHASES EACH YEAR. (MILITARY PAY MUST BE ACCOUNTED FOR SEPARATELY, SINCE IT IS NOT REFLECTED IN OFFICIAL YEN EXPENDITURES.)

6. BASED ON THE ABOVE, FOLLOWING DATA ARE APPLICABLE FOR COSTS, FY 77, THROUGH FY 79 (IN MILLIONS OF DOLLARS)

	FY77	FY78	FY79
A. (OFFICIAL YEN EXPENDITURES)	(485.5)	(573.8)	(650) (PROJECTED)
B. TOTAL US COSTS (LESS MIL PAY)	634.2	753	853 (PROJECTED)
C. MIL PAY	586.5	585	551 (REF C)
TOTAL US EXPENDITURES (B PLUS C)	1,170.7	1,338	1,404

7. THIS DATA HAS ALREADY BEEN FORWARDED TO GOJ AS INDICATION OF US COSTS IN JAPAN (ONLY FY 77 IS IN DETAIL AS SHOWN IN REF B). WHILE FY 79 TOTAL DOES NOT AGREE WITH REF C, BELIEVE IT IS CLOSER TO ACTUAL EXPENDITURES, SINCE REF C INCLUDED ONLY MIL PAY AND O&M COSTS. APPARENTLY EXCLUDED WERE EXPENDITURES RELATED TO FAMILY HOUSING, MILITARY CONSTRUCTION, CLAIMS, ETC, AS WELL AS COSTS OF OTHER DOD ACTIVITIES (DOD SCHOOLS, DEFENSE PROPERTY DISPOSAL, ETC). THESE ADDED COSTS ARE REFLECTED IN YEN EXPENDITURES, HOWEVER, B. BELIEVE AFOREMENTIONED PROCEDURE REPRESENTS SIMPLE WAY TO ADVISE GOJ OF CHANGES TO US FORCES EXPENDITURES IN JAPAN. TO CONTINUE THE PROCEDURE WOULD ONLY REQUIRE ANNUAL UPDATE OF MIL PAY COSTS AS PROVIDED BY REF C FOR FY79 AND 80. OTHERWISE REMAINING COSTS CAN BE ESTIMATED BASED ON YEN EXPENDITURE PATTERNS.

9. IF YOU AGREE, REQUEST ALCON BE ADVISED THAT THIS HQ IS USING ABOVE PROCEDURE AND DATA IN FUTURE COORDINATION WITH GOJ.

PDC THIS HQ IS LTC TRAUNER, USFJ/J42, 225-4712

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POINT PAPER FOR SESSION III

SUBJECT: (1) Assessment of the Status of US Japan Combined Exercises
(2) Recent Security and Defense Debate in Japan

TIME AND PLACE: Tuesday, July 1, 0900-1200 - Ilikai Hotel, Honolulu

ISSUES:

The first part of this session will be a joint presentation given by Lieutenant General Ginn. ASD McGiffert will make a few supplementary remarks on the Brown-Yamashita discussions on increasing training opportunities in both countries. Following discussion the GOJ will make a presentation on the Security and Defense Debate in Japan.

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SESSION 3

STATUS OF US-JAPAN COMBINED

EXERCISES AND TRAINING

THE FOLLOWING TEXT WAS PREPARED JOINTLY BY US FORCES JAPAN AND THE JAPAN SELF-DEFENSE FORCES. IT IS TO BE PRESENTED TO THE SSC ON 1 JULY 1980 BY LIEUTENANT GENERAL GINN.

BEGIN QUOTE: GOOD MORNING GENTLEMEN. I AM PLEASED TO HAVE THIS OPPORTUNITY TO PRESENT TO YOU ON BEHALF OF THE JAPAN SELF DEFENSE FORCE AND THE US FORCES, JAPAN A REPORT ON THE STATUS OF US-JAPAN COMBINED EXERCISES AND TRAINING. AS MOST OF THOSE PRESENT ARE AWARE, THE GUIDELINES FOR DEFENSE COOPERATION ESTABLISHED MILITARY-TO-MILITARY PLANNING IN THREE AREAS: FIRST, THE STUDY PLAN FOR THE DEFENSE OF JAPAN; SECOND, THE STUDY OF ACTIONS REQUIRED IN OTHER CONTINGENCIES RELATED TO THE DEFENSE OF JAPAN; AND THE LAST THE STUDIES IN ASSOCIATED ACTIVITIES: INTELLIGENCE, COORDINATION CENTER REQUIREMENTS, PREPAREDNESS CONDITIONS, LOGISTICS, AND COMBINED EXERCISES AND TRAINING. WE ARE MOVING FORWARD ON PLANNING FOR THE DEFENSE OF JAPAN. WE NOW EXPECT TO COMPLETE THE DRAFT OF THE DEFENSE OF JAPAN PLAN BY LATE SUMMER. PLANNING FOR OTHER CONTINGENCIES WILL FOLLOW WHEN THE FINAL DEFENSE PLAN IS ACCEPTED. THE THIRD AREA OF INTEREST, ASSOCIATED ACTIVITIES, HAS BEEN PURSUED CONCURRENTLY WITH OUR OTHER PLANNING. WE ARE MOVING FORWARD STEADILY IN ALL FIVE OF THESE ACTIVITIES, BUT TODAY I WOULD LIKE TO CONCENTRATE ON ONE -- COMBINED EXERCISES AND TRAINING. WE HAVE DONE A LOT THIS PAST YEAR IN SERVICE-TO-SERVICE SEA AND AIR EXERCISES. A COMBINED ANTISUBMARINE OR MINE EXERCISE IS HELD

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QUARTERLY. DISSIMILAR AIR COMBAT TACTICS AND INTERCEPT EXERCISES ARE NOW HELD ALMOST TWICE MONTHLY BETWEEN JASDF AND THE US AIR FORCE AND MARINES. WHEN OPERATIONALLY ABLE, THE NAVY ALSO INTENDS TO PARTICIPATE. WE HAVE HAD THE LATEST AIRCRAFT FROM BOTH COUNTRIES IN THESE EXERCISES: F-15S, AWACS, AND JAPAN'S F-1. FOR THE FIRST TIME WE HAVE HELD A COMBINED AIR AND SEA RESCUE EXERCISE. WHILE ALL OF THESE HAVE GENERALLY BEEN OUT OF THE PUBLIC VIEW, THERE HAVE BEEN MODEST PRESS RELEASES.

FOR A NUMBER OF YEARS, COMBINED EXERCISES AND TRAINING HAVE BEEN POLITICALLY SENSITIVE IF HELD IN PUBLIC SIGHT IN JAPAN. WE ALL RECOGNIZE THAT THE MILITARY MUST MOVE AT A PACE WHICH IS IN CONSONANCE WITH THE PUBLIC MOOD AND DIET SUPPORT. THIS HAD DEFINITELY HAD ITS EFFECTS ON EXERCISES AND TRAINING; WE HAVE YET TO HOLD A GROUND FORCE EXERCISE. WE DO HAVE ACTIVE CULTURAL, LANGUAGE AND OFFICER OBSERVER PROGRAMS WITH THE US ARMY AND THE GROUND SELF DEFENSE FORCE. THERE ARE ALSO OFFICER OBSERVER EXCHANGE PROGRAMS WITH THE US MARINE CORPS AND THE GSDF. US AND JAPAN MILITARY OBSERVERS HAVE SEEN MAJOR GROUND EXERCISES HELD BY BOTH SIDES. MANY RANKING OFFICERS OF THE JSDF AND JUNIOR OFFICERS OF THE GROUND SELF DEFENSE FORCE WERE AT EXERCISE FORTRESS GALE IN OKINAWA LAST AUGUST. FORTRESS GALE, ALTHOUGH US ONLY, WAS REALLY ADVANTAGEOUS IN THAT IT DEMONSTRATED THAT A MAJOR EXERCISE COULD BE HELD IN JAPAN WITHOUT MAJOR PROBLEMS WITH THE PEOPLE LIVING IN THE AREA. GOPHER BROKE IX, A US IX CORPS CPX, OR COMMAND POST EXERCISE, WILL HAVE GSDF OBSERVERS IN ALL FUNCTIONAL AND OPERATIONAL STAFF AREAS, BUT WE HAVE NOT YET BEEN ABLE TO HAVE A FULL COMBINED CPX. SINCE THERE ARE NO

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US ARMY OPERATING FORCES IN JAPAN, WE HAVE BEEN WORKING TO HAVE COMBINED EXERCISES WITH MARINES. AT CAMP FUJI IN THE FALL WE WILL TEST THE INTEROPERABILITY OF COMMUNICATIONS WITH GSDF AND US MARINE UNITS. WE WILL EXPAND THIS TO A FULL SCALE COMBINED GROUND EXERCISE OF A JGSDF REGIMENT AND USMC BATTALION LANDING TEAM IN THE FUTURE. TWO HIGHLIGHTS OF THE SERVICE-TO-SERVICE PROGRESS IN RECENT MONTHS ARE EXERCISE RIMPAC 80 AND THE DACT, OR DISSIMILAR AIR COMBAT TACTICS EXERCISE, HELD AT NYUTABARU AIR BASE. JMSDF SHIPS AND AIRCRAFT WORKED CLOSELY WITH THE US NAVY IN RIMPAC, WHICH ALSO INCLUDED PARTICIPATION BY SHIPS OF OTHER NATIONS: AUSTRALIA, CANADA, AND NEW ZEALAND. JMSDF PARTICIPATION IN THE EXERCISE WAS HEAVILY DEBATED IN THE PRESS BECAUSE OF THE CONNOTATION OF COLLECTIVE DEFENSE. THE GOVERNMENT OF JAPAN'S POSITION ON THIS MATTER WAS THAT THE EXERCISE WAS AIMED AT DEVELOPING AND IMPROVING COMBAT SKILLS, NOT COLLECTIVE DEFENSE, AND WAS THEREFORE PERMISSIBLE WITHIN THEIR POLICY CONSTRAINTS. SINCE THE DISCUSSIONS ON THIS MATTER APPEAR TO HAVE CEASED, A MAJOR POLITICAL BARRIER HAS BEEN BREACHED. WE HAVE MOVED UP A LEVEL IN OUR STEP-BY-STEP APPROACH TO MULTISERVICE COMBINED EXERCISES. THE NYUTABARU DACT, THE FIRST COMBINED EVOLUTION HELD AT A JAPAN SELF DEFENSE FORCE BASE, REPRESENTS ANOTHER MAJOR STEP FORWARD. AGAIN, THERE WAS MUCH DISCUSSION IN THE PRESS. THERE WERE LOCAL DEMONSTRATIONS, BUT NO APPARENT NATIONWIDE OPPOSITION. FROM THESE EXERCISES, WE HAVE REGISTERED A NUMBER OF GAINS. WE HAVE DEMONSTRATED OUR EQUIPMENT TO EACH OTHER AND IDENTIFIED SOME SHORTFALLS. WE HAVE SIMPLIFIED, VALIDATED AND TESTED CONCEPTS IN MANY BASIC FACETS OF NAVAL AND AIR SERVICE-TO-SERVICE COMBINED OPERATIONS AND DETERMINED WHETHER OUR TACTICS AND DOCTRINE WERE COMPATIBLE.

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THERE IS MUCH MORE WORK TO BE DONE IN THIS AREA, BUT, WE WILL BUILD UPON THIS YEAR'S EFFORTS TOWARD LARGE SCALE CPX AND FTX'S -- INTER-OPERABILITY IN THESE FUNCTIONS AND OTHERS WILL BE EMPHASIZED. MOVEMENT TOWARD COMBINED EXERCISES HAS BEEN SLOW AND DELIBERATE. WE HAVE HAD MAGNIFICENT OPERATIONAL ACCOMPLISHMENTS, BUT THE MOST IMPORTANT ADVANCES WERE IN ANOTHER AREA. AS A RESULT OF SINCERE EFFORTS ON THE PART OF CIVILIAN AND MILITARY OFFICIALS OF THE GOVERNMENT OF JAPAN, MUCH PROGRESS HAS BEEN MADE. CIVILIAN OFFICIALS AND THE PUBLIC SPEAK OPENLY NOW OF THE NEED FOR DEFENSE, AND IT IS A TOPIC OF CURRENT DEBATE. JAPAN NOW HAS A SPECIAL COMMITTEE ON SECURITY AFFAIRS IN THE DIET. IN THE LAST YEAR WE MADE THE PUBLIC AWARE OF OUR NEEDS FOR COMBINED EXERCISES AND TRAINING, AND HAVE RECEIVED TACIT APPROVAL.

ON A SERVICE-TO-SERVICE BASIS, WE ARE EXPECTING TO WORK ON INTER-OPERABILITY OF OUR ANTISUBMARINE DEFENSE, OUR DEFENSIVE MINE WARFARE, AND OUR AIR INTERCEPT TACTICS. WE WILL INCREASE THE INTEROPERABILITY OF OUR COMPLETE AIR DEFENSE SYSTEMS. WE INTEND TO TAKE THE FIRST MAJOR STEP IN MAKING OUR GROUND FORCES INTEROPERABLE WITH THE EXERCISE AT THE FUJI MANEUVER AREA. IN ALL SERVICES WE INTEND TO INCREASE THE SOPHISTICATION AND FREQUENCY OF OUR EXERCISES. WE REALIZE THAT WE HAVE SERIOUS COMMAND AND CONTROL ISSUES WHICH MUST BE RESOLVED AT THE JOINT LEVEL IN BOTH COUNTRIES. THEREFORE THE STEP-BY-STEP PROCESS HAS NOT BEEN IGNORED AT THE JOINT HEAD-QUARTERS LEVEL. WE HAVE PLANNED A COMBINED JOINT STAFF OFFICE - HEADQUARTERS US FORCES JAPAN STAFF STUDY IN SEPTEMBER. THIS WILL BE BASED ON A SCENARIO LEADING FROM THE CRISIS INTELLIGENCE BUILDUP PHASE TO A POINT JUST SHORT OF AN ARMED CONFLICT IN JAPAN. THE

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STUDY WILL EXAMINE INTERACTION BETWEEN THE JOINT MILITARY STAFFS AND COMMUNICATIONS WITH THEIR HIGHER AUTHORITIES, BOTH MILITARY AND CIVILIAN. INTELLIGENCE COORDINATION, LOGISTICS, FORCE DEPLOYMENTS, AND MOBILIZATION CONSIDERATIONS WILL HAVE TO BE ADDRESSED. AFTER EACH DECISION POINT THE ALTERNATIVES WILL BE DISCUSSED. WITH THIS STAFF STUDY WE WILL SIMULATE EACH COUNTRY'S REPORTING PROCEDURES TO NATIONAL COMMAND AUTHORITY, FAMILIARIZE EACH SIDE WITH THE OTHER'S LINES OF COMMAND AND AUTHORITY, IDENTIFY PROBLEMS WITH EXISTING REPORTING SYSTEMS AND SMOOTH OUT COORDINATION PROCEDURES BETWEEN THE JOINT STAFF LEVELS. FINALLY, WE EXPECT TO IDENTIFY SOME REMEDIES THROUGH THESE PROCEDURES. SOME OF THESE REMEDIES WILL BE NEW HARDWARE, COORDINATION FACILITIES, COMMAND AND CONTROL SYSTEMS, ALL ITEMS THAT COST MONEY. THIS IS WHERE WE WILL NEED EVERYONE'S ASSISTANCE. WE DON'T EXPECT TO SOLVE ALL THE PROBLEMS IMMEDIATELY, BUT THEY WILL BE SURFACED. OUR MAIN CONCERN IS DEVELOPING PROCEDURES ON BOTH SIDES FOR ORCHESTRATING THE JOINT DEFENSE OF JAPAN. WE HAVE BEEN WORKING FOR SOME MONTHS ON MILITARY-TO-MILITARY CONCEPTS FOR THE CONDUCT OF COMBINED TRAINING AND EXERCISES. WE HAVE COMPLETED A STUDY WHICH DEFINES TYPES OF TRAINING IN WHICH WE WILL PARTICIPATE. IT STATES POLICIES ON PLANNING, SCHEDULING, AND EXECUTION, OF COMBINED EXERCISES. LAST YEAR A DOCUMENT OF THIS NATURE WOULD HAVE BEEN DIFFICULT, IF NOT IMPOSSIBLE. ONE OF THE MAJOR OBJECTIVES IN THE EXERCISE PROGRAM IS A TEST OF THE DEFENSE OF JAPAN PLAN. THIS TEST WILL BE A LARGE SCALE EXERCISE SIMILAR TO THAT WHICH THE US HOLDS ANNUALLY WITH KOREA; IN OTHER WORDS, A JAPAN TEAM SPIRIT.

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TO SUMMARIZE, THIS PAST YEAR WE HAVE LOOKED TO THE FUTURE AND CONCENTRATED ON DEVELOPING THE ASSOCIATED STUDIES REQUIRED TO IMPLEMENT AND TEST OUR PLANS. WE HAVE MADE CONSIDERABLE PROGRESS IN COMBINED EXERCISES AND TRAINING. SERVICE-TO-SERVICE EXERCISES HAVE INCREASED IN BOTH FREQUENCY AND IN SOPHISTICATION. THE FIRST GROUND EXERCISE AND THE FIRST JOINT LEVEL EXERCISE IN COMMAND AND CONTROL WILL BE HELD SOON. THE JAPANESE PUBLIC IS ACCEPTING THESE EFFORTS.

GENTLEMEN, IN THE PAST YEAR WE HAVE TAKEN GREAT STRIDES FORWARD. THANK YOU, THAT CONCLUDES OUR REPORT." END OF QUOTE.

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SUPPLEMENTARY TALKER ON COMBINED TRAINING

There are at present a fair number of Japanese uniformed personnel training in the United States and US officers training in Japan. The International Security and Development Cooperation Act of 1980 which passed the Senate in June and is expected to be signed into law shortly will drastically reduce Japanese costs for FMS training in the US. This should allow the GOJ to roughly double their numbers of students in various US courses for the same budget as previous (one exception is F-4 pilot training where costs will be reduced from about \$825 thousand per student to about \$665 thousand per student).

Of particular interest is increasing the numbers of Ground Self-Defense Force officers and soldiers' training in the US in order to broaden the perspectives of the largest Japanese service. Unfortunately the GSDF has the least amount of contact with US counterparts. The US Army has encouraged the GSDF since November last year to send a survey team to the United States to visit various training sites to determine which are most desirable, affordable, and available for large scale GSDF training in CONUS or Hawaii. The GOJ has not yet responded to the invitation. The GSDF attache in Washington states that the GSDF wants to send this team and feels our encouraging the Japanese delegation at the SSC would be helpful. We also want to encourage the ASDF on pilot training.

TALKING POINTS FOR MR. McGIFFERT:

- As Minister Yamashita and Secretary Brown agreed last October in Tokyo, the US would like to increase training opportunities for the SDF in the US and for US Forces in Japan.

- For us language remains a problem but we are trying to make gradual increases. Our Navy will send its third officer to your Maritime Staff College in Tokyo next year. Our Air Force will increase its number of officers on exchange duty in Japan from three to four next year and our Army hopes to send a platoon to Japan in 1981 as the initial part of an exchange program with the Ground Self-Defense Force. The Secretary of Defense has directed the Secretaries of the Army, Navy, and Air Force to look into expanding Japanese language training. Our Air Force Academy has a good program and we hope all of our services will improve.

- As you know we have tried to get legislative authorization for Japan to be eligible to pay incremental costs only for FMS training in the US vice full costs that all non NATO countries currently must pay. The International Security and Development Cooperation Act of 1980 passed the Senate on June 17 and is likely to become law later this month. If passed this law will allow you to reduce your costs by almost 50 percent in many cases. In the case of pilot training for your

Air Self-Defense Force the reduction would be from 800 thousand dollars per student to approximately 650 thousand per student as the training involves considerable fuel and instructor time.

We consider this training to be particularly valuable; however, and we hope this new price will allow you to reconsider.

We are specially interested in increasing training opportunities for your Ground Forces in the United States. In November last year we invited the Ground Staff Office to send a survey team to the United States to visit various training areas to find out costs, desirable locations, etc. We have not heard from you on this request which is still open. Our Army will assemble a team to accompany your team to assist in its research. We recommend you consider sending a team as soon as possible before the transfer of the US personnel who originally staffed this proposal.

Following any GOJ response the Japanese Delegation will make a presentation on the "Recent Security and Defense Debate in Japan."

See Jim's try for under way now.

principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between them.

ARTICLE III

The Parties, individually and in cooperation with each other, by means of continuous effective self-help and mutual aid will maintain and develop, subject to their constitutional provisions, their capacities to resist armed attack.

ARTICLE IV

The Parties will consult together from time to time regarding the implementation of this Treaty, and, at the request of either Party, whenever the security of Japan or international peace and security in the Far East is threatened.

~~ARTICLE V~~

Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of Article 51 of the Charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

~~ARTICLE VI~~

For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan.

The use of these facilities and areas as well as the status of United States armed forces in Japan shall be governed by a separate agreement,² replacing the Administrative Agreement³ under Article III of the Security Treaty⁴ between the United States of America and Japan, signed at Toyko on February 28, 1952, as amended, and by such other arrangements as may be agreed upon.

ARTICLE VII

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

² TIAS 4510; 11 UST 1652.
³ TIAS 2402; 3 UST, pt. 2.

ning. In particular, coordination will be made in advance in regard to foreseeable supply deficiencies, quantities, priorities for satisfying deficiencies, emergency acquisition procedures, etc., and studies will be undertaken relating to the economical and efficient utilization of the bases and facilities/areas of the two forces.

ACTIONS IN RESPONSE TO AN ARMED ATTACK AGAINST JAPAN

1. When an armed attack against Japan is imminent:

Japan and the United States will conduct closer liaison and will take necessary measures respectively and, as deemed necessary due to changes in the situation, will make necessary preparations in order to ensure coordinated joint action, including the establishment of a coordination center between the JSDF and U.S. Forces.

The JSDF and U.S. Forces will establish in advance a common standard as regards preparations which will be respectively conducted by the two forces so that the two nations may select coordinated common readiness stages, and ensure that effective preparations for operations can be cooperatively undertaken by the JSDF and U.S. Forces respectively.

This common standard will indicate readiness stages from an increase of unit-alert posture to a maximization of combat-readiness posture concerning intelligence activities, unit readiness, movements, logistics, and other matters relating to defense preparations.

The JSDF and U.S. Forces will respectively conduct defense preparations considered necessary according to the readiness stage selected by mutual agreement between the two governments.

2. When an armed attack against Japan takes place:

(1) In principle, Japan by itself will repel limited, small-scale aggression. When it is difficult to repel aggression alone due to the scale, type and other factors of aggression, Japan will repel it with the cooperation of the United States!

(2) When the JSDF and U.S. Forces jointly conduct operations for the defense of Japan, they will strive to achieve close mutual coordination to employ the defense capacity of each force in a timely and effective manner.

(i) Concept of operations:

The JSDF will primarily conduct defensive operations in Japanese territory and its surrounding waters and air space. U.S. Forces will support JSDF operations. U.S. Forces will also conduct operations to supplement functional areas which exceed the capacity of the JSDF.

The JSDF and U.S. Forces will jointly conduct ground, maritime and air operations as follows:

(a) Ground Operations:

The Ground Self-Defense Force (GSDF) and U.S. Ground Forces will jointly conduct ground operations for the defense of Japan. The GSDF will conduct checking, holding and repelling operations.

U.S. Ground Forces will deploy as necessary and jointly conduct operations with the GSDF, mainly those for repelling enemy forces.

~~The Maritime Self-Defense Force (MSDF) and U.S. Navy will jointly conduct maritime operations for the defense of surrounding waters and the protection of sea lines of communication.~~

The MSDF will primarily conduct operations for the protection of major ports and straits in Japan; and antisubmarine operations, operations for the protection of ships and other operations in the surrounding waters.

U.S. Naval Forces will support MSDF operations and conduct operations, including those which may involve the use of task forces providing additional mobility and strike power, with the objective of repelling enemy forces.

~~(c) Air Operations:~~

~~The Air Self-Defense Force (ASDF) and U.S. Air Force will jointly conduct air operations for the defense of Japan.~~

The ASDF will conduct air-defense, anti-airborne and anti-amphibious invasion, close air support, air reconnaissance, airlift operations, etc.

U.S. Air Forces will support ASDF operations and conduct operations, including those which may involve the use of air units providing additional strike power, with the objective of repelling enemy forces.

(d) When carrying out ground, maritime, and air operations, the JSDF and U.S. Forces will provide necessary support for each other's forces in various activities related to operations, such as intelligence, logistics, etc.

(ii) Command and Coordination: The JSDF and U.S. Forces, in close cooperation, will take action through their respective command-and-control channels. In order to be able jointly to conduct coordinated operations effectively, the JSDF and U.S. Forces will take actions in accordance with operational processes which will be coordinated in advance.

(iii) Coordination Center: In order jointly to conduct effective operations, the JSDF and U.S. Forces will maintain close mutual coordination on operations, intelligence and logistic support through a coordination center.

(iv) Intelligence Activities: The JSDF and U.S. Forces will, through operations of their respective intelligence systems, conduct intelligence activities in close cooperation in order to contribute to the joint implementation of effective operations. To support this, the JSDF and U.S. Forces will coordinate intelligence activities closely at each stage of requirements, collection, production, and dissemination. The JSDF and U.S. Forces will each have responsibility for their own security.

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POINT PAPER FOR SESSION IV

SUBJECT: US-Japan Defense Cooperation 1985-1995

TIME AND PLACE: Tuesday, July 1, 1400-1700, Ilikai Hotel, Honolulu

ISSUES:

Despite the emphasis on the Mid-Term Defense Estimate and the JFY 1981 defense budget there is a need to look beyond the next five years only and to view US Japan defense cooperation the decade beyond. The Japanese are reluctant to discuss this period now. They have stated that they are fully occupied with the 80-84 plan but that they will be happy to listen to what we have to say. DASD Wolfowitz and Mike Armacost or Nick Platt will make US presentations.

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Talking Paper for Fourth Session

A growing Soviet bid for "strategic dominance" will continue to be the central theme of Asian security affairs in 1985-95. As indicated earlier by AS McGiffert, this bid would theoretically rest on a coordinated political, economic and military campaign. However, burdened with a lethargic economy and a ~~growing~~ loss of ideological appeal, the Soviets may be even more inclined to rely primarily on their military capability; indeed, there is no reason to expect that their willingness to make aggressive use of this capability will diminish. On the contrary, perceptions of Soviet success (Afghanistan) and apparent lack of effective Western response will only provide the Soviets further incentive.

As we have discussed, the industrial democracies will have to make some long overdue repairs and improvements in their defenses. This is necessary not only to counter the Soviets themselves, but to convince the rest of the world that the democracies remain a viable counterweight to Soviet hegemony. On the other hand, our response to the Soviets need not focus exclusively or even primarily on military measures. While the U.S. will continue to shoulder the burden of strategic deterrence, the "Western Alliance"--and this includes Japan in fact if not explicitly in name--will have to more carefully consult on its various strategies; we must try to ensure that our political, economic and defense measures are, if not always coordinated, at least consistent.

What important developments are we likely to face in the decade between 1985-95? The Soviets will probably try to expand their influence in both SW and SE Asia. Largely excluded from the Middle East peace process, they will not likely remain idle, whether we seem to be achieving success in stabilizing the region or not. Aside from attempts to exploit tensions in Iran and Israeli-Arab relations, the Soviets will seek to consolidate their position in Afghanistan, increase their leverage on Pakistan, and enhance their cooperation with India.

In SE Asia, we expect the Soviets to continue strengthening their alliance with Vietnam and improve their ability to project naval power in the region. In part, these efforts will be intended to counter the U.S.; in part they will be a riposte to China; but largely they will express a long-term Soviet desire for a global position commensurate with the great-power aspirations Moscow has long harbored.

In the meantime, China will emerge as a major military power. The military dimensions of the Sino-Soviet dispute may become more ominous as development of recently tested ICBMs and introduction of SLBMs give the PRC a strategic arsenal that, while modest when compared to the U.S. or the Soviets, will have a global reach. The same will be true for China's conventional forces; if defense continues to absorb anything like the present 10 percent of the PRC's GNP, not only will there be a considerable strengthening of the land and air forces on China's frontiers, but China's navy will develop far beyond its current coastal defense capabilities.

During 1985-95 the U.S. and Japan will each develop closer political and economic relations with China, and a measured improvement in Chinese military and technological capabilities need not be directly threatening to us. However, as we both move closer to the PRC, we will be faced with some difficult questions about the degree to which our ties with China should evolve toward a more explicit political/military relationship; the risks involved of possibly provoking the Soviets, alarming other neighboring states, and encouraging Chinese adventurism, and the relevance of an expanding relationship with the PRC to our continuing interest in Taiwan's well-being.

Despite present difficulties in South Korea, there is still reason to think that, given Soviet and Chinese desire to promote stability and an absence of irrational behavior on the part of North Korea, tensions on the Korean Peninsula will remain under control and over the long run will gradually decline.

SE Asia presents more complex problems. It is quite possible that Indochina will remain an open wound beyond 1985, and that its infection may spread to other parts of the region. Bearing that possibility as well as the Soviets in mind, we will have to do more serious planning to ensure continuous access to strategic routes (e.g., Straits of Malacca) and resources whose availability we have until very recently taken for granted. This means closer, more regularized consultations among the U.S., Japan and Australia/New Zealand as well as greater support for ASEAN as not only a viable economic community, but an association

of increasing political significance. We would be interested in how you perceive Japan's role in helping ASEAN members to insulate themselves from attempts by the Soviet Union, China, or Vietnam to exert undue influence on the region.

We assume that responsibility for regional security will remain primarily with the U.S. Our most likely problem there lies in the future of our Philippines bases after 1991. Although these bases are very important to our South China Sea and Indian Ocean deployments, their loss would probably have a more serious effect on ASEAN's faith in the strength of the U.S. commitment than on our actual military capabilities. We can minimize the impact of such a loss by improving or developing other facilities with ready access to SE Asia and the Indian Ocean, as well as upgrading the logistic support capabilities of the Seventh Fleet itself.

During the 1985-95 period, we think that SW Asia will continue to be the most unpredictable and dangerous area for our mutual interests. Energy conservation measures, development of alternative resources, and our respective efforts to improve relations with countries in the region will somewhat reduce, but by no means eliminate, the danger of our continued dependence on Persian Gulf oil. As noted earlier, we must assume that the Soviets will exploit any opportunity that regional confrontations and internal struggles present. U.S. plans for establishing a more permanent military presence through access to Indian Ocean facilities and development of the RDF are at best a partial solution to our vulnerability in SW Asia.

It will be necessary to back up military deployments with a coordinated political/economic strategy among the industrial democracies. We are not suggesting the conclusion of a formal alliance among the U.S., Japan and Western Europe for this purpose. Nonetheless, we should understand that SW Asia could become a crucial test for the admirable but still largely academic concept of Trilateralism.

What does all this mean for U.S.-Japan security cooperation in 1985-95? We have said that our bilateral relations are the cornerstone of our policy in Asia and that Japan is the anchor of the U.S. strategic position in the Western Pacific. We expect that this will remain so. At the same time, we expect that, while Japanese forces will still be legally and politically bound to a defensive posture, the general strengthening of alliance politics worldwide will have led naturally to greater Japanese participation in exercises outside Japanese territory. The US-Japan alliance and ANZUS will gradually become the foundation of a defacto Pacific alliance, with Korea, ASEAN, and the Pacific Island states playing auxiliary roles.

We look forward to further development, within the framework of the MST, of a U.S.-Japan alliance that will be increasingly important in preserving the security of the Pacific region. The main problems in military cooperation will be to continue promoting steady improvements in Japanese defense capabilities and strengthening complementarity in planning, training, and equipment, while at the same time avoiding a massive increase in Japanese military power that could only have a destabilizing

effect on the region. We will also need to strengthen the political foundations of the alliance, particularly in continuing to work out a flexible and far-sighted position on the use of Japanese facilities for U.S. deployments in defense of common interests. Although the press distorted what PM Ohira said about defense spending, we were very encouraged by his basic approach to fulfilling the role of an ally and particularly Japan's contribution in filling gaps caused by our responsibilities elsewhere.

For its part, the U.S. will continue to recognize that Japan's major contributions to the security of the Pacific region lie in its political stability and the enlightened application of its great economic strength. In the security field, the U.S. will ask Japan to maintain an effective self-defense capability in tandem with a credible U.S. presence; we will want Japan to work with us--not for us.

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Clearance:EA/J:ADRomberg
EA/RA:PClapp
PM/ISP:JMcNaughton

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SUGGESTIONS FOR DISCUSSIONS

OUTSIDE THE MEETINGS

(1) The SSC focuses on long-range issues. Although the Mid Term Defense Estimate and cost sharing will be discussed at some length in one or more sessions, these are ongoing, near-term issues that would be assisted by raising them in the social gatherings and in corridor conversation. Another issue of immediate concern, is longer term relief from the US defense burden in the Western Pacific by the assumption of some regional defense responsibilities within the framework of Japan's constitution. The following are some of the ideas which could be raised informally with Katori, Hara, Okazaki, Asao, Ikeda and Tamba.

(2) Meaning of Steady and Significant Increases

We should attempt to emphasize at every level that we are not interested in percentages of GNP the GOJ spends on defense yet that mechanism will continue to be emphasized by the press for some time. We are interested in Japan's attaining an effective self-defense capability by the mid 1980s and that will take significant effort on Japan's part. It will no longer be sufficient for the SDF to have nice looking destroyers, tanks and F-15s. We want them to have those but we also want them to be able to support the sustained use of those weapons systems on the Japanese homeland and out to distances of about 1000 miles on, over, and under the sea around Japan, i.e., in the ocean areas of Northeast Asia. We will continue to provide the offensive striking power

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in the same area and throughout the Western Pacific. But Japan must become more capable so that we can concentrate our general purpose forces in the Indian Ocean and other areas of the Pacific when the situation demands without leaving Northeast Asia in a vacuum.

(S) Cost Sharing

We understand the implications and restrictions of the SOFA and like the GOJ we would rather not change it. Nonetheless, we do need to see continued major increases in cost sharing. We are willing to leave this as a Japanese initiative as long as the increases continue. We believe the GOJ might want to consider seeking legislation or other agreement whereby Japan could voluntarily assume costs for labor, the cost of utilities for our bases, and costs for mission related construction projects.

(S) Examples of Facilities and Mission Related Cost Sharing

We hope more and more in the future to see Japanese funding of facilities/improvements which will improve the defense capability of US and Japanese armed forces. The hardening of aircraft shelters at Kadena and a Joint Mine Storage Facility in Misawa are examples of such projects which have already been discussed. An area which should be explored with the Japanese is the storage of US owned War Reserve Materiel (WRM) in Japan. The GOJ could possibly provide for the storage, security and maintenance of US owned WRM. Accountability and management of these resources would be retained by the US Government. WRM could be made available for contingencies involving either ROK or Japan.

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(1) Policy Input to Bilateral Planning

The Asahi articles on bilateral planning in early June were unfortunate in that they unduly criticized as secret a process which has been publicly acknowledged by both countries. Bilateral planning may develop studies, the details of which are classified; but its general purpose, to aid in the development of a more efficient and effective US-Japan security system, need not be denied publicly. The Japanese Foreign Ministry stated it knew less of the details of the planning than the Asahi reporter did. Although the military's prerogatives in planning should be preserved, there should be policy input from and feedback to the civilian sides of both governments if planning is to be meaningful. The SSC is one time the progress of planning can be monitored but we should seek to keep the policy levels of both governments plugged in and communicating with each other regularly. We should quietly seek GOJ views regarding such communication through the Internal Bureau of JDA and ISA in contact with the Foreign Ministry and State, respectively.

