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No Objection To Declassification 2009/03/04 : NLN-H-22-4-3-1

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NIE 41-69
27 February 1969

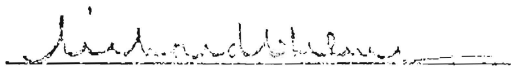
MAE 3 0 48 11 1969

NATIONAL INTELLIGENCE ESTIMATE

NUMBER 41-69

Prospects for the US-Japanese Security Relationship

Submitted by



DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the

UNITED STATES INTELLIGENCE BOARD

DECLASSIFIED

E.O. 13526, Section 3.5

NLN 07-H-29/8744 PER SEC. 3.3(b)(1) RAC REVIEW 3/4/2009

By JM NARA, Date 5/8/2012

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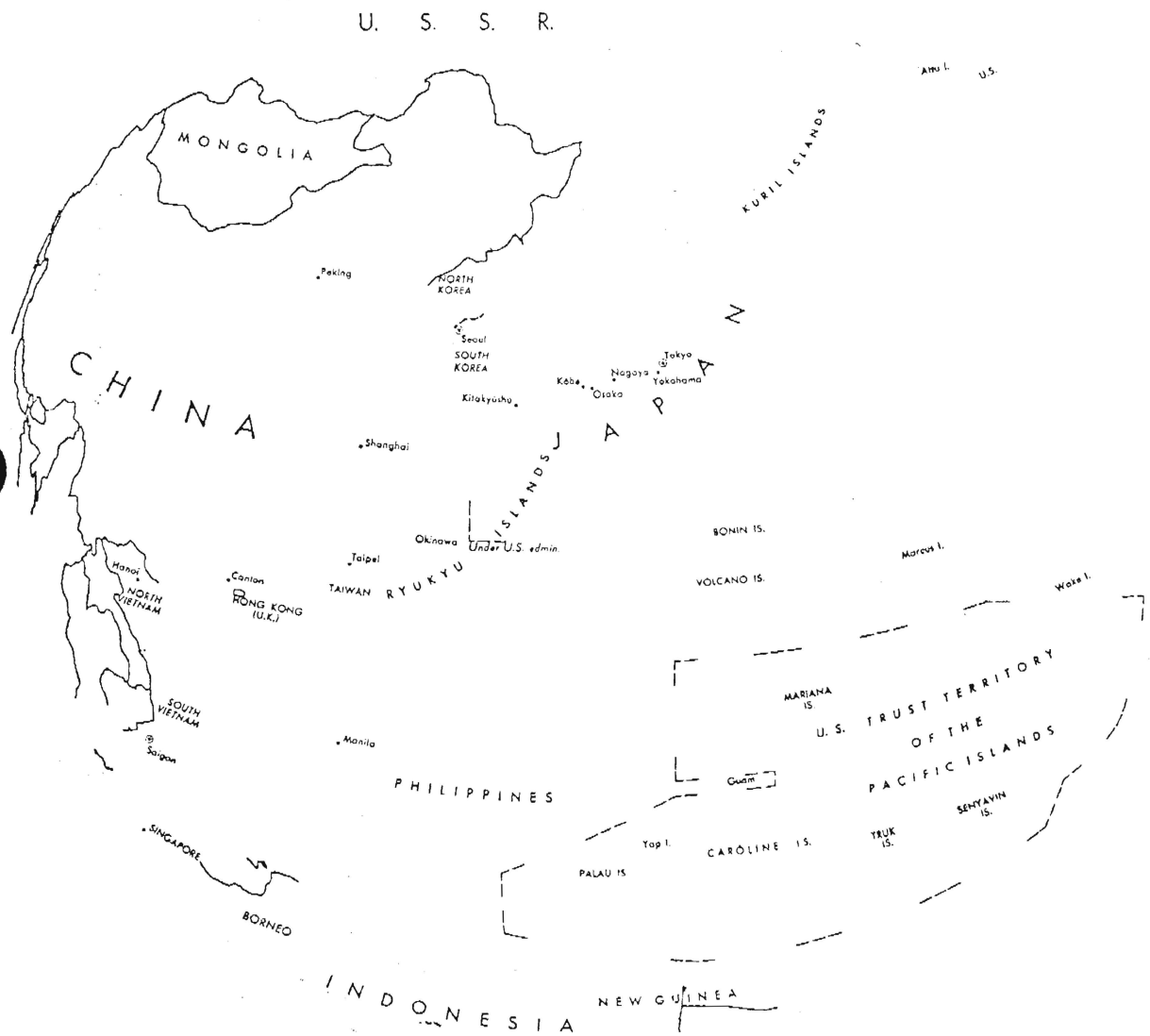
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PROSPECTS FOR THE US-JAPANESE SECURITY RELATIONSHIP