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JAPANESE DELEGATION (PROTOCOL ORDER)

1. Toru HARA, Vice Minister, Defense Agency
2. Yasue KATORI, Deputy Vice Minister, Ministry of Foreign Affairs (Chairman of SSC Delegation even though Hara is senior)
3. Yoshio OKAWARA, Ambassador, Embassy of Japan, Washington, D.C.
4. Shinichiro ASAO, Director General, North American Affairs, Ministry of Foreign Affairs Bureau
5. Hayao KOGA, Deputy Director General, Defense Facilities Administration Agency, Defense Agency
6. (Observer--Suketaro ENOMOTO, Consul General, Japanese Consulate, Honolulu)
7. Hisahiko OKAZAKI, Director General, Foreign Affairs, Defense Agency
8. Lieutenant General Shoji TOMIZAWA, GSDF, Director Joint Staff Office
9. Koji WATANABE, Deputy Director General, Asian Affairs Bureau, Ministry of Foreign Affairs
10. Hisakatsu IKEDA, Director, Defense Planning Division, Defense Agency
11. Tatsuo ARIMA, Political Counselor, Embassy of Japan, Washington, D.C.
12. Major General Kouya HAMAYA, ASDF, Director J-5, Joint Staff Office
13. Minoru TAMBA, Director, Security Division, Ministry of Foreign Affairs
14. Keijiro YANAI, Director for Liaison and Coordination, Facilities Bureau, Defense Facilities Administration Agency, Defense Agency
15. Captain Kunihide SASAKI, MSDF, Chief, Command and Coordination Division, J-3, Joint Staff Office

Nobumasa OHTA, Defense Planning Division, Defense Agency

Fumiaki TAKAHASHI, Security Division, Ministry of Foreign Affairs

Kaoru NONAKA, Security Division, Ministry of Foreign Affairs

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Director General Defense Agency
Minister of State for Defense

KOGA
YANAI

HARA

Defense Facilities
Administration Agency

Parliamentary Vice-Minister

Administrative Vice-Minister

OKAZAKI

Director General's
Secretariat

Defense
Bureau

Personnel and
Education Bureau

Health and
Medical
Bureau

Finance
Bureau

Equipment
Bureau

Councils

(Internal Bureaus)

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OHYA

Chairman of the
Joint Staff Council
Joint Staff Office

Chief of the
Ground Staff
Ground Staff Office

Chief of the
Maritime Staff
Maritime Staff Office

Chief of the
Air Staff
Air Staff Office

(Auxiliary Organs)

National Defense
College

Defense Academy

Technical
Research and
Development
Institute

Central Procurement
Office

Defense
Medical Academy

TOMIZAWA
HAMAYA
SASAKI

Ground
Self Defense Force
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PRECEDENCE LIST OF U.S. DELEGATION

1. Mr. McGiffert
2. Admiral Long
3. Minister Sherman
4. LtGen Ginn
5. LtGen Gorman
6. Mr. Armacost
7. Mr. Wolfowitz
8. Mr. Platt
9. Mr. Seligmann
10. Rear Admiral Tissot
11. Mr. Romberg

Mr. Featherstone

Commander Bozzelli

Colonel Einseln

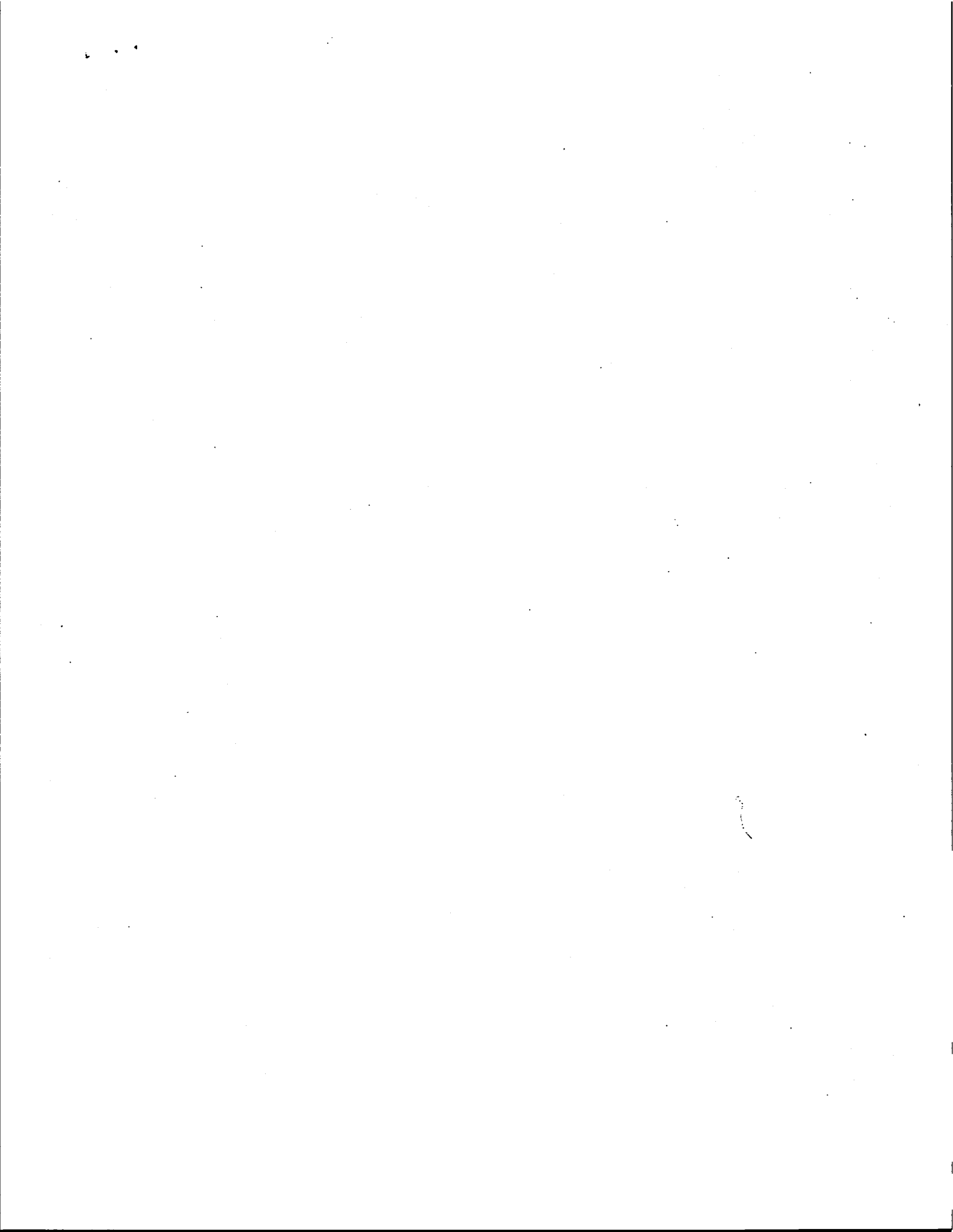
Captain Smith

Colonel Edmundson

Lieutenant Colonel Lohmann

Commander Auer

Mr. Iida

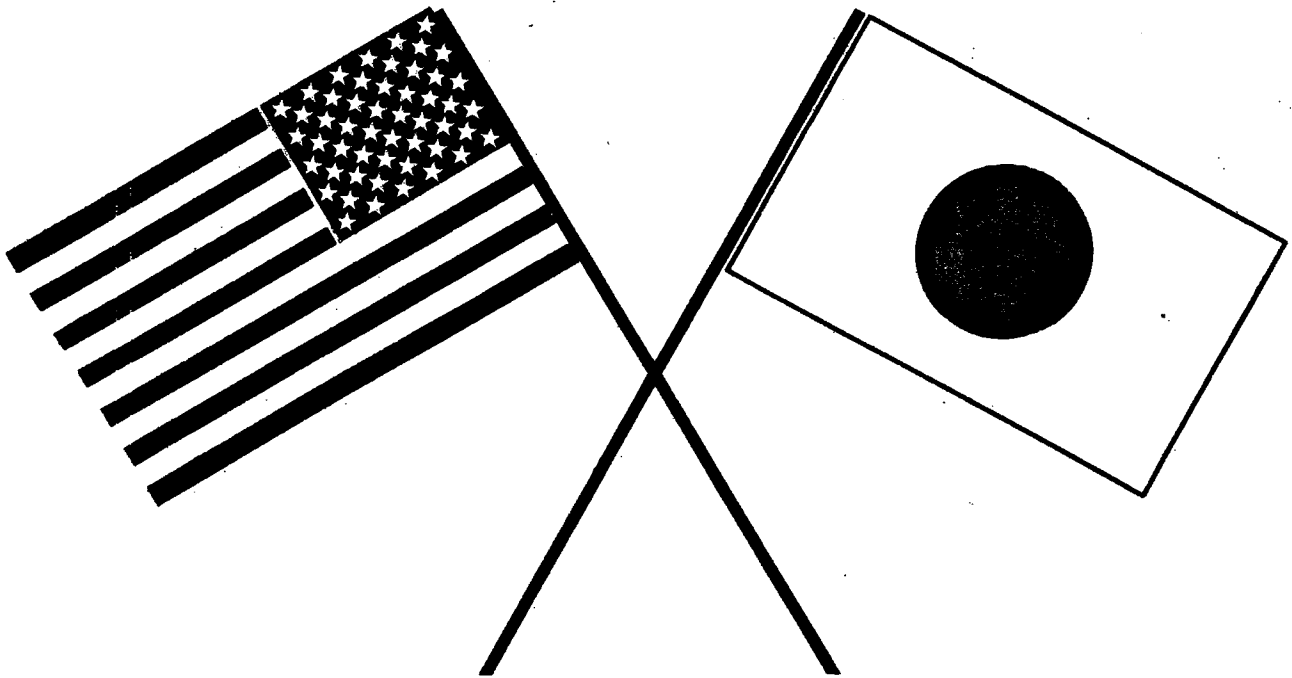


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Twelfth U.S. - Japan Security Subcommittee Meeting (SSC)



30 June - 2 July 1980

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- R.1.3 U.S. Posture in the Pacific and Indian Oceans FY 79-84 (PA&E)

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POWER PROJECTION BALANCE

Context

(U) Power Projection (P^2), in its broadest sense, involves a nation's ability to apply various methods and instruments to influence events beyond its geographical boundaries. Although the ability to deploy military power is one of the primary elements of a nation's P^2 capabilities, other relevant factors such as arms transfers, military aid, economic aid, friendship treaties, basing rights, etc. must be considered. This enlarged scope complicates the balance in expanding its scope from political/military actions in peacetime to capabilities for military operations in time of war.

() As is the case with other Soviet military capabilities, it is important to distinguish Soviet peripheral from longer range capabilities. The Soviets have always placed high priorities both on defending their immediate periphery and on the capability to project military force into neighboring countries. They have continued to develop their peripheral, or cross-border capabilities, with the result that the balance is now shifting increasingly against us in several Soviet peripheral regions.

() This continued improvement of Soviet peripheral forces is entirely consistent with past patterns. However, the push into long-range projection forces and related programs represent perhaps the single major way in which Soviet forces and capabilities are likely to be different at the end of the 80s. Wholly new roles and missions are now being undertaken by the Soviets through the acquisition of forces for, and operational experience in, long distance projection of force and influence.

Trends

() The trends in Soviet ability to project power into certain peripheral regions have been increasing in absolute as well as relative terms, while the Soviets ability to deploy and exercise military force at a greater distance, although clearly inferior to that of the U.S., is gradually improving. To this end the Soviets have:

— Modernized their peripheral ground troops, tactical aircraft and air defense units, invested in redundant and frequently exercised C³ systems, increased organic firepower, and improved their air and sealift (as well as logistics infrastructure) around the Soviet periphery.

— Developed naval capabilities that allow them to project and support forces at a distance — e.g., a new class of amphibious assault ships, several classes of cruisers, V/STOL carriers, large underway replenishment ships, etc.

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-- Improved their capabilities to manage distant operations by incorporating sophisticated long-haul C³ systems in naval ships and by establishing C³ facilities in such key areas as South Yemen, Vietnam, and Angola.

-- Established an overseas base structure.

Meanwhile, although U.S. commitments and interests around the world have not diminished and our projection capabilities remain strong, constraints make U.S. force projection more difficult:

-- U.S. access to a number of regions around the world has become increasingly uncertain. Our overseas basing structure has diminished and many traditional friends may be less willing to cooperate militarily. The result is some loss of overflight and staging rights, less prestockage of POL and materiel, fewer joint military exercises, etc. This makes the deployment and support of combat forces at great distances more difficult than it once was.

-- U.S. strategic airlift capabilities are improving (by increased utilization rates and by modifications of the C-5 and C-141), but Soviet proximity to the Persian Gulf and continuing Soviet force improvements have essentially equalized U.S. and Soviet airlift capabilities in the Gulf, and in other areas as well.

-- New and more capable U.S. ships and weapons systems have entered service in the last several years, but reduced force levels make it difficult to cope with emerging Soviet challenges in all areas.

Major Asymmetries

The Soviets, recognizing U.S. superiority in distant power projection, have decided to compete with the U.S. As their capabilities grew, they appear to be defining their interests more broadly and consequently may be more willing to risk a confrontation with the U.S. But, their overall competitive strategy appears to be one of minimized risk and avoidance of direct confrontation with the U.S. -- while still achieving the result of Soviet military presence and leverage in distant areas. This Soviet strategy and operating style includes:

-- Choosing areas of conflict where the U.S. is politically inhibited from responding (Africa) or geographically constrained (Afghanistan) from doing so.

-- Seeking to be asked in by a government or faction.

-- Providing equipment rapidly to a client from ample stockpiles.

-- Using proxies, which allows Moscow to back out of a situation if the risks become too great.

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-- Cementing relationships by continuing arms aid, providing in-country advisors, building military facilities and concluding treaties of friendship.

Uncertainties

~~(S)~~ While the distant P² trends are of concern, the Soviets are starting from a low level of capability. Nevertheless, these potentially adverse trends should be recognized and certain other aspects bear watching:

-- Using only investment as an indicator, the Soviets appear to have made a substantial commitment to develop the forces necessary for power projection.

-- As Soviet capabilities and confidence grow, so does the possibility that the U.S. may have to confront the Soviets directly in areas close to the Soviet Union, such as Iran or Turkey.

-- Many plausible scenarios make clear that speed in getting even a small force into a developing crisis is likely to be an important contributor to success in countering or limiting the advances of inserted Soviet forces.

-- The current Soviet style, with its emphasis on FMS, provision of military equipment, organization of foreign internal security, training of indigenous forces, and so on, increases overall capabilities of Soviet and proxy military forces by providing staging and landing rights, ports and repair facilities, and training areas for Soviet troops. We have not fully realized the degree to which such tactics can erode our capability to counter Soviet power projection.

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MILITARY INVESTMENT BALANCE

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Context

(U) The Military Investment Balance offers the one rough measure we have of the state of the overall U.S.-Soviet military competition. By comparing the resources which the U.S. and USSR devote to their overall defense effort and, hence, to the development of their military capabilities, we can develop a crude, first-order assessment of the current overall U.S.-Soviet military balance. Furthermore, by comparing U.S. and Soviet investments in RDT&E, procurement of weapons/systems, and military construction, we can obtain a leading indicator of the future military balance.

Trends

— During the past decade, the total dollar cost of the Soviet defense effort has grown at 3% per annum while U.S. defense spending has declined a total of 11%. The Soviet effort has exceeded the U.S. defense effort in every year of the decade and was about 50% greater in 1979. This decade-long, growing disparity in the annual defense efforts of the U.S. and USSR has resulted in the changes in relative U.S./USSR military capabilities which are apparent in our assessments in virtually all other balance areas.

— The USSR devotes a greater portion of its larger defense effort to investment in RDT&E, procurement, and military construction, all of which contribute to future military capabilities. Soviet investments have been growing at a 5% annual rate while ours, until recently, were declining. In 1979 the USSR investment, costed in dollars, exceeded that of the U.S. by 75%. Based on the differential in past Soviet and U.S. annual investment efforts, we believe that the USSR's resultant accumulated military investment stock value — which is one rough indicator of military capability — now exceeds ours by a substantial amount.

— The military balance also is affected by the contributions of allies. Total NATO defense expenditures exceed total Warsaw Pact (WP) defense efforts by a small percent. The allies on neither side, however, devote as great a portion of their defense efforts to investment as do the U.S. and USSR. When allies on both sides are considered, the total WP annual investment effort exceeds that of NATO by some 20%, compared to the Soviet-U.S. differential of 75%.

Asymmetries

(U) Faced with the large differentials and adverse trends in the annual U.S./USSR investment efforts and the perceived resultant disparity in accumulated military investment stock, the U.S. and USSR approach the future in clearly different competitive positions.

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-- (S) The Soviet Union needs only to maintain its current effort. In fact, the Soviet advantage in accumulated military investment stock value will continue to grow in the future even if current annual investments are decreased. Because of the large Soviet investment efforts during the recent past, the Soviet advantage could continue to grow for as much as a decade.

-- (S) On the other hand, the U.S. must undertake and sustain an increased annual investment effort which will rebuild our military capabilities. What it will take the U.S. to "catch up" is suggested by estimates of the level of annual investment which must be sustained to enable the U.S. to accumulate military investment stock value which will begin to match that value estimated for the USSR. Using rough assumptions, calculations show that, given a continued 5% growth in Soviet investment and a real increase of between 10% and 15% in U.S. investment, it will take 6-9 years for the U.S. to reverse the trends and an additional similar period for the U.S. to nearly match Soviet accumulated investment value.

Uncertainties

-- (S) Since actual Soviet defense spending and other resource allocations to defense are unknown, it is necessary to employ indirect means to determine the level of Soviet effort. For comparative purposes, the CIA analyzes the existing Soviet military establishment on a yearly basis and then estimates what it would cost, in dollars, for the U.S. to acquire and man that force, and then to operate it as the Soviets do. Despite some theoretical and methodological shortcomings, the CIA estimates are believed to present a reasonable and consistent representation of the general trend and aggregate levels of the Soviet defense effort and resultant overall military capabilities.

-- (S) A major uncertainty is how great the Soviet economic difficulties will be in the 1980s and 1990s and what affect such expected difficulties will have on the level and trends of resources devoted to the military.

-- (S) Of course, Western economic conditions continue to limit the resources which we and our allies can devote to defense and raise uncertainties whether we can sustain the extended period of increased defense investment required to "catch up".

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THE MARITIME BALANCE

CONTEXT

(U) The U.S. has considered it necessary to maintain a margin of superiority in the maritime balance for a variety of reasons. Our Forward Defense Strategy depends on a strong naval component. In many areas of the world our naval forces are the most visible, and in some cases, the only aspect of U.S. power and presence. And since U.S. interests, commitments and dependencies are separated by the seas, we must depend on naval forces to a far greater extent than the USSR.

(U) The Soviet Union has made a significant investment in naval forces as part of their developing strategy for furthering Soviet interests in distant areas and challenging U.S. naval superiority in an increasing number of areas. As if the case in other areas of the military balance, it is the rate of change in the maritime balance that is of greatest concern.

TRENDS

1) The style of the maritime competition between the U.S. and USSR is changing:

— The Soviet Navy previously concentrated on developing a strategic strike capability and maintaining a formidable defense of the seaward approaches to the USSR. Thus, SSBNs, ASW platforms, and anti-ship missile systems were emphasized in the development of the Soviet Navy. While this defensive orientation continues, as evidenced by the continued acquisition of BACKFIRE in the Soviet Navy, there are clear signs that the Soviet Navy is undertaking a new mission area - that of competing with the U.S. Navy in distant areas of the world. Among the developments in the changing Soviet Navy are:

- o Four new classes of cruisers will become operational within the next 18 - 24 months. These new ships emphasize survivability through enhanced AAW systems, endurance by increased unit size, and striking power with more ASCM systems.
- o The acquisition of overseas naval and air facilities enables the Soviets to better sustain their presence along the West's strategic sea lines of communication.

— The U.S. Navy has a more diverse range of mission areas. While numerically inferior to the Soviet Navy, the total power represented by aircraft carrier battle groups and the potential capabilities of our allies currently provide the margin of maritime superiority over the Soviets in those geographic areas most important to us.

- o New ships (SPRUANCE, OLIVER HAZARD PERRY) and weapon systems (HARPOON, TOMAHAWK) will spread the offensive power of the U.S. Navy beyond the aircraft carrier, and will, in the future, enable a wider range of employment options.

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- o Anti-ship missile defense capabilities will increase with the continued acquisition of F-14, AEGIS, and the close-in weapons system.

New technology and its proliferation not only in the Soviet Navy but also to other nations is narrowing the gap between the U.S. Navy and its competition.

- The Soviets have a diverse and well-developed anti-ship and anti-air missile capability, with new systems (SS-NX-19 ASCM and SA-NX-6 SAM) entering operational status faster than equivalent U.S. Navy systems (TOMAHAWK and AEGIS).
- The naval threat is not solely concentrated in the Soviet Navy. 57 countries besides the U.S. and Soviet navies have surface-to-surface missile systems, and 38 countries have diesel submarines. While many of these nations are U.S. allies, these weapons raise the level of uncertainty and complicate operational planning, particularly in the Third World.

ASYMMETRIES

— The U.S. maintains a significantly greater percentage of its naval forces deployed to distant areas than does the USSR. Thus, the Soviets might be able to "surge" greater numbers of naval forces in the event of crisis or conflict, particularly to those areas close to the USSR. Also, because of numerical disparities, the U.S. might have less flexibility than the Soviets in deploying naval forces in the event of simultaneous contingencies.

— There is a growing body of evidence which suggests that the Soviets have done more to prepare and equip their naval forces for nuclear war at sea. They have a diverse inventory of naval nuclear weapons, and regularly exercise the doctrine for nuclear war at sea. While the U.S. Navy retains significant nuclear ASW capabilities, other U.S. naval nuclear systems are becoming obsolete. We also know very little about Soviet naval chemical warfare capabilities, but they appear to be well equipped to operate in a chemical environment. The U.S. Navy's CW defensive capabilities are extremely limited.

— The USSR continues to maintain the most militarily capable merchant fleet in the world. This fleet supports the Soviet Navy on a regular basis and is capable of immediate subordination to the Soviet Ministry of Defense.

UNCERTAINTIES

— As the Soviets develop more complex weapons systems, we are unsure of their capability to coordinate the complex interactions between platforms, weapon systems and the sensors required for their use in a combat situation.

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-- ~~)~~ We are uncertain over the continuing influence of technology on naval warfare. For example, the U.S. maintains a substantial lead in ASW weapons deployment (P-3C, LAMPS III) and technology (towed array systems); and this lead is expected to continue for the next decade. We are less certain over potential Soviet breakthroughs in ASW technology.

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U.S. Posture in the Pacific and Indian Oceans* (U)
FY 79-84

(U) Table I summarizes U.S. forces in the PACOM area on 31 December 1979. Although all are not directly under the operational control of CINCPAC, most would be made available to him in a crisis. Additional augmentation also could be provided from CONUS if the situation dictated.

Major Ground Forces (U)

(U) Figure 1 outlines the deployment of major Army and Marine Corps ground units. Their missions are highlighted below:

Korea (U)

- Status: The 28,000 troops of the Eighth U.S. Army (EUSA) are part of the Combined Forces Command's strategic reserve.
- Trends: Withdrawals of ground combat forces from Korea have been suspended. In 1981 the President will review decision to suspend troop withdrawals.

Japan (U)

- Status: Two regiments of the 3rd Marine Division are deployed to Japan and Okinawa. Together with the 1st Marine Air Wing (MAW) they provide air and ground forces for amphibious operations. Such operations would be

*Unless otherwise noted, projections in this paper are drawn from the Services' Basic-level POM-81 submissions. The effects of different funding levels are addressed in the Uncertainties section on page 12.

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AVAILABLE FORCES (U)

(As of December 1979)

ARMY	NAVY/MARINES	AIR FORCE
OPCOM TO CINCPAC*		
<ul style="list-style-type: none"> 1 Army Headquarters 1 Corps Headquarters 84 Infantry Division with 5 Infantry Battalions 3 Armored Battalions 4 Artillery Battalions 1 Air Defense Artillery Battalion 10th Infantry Division with 6 Infantry Battalions 1 Artillery Battalion 1 Air Defense Artillery Battalion 1 Air Defense Brigade with 12 HAWK Batteries 2 Separate Aviation Companies 	<ul style="list-style-type: none"> 2 Numbered Fleets 6 Attack Carriers 10 Cruisers 60 Destroyers/Destroyer Escorts 10 Submarines (SSBN) 41 Submarines (SSBN) 22 Amphibious Warfare Ships 5 Carrier Air Wings 46 Fighter/Attack Squadrons 13 Reconnaissance/SW Units 7 Early Warning Units 13 Carrier ARW Squadrons 4 LAMPB Squadrons 10 Patrol Squadrons 5 Tanker detachments 1 Light Photo Squadron 2 EC-130Q VIP Relay (TACAMO) Aircraft 2 BUNIA Stations 1 Naval Special Warfare Group * Includes Naval Air Units deployed to LANTCOM/USCINCPAC 	<ul style="list-style-type: none"> 1 Marine Amphibious Force HQ 2 Task Battalions 1st Marine Division with 10 Infantry Battalions 4 Artillery Battalions 24 Marine Division with 6 Infantry Battalions 3 Artillery Battalions 1st Marine Brigade with 1 Artillery Battalion 2 Marine Aircraft Wings with 14 Fighter/Attack Squadrons 1 Photo Reconnaissance Squadron 1 Tanker Squadron 1 Helicopter Squadron 14 Helicopter Squadrons 2 Force Service Support Groups
IN PACOM BUT NOT OPCOM TO CINCPAC		
<ul style="list-style-type: none"> 1 Engineer Group 1 Signal Brigade 1 General Support Group 1 Heavy Mail Company USARA Units in the Pacific Army National Guard Units 1 Infantry Brigade Army Reserve Units 1 Infantry Battalion 1 Civil Affairs Group 1 Engineer Construction Battalion 1 Corps Headquarters (AIN) 	<ul style="list-style-type: none"> 3 Destroyers (Naval Reserve Training) 3 Mine Warfare Ships (Naval Reserve Training) 3 Amphibious Warfare Ships (Naval Reserve Training) 60 Auxiliary Ships 1 First Composite Operations Readiness Group Naval Oceanography Command Unit 	<ul style="list-style-type: none"> 1 Air Division (BAC) 2 Strategic Wings (BAC) 1 Air Refueling Squadron (BAC) 1 Bomber Squadron (BAC) 3 Strategic Reconnaissance Detachments (BAC) 1 Weather Reconnaissance Squadron (MAC) 1 Test Group (AFM) 1 Tactical Fighter Squadron (Air National Guard) Air Force Security Service Units (AFSS) Air Force Communications Service Units (AFCS) 1 Air Res Reserve/Recovery Squadron (MAC) Air Weather Service Units (MAU)

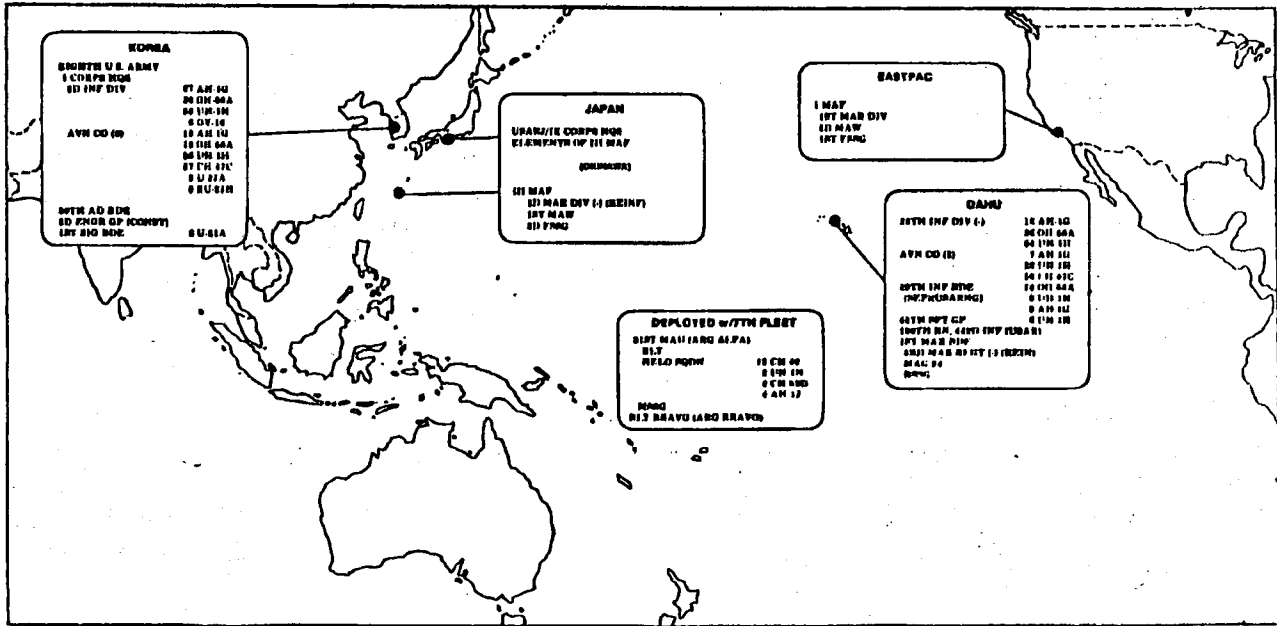
SOURCE: J33

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Table 1

DEPLOYMENT OF MAJOR GROUND UNITS (U)

(As of December 1979)



SOURCE: J33

Figure 1

under the command of III Marine Amphibious Force (MAF), whose headquarters is in Okinawa. In addition, the headquarters of the U.S. Army's IX Corps is established under USFJ. It could control additional Army forces assigned to Japan.

- Trends: Army presence and facilities in Japan are being consolidated on Honshu in accordance with the recommendations of the WESTPAC III study. No changes in Marine Corps deployments are programmed.

Afloat (U)

- Status: A Marine Amphibious Unit (MAU) and a Battalion Landing Team (BLT) are deployed continuously in the Western Pacific aboard two Amphibious Ready Groups (ARG). Totaling about 3,100 men, they provide rapid reaction forces for limited contingencies in the region. As a result of the crisis in Iran, an additional MAU from EASTPAC was deployed to the Indian Ocean.
- Trends: Once the Iranian crisis is resolved, afloat Marine forces probably will revert to one MAU and a BLT, but amphibious shipping with Marines embarked will be deployed more often into the Indian Ocean. In addition, battalion-sized amphibious forces will be placed ashore during exercises in the Indian Ocean area.

Hawaii (U)

- Status: The 25th Infantry Division, with its reserve roundout, constitutes CINCPAC's strategic reserve. The remaining regiment of the 3rd Marine Division also is based on Oahu and could be made available for Pacific amphibious operations.

- Trends: The 25th Division has now been programmed for early reinforcement in Europe (POMCUS 5 or 6). Improvements in the Division's capability is also being considered in conjunction with "Light Division 86" modernization plans.

Eastern Pacific (U)

- Status: I MAF, consisting of the 1st Marine Division and the 3rd MAW, is located at Camp Pendleton. Although part of CINCPAC forces, it is also planned for use in Europe during a NATO war.
- Trends: There are no major changes programmed for I MAF, but the reduction in amphibious lift from 1.33 to 1.15 AE will probably delay closure times.

Naval Ship and Aviation Units (U)

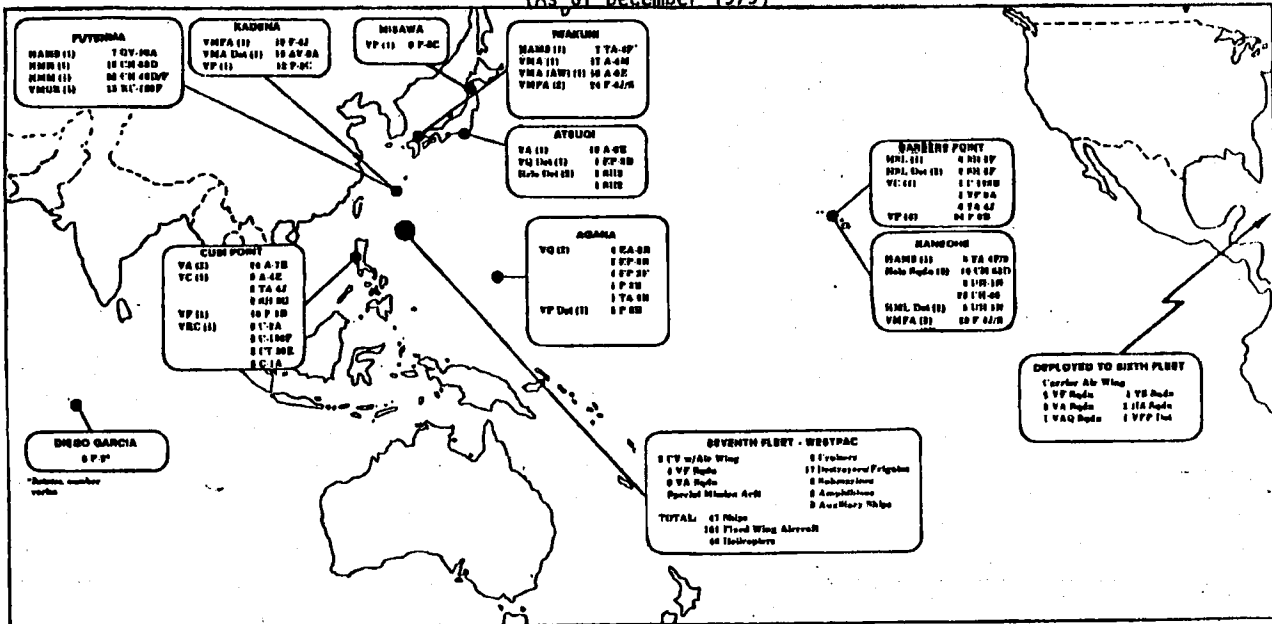
These deployments are outlined in Figure 2.

Afloat (U)

- (U) - Status: The Seventh Fleet represents the forward-deployed naval component of CINCPAC's forces. Normally centered around two carrier battle groups and two amphibious ready groups, its principal missions include peacetime presence in the Western Pacific and Indian Oceans, contingency response, SLOC protection and offensive operations in wartime. Some Seventh Fleet units are homeported in Japan and the Philippines, but most are supplied on a rotational basis from Third Fleet. For the duration of the Iranian hostage crisis, the Seventh Fleet probably will be augmented by an additional carrier from the

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DEPLOYMENT OF NAVAL AIR & SHIP UNITS (U) WESTPAC (As of December 1979)



SOURCE: J33

Figure 2

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Atlantic Fleet. Two carriers will operate in the Indian Ocean and one in the Western Pacific. Upon resolution of the crisis, one carrier battle group will be maintained in the Indian Ocean on a continuous basis.

- The Third Fleet's area of responsibility extends west to 160° East Longitude (between Guam and Wake). In wartime, the fleet would be responsible for combat operations in the central and eastern Pacific, including protection of the SLOCs to Alaska and Hawaii. Peacetime missions include surveillance of potentially hostile forces and the provision of training and readiness support services to units not actually deployed to WESTPAC. In some circumstances, Third Fleet units might be swung to the Atlantic in support of NATO.
- Trends: Despite uncertainties about funding levels and procurement programs, the Pacific fleet will increase its combat power through the next several years. As shown in Table 2, total ship numbers should increase through FY 84, but then will begin to decline slowly. However, the growth will be concentrated in major surface combatants and attack submarines while offsetting reductions will come from the ranks of auxiliaries and reserve ships. The most significant changes in the Pacific fleet should be the addition of a second nuclear carrier when CVN-70 becomes deployable about FY 83, and the introduction of AEGIS missile ships in the mid-80s.

Table 2

U.S. PACIFIC FLEET NAVAL FORCES BY CATEGORIES FY 79-88 (S)

<u>Type</u>	<u>Beginning FY 79</u>	<u>End FY 84</u>	<u>End FY 88 a/</u>
Carriers	6	6	5 b/
Major Surface Combatants	80	101	105
Attack Submarines	35	47	35
Amphibious Ships	33	30	29
Auxiliaries, Patrol, Minecraft	47	33	26
Total Active (Less SSBNs)	201	217	200
Naval Reserve Force	23	17	9
MSC Fleet Support	9	19	23
Total Pacific Force (Less SSBNs)	233	253	232
Total Navy (Less SSBNs)	490	546	499

Source: SASDT update 19 May 1979, Section E, basic level.

a/ Due to the uncertainties in funding levels, program decisions, and inter-fleet distribution, FY 88 figures should be considered approximations rather than firm projections.

b/ Assumes retirement of Coral Sea, the transfer of Midway to training carrier status, the addition of 1 CVV to PACFLT in FY 86 and the first SLEP of a PACFLT carrier beginning in FY 87.

Ashore (U)

- (U) - Status: In addition to the carrier air wings afloat, significant numbers of Navy and Marine Corps aircraft are located at bases ashore. ASW patrol aircraft (P-3s) regularly operate from several fields ranging from Adak, Alaska to Diego Garcia. Support and special mission squadrons are similarly deployed. Marine Corps attack or fighter-attack squadrons are located in Japan and Hawaii, and a detachment of AV-8 Harriers is on Okinawa.
- Trends: By the end of the FYDP period, all carrier air wings, with the exception of Midway and Coral Sea, will have replaced F-4s with F-14s. F/A-18s will be introduced to Marine Corps fighter squadrons in FY 84

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(although the AV-8B issue may affect the IOC). Carriers will begin receiving F/A-18s about FY 85. Land-based ASW capabilities will be improved with the P-3 update program. Surface ship ASW will be markedly enhanced by the introduction of a new towed array (SQR-19) and the LAMPS MK III helicopter in the mid-1980s.

Major Air Force Units (U)

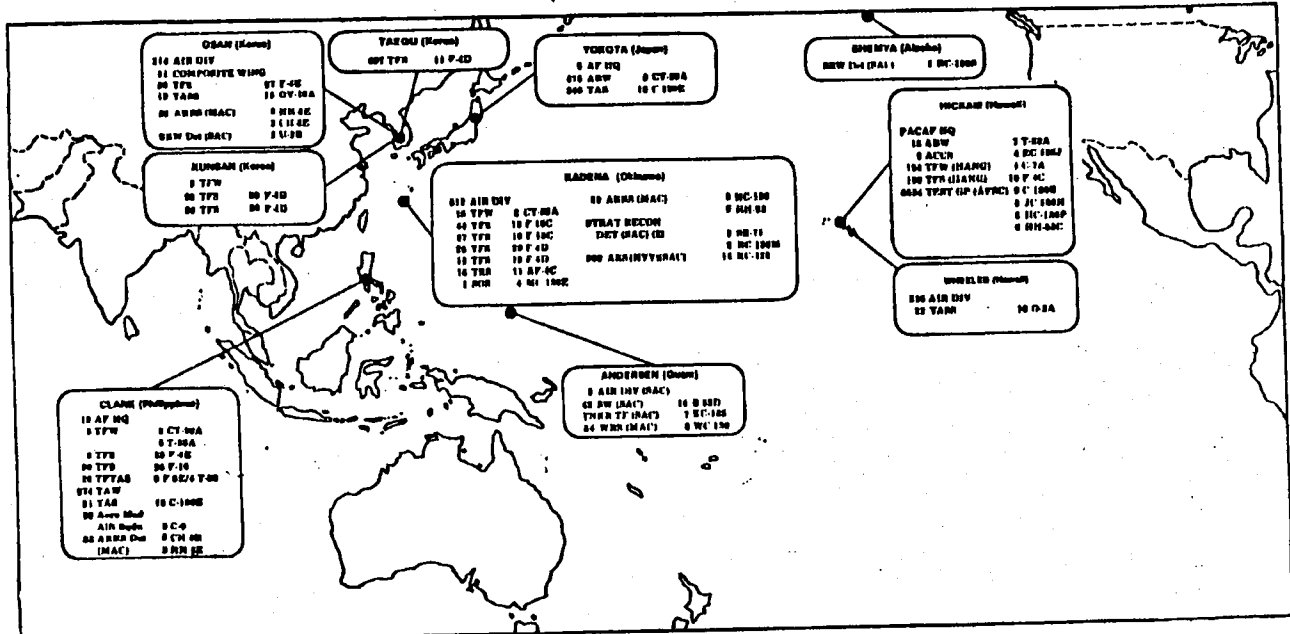
Air Force deployments are outlined in Figure 3.

- Status: PACAF controls ten tactical fighter squadrons, totalling 192 F-4s. Two squadrons are in the Philippines, four are on Okinawa, and four are in Korea. Those at Osan, Kunsan and Taegu are specifically tasked for Korea; the rest are available for general Asian contingencies. In addition, 6 F-4s from the Alaskan Air Command were retained in Korea after the end of exercise Team Spirit 80. The length of their stay is undetermined. Two tactical airlift squadrons in Japan and the Philippines, plus some reconnaissance and special operations units, round out the inventory.
- Trends: F-15s began operating from Kadena in the last quarter of FY 79. By the end of FY 80, all squadrons in Japan will have transitioned to the F-15, an AWACS will be on rotation to Kadena, and F-4G Wild Weasel aircraft will be deployed at Clark. F-16s will completely replace F-4s in Korea during FY 83. By FY 84, a total of five AWACS should be available in WESTPAC.

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DEPLOYMENT OF MAJOR AIR FORCE UNITS (U)

(As of December 1979)



SOURCE: J33

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Figure 3

Strategic Forces (U)

- (U) - Status: A squadron of B52Ds, various tanker and reconnaissance units, and 10 Polaris-equipped SSBNs are based in Guam. Additional reconnaissance and support forces are located throughout PACOM. B-52s from CONUS bases often stage through Guam enroute to missions in the Indian Ocean area.
- Trends: The first Trident submarine is expected to deploy to the Pacific in FY 81. However, the PACFLT SBN force will drop to 2 ships in FY 82 as the Polaris submarines are retired or converted to SSNs.

Indian Ocean (U)

(U) In addition to CINCPAC's and CINCLANT's forces operating in the Indian Ocean area, the (five-ship) MIDEASTFOR operates in the region under the operational control of CINCEUR. Other U.S. ships operate in the Indian Ocean on a temporary basis. Thus far, the majority of such deployments have come from PACOM, but EUCOM contributions have been increased during the hostage crisis and also could be expanded in the future. It is important to note that the Persian Gulf, the Red Sea and the adjacent states lie within U.S. CINCEUR's area of responsibility (although not within SACEUR's). Thus our presence in that region could be increased from the Eastern Mediterranean without shifting units between CINCs.

(U) Since mid-1979, several steps have been taken to expand our long-term Indian Ocean presence and capabilities. These include: negotiations to gain access to facilities in Kenya, Somalia and Oman; upgrading facilities at Diego Garcia; deploying the first maritime pre-positioning

ships to Diego Garcia this summer; and formation of the Rapid Deployment Joint Task Force (RDJTF). Upon resolution of the hostage issue, minimum U.S. presence will include:

- One carrier battle group in the Indian Ocean on a continuous basis;
- frequent land-based tacair deployments;
- battalion-sized ground forces, based at sea and, when possible, on land;
- frequent B-52 training missions in the region.

Uncertainties (U)

Funding Levels (U)

- 1) - Army. Aside from the Army's component of the Rapid Deployment Force (RDFA), the Army does not program ground forces for Asia beyond those now in place. Thus, alternative budget levels have relatively little direct impact on ground forces deployed in PACOM. (However, various OPLANS do involve Army forces from outside the theater, and these would be affected by program cuts.)
- 1) - Marine Corps. Although the Marine Corps has several important force structure issues pending, the current level of WESTPAC and Indian Ocean deployments should be maintainable.
- 1) - Navy. The Minimum-level Navy POM would not significantly reduce combatant ship numbers through FY-84, but it would affect readiness and delay air wing modernization. For example, the IOC of the F/A-18 would be slipped about a year. However, several years of reduced funding would have a serious impact on the force structure in the late 1980s and 1990s.

This is because there will be a bloc obsolescence problem in this period as the ships from the large building programs of the late 1950s and 1960s approach 30 years of age.

- Air Force. The Minimum-level Air Force POM would not affect the introduction of new aircraft into PACOM, but it would reduce readiness and delay supporting infrastructure.

Programming Decisions (U)

- The Navy's overall force size is a long-term concern. The eventual outcome will depend not only on multi-year funding levels, but also on Navy programming decisions (e.g., high mix versus low mix), national political commitments, allied contributions and the nature of the threat. For the purpose of this discussion, however, it is enough to note that (1) the capability, and probably the size, of the fleet will grow at least through the mid-80s; (2) there still is time to make decisions for the longer term on a deliberate basis.

Overseas Basing (U)

- (U) - The homeporting of additional ships overseas might increase our forward deployed posture, but also could generate pressures to redistribute non-deployed units.
- Philippine basing issues could be resolved less favorably during the next round of negotiations.
- Increased support for a larger U.S. presence might be forthcoming from states in the Middle East and Persian Gulf region.

Korean Troop Withdrawal (U)

- The FY 81 Army POM was developed on the assumption that the 2nd division will be mechanized after its return from Korea and made available to the RDF. Stopping the withdrawal probably

would reassure our Asian allies, but it also would affect plans to improve our ability to deploy heavy forces to the Persian Gulf.

Duration of the Iranian Hostage Crisis (U)

- The level of U.S. forces in the Indian Ocean will not be reduced significantly until after the resolution of the hostage situation.

Simultaneity (U)

- Our response to a major contingency in the Pacific or Indian Ocean would be constrained by airlift availability. The problem is particularly severe in the Persian Gulf. Concurrent crises in other regions would compound the shortfall, even if sufficient combat forces were available. Improvements in strategic lift capability such as by procurement of the CX may ease this problem, but not before the late 1980s.

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ANNEX C

Article IX of Japan's Constitution

"Aspiring sincerely to an international peace based on order and justice, the Japanese people forever renounce war as a sovereign right of the nation and the threat of force as a means of settling international disputes.

In order to accomplish the aim of the preceding paragraph, land, sea and air forces, as well as other war potential, will never be maintained. The right of belligerence of the state will not be recognized."

TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN

The United States of America and Japan,

Desiring to strengthen the bonds of peace and friendship traditionally existing between them, and to uphold the principles of democracy, individual liberty, and the rule of law,

Desiring further to encourage closer economic cooperation between them and to promote conditions of economic stability and well-being in their countries,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations, [1] and their desire to live in peace with all peoples and all governments,

Recognizing that they have the inherent right of individual or collective self-defense as affirmed in the Charter of the United Nations,

Considering that they have a common concern in the maintenance of international peace and security in the Far East,

Having resolved to conclude a treaty of mutual cooperation and security,

Therefore agree as follows:

ARTICLE I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

The Parties will endeavor in concert with other peace-loving countries to strengthen the United Nations so that its mission of maintaining international peace and security may be discharged more effectively.

ARTICLE II

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to

eliminate conflict in their international economic policies and will encourage economic collaboration between them.

ARTICLE III

The Parties, individually and in cooperation with each other, by means of continuous and effective self-help and mutual aid will maintain and develop, subject to their constitutional provisions, their capacities to resist armed attack.

ARTICLE IV [2]

The Parties will consult together from time to time regarding the implementation of this Treaty, and, at the request of either Party, whenever the security of Japan or international peace and security in the Far East is threatened.

ARTICLE V

Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of Article 51 of the Charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE VI [2]

For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan.

The use of these facilities and areas as well as the status of United States armed forces in Japan shall be governed by a separate agreement, [2] replacing the Administrative Agreement, [2] under Article III of the Security Treaty [2] between the United States of America and Japan, signed at Tokyo on February 28, 1952, [2] as amended and by such other arrangements as may be agreed upon.

ARTICLE VII

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the

¹ See post, pp. 14, 10.

² See post, pp. 15, 10.

³ TIAR 4510; 11 UNT.

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Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE VIII

This Treaty shall be ratified by the United States of America and Japan in accordance with their respective constitutional processes and will enter into force on the date on which the instruments of ratification thereof have been exchanged by them in Tokyo.

ARTICLE IX

The Security Treaty between the United States of America and Japan signed at the city of San Francisco on September 8, 1951 shall expire upon the entering into force of this Treaty.

ARTICLE X

This Treaty shall remain in force until in the opinion of the Governments of the United States of America and Japan there shall have come into force such United Nations arrangements as will satisfactorily provide for the maintenance of international peace and security in the Japan area.

However, after the Treaty has been in force for ten years, either Party may give notice to the other Party of its intention to terminate the Treaty, in which case the Treaty shall terminate one year after such notice has been given.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Treaty.

DONE in duplicate at Washington in the English and Japanese languages, both equally authentic, this 19th day of January, 1960.

FOR THE UNITED STATES OF AMERICA:

CHRISTIAN A. HERTER
DOUGLAS MACARTHUR 2nd
J GRAHAM PARSONS

FOR JAPAN:

NORUSUKE KISHII
AIICHIRO FUJIIYAMA
MITSUJIRO ISHII
TADASHI ADACHI
KOICHIRO ASAKAI

DEPARTMENT OF STATE
WASHINGTON
January 19, 1960

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note of today's date, which reads as follows:

"I have the honour to refer to the Treaty of Mutual Cooperation and Security between Japan and the United States of America signed today, and to inform Your Excellency that the following is the understanding of the Government of Japan concerning the implementation of Article VI thereof:

Major changes in the deployment into Japan of United States armed forces, major changes in their equipment, and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under Article V of the said Treaty, shall be the subjects of prior consultation with the Government of Japan.

"I should be appreciative if Your Excellency would confirm on behalf of your Government that this is also the understanding of the Government of the United States of America.

"I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration."

I have the honor to confirm on behalf of my Government that the foregoing is also the understanding of the Government of the United States of America.

Accept, Excellency, the renewed assurances of my highest consideration.

CHRISTIAN A. HERTER
Secretary of State of the
United States of America

His Excellency

NOMSUKE KIAMI,

Prime Minister of Japan.

DEPARTMENT OF STATE
WASHINGTON
January 19, 1960

EXCELLENCY:

I have the honor to refer to the Security Treaty between the United States of America and Japan signed at the city of San Francisco on September 8, 1951, [1] the exchange of notes effected on the same date [2] between Mr. Shirogata Yoshida, Prime Minister of Japan, and

EXCHANGES OF NOTES

WASHINGTON, January 19, 1960.

EXCELLENCY:

I have the honour to refer to the Treaty of Mutual Cooperation and Security between Japan and the United States of America signed today, and to inform Your Excellency that the following is the understanding of the Government of Japan concerning the implementation of Article VI [1] thereof:

Major changes in the deployment into Japan of United States armed forces, major changes in their equipment, and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under Article V of the said Treaty, shall be the subjects of prior consultation with the Government of Japan.

I should be appreciative if Your Excellency would confirm on behalf of your Government that this is also the understanding of the Government of the United States of America.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

NOMSUKE KIAMI

His Excellency

CHRISTIAN A. HERTER,
Secretary of State
of the United States of America.

[1] See post, p. 10.

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ANNEX E

STATUS OF FORCES AGREEMENT BETWEEN US
AND JAPAN

ARTICLE XXIV

1. It is agreed that the United States will bear for the duration of this Agreement without cost to Japan all expenditures incident to the maintenance of the United States armed forces in Japan except those to be borne by Japan as provided in paragraph 2.

2. It is agreed that Japan will furnish for the duration of this Agreement without cost to the United States and make compensation where appropriate to the owners and suppliers thereof all facilities and areas and rights of way, including facilities and areas jointly used such as those at airfields and ports, as provided in Articles II and III.

3. It is agreed that arrangements will be effected between the Governments of the United States and Japan for accounting applicable to financial transactions arising out of this Agreement.

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U.S. MILITARY FORCES IN JAPAN

We have some 44,900 U.S. military personnel in Japan; about two-thirds on Okinawa and one-third on the main island of Honshu. Currently there are 12 major bases and 116 smaller facilities, including a number of one- and two-acre communications sites. These force levels are significantly reduced from levels of a few years ago:

	1968	1970	1972	1974	1976	1978
Forces ..	83,000	83,000	65,000	55,000	47,000	44,900
Facilities	300	297	191	140	136	128

SUMMARY OF U.S. MILITARY CAPABILITY IN JAPAN

ARMY: We have no Army combat elements in Japan. The 3,000 uniformed Army personnel perform support and logistic functions, largely for a Korean contingency. These logistic functions include maintenance of War Reserve Materials (WRM) and maintenance of a logistic base to support a military buildup. The Army is phasing down these functions, intending to rely more on direct logistic support from the CONUS. The Army maintains a IX CORPS, headed by a Lieutenant General to be activated in a Korea contingency situation.

NAVY: A carrier task force (USS Midway, a cruiser and destroyers) is home-ported at Yokosuka. Yokosuka also has the largest ship repair facility in the Western Pacific. Misawa Air Base in Northern Honshu houses a P-3 ASW operation. There are 10,700 uniformed Navy personnel living in Japan.

AIR FORCE: Headquarters 5th AF and a Military Airlift Command organization are located at Yokota Air Base, near Tokyo. A five-squadron F-4 wing (4 Fighter and 1 Reconnaissance) is located at Kadena Air Base on Okinawa. Major intelligence activities (USAF Security Service) take place at Misawa AB. 12,200 uniformed USAF personnel live in Japan.

MARINE CORPS: The 3rd Marine Amphibious Force (MAF), comprising the 3rd Marine Division (less one brigade) and the 1st Marine Air Wing, is headquartered on Okinawa. The Division itself is on Okinawa; the Air Wing flying units are at Iwakuni MCAS, near Hiroshima. There are 19,100 USMC uniformed personnel in Japan.

Detailed force figures and base summaries are attached.

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U.S. FORCES -- JAPAN
(Actual Strength)
1 November 1977

1. <u>Total</u>	44,900	Army	2,900
		Air Force	12,200
		Navy	10,700
		Marines	19,100

2. Principal Combat Forces

Army: None

Air Force:

F-4 Fighter Wing	70 acft
RF-4 Reconnaissance	19 acft
C-130 Airlift	18 acft
HC-130	5 acft
SR-71 (1 Det TDY)	3 acft
KC-135 (SAC)	17 acft
RC-135 (SAC)	1 acft
C-130 (Spec OPNS)	4 acft

U.S. Navy:

Cruiser	1
DD/DDG	2
FF/FFG	3
CVA (Midway)	1
(85 acft)	
Combat Stores Ships	1
P-3 (ASW Patrol)	17
31,045 Men Afloat in A&P region	

Marine Corps:

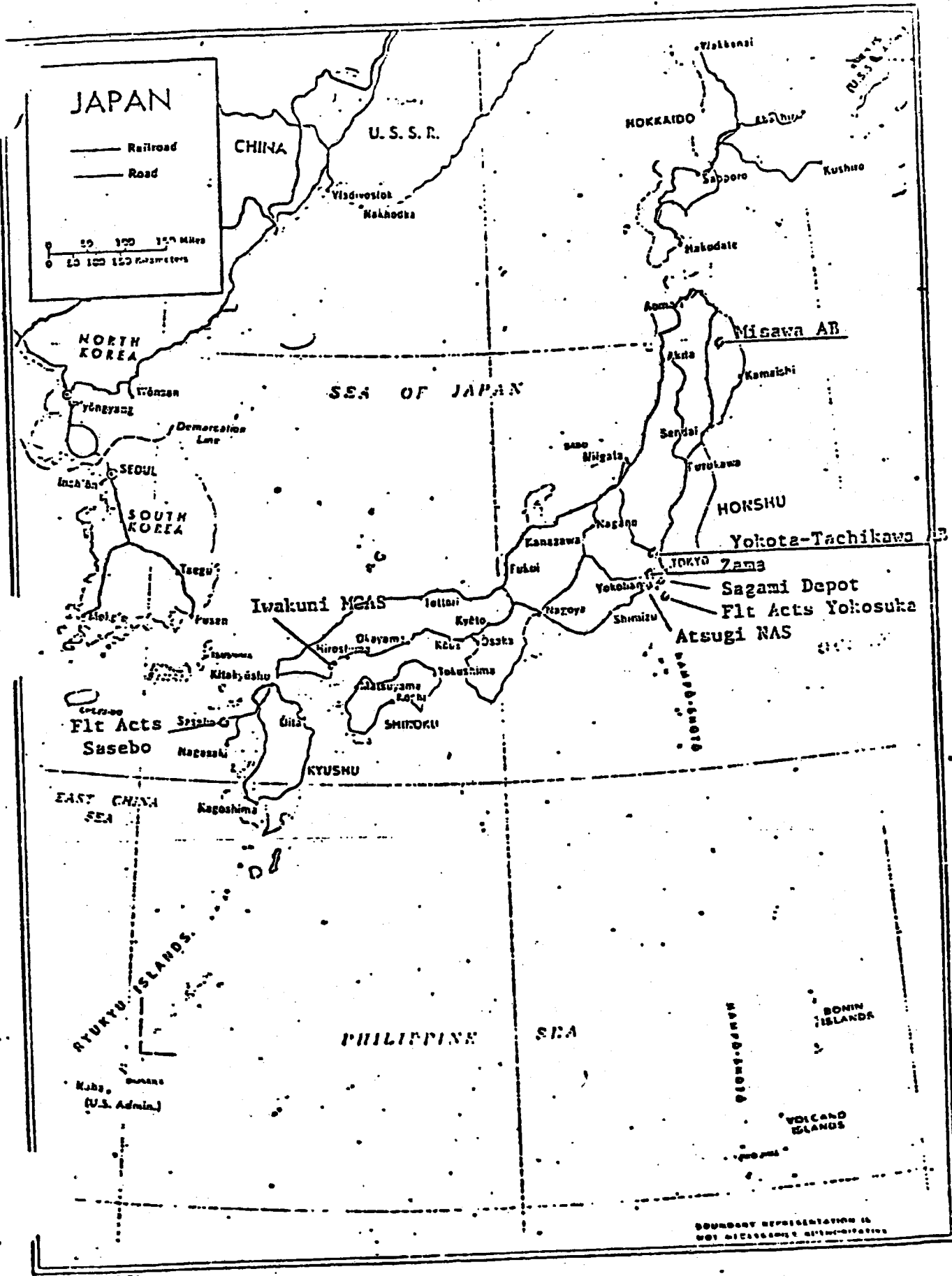
1 Marine Inf Div (-)	
1 Marine Air Wing	
2,247 Men afloat in Marine Amphibious Unit	

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JAPAN

— Railroad
— Road

0 50 100 150 Miles
0 50 100 150 Kilometers



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MAJOR U.S. BASES IN JAPAN

ARMY:

Camp Zama (Honshu) - Headquarters, U.S. Army, Japan
Sagami Depot (Honshu) - Maintenance and Supply, Housing, and Hospital
Makiminato (Okinawa) - Headquarters, Maintenance and Supply Depot,
WRM Storage

NAVY

Yokosuka (Honshu) - Port, ship repair facility, Task Force Support
Atsugi (Honshu) - Naval Air Facility, shore support for carrier aircraft

USMC

Iwakuni MCAS (Honshu) - Marine Air Wing Tactical Squadrons (F-4, A-4,
A-6, AV-8)
Futenma Air Station (Okinawa) - 3rd Marine Division Aviation Support
Camp Hansen/Schwab Complex (Okinawa) - 3rd Marine Division facility
Camp Zukeran (Okinawa) - Marine Headquarters elements; 3rd Marine
Division Facility

USAF

Misawa Air Base (Honshu) - Security service and Navy P-3C elements
Yokota Air Base (Honshu) - USFJ and 5th Air Force Headquarters,
MAC terminal, support units and C-130 squadron
Kadena Air Base (Okinawa) - 18th TFW (F-4) and Naval Air Facility
(P-3C)

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AVAILABLE FORCES

ARMY	NAVY/MARINES	AIR FORCE
ASSIGNED TO CINCPAC		
<ul style="list-style-type: none"> 1 Army Headquarters 2 Corps Headquarters 2 Infantry Divisions 1 Missile Command 1 Air Defense Brigade 8 Separate Aviation Company 3 Separate Engineer Battalion 	<ul style="list-style-type: none"> 2 Numbered Fleets 6 Attack Carriers 15 Cruisers 61 Destroyers/Frigates 10 Submarines (SSBN) 34 Submarines (SS/SSN) 32 Amphibious Warfare Ships 6 Carrier Air Wings 10 Fighter/Attack Sqdn 9 Reconnaissance/IM Units 6 Early Warning Units 9 Carrier ASW Sqdn 3 LAMPS Sqdn 12 Patrol Sqdn 6 Tanker Detachments 4 EC-130 VLF Relay (TACAMO) 9 SOSUS Stations 2 Marine Amphibious Force Mq 2 Marine Divisions 2 Marine Aircraft Wings 14 Fighter/Attack Sqdn 1 Photo/Reconnaissance Sqdn 2 Tanker Sqdn 1 Observation Sqdn 15 Helicopter sqdn 	<ul style="list-style-type: none"> 2 Numbered Air Forces 3 Air Divisions 1 Composite Wing 1 Tactical Airlift Wing 3 Tactical Fighter Wings 1 Aeronautical Airlift Sqdn 2 Tactical Air Support Sqdn 1 Tactical Reconnaissance Sqdn 1 Special Operations Sqdn 9 Tactical Fighter Sqdn 2 Tactical Airlift Sqdn 1 Airborne Command & Control Sqdn
IN PACOM BUT NOT ASSIGNED TO CINCPAC		
<ul style="list-style-type: none"> 1 Engineer Group 1 Signal Brigade 1 Heavy Boat Co USASA Units in the Pacific Army National Guard Units 1 Infantry Brigade - Army Reserve Units 1 Infantry Battalion 1 Civil Affairs Group 1 Engineer Construction Battalion 1 Corps Headquarters (AUG) 	<ul style="list-style-type: none"> 10 Destroyers (Naval Reserve Inrg) 9 Mine Warfare Ships (Naval Reserve Inrg) 2 Amphibious Warfare Ships (Naval Reserve Inrg) 60 Auxiliary Ships 3 Patrol Coastalants 2 Submarines 1 Tactical Control Sqdn 1 Naval Warfare Group 1 Fleet Composite Operations Readiness Group 	<ul style="list-style-type: none"> 1 Air Division (SAC) 2 Strategic Wings (SAC) 1 Air Refueling Sqdn (SAC) 1 Bomber Sqdn (SAC) 2 Strategic Reconnaissance Sqdn (SAC) 2 Weather Reconnaissance Sqdn (MAC) 1 Test Group (AFSC) 1 Tactical Fighter Sqdn (Air National Guard) Air Force Security Service Units (AFSS) Air Force Communications Service Units (AFCS) Air-Sea Rescue/Recovery Sqdn (MAC) Air Weather Service Units (AWF) Aerospace Rescue and Recovery Units (HAC)

SOURCE: J31

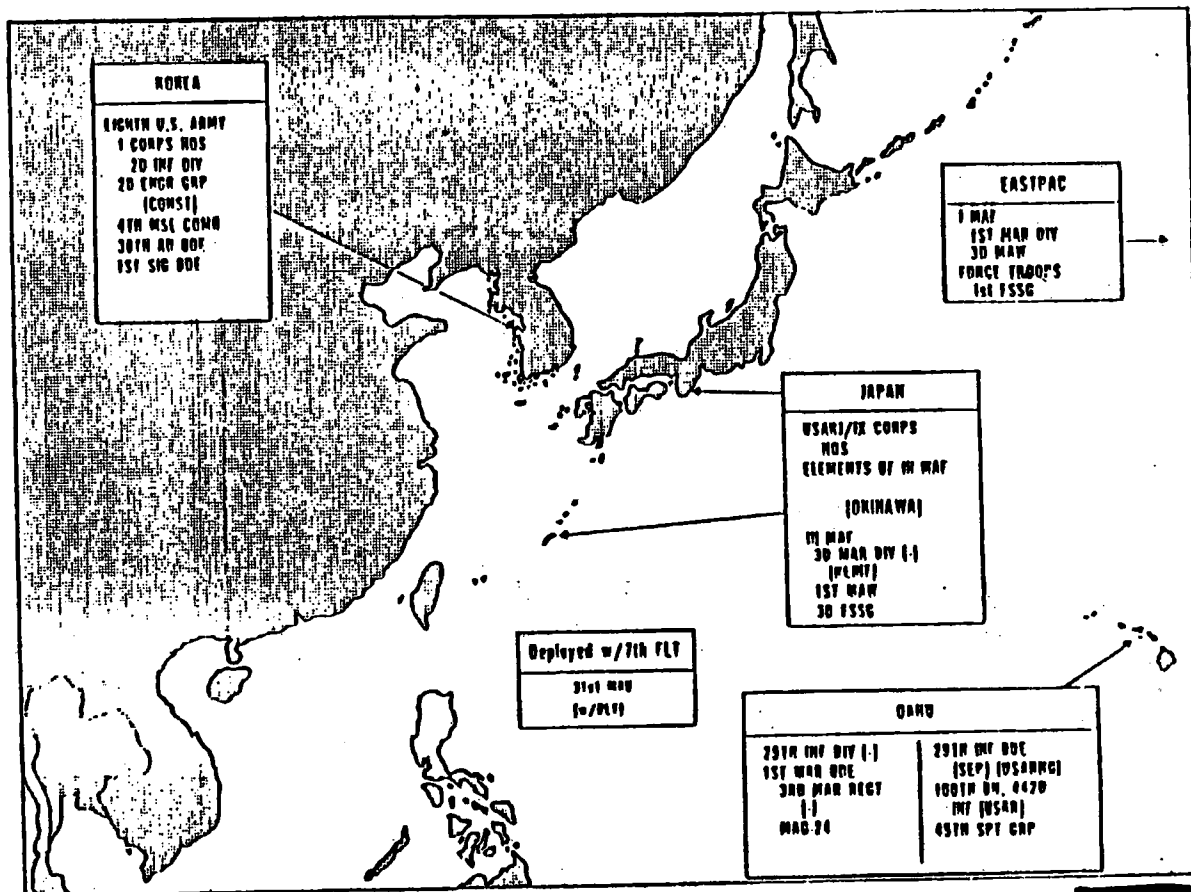
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DEPLOYMENT OF MAJOR GROUND UNITS



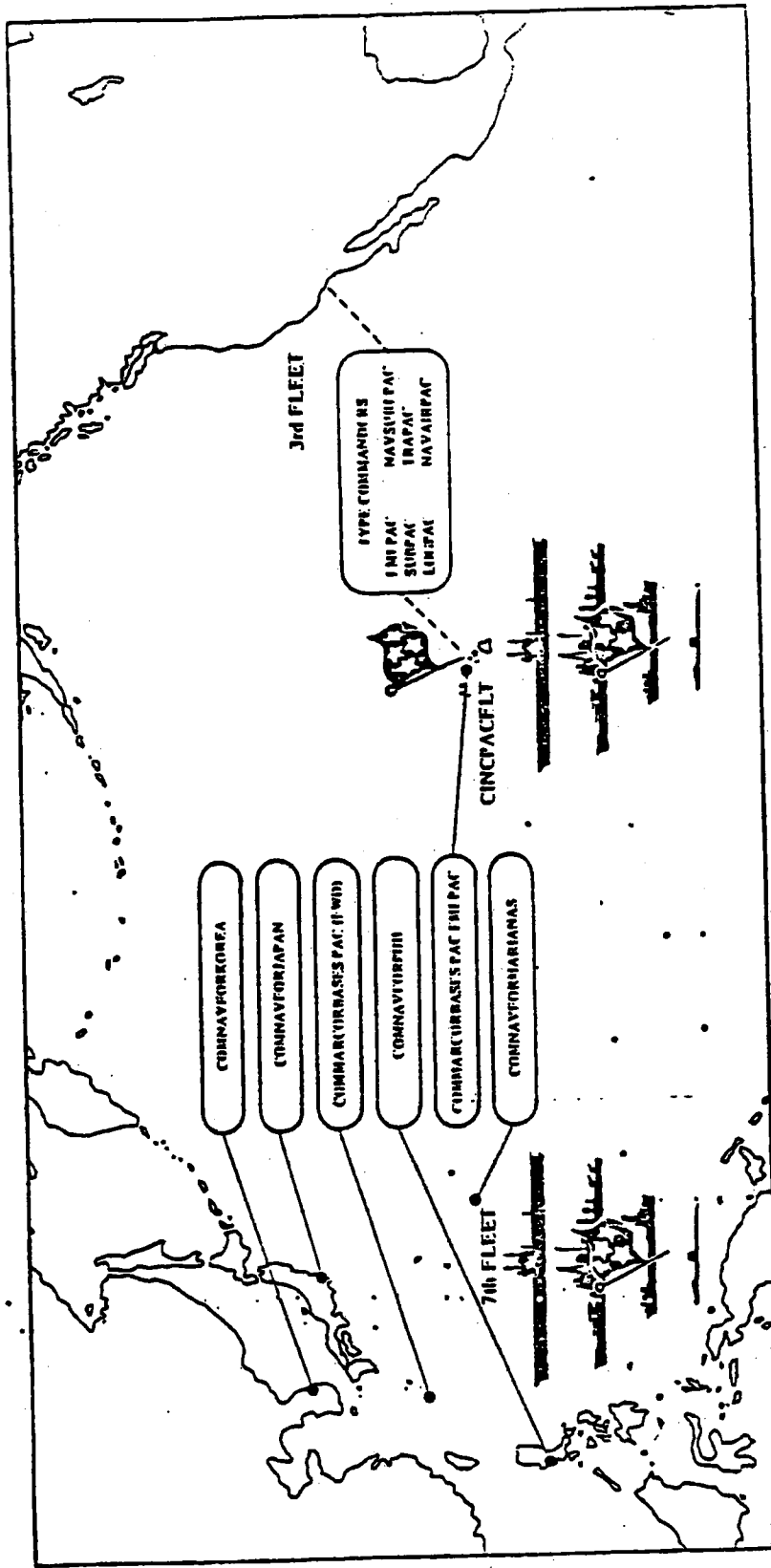
SOURCE: 13

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UNITED STATES PACIFIC FLEET

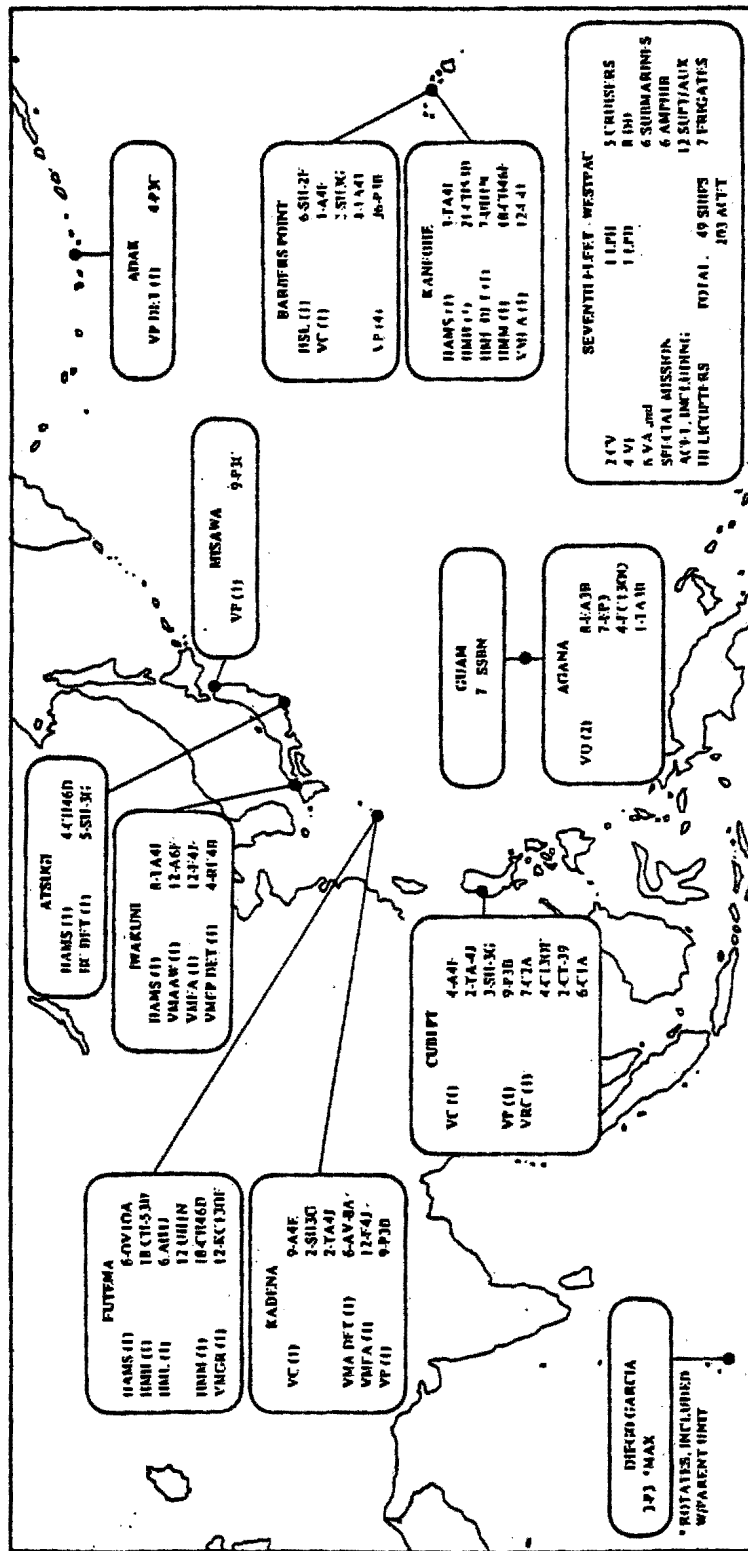
NORMAL COMMAND ORGANIZATION



SOURCE: J01

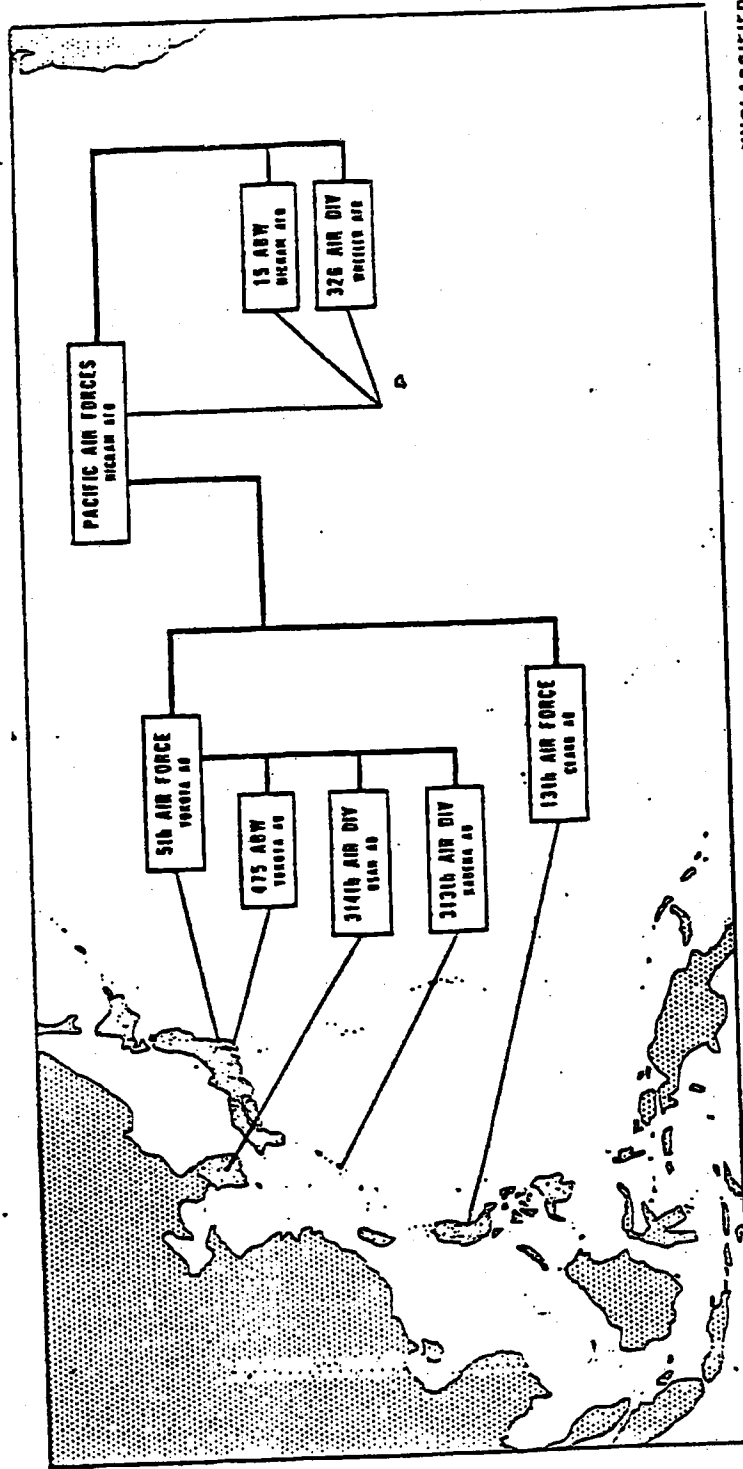
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DEPLOYMENT OF NAVAL AIR & SHIPS UNITS



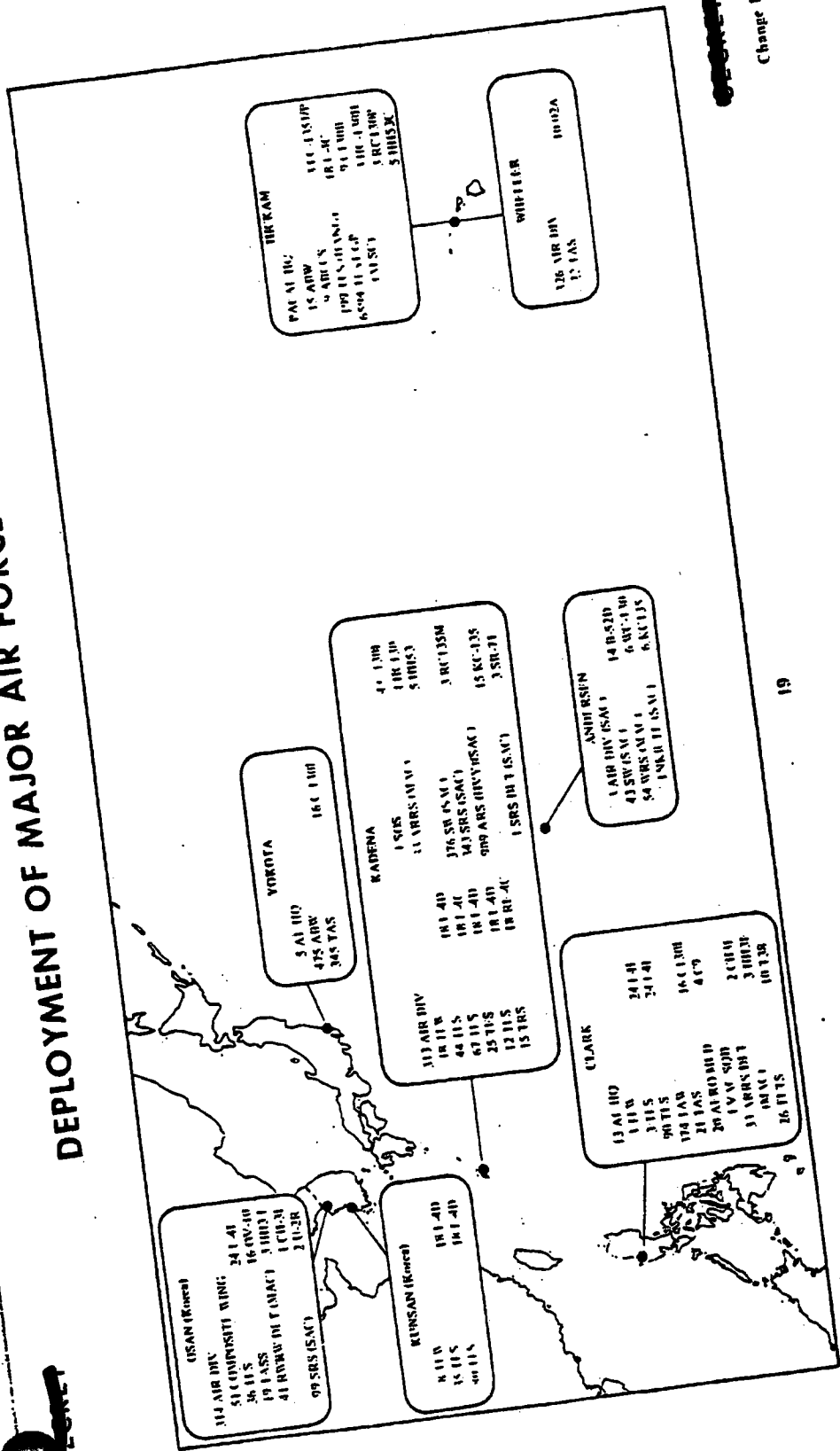
**UNITED STATES PACIFIC AIR FORCES
COMMAND ORGANIZATION - NORMAL DEPLOYMENT**

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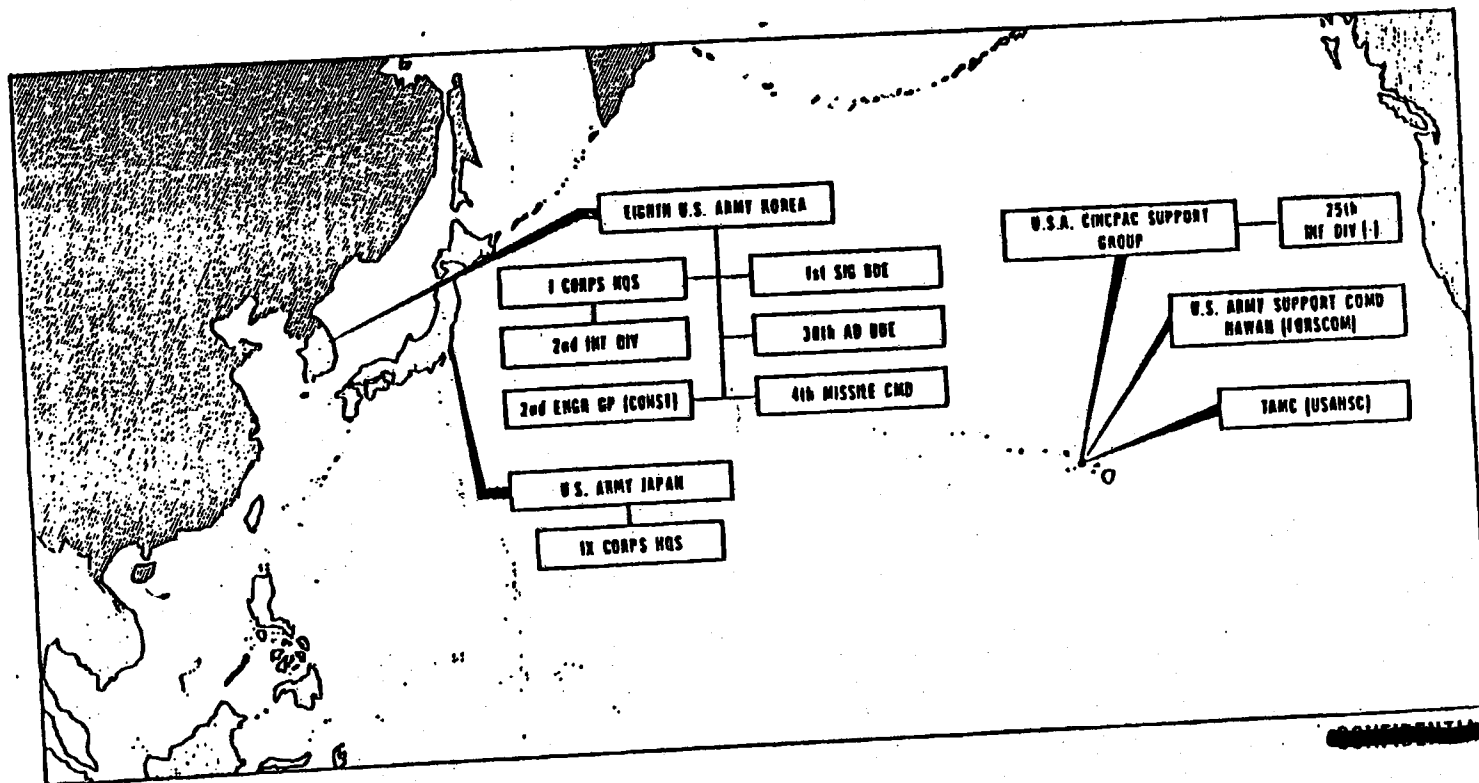
DEPLOYMENT OF MAJOR AIR FORCE UNITS



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U.S. ARMY PACIFIC ORGANIZATION



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SOURCE: J3

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MILITARY PERSONNEL ASSIGNED STRENGTH IN PACOM.