CONCLUSIONS

A. The next year or two will be critical for the US-Japanese security relationship. Japanese national elections must be held this year or next. In addition to domestic questions, the issues will include continuation of the Security Treaty, reduction of the numbers of US bases in the Japanese home islands, the reversion of Okinawa to Japanese administration, and subsequent US use of the bases on Okinawa.

B. The problems relating to Okinawa are the most immediate. If Prime Minister Sato is unable to obtain an agreement in 1969 which provides for reversion of Okinawa to Japanese administration in the course of the early 1970's, his own political position will be seriously damaged and the position of the ruling party will probably suffer to some extent. In such circumstances, Sato or any successor would take a stiffer line with the US on security issues. There would be increasing pressure to reduce the US base structure in Japan itself. In Okinawa, there would be a sustained and increasingly bitter local agitation against US civil control and the US military presence.

C. Assuming agreement on the issue of Okinawan reversion, the problem of bases in Japan will probably not offer major difficulties. In negotiations on the use of bases in Okinawa after reversion, we expect the Japanese to press for the same rules as apply to the US bases in Japan. On the question of "prior consultation" concerning conventional military uses, we believe that a mutually acceptable solution could probably be worked out, and on better terms for the US than now apply to the use of US bases in Japan. We believe that it would be much more difficult politically for Sato to agree to nuclear rights for the US on Okinawa after reversion.

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D. Japan's leaders view the Security Treaty as part of a complex bilateral relationship which has proven highly advantageous to Japan for almost two decades. Despite Japan's growing economic strength and nationalism, the Japanese people show no enthusiasm for the financial burdens and political costs of a large military buildup. For the next few years at least, the Japanese leadership sees no alternative to continued reliance on the US nuclear umbrella and the Security Treaty.

DISCUSSION

I. INTRODUCTION

1. The next two years are going to be critical ones for Japan. In this period, security relations with the US as well as the Security Treaty itself will be under intensive re-examination, and, from the left, under attack. The future status of Okinawa will be an increasingly urgent and even more sensitive issue. National elections are mandatory by January 1971 and, according to custom, Premier Eisaku Sato should relinquish his office to a successor by December 1970. Jockeying for the succession will be going on throughout this period. All these events tend to become intricately interwoven; moreover, they will occur over a period in which the international situation may be in flux, not only because of developments in Vietnam, but as a consequence of possible shifts in Chinese policies and in those of the US as well.

2. The situation invites comparison with 1960 when Prime Minister Kishi, though successful in accomplishing Diet ratification of the Security Treaty, was forced by internal party pressures to resign in the wake of massive and violent leftist demonstrations against his policies and widespread public displeasure with some of his political methods. The affair led to a generally more cautious Japanese posture in security relations with the US and, for a time, cast doubt on the viability of the US military base structure in Japan.

3. Prime Minister Sato wants to avoid a repetition of the kind of thing that happened in 1960. He has decided to avoid the problems inherent in any attempt to renegotiate the terms of the treaty and, instead, to permit its continued application for an indefinite period.¹ Japan's leftist forces have responded predictably with plans for a yearlong campaign against the government on the treaty and related security issues. Under Japanese political ground rules, Sato would invite serious trouble if he tried forcibly to prevent the demonstrations which seem certain to occur. He has been attempting, therefore, to handle security relations with the US in a way calculated to deny additional support to his leftist op-

¹ The "Treaty of Mutual Cooperation and Security" between the US and Japan became effective on 23 June 1960; its term is indefinite but, after 10 years, either side may terminate it upon one year's notice.

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ponents and to maintain domestic acceptance of his own foreign policy positions. He hopes, by projecting an image of reasonableness in dealing with his domestic opponents and one of firmness in future dealings with the US, to get through the next two years without serious damage to his own political stature, to the position of his party, or to the overall Japanese relationship with the US.