AS OF: 30 JUNE 1977

	ARMY	NAVY	MC	TOTAL NAVY & MC	AIR FORCE	TOTAL
TOTAL FORCES ASSIGNED*	32,052	150,660	66,981	217,641	24,806	274,499
OTHER OPERATIONAL FORCES IN PACOM**	20,578	12,014	4,323	16,337	18,527	55,442
TOTAL MILITARY PERSONNEL IN PACOM	52,630	162,674	71,304	233,978	43,333	329,941

- * FORCES ASSIGNED PACOM COMPONENT COMMANDERS
- ** FORCES PHYSICALLY LOCATED IN PACOM AREA BUT NOT ASSIGNED PACOM COMPONENT COMMANDERS

SOURCE: J38

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Principals Book
Ninth U.S. - Japan
Security Subcommittee Meeting
January 14, 1974
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SCOPE AND PURPOSE

U.S. - JAPAN SECURITY SUBCOMMITTEE

The Security Subcommittee (SSC) was established in 1967, essentially at the request of the Japanese, in order to complement the routinized and highly visible Security Consultative Committee (SCC) and to serve as a forum for a genuine exchange of ideas on security issues, i.e. something more than a repetition of familiar government positions. The first SSC meeting was held in Tokyo in May 1967; the eighth and most recent in May 1973.

The Subcommittee forum has slowly evolved toward our goal of a full and frank exchange of views. At first, simply getting the Foreign Ministry, the Defense Agency and the uniformed Japanese military together with us for any sort of exchange of views marked a major step forward. In the beginning the Foreign Ministry representatives did most of the talking, the Defense Agency civilians said very little, and the uniformed Japanese said nothing at all. Now, however, all contribute more or less freely and the SSC has become a very useful element in our security dialogue, perhaps even more so from the Japanese viewpoint than from our own.

Continuing SSC interest has centered on the need for a mutual understanding of the security implications of current international developments, problems related to U.S. bases and a military presence in Japan, and planning for the

security of the Far East as it impacts on overall U.S. -
Japan relations. The ninth SSC meeting will again address
itself to these general areas of mutual interest.

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SCHEDULE AND AGENDA

NINTH U. S. - JAPAN SECURITY SUBCOMMITTEE MEETING

JANUARY 14, 1974

ROOM 7516

DEPARTMENT OF STATE

9:30 - 11:00	Opening Remarks by Ambassador Porter
	Global Security Implications of the Energy Situation - Mr. Shields Discussion
11:00 - 11:15	Break
11:15 - 12:30	Asian Security Situation - Mr. Sneider Discussion
12:30 -	Lunch Hosted by Ambassador Porter - Clay Room, 8th Floor (By invitation)
2:30 - 4:15	Base Consolidation Plans - Mr. Okawara Mr. Doolin, Mr, Sneider
6:00 - 7:30	Reception Hosted by Ambassador Yasukawa - Japanese Embassy

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LIST OF PARTICIPANTS AND OBSERVERS

SSC MEETING

JAPAN

Ministry of Foreign Affairs

Vice Minister Shinsaku Hogen
American Affairs Bureau Chief
Yoshio Okawara
Security Affairs Division Chief
Shintaro Yamashita
*Mr. Toshiyuki Takano
Security Affairs Division

Japanese Embassy

Ambassador Takeshi Yasukawa
DCM Toshio Yamazaki
Counselor Ryohei Murata
Counselor Mitsuro Donowaki
Defense Attache General Yoshio Takenaka
*Third Secretary Ryuichiro Yamazaki

Defense Agency

Vice Minister Yutaka Shimada
Chief, Joint Staff Council, General
Ryohei Nakamura
DFAA Director General Kazumasa Tashiro
Defense Bureau Director-General
Takuya Kubo
*Mr. Yasuo Kitada - Secretary to the
Vice Minister
*Naoteru Kanae - DFAA Liaison Officer
*LTC Hiromi Aihara - Joint Staff Council

*Denotes observer.

UNITED STATES

Department of State

(Chairman) Under Secretary William J. Porter
Assistant Secretary Robert S. Ingersoll
Deputy Assistant Secretary Richard L. Sneider
Director for Japanese Affairs William C. Sherman
PM/ISP Director Leslie H. Brown
*Mr. John Campbell, EA/J

*William Fukuda, Interpreter

Department of Defense

Deputy Assistant Secretary Dennis J. Doolin
Deputy Assistant Secretary Roger Shields
*BG A.P. Hackett JCS J-5
*COL Sam Daniel JCS J-5
*LTC Leo Bractenbach ISA (EAPR)
*Mr. Willard Mitchell ISA (Policy Planning)
*Mr. David Schilling - Program Analysis and
Evaluation
*RADM Kenneth P. Sears - ISA (I&L)
*LTC Donald Youatt ISA (I&L)

Embassy Tokyo

Political-Military Counselor Charles A. Schmitz

CINCPAC

*RADM Earl Yates
*Mr. Morton Abramowitz (POLAD)

USFJ

LTC Robert Pursley
*Capt. John Peters

*Denotes observer.

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THE WORLD ENERGY PROBLEM AND INTERNATIONAL SECURITY

SALUTATIONS.

I KNOW THAT YOU ARE KEEPING ABREAST OF THE ENERGY PROBLEM IN THE NEWSPAPERS OF THE WORLD AND THROUGH OTHER SOURCES. TODAY I DO NOT WISH TO PLOW THE SAME GROUND THAT IS BEING SO THOROUGHLY COVERED AND SO WELL REPORTED. INSTEAD, I WOULD LIKE TO REVIEW THE SITUATION FOR YOU BY DISCUSSING MY VIEW OF SOME OF THE INTERNATIONAL SECURITY ASPECTS OF THE PROBLEM. PLEASE BE GENEROUS AND HAVE PATIENCE WITH ME WHEN I MENTION ANY FIGURES. MOST OF THEM ARE NOT THAT PRECISE, YOU SHOULD ACCEPT THEM AS BEING EDUCATED ESTIMATES AND LIKELY ORDERS OF MAGNITUDE. ACCURATE STATISTICS IN THIS AREA ARE RARE IN THIS COUNTRY -- AND EVEN MORE SO WITH REGARD TO THE OTHER INDUSTRIALIZED AREAS OF THE WORLD. THESE ARE CLOSELY HELD ITEMS, OF COURSE, BECAUSE NATIONS DO NOT ALWAYS LIKE TO REVEAL FULLY THEIR RESPECTIVE ENERGY SITUATIONS TO OTHERS. DESPITE THESE RESERVATIONS TODAY I WILL COVER SOME OF THE FOLLOWING ISSUES,

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- THE PRESIDENT'S PROGRAM
- THE SHORT-RUN AND LONG-RUN PROSPECTS
- SOME ALTERNATIVES FOR ENHANCING OUTPUT OF ENERGY AND MAINTAINING A SECURE AND PEACEFUL WORLD.
- FOLLOWING THIS WE CAN DISCUSS ANY ENERGY RELATED MATTERS YOU MAY WISH.

THE PRESIDENT'S PROGRAM

AS YOU KNOW, HOW SEVERE THE ENERGY IMPACT OF THE MIDDLE EAST CRISIS ULTIMATELY WILL BE DEPENDS ON HOW SOON A SETTLEMENT CAN BE REACHED AND WHEN AND TO WHAT EXTENT ARAB OIL EMBARGOES, CUTBACKS, AND PRICE INCREASES WILL BE RESCINDED. IT WILL ALSO DEPEND ON THE EFFECTIVENESS OF OUR ENERGY COUNTERMEASURES. OUR PRESIDENT HAS PROPOSED SHORT-RANGE AND LONG-RANGE MEASURES TO COPE WITH THE ENERGY GAP. HIS SHORT RANGE PROPOSALS INCLUDE:

A. NO MORE CONVERSIONS OF INDUSTRIES AND UTILITIES FROM COAL TO OIL AND RECONVERSION OF OIL USERS TO COAL.

B. A CUTBACK OF MORE THAN 10% OF THE NUMBER OF COMMERCIAL FLIGHTS.

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C. A 15% REDUCTION OF HEATING OIL SUPPLIES FOR HOMES AND OFFICES AND A 10% REDUCTION OR CURTAILMENT OF WORKING HOURS FOR OFFICES, FACTORIES AND STORES.

D. LOWERING TEMPERATURES IN FEDERAL GOVERNMENT OFFICES AND LIMITING AUTOMOBILE SPEED LIMITS TO 50-55 MPH.

E. NO GASOLINE SALES TO MOTORISTS ON SUNDAY.

F. AN APPEAL TO STATE GOVERNORS TO REINFORCE THESE ACTIONS ON STATE AND LOCAL LEVELS.

G. A RETURN TO DAYLIGHT SAVING TIME.

H. A TEMPORARY RELAXATION OF POLLUTION CONTROL.

I. PRODUCTION OF OIL FROM OUR NAVAL RESERVES.

J. IF THESE MEASURES DO NOT SUFFICE, A REDUCTION OF GASOLINE CONSUMPTION BY RATIONING AND/OR TAXATION.

FOR THE LONGER TERM THE PRESIDENT HAS CALLED FOR:

A. SPEEDY CONSTRUCTION OF THE ALASKAN PIPELINE.

B. LEGISLATIVE AUTHORITY TO ENCOURAGE THE PRODUCTION OF NATURAL GAS (THROUGH EXEMPTING NEWLY DISCOVERED GAS FROM REGULATION BY THE FPC).

- C. BUILDING DEEPWATER PORT FACILITIES.
- D. SETTING REASONABLE STANDARDS FOR THE SURFACE MINING OF COAL.
- E. REDUCING THE TIME LAG TO BRING NUCLEAR POWER PLANTS ON LINE FROM 10 TO 6 YEARS.
- F. "PROJECT INDEPENDENCE" TO ACHIEVE ENERGY SELF-SUFFICIENCY BY 1980, PATTERNED AFTER THE MANHATTAN PROJECT OF WW II AND THE MAN-ON-THE-MOON PROJECT OF THE SIXTIES.
- G. ESTABLISHING AN ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION - FEDERAL ENERGY ADMINISTRATOR AND FEDERAL ENERGY OFFICE.

AS YOU KNOW, CONGRESS HAS ADOPTED SOME OF THE ABOVE PROPOSALS. HOWEVER, THE DEBATE WILL NOW RESUME IN CONGRESS CONCERNING THE DEREGULATION OF NATURAL GAS AND THE LOWERING OF POLLUTION CONTROL STANDARDS. A HARD POLITICAL FIGHT OVER THESE TWO ISSUES LIES AHEAD.

THE MAIN FEATURES OF THE PRESIDENT'S SHORT-RUN PROGRAM ARE ALMOST ENTIRELY LIMITED TO SAVINGS IN PERSONAL AND COMMERCIAL ENERGY CONSUMPTION AND DO NOT EXCESSIVELY CURTAIL

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INDUSTRIAL USE - THE REASONING IS SOUND - TO KEEP PEOPLE
EMPLOYED TO THE MAXIMUM EXTENT POSSIBLE.

WE WILL AND ARE NOW TRYING TO MAKE UP FOR THE LOSS
OF ARABIAN CRUDE OIL BY OBTAINING MORE FROM OTHER SUPPLIERS
SUCH AS CANADA, VENEZUELA, IRAN, NIGERIA AND INDONESIA,
FROM WHICH WE CURRENTLY RECEIVE THE GREATER PART OF OUR
IMPORTS (3.2 MBD OUT OF 5.8 MBD). BUT CANADA WANTS TO
AVOID BEING INCLUDED IN THE ARAB BOYCOTT, VENEZUELA'S
PRODUCTION IS TURNING DOWN, AND THE OIL PRODUCTION OF THE
OTHER COUNTRIES IS VIRTUALLY AT CAPACITY. BRINGING IN
MORE WELLS WILL HELP OVER THE LONG, BUT NOT THE SHORT
RUN. IN IRAN, NIGERIA AND INDONESIA WE ARE ALSO COMPETING
FOR OIL WITH THE OTHER INDUSTRIALIZED NATIONS OF THE WORLD
WHICH NEEDED IT EVEN MORE URGENTLY.

FOR THE SHORT RUN, ESPECIALLY THIS WINTER, THE OIL
SUPPLY OUTLOOK IS RATHER TIGHT FOR THE DOMESTIC ECONOMY.
WITH REGARD TO INTERNATIONAL SECURITY PROBLEMS BROUGHT ON
BY THIS CRISIS, ONE CENTRAL QUESTION CONCERNS THE SURVIVAL
OF THE US-RUSSIAN DETENTE. WE BELIEVE THAT DETENTE WILL

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SURVIVE SINCE IT IS IN THE LONG-RUN INTERESTS OF BOTH COUNTRIES AND INDEED ALL THE COUNTRIES OF THE WORLD. TO DOMINATE THE M.E. AND TO NEUTRALIZE OUR INFLUENCE THERE MAY BE A TEMPTING OBJECTIVE FOR RUSSIA, BUT IT IS NOT IN THE INTERESTS OF USSR TO CANCEL THE DETENTE WITH THE U.S. PERHAPS BRINGING ABOUT, AMONG OTHER THINGS, A FURTHER RAPPROCHEMENT BETWEEN THE U.S. AND CHINA. WE OF COURSE WANT THE DETENTE TO CONTINUE IN ORDER TO BRING THE ARMS RACE UNDER SOME KIND OF CONTROL, TO DEFUSE THE BI-POLARITY OF THE WORLD, AND TO BRING OUR INTERNATIONAL COMMITMENTS INTO LINE WITH OUR CAPABILITIES. WE BELIEVE THAT THE DETENTE WILL SURVIVE BECAUSE IT IS IN THE ECONOMIC AND POLITICAL INTERESTS OF ALL COUNTRIES. RUSSIA'S ECONOMIC DEVELOPMENT HAS REACHED A STAGE WHERE IT CAN GREATLY PROFIT FROM OUR SUPERIORITY IN DATA PROCESSING AND OTHER ADVANCED TECHNOLOGY INDUSTRIES. WE FURTHER BELIEVE THAT THE ARAB COUNTRIES HAVE AN INTEREST IN NOT GOING TOO FAR WITH THE OIL

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PRODUCTION CUTBACK AND PRICE INCREASES. THE GREATER OUR DETERMINATION TO COPE WITH ALL ASPECTS OF THE PROBLEM, THE BETTER THEY WILL UNDERSTAND THAT OIL IN THE GROUND IS NOT NECESSARILY WORTH MORE THAN DOLLARS IN THE BANK. IF WE CAN REGAIN OUR ENERGY SELF-SUFFICIENCY WITHIN A DECADE OR SO AND OTHER INDUSTRIALIZED AREAS CAN MAKE PROGRESS ALONG THE SAME LINES, AND IF THE USE OF NUCLEAR ENERGY GAINS MOMENTUM IN ALL MAJOR INDUSTRIAL COUNTRIES, THE LONG-TERM PROSPECTS FOR THE MANIPULATION OF THE QUARTERLY AND PRICES OF ARAB OIL PRODUCTION WILL BE MUCH LESS ATTRACTIVE.

SCENARIO WE WILL NOT BE ABLE TO SCRAP EITHER OUR SHORT-RUN CONSERVATION OR OUR LONG-RUN SELF-SUFFICIENCY PROGRAMS BECAUSE OF AT LEAST THREE IMPORTANT CONSIDERATIONS:

A. OUR ENERGY PROBLEM PREDATES THE PRESENT M.E. CRISIS, AND WE CANNOT ALLOW OURSELVES TO BE SUBJECTED TO FUTURE ATTEMPTS AT OIL BLACKMAIL.

B. THE ARAB COUNTRIES ARE UNLIKELY TO FOREGO THE USE OF OIL AS A POLITICAL AND ECONOMIC WEAPON IN THE FUTURE.

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C. THE DEVASTATING EFFECT OF ALREADY INCREASED PRICES ON THE WORLD ECONOMY - THE PRICE HAS RECENTLY RISEN FROM \$3 PER BARREL TO AROUND \$12 PER BARREL. IN ROUND NUMBERS, WORLD IMPORTS NOW COST \$20 BILLIONS - BY 1980, WITH PROJECTED CONSUMPTION, WORLD IMPORTS OF OIL WOULD COST \$220B EACH YEAR.

THE \$220B WOULD BE DIVIDED ABOUT AS FOLLOWS:

US \$ 65 B/YEAR

JAPAN \$ 65 B/YEAR

WESTERN EUROPE \$114 B/YEAR.

ALL OF WHICH PORTENDS A MULTIPLICITY OF INTERNATIONAL SECURITY PROBLEMS; PROBLEMS THAT WILL INTENSIFY IF THE ENERGY SQUEEZE IS MAINTAINED. PROBLEMS OF ECONOMIC GROWTH NOT ONLY OF INDUSTRIALIZED COUNTRIES, BUT ESPECIALLY LDCs, PROBLEMS OF POLITICAL INSTABILITY - INTERNAL AND EXTERNAL, AND PROBLEMS OF TRADE DISRUPTION. LET ME BE MORE SPECIFIC.

1. POOR AND DEVELOPING NATIONS. THESE COUNTRIES ARE AS HARD HIT BY PETROLEUM PRICES AS ARE THE US, JAPAN

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AND WESTERN EUROPE. TOURISM, SO VITAL TO MANY, IS IN PERIL. INDIA'S FOREIGN EXCHANGE RESERVES CAN BE WIPED OUT IN TWO YEARS - COMPLETELY WRECKING THEIR NEW \$71B FIVE YEAR DEVELOPMENT PLAN JUST NOW GETTING STARTED, OIL SHORTAGES AND EXORBITANT PRICES COULD DECIMATE SOUTH KOREA'S BOOMING TEXTILE INDUSTRY. MOREOVER, IF THE INDUSTRIALIZED NATIONS ARE WEAKENED TO THE POINT OF SERIOUS WORLD-WIDE RECESSION, OR DEPRESSION, POORER NATIONS WILL LOSE VITAL MARKETS FOR THEIR COPPER, COCOA, COFFEE AND SO FORTH.

2. THE MILITARY READINESS AFFECT - I DON'T WANT TO DWELL ON THIS, AND EACH COUNTRY IS AFFECTED SOMEWHAT DIFFERENTLY, BUT WE ALL KNOW THAT READINESS APPLIES TO THE MILITARY AS WELL AS TO A FOOTBALL TEAM. UNLESS WE GET OUT THERE AND PRACTICE WE'RE GOING TO LOOK PRETTY BAD DURING THE REAL GAME. AS THE CHAIRMAN OF OUR JOINT CHIEFS OF STAFF INDICATED THE OTHER DAY - WE CAN REDUCE READINESS TRAINING BY 25%, BUT THAT'S LIKE ONE WHEEL OFF AN AUTOMOBILE-

AND THE MILITARY

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MACHINE DOESN'T RUN TOO WELL ON THREE WHEELS WE ARE NOW SHIPPING SOME POL FROM U.S. TO OVERSEAS BASES AS SOME OVERSEAS SOURCES OF OIL ARE CUT BACK OR FORECLOSED. SOME OVERSEAS SUPPLIERS, HOWEVER, CONTINUE TO MEET THEIR CONTRACTS.

3. ALLIANCE PROBLEMS. THE PRESENT SITUATION, AND UNILATERAL ATTEMPTS TO RESOLVE THEM, THREATEN TO DISRUPT OLD RELATIONSHIPS.

- DIVIDE AND CONQUER
- CONCENTRATION OF POWER IN THE MIDDLE EAST
- INDUSTRIALIZED NATIONS BADLY NEED THE ENERGY FOR GROWTH, WHICH CAN LEAD TO INCREASED COMPETITION BY THE MAJOR IMPORTERS TO TIE DOWN SUPPLIES
- SOME GOVERNMENTS CANNOT SURVIVE THE ECONOMIC CHAOS AND DISRUPTIONS TO EMPLOYMENT
- NOW THAT THE ECONOMIC WEAPON HAS BEEN USED AND ITS POWER APPRAISED IT CAN BE USED AGAIN AND AGAIN, PERHAPS SELECTIVELY TO DIVIDE
- AS PREVIOUSLY MENTIONED THE PRICE PROBLEM THREATENS THE VERY HEART OF WORLD TRADE MOST INDUSTRIAL

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COUNTRIES CANNOT EXPORT ENOUGH TO MEET EVEN PRESENT PRICES OF BETTER THAN \$11 PER BARREL

- SOME OF THE TREMENDOUS RESERVE ACCUMULATIONS BY THE ARAB COUNTRIES COULD BE DIVERTED TO FINANCE REVOLUTIONS AND TERRORISM AROUND THE WORLD.

4. IMPACT ON DEFENSE BUDGETS. IN VIEW OF THE NEW PETROLEUM PRICES, WE ESTIMATE THAT FOR THIS COUNTRY

THERE WILL BE AN ADDITIONAL \$15 TO \$20 BILLIONS PER YEAR PAID FOR ENERGY.

THIS MAKES A HUGE IMPACT ON MONEY AVAILABLE FOR DEFENSE AND OTHER VITAL NATIONAL PROGRAMS. WE WOULD PREDICT LOWER GROWTH RATES FOR ALLIED DEFENSE BUDGETS, LESS PREPAREDNESS AND LESS READINESS. SLOWER RATES OF ECONOMIC GROWTH WILL REINFORCE THIS.

5. THREAT OF MILITARY ACTION. THIS IS AN ALTERNATIVE ON THE EXTREME END OF THE OPTION RANGE.

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OUR STRATEGY IS TO CONTAIN THE DIVISIVE POTENTIAL FOR DISRUPTING OUR RELATIONS WITH THE WESTERN EUROPEANS AND YOURSELVES SO THAT WE CAN STRIVE FOR COORDINATED ENERGY POLICIES AND PROMOTE A COOPERATING WORLD WITH REASONABLE ENERGY AVAILABLE FOR CONTINUED GROWTH.

IMPACT ON COMMUNIST BLOC COUNTRIES. AS YOU KNOW A DETAILED ACCOUNTING OF ENERGY REQUIREMENTS IN THE BLOC COUNTRIES IS IMPOSSIBLE, HOWEVER, OUR BEST ESTIMATES SHOW A 9.8 MBD USE OF WHICH 9.3 MBD IS PRODUCED DOMESTICALLY THIS LEAVES THESE COUNTRIES WITH ABOUT A 500 TGD SHORTFALL WHICH IS IMPORTED FROM THE M.E. COUNTRIES. PREMIER KOSYGIN HAS PUBLICLY INDICATED THAT THE USSR IS IN AN "INCOMPARABLY MORE FAVORABLE" POSITION FOR ENERGY SUPPLIES THAN OTHER EFFECTED NATIONS', BUT THE SITUATION IS "STILL TENSE" AND "IT IS NECESSARY ELECTRICAL ENERGY, AND TO FIND NEW FUEL-ENERGY RESOURCES." WE DO KNOW THAT THEY HAVE RAISED PRICES AND REDUCED SUPPLIES TO THEIR CUSTOMERS AND, AS YOU WELL KNOW, THEY ARE NOT CAPABLE AT THIS TIME OF EXTRACTING AND REFINING

SUFFICIENT CRUDE OIL TO SATISFY THEIR PRESENT DOMESTIC NEEDS LET ALONE ACCOMMODATE GROWTH.

SOME ALTERNATIVES TO ENHANCE INTERNATIONAL SECURITY.

WE BELIEVE THAT THE BASIS FOR ALLIED ENERGY AND STRATEGIC COOPERATION SHOULD BE NEW U.S., JAPANESE, NATO, AND OECD ENERGY POLICIES THAT WILL REDUCE ARAB LEVERAGE ON WORLD ENERGY SUPPLIES, PROVIDE AN ECONOMIC COUNTERBALANCE TO OPEC POWER AND ACTIONS AND PROVIDE AN APPROPRIATE NEW PLAN FOR VIGOROUS U.S., JAPANESE, NATO AND OECD SHARED INITIATIVES TO DEVELOP NEW SOURCES OF ENERGY. HERE, BRIEFLY, ARE SOME POTENTIAL JOINT PROJECTS, YOU MAY IMAGINE OTHERS, I'M SURE...

- A. REDUCTION OF CONSUMPTION
- B. BURN COAL INSTEAD OF OIL OR GAS
- C. LOW BTU FROM COAL
- D. NEW POL SOURCES
- E. OFFSHORE

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- F. OTHER LIQUEFACTION AND/OR GASIFICATION
OF OIL SHALES OR COAL
- G. MISCELLANEOUS TO INCLUDE OTHER DISCOVERY
AND EXPLOITATION OF PREVIOUSLY NON-ECONOMIC
SOURCES THAT HAVE INVOLVED HIGHLY INEFFICIENT
PRODUCTION; INCREASED USE OF NUCLEAR ENERGY,
INCREASES OF NUCLEAR, SOLAR OR WOOD SOURCES
OF ENERGY...
- H. SPEED THE INDUSTRIAL DEVELOPMENT OF OIL
PRODUCING COUNTRIES.

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THE PRESIDENT'S PROGRAM IS A GOOD ONE. IN THE SHORT
RUN IT GIVES US TIME TO GET LONG-RUN PROGRAMS GOING. THE
TOP PRIORITY ISSUE IN INTERNATIONAL SECURITY IS TO GET SOME USE
COORDINATION GOING WITH OTHER INDUSTRIALIZED COUNTRIES,
OUTLINE INDICATIVE PLANNING AND COMMENCE SIGNIFICANT
INTERGOVERNMENTAL ACTIONS. IF THESE ARE TAKEN SOON - AND
I BELIEVE THAT THEY WILL BE - THEY COULD SAVE BILLIONS OF
DOLLARS OF OUR MONETARY RESERVES, SAVE MUCH TIME, REDUCE
CONFUSION, MISUNDERSTANDINGS, FEARS, AND ILLUSIONS AS WELL
AS INCREASE U.S., JAPANESE, AND WESTERN EUROPEAN BARGAINING
POWER VS OPEC. IN THESE TIME IT IS IMPORTANT TO

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PREVENT FURTHER BREAKDOWN OF OECD, NATO AND EEC -- WHICH ARE VULNERABLE UNDER PRESENT PROGRAMS. UNDER THE CURRENT SITUATION WITH REGARD TO OIL IMPORTS, A CHANGE IN JUST 2 DOLLARS IN THE PRICE PER BARREL WOULD SAVE OVER ²⁰~~100~~ BILLION DOLLARS ^{PER YEAR} IN FOREIGN EXCHANGE. UNLESS SENSIBLE MEDIUM AND LONG-TERM ACTIONS ARE TAKEN, THE SUPPLY OF OIL, AND RAW MATERIALS GENERALLY, IS LIKELY TO BE UNSURE AND ERRATIC. THUS CAUSING GREAT DAMAGE TO THE INTERNATIONAL SYSTEM EVERYWHERE INCREASING THE POSSIBILITY OF MORE TENSION AND VIOLENCE IN INTERNATIONAL RELATIONS.



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US-Japan Security Subcommittee Meeting
January 14, 1974

Agenda Item B: Asian Regional Security Situation

1. Overall, tensions in East Asia that could lead to major military confrontation are probably at the lowest point in twentyfive years. Open conflict continues in Indochina, and there are other imbalances, but since 1971 the likelihood they would engage the major powers or be played out on global terms has been significantly reduced. Concurrently many countries in the region have enjoyed several years of rapid economic expansion, enhancing regional security by increasing the value of a stake in the status quo. A slowly emerging regional framework in Southeast Asia based on local initiative and perceived common interests promises to facilitate further the nonviolent resolution of localized conflicts.

2. Indochina continues to present serious unresolved problems. While Hanoi's intentions in the short term are unclear, its military capacity vis a vis the South May be relatively greater than at previous stages of the conflict. Its ability to mobilize its population appears undiminished, and in the long term it is clear Hanoi remains bent on reunification, by force if necessary. We expect the level of fighting in the South to increase in coming months, although probably not to the level of a general offensive on the order of 1972. We believe South Vietnamese armed forces can handle the situation militarily. (The balance of military manpower and equipment marginally favors the South now, although -- given continued large-scale violation of the Paris Agreement by Hanoi -- this edge may be gone by next summer.) The GVN has not lost ground in the South --it has, in fact, gained -- but much remains to be accomplished in terms of developing a political infrastructure capable of mobilizing popular support for the government.

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3. We continue to feel that the Paris Agreement comprises a potentially workable framework for a settlement, and we continue to use all means at our disposal to move the conflict toward a peaceful resolution. Nonetheless, the outcome is uncertain, and the timeframe of the struggle may extend many more years.

4. We of course continue to recognize the GVN as the only legitimate government in the South, and we do not envision developing relations with the North or providing economic aid to the North as long as it continues to violate the Paris Agreement.

5. Laos presents a more encouraging picture, with maintenance of an effective ceasefire and reasonably good prospects for a political solution, involving formation of a new Provisional Government of National Union.

6. In Cambodia, severe economic and political problems complicate a tenuous military picture. The problem is fueled by Hanoi and is essentially subsidiary to the outcome in Vietnam. We see little sign as yet that the Khmer Communists are prepared to move to the stage of negotiation, and we suspect that what will be required is the establishment of a clear military equilibrium, at which time the KC may conclude that negotiations are called for. In order to achieve and maintain such an equilibrium, we intend to continue to assist the GKR, within the limits imposed by congressional action, and we hope that other nations, including Japan, will continue to lend the GKR economic, diplomatic and moral support.

7. Given Soviet and Communist Chinese hostility and preoccupation with one another, neither appears likely in the immediate future to play a destabilizing role vis-a-vis the rest of the region. The Soviets appear to have made little headway with their "Asian collective security" effort*. Their naval

*This subject, discussed in the Brezhnev-Tanaka Summit, is one on which Japanese views should be invited.

presence in the Pacific has risen gradually, but there has been no dramatic projection of Soviet military strength to back up political goals in the region. The Chinese, by acknowledging implicitly that the current U.S. military force structure in Asia serves their interests, have tacitly accepted the status quo for the time being (although they continue to support domestic insurgencies in several Southeast Asian countries). Both Soviet and Chinese policies in East Asia could change sharply following an accommodation or decreased tensions between the Communist superpowers. Succession in China introduces another imponderable.

8. The Republic of China is showing encouraging stability in the face of detente and PRC diplomatic gains. The Chinese on Taiwan have evidently made a fairly sober assessment of Taiwan's international prospects, and can probably handle further normalization of Peking's relations with the outside world a) if the pace is measured; b) if the ROC's security guarantees are not suddenly undermined; and c) if economic growth continues. (The further evolution of the worldwide energy crisis could thus become a critical factor.)

9. In Korea, we can take some encouragement from signs of lowered tensions, and evidence that both North and South wish to continue their dialogue. However, North Korean intentions remain an enigma, and firm predictions are precluded. One currently troubling aspect of the situation is the North's recent claim that their territorial waters encompass several islands off their southwest coast south of the ROK's Northern Limitation Line, and their recent stepped up patrolling in the area. Whether by these actions the North merely wishes to bring to light an ambiguity under the Armistice Agreement and seek its resolution, or instead wishes thereby to focus attention on the UNC presence as the prime source of tension in the peninsula is unclear.

10. With respect to the role of the major communist powers in the Korean situation, we believe it is in the interest of Japan and ourselves to encourage the PRC and Soviets to do what they can to reduce further the possibility of confrontation on the peninsula.

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11. South Korean ground forces are markedly superior to those of the North, while the latter has an edge in air power. American combat forces, consisting of one infantry division and a fighter wing, serve an essentially political purpose which is probably considered useful by the PRC and Soviets as well as the South Koreans and our other allies in East Asia.

12. Elsewhere in the region, we have made marginal adjustments in our force posture: the C-130 squadron deployed to Taiwan in 1966 for SEA requirements was redeployed within PACOM at the end of 1973, and the first increment withdrawal of tactical air units from Thailand was completed in late 1973. We continue to maintain sixteen tactical air squadrons and a substantial B-52 force in Thailand, as a deterrent to a largescale North Vietnamese offensive. American units in that country, most of which were originally deployed to deal with an immediate military situation rather than as part of our forward posture in the Pacific, are subject to redeployment when the Indochina conflict subsides.

13. In the Philippines there have been no major changes in our force posture in the last three years, except those directly related to declining requirements in mainland SEA.

14. In Taiwan, the only reduction that has occurred has been the withdrawal of the C-130 squadrons that were put there during the Vietnam conflict. The Shanghai Communique makes clear that further reductions are envisaged "as tensions in the area are reduced". We are sensitive to the security and political situation and will reduce only when we are satisfied that "tensions" have in fact declined.

15. In Japan and Okinawa we have made substantial reductions over the last four years, in full consultation with and in part at the urging of the Japanese government. Planning for future

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changes will continue to be a subject of joint US-Japanese consultation. At the moment the major combat elements -- the Marine division on Okinawa, the tactical air wing at Kadena, the carrier Midway at Yokosuka and the ASW elements at Naha -- are expected to be maintained for the indefinite future.

16. Base-line deployments now consist of the following:

- a) Ground forces - 1 Army division in Korea
2/3 Marine divisions in Okinawa
- b) Tactical air forces - 1 fighter wing in Okinawa
1 fighter wing in the Philippines
1 fighter wing in Korea
3 carrier air wings,
7th Fleet
3 Marine squadrons in Iwakuni
- c) Naval forces - 3 attack carriers and associated escorts and support ships
ASW forces, consisting of P-3's,
SSNs and surface ships
- d) Strategic forces - SSBNs, B-52s - Guam
- e) Total Western Pacific deployments, excluding 7th Fleet, amount to some 170,000 (by comparison, in 1965 these deployments totalled 180,000).

17. We have consulted regularly and annually with our allies about our force presence for the coming year, and when reductions were planned we have informed our allies well in advance. We expect to continue this procedure in the future. Apart from Thailand and possibly Taiwan, where we have explicitly related a reduction in our presence to declining tensions, we do not now expect to make major withdrawals from the region in the coming year.

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TALKING PAPER

ON

Japan Facilities Adjustment Program (JFAP) for the Security Subcommittee Meeting, 14 January 1974, Washington, D. C.

INTRODUCTION

- I believe it would be useful to review briefly the various base consolidation plans, to highlight the status of each of these plans, and to discuss potential or actual problem areas as we see them. I will cover the various plans or programs in the following order:
 - The Japan Facilities Adjustment Program (JFAP) or the Revised Okinawa Reversion Related Construction Program (RORRCP); and
 - The Kanto Plain Consolidation Plan (KPCP).

THE JAPAN FACILITIES ADJUSTMENT PROGRAM (JFAP)

Introduction

- The United States-Japan Security Consultative Committee (SCC), at its meeting on 23 January 1973, reached agreement respecting certain changes in U.S. use of facilities and areas in Japan and on construction projects to be undertaken by the Government of Japan (GOJ) at certain facilities and areas. This plan or program is primarily referred to as the JFAP.

Background

- During these negotiations relating to the eventual release of Naha Airport, there was a precondition by the USG that prior to relocation of U.S. flying activities from Naha to Kadena the GOJ agreed to complete construction of new facilities at Kadena and provide necessary funding in the Japanese Fiscal Year (JFY) 1973 budget for an estimated \$17.3 million of additional construction.
 - This was a U.S. cost estimate.

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- This amount was expected to cover the costs of the construction to support the P-3 relocation from Iwakuni to Misawa; of the replacement of certain facilities at Iwakuni; and of the building of fences and sewers as well as the remodeling of Army barracks on Okinawa.
- In addition, the GOJ would reprogram \$12.5 million from JFY 72 for urgent projects at Futenma and Kadena -- that is, \$3.1 million and \$9.4 million respectively.
- The listing of the major projects was initially presented to Mr. Matsuda and members of the Defense Facilities Administration Agency (DFAA) by Admiral Dillon on 25 January 1973.

CY 73 Progress

- In reviewing the progress during CY 1973, the list of projects needed at Kadena was provided GOJ by end of March as agreed.
- By the end of September, the balance of the design criteria packages on all high priority projects at each location had been given to the DFAA.
- In September, it was apparent that only projects in Programs I, III, and VIII for which the U.S. had estimated the costs of \$12-14 million were being funded for JFY 73, considerably less than the \$29.8 million anticipated at the January meetings.
 - Design was initiated on ten projects at Kadena (Program I) and three projects at Futenma (Program III) by GOJ.
 - To our knowledge, the design has not yet commenced for three projects funded for Misawa and Iwakuni (Program VIII) due to criteria problems encountered.

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- Funds were not provided for Okinawa sewers and fences or for barracks remodeling.
- As of the close of Calendar Year 1973, no construction work had begun; however, it is our understanding that construction is scheduled to start this month at Kadena and Futenma.

Problem Areas

- I would now like to discuss some of the specific problems which we have with this particular program. They concern; project costs, GOJ funding, project criteria, and sensitive projects.

Project Costs

- The current District Engineer Japan (DEJ) estimates for JFAP costs are much higher than the original estimates. These expanded project costs are principally the result of inflation; dollar/yen fluctuations; and delays in funding, design, and construction.
 - For example, delays in the design of the JFY 73 funded projects at Misawa and Iwakuni will further escalate the costs of these required projects.
- The Agreement of January 1973 specified certain areas of work that were necessary before the USG could move out of Naha Airport and for the relocation of P-3 flying activities from Iwakuni to Misawa.
- This Agreement prescribed requirements, not dollar amounts.
- At the request of the Embassy and COMUS JAPAN, the Department of Defense has recently reviewed the entire JFAP and, with one exception, all projects are still valid mission requirements for implementation of the Agreement.

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GOJ Funding

- We are very disappointed in the inadequate GOJ funding in the JFY73 budget and particularly disappointed in the budget request for JFY 74 for projects at Misawa and Iwakuni.
- In the January 1973 discussions, the GOJ agreed to begin an estimated \$17.3 million construction which included 18 projects at Misawa and five projects at Iwakuni.
- To date, only one project at Misawa and two projects at Iwakuni have actual indications of funding, but no design or construction have commenced.
- After two years, only a portion of ten projects, which the U.S. had estimated to cost \$7.4 million, at these bases may be funded.
- The JFY 74 budget for these two bases is considered unsatisfactory.

Project Criteria

- The problem of criteria for the replacement of barracks appears to be delaying any progress toward the design of JFY73 funded projects at Iwakuni and Misawa.
- The GOJ Foreign Office had stated that there would be a liberal interpretation of the Status of Forces Agreement (SOFA) by GOJ with respect to replacement of badly needed barracks facilities which would provide some additional housing.
- There is a critical shortage of adequate bachelor housing at Misawa and Iwakuni. Improving both the quantity and quality of this bachelor housing is a firm USG requirement.

Sensitive Projects

- We are puzzled by the recent GOJ reaction concerning the sensitivities for certain projects.

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- We understand the GOJ has a grievance list of sensitive items for which it has misgivings as to the Diet interpretation of Article 24 of the Status of Forces Agreement (SOFA).
- We will review the GOJ sensitive list for further discussion.

Conclusions on JFAP

- In concluding my remarks on the JFAP, I would like to emphasize several points.
 - The inadequate funding and the slowness in beginning of design on the JFAP continue to be a disappointment to the USG.
 - The recent issue of interpretation of the SOFA is new and not apparently consistent with the SCC Agreement.
 - The projects involved in the Agreement represent work which the USG would have done to effect the relocation of aircraft from Naha and Iwakuni and to relieve the housing problem at Misawa and Iwakuni.
 - If the USG has to request funds from the U.S. Congress for any of these projects, it may be harmful to the JFAP.
 - . For this reason and because of the project-oriented nature of the revised Agreement of January 1973, the USG believes it would be most beneficial to both our governments if we could proceed with the agreed construction as soon as possible.
 - The GOJ can be assured that USG will make periodic reviews of its requirements and will not ask the GOJ to build any projects that are no longer required.