4. Whether or not Sato will be successful depends on many things, including some matters over which neither he nor Japan may have much control. But two factors will be of overriding importance: his domestic political position in general, and his ability to handle outstanding issues between the US and Japan, particularly Okinawa and other security problems.

II. THE DOMESTIC POLITICAL SITUATION

5. The position of the Sato government appears secure at this time. His Liberal-Democratic Party (LDP) holds a solid 57 percent majority of the seats in the all-important lower house of the National Diet, and new elections could be delayed as late as January 1971. Perhaps more significant, support for Sato within the LDP itself has been reaffirmed as recently as November 1968, when he easily won his third two-year term as party president.

6. A fundamental source of strength for the Sato government at this juncture is the generally good economic situation. The seemingly endless Japanese boom has brought full employment and improved living standards to virtually all levels of the society, and a conspicuous beneficiary has been the skilled worker whose unions provided the backbone of leftist strength in the 1960 riots. Despite persistent criticism of the LDP for failure to provide adequately for social welfare and similar needs, conservative leadership in Japan has become identified in the public mind with the national prosperity.

7. The fortunes of the main opposition party, the Socialists (JSP), who hold 29 percent of the lower house seats, are at their lowest ebb in years. Wedded to Marxist dogma and preoccupied with factional rivalries, the Socialist leadership has consistently failed to enunciate realistic alternatives to LDP policies, and popular support for the party is slowly diminishing. Indeed, the Japanese left generally is in considerable disarray, split into many segments over issues ranging from the Sino-Soviet dispute to student militancy at home. Even in the struggle against the Security Treaty, effective cooperation among the various leftist parties and organizations has become difficult to achieve. The Socialist campaign plan, for example, provides no formal role for the Communists (JCP). For its part, the JCP, with a persistent one percent of the Diet representation, is engaged in a searching reappraisal of its part in Japanese political life. Preoccupied with this reappraisal and fearful of bringing on government suppression, the Communists have become much less willing than before to provoke the government in the streets.

8. Despite these weaknesses of the left, the principal short-term challenge to the stability of the Sato government will nonetheless be leftist efforts to capi-

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talize on public discontent with regard to various security-related issues. They will also seek to exploit the growing sense of independence and nationalism. As in the past, there will probably be attempts by the JSP and JCP to disrupt normal legislative business in the Diet, coupled with sporadic strike action by their union affiliates. But the major leftist pressures will probably be generated in the larger cities where demonstrators, spearheaded by leftist labor unions and by militant students, will try to overwhelm the police and to damage or seize public buildings. There may also be attempts to storm some of the many scattered US military installations in the country. The objective would be to create a situation sufficiently threatening or chaotic to induce the resignation of the Sato ministry. Many leftist leaders probably have little expectation of ousting Sato by their violent tactics, much less of terminating the Security Treaty. To them, the treaty and related security issues are important mainly as they provide opportunities for intensifying and expanding their long-term challenge to the Japanese "establishment."

9. These issues are particularly well-suited to leftist political needs because they offer hope of attracting support from Japan's rising non-Marxist parties, the Democratic Socialists (DSP) and the Komeito, the political arm of the militantly nationalistic Buddhist movement, Soka Gakkai. (The DSP and the Komeito each controls five to six percent of the lower house seats.) The DSP, for want of feasible alternatives, has long maintained a foreign policy position only a shade to the left of the government. The Komeito, however, is moving rapidly to profit from rising Japanese nationalism by urging greater independence of the US. Its positions on security issues increasingly resemble those of the JSP and JCP, though it stops short of demanding immediate abolition of the Security Treaty. These combined pressures have begun to influence the DSP leadership to contemplate a similar reorientation. Even some of Sato's LDP rivals are beginning to view the situation as a fruitful source of political ammunition with which to dislodge him or, more realistically, to prevent him from naming one of his close associates as successor.²

10. Barring Sato's resignation as a consequence of leftist-generated pressures, he will probably face the voters once more before he retires. Sato's present plan, if he is first successful in reaching a satisfactory agreement with the US on the Okinawa issue, is to call for lower house elections in advance of the obligatory date of January 1971—perhaps late this year or early in 1970. He would be seeking to capitalize on his handling of the sensitive Okinawa issue and, in the process, to gain a mandate for his policy of continuing the Security Treaty. If he failed in 1969 to secure what he believed to be a satisfactory agreement, elections would probably be postponed until some time later in 1970 and would

² Sato's term as president of the LDP ends in December 1970, and he is unlikely to undertake a campaign for a fourth term which would be unprecedented in LDP history. He might, of course, choose to step down voluntarily somewhat earlier.

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have to be fought on the issues both of Okinawa and the Security Treaty. Sato's failure in the meantime to score success on the Okinawa issue would have weakened his position.

11. In the first set of circumstances—a 1969 or early 1970 election following a satisfactory Okinawa settlement—Sato's LDP would almost certainly retain a comfortable edge in the lower house. If the election were held while Okinawa problems remained unsettled, either in 1969 or 1970, the LDP would probably sustain significant losses. These would almost certainly not be heavy enough to overturn the conservative majority in the lower house, but the setback might be of sufficient proportions to cause Sato to relinquish control of the party and thus lead to a period of intense factional maneuvering to choose his successor.

12. Among potential LDP successors to Sato—if he resigns in adverse circumstances—are former Foreign Minister Takeo Miki, runner-up in the November 1968 LDP election, and Shigesaburo Maeo, who ran third. These two men and most other potential candidates from outside the Sato wing of the party are committed to a more independent posture toward the US and a more flexible attitude toward Peking. If one of them became prime minister, it would almost certainly be harder for the US to deal with the Japanese on security issues, though they would not necessarily become antagonistic toward general US political objectives in East Asia. And to the extent that Okinawa remained unsettled and an issue of public controversy in Japan, any successor to Sato—whether named by him or otherwise chosen—would take a stiffer line with the US on security issues.

13. It can be argued that US preoccupation with security issues has led American observers to exaggerate the potential impact of these issues on Japanese elections. In past elections, personal qualities of the candidates have probably been the single most important factor, domestic issues second, and foreign affairs generally not of critical significance to the outcome. This situation was rooted in the general apathy of the populace toward international issues, the extraordinarily slow revival of nationalism in postwar Japan, and the absence of a non-Marxist opposition party willing to oppose essential elements of the US alliance. We believe that this situation is changing, however, and that the new assertiveness we have begun to observe in Japan's international dealings will be increasingly reflected in the attitudes and actions of the Japanese electorate.

III. JAPANESE SECURITY PROBLEMS AND THE US ALLIANCE

A. The Security Treaty

14. A major problem in the US-Japanese security relationship is that most Japanese and their leaders do not perceive any direct military threat to their

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security at this time. There is suspicion of Soviet ambitions in Northeast Asia and official displeasure with the USSR's continued occupation of a few small islands northeast of Hokkaido. Nevertheless, the Japanese generally believe that the Soviets will maintain friendly relations in hope of ultimately weaning Japan from the US alliance, preventing a close Japanese relationship with Peking, and keeping open the possibility of a greatly expanded Soviet-Japanese economic relationship. In any case, few Japanese anticipate any resort to force by the USSR in the area.

15. While there is some concern in the Japanese Government over China's recent progress in the development of nuclear weapons and strategic missiles, there is little apprehension among Japanese in general about a Chinese military threat, certainly not one to Japan. Such concern as there may be in official quarters over the potentialities of China's massive ground forces is offset by the absence of respect for its air and sea forces. Some years hence, of course, as China further develops its capabilities for strategic warfare, these attitudes may change. At present, such concern as there is in Japan over a Chinese military threat is chiefly in terms of the possibility of war between China and the US in which Japan might somehow become involved. This accounts in large part for the sensitivity of the Japanese to US military actions in Southeast Asia which might conceivably provoke Peking to fight, and to an even greater concern on their part whenever there appears danger of war in Korea.

16. Nevertheless, the leaders of Japan feel the need for a powerful military protector. Unarmed neutralism, a popular concept in early postwar Japan, presently has little support. The Japanese leadership and much of the populace recognize the perils of such a policy in the volatile East Asian environment. Although the concept of neutralism founded on a strong, nuclear-armed, and independent Japanese military establishment is developing some appeal, the political and economic obstacles to it would be formidable. A decision to go nuclear would imply vastly increased military expenditures and require a substantial change in the domestic political climate. In addition, the Japanese believe that a substantial military buildup by them would cause mistrust among the non-Communist nations of East Asia and sharpen the hostility of the Communist states, all to the detriment of Japan's long-range interests in the region. It seems unlikely, therefore, that the Japanese would opt for armed neutrality under present circumstances.