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KANTO PLAIN CONSOLIDATION PLAN (KPCP)

- The second major plan that I would like to cover is the Kanto Plain Consolidation Plan (KPCP):

Background

- The KPCP was developed in FY 72 and will reduce the U.S. Air Force presence on the Kanto Plain (Tokyo area) by approximately 50%.
 - Manpower spaces will be reduced by more than 5,000 military and over 6,000 civilian.
 - Reductions will be accomplished by consolidating numerous activities, now located on various installations on the Kanto Plain, at Yokota Air Base.
- The KPCP is expected to be completed by end FY 76.
- When the KPCP is fully implemented, nine facilities totaling 5,711 acres will be returned to the GOJ. These facilities include: South Camp Drake, Tachikawa Air Base, Fuchu Air Station, Mito Air Ground Range, Kanto Mura Family Housing, Johnson Family Housing, Yamato Air Station, Grant Heights Family Housing, and Green Park Family Housing.

Current Status

- Mito Air Ground Range, Green Park and Grant Heights Family Housing areas, and Yamato Air Station have been returned to the GOJ. (Approximately 3,328 acres)
- Thus far, there is completed or underway over \$70 million worth of KPCP construction at Yokota Air Base.
- HQUSFJ/5AF will move to Yokota Air Base approximately November 1974. The Headquarters building is under construction. GOJ estimates completion in July 1974, but the USG doubts that that target date will be met.

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Problem Areas

- KPCP construction has also encountered funding problems.
 - As a result, there has been a three-month delay in the beginning of the first phase of construction.
- Additionally, housing originally scheduled for the first phase has been delayed to later phases.
- We believe that the escalating costs for construction may cause additional construction delays.

(S) SUMMARY

- In summarizing our assessments of the progress of the JFAP and KPCP, we foresee a stretchout to both of these programs.
- While we recognize the difficulties being encountered by the GOJ with inflation and the adverse economic situation, we would hope that your Government could continue to proceed with the necessary construction so that these base consolidation plans can be implemented on a timely basis.
- If not, we foresee additional political and economic costs accruing to both of our governments because of the delays in these programs.
- Our position, to state it simply, is that when replacement facilities are completed in accordance with our Agreements, we will relocate and consolidate our forces as planned.
- We would welcome candid discussion on these matters.

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Prepared by:
OASD/I&L and OSAD/ISA
12 January 1974

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KANTO PLAIN CONSOLIDATION PLAN (KPCP) (U)

1. Background.

- The KPCP was developed in FY 72 and will reduce the Air Force presence on the Kanto Plain (Tokyo area) by approximately 50% (i.e., reduce manpower by over 5,000 military and over 6,000 civilian spaces).
- Reductions will be accomplished by consolidating numerous activities, now located on various installations on the Kanto Plain, at Yokota Air Base.
- The KPCP is expected to be completed by end FY 76 and will result in an annual savings of \$60-70 million (military pay and O&M).

2. Discussion.

- When the KPCP is fully implemented, nine facilities totaling 5,711 acres will be returned to the GOJ.
 - South Camp Drake
 - Tachikawa Air Base
 - Fuchu Air Station
 - Mito Air Ground Range
 - Kanto Mura Family Housing
 - Johnson Family Housing
 - Yamato Air Station
 - Grant Heights Family Housing
 - Green Park Family Housing

3. Current Status.

- Mito Air Ground Range and Green Park Family Housing have been returned to the GOJ (2,869 acres).
- Thus far, there is completed or underway over \$70 million worth of KPCP construction on Yokota.
- HQUSFJ/5AF will move to Yokota approximately November 1974. The HQ building is under construction. GOJ estimates completion in July 1974 but USG doubts that date.

4. Problem Areas.

- KPCP construction is encountering funding problems.
- Result is a 3 month slip to begin Phase I construction.
- Additionally, housing originally scheduled for Phase I has been deferred to Phases II & III.
- Escalating costs for construction and weakening of Japanese economy will most likely cause additional construction delays.



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J. GCS
Recommended Release
21 December 1973

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PROJECTED REALIGNMENTS AND CONSOLIDATIONS OF
U.S. FACILITIES AND AREAS IN OKINAWA (OBCEP)

I. Facilities and Areas for Total or Partial Release without Relocation:

A. Total Release without Relocation:

	<u>FAC No.</u>	<u>Title</u>	<u>Approximate Acres</u>
1.	6112	Kushi Training Area	21
2.	6116	Yaka Training Area	503
3.	6034	Tairagawa Comm Site	32
4.	6047	Nishihara Army Annex	34
5.	6058	Makiminato Purchasing and Contracting Office	1
6.	6070	Shinzato Comm Site	26
7.	6074	Yozadake Army Annex	43
		Subtotal	660

B. Partial Release without Relocation:

	<u>FAC No.</u>	<u>Title</u>	<u>Approximate Acres</u>	<u>TAB No.</u>
1.	6001	Northern Training Area <u>Remarks:</u> Reservoirs with supporting areas only, the major portion of which is to be converted to Article II 4(b).	1,000	1
2.	6102	Aha Training Area <u>Remarks:</u> Reservoir with supporting areas only, the major portion of which remains Article II 4(b). Acreage included in FAC 6001 above.	See Remarks	2
3.	6004	Okuma Rest Center <u>Remarks:</u> Requires Relocation of Fences.	25	3
4.	6013	Onna Communications Site	83	4
5.	6021	Bolo Point Trainfire Range	460	5
6.	6029	Camp Courtney	15	6
7.	6037	Kadena Air Base	2	7

	<u>FAC No.</u>	<u>Title</u>	<u>Approximate Acres</u>	<u>TAB No.</u>
8.	6048	White Beach	90	8
9.	6043	Camp Kuwae <u>Remarks:</u> Requires Relocation of Fences.	19	9
10.	6044	Camp Zukeran <u>Remarks:</u> Requires Relocation of Fences.	99	10
11.	6051	Futenma Air Station <u>Remarks:</u> Requires Relocation of Fences and a Road.	33	11
12.	6056	Makiminato Service Area	7	12
		Subtotal	1,833	

II. Facilities and Areas for Release Upon Agreement of Relocation Arrangements within the Facilities Subcommittee:

A. Total Releases:

	<u>FAC No.</u>	<u>Title</u>	<u>Approximate Acres</u>
1.	6033	Camp Hauge <u>Relocation Required:</u> Approx 581,000 sq ft plus 3,000 sq ft from Camp Shields	159
2.	6038	Kadena Housing Area <u>Relocation Required:</u> Fifty-five (55) family housing units plus support facilities.	25
3.	6040	Sunabe Army Annex <u>Relocation Required:</u> Approx 11,000 sq ft.	10
4.	6041	Kashiji Army Annex <u>Relocation Required:</u> Approx 2,500 sq ft.	2
5.	6045	Zukeran Communications Site <u>Relocation Required:</u> Approx 16,000 sq ft.	29
6.	6050	Kubasaki School Area <u>Relocation Required:</u> Approx 160,000 sq ft.	30
7.	6052	Camp Mercy <u>Relocation Required:</u> Approx 160,000 sq ft plus open storage areas.	90

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<u>FAC No.</u>	<u>Title</u>	<u>Approximate Acres</u>
8. 6053	Camp Boone <u>Relocation Required:</u> Approx 64,000 sq ft.	36
9. 6061	Makiminato Housing Area <u>Relocation Required:</u> Nine hundred eighty-one (981) family housing units plus 177,100 sq ft support facilities.	421
10. 6064	Naha Port <u>Relocation Required:</u> Seven (7) berths, five (5) LST ramps, approx 310,000 sq ft, and 930,000 sq yds paved open storage/roads plus support facilities.	222
11. 6065	Naha Service Center <u>Relocation Required:</u> Included with FAC No. 6064 above.	1
12. 6018	Yaka Rest Center <u>Relocation Required:</u> Approx 45,700 sq ft.	23
B. Partial Releases:		Subtotal 1,048

<u>FAC No.</u>	<u>Title</u>	<u>Approximate Acres</u>	<u>TAB No.</u>
1. 6021	Bolo Point Trainfire Range (Range Areas Only) <u>Relocation Required:</u> All ranges.	170	13
2. 6022	Kadena Ammunition Storage Area <u>Relocation Required:</u> Joint Ordnance Disposal Area, USAF and USMC Ammo Bunkers and Hardstands to remainder of Facility.	2,375	14
3. 6029	Camp Courtney <u>Relocation Required:</u> Approx 104,000 sq ft.	85	15
4. 6044	Camp Zukeran <u>Relocation Required:</u> Pistol ranges, airfield support facilities, special services boat pier/facility and wet storage facilities.	250	16
5. 6051	Futenma Air Station <u>Relocation Required:</u> Approx 31,000 sq ft.	6	17

<u>FAC No.</u>	<u>Title</u>	<u>Approximate Acres</u>	<u>TAB No.</u>
6.	6056 Makiminato Service Area	28	18
	<u>Relocation Required: As necessary to insure uninterrupted operations.</u>		
	Subtotal	2,914	

III. Facilities and Areas, the Potential Release of Which is to be a Subject of Further Discussion:

<u>FAC No.</u>	<u>Title</u>	<u>TAB No.</u>
1.	6025 Yomitan Army Annex	-
2.	6024 Ishikawa Army Annex	-
3.	6035 Namihara Army Annex	-
4.	6054 Makiminato Warehouse	-
5.	6059 Urasoe Warehouse	-
6.	6060 Deputy Division Engineer Office	-
7.	6062 Naha Cold Storage	-
8.	6071 Chinen Service Area	-
9.	6090 Ihajo Kanko Hotel	-
10.	6021 Bolo Point Trainfire Range	19
11.	6037 Kadena Air Base	20
	and	
	6022 Kadena Ammunition Storage Area	
12.	6043 Camp Kuwae	21



LOOIV
RELEASE

Press Guidance
Relating to the Ninth Meeting of
the US-Japan Security Subcommittee

January 14, 1974

A series of three separate meetings was held in Washington on January 14. Two sessions were held on the morning of the 14th and one was held in the afternoon. The purpose of the Security Subcommittee is to discuss matters relating to security which are of interest to the two governments. The Subcommittee itself does not make decisions relating to security matters but merely serves as a forum for frank discussion. The Subcommittee meeting was attended by the Japanese and American officials whose names appear on the attached list.

Discussions at the three meetings revolved generally around three separate topics:

- (1) Effects of the energy problem on worldwide security;
- (2) Current political-security situation in Asia;
- (3) Base problems.

Discussion was frank and lively, but the Committee made no decisions respecting any of the topics.

Officials of both governments were completely satisfied with the frank exchange of views achieved during the meeting and noted with favor that the general assessment of the current situation in Asia by their respective governments was very similar. They also agreed that efforts for realignment and consolidation of US facilities and areas in Japan should continue within the framework of the Treaty of Mutual Cooperation and Security and consistent with its purposes. The Committee, as in its previous meetings, decided not to disclose the specific matters discussed at the meeting in order to maintain an atmosphere conducive to forthright presentations by the various participants on both sides. Accordingly, nothing more will be said respecting the specific topics of discussion.

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Participants in the Ninth Meeting of
the US-Japan Security Subcommittee

JAPAN

Ministry of Foreign Affairs

Vice Minister Shinsaku Hogen
Ambassador Takeshi Yasukawa
Deputy Chief of Mission Toshio Yamazaki
American Affairs Bureau Chief Yoshio Okawara
Counselor Ryohei Murata
Counselor Mitsuro Donowaki
Security Affairs Division Chief Shintaro Yamashita

Defense Agency

Vice Minister Yutaka Shimada
General Ryohei Nakamura, Chief, Joint Staff Council
General Yoshio Takenaka, Defense Attache
Kazumasa Tashiro, DFAA Director General
Takuya Kubo, Defense Bureau Director General

UNITED STATES

Department of State

Under Secretary William J. Porter
Assistant Secretary Robert S. Ingersoll
Deputy Assistant Secretary Richard L. Sneider
Director for Japanese Affairs William C. Sherman
Mr. Leslie H. Brown, Director, Office of
International Security Policy and Planning
Mr. Charles A. Schmitz, Political-Military
Counselor, American Embassy Tokyo

Department of Defense

Deputy Assistant Secretary Dennis J. Doolin
Deputy Assistant Secretary Roger Shields
LTG Robert Pursley, Commander, US Forces Japan



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US - Japan Joint Use of Bases and Facilities

I. General

1. Joint use agreements, accomplished through the US - Japan Joint Committee, permit the GOJ to use US facilities, either on a partial or interim basis. In addition to conversions to joint use approved by the Joint Committee, Services can enter into temporary (up to one year duration) local agreements with the JSDF for joint use of facilities and areas. In many cases, JSDF/US joint use arrangements have been worked out for those installations where US presence is phasing down and the JSDF is planning eventual takeover. It should be noted that joint use has probably already reached a plateau and will start to decline as certain installations are completely vacated by the US and as present and projected US base consolidation programs are implemented. At that time, US bases will approach full utilization and there will be little room for further joint use by the JSDF.

2. Of the 167 facilities and areas in Japan, 43 are under joint use arrangements (List at Enclosure).

II. Pros and Cons of Joint Use Arrangements

1. Pros

a. Provides a savings for the US through a sharing of O&M costs.

b. Preserves facilities for eventual full use by JSDF. Without joint use, many facilities and areas would have to be returned to the civilian economy and therefore not available either for future use by the JSDF or reentry by US Forces in support of contingency requirements.

c. Keeps the US reentry option open. In this regard, there is no provision in the SOFA for release of facilities with provision for reentry. Once a facility is returned to the GOJ, unless it is turned over to the JSDF, the property reverts to its actual owners. If land is government-owned, there is lesser difficulty than with facilities located on privately-owned land. However, in either case, unless the GOJ clearly sees mutuality of US Japan security interests in US reentry to a released facility, outright release is tantamount to permanent closure with virtually no possibility of reentry.

Classified by Chief, FE/SA Div., J-5
SUBJECT TO GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
AUTOMATICALLY DOWNGRADED AT TWO
YEAR INTERVALS
DECLASSIFIED ON DECEMBER 31 1981

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2. Cons

a. Joint use is limited only to US facilities and areas. Joint or sole use of JSDF-owned bases is not legal under the SOFA, and existing Japanese laws contain no provisions for authorizing US Forces to be based on JSDF bases.

b. Difficulty in obtaining Japanese funding for joint use. The ministry of finance requires the JSDF to go through a complex and tedious approval prior to obtaining funding for joint use of bases.

e. Renders reserve space on US bases no longer available for possible surge operations in support of contingency plans.

III. Conclusions

a. Joint use concept is most attractive as a means of easing JSDF takeover of US facilities no longer required.

b. Any significant increase in joint use of bases could result in a further reduction of US operational flexibility with little offsetting advantages.

c. Any significant changes to the present joint use arrangements and procedures would probably require a modification of the SOFA. Renegotiation of the SOFA should be avoided since such action would further reduce US operational flexibility with a net disadvantage to the US (for example, it is known that certain GOJ officials would like to see all US bases in Japan come under the administration and management of the JSDF, to be used jointly then by US forces and the JSDF. This would, of course, be unacceptable to the US).

FACILITIES AND AREAS WITH JOINT US
AND GOJ USE

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Of the present total of 167 USFJ facilities and areas in Japan, 29 are under Article II 4(a) SOFA joint use (i.e. US control; Japanese interim use) and 14 are under Article II 4(b) SOFA joint use (i.e. US limited use of Japanese controlled facilities, where USFJ retains the facility number).*

FACILITIES HAVING JSDF ARTICLE II 4(a) JOINT USE

<u>FAC NO.</u>	<u>FACILITY</u>	<u>SERVICE</u>	<u>JOINT USER</u>
1054	Camp Chitose	AF	JGSDF
2001	Misawa Air Base	AF	JASDF
2012	Misawa Air-to-Ground Range	N	JASDF
3012	Tachikawa Air Base	AF	JGSDF
3016	Fuchu Air Station	AF	JGSDF
3033	Kisarazu Air Base	N	JGSDF
3048	Camp Asaka (Drake)	A	JGSDF
3051	Johnson Air Base	AF	JASDF
3067	Yokohama North Dock	A	JGSDF
3079	Camp Zama	A	JGSDF
3083	Atsugi Naval Air Facility	N	JMSDF

* Extract of Article II of the "Administrative Agreement Under Article III of the Security Treaty..." is at Appendix.

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(cont'd)

FACILITIES HAVING JSDF ARTICLE II 4(a) JOINT USE

<u>FAC NO.</u>	<u>FACILITY</u>	<u>SERVICE</u>	<u>JOINT USER</u>
3090	Azuma Storage Area	N	JMSDF
3099	US Fleet Activities, Yokosuka,	N	JMSDF
3103	Nagai DHA	N	JGSDF
3123	North Fuji Maneuver Area	MC	JGSDF
3127	Camp Fuji	MC	JGSDF
4058	Rokko Comm Site	AF	JGSDF
4078	Akizuki Ammo Depot	A	JMSDF
4092	Iwakuni MCAS	MC	JMSDF & JASDF
4152	Kure Pier No. 6	A	JMSDF
5029	US Fleet Activities, Sasebo	N	JMSDF
5034	Sakibe Area	N	JMSDF
5036	Iorizaki POL Depot	N	JMSDF
5050	Harioshima Ammo Storage	N	JMSDF
5086	Tategami Basin Port Area	N	JMSDF
6048	White Beach Area	N	JSDF
6064	Naha Port	A	JSDF
6066	Naha Air Force/Navy Annex	AF	JASDF
6089	Naval Air Facility Naha	N	JSDF

FACILITIES HAVING U.S. ARTICLE II 4(b) JOINT USE

<u>FAC NO.</u>	<u>FACILITY</u>	<u>SERVICE</u>	<u>REMARKS</u>
3083	Atsugi Naval Air Facility	N	Part of the facility under Art. II (b) use, the remainder is under Art. II 1. (a) (exclusive use) with some Art. II 4 (a) JSDF use.
3104	Nagasaka Rifle Range	N	Total facility under Art. II 4 (b).
3181	Iwo Jima Comm Site	N	Part of the facility under Art. II 4 (b), the remainder is under Art II 1. (a) (exclusive use).
3182	Minami Tori Shima Comm Site	N	Part of the facility under Art II 4 (b), the remainder is under Art II 1. (a) (exclusive use).
3183	Fuji Maneuver Area	MC	Total facility under Art II 4 (b).
5001	Itazuke Air Base	AF	Runways & Taxiways under Art II 4 (b).
5030	Sasebo Dry Dock Area	N	Dry Dock No. 3 under Art II 4 (b).
6102	Aha Training Area	MC	Total facility under Art II 4 (b).
6009	Camp Schwab	MC	Reservoir under Art. II 4 (b).
6009	Camp Hansen	MC	Reservoir under Art II 4 (b).
6112	Kushi Training Area	MC	Total facility under Art 4 (b).

FACILITIES HAVING U.S. ARTICLE II 4(b) JOINT USE

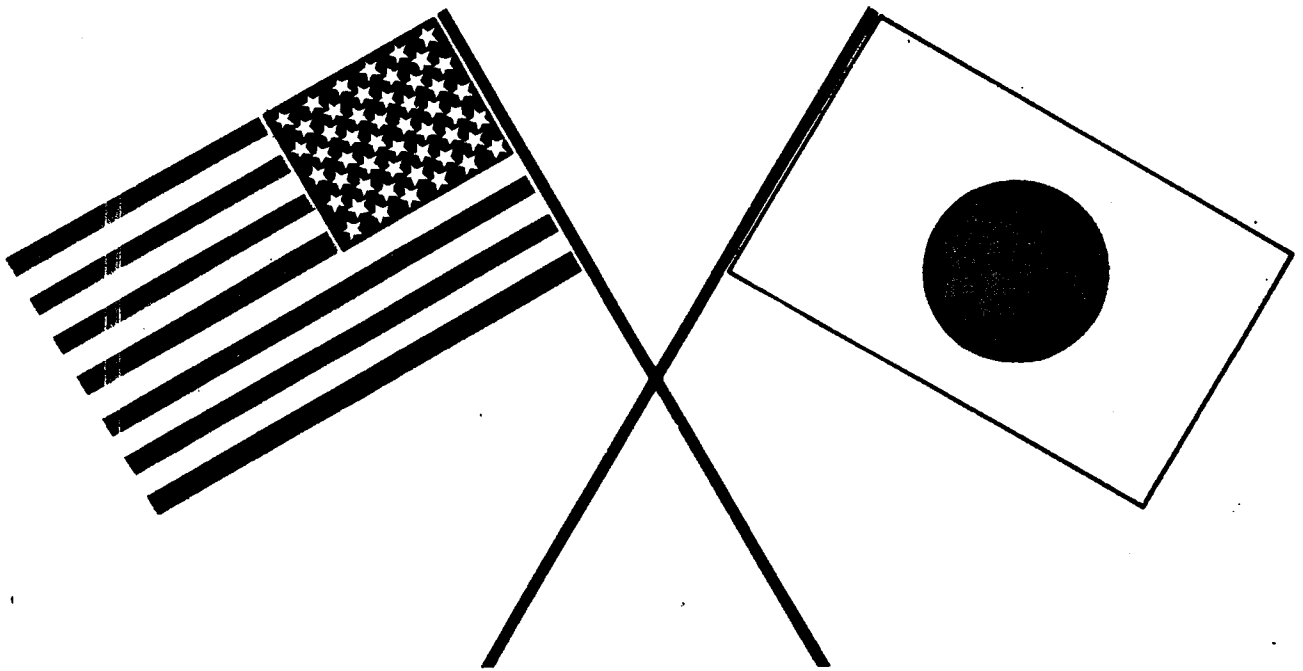
<u>FAC NO.</u>	<u>FACILITY</u>	<u>SERVICE</u>	<u>REMARKS</u>
6116	Yaka Training Area	MC	Total facility under Art II 4(b).
6181	Ukibaru Jima Training Area	MC	Total facility under II 4(b).
6189	Naval Air Facility Naha	N	Runways & Taxiways under Art. II 4(b).

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Principal's Book

Tenth U.S. - Japan
Security Subcommittee
Meeting (SSC)

MOOIA
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16-17 January 1978

Honolulu

Hawaii

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THE TENTH MEETING
OF THE
SUBCOMMITTEE OF THE
US - JAPAN
SECURITY CONSULTATIVE COMMITTEE

JANUARY 16-17, 1978

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SESSION	GENERAL TOPIC	SPECIFIC TOPIC	U.S. LEAD	SUPPORT	RESPONSE TO GOJ LEAD	OBJECTIVE
#1 16 JAN 0900-1200	OPENING STATEMENT	-	ASD/ISA	-	-	Convey atmosphere of <u>Informality</u> /Agree on Press coverage-None/Convey impression we know what we are about in Asia.
	SOVIET PLANS & PROGRAMS IN THE PACIFIC	DESCRIPTION	DIA	CINCPAC		Factual presentation & our assessment of Soviet goals
		Implications for U.S. Strategy	ISA	JCS		Require strong capability in Pacific. PD-18 confirms need. US planning considers Soviet trends.
		Implications for JDA Strategy	-	-	ISA COMUSJ	Discuss role of threat assessment in JDA Force sizing. Lay groundwork for necessity of strong Defense cooperation.
#2 16 JAN 1400-1700	U.S. FORCE POSTURE IN THE PACIFIC	Rel. to Global Strategy	ISA	NSC		Our commitment is strong and Pacific forces are adequate. Threat requires global flexibility.
		Changes in Force Posture	JCS	CINCPAC		Description of 5 year Force program. Convey-Pacific Forces will not be short-changed.
		Implications for Def of Korea	ISA	CINCPAC DIA		Able to maintain military capability to defend-Greater reliance on regional forces.
		Arms Limitation Issues	STATE	JCS/DIA		Discuss Pacific implications/Solicit GOJ views on implications for Japan
#3 17 JAN 0900-1200	POLITICAL ASPECTS	JAPAN'S POL ENVIRONMENT	-	-	STATE/ EMBASSY	Exchange Views
	FREE EXCHANGE ON DEF COOP	U.S. POL SITUATION	NSC	STATE		Impatience re Japan Defense/Spillover from trade issues.
		COMMAND & CONTROL	JCS		CINCPAC COMUSJ	Parallel improvements Long-term--interoperable for Def of Japan.
#4 17 JAN 1400-1600	FREE EXCHANGE ON DEFENSE COOPERATION	LOGISTICS	JCS		COMUSJ	JDA to allocate to adequate stockage of munition/POL/other WRM. Relay US decision re moving ammo.
		FORCE POSTURE IMPROVEMENTS	JCS		ISA STATE EMBASSY	What we would recommend if asked to enhance our mutual ability to defend Japan
		INTELLIGENCE EXCHANGES	DIA			EMBASSY COMUSJ

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SUMMARY AND TALKING PAPER, SESSION #1

0900-1200 Hours, - 16 January

Checklist:

** To set the tone for the entire meeting and through your opening statement to create an atmosphere of informality and give and take discussions.

** To agree at the start on ground rules for the press:

* No press releases on the specific content of the discussions.

* Agreement on general statement to be released at the conclusion of the meetings.

* No press conferences or backgrounders.

** To get across that we know what we are about in East Asia defense policy, that we have a well conceived plan to maintain balance and stability in the region and the will to bring it off.

** To present the Japanese with a clear assessment of Soviet force posture and plans in the Pacific and to demonstrate that we are capable of countering adverse trends before they threaten the basic regional balance.

** To draw out the Japanese reaction to the Soviet threat assessment and their view of the implications for Japan's force structure, both in the geopolitical and specific terms.

SUMMARY

1. Soviet Forces in Asia

The USSR maintains a significant portion of its overall military strength in Soviet Asia. These forces have been augmented substantially in numbers in the past twelve years and have substantially improved in quality along with the remainder of Soviet forces during the past several years. Although the bulk of these forces are oriented toward the PRC, a significant portion can be employed against other Asian nations including Japan.

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Soviet Plans and Programs in the Pacific (General Tighe, Admiral Weisner are prime U.S. discussants)

-- After Mr. Takashima's response we can begin the meeting. "I would now like to call on General Tighe to begin the discussion of our first agenda topic, Soviet Forces, Soviet Plans and Programs in the Pacific."

oo General Tighe's presentation, approximately 30-40 minutes, will be given here. (Tabs 1.2 and 1.3 for content) (If none of the Japanese question General Tighe or raise points during his presentation, we should do so ourselves, and often, to avoid setting an overrigid format.

oo At the conclusion of General Tighe's discussion you should ask Admiral Weisner if he would like to add anything.

** The discussion should, by itself, transition to the implication of Soviet plans and programs for U.S. and JDA strategy. If it has not by reasonable time (around 1½ to 2 hours into the session) you might call Mr. Abramowitz to initiate the transition.

Implication for U.S. Strategy (Mr. Abramowitz, General Braswell are prime U.S. discussants)

-- I would like to divide my remarks into two parts discussing first the implications of the Soviet plans and programs and forces on our peacetime military presence. Then I would like to make some comments on the implication for our war fighting posture.

-- As a backdrop to my discussion of our peacetime presence let me review for a moment. We have withdrawn from Vietnam. We have announced our plans to withdraw our ground combat forces from Korea by 1981 or 1982. We are in the midst of base negotiations with the government of the Philippines which, while not threatening to our presence there, have caused some concern among our allies. This backdrop causes unease over the prospects of the U.S. maintaining a strong military presence in the region. And from what we have just heard about the Soviet programs it would appear that the need for a strong U. S. military presence was never more important.

-- I can assure you that the U.S. is committed to counter Soviet growth in the Pacific with improvements in our capabilities. The specific plans for our Pacific Forces will be discussed this afternoon. I think you will agree that we are committed to maintenance of the balance from this presentation.

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-- As you know, we recently concluded this reexamination and the President issued a directive (PD-18) as a result. The directive makes clear our firm resolve to maintain the forces required in East Asia to honor our bilateral commitments and to balance any future growth in Soviet capability in the Pacific.

-- I can assure you that there are no plans to withdraw combat forces from East Asia.

-- As time goes by, the stability of our force structure will become demonstrable and I expect the concern among our allies about our staying power will diminish over time.

-- Let me now move on to some comments about our ability to wage successful wartime operations in the Pacific in light of the Soviet trends presented by General Tighe and Admiral Weisner.

-- On the high seas U.S. naval forces could deal with the threat from Soviet surface combatants. The principal threat is the anti-ship missile launched from Soviet naval aviation bombers (including the Backfire in the future) and from cruise missile launching submarines. The F-14 has been deployed to counter this threat but further improvements are required to counter massed attacks.

-- In the peripheral areas of the Soviet Union the Soviets should be able to maintain effective sea control and would constitute a large threat to any of our operations nearby.

-- The Soviet submarine threat to the SLOC is great; however, the duration and size of this threat can be considerably reduced by control of the key straits. Such a task must therefore be of high priority in our thinking.

-- The Soviets' ability to project military power is constrained by their inability to provide sea control or air cover for their amphibious forces although they could launch amphibious operations as their capabilities in these areas improve.

-- Continuing modernization of Soviet bomber and tactical air gives the Soviets an increasing ability to disrupt air defense operations over Japan.

-- These are capabilities which we must counter. Specific plans will be covered this afternoon. In general terms we plan to continuously improve and modernize our capabilities in the Pacific with P-3C's, F-15's, AWACS, F-14, Harpoon, Aegis, and the like, and to maintain the mobility and flexibility required to counter this threat. It is a formidable task.

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oo General Braswell may wish to add his views at this point.

** We will want to solicit Japanese reaction to our presentation and on such questions as:

* The relative importance of the ability to protect vital sea lines of communication when compared to other key missions such as power projection.

* Our East Asian Strategy as affected by the status of Sino-Soviet relations.

* The changing role of the peacetime U.S. military presence in South East Asia.

Implications for JDA Strategy (GOJ has lead; Mr. Abramowitz, General Loving are prime U.S. discussants)

** You should then ask Mr. Takashima if he would like to present his views on the implication of Soviet plans and programs for Japan's defense strategy. Key points we want to discuss, if raised by the Japanese, are:

* Any indication that Soviet forces are considered as an input to the force planning process.

* Any changes in strategy, particularly regarding SLOC protection, e.g., range extension.

* Any analysis of possible Soviet military strategies against Japan, e.g., mining or blockade.

** U.S. participants should only respond and discuss points raised by the Japanese. We do not want to raise the spectre of a Soviet menace. Our primary interest here is to gauge the extent to which the GOJ considers the Soviet threat in their strategy development. This information will be particularly useful in the future as joint planning for the defense of Japan matures.

** We should conclude this session in ways that emphasize that a strong joint planning effort is required and should be allowed to develop as fast as Japanese political sensitivities will allow. Our ability to do this will in part be determined by the composition of the Japanese presentation of implications for JDA strategy.

** This session should conclude about 1200. It is recommended that U.S. delegates invite their counterparts to no-host small group lunches.

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TALKING POINTS FOR SESSION #1

Your Welcome and Opening Statement (Mr. McGiffert)

-- Mr. Takashima, I would like to take this opportunity to express my thanks to you, and to your distinguished colleagues, for this opportunity to reconvene the Security Subcommittee. I am gratified that we are able to reinstate these important discussions. I think this may be long overdue. Conditions have changed in Asia and the world. We need to talk about defense matters and it is important to talk openly and candidly between Washington and Tokyo. This is the only one of our consultative mechanisms that permits this. I know you share with me the conviction that defense cooperation between our two countries has made great strides in the last four years. I believe that this 10th Security Subcommittee meeting will contribute to even further progress, and a further strengthening of our strong security ties. The meeting during the next two days will allow us to discuss in an open and frank manner longer range issues than we are accustomed to in our other consultative forums. I personally welcome this opportunity to participate and can convey to you, on behalf of all of the U.S. delegates our hope for a very successful meeting.

-- I would welcome any opening comments you may wish to make.

** After Mr. Takashima response you may wish to make the necessary introductions of the U.S. delegation.

-- Mr. Takashima, I hope that you agree that we should conduct these meetings in an informal way. We would like to see open discussions wherein neither side feels constrained as to what we can say for fear of having to live with it in tomorrow's press. Therefore, if you agree I would like to limit the information we provide to the press. I propose that we do not hold any press conferences and that we limit our press releases to one general statement to be issued at the conclusion of the meetings. Our staffs can develop a mutually agreeable statement.

-- After Mr. Takashima's response, you may wish to also set the tone for informality during the discussions by noting, "I also hope that during our talks both sides, and all participants will feel free to contribute at any time. While we have previously agreed that one side or the other will lead some of the agenda topics I believe our mutual interests would be best served if we agree that this does not mean we are bound by rigid formats. I hope that you and your colleagues will feel free to raise points or questions at anytime."

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The USG is well aware of Soviet capabilities in Asia, watches their development closely, and integrates Soviet trends into our East Asia force posture decisions (Tab 1.1 for details).

2. Soviet Plans and Programs in the Pacific

Soviet national objectives, foreign policy and military strategy historically have been focused against the U.S. and Western Europe. NATO remains the principal threat in Moscow's eyes, but Asia is also very important. Much of the Soviet concern with Asia can, of course, be attributed to the Sino-Soviet dispute and associated border problems; however, Moscow's interests in Asia extend beyond this. The USSR continues to attempt to increase its own influence in Asia, undercut that of the U.S., PRC and Japan, and to gain access to markets and resources. (Tab 1.2 for details)

3. Implications for U.S. Strategy

We cannot afford to let the Soviet capabilities in the Pacific go unchallenged. While the principal conventional Soviet threat is to Western Europe we cannot overemphasize NATO to the detriment of our overall global position without jeopardizing important interests in the Pacific. Naturally, the global threat put strains on force structure and the defense budget. The decisions on allocation of forces and resources cannot be taken lightly, and were in fact the subject of considerable analysis and debate during PRM-10. The decisions made by the President as a result of PRM-10 reflect the USG's global view on this matter. While we will improve our ability to counter the Soviet threat to Western Europe, it will not be at the expense of our capabilities in West Pac. We realize that we must keep forces in the Pacific adequate for peacetime deterrence and to retain our allies' confidence and also to provide adequate forces for wartime operations should deterrence fail. The President has affirmed that we will maintain our force structure in West Pac for the foreseeable future. Concurrently he has directed that we continuously analyze our posture to insure that it is the most effective possible. Also congressional interest in our West Pac force structure has increased recently and similar studies can be expected from the Congressional Budget Office, various Congressional committees and the General Accounting Office. We have not discerned in any of these studies any preconceived notions favoring withdrawal. They too appear to be oriented toward insuring the most effective force structure possible. Nonetheless these efforts bear careful watching and close communication with the Congress. (Tab 1.3 for details)

4. Implications for Japanese Defense Strategy

Japanese defense strategy and force sizing begins in the budget, not in threat assessment. Japan's defense white paper discusses Soviet

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forces and deployments in the Pacific in considerable detail but this discussion is kept in a U.S.-USSR context. There is no threat to Japan specifically identified. Even so, the heavy discussion of the Soviets in the paper invoked a protest from Moscow.

The Japanese use the "Standard Force Concept" as their attempt to logically link the realities of severe budget constraints to the undefined threat. Basically Japan will maintain a small, highly capable force which will be able to cope with limited and small scale aggression. This small peacetime force should be capable of rapid expansion in an emergency. This expansion capability is not taken very seriously however. It is assumed that the U.S. will bear the brunt of any "emergency".

We would like to see the Japanese begin to focus at least internally on real defense concerns and specifically the Soviets, and for it to become a part of their defense policy. Such a step would provide a firmer foundation for substantive defense cooperation. We want nothing more at this time. We do not want to overemphasize the threat or raise any questions about our ability to cope with it. (Tab 1.4 for details)

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SUMMARY AND TALKING PAPER SESSION #2

1400-1700 Hours - 16 January

CHECKLIST

** The topics for session number two all concern U.S. defense policy. The U.S. side will be expected to lead each discussion, however, we do not want to dominate it. We should give a short presentation -- about 15 minutes for each of the four topics, -- then open the meeting for free discussion.

** We should try to elicit candid views from the Japanese particularly about U.S. strategy issues. This is the only forum, other than private one-on-one discussions, where we can delve into high level views on our basic strategy. Previous iterations of the defense guidance and this year's consolidated guidance would have been better served by a more reliable perception of Japanese reactions to alternative defense strategies. (Last year's defense guidance recognized our assumptions about Japanese reactions as an area requiring formal study.)

** Japanese defense planning begins with an analysis of U.S. strategy and force posture. It is such an integral part of their planning that critics have said that the world and regional assessments in Japan's defense White Paper read like they were written by the Americans. The Japanese should be very interested in what we have to say at session #2.

Summary:

I. Relationship Between our Pacific Force Posture and Global Strategy

We will try to convey that our Pacific force posture is well thought out and logically stems from a strategy that gives proper weight to our Pacific interests. The basic approach is to outline our thinking as contained in the Defense Guidance.

- This topic has the potential for being the most sensitive and controversial of the meeting. It begs the question, "What roles do our Pacific forces have in a NATO war?" A proposed treatment of this question is contained in the talking points. Our response, if required, would stress the need for global flexibility in times of crises, the conditional nature of any movement of forces, and would not admit the existence of the so called "swing strategy." (TAB 2.1 for details)

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2. Changes In Force Posture

This discussion will focus on the changes anticipated in the PACOM Force structure for the forthcoming five years. The factual presentation should convey our commitment to modernize our theater forces. Some of the changes have already been told to the Japanese, for example, the F-15 conversion at Kadena. Others will be new to them. The most important of these to Japan proper is the rotational deployment of AWACS to Kadena. (TAB 2.2 for details).

3. Implications for the Defense of Korea

During this discussion we will focus on the military balance on the peninsula and the status of our plans for ground force withdrawal. We want to reiterate our concern for, and abilities to maintain, the military balance during the next five years. We will also bring the Japanese up to date on the withdrawal planning. At this time we want to interject the thought that Japan has a responsibility in this regard. We look to them to assist in maintaining South Korea's economic growth and the attendant ability to procure the necessary enhancement in military capability. (TABS 2.3 and 2.4 for details). This action becomes all the more important should Congressional problems delay implementation of the equipment transfer plan.

4. Arms Limitation Issues

Our discussions of SALT, Indian Ocean Arms Limitations, MBFR, CTB Negotiations and CW negotiations are to achieve three objectives:

- ** To involve the Japanese intellectually in global security issues by presenting them with a comprehensive view of them and engaging them in a dialogue on their implications for Japan.
- ** To demonstrate that we have U.S.-Soviet relations under control and are making progress.
- ** To foster further GOJ support for our initiatives in international forums. (TAB 2.5 for details).

5. China

Although we do not intend to raise issues of US-China policy, they may come up, particularly in the context of the possible Japanese - PRC peace and friendship treaty. Papers at Tab 2.6 should be useful in responding to these questions.

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Summary of Probable Changes in PACOM
FY 78-83

Army

Programmed Changes

1. Withdraw 2nd Division and EUSA elements from Korea by FY 81-82. Final relocation site in CONUS to be decided. Uncertainties: Policy changes, lack of congressional support for compensation package.
2. Move war reserve stocks (mostly ammunition) from Japan to Korea except for unwaivered capacity at Akizuki (about 58,500 S/T).
3. Consolidate US Army presence and facilities in Japan on Honshu. Implement WESTPAC III recommendations by turning Okinawa facilities over to other Services.