17. Given the need for a protector, the Japanese prefer to see the US in this role. But the value of the alliance for many Japanese lies almost entirely in the nuclear umbrella provided by the US. They tend to look upon the US base structure and US military privileges in Japan and Okinawa as concessions granted in a different era and, with some exceptions, intended to serve American interests in areas sometimes remote from Japan. Many Japanese leaders take a different view. Sato and other conservative leaders believe a strong US military position in

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Northeast Asia to be of benefit to Japan, at least until it is prepared to participate more fully in its own defense.

18. Japanese leaders have never pressed for the abrupt removal of the US bases or the immediate and unconditional return of Okinawa. They have accepted the existing situation because they do not want to jeopardize the treaty with the US and the security commitment it affords, and because they see the US alliance as an essential component in a complex of relationships—political and economic—which have proven highly advantageous to Japan for almost two decades. Indeed, the economic relationship in which the US consistently accounts for some 30 percent of Japan's trade is at least as compelling as Japan's security requirements in guaranteeing its continued desire to align itself with the US.

19. It is possible, of course, that Japanese leaders are quietly planning for the day when their own forces, equipped with nuclear and conventional weapons of Japanese manufacture, could defend the country without US assistance. For a good many Japanese military men, and some civilian strategists as well, this is clearly the preferred course. Their influence, however, has so far been slight and the Japanese defense buildup continues to be an extremely slow affair. Every indication is that current Japanese defense planning is premised on the expectation that US air and naval forces will for years to come provide for the strategic defense of Japan, while indigenous forces play a defensive role in the neighborhood of Japan itself. Japanese military planners hope eventually to develop air, sea, and ground forces capable of holding an attacking force in check until major US support becomes available. If and when the Japanese do develop such capabilities, they would probably anticipate the virtual elimination of the US military presence in Japan. But the process of building even these forces would require many years and, in any case, would not eliminate the need for nuclear protection.³

20. The prospect of indefinite dependency on the US is obviously galling to Japanese nationalists of all political colorations. But for want of a viable alternative, as well as for the positive advantages the Security Treaty provides, the leaders of Japan are willing to accept its continued application. To say this, however, is not to say that they are content to see present arrangements continue without some changes or adjustments. In the long run, such sentiments will probably lead to more serious consideration of "armed neutrality" by the Japanese leadership, and this process would be accelerated if faith in the US alliance were somehow shaken.

³In the unlikely event that conservative elements lost control of the Japanese Government, the program of increased national military strength suggested here might not be pursued. But it seems unlikely that any potential successor regime would abandon the effort to maintain some kind of program for a Japanese military establishment.

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21. There is no indication that the Japanese are now planning for the production of nuclear weapons, though they have the capability to build them.⁴ We do not believe that Japan will decide during the next few years to develop such weapons. In addition to various economic and technological obstacles, the Japanese would have to circumvent numerous international safeguards on certain nuclear materials. Moreover, the Japanese nuclear allergy shows few signs of weakening despite efforts by Sato and others to encourage a less emotional approach to the matter. Even if the Japanese ratify the Nuclear Nonproliferation Treaty, they are not necessarily foreclosing the option to develop nuclear weapons systems. In charting their course on the issue, they will be acutely sensitive to any reduction in the credibility of US nuclear protection.

B. The Bases Issue

22. Until recently, the presence of US bases in Japan was a greater irritant in US-Japanese relations than the Okinawa reversion problem. The bases are visible and the problems associated with their use are more immediate to the Japanese, their Diet representatives, and their local officials. Near airfields, there is frustration over persistent noise and radio and television interference, as well as fear of aircraft crashing into populated areas. Complaints of electronic interference are also a problem near many US facilities. Ammunition depots and gunnery ranges cause concern over personal safety in adjacent land and sea areas. In the rapidly growing suburbs of large urban areas, particularly Tokyo, there is resentment on the part of private and municipal interests desiring to acquire valuable home, farm, or factory sites.

[REDACTED] Finally, there is widespread sentiment in Japan against the presence of foreign troops and concern in base areas over such related problems as miscegenation and the morals of youth.

23. Though the Sato government occasionally opens conversations with the US on base issues chiefly in response to public outcries, Japan's conservative

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leadership is nonetheless genuinely desirous of reducing the US military presence. In line with political realities and in recognition of deep-seated Japanese yearnings for greater international stature and independence of action, the leadership has virtually committed itself to a program of progressive though gradual reduction of US bases during the 1970's. Eventually, the leaders would like to see the US retain only those bases which they themselves consider important for the protection of Japan and Japanese security interests in Northeast Asia from the threat of Chinese or Soviet attack or nuclear blackmail. These include, for example, the naval bases at Sasebo and Yokosuka, and the airbase at Misawa in northern Honshu. The conservatives do not necessarily wish to close down all the other US bases. They are focussing on those like the Itazuke Air Base near Kyushu University which have become tremendous political liabilities, and on recreational and training facilities situated on valuable acreage which they consider marginal to the US military mission in Japan. Some US installations are also being sought for the use of the Japanese armed forces, or for maintenance on a standby basis, perhaps under some sort of joint-use option. In this way, too, the further expansion of Japan's forces could more easily be justified to the public.

24. During 1968, popular pressures for a reduction of the US military presence grew in consequence of a series of incidents: several aircraft mishaps (particularly the crash of a jet fighter in Kyushu), alleged nuclear pollution of Sasebo harbor, and the opening of a new US military hospital in downtown Tokyo. Upon the request of the Japanese Government, the US agreed in late 1968 to reduce its military installations and facilities from about 150 to about 100. Japanese critics contend, however, that most of the facilities to be surrendered are minor ones, and pressures for additional reductions are strong. This persistent public attitude will require Sato to exercise great tact in handling base-related problems and to show some forward movement in dealings with the US on such issues. But barring some new calamity at a US base, popular opinion will probably be more influenced by Sato's manner of handling the base issue than by the substance of particular solutions. In the longer term, however, with nationalism on the upsurge and the centrist parties increasingly pitching their appeals to the electorate on the bases issue, the LDP will probably feel compelled to increase its demands on the US and to enunciate them more positively.

C. Okinawa

25. In the immediate future, the Okinawa issue is likely to prove the most urgent and troublesome of all the US-Japanese security problems. The issue includes both the question of reversion to Japanese administration and questions about US military use of the island. As to the first, Sato has committed himself before the electorate to obtaining from the US in 1969 a firm timetable for the subsequent reversion of Okinawa to Japanese administration. He has publicly implied that the US agreed to this procedure at the time of his official visit to Washington in late 1967. Sato's problems have been increased by the election

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in November 1968 of Chobyō Yara as Chief Executive of the Ryukyus. Yara, who handily defeated a conservative opponent backed by the LDP, campaigned on a platform which demanded immediate reversion of the Ryukyus, the exclusion of nuclear weapons from the islands, and the progressive reduction of the US military presence. Yara's election is seen by the Japanese as a clearcut indication that the majority of Okinawans desire an end to the US occupation. The leftists have pounced on the issue, while the LDP leadership has been seeking refuge in Sato's earlier pronouncements and in a host of quasi-official proposals for achieving prompt reversion.

26. Another source of pressure for reversion is the assumption in Japan that the end of the Vietnamese war will greatly diminish US demands on the Okinawan military complex. Many also believe that the development of new strategic weapons by the US has considerably reduced its need for Okinawan bases, particularly for any deployment of nuclear weapons. Such arguments are most often used by conservative critics of the US position on the island. Another argument, which is put forward by the leftists, is that the dismantling of the Ryukyu base structure will assure Peking of Japan's good intentions and open the way for a more fruitful relationship. But this argument carries little weight in other circles.

27. The Sato government wants to open meaningful negotiations with the US on Okinawa soon. The Japanese scenario calls for a succession of high-level US-Japanese meetings during the spring and summer of 1969, after which Sato himself would come to Washington in the fall to achieve a final agreement. The Japanese negotiating position is not entirely clear, at least at this stage. Sato himself would probably be satisfied with an agreement that set a firm date for a Japanese administrative takeover in the not too distant future—e.g., two or three years hence. He personally would be more than willing to defer the highly sensitive and less tractable issues respecting US use of the Okinawan bases.