Possible Changes

1. Additional reductions in support/intelligence personnel on Taiwan.

Air Force

Programmed Changes

1. Replace 3 of the 4 F-4E squadrons (18 UE) at Kadena with F-15 squadrons (24 UE). Inactivate the fourth unit (25th Tac Ftr Sq).
2. Add four UE AWACS on rotation to Kadena.
3. Increase the 60 F-4s at Kunsan/Osan to 72 UE. Replace one 24 UE squadron with F-16s in FY 83 if no production slippage.
4. Restructure one 24 UE F-4E squadron currently at Clark with 12 F-4E/12 F-4G (Wild Weasel)
5. Upgrade 18 UE ANG squadron at Hickam from F-4C to F-4E

Possible Changes

1. Further reduction of personnel and prepositioned stocks on Taiwan.

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TAB
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Navy

Programmed Changes

1. Net increase of 23 units in PACFLT, with most gains in new combatants, decreases in older auxiliaries or less-effective combatants.
2. CVN NIMITZ to replace CV CORAL SEA in FY 79. Six carriers programmed to remain in PAC throughout the 78-86 period.
Uncertainties: Possible decommissioning of training carrier LEXINGTON may lead to CORAL SEA being used to replace her. Issue under review in OPNAV.
3. SUBPAC numbers increase from 34 to 39. Five diesels retired, four older SSNs retired/transferred, 13 STURGEON/LOS ANGELES Class attack boats added.
Uncertainties: Slippage in new construction schedules.
4. Two nuclear cruisers accompany CVN to the Pacific. (CGN-36/39)
5. No programmed changes in guided missile destroyers (DDG), but DDG-46 may be transferred to LANT, and DDG-36 may be decommissioned by 1983. Two Aegis DDGs tentatively scheduled for FY84-86.
6. Destroyer numbers increase by nine. Eleven SPRUANCE Class are added, two FRAMS deleted.
7. Net increase of 13 FF/FFG (frigates), all due to PERRY Class new construction.
Uncertainty: FFG-7 Class building rates.
8. Two new LHAs are added by FY80.
9. Five more hydrofoil patrol craft (PHM) by 1982-
Uncertainty: PHMs probably will go to the Med.
10. Fourteen Fleet Tugs, Rescue Ships, Oilers (only one) and other auxiliaries will be retired.
11. Net increase of five FBM submarines; six Tridents in, one 598 Class out.
Uncertainty: Trident building rates.
12. All air wings except MIDWAY and CORAL SEA replace F4s with F-14s.

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13. LAMPS MK III and towed arrays phase into the inventory in FY 81 and 80 respectively.

Possible Changes

1. Replace MIDWAY with a more capable deck in Japan in the FY82/83 time frame. Issue under review.

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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301



INTERNATIONAL
SECURITY AFFAIRS

AUG 15 1977

In reply refer to:
1-23598/77

MEMORANDUM FOR DISTRIBUTION

SUBJECT: 10th ROK-US Security Consultative Meeting (SCM)--Follow-up
Actions

1. This memorandum confirms the assignments of SCM follow-up actions which were discussed at the meeting on 8 August 1977 in Mr. Abramowitz' office.

2. Security Assistance

a. OSD Task Force:

(1) In coordination with the Army and OASD (PA&E), refine equipment needs on a force structure basis; prioritize and phase. (Suspense: 31 August 1977.)

-- Include provisions for operator and maintenance training, and required spare parts (consider all ASL and PLL in-country),

-- Recommend funding arrangements.

-- Reconsider the cost-free transfer of M60 tanks, and CH47 and AH-1G helicopters to the ROK,

(2) In coordination with the Army, develop transfer legislation recommendation. (Suspense: 24 August 1977.)

(3) Develop FMS credit legislation recommendations. Consider the following options. (Suspense: 24 August 1977.)

-- One-time FMS credit authorization of \$300M in FY 79, in addition to \$275M/yr for FY 78-81, or

-- Continue FMS credit of \$275M for FY 78 and increase the annual FMS credit authorization to \$375M for FY 79-81 (in lieu of \$300M one-time FMS credit authorization).

(4) In conjunction with DSAA, consider extended repayment terms for the recommended FMS credit package. (Suspense: 31 August 1977.)

Classified by ASD (ISA)
EXEMPT TO GENERAL DECLASSIFICATION SCHEDULE OF
EXECUTIVE ORDER 11652. AUTOMATICALLY DECLASSIFIED
AT TWO YEAR INTERVALS. DECLASSIFIED ON 12/31/85

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b. Army:

(1) Develop equipment transfer timetable (relate to unit withdrawals) and procedures for the transfer. (Suspense: 15 October 1977 for the first increment and 31 March 1978 for the second and third.)

(2) Develop additive obligational authority requirements by fiscal year for review by OSD to replace equipment transfers. (Suspense: 31 August 1977.)

(3) Refine associated ROK training requirements for second and third increments. (Suspense: 31 March 1978.)

(4) Take immediate steps to assist ROK with their indigenous tank program. (Submit status report by 30 November 1977.)

c. DSAA:

(1) In conjunction with the Army, determine with the ROK the feasibility of establishing an 8" towed howitzer rebuild program in the ROK. (Suspense: 18 November 1977.)

(2) Prepare a plan for enhancing and expediting the development of the ROK's program management capability. (Suspense: 10 October 1977.)

3. Combined Command (CC)

a. The proposed command structure plan and terms of reference for the Combined Command contained in JCSM-310-77, dated 21 July 1977, are approved with the following exceptions:

(1) One Component Commander should be a Korean. The US negotiators should insist on this and not agree to any other arrangement unless specific approval is obtained from ASD (ISA).

(2) Judgment is reserved on the question of assignment of US air defense elements/units to the OPCON of the CINC CC during peacetime until the complete organizational proposal for the Combined Command is reviewed by OSD and consultations are held with the Congress on this issue.

b. The Combined Command should be established and fully operational before the first withdrawal increment is completed. The target date of 1 October 1978 is approved.

c. JCS:

(1) Refine terms of reference, staff structure, and milestone dates. (Suspense: 6 February 1978.)

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(2) Recommend forces to be assigned/OPCON in peacetime. (Suspense: 6 February 1978.)

(3) Define Combined Command's role in recommending, planning and conducting joint and combined exercises. (Suspense: 6 February 1978.)

(4) Recommend a proposed relationship between the Combined Command and the United Nations Command. (Suspense: 6 February 1978.)

d. ATSD (LA):

Propose informal congressional consultation scenario. (Suspense: 6 March 1978.)

4. Withdrawal Increments

a. Ground force withdrawal increments will consist of 6000 spaces (to include one brigade of the 2d Division) by 31 December 1978, an additional 9000 spaces by 30 June 1980, and the remainder (to include 7000 divisional spaces, the 2d Division Headquarters and two brigades) in 4 to 5 years. A small residual ground element will remain to provide necessary support functions.

b. JCS:

(1) Refine first increment timing and composition. (Suspense: 15 October 1977.)

(2) Redevelop 2d ID(-) structure for third increment (7000 total divisional spaces). Refine second and third increments. (Suspense: 10 February 1978.)

-- Consider possible integration of ROK units and/or more KATUSAs into the Division to increase combat readiness.

(3) Complete study on ground reentry issue. (Suspense: 22 September 1977.) OSD guidance will be reflected in Defense Guidance (October-November 1977).

(4) Define the residual force in terms of functions, unit strengths, and recommend parent service. Particular emphasis should be placed upon performance of common user/support functions such as communications, common user land transportation and POL distribution, and identification of responsibility by Service. (Suspense: 6 January 1978.)

c. DIA:

Define the residual intelligence and warning structure in collaboration with NSA, and coordination with JCS, CINCPAC, and CINCUNC. (Suspense: 15 October 1977.)

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5. Air Augmentation

a. The recommendations contained in JCSM-283-77, dated 14 July 1977, are approved.

b. Air Force:

(1) Prepare a plan outlining implementation details for permanently increasing by 12 the number of tactical fighter aircraft in Korea. Consider the feasibility of completing this augmentation by 31 December 1978. (Suspense: 7 October 1977.)

-- Inform ROKAF regarding improvements required at Kunsan AB prior to this increase in aircraft.

(2) Develop proposals for ROK implementation, to upgrade air base facilities for reception of USAF contingency augmentation forces. (Suspense: 6 February 1978.)

6. Exercises

JCS:

a. In principle, the JCS concept for increasing the scope and frequency of exercises and deployments contained in JCSM-288-77, dated 21 July 1977, is approved. However, there are several areas that need further examination before the FY 79 JCS-directed and coordinated exercise schedule is finalized.

(1) Notwithstanding the outcome of the JCS reentry study, does the US want to exercise a US ground combat reentry capability?

(2) Is there any need to expand the scope of our joint unconventional warfare exercise (FOAL EAGLE)?

(3) Should the scope of one Marine exercise be changed to encompass a Marine amphibious brigade (MAB) air/sealift into the Inchon area with air/ground exercises being conducted in the Kaesong-Munsan-Seoul avenue? (What is the relationship between the present Marine exercise program, i.e., BLTEX, and the likely scenario for their employment in Korea?)

(4) Should the presently planned exercises be modified to increase emphasis on the commando threat, the air augmentation beddown problem, and the wartime logistic support problem?

b. If sufficient money is not allocated to implement the proposed exercise schedule, priority should be given to retaining new exercises with different scopes rather than repetitive exercises.

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c. The JCS should be prepared to brief DASD/ISA (EA&PA) on their revised position of the FY 79-83 JCS-directed and coordinated exercise program for Korea by 26 September 1977.

7. Wartime Logistic Support

a. ASD (MRA&L):

In coordination with JCS, DSAA, OGC and the Services, develop specific contingency plans to quickly obtain authority and funding for logistic support of the ROK during contingencies. Include procedures for rapid transfer of WRSA and establishment of a logistic support pipeline, including immediate increases in production/procurement. (Suspense: 30 December 1977.)

b. JCS:

Develop a concept for a logistic coordination/support organization to coordinate necessary US/ROK peacetime and wartime logistics interface and planning. Prepare draft terms of reference for SecDef review. (Suspense: 6 February 1978.)

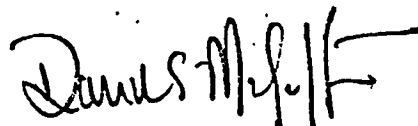
8. War Reserve Materiel

a. JCS:

Determine a defense strategy and the necessary stockage levels for war reserve materiel in Korea to support it. With respect to munitions, explain the methodology for expenditure rates and days of supply. (Suspense: 6 February 1978.)

b. ASD (MRA&L):

In coordination with ASD (PA&E), develop a plan for bilateral ROK/US actions to attain desirable WRM levels. Recommend how much of that should be funded by the ROK and US in each of the next five years. (Suspense: 6 March 1978.)



David E. McGiffert
Assistant Secretary of Defense
International Security Affairs

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INDIAN OCEAN ARMS LIMITATIONS

The U.S. and the Soviet Union have met three times to discuss Indian Ocean Arms Limitations. The talks have been serious and non-polemical. While we have made progress there remain differences between the U.S. and Soviet approach that will have to be resolved before we can reach agreement.

The U.S. tabled a draft agreement in September. In the most recent round, the Soviets tabled a draft agreement set out in the same format as that tabled by the U.S. The Soviet draft, however, contained their maximalist positions. During course of negotiations, Soviets appeared to show flexibility on many of the issues and during the next round of talks we will begin work on a joint draft text.

Both sides agree on the general form of an agreement. However, the U.S. has suggested that there be supplemental document containing agreed general descriptions of U.S. and Soviet presence. The Soviets prefer a more detailed exchange of numerical data, but will consider the U.S. approach.

We are closer to agreement on strategic systems. The Soviets have dropped their previous demand for a ban on aircraft carriers. We rejected this, but offered indirect assurances. It is unclear whether Soviets will accept U.S. language on submarines--this will become clear when we discuss language of supplemental document.

Facilities remains a complex issue. Both sides have agreed to prohibit any new construction of facilities for the use of their forces. We disagree on whether to permit continued construction at Diego Garcia. The Soviets have accepted that the agreement should limit utilization of facilities. We now need an agreed definition of what is meant by utilization. Soviets want freedom to move their ships, particularly their auxiliary support ships, to any Indian Ocean port. We do not want to permit establishment of new Berbera's throughout the Indian Ocean. We are working on language that might need both sides' concerns.

The Soviets have asked that the agreement "take into account" the presence of U.S. Allies and of U.S. forces in adjacent areas. The Soviet draft text would permit an increase in one side's forces if the allies of other side increase their forces. Each side would also undertake not to take actions in adjacent areas that would substantially alter the situation there. The U.S. has rejected both these formulations, noting that Soviets could withdraw from agreement if they felt their supreme interests were threatened by actions of others.

Both sides agree on the definition of the area; except that the Soviets wish to include the waters north and south of Australia in the area. The U.S. does not.

The U.S. stated its preference for a clause permitting immediate withdrawal from the agreement if either party felt its supreme interests were threatened. The Soviets want a pre-notification period (perhaps three months) and claim that the U.S. could rapidly surge forces into the region and upset the balance, if there were no pre-notification period.

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U.S. - JAPAN NUCLEAR RELATIONSHIP

The U.S. currently supplies all of the enriched uranium for Japan's advanced nuclear power program (2200 tons in 1976). Our major bilateral problem was settled, at least temporarily, on September 1 when U.S. and Japanese negotiators reached an agreement concerning operation of the Tokai Mura reprocessing facility. The agreement allows conventional reprocessing of a limited amount of U.S.-origin spent fuel over the succeeding two years in order to prove out the plant's design and preserve Japan's warranty rights. During this two-year period, Japan will undertake experiments on coprocessing and, at the end of the trial period, convert the plant to full-scale coprocessing if both governments agree that the process is technically feasible and effective. In addition, the Japanese agreed to support the following political principles vital to U.S. non-proliferation efforts:

- To publicly join, and closely cooperate with, the U.S. in the effort to evaluate the nuclear fuel cycle and the role of plutonium.

- To support the view that plutonium poses a serious proliferation concern.

- To concur in the view that plutonium is not presently an economic fuel, and that its premature commercialization is undesirable.

- To support the position that the separation of plutonium for research and development work on fast breeders should be confined to the amount actually needed for those purposes.

Japan is participating actively in INFCE and serves as co-leader (with the UK) of the working group on reprocessing, plutonium handling and recycle. The Japanese have already agreed that recycle decisions should be deferred at least through the INFCE period; that planning and development of additional Purex reprocessing facilities should be deferred during the evaluation period; and that any future reprocessing decisions should be taken only after consultation with the U.S.

The U.S. has agreed to strongly support continued development of peaceful uses of nuclear energy in Japan, which is recognized as vital to its energy security and economic development. We are committed not to jeopardize Japan's long-term nuclear energy strategy, including its breeder research and development program. We have said that we will work with Japan in assuring reliable supplies of natural and low-enriched uranium, and that we will not "discriminate" against Japan in the peaceful uses of nuclear energy.

Japan adheres to the NPT, and the Japanese Diet recently approved a Japan-IAEA Safeguards agreement. The U.S. will endeavor to collaborate with Japan and the IAEA in applying advanced safeguards implementation techniques to the Tokai facility.

Japan is one of the countries most concerned about the problem of "double-labelling," which applies two sets of controls to fuel originating in one country and processed in another. Representatives of the Nuclear Suppliers' Group will meet in Stockholm later this month to consider the problem

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CHEMICAL WEAPONS

Background

Secretary Vance's March 1977 visit to Moscow resulted, inter alia, in formalization of a US-Soviet Working Group on the question of Chemical Weapons (CW) limitations. At the first meeting of the CW Working Group in early May 1977 it was acknowledged by both sides that the group would serve as the forum for the continuation of the bilateral CW consultations which have been held from time to time pursuant to the July 1974 Moscow Summit Communique in which the two sides agreed to consider the possibility of a joint CW initiative at the Conference of the Committee on Disarmament (CCD). The seventh round of bilateral negotiations is scheduled to start on January 10, 1978, in Geneva.

Points

-- In our view the joint initiative on prohibition of chemical weapons should be based on a set of key elements which the CCD can elaborate into treaty text. These key elements include:

- prohibition of production, acquisition, stockpiling or retention of CW agents and munitions
- destruction of existing stocks
- close-down and destruction of facilities used for production of CW agents
- verification provisions

-- While it would be desirable to complete work on the joint initiative at an early date (if at all possible, prior to the UN Special Session on Disarmament scheduled for May/June 1978), we do not wish to set a deadline for completion of our bilateral negotiations.

-- Our primary interest is in establishing the basis for an effective CW convention which will attract broad support and contribute effectively to international security.

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CHECKLIST - U.S. POLICY TOWARD CHINA

-- President Carter has stated that the normalization of relations with the People's Republic of China is a goal of American foreign policy. Secretary Vance has stressed the importance we place on the peaceful settlement of the Taiwan question by the Chinese themselves.

-- We seek normalization of relations with the People's Republic of China in the belief that our own interests as well as the interests of international peace and security will be advanced by such a policy. As the United States side stated in the Shanghai Communique, "The effort to reduce tensions is served by improving communication between countries that have different ideologies so as to lessen the risks of confrontation through accident, miscalculation, or misunderstanding."

-- We understand widespread concern that we not neglect our friends as we seek to work out new relations with former adversaries. In seeking normalization of relations with the People's Republic of China, we will continue to act responsibly on matters affecting the Republic of China. This Administration has no intention of ignoring the wide range of mutually beneficial relations we maintain with Taiwan or jeopardizing the prospect that the people on Taiwan will continue to live peacefully and prosperously.

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Status of Philippine Base Negotiations

The 1976 round of base negotiations ended after the GOP had rejected our compensation offer of a five year package of \$500 million military and \$500 million economic aid, had made requests for embellishment of the 1951 Mutual Defense Treaty which we could not satisfy, and after some 25 unresolved base-related issues had been identified.

Assistant Secretary of State Holbrooke met with President Marcos in September 1977 in response to a GOP demarche for the immediate resumption of base negotiations following an eight month pause while each side examined its positions. These productive talks were followed by further discussions in October between Mrs. Marcos and the President and Secretary of State Vance. During these discussions the following key issues were identified:

- Compensation. This issue is the most difficult for the US and has not yet been directly addressed in the talks. Marcos has dropped earlier demands for "rent" and has instead focused on a joint review of the military equipment requirements for the external defense of the Philippines. We have asked for and received a list of Philippine military equipment requirements, and have begun a review based on our Arms Transfer Policy, the Philippine economic situation, availability and pricing. We will also be reviewing the list with the Philippines and consulting extensively with Congress.

- Mutual Defense. We have emphasized in our discussions with Marcos that the best assurance of Philippine security is the broad relationship with the US, reinforced by our global strength, our continuing presence in the Pacific region and our bases in the Philippines. We have,

we believe, explained to the satisfaction of the GOP the relationship of the War Powers Act to our Mutual Defense commitment. We are now examining means of improving defense coordination with the Philippines under the Mutual Defense Treaty.

- Philippine Sovereignty over the Bases. President Carter has reaffirmed the US understanding that the bases are Philippine Bases under their sovereignty. The US and GOP have identified two broad areas of base-related issues as the most important in reaching agreement in the sovereignty area:

-- Criminal Jurisdiction. We acknowledge Philippine jurisdiction over all offenses involving US personnel with the very limited exceptions of those arising out of the performance of official duty and those involving only US personnel or property. Official duty cases give rise to highly contentious irritants in our base relationship. Ambassador Newsom presented to the GOP a new proposal which, consistent with US world-wide practice, leaves ultimate determination of official duty with the US, but calls for extensive Philippine participation at all stages. We are awaiting a Philippine response.

-- Philippine Base Commander. We have agreed in principle to assignment of a Philippine Base Commander at each base. The US presented a detailed proposal concerning the role of the Philippine commander with relation to US facilities on the base. We also presented maps delimiting these facilities, which would entail turning over to Philippine administration extensive unused portions of the bases and we proposed that the Philippine Base Commander be responsible for perimeter security. We are awaiting a Philippine response.

Assistant Secretary of State Holbrooke, Deputy Assistant Secretary of Defense Abramowitz, NSC Staff Representative Armacost and CINCPAC Admiral Weisner joined Ambassador Newsom to meet with President Marcos on January 9 in Manila. During their discussions they dealt with Philippine responses on the above issues, particularly defense coordination.

Prepared by JFScott
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January 4, 1978

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JAPANESE POLITICAL SITUATION

Latest Elections

In the July 1977 Upper House election, contrary to expectations, the ruling conservative Liberal Democratic Party (LDP) retained its slim Upper House majority with the help of conservative independents. The smaller, moderate centrist parties chalked up modest gains, while the leftist Japan Socialist Party (JSP) and Japan Communist Party (JCP) suffered sharp setbacks. Longer-term election trends remain murky, but there is some feeling in all parties that the Upper House election results augur well for the LDP in the next Lower House election. (The LDP now holds 126 of 252 Upper House seats and 260 of 511 Lower House seats.)

Fukuda's Position Strengthened

The LDP's better-than-expected showing strengthened Prime Minister Fukuda's position. Fukuda's would-be critics within the LDP, foremost of whom is former Prime Minister Miki, have been silenced by the election outcome, and intermittent talk of a possible LDP split is no longer heard. Fukuda reshuffled his Cabinet on November 28, improving further his balance within the Party and strengthening his Government's economic orientation. The move has distinctly improved his chances of staying in office for some time to come.

Diet Management

The Diet session this fall has been relatively successful with the GOJ passing about 85% of its bills. Opposition parties remain on the defensive, the second ranking Socialist Party is in the process of a leadership crisis, and there are even rumblings of discontent among the Communists. Thus, while the LDP must continue to cooperate and compromise with opposition parties, its retention of an Upper House majority makes Diet management far easier than it might have been.

Problems

Although given a breathing space, the LDP still must cope with a variety of difficult issues. The national mood is one of vague unease. Internally,

lagging business recovery and, to a lesser extent, inflation, demand, if not solutions, at least evidence of progress. Externally, the Japanese feel themselves confronted by even more than the normal quota of difficulties: sharp curtailments of traditional fishing rights, mounting criticism of excessive Japanese surpluses and of Japan's role in the world economy generally, fears of instability on the Korean peninsula, and most important, continuing uncertainty about long-term energy supplies (reflected in the intensity of Japanese concern over the Tokai Mura reprocessing issues resolved in August). In all these areas, there are few differences among political parties -- rather, there is competition among them to represent Japan's position most forcefully. In these circumstances, perceived conservative failure to defend Japan's interests vigorously is perhaps the most serious potential source of difficulty for Fukuda and his party. On the other hand, vigorous defense of these interests in the face of US and EC political pressures on the trade/economy front could create major problems for Japan internationally.

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US POLITICAL SITUATION AND SECURITY POSTURE

Recent Crises

Since 1973, the US has undergone a series of crises that have raised deep questions about the vitality of its domestic institutions and the efficacy of its foreign policies. These crises have included:

- The Energy Crisis
- Withdrawal from Indochina and the Communist victory there
- Watergate
- A long recession

The war in Vietnam was a shattering experience for the US; it will leave its imprint on American attitudes for some years to come. Watergate sapped the creative energy of the nation for over a year, while the energy crisis seemed to focus our thinking inward, preoccupying us with the problems involved in maintaining current standards of living in the face of diminishing natural resources. Recovery from the long recession engendered by the energy crisis took a great deal of our effort and continues to do so.

Doubts Abroad

Many have seen the aftermath of Vietnam and the preoccupation of many Americans with domestic problems as creating trends toward disengagement that could be dangerous for US foreign policy. Related concerns have developed over the implications of other recent developments such as the growth of Soviet strategic military and naval power; the planned withdrawal of US ground forces from Korea over the next five years and the Korean influence-buying scandal; and the prolonged negotiations over new base arrangements between the US and the Philippines. These concerns have led some observers to question the depth and seriousness of the US commitment, especially in East Asia and the Western Pacific.

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Crises Surmounted

The American political system survived and was strengthened by the Watergate ordeal -- our institutions proved themselves strong and resilient and our political processes have become more intimately linked to the will of the people. A new Administration has been hard at work for the past year seeking to resolve our energy and economic/trade problems, and charting new foreign policy paths.

American People Retain Internationalist Outlook

The Vietnam experience left most Americans shaken and wary of ambiguous foreign entanglement. In the years following Vietnam, the American people and the Congress examined our overseas commitments in detail. But out of this reexamination came the recognition that the economic progress, political stability, and security of the United States remained closely linked to the well-being of our key allies and trading partners in Western Europe, Japan, and Australia. The conclusion drawn was that our own self-interest was ultimately embodied in our ties and commitments to these areas.

Also, as we reexamined our role in the world we took a hard look at the policy of detente with the USSR. There was wide recognition that mutual understanding between the superpowers was desirable to prevent miscalculation and avoid an unacceptable level of tension. But, at the same time, there was some disenchantment with a process that seemed to benefit one side more than the other. Most Americans were disappointed and puzzled that the USSR had used the period of detente to continue to build up its strategic and other military forces. There was a clear recognition that continued competition is inescapable if a reasonable balance of power is to be maintained.

The Carter Administration's emphasis on our ties with traditional allies and partners reflected this widespread sentiment. Most people considered that close and strong relations with countries where American interests are most heavily involved must not be overlooked or sacrificed in the pursuit of more friendly relations with those with whom our relations will always be in some degree antagonistic.

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Importance of Pacific Basin

There is no way, for instance, that the US can ignore its interests in the Pacific. The region holds one-third of the world's people. US trade with the Pacific Basin has for the past five years exceeded that with any other region (including the European Community). Our geography, history, commerce and other interests will ensure that we continue to play a key role in this important part of the world.

World leaders are all familiar with high level US public statements reaffirming commitments to this area and to our allies here. It is important to note that these commitments are supported by US public opinion as demonstrated by recent surveys and in the widespread public support for such actions as the firm US response to the August 1976 DMZ incident. The post Vietnam attitude, in short, has not manifested itself in doubts about the validity of US interests in the Pacific, including our alliance with Japan.

Increasing Congressional Role

One enduring legacy of the Vietnam/Watergate era seems to be a tendency of the American people and their representatives in Congress to scrutinize and to seek to control Executive Branch actions more closely. The Congress has thus assumed a much larger role in foreign affairs and is demanding more equal foreign policy partnership with the President. The President has enormous powers and resources at his disposal, but his policies have sometimes been not only restricted but even overridden by the Congress. Congress is scrutinizing and questioning Administration budget proposals much more closely than ever before, requiring stronger and more detailed justification for every item.

Thus, the Administration must show that our allies are active in their own defense, and that the US is not doing or paying more than its fair share. The Administration must also show that its security posture is appropriate, not only to the dispositions of any potential enemy, but to the capabilities and wealth of our allies.

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US-Japan Security Relationship

The US-Japan security relationship remains strong and stable. It has survived for over a quarter of a century because of the substantial benefits it has conferred on both countries.

In the past there has been some opposition in Japan to our security relationship. The improvement in relations between our two countries and China, the end of the Vietnam War, and the growth of Soviet military power have worked to reduce such opposition. In fact, our impression from recent talks with a number of Japanese opposition leaders is that the MST is no longer a serious political issue in Japan. This is a very encouraging development.

In the United States, the strong and widespread support for our relationship with Japan and for the Mutual Security Treaty remains unchanged. Nevertheless, the conjunction of several forces could lead to some hard questions about the way in which our alliance works, particularly as regards the size of the burdens borne by both partners.

First, the several issues involving Korea (security, influence-buying, human rights) relate to our MST because of the obvious security linkage between Japan and Korea. Most people realize that any successful defense of Korea will rely on bases in Japan. The massive amount of attention now focussed on Korea is likely to result in a close examination of our alliance arrangements with Japan.

Secondly, the serious pressure for a more equitable arrangement in the trade area may also result in similar pressures for like arrangements in the security field, especially in an election year.

Last, but by no means least, continuing recession and high unemployment could create a retrenchment mood in Congress. While this is not to suggest there is sentiment for any rethinking of the US-Japan relationship, such a development would naturally result in pressure to cut down the costs of our alliances

We recognize the considerable efforts Japan is making to strengthen defense capabilities. The 1978

JDA budget, which includes the initial purchases of the F-15 and P-3C, represented a courageous political decision and will go far toward improving SDF capabilities. Similarly, extensive Japanese support, almost \$500 million per year, for the maintenance of US forces in Japan is a solid contribution to our mutual defense. Japan's effort in the area of foreign assistance, including \$1 billion to ASEAN, a doubling of all assistance to LDC's over the next five years and economic cooperation with the ROK's fourth five-year plan will do a great deal to promote regional progress and stability.

Nevertheless, there are still questions that arise concerning our respective contributions to the mutual security effort. For instance, with our NATO partners spending an average of 4.5% of GNP for defense it is not strange for Congress to ask why Japan's overall contributions remains below this level.

We have never urged a major rearmament effort upon Japan and are not now doing so. We continue to concur in Japan's own view that its self-defense forces should be improved qualitatively, not quantitatively, and that Japan should eschew a regional military role. Nevertheless, there is much more that can be done without breaching these limits.

For example, the SDF logistics situation needs to be improved, particularly in such categories as expendable ammunition and ordnance. Mine laying capabilities and ASW equipment such as ASROC would vastly increase SDF effectiveness and the overall effectiveness of our alliance.

Command and control is one area where the SDF could use both new equipment and training to achieve their maximum capabilities.

It would be easier for us to defend our present deployments if the US forces could obtain some form of further relief from the rising costs of maintaining our forces in Japan. The Government of Japan has made a significant start in this direction through its agreement to share certain labor costs. Yet more can be done.

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Japan is moving rapidly to improve its performance in the international assistance field. We would both benefit significantly if such assistance to the ROK could be increased and structured so as to permit that country to devote more of its own resources to strengthening its defense capabilities.

There are undoubtedly other ways in which Japan could contribute more effectively to our mutual security objectives without running into constitutional or significant political difficulties. A candid and open exchange of views periodically would help us identify such actions.

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US - JAPAN ECONOMIC PROBLEMS

Problem

The chronic US trade imbalance with Japan, estimated at \$9 billion for 1977, is worsening rapidly and could, if left unresolved, have an adverse impact on the liberal world trading system. Japan's surplus position with the US and others generates protectionist pressures which could reverse the trade liberalization trends of the past 25 years. Japan should accept a more responsible position in the international economic system by running a current account deficit to assist weaker countries in their adjustment process and should contribute to significant progress in the multi-lateral trade negotiations.

Efforts at Resolution

The US has discussed the problem with Japan bilaterally and multilaterally at the highest levels over the past year. President Carter, Vice President Mondale and other senior US officials have all urged the Japanese to take measures to resolve the problem at bilateral meetings and in international fora such as the London Summit, the OECD, the World Bank and IMF gatherings. In recent months, the US held sub-cabinet meetings with the GOJ in September and dispatched a special mission to Tokyo in November. Last month Minister for External Economic Relations Ushiba presented GOJ proposals at the highest levels in Washington. Ambassador Strauss will continue the process in Tokyo in mid-January.

Suggested Measures

The US has consistently emphasized three key measures that Japan should consider:

- A public commitment to seek a current account deficit as soon as possible;
- A policy to maintain a strong rate of domestic economic growth to increase imports and to stimulate the world economy;
- Greater efforts to remove barriers to imports from abroad.

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Present Situation

While recent GOJ proposals have represented forward motion from previous positions, they do not appear to have sufficient impact either to blunt protectionist forces or to reduce current account surpluses. The significant appreciation of the yen in recent months will eventually have a positive effect, but this development has made the GOJ even more cautious in its efforts to take corrective action. A recently announced GOJ growth target of 7% for JFY 1978 will likely be very helpful. The outlook is for the consultation process to continue over the next several months as we seek to find an acceptable and effective solution.

Sensitive Points

-- SSC meeting participants should, if asked, emphasize the positive aspects of the US proposals, i.e. that we seek a solution not by restricting Japanese exports but by stimulating Japanese imports from elsewhere.

-- The appreciation of the Yen is a most sensitive subject politically in Japan. There have, in fact, been accusations that the US and others are behind the rise in the yen's value. We should avoid any comment on the currency situation.

-- Conference participants should avoid connecting the trade imbalance problem with Japan's defense spending in any way. Japanese defense spending should be based on our mutual security needs over the long term rather than on our immediate economic and trade problems.

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POINT PAPER

US-JAPAN COMPLEMENTARITY

1. DISCUSSION

a. Objectives

(1) Maximize combined/coordinated US-Japan effectiveness to deter war in Asia,

(2) Provide for complementary US-Japan capabilities and actions for mutual defense of Japan, US allies, and broad ocean areas against Soviet aggression.

b. US and Japan contribute to objectives according to their capabilities and within constraints.

(1) US provides "Nuclear Umbrella;" long range air/sea LOC defense capabilities and support to distant allies; air/sea support for Japan/ROK against major attack.

(2) Japan provides operational and logistic bases; air defense of sovereign air space; support WESTPACNORTH air defense region concept; protects LOC within territorial waters and adjacent seas.

(a) Limits of "adjacent seas" purposely undefined by Japan to keep all options open.

(3) Mutually provide logistic support, military technology, production and training, tactical and strategic intelligence, and total defense mobilization planning.

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c. Specific areas for complementarity.

(1) ASW. Coordinate ASW operations in and around Japanese territorial seas and adjacent waters with bulk of forces furnished by JMSDF. US forces concentrate on SLOCs farther out. Intermesh of communications and intelligence for "take" from surveillance.

(2) Air Defense. Primary responsibility on JASDF, reenforced, as required by USAF and USN. Ground environment provided by Japanese with coordinated assets by US forces. Fast reaction times require facilities and systems in-being for contingencies as well as constant exercise of AC&W/GCI, beddown of US assets.

(3) Intelligence. Develop authorities and mechanism to share strategic and tactical intelligence.

(4) Communication. Need in-being system for contingency coordinated operations, interfacing JSDF/US forces as well as NCA's. In-being system required to exercise and develop procedures and for coordination/control of peacetime operations.

2. Staff comment

a. US- Japan complementarity objectives forwarded to SECDEF by JCSM-326-75, 15 August 1976, with recommendation that such objectives be utilized as basis for future discussions with GOJ.

b. Update JCSM forwarded to SECDEF, 10 Dec 76.

c. JDA procurement plans call for initial buys of F-15 and P-3C in JFY 78.

(1) Good step toward improved air defense and ASW capabilities.

d. Need to discuss specific complementary measures other than weapon platform procurement with JDA.

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Command and Coordination

The draft guideline concerning "Command and Coordination" which is to be reported to the SDC by the Operations Panel and the rationale for the guideline are as follows:

1. Draft guideline concerning "Command and Coordination"

WHEN TAKING JOINT COORDINATED ACTIONS IN EMERGENCIES, THE SELF DEFENSE FORCES (SDF) AND U.S. FORCES (USF) WILL OPERATE UNDER THEIR RESPECTIVE COMMAND CHANNELS IN CLOSE COOPERATION.

IN ORDER TO CONDUCT JOINT COORDINATED ACTIONS SMOOTHLY AND EFFECTIVELY THE SDF AND USF WILL COORDINATE CLOSELY AND ESTABLISH THE NECESSARY SYSTEM FOR COORDINATION. FURTHER, UPON MUTUAL AGREEMENT, EITHER SIDE WILL BE ALLOWED TO ASSUME CONTROL OF OPERATIONAL MATTERS WHICH INVOLVE BOTH FORCES WHEN CONSIDERED NECESSARY TO ACCOMPLISH MISSIONS OR TASKS.

BEGINNING IN PEACETIME THE SDF AND USF WILL CONDUCT CLOSE COORDINATION CONCERNING MATTERS NECESSARY FOR JOINT COORDINATED ACTIONS AND MAKE PROVISIONS FOR ALLOWING SMOOTH IMPLEMENTATION OF JOINT COORDINATED ACTIONS.

2. Rationale

a. Relationship between the SDF and USF for coordinated joint responsive actions in emergencies should be one of cooperation while operating under respective command channels.

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b. For the conduct of coordinated and effective joint actions between the SDF and USF which utilizes separate command channels, it is necessary for each side to perform close liaison and coordination with the other. In addition, for those matters considered necessary from an operational standpoint or for combat operations, it is necessary to make provisions for allowing either side to assume control (hereafter referred to as control of operations) based upon prior mutual agreement or mutual consultations in each instance. The reason for this is the characteristics of modern warfare, in other words, the sophistication of weapon systems, specialization of organizational structure, the rapid changes in situations, etc. Under these conditions, in order to conduct effective combat operations, it is necessary to have a method of control which does not depend entirely upon the normal chain of command. Also, in situations where USF and SDF forces which have separate command channels are intermixed on the same battlefield, for all units down to the lowest level unit to take joint actions by coordination has potential for confusion. Some examples of control of one force by the other are given as follows:

(1) Ground operations

Control of fires of reinforcing artillery unit.

(2) Maritime operations

Control of ASW operations, etc., in the same sea area

(3) Air operations

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In air defense operations, GCI (ground control intercept) of USF aircraft by SDF ground control system.

As made obvious by the above explanation, "Control of Operation" between the SDF and USF is for the purpose of giving either side regulatory effect on special matters necessary for smooth and effective conduct of joint coordinated actions by SDF and USF units operating under their respective command system.

c. "Control of Operation" should be conducted within the framework in which controller/controllee relationship, and control standard such as nature of control, control procedure are clearly indicated.

In single command system the commander has authority to decide this framework of control. When command system differ such as between SDF and USF this is decided through coordination. This can be summarized as follows:

Control between units of the SDF and USF is for the purpose of allowing for the smooth and effective conduct of joint coordinated actions by the SDF and USF units operating under their respective command system while permitting either side to regulate both forces on special matters necessary for the conduct of operations.

The scope of control will be limited within the framework established through coordination between both side.

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Control and Command resemble each other from the standpoint of including regulatory authority and it is obvious the controllee must conform to the agreed upon control of the controller. However the authority and the scope of control are based on coordination and order through each chain of command. The responsibility of both controller and controllee is to their respective higher commanders who established the control relationship.

d. For the SDF and USF to conduct joint coordinated actions smoothly while operating under their respective command systems, it is necessary even during peacetime to effect close coordination on preparation for planning for coordinated actions and conducting joint training, etc. In order to accomplish this close coordination, procedures and communications method must be established during peacetime. As for methods of coordination, in addition to coordination at the commander or alternate level and at staff levels, there is coordination through the exchange of liaison officers. However, during emergencies, in order to expeditiously and properly coordinate matters concerning a wide area in keeping with the changing situation, there is a necessity to have a proper coordination system.

e. In order to accomplish the aforementioned tasks, the operational coordination center will be composed of staff officers dispatched from the SDF and USF and will coordinate the command

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activities of the SDF and USF. In the operational coordination center, it would be desirable to coordinate those matter related to intelligence, operations, logistics, and communications/electronics, etc, necessary for the implementation of joint coordinated actions.

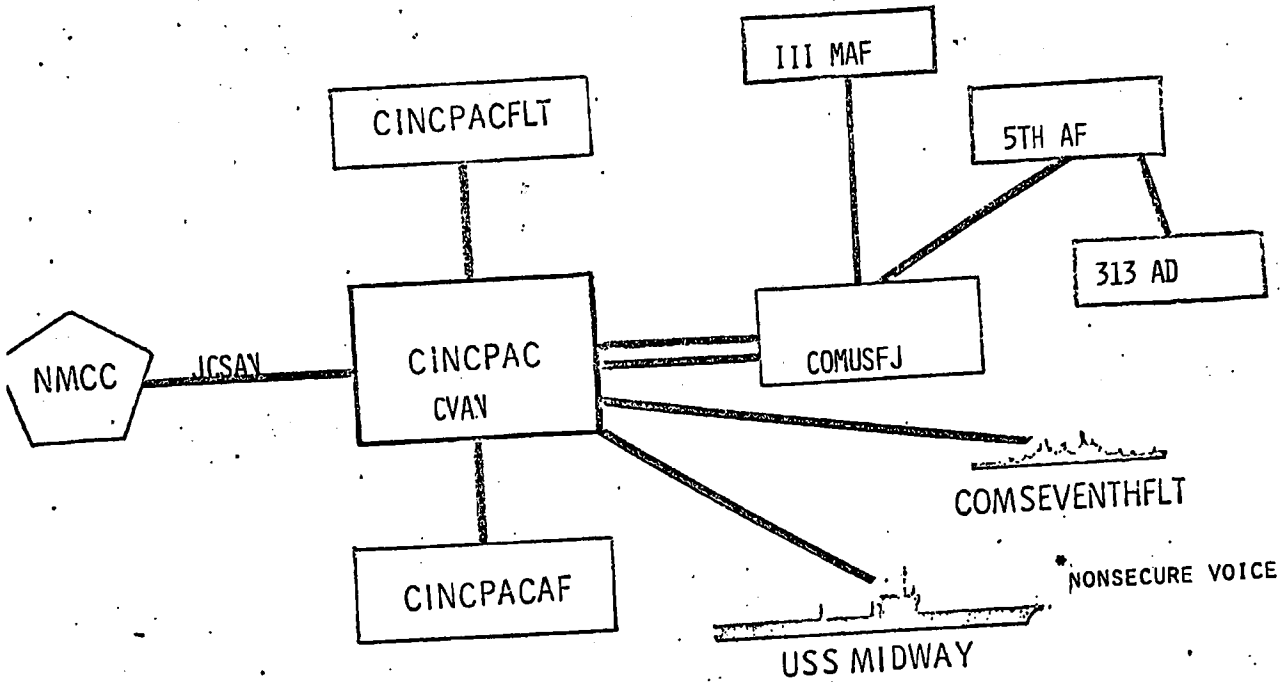
In addition to operational coordination centers at the central and joint level and each service level, depending upon the situation it may be necessary to establish coordination centers in geographic regions.