28. Sato will, however, be under considerable domestic political pressure to move beyond his personal inclinations and to put forward additional demands concerning Okinawa. For example, there are widespread pressures in both Okinawa and Japan for reversion at "homeland level"—i.e., applying the same rules to US use of Okinawan bases as apply to those in the home islands. These include a US obligation to engage in "prior consultation" with the Japanese Government on any changes in the equipment of US forces in Japan, [redacted]

[redacted] A second requirement is to hold "prior consultation" in the case of combat operations launched from US bases in Japan against areas outside of Japan. Moreover, the US has agreed that "prior consultation" means "prior agreement."

29. We cannot be sure precisely how Sato will maneuver between his own preferences, Japanese domestic pressures, and US positions. [redacted]

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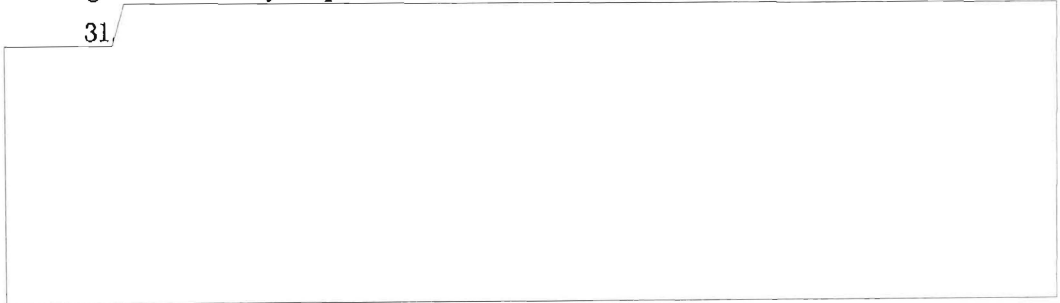


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On the issue of "prior consultation" concerning US conventional military use, Sato can probably afford to be much more flexible, particularly if tensions in Southeast Asia were to subside during 1969 and if the B-52s were meanwhile removed from Okinawa. The presence of these aircraft on the island, especially in what appears to be a direct combat role over Southeast Asia, has been a source of political difficulty to Sato at home and, on Okinawa, the issue has been sharpened by the November 1968 crash of one of these aircraft. Sato and other Japanese leaders have a good reason for not pressing for "prior consultation" for conventional military use; the absence of the "prior consultation" formula would enable them to avoid political and diplomatic responsibility for US military use of Okinawa in connection with any conflicts in Southeast Asia.

30. In the light of the various circumstances outlined above, we believe that a failure by Sato to achieve an agreement with the US in 1969 which promised reversion of Okinawa to Japanese administration in the course of the early 1970's would be very damaging to his political position, and the position of the LDP would probably suffer to some extent. Ultimately, these developments would adversely affect the US-Japanese security relationship as a whole and cooperation on a variety of other issues would also be impaired. Failure would also bring about greater pressure to reduce the US base structure in Japan. In Okinawa, there would be a sustained and increasingly bitter campaign of local agitation against US civil authorities and the US military presence. Under these conditions, Okinawa's role in support of US forces in Southeast Asia and Korea might be seriously impaired.

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D. Other Bilateral Issues

32. Security-related issues are likely to provide the major immediate hurdles in US-Japanese relations, but over the longer range, there are other potentially troublesome problems. For the next year or two, differences on the question of relations with Communist China will probably not be of sufficient magnitude to warrant harsh words or heavy criticism on either side, at least at official levels. Over the longer term, however, with the possibility of Peking's return to a more rational posture in its foreign relations as the Cultural Revolution diminishes, with the Japanese increasingly seeking ways to assert their independence of the

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US, and with such NATO allies as Canada, Italy, and Belgium moving toward diplomatic relations with the Chinese, pressure will build in Tokyo for a re-appraisal of China policy. There will probably be renewed interest in "bridge-building" to Peking and, to the extent that relations with Communist China appear promising, the Japanese may show a gradually diminishing concern over the political sensitivities of the Nationalist Chinese—despite Japan's considerable interests in Taiwan. Japan's desire to assure itself a leading position in Chinese markets and to influence Chinese policies in the direction of moderation may lead the Japanese into conflict with US efforts to discourage meddling by China along its Southeast Asian borders. US efforts to enforce COCOM controls on the shipment of strategic goods and technology to China (and North Korea as well) might become increasingly difficult and unproductive.

33. Despite the intricate network of US-Japanese economic relationships, there are only a few problems in this sphere which might cause significant friction. The main one is almost certainly the question of the import restrictions imposed by both. In the US view, Japan has been very slow to liberalize its various formal and informal import restrictions. Japan, for its part, seeks improved access to US textile, steel, and chemical markets. Such problems are for the most part normal between great trading nations. In this case, despite occasional emotional overtones, they are unlikely to develop into major problems. If the US should return to protectionist policies, which would invite Japanese retaliation, there would be major adverse effects on the entire range of US-Japanese relations. Similar trouble could result if US private capital should begin to enter Japan on a scale and in a way which hurts Japanese economic interests and arouses Japanese xenophobia.

IV. JAPAN'S PROSPECTIVE SECURITY ROLE IN EAST ASIA

34. As noted earlier, many of the problems in the US-Japanese security relationship are rooted in Japan's relatively relaxed appraisal of the military threat from the Asian mainland. Another factor, at least at present, is the relatively narrow scope of Japanese political interests overseas. The Japanese have demonstrated little interest in gaining political influence in Latin America and Africa. And their interests in the Middle East and in the Asian subcontinent—India, Pakistan, and Ceylon—are likely to remain strictly economic.

35. Even in East Asia, Japan is cautious in its political involvements, though there is considerable variation in its attitudes toward Northeast and Southeast Asia. South Korea is strategically and historically of great importance to Japan. Japan has overtaken the US as the leading trading partner of the Republic of Korea, and may soon take the lead as a provider of economic assistance.

[redacted] In official channels, there are quiet working arrangements between Seoul and Tokyo on certain questions related to defense, intelligence, and internal security. These ties will grow, although

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traditional Korean distrust of the Japanese and Japanese caution about military involvements in Korea will compel both governments to move slowly.

36. Another limiting factor is a division of opinion among leading Japanese as to the nation's stake in South Korea's security. Many see Japan's interests there as primarily economic and would like to keep them so. Even some of Sato's adherents express an unwillingness to risk involvement in what they see as a persistent and dangerous quarrel between North and South. The problem is not pressing in the view of the Japanese so long as they can rely on the US to defend South Korea. In the event of another major Communist attack in Korea, any conservative Japanese Government would choose to facilitate the US military effort, but would probably not itself assume an active military role, save in defense of home waters.

37. Taiwan also has strong historical ties to Japan, but there is much less concern among the Japanese with any strategic significance it may have for Japan. Perhaps the return of the Ryukyu Islands, which stretch to within 75 miles of Nationalist Chinese territory, would lead to a reappraisal of that island's importance.

38. Japan's political concern in Southeast Asia is growing but its interests there are less compelling. Trade is important, but it amounts to only about 10 percent of Japan's total, and there is widespread awareness in Japan that the region is not central to the nation's prosperity, either in terms of markets or raw material supplies. Nevertheless, the Japanese recognize that events in Vietnam and elsewhere in Southeast Asia could take a dangerous turn which might have adverse consequences closer to Japan. At the same time, developments in Southeast Asia will offer increasingly broad opportunities for the prosperous Japanese to exert their influence, both in regional affairs and within specific countries. There will be a persistent unwillingness, however, to become deeply involved in the region's political turbulence lest such activity reawaken fears of Japanese domination and prejudice commercial interests in the area. There is a deep-seated belief in Japan that the answer to stability in Southeast Asia lies in economic development. In any case, Japan will almost certainly continue to consider security in the region to be primarily the responsibility of the US.

39. Over the years, however, particularly as the power of the Chinese grows, the Japanese will probably feel increasingly compelled to defend their own economic interests and to compete with Peking for influence among the nations of Southeast Asia. In the process, Japan may come to a different view of its political role and security responsibilities in the region. Any such change would cause the Japanese leaders to reassess their country's security relationships with the US. But such reassessment, if it comes, is still some years off.

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