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JOINT CHIEFS OF STAFF ALERTING NETWORK (JCSAN)/CINCPAC VOICE ALERT NETWORK (CVAN)*

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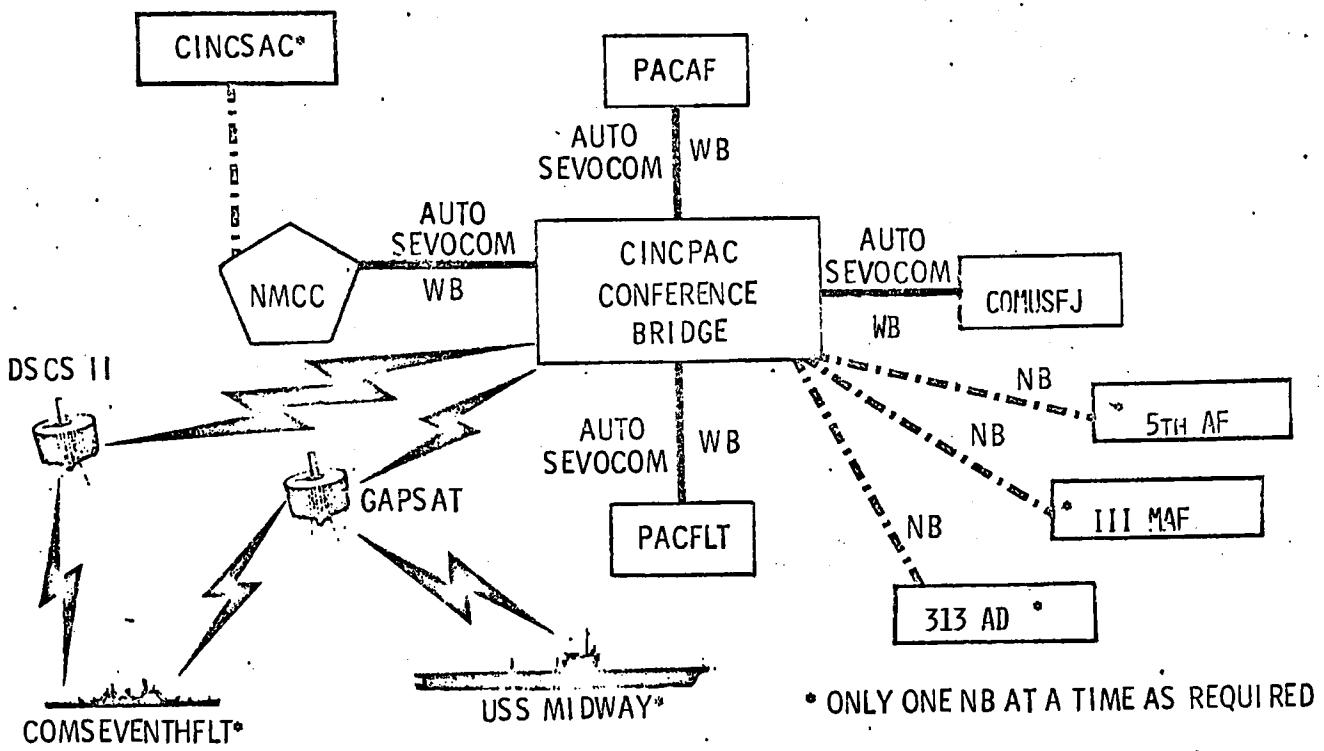
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SECURE VOICE COMMAND NET



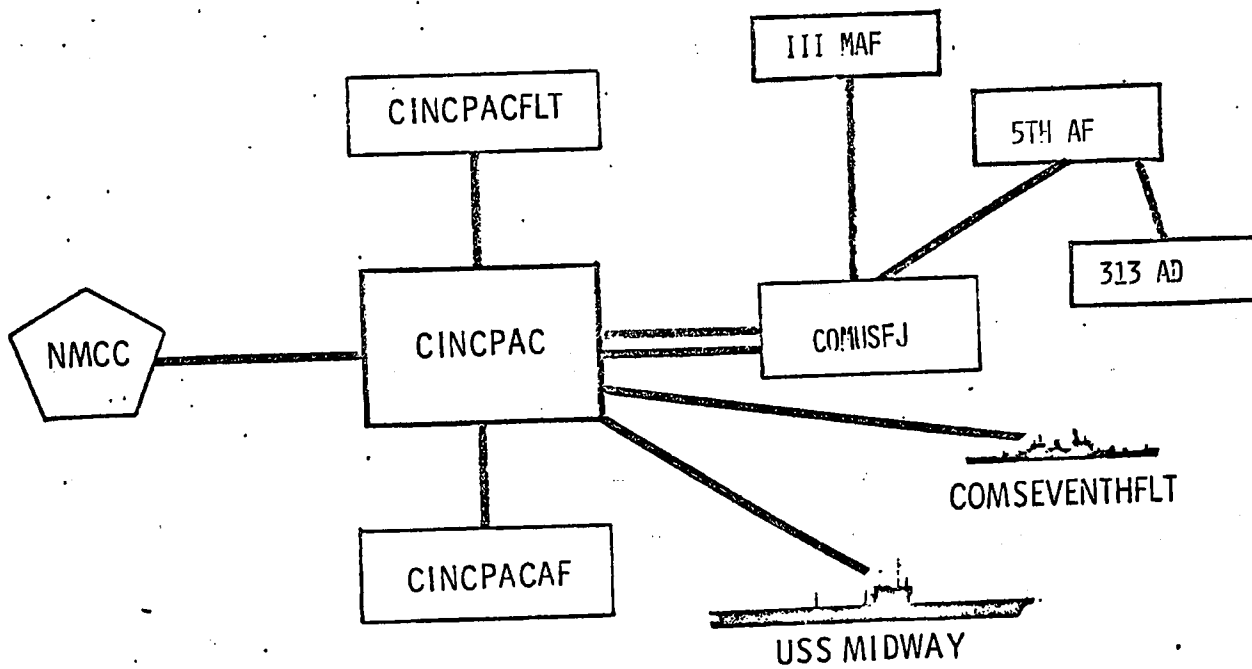
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27 SEP 1977

DRAFT
GUIDELINE
FOR
MANAGEMENT AND DIRECTION
OF
COORDINATED LOGISTIC ACTIVITIES

Japan and the United States are responsible for the logistics of their own forces.

Both nations, through mutual support, in order to use resources effectively and economically and to mutually complement logistic shortfalls, will conduct coordinated logistic activities.

In emergencies, the SDF and USF in close cooperation will conduct logistic activities in accordance with the above basic principle. In such event, both forces will closely coordinate logistic functional matters through appropriate coordination organs.

In addition, during peacetime, the SDF and USF will take cooperative preparatory measures for logistics so that coordinated joint actions can be supported smoothly and effectively.

Xerox and New York Feb 4.

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LOGISTIC PANEL GUIDELINE NO. 1

EXPLANATION (RATIONALE)

1. When taking coordinated joint actions in emergencies, the SDF and USF will operate under their respective command channels. This is applied to the logistic field. Especially, the buildup of a national support foundation will be emphasized as an essential requisite in logistic activities. Each nation is responsible for the logistics of its own forces. This responsibility never changes even in cases where the two nations execute logistic activities under close cooperation. The fact that each nation is responsible for its own logistics does not deny mutual support or assistance between the two countries, but reiterates a national responsibility to build up and/or maintain logistic capabilities necessary by taking various steps including measures to get support and/or assistance mutually.
2. On conducting coordinated logistic activities, it is quite important that: Japan and US will make efforts to prevent unnecessary duplication in using resources. This will increase the effectiveness and economy of resources, and work for maintaining and/or promoting combat power by mutual complement of short-falls in each functional area of logistics. This is the basic principle of coordinated logistic activities. Coordinated logistic activities will be conducted in accordance with treaties between the two nations and within the limits of: legislative authority (including one expanded in emergencies) and the availability of material, personnel and funds.
3. When supporting joint coordinated actions in emergencies, the SDF and USF need to do planning and execution of logistics in accordance with the above principle. Since logistics is a broad field, coordination will be necessary at all levels: from front line units up to intergovernmental. Coordination will range from the most detailed functional matters to general logistic guidance. Therefore new coordination organs may need to be established according to the current situation. In the case of the military, the chairman of JSC, JDA and COMUSJAPAN will be the primary points of contact for coordination between the SDF and USF. The relationship between coordination organs established in emergency and the existing organs such as the Joint Committee will be decided according to the situation, but they will have to act in concert. In the absence of new coordination organs, the Joint the Joint Committee and its subordinate bodies will continue coordination activities in accordance with the SOFA.
4. Since logistics is complex, detailed preparations are necessary before the outbreak of war. In order to make mutual support between the two nations smooth and effective, it is essential that sufficient

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measures are devised in peacetime so that final preparations can be finished quickly in the event of tense situations. To achieve the above things, it is most important that the SDF and USF develop plans concerning logistics in advance and coordinate closely final preparatory steps for smooth execution of these plans. Examples of measures that should be pursued in peacetime to make joint coordinated actions smooth and effective are as follows:

- a. Development of plans concerning logistic coordination between the SDF and USF.
- b. Compatibility of equipment, etc. (Usage of the same equipment, ammunition and parts, etc).
- c. Standardization of logistic procedures.
- d. Proper exchange of information concerning logistics.
- e. Conduct of logistic cooperation within availability between SDF and USF to make mutual support between units of two forces sure and smooth in emergencies and to increase the economy of logistics.

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BACKGROUND PAPER

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SUBJECT: Proposed Japan Self Defense Force (JSDF) Improvement (U)

1. ~~(S)~~ This general analysis was developed to provide military views on JSDF improvement requirements. In the process, most demanding armed conflict scenarios were considered. In view of this, we have analysed total JSDF requirements so that they could operate effectively in a global conflict environment. It should be emphasized that this analysis is unconstrained by budgetary, political, or psychological realities which would have to be considered by the GOJ before implementation.

2. ~~(TS NOFORN)~~ In terms of broad priorities the Maritime Self Defense Force (MSDF) should be improved first, followed in order by Air Self Defense Force (ASDF) and Ground Self Defense Force (GSDF), for reasons discussed below.

a. In Case I scenario, US contingency plans call for deployment of approximately one-half of Navy surface combatant assets from PACOM to support NATO. Our ability to continue protecting SLOCs to Japan will be significantly reduced. Although MSDF has some capabilities in ASW and minesweeping operations, it is no match for the Soviet Pacific Fleet beyond coastal waters, particularly in the absence of US naval forces. Additionally, the MSDF does not have the necessary support craft to extend SLOC protection beyond current limits.

b. The ASDF is small but well trained and well equipped. However, the low-altitude limitations of early warning systems and limited capabilities in an ECM environment hamper the overall effectiveness of Japan's air defense. Without US assistance, Japan has only a limited capability to defend against a determined air assault by the USSR. Improved ASDF capability would enhance the free world defense posture in WESTPAC and possibly avoid tying down USAF, USN or USMC air assets for air defense of the Japanese homeland.

c. There is limited likelihood of a major invasion of the Japanese islands or that sustained combat operations by the GSDF will be required. Air and naval forces will be of principal importance in countering any invasion. The GSDF, with air and naval support, could repel a small localized conventional invasion and, with the assistance

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of the national police, can maintain necessary internal security. Therefore, improvement of the GSDF, except for air defense capability should be accomplished only after major MSDF and ASDF requirements have been met.

3. ~~(S)~~ As a maritime nation, the Japanese have a strong awareness of their economic dependence on secure sea LOC. Although the MSDF posture has improved in the last decade (personnel - 31,600 to 39,300; major surface combatants - 31 to 45; subs - 6 to 15; aircraft - 230 to 300), recent inflationary and political pressures have resulted in the loss of budgetary appropriations for 17 new ships (including two 8,000 ton cruisers) and delays in the procurement of several others. In view of the fact that the Soviet Pacific Fleet possesses considerable capability to interdict vital SLOCs between the Persian Gulf and Japan, it can be anticipated that an early attempt will be made by the USSR to close the SLOCs to Japan should Japan join the Allies in a Case I scenario against the USSR. Greater Japanese effort would be appropriate to:

a. Increase their surface combatant and support forces to expand their SLOC protection to encompass the area bounded by the Japan-Guam-Taiwan triangle.

b. Mine the straits in the Sea of Japan to prevent Soviet fleet egress from, or access to, Soviet ports.

c. Maintain effective countermeasures against mining of Japanese harbors and coastal areas. To achieve the capability to accomplish these missions, a minimum of 73 major combatants and 19 naval aircraft squadrons would be required (Enclosure A).

4. ~~(S)~~ Security against conventional air attack, should be next in priority. First, direct communications and data links with the US Navy and with adjacent ROK and, if possible, Taiwan Air Defense Sectors should be established. Additionally, a mix of interceptors and ground-to-air missiles should be developed concurrently with naval capability and improved air defense communications.

5. ~~(S)~~ The GSDF requires improvement but it should be last in priority, with the possible exception of emphasizing replacement of the HAWK battalions with the I-HAWK, or ultimately the PATRIOT. Additionally, war reserve munition stocks should be replenished to a 90 day level of supply.

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6. (S) Total estimated cost for equipment is \$14,147 million (Enclosures A, B, and C). However, the magnitude of additional costs generated in a 5 to 10 year period for support, personnel, and operations could easily double the cost of equipment and impact severely on the defense budget. Purchases and build-up over a longer time span will have a less severe impact on the defense budget. A carefully phased and balanced program will be necessary to assure orderly acquisition and employment of systems but also to provide for a balanced force during a build-up period.

7. (S) Obviously budgetary and political constraints may well preclude accelerated equipment purchases in the near-term. There are, however, some relatively low cost improvements in the JSDF posture which can be achieved without much delay. The GOJ should:

a. Develop plans for a Civil Reserve Air Fleet and a Civil Reserve Maritime Fleet to provide increased air and sealift capability during emergencies. At the present time the air-lift capability of the current transport force is approximately 1,600 troops. Military sealift, except for limited inter-island transport, is nonexistent.

b. Plan for manpower mobilization, to include establishment of reserve units in MSDF and ASDF.

c. Improve GSDF Reserve Unit Mobilization plans.

d. Develop direct communications and data links with adjacent ROK and Taiwan Air Defense Sectors.

8. (S) This is an initial analysis. Further study will be required to take into account all factors including strategic and economic. Specific work should address what systems/equipment would provide optimum interoperability and defense capability and the related manpower and support costs for these systems. Additional study effort would probably be most effective if conducted in a bilateral planning forum, should this be suggested by Japan.

Enclosures
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ENCLOSURE A

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MSDF

<u>EQUIPMENT</u>	<u>O/H</u>	<u>FUNDED THRU JFY-77</u>	<u>ADDITIONAL UNITS NEEDED</u>	<u>*COST (\$M)</u>
Destroyer (DD)	26	1	2	228
Destroyer (DDG)	2	0	14	1,750
Destroyer (DDH)	2	0	6	954
AUX (AO/ASE)	8	0	2	90
Subs	15	1	5	475
Sub Chaser	20	1	3	27
PHM	0	0	10	600
S-3 (ASW)	0	0	24	381
PS-1 (ASW)	17	18	12	360
P-3C (ASW)	0	0	48	1,309
PXL (ASW)	0	0	12	290
HSS-2 (ASW)	18	78	36	488
Support	334	0	7	46
V-107 (MS)	7	27	12	63
MSC	33	2	12	114
MLC	2	0	9	86
LST	5	0	2	40
Sub Rescue	0	0	1	27
Total -				7,328

* 1977 dollars

- Estimated increase in personnel 21 percent. Enclosure A

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ENCLOSURE B

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EQUIPMENT	ASDF		ADDITIONAL UNITS NEEDED	*COST (\$M)
	O/H	FUNDED THRU JFY-77		
			123	2,768
F-15	0	0	12	630
E-2C	0	0	12	29
Air Def Radar	28	0	700	28
IFF	0	0	6	1,559
Patriot (BNS)	0	0	28	420
F-1	1	44	18	468
ELINT (F-4)	0	0	2	45
CX TRANS	26	28		
			TOTAL	5,947

* 1977 dollars

- Estimated increase in personnel 14 percent.

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Enclosure B

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ENCLOSURE C

GSDf

<u>Equipment</u>	<u>O/H</u>	<u>Funded Thru JFY-77</u>	<u>Units</u>	<u>*Cost (\$million)</u>
I-HAWK (Bn's)	0	0	14	756
UH-IH	44	128	6	9
CH-47	0	0	20	60
LOH	101	139	14	7
AH-1G	0	1	7	14
V-107	51	0	4	14
LR-1	6	0	2	3
T-34	3	0	23	9
Total				872

* 1977 dollars

- Estimated increase in personnel 16 percent.

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Enclosure C

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REPORT BY THE INTELLIGENCE PANEL

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The guideline concerning Intelligence and Information Exchange which is to be reported to the SDC as the conclusion of the studies made by the Intelligence Panel and the rationale for the guideline are as follows:

Draft Guideline

The Japan Self Defense Forces (JSDF) and US Forces (USF) in close cooperation will continue to conduct intelligence activities under their respective commands. The JSDF and USF, beginning in peacetime, will develop intelligence and information essential for the defense of Japan and will exchange it in order to contribute to the successful execution of joint coordinated actions.

The JSDF and USF will take appropriate steps to insure smooth execution of the exchange, and will coordinate the nature of the intelligence and information to be exchanged and the JSDF/USF units which will be involved in the exchange.

Rationale

(1) The key to intelligence cooperation in support of joint coordinated actions for the defense of Japan is the exchange of intelligence and information pertaining to the opposing forces situation.

(2) To accomplish this exchange, the JSDF and USF must be able to, beginning in peacetime, collect information, produce the most up-to-date intelligence, prepare estimates, interpret the situation, and anticipate circumstances that would render prompt actions necessary. This intelligence and information, in order to contribute to the successful execution

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of joint coordinated actions, will cover a wide range of topics from strategic intelligence on a world-wide basis to tactical intelligence. The intelligence and information processed by either side should be provided in a timely manner to the other party.

(3) The intelligence and information exchanged will supplement each others' holdings, improve the quality of intelligence and facilitate both sides in arriving at a common view of the on-going situation.

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Suggestions for Discussions Outside the Meetings

The SSC focuses on long-range issues. We have a number of ongoing dialogs on near-term issues that would be assisted by raising them at high levels in the more informal social gatherings. The two principal ones deal with cost-sharing, the assumption by the GOJ of further costs associated with maintaining our forces in Japan. These two are labor cost-sharing and facilities cost-sharing.

Participants may also wish to review the paper "Dealing with the Trade Issue" at TAB 3.2.

Labor Cost Sharing

- The GOJ recently agreed to assume some \$25 million of the annual cost of our employing Japanese nationals. Our total annual costs exceed \$400 million. The Japanese bureaucracy had a hard time reconciling even this small payment with their legalistic interpretation of the Status of Forces agreement. They would prefer that we would let the issue lie dormant for a while. For our part we would like to keep this issue active with some more suggestions. Amembassy Tokyo has suggested we explore with the Japanese at the SSC;

- GOJ assumption of security and fire protection at joint use bases
- More use of joint basing arrangement
- GOJ assumption of some elements of O&M costs

- Secretary of Defense Brown has told us that his goal for labor cost sharing is \$125-150 million per year. You may wish to let this fact be known to the Japanese.

- Fact sheet on Labor Cost-Sharing with additional talking points is at Tab C.1.

Facilities Cost-Sharing

- If the GOJ has a choice, they would much prefer to provide assistance in the facilities area than in the legally and politically complex area of labor cost-sharing.

- We have not yet capitalized on this, preferring to keep the focus on labor cost-sharing.

It would be useful to sound out the Japanese on the lengths they would go on facilities cost-sharing with such questions as:

- Would they be willing to modify the Ohira view so that we can proceed with further facilities adjustment program (JFAP) projects? (\$30 million)

- Our housing deficiency in Japan is over 1,600 units. Housing conditions at Iwakuni for example are abominable. How many units would the GOJ be willing to provide (at approximately \$100,000 per unit)?
- Would the Japanese be interested in building a P3C munitions storage facilities at Misawa AB for use by both countries? (\$8 million)
- Would the GOJ consider establishing a KC-135 Forward Operating Base on Honshu? This facility would be available for tankers in times of emergency. For example they could be used to refuel JASDF F-15's thereby significantly enhancing Japan's air defense capability in war time (over \$10 million). An integral portion of this proposal is the stockpiling jet fuel for joint use during emergencies.
- Fact sheets on these proposals are at Tab C.2.

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LABOR COST SHARING

Background

Labor Cost Sharing is a USG effort to have the Japanese Government assume some of the costs of employing Japanese foreign nationals currently incurred by the United States. These costs have been rising at rates far exceeding those of our forces stationed elsewhere. In 1976, the wage bill was \$400 million, up from \$160 million in 1972. During the same period local labor employment dropped from 40,000 to 25,000. Principal causes of the cost rise are inflation, rapidly rising real wage rates throughout the Japanese economy, liberalization of Japanese policies on welfare payments, and yen appreciation. In February 1977, the two governments began discussions on means to shift some of the burden to the GOJ. The principal stumbling block to real burden shifting has been a basic difference in approach. Whereas the U.S. side considers labor cost sharing to be a feasible means for Japan to assume a greater share of the mutual defense burden, the Japanese side is concerned primarily with provisions of the Status of Forces Agreement which, when read literally, severely limit cost categories the GOJ could assume. The Japanese fear to subject the SOFA to political debate.

Current Status

The two sides initialed the first labor cost sharing agreement on 19 Dec 1977. In it the Japanese assume \$25 million of the total annual \$400 million dollar cost of employing Japanese nationals.

We have expressed our disappointment over the amount and the legalistic GOJ approach. Nonetheless, the agreement represents a significant breakthrough in shifting a new segment of the mutual defense burden to the GOJ, and from this viewpoint it is very encouraging.

Points To Be Raised With The Japanese

- Express hope that the recently concluded agreement signals an increasing Japanese appreciation of their role in fostering stable U.S. forces in the Pacific.
- Note that the 6 billion yen is not a large contribution, and will be more than compensated for by recent yen appreciation. While we are appreciative of the efforts of the GOJ to conclude this landmark agreement, this small amount will do little to answer U.S. critics.
- Point out that we are hopeful that the GOJ may find ways to increase the magnitude of the contribution in the future. A large contribution would be a significant step in demonstrating that Japan is willing to pay her fair share. The current difficult circumstances in trade make this GOJ commitment even more important.

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INFORMATION PAPER

SUBJECT: The "Ohira Formula"

One of the factors that has acted to limit Government of Japan (GOJ) capability to explore new or expanded cost/burden sharing has been the so-called "Ohira Formula" or "Ohira View."

The Ohira Formula applies to GOJ-funded relocation/consolidation construction on U.S. bases and, simply stated, before the GOJ can agree to construct a facility, a like facility of equal square footage must be identified for return to the GOJ.

The Ohira Formula stems from the then Foreign Minister Ohira's justification to the Diet in early 1973 for the Japan Facilities Adjustment Program (JFAP).

- Ohira apparently guaranteed the Diet that the construction program was a strict quid pro quo.
- The Finance Ministry has held firm to that interpretation.
- and maintained that anything other than a strict quid pro quo would in effect, constitute maintenance support of U.S. bases and thus violate Article 24 of the U.S.-Japan Status of Forces Agreement.

The U.S. tacitly acceded to the Ohira view in late 1973 by identifying quid pro quo square footage at Naha Air Base for each JFAP project definition submitted to the GOJ.

Another Ohira legacy that will prove to be an obstacle to obtaining GOJ assistance in family housing construction is the Johnson-Ohira Agreement.

- During the consultations preceding the homeporting of the Midway at Yokosuka, the GOJ was concerned about the apparent accompanying large increase in housing requirement.

- In a letter to the GOJ MOFA, dated 14 November 1972, then Ambassador Johnson stated: "The United States believes that housing for these families will be available to them through existing assets of the United States and private rental housing. The United States would not call upon the Japanese Government to provide additional family housing owing to the program."

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- Whether this statement was factually based is not known. We do know that the Navy has a deficiency of some 1000 family housing units at Yokosuka at the present time.

-- Dollar devaluation, inflation, and increased utilities costs have also heavily impacted on the ability of Service members to compete for adequate rental units.

- If the Navy is ever to have the option of requesting assistance from the GOJ for acquisition of additional family housing units, the agreement needs to be cancelled or renegotiated.

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HOUSING REQUIREMENTS

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PROJECT DESCRIPTION

a. Due to the changes in the cost and housing environment in Japan, our forces are currently experiencing a serious housing shortage. The inability to support additional personnel at specific locations has resulted in a significant limitation to U.S. force posturing in WESTPAC. Our bases require additional community support facilities in particular, Family Housing and upgrade of our Troop Housing, in order to increase our capability to adequately accommodate the current missions and provide flexibility for future basing options. COMUS Japan is presently conducting a housing survey to identify our total housing requirement, family housing and bachelor enlisted and officer quarters, for presentation to the Government of Japan (GOJ).

b. FUNDING STATUS: None

c. PROJECTED COSTS

We anticipate a shortage of over 1,600 family housing units with an estimated cost of \$100,000 a unit. BEQ and BOQ upgrade costs cannot be determined until completion of the housing survey.

d. POLITICAL IMPACT

The emphasis placed on our housing requirements indicates a U.S. intention of long term constancy and stability in the WESTPAC base structure.

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e. CONTRIBUTION TO READINESS

The increased cost and inadequacy of private rental housing for families and the aging inventory of our troop housing has a significant deleterious effect upon the morale and efficiency of U.S. Forces stationed in Japan. Improved living conditions will improve morale of our personnel and permit greater flexibility of U.S. basing operation in WESTPAC.

f. POTENTIAL FOR ALLIED FINANCIAL SUPPORT

A precedent exists for the GOJ to provide new facilities for U.S. forces when identifiable quid exists. It would appear that sufficient justification exists for the GOJ to provide additional construction by identifying facilities already returned to the GOJ and no new construction received.

g. IMPLEMENTATION TIMETABLE

FY79 - Completion of the program will depend on annual GOJ funding.

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Recent Decisions on Japan's JFY78 Defense Budget

- Data

-- JDA Requested	1,964.6 Billion Yen
-- Approved by Cabinet	1,901.0 Billion Yen*
-- JDA JFY77 Budget	1,690.6 Billion Yen
-- JFY78/JFY77 Defense Budget	up 12.4%
-- Projected JFY78 GNP	210,600.0 Billion Yen
-- JFY78 Defense Budget/JFY78 GNP	0.9% (up from 0.88% last year)

* Does not include relatively small FY78 outlays for F-15 and P-3C.

- Principal cabinet decisions

- Reduce F-15 program from 5 to 4 squadrons (123 to 100 aircraft)
- Extend 45 aircraft P-3C by time period from 10 years to 11 years
- Reduce ship buy by one destroyer and one submarine rescue vessel

- JDA Assessment

- JDA very pleased with cabinet decisions. They believe their proposed budget fared well.

- Next step - Mid-Jan-March 78 - Diet deliberations

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JMSDF MAJOR EQUIPMENT ITEMS

<u>CATEGORY</u>	<u>THRU JFY 77 (NOTE 1)</u>		<u>JDA JFY 78</u>
	<u>ON HAND</u>	<u>AUTHORIZED</u>	<u>REQUEST</u>
A. AIRCRAFT			
	86		0
P2V-7/P-2J	0		10
P-2J Follow-On (P-3C)	55		10
HSS-2A	0		2
RH-53	3		2
US-1	18		0
PS-1	6		1
S-61A	26		2
KM-2	5		1
TC-90			
B. SHIPS			
Major Combatants	2	3	1
DDG	2	4	0
DDH	44	48	2
DD/DE	15	18	1
SS	30	30	0
Patrol Types (PCE/PC/PT)			2
Minewarfare (MSC/MSB)	34	40	
Amphibious Support (LST/LSU)	5	6	2
Auxiliary Ships (AO/AOE/ASR/AGB/AGS/ AGR/ARC/AS)	10	13	1
Training Support Ships (ATS/TV)	2	2	0

NOTES: 1. Figures in this column include number of units in-service as of 31 March 77 plus those authorized in JFY 77 minus those scheduled to be retired in JFY 77.

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JASDF MAJOR MAJOR EQUIPMENT ITEMS

<u>CATEGORY</u>	<u>THRU JFY 77</u>		<u>JDA JFY 78</u> <u>REQUEST</u>
	<u>ON HAND</u>	<u>AUTHORIZED</u>	
<u>AIRCRAFT</u>			
F-15J	0	0	29
F-4EJ	100	140	0
F-1	1	44	19
T-2	46	58	14
C-1	25	30	2
T-3	0	18	28
MU-2 & 2J	24	26	2
V-107	24	25	2
RF-4EJ	14	14	

JASDF EQUIPMENT

<u>CATEGORY</u>	<u>ON HAND</u> <u>(AUG 77)</u>	<u>THRU JFY 77</u> <u>AUTHORIZED</u>	<u>JDA JFY 78</u> <u>REQUEST</u>
<u>NIKE-J</u>	23	23	1
Battery Sets			1
HIPAR (Acquisition Radar)	1	1	

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JGSD F MAJOR EQUIPMENT ITEMS

<u>CATEGORY</u>	<u>ON HAND</u> (AUG 77)	<u>THRU JFY 77</u> <u>AUTHORIZED</u>	<u>JDA JFY 78</u> <u>REQUEST (1)</u>
A. <u>COMBAT VEHICLES /WPNS</u>			
M-74 Tank	129	177	60
M-73 APC	75	81	12
SP 155 Howitzer	20	30	23
SP 105 Howitzer	40	45	5
L-90 35mm AD Gun	52	55	2
B. <u>AIRCRAFT</u>			
AH-1S Armo Helo	0	1	1
UH-1H Util Helo	133	134	5
OH-6 Obs Helo	107	107	13
V-107 Med Helo	52	53	2
LR-1 Recon AC	7	8	4
C. <u>I-HAWK</u>			
Battery Sets	0	2	4
Missiles	0	20	144

D. AMMUNITION

Approximately 1.5 times JFY 77 auth (for single year, not cumulative total) has been requested for JFY 78. This increase may be the most significant aspect in GSDF budget.

E. SMALL ARMS

About same level requested for JFY 78 as for JFY 77. Active units already equipped--this procurement is for reserve units.

F. PERSONNEL AUTHORIZATION

About same level requested--cost percentage of GSDF budget expected to continue as 80%.

G. NEW ITEMS

The two systems of significance to be newly introduced, as of JFY 78, request, are a portable anti-tank weapon (either import or local production--undecided at present) and a tank recovery vehicle.

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NEW FIGHTER AIRCRAFT

BACKGROUND:

- The Japan Defense Agency (JDA) requires a new fighter aircraft which, along with the U.S. F-4E currently being licensed produced in Japan, will replace its aging F-104J aircraft.
- The JDA in December 1976 announced selection of the McDonnell Douglas F-15 after completion of an intensive study started in 1975 of seven of the Free World's aircraft manufacturers.
- The Japanese plan to buy and license produce 100 aircraft for introduction into service beginning in 1981.

CURRENT STATUS:

- The Japanese National Defense Council (NDC) announced on 28 December 1977 their approval for introduction of the F-15 with funding beginning in JFY 78. However, the total program of 123 aircraft proposed by the JDA has been reduced to 100 and the first contract of 29 aircraft has been reduced to 23. The purpose of this latter action was probably to keep the initial dollar outlay down so as to permit introduction of the P3C in the same FY as the F-15.
- The first aircraft are scheduled for introduction into Japan in 1981 and the 100 A/C program is spaced over 10 years. The JDA plan to procure the first 8 A/C as complete aircraft (either FMS or commercial) with license manufacture of the remainder in Japan.
- While the NDC has reduced the number of A/C to 100, the JDA is confident that an additional squadron of F-15's will eventually be approved in the future.
- During recent releasability talks with JDA officials following Mr. Mihara's visit in September 1977, the JDA asked if the AIM-9L Air-to-Air Missile would be releasable. We told them an answer would be forthcoming by June 78; meanwhile we have asked JCS for their recommendation on releasing the AIM-9L to Japan in the 1981 time frame.

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ISSUES:

- Recent articles in the "Flight International" magazine and in the Japanese Press have aimed at undermining the JDA F-15 program by alleging F-14 superiority over the F-15 as demonstrated in recent training exercises. We have provided the JDA sufficient information to discredit the articles. However, newspaper reporters still persist in perpetuating the false stories. We will continue to provide the JDA with factual data on the training exercises.
- If the issue should surface, it would be useful for you to reassure the Japanese of your full confidence in the F-15 system.

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ANTISUBMARINE WARFARE (ASW) AIRCRAFT

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BACKGROUND:

- Until the emergence of the Lockheed scandal, the Japan Defense Agency (JDA), after five years of study, was on the verge of funding for the P3C ASW aircraft in their JFY 76 budget (JFY: 1 Apr 76-31 Mar 77).
- The ASW study remained dormant for nine months following the scandal disclosure and was reopened in September 1976 by a letter from JDA Vice Minister Maruyama to our DepSecDef outlining the need for further detailed studies in view of the Lockheed affair.
- In JFY 77, the JDA funded additional ASW studies to look at new options in addition to coproduction of the P3C. These included:
 - Canadian CP140, procurement and license production.
 - Japanese developed ASW aircraft.
 - Japanese developed airframe using P3C or S3A avionics.
 - Procurement of an interim quantity of P3C or CP140 aircraft while developing their own ASW aircraft.
- To date our position has been not to release the P3C or S3A avionics for incorporation into a Japanese developed airframe. Our rationale has been that this option for the JDA would result in:
 - a prohibitive delay in achieving operational effectiveness (5 to 7 years).
 - an extremely high cost.
 - an ASW aircraft that would not have logistic or operational commonality with USN aircraft operating in that area.
 - an extremely high risk for obtaining a practicable, state of the art weapon system in the near term.
- We have discouraged the JDA from adopting the CP140 for the following reasons:

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- From a proprietary standpoint, the CP 140 would require a release authority from U.S. contractors, the USG and the Canadian Government.
- The system would not be compatible with the USN systems in the area.
- The CP140 has a wider span of capability (i.e., overland reconnaissance, coastal patrol, Arctic surveillance, as well as ASW capability), than necessary to the Japanese mission.

CURRENT STATUS:

- On 28 December 1977, the Japanese National Defense Council (NDC) announced their approval for introduction of the P3C with funding beginning in JFY 78. The total 45 aircraft program proposed by the JDA remains unchanged except for stretching the program from 10 to 11 years. The first aircraft will be introduced into Japan in 1981 with the first three aircraft procured via FMS and the remainder being licensed produced in Japan.
- Although DIET deliberations in Jan-Mar 1978 may still provide battleground for further political fighting over choice of Lockheed manufactured aircraft, the major thresholds - Minister of Finance and the NDC - have been overcome by the JDA.

ISSUES:

- We would like to see Japan assume a greater role in the area of ASW with emphasis on complementarity of US/Japan capabilities.
- While understanding the political sensitivities related to JDA desires to develop their own airframe for the P3C or S3A avionics, our mutual interests to enhance Japan's ASW capabilities continue to be best served by maintaining the integrity of the P3C aircraft.

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SECRET
AIRBORNE EARLY WARNING (AEW) AIRCRAFT

BACKGROUND:

- AEW is recognized as an important requirement to Japan's total air defense. Current Japanese Air Defense System leaves the nation vulnerable to low altitude attack.
- The Japan Defense Agency (JDA) has been studying the USN's E2C AEW aircraft for the past eight years. They have received numerous briefings by both Grumman and the USN and have flown the aircraft.
- During their most recent study team visit (May 1977) they included the USAF E3A AWACS in their itinerary along with the E2C.

CURRENT STATUS:

- There were indications that the JDA would fund for an AEW aircraft in their upcoming budget. The MIG-25 landing in Japan had apparently spurred their efforts in this direction. However, with the acquisition of two major systems (F15 and P3C) in their upcoming fiscal year, they will probably delay AEW until JFY 79.
- Gen Hirano, Chief of Staff of the Japan Air Self Defense Force advised Gen Fish in September 1977 that the JDA plans to introduce E2C in the JFY 79 budget.
- Two options under consideration by the JDA include deliveries of either 6 or 15 aircraft during the period 1981-83.
- A USN briefing team is traveling to Japan to again brief E2C during the period 10-13 Jan 78.

ISSUES:

- We see the adoption of an AEW capability as important to the security of Japan and are pleased that they plan to begin funding in JFY 79.

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JAPANESE DELEGATION

Masuo Takashima, Deputy Minister for Foreign Affairs

Ko Maruyama, Administrative Vice Minister, JDA

Toshijiro Nakajima, Director-General, American Affairs
Bureau, MOFA

Seiki Nishihiro, Director Defense Planning Division,
Defense Policy Bureau, JDA

Tatsuo Arima, Counsellor, Embassy of Japan, Washington

MGen Tsutomu Matsunaga, J-5, Joint Staff Office

RAdm Kunio Tsuji, J-2, Joint Staff Office

Minoru Tamba, Director, (designate at present)

Security Division, American Affairs Bureau, MOFA

Tatsuo Tanaka, Security Division, American Affairs Bureau, MOFA

Keiji Omori, Defense Planning Division, Defense Policy Bureau, JDA

Tomoya Sato, Assistant Chief, General Affairs Division,
Defense Facilities Administration Agency

Tomishi Dozaki, Director, General Affairs Department,
Defense Facilities Administration Agency

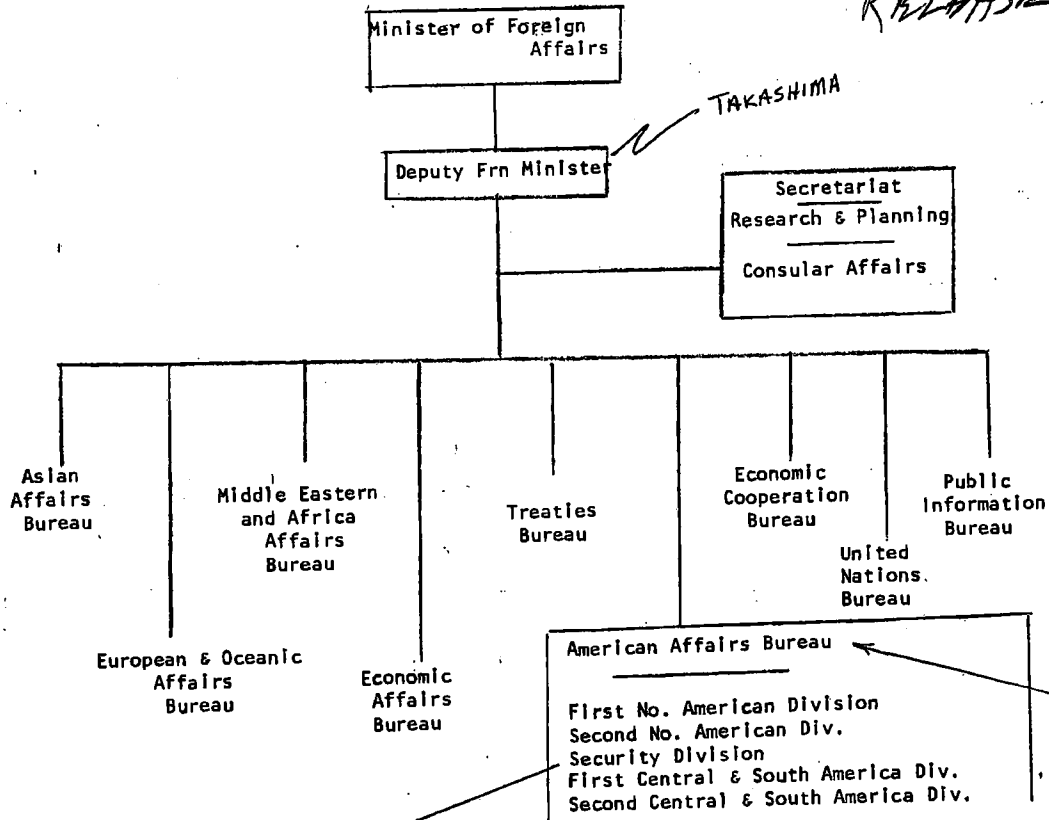
Hiroyasu Ando, Security Division, American Affairs Bureau, MOFA

OBSERVER

Mr Tsukamoto, Consul General, Honolulu

NOTE: Precedence applies to top five only.

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ANDO

NAKAJIMA

JAPAN DEFENSE AGENCY

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PRIME MINISTER
Fukuda Takeo

National Defense Council

Director General Defense Agency
Minister of State for Defense
Kanemaru

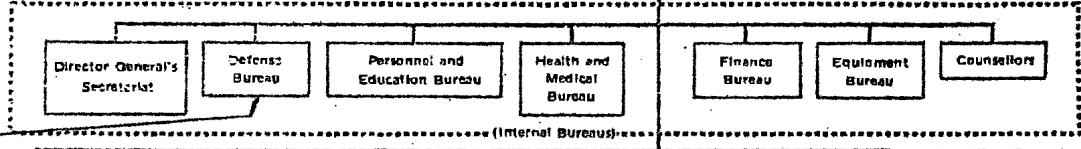
MAEYAMA

Parliamentary Vice-Minister

Administrative Vice-Minister

Defense Facilities
Administration Agency

SATO
DOZAKI



NISHIHARA
OMORE

Chairman of the
Joint Staff Council
Joint Staff Office

Chief of the
Ground Staff
Ground Staff Office

Chief of the
Maritime Staff
Maritime Staff Office

Chief of the
Air Staff
Air Staff Office

(Auxiliary Organs)

National Defense
College

Defense Academy

Technical
Research and
Development
Institute

Central Procurement
Office

Defense
Medical Academy

Ground
Self Defense Force
(Units and Organizations)

Maritime
Self Defense Force
(Units and Organizations)

Air
Self Defense Force
(Units and Organizations)

MGen MATSUNAGA
RADM TSUJI

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PRECEDENCE LIST OF U.S. DELEGATION

1. Mr. McGiffert
2. Ambassador Mansfield
3. Admiral Weisner
4. General Loving
5. General Tighe
6. General Braswell
7. Mr. Gleysteen
8. Mr. Abramowitz
9. Mr. Gompert
10. Mr. Armacost
11. General Pinckney
12. Mr. Platt
13. Mr. Seligmann

MOO/CA

RELEASE

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TRAVEL ITINERARY (Times Local)

14 January 1978

<u>DEPART</u>	<u>ENROUTE</u>	<u>ARRIVE</u>
Andrews AFB/0900 via C-9	6+15	Travis AFB, CA/1215
Travis AFB/1300 via C-141	6+05	Hickam AFB/1705

18 January 1978

<u>DEPART</u>	<u>ENROUTE</u>	<u>ARRIVE</u>
Hickam AFB/0800 via C-141	5+45	Norton AFB, CA/1540
Norton AFB/1600 via C-9	4+30	Andrews AFB/2330

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SECDEF: ASD:ISA(10) FILE(1)

(048)

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TO RUEKJCS/JCS WASHINGTON DC

INFO RUEKJCS/SECDEF WASHINGTON DC

RUEHC /SECSTATE WASHINGTON DC

RUEHKO /AMEMB TOKYO JA

RUMMJNA/COMUSJAPAN YOKOTA AB JA

BT

UNCLAS EFTO J5111/J5(A)

CS FOR J5, SECDEF FOR ISA

SSC X

1. FOLLOWING INFORMATION PERTAINING SUPPORT ARRANGEMENTS FOR SSC X PROVIDED FOR ALCON:

A. SCHEDULE OF EVENTS.

- 9 JAN: 0900 - POLCONS SELIGMANN ARRIVED VIA NW 10,
A1 JAN: 2200 - ETA DASD/ISA ABRAMOWITZ FROM WESTPAC VIA SAM.
13 JAN: 0650 - ETA AMB MANSFIELD VIA NW 22.
14 JAN: 0650 - ETA VICE MIN MARUYAMA AND JDA PARTY, LTGEN
LOVING, POLMIL BREER VIA NW 22.
1705 - ETA ASD/ISA MCGIFFERT, WASHINGTON PARTICIPANTS
AND SUPPORT GROUP VIA SAM.
15 JAN: 0800 - ASD/ISA MCGIFFERT AND VICE MIN MARUYAMA
GULF AT NAVY MARINE GC, PAIRINGS TBD.
0940 - ETA DEP MIN TAKASHIMA AND MOFA PARTY
VIA JAL 72 FOLLOWED BY DISCUSSION AND LUNCH
WITH JAPANESE CONGEN (ETA MR ARIMA UNKNOWN).
1400-1600 - US PARTICIPANTS' MEETING, CONFERENCE ROOM
(HILO-KONA-KAILUA ROOMS, 2ND FLOOR, ILIKAI
HOTEL).
16 JAN: 0900-1200 - FIRST SESSION, SSC X, CONFERENCE ROOM.
1200-1400 - LUNCH ON INDIVIDUAL/COUNTERPART BASIS
(WIDE SELECTION OF RESTAURANTS)

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1400-1700 = SECOND SESSION, SSC X, CONFERENCE ROOM,
1830-2030 = RECEPTION IHO DEP MIN TAKASHIMA
AND GOJ PARTICIPANTS HOSTED BY ASD/ISA
MCGIFFERT, DERUSSY HALL, HALE KOA HOTEL.
17 JAN: 0900-1200 = THIRD SESSION, SSC X, CONFERENCE ROOM,
1200-1400 = LUNCHEON HOSTED BY ASD/ISA MCGIFFERT
FOR SSC X PARTICIPANTS, WAIKIKI ROOM,
2ND FLOOR, ILIKAI HOTEL.
1400-1600 = FOURTH SESSION, SSC X, CONFERENCE ROOM,
1830-2030 = DINNER IHO SSC X PARTICIPANTS HOSTED BY
CONGEN TSUKAMOTO, MANDARIN PALACE
RESTAURANT, HOTEL MIRAMAR.
18 JAN: 0030 = ETD VICE MIN MARUYAMA, MESSRS NAKAJIMA,
NISHIHIRO, OMORI VIA UA 22,
0600 = ETD LT GEN LOVING VIA SAM,
1130 = ETD DEP MIN TAKASHIMA, MESSRS TAMBA AND
ANDO VIA JAL 71,
1520 = ETD MG MATSUNAGA VIA JAL 61,
TBD = ETD'S FOR US PARTICIPANTS FOR WASHINGTON AND
TOKYO.

B. ALL SSC ATTENDEES WILL BE ESCORTED BY CINCPAC PROTOCOL ON
ARRIVALS AND DEPARTURES.

C. ACCOMMODATIONS. ALL SSC X ATTENDEES WILL BE BILLETED AT
ILIKAI HOTEL, PRE-REGISTERED, WITH FOLLOWING BILLETING EXCEPTIONS:

(1) POLCONS SELIGMANN - IMPERIAL HAWAII, 9-15 JAN.

(2) DASD/ISA ABRAMOWITZ - MAKALAPA 800, 12-14 JAN.

(3) LTGEN LOVING - HICKAM 800, NITE OF 14 JAN.

D. SSC X COORDINATION CENTER WILL ACTIVATE 1200 HRS, 14 JAN
78, ROOM 211, ILIKAI HOTEL ON 24 HOUR BASIS TO ASSIST ALL
ATTENDEES. TEL: (808) 947-3475/7596 DIRECT OR (808) 949-3811
EXT 211 (ILIKAI SWITCHBOARD).

E. SSC X ADMINISTRATIVE SUPPORT CENTER FOR ALL PARTICIPANTS
WILL ACTIVATE CONCURRENTLY WITH THE COORDINATION CENTER AT SAME
LOCATION. SERVICES TO BE PROVIDED: CLASSIFIED MATERIAL STORAGE,
STENO, TYPING, REPRODUCTION.

F. COMMUNICATION PLAN:

(1) GENSER AND OTHER RECORD COMMUNICATION FOR WASHINGTON
AND TOKYO US PARTICIPANTS WILL BE GUARDED BY CINCPAC COMM CENTER AND
ROUTED TO THE SSC X ADMIN SPT CNTR.

(2) ACCESS TO NWMCCS AND AUTOVON WILL BE THROUGH THE
CINCPAC COMMAND CENTER, TEL: 477-6601/6065/6961. AUTOSEVOCOM
NOT AVAILABLE AT ILIKAI HOTEL.

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G. INVITATION LIST FOR RECEPTION HOSTED BY ASD/ISA
MCGIFFERT ON 16 JAN 78 INCLUDES:

- (1) ALL SSC X OFF-ISLAND ATTENDEES.
- (2) SELECTED ON-ISLAND PERSONNEL.

H. INVITATION LIST FOR DINNER HOSTED BY CONGEN TSUKAMOTO
ON 17 JAN 78 BEING DEVELOPED BUT WILL INCLUDE:

- (1) ALL SSC X OFF-ISLAND PARTICIPANTS.
- (2) LESSER NUMBER OF SELECTED ON-ISLAND PERSONNEL.

I. AS SUGGESTED BY STATE/DEF, ALOHA CASUAL ATTIRE WILL
BE WORN FOR ALL MEETINGS AND SOCIAL AFFAIRS.

2. CINCPAC PARTICIPANTS WILL BE:

- A. ADMIRAL WEISNER, SESSIONS 1 AND 2.
- B. RADM SHELTON
- C. BGEN MARKS SESSIONS 1 AND 4.

3. CINCPAC POINT OF CONTACT: LCOL E. K. SHIKATA, USA, J5111,
477-6259/6639.

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MEMORANDUM FOR CONDUCT
OF
JOINT STUDIES AND ASSOCIATED ACTIVITIES
BY JSDF - USFJ

In order to achieve the objectives of the Treaty of Mutual Cooperation and Security and its related agreements in accordance with the Guidelines for Japan-United States Defense Cooperation approved at the XVII meeting of the Security Consultative Committee, 27 November 1978, the senior military representative of the Japan Self Defense Force and United States Forces in Japan agree to conduct studies on joint defense planning and associated activities in accordance with the procedures set forth in this document.

1. General

Based on the directives of the respective governments, joint studies and associated activities will be conducted on matters described in the Guidelines for Japan-United States Defense Cooperation within the respective responsibility and authority of the Chairman JSC for Japan and the Commander, USFJ (COMUSJAPAN) for the United States in accordance with the procedures set forth in this document. Joint studies and associated

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activities conducted by each Chief of Staff of Ground, Maritime and Air Staff Office and the Commanders of the respective United States Component services in Japan will also be conducted in accordance with this document. In case of matters requiring coordination with government agencies, the Chairman JSC and COMUSJAPAN will coordinate with each other and each will communicate with their respective governments.

2. Joint Studies and associated activities

Based on the Guidelines for Japan-United States Defense Cooperation, the Defense of Japan will be the subject of joint studies. Associated activities include:

- a. Analyses related to coordination center requirements.
- b. Common standards regarding preparedness conditions.
- c. Intelligence cooperation.
- d. Procedures and processes related to joint operations plans (SOP, SOI, Standard Glossary of Terms, etc).
- e. The conduct of joint USF - JSDF exercises and training.

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- f. Logistics and logistics support.
- g. Other subjects as mutually determined including the study of the facilitative assistance to be extended by Japan to the U.S. Forces in the case of situations in the Far East outside of Japan which will have an important influence on the security of Japan.

3. Study Group Organization

In order to accomplish the joint studies and associated activities, the following planning committees are established:

a. JSDF-USFJ Joint Planning Committee (JPC)

The JPC will be comprised of members of the staffs of the Joint Staff Office and HQ USFJ who will be appointed by the Chairman JSC and COMUSJAPAN. The Director, JSO and Chief of Staff, HQ USFJ will be designated as co-chairmen of the JPC.

b. JSDF-USFJ Planning Subcommittees (PSC)

Each Chief of Staff, GSO, MSO and ASO and the respective U.S. component service commanders will establish their respective Ground, Maritime and Air Planning Subcommittees, which parallel the organization of the JPC to accomplish the necessary studies and activities in accordance with the procedures set forth in

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this document and other directives that may be issued by COMUSJAPAN and the Chairman JSC. Results of studies will be submitted to the JPC for review.

4. Methodology

a. Studies on Joint Defense Planning

Studies for the Defense of Japan will be conducted with the objective of developing coordinated USF/JSDF operations plans for joint action for the defense of Japan in an emergency.

(1) Joint Planning Directive

Studies will be conducted in accordance with Joint Planning Directives (JPD) issued by the Chairman JSC and COMUSJAPAN. These directives will specify the scope of the particular study, the situation, assumptions, and other matters upon which the study will be based. The JPD will also specify the structure and format of the specific study, the agencies responsible for its conduct and the time allocated for its completion.

(2) Implementation

Studies for the Defense of Japan are to be used as operations plans when so directed by competent government authorities.

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b. Associated Activities

Associated activities will be conducted in accordance with the following table.

ACTIVITY	RESPONSIBLE UNIT	SUPPORTING UNIT
1. Analyses related to coordination center requirements	JPC	PSC
2. Common standards of preparedness		
3. Intelligence cooperation		
4. Procedures and processes related to Joint Operations Plans (SOP, SOI, Glossary, etc.)	JPC and PSC as required	PSC
5. Joint exercises and training.		
6. Logistics and logistics support.	JPC	PSC
7. Others	JPC and PSC as required	

c. Authentication

The reports and understandings resulting from joint studies and associated activities will bear the signatures of the senior Japanese- U.S. authorities of the committees conducting the studies and associated activities.

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Japanese and U.S. approval of those reports and understandings will be indicated by the signatures of the Chairman JSC for the JSDF and COMUSJAPAN for USF.

d. Reports

The reporting of the results of matters contained in Para 2 above to responsible agencies of the respective governments will be the responsibility of the Chairman JSC and COMUSJAPAN respectively.

e. Other

Implementation of those actions identified to be accomplished during peacetime will be referred to the respective responsible agencies.

5. Security

The security of these joint studies and associated activities will be handled in accordance with the applicable security directives and regulations of the respective forces.

6. Matters which arise that are not covered by this document or other directives will be disposed of by the JPC, in accordance with the directions and guidance of COMUSJAPAN and the Chairman JSC.

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Done in duplicate in Tokyo, JAPAN, this day of 15
February 1979.

Takehiko Takashina *George G. Loving Jr.*

TAKEHIKO TAKASHINA
General, JGSDF
Chairman,
Joint Staff Council
Japan Defense Agency

GEORGE G. LOVING, Jr.
Lieutenant General, USAF
Commander
United States Forces,
Japan

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自衛隊－在日米軍による共同作戦計画の研究
及びその他の作業の実施に関する覚書

安全保障条約及びその関連取極の目的を達成するため、
1978年11月27日第17回安全保障協議委員会において承認された「日米防衛協力のための指針」に基づき、日本国自衛隊及び在日米軍の制服代表は、本書に述べる手順にしたがって共同作戦計画の研究及びその他の作業を実施することに合意する。

1 全般

それぞれの政府の指示に基づき、共同作戦計画の研究及びその他の作業は、「日米防衛協力のための指針」に述べられている事項について、本書に述べる手順にしたがい、日本については統合幕僚会議議長、米国については在日米軍司令官のそれぞれの責任と権限の範囲内において実施する。

陸上、海上及び航空各幕僚長と在日米各軍司令官により行われる共同作戦計画の研究及びその他の作業も、本書に基づき実施するものとする。

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政府機関と調整を要する事項が生じた場合には、統合幕僚会議議長及び在日米軍司令官は、相互に調整のうえそれぞれの政府当局との連絡にあたる。

2 共同作戦計画の研究及びその他の作業

「日米防衛協力のための指針」に基づき、「日本防衛」を共同作戦計画の研究の題目とする。その他の作業には次の事項を含む。

- a 調整機関についての要求事項に関する分析
 - b 準備段階に関する共通の基準
 - c 情報協力
 - d 共同作戦計画に関連する各種手順及び手続要領(SOP、SOI、用語の統一等)。
 - e 米軍/自衛隊共同演習及び訓練の実施
 - f 後方及び後方支援
 - g 相互に決定するその他の事項
- 日本以外の極東地域における事態で日本の安全に重大

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成果は、照合を得るために統合計画委員会に送付するものとする。

4 実施要領

a 共同作戦計画の研究

「日本防衛」に関する研究は、緊急時日本防衛のための共同対処行動に必要な整合のとれた自衛隊と米軍の共同作戦計画の作成を目的として実施する。

(1) 共同計画作業指示

本研究は、統合幕僚会議議長及び在日米軍司令官が発する共同計画作業指示（JPD）に基づき実施する。

これらの指示は研究の範囲、情勢、設想及び研究の基準となるその他の事項を示す。また、研究の構成及び様式、実施責任担当者及び完成に要する期間も示す。

(2) 運用

日本防衛に関するこれらの研究の成果は、政府当局の指示があつた場合には、作戦計画として用いられるものとする。

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D その他の作業

その他の作業は、次表に基づき実施する。

作 業 項 目	主 務 担 当	支 援
1 調整機関についての要求事項に関する分析	J P C	P S C
2 準備段階に関する共通の基準		
3 情報協力		
4 共同作戦計画に関連する手順及び手続要領 (SOP、SOI、用語の統一等)	J P C 及び必要に応じて P S C	P S C
5 共同演習及び訓練		
6 後方及び後方支援	J P C	P S C
7 その他	J P C 及び必要に応じて P S C	

C 確 認

共同作戦計画の研究及びその他の作業の成果である報告及び了解事項には、共同作戦計画の研究及びその他の作業を実施する委員会の日米の責任者が署名するものとする。

これ等の報告及び了解事項に対する日本及び米国の了承は、

幽

秘

自衛隊については統合幕僚会議議長の、米軍については
在日米軍司令官の署名により表示する。

d 報告

それぞれの政府の所掌機関に対する前記第2項に含ま
れる事項の成果の報告は、それぞれ統合幕僚会議議長及
び在日米軍司令官の責任において実施する。

e その他

平時に措置しておくべきであると認められる事項の整
備については、それぞれの所掌機関に付託する。

5 秘密保全

これらの共同作戦計画の研究及びその他の作業の秘密保
全についてはそれぞれ自衛隊及び米軍の秘密保全指示及び
規則に基づき処理する。

6 本書あるいは他の指示に含まれない事項が生じた場合
には、在日米軍司令官及び統合幕僚会議議長の指導に基づき
統合計画委員会が措置するものとする。

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日本国東京において本覚書を2部作成し
昭和54年2月15日発効する。

高島武考

陸 将
統合幕僚会議議長

Bernard G. Lovinif

米空軍中将
在日米軍司令官

㊟

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ADDENDUM TO
MEMORANDUM FOR CONDUCT OF JOINT STUDIES
AND ASSOCIATED ACTIVITIES BY JSDF - USFJ
SIGNED ON 15 FEBRUARY 1979.

It is understood that said memorandum signed on 15 February 1979 by the undersigned officials is bilingual (Japanese and English), and in the event of conflict between the Japanese and English version, the English version will govern. Done this First day of March 1979 in Tokyo, Japan.

Takehiko Takashina
TAKEHIKO TAKASHINA
General, JGSDF
Chairman,
Joint Staff Council
Japan Defense Agency

George G. Loving, Jr.
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concerns

SECURITY COOPERATION BETWEEN JAPAN AND THE ROK

US GOALS

1) US policy objectives for the 1980s in Northeast Asia are twofold: to maintain a primary role as guarantor of regional security, and to facilitate increased Japan-ROK security cooperation in order to enhance allied defense capability. The US intends to remain a major power in Northeast Asia, but additional security responsibilities in Southwest Asia underscore the importance of expanded security assistance from Japan and the ROK in order to safeguard regional security. Increased individual contributions by Japan and the ROK to Northeast Asian security, and more cooperative defense efforts between the two nations ultimately can lead to a more flexible and strengthened regional security arrangement.

CURRENT SITUATION

A. 1) The existing security posture in Northeast Asia needs to be modernized. Since January 1980 the US has projected naval power into the PG/IO in order to safeguard oil supplies for itself and its allies. Although this policy consists of flexible resources capable of returning to their original location or shifting to new positions, it is clear this additional burden beckons increased assistance from allied Northeast Asian states to meet regional security commitments.

2) Separate upgrading of Japanese and ROK defense forces, increased individual contributions from Japan and the ROK to

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regional defense, and closer Japan-ROK security cooperation represent three areas of modernization to improve collective security. Although the US is not changing its views or responsibilities concerning the defense of Northeast Asia, it appears that traditional overwhelming dependence of Japan and the ROK on US commitments for regional defense should be addressed and reconsidered. Expanded global obligations for the US -- as in the PG/IO -- may induce Japan and the ROK to modernize their defense capabilities and to realize the benefits of increased security cooperation. Although the US cannot withdraw its security guarantees to both nations, security cooperation between Japan and the ROK can provide more effective regional security. A renovation of current regional defense in Northeast Asia, therefore, is desirable, and can incorporate inter-alia Japan-ROK security cooperation to supplement the still significant US defense effort in the region.

B. ~~(S)~~ The concept of expanded Japan-ROK security cooperation and assumption of a larger role in regional security by both states must be understood and assessed within the parameters of various political constraints. A number of factors may affect the substantive and procedural (timing) components of the proposed policy change, and are outlined as follows:

-- It is essential to develop a national consensus in support of regional defense cooperation in Japan and in the ROK. Traditional animosities between the two states could obstruct plans for increased security cooperation, but increasing awareness of the urgency for cooperation by the Japanese and Korean

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peoples can direct them toward support of closer economic and defense ties.

-- The anti-Western, anti-Japanese sentiments associated with President Chon's "purification program" must be reconciled with any policy plans for closer Japanese-ROK relations. The anticipated institutionalization of the Chon regime hopefully will permit the abolition of or at least the reduction in anti-Western, anti-Japanese propaganda.

-- It is imperative to solicit the understanding and support of other non-communist East Asian states. North Korea and the USSR naturally will condemn and oppose expanded Japan-ROK security cooperation. If the US clearly communicates its intention to remain the guarantor of regional security, and if Japan's defense build-up has well-defined parameters, then other East Asian states should respond favorably to closer Japan-ROK relations.

-- US commanders may be hesitant to relinquish or share defense responsibilities with a strengthened Japan-ROK defense force. They perceive that Japan and ROK defense forces currently are insufficient to perform an independent regional defense role without US support and supervision. As the military officers designated to maintain Northeast Asian security, US commanders might not condone the sharing of authority and responsibility for regional security with senior Japanese and Korean officers. Their participation in the planning for ROK and Japanese defense increases, however, could help overcome these hesitations.

-- Perceived constitutional and statute limitations in Japan currently could proscribe if not obstruct expanded security cooperation between Japan and the ROK. Evolving expansive interpretations of the right of self defense, however, has provided and will continue to provide incremental steps toward a broader commitment to realistic collective defense.

C. The ROK Economy and ROK-Japan Economic Relations.

(U) The ROK is in the midst of the worst economic recession since 1953. A planned 20% devaluation, followed by OPEC's unexpected decision to raise oil prices by 150%, and the simultaneous recession in both Japan and the US (Korea's two main trading partners) combined to reduce real growth in South Korea from 13% in the first quarter of 1979 to 1% in the fourth quarter. The second industrialization program of the 1970s, therefore, which committed Korea to the development of heavy industries (including defense), has been seriously affected by these realities of inflation and recession. In addition, the ROK faces a large balance-of-payments deficit, and must borrow money in Japan, Europe, and the US at high interest rates. Currently, lenders are asking 1 to 1.125% above the London Interbank Offer Rate, as opposed to a spread of 0.75 to 0.875% in 1979. Since the ROK usually has financed its current account deficit through capital borrowed from abroad, undoubtedly it will be forced to continue that practice. In sum, what could have been a moderate economic slowdown has been transformed into protracted stagnation, chronic inflation, rising unemployment, and rapidly declining international competitiveness.

(U) Japan plays a predominant role in the ROK economy, particularly in lending, trade, and investment. The ROK is the second largest market for Japanese exports and attracts a major share of Japanese investment. Since 1970 Japanese exports to the ROK grew at an average annual rate of 25%, reaching \$1.5 billion in 1979 compared to \$1 billion of US exports to the ROK. South Korea's exports to Japan have grown at an average annual rate of 31% since 1970, reaching \$752 million in 1979, or 3.2% of total Japanese exports. In 1979 Japan loaned the ROK over \$2 billion to finance current production requirements and industrial development.

(U) The ROK has received sizable amounts of Japanese grant aid, including concessional economic development loans. Since 1969 when Tokyo established diplomatic relations with the ROK, Korea has received about 1/5 of total Japanese bilateral grant assistance totaling \$350 million. Currently Japan is trying to phase out its assistance programs, but has recently agreed to extend again \$90 million in long-term credit to the ROK for JFY 1981. These funds are designated for the expansion of university facilities and for modernization of health and medical research institutes. By policy decision, Japan neither sells nor makes loans for the purchase of defense items.

(U) The South Korean market attracts much of Japanese overseas investments (58% of cumulative foreign investment). Between 1962 and 1980 Japanese companies invested over \$530 million in the ROK economy, compared to \$162 million invested by US.

companies. Approximately 340 Japanese companies have direct investments in the ROK, and most of the investments are less than \$1 million.

(S) In terms of regional trade, Japan has sought to maintain close economic relations with other East Asian states -- e.g., Taiwan and the PRC -- and even carries on a small trade with North Korea. Japan regards the ROK as one of its major trading partners in the region. Japan's economic aid, on the other hand, is concentrated in Asia (61% in 1978), and has increased from \$1.4 billion in 1977 to a target of \$2.8 billion in 1980. The ROK has received \$90 million from Japan for the past three years.

(S) What is particularly significant is that Japan is following a gradual approach in untying its aid. Currently commodity assistance, machinery and equipment assistance are untied. In project assistance, the available information indicates that intergovernmental agreements concluded in 1978 with Asian countries often provided for wholly untied aid (the ROK, Thailand, Pakistan, and Philippines). This is an important consideration if the US should convince Japan to provide financial assistance to the ROK to stimulate ROK defense efforts.

D. Defense Cooperation between Japan and the ROK

(S) Current Japan-ROK security relations may be described as cautious and minimal. Both states have been hesitant to become involved in bilateral security commitments. At the same time, certain contacts and exchanges have taken place that represent the development of closer relations. The ROK and Japan hold

annual service intelligence exchange conferences, although the level of military data exchanged is limited. The Director General of the JDA, Ganri Yamashita, visited Seoul in July 1979, which signaled new contact between Japanese and Korean senior officials. In addition, the Japanese and Korean Parliamentary Security Union was convened in Seoul in April 1980 to discuss defense topics of mutual interest. Although the Japanese reportedly were resistant to ROK requests concerning the exchange of defense technology and expanded cooperation between Japan-ROK and the US, it is significant that the meeting was held and that both states concluded the conference with favorable public statements. Finally, a more recent sign of Japan-ROK security cooperation was demonstrated by General Wickham's conversation with senior Japanese defense officials in October 1980. In that meeting, the JDA Director General reiterated Japan's policy view that the security and peace of the Korean peninsula is indispensable to the security and peace of Japan.

(S) All of these examples represent rudimentary and exploratory efforts made by Japan and the ROK to experiment with a variety of contacts and exchanges that could produce closer security ties in the future. Further Japanese and Korean interchanges can serve as additional building blocks to construct expanded security cooperation between the two nations.

DEVELOPMENT OF A PLAN

A. (U) Various examples of increased cooperation between Japan and the ROK can be cited, and are subdivided within economic and defense areas as follows.

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Economic Cooperation

(S) Japan could enhance its own security and regional security by increasing economic assistance to Korea. Japan could significantly increase its current level of united official development assistance grants and concessional loans to finance Korea Government-Public Sector projects such as highway and hospital construction. This would then permit the ROKG to divert hard currency (yen) from these non-defense projects into the Korean defense budget. Some of these funds could be used to finance US defense equipment through the FMS program.

(S) It should be noted, however, that Korea has the highest external debt of any LDC in the world, and both official and private debt is projected to increase significantly over the next several years. A growth in exports, however, is also expected to keep pace with the debt increase. Therefore, it is contemplated that the ratio of total debt to export earnings (debt-service ratio) will stay within acceptable limits. As the Korean debt levels increase, the Korean military may find resistance on the part of the Economic Planning Board (EPB) to large increases in loans justified on security grounds. It is not clear to what extent Japan can dramatically increase its concessional loans beyond the \$90 million projected for JFY 1981 (Apr 81-Mar 82). As a rule of thumb, the difference between the current year US FMS credit program and the goal of \$275 million FMS credit for the ROK annually might be established as a target. At any rate, GOJ loans -- if properly managed -- could relieve pressure on

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the foreign currency portion of the FY 82 ROKG budget, and firm up ROK foreign exchange for use in acquiring US military equipment.

~~(S)~~ In addition, current Japanese-Korean commercial ties offer a long-term possibility that such cooperation eventually could be expanded in the area of dual-use (military/civilian) technology. Japan could export defense technology to the ROK, for example, for use in the production of defense items.

~~(S)~~ The GOJ might also be persuaded to provide assistance and/or trade concessions to other nations in the region so that resources could be freed to better support their armed forces. These nations could purchase equipment from the ROK particularly equipment no longer produced in the United States or which is not in long supply in the US Services. The purchases would assist the ROK in keeping its defense production base "warm" and allow the ROK to use the profits generated to procure from local production needed WRSA supplies or procure other defense items of high priority.

~~(S)~~ Care must be taken that the ROK does not overextend itself and attempt to become the arms supplier of the Far East. It is also important that the ROK continue its current policy of limiting defense production to a fixed percentage of total industrial output. Moreover, sales to third countries should continue to be monitored carefully so that they are made with the best interest of the United States in mind. US transfers of technology are caveated so that items produced with that technology cannot

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be sold to a third nation without agreement. The GOJ should exact similar guarantees from the Koreans in connection with any technology transfer.

Defense Cooperation

(U) The following are possible areas of increased cooperation in defense matters between Japan and the ROK. It is presumed that, in most instances, the US would serve as the catalyst in the development of closer Japan-ROK security cooperation.

Intelligence

(U) The existing bilateral US-Japan and US-ROK intelligence cooperation should be preserved and strengthened. The US intelligence community should look for opportunities to pass information of mutual benefit between the GOJ and ROK intelligence organizations. In this manner, the intelligence needs of Japan and ROK will be better met as well, possibly, as those of US intelligence. Information on North Korean activities in Japan among Korean residents there and North Korean infiltration/espionage in South Korea is an obvious example of the type of information which could be mutually beneficial. Similarly, information collected by both nations on foreign ship and air movements within the region could be a collaborative effort. An agreement between the GOJ and the ROK also could be reached on the direct exchange of tactical intelligence. Such arrangements would, of course, be a necessary pre-condition for an expanded role by both nations in surveillance and warning activities.

Ship Visits and Other Exchanges

(U) The ROK intends to send a training squadron to Japan in the near future and that act makes a similar gesture by Japan possible.

It is difficult, however, to determine when Japan will be able to reciprocate, since relations between the two nations must be warmer than in the recent past. Visits of high-level GOJ and ROK officials associated with security, both uniformed and civilian, should be encouraged by COMUS Korea and COMUS Japan. Both commands should cooperate fully with their host nation in arranging field trips, providing briefings and the like when called upon. Japanese observers in uniform should be invited to US-ROK combined exercises in Korea when it is determined to be feasible and beneficial, and it should be suggested that the GOJ also invite Korean observers to US-Japan exercises. COMUS-Korea should encourage the ROKs to invite Japanese military students and professors from Japan's military institutions, as well as other national security and technical experts to the ROK, in the full expectation that Japan might then do the same. Such visitors should be briefed regarding the US presence and role in the region, and they should be accorded appropriate courtesies. The Japan-ROK Parliamentary Security Union will, hopefully, be continued, the frequency of its meetings increased, and its functions expanded. The possibility of expanding the Security Union to include representatives from the US Congress should be explored. Perhaps some US Congressmen could be encouraged to attend the meetings in Korea and/or Japan as observers. In addition, a high level of public relations activities could be helpful in educating the Korean and Japanese people on the necessity and desirability of closer cooperation. These decisions should be determined by the ROKG and GOJ.

Joint Use of Training Facilities

The air forces of the region and the USAF do not have sufficient satisfactory facilities for tactical air-to-ground training. At present, there are limited facilities in Japan and Korea, with the only adequate existing facility located in the Philippines. As a result, USAF pilots and equipment deployed in Northeast Asia must go to the Philippines for training. The ROK Air Force, moreover, received limited training and the Japanese Air Self-Defense Force virtually no training on tactical ranges. This situation will be improved when KOTAR (a 9x11 kilometer tactical range in South Central Korea) is finished. KOTAR is a joint venture of the United States and the ROK located well away from population centers, with sophisticated communications and control equipment, and provisions for personnel safety. KOTAR will be fully utilized by the ROK and US Air Forces, and therefore, cannot readily accommodate Japan as well. However, this is a regional problem, and the US could initiate discussions between Japan and the ROK in order to coordinate more efficient use of regional defense resources. A resolution could include Japan allocating range space/time to the ROKAF in Japan, in exchange for training on the superior facility in Korea. Korean and American pilots, in turn, would have a diversified number of areas in which to train. Once a precedent of this nature is established, and ROK aircraft are flying in Japan and Japanese aircraft in the ROK, it should be easier to move to combined exercises and combined action in the surveillance areas.

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Air Surveillance

The introduction of the advanced AWACS into the region provides an opportunity for the United States to take the lead in promoting ROK-Japan cooperation in the area of air surveillance. It is the responsibility of COMUS Japan (as Commander, WESTPAC NORTH AIR DEFENSE REGION) to assure that the AWACS is effectively used and that there is adequate surveillance and warning. He makes certain that activity in this area is coordinated, and that no nation in the area makes plans and invests resources for surveillance without regard for regional objectives. Thus, there should be communication between the US, Japan, and the ROK, regarding existing systems and planning for the future. There should be no unnecessary redundancy and the systems should be compatible with each other. This question clearly is technical in nature and should be divorced from political considerations. To assure that COMUS Japan has some leverage, however, it is important that a connection is established between the priority which the United States will give to the completion of plans to station an additional four (for a total of five) AWACS aircraft in the region, and the attitude of the ROK and Japan toward cooperation with these plans. To date, the Japanese and Korean systems are largely of US manufacture and design and, as a policy matter, it is desirable that US equipment be utilized with an aim to achieving full interoperability in this important area of defense.

Air Lift/Sea Lift

(S-R-7) As part of contingency planning, the United States and the ROK are in the process of negotiating MOUs for the use by the US of Korean ships and aircraft in an emergency situation.

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In a Korean contingency, the amount of time taken to establish an effective line of supply, and the amount of goods and number of men which can be moved quickly into the country, are important factors in mounting a successful defense against a full-scale invasion. US military, sea, and air lift capability would be severely restricted in this regard if there were one or more contingency situations elsewhere at the same time. Japan should be drawn into this contingency planning gradually through the bilateral planning process. Its national aircraft and merchant shipping cannot be earmarked for this effort at the moment, owing to the lack of required legislation; however, exploration of the requirements could provide the rationale for new, future legislation. Japanese transport could help to resolve one of the central security problems of the region, but this initiative appears to be realistic only in the distant future.

Joint Sea Patrols

(S) The United States, Australia, New Zealand, and Canada conduct annual joint exercises in the Pacific (RIMPAC) which tests the ability of the various navies to work together. Japan has been invited and was represented at the last annual exercise. The ROK has indicated that it is desirous of participating but has been denied an invitation on the grounds that the ROK Navy lacked the experience and modern equipment required. The ROK Navy, however, has just launched its new Korean Frigate and is in the process of outfitting that craft. Completion of the frigate might afford an opportunity to underscore the importance of complementarity of armament and command-and-control equipment.

CINCPAC should determine when and if the ROK Navy could be invited to exercises with other ships of the area.

Joint ASW Training

The ROK and Japanese Navies need training in ASW. Currently they obtain such training by utilizing the services of US and Japanese submarines transiting the area. Such an arrangement is complicated and strains the ability of US Naval forces. CINCPAC has difficulty scheduling its submarines into the area, and both Japan and the ROK complain that their navies do not have sufficient training time now so that meaningful training can take place. Japan and the ROK could jointly undertake ASW training using US submarines in order to maximize the number of days available and to increase their collaboration. Japan could be encouraged, moreover, to provide diesel submarines for regional ASW training simulating the enemy role. CINCPAC should determine the feasibility and desirability of such a program and urge its implementation on the grounds of more economical use of scarce resources.

Intelligence exchanges, coordinated early warning, air surveillance, and joint ASW training have been cited as possible areas of cooperation between Japan and the ROK. In order to promote increased standardization and interoperability of regional defense hardware, as well as a reduced unit cost of future weapons systems, the United States also could promote three-way cooperation in weapons development. USDR&E has established a precedent in the recent formation of a US-Japan Systems and Technology Forum (S&TF). This forum is designed to promote exchanges of technology and cooperative development of future weapons systems.

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Initiating a similar bilateral agreement with the Korean Agency for Defense Development (ADD) should be considered, with the aim of coordinating the efforts of the two S&TFs to improve regional security.

B. (U) A timetable of immediate, near-term, and long-term policy options to initiate and nurture expanded Japan-ROK security cooperation can be constructed.

(U) Immediate Concerns

-- The Kim Dae Jung issue has halted temporarily any efforts to proceed with expanded Japan-ROK security cooperation. The US has indicated to the ROK that failure to commute the death sentence for Kim Dae Jung will cause a fundamental re-evaluation of our relations, and the Japanese have publicly threatened to cease all assistance to the ROK if Kim Dae Jung is executed. The Koreans, in turn, have objected to US and Japanese interference in ROK affairs.

-- The concept of increased Japan-ROK security cooperation should be introduced to the ROK CJCS Lew at the mid-November meeting. The prospects for expanded cooperation should be discussed at the upcoming SCM (if held), and at the SSC likely to meet in mid-to-late 1981.

(U) Near Term - Five Years

-- The US should solicit a Japanese commitment to continue and to increase economic assistance to the ROK in terms of concessional loans, additional investments, and active trade.

-- The preliminary groundwork for establishing US-ROK technology exchange and cooperation in the defense area should be started.

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-- Exchanges between Japan and the ROK in the areas of ship visits, military instructors and students, technical experts, and observers at military exercises should be instituted and encouraged.

Long Term -- Ten Years

-- Japanese and ROK defense forces should be involved in joint combined regional training exercises.

-- Coordinated air and sea patrols in the Sea of Japan should be started.

-- Interoperability of surveillance equipment and procedures, and realistic contingency planning should be achieved.

CONCLUSIONS

This policy paper postulates that, apart from the immediate Kim Dae Jung issue, prospects for expanded Japan-ROK security cooperation in the future appear to be good. Support for this general conclusion may be deduced from the following: the ROK needs economic assistance in order to sustain and expand its economic development, Japan possesses the economic power to grant such assistance, both states increasingly acknowledge their interdependence in terms of upgraded, effective regional security, and the US can facilitate and supervise expanded Japan-ROK cooperation as it remains guarantor of overall regional security. To reinforce future close ties, the US can emphasize to Japan and the ROK the urgency and merits of regional security issues for both nations. A move away from narrow-gauged, parochial

thinking in Japan and in the ROK concerning national security policy is critical to survival in the 80s.

(S) Finally, four additional recommendations are offered for consideration:

- The JCS should formally be asked to undertake a study and make suitable recommendations on practical programs and timing.

-- Following the JCS study, ISA should work to make certain that there is agreement within Defense with the proposed concept, and that support exists for achieving the proposed objectives.

-- Once consensus is reached in Defense, State should be asked to focus on the timing of approaches and the ways of applying pressure.

-- State will solicit country teams' recommendations so that various concrete programs and strategies could be developed for implementation.