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REPORT
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COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
NINETY-FIFTH CONGRESS
SECOND SESSION

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*Died Oct. 11, 1978.

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INTRODUCTION

A House Armed Services Committee delegation visited the Far East during the period November 9-23, 1978, principally to attend, at the personal invitation of the Prime Minister of Japan, the first Japanese-U.S. Interparliamentary Symposium, which was held in Tokyo. The Armed Services Committee delegation was one of a number of groups from committees of the U.S. House of Representatives which provided American representation at the symposium.

The Armed Services Committee delegation took part in the opening plenary session, the several meetings of the Panel on Peace and Security in East and North East Asia, and had meetings with other parliamentarians and with Japanese business leaders, as well as participating in the closing general session of the symposium.

The delegation also, as part of a general review of defense issues in East and North East Asia, briefly visited Taiwan and the Republic of Korea. The major portion of the delegation's time, however, was devoted to attending the symposium in Japan.

The delegation talked with key defense and foreign policy leaders in the countries visited, as well as visiting military and industrial installations.

A list of some of the major officials with whom the delegation met follows:

Taiwan:

President Chiang Ching Kuo;
Premier Sun Yun Hsuan;
Foreign Minister Sheng C. H. 'ang;
Defense Minister Kao K'uei Yuan.

In addition, the delegation met with U.S. Ambassador Leonard Unger and his staff.

Japan:

Emperor Hirohito;
Prime Minister Takeo Fukuda;
Ex-Premier Nobusuke Kishi;
Foreign Minister Sunao Sunoda;
General Minoru Genda and numerous members of the Japanese Diet (Parliament) during the course of the symposium.

The delegation also held discussions with U.S. Ambassador Mike Mansfield and his staff.

Korea:

President Park Chung Hee;
Prime Minister Choe Kyu Ha;
Foreign Minister Park Pong Tjin;
Minister of Defense Ro Chin Hwan;

The delegation also conferred with U.S. Ambassador William H. Gleysteen, Jr., and was briefed by the staff of Gen. John W. Vessey, Jr., Commanding General of the 8th U.S. Army, Commander-in-Chief of the United Nations Command, Korea, and Commander of U.S. Forces, Korea.

HAWAII

During an initial stop in Hawaii the delegation received an overall intelligence assessment from the staff of Commander, U.S. Forces, Pacific.

The command, which is the unified command responsible for the entire Pacific Ocean area, provided an analysis of the forces in the Pacific and in the East and Far East Asia and the potential threats those forces face. Because of the classified security nature of these discussions they will not be discussed in this report. However, they provided a useful backdrop for later visits to Taiwan, Japan, and Korea. Military construction problems in Hawaii were also reviewed.

REPUBLIC OF CHINA—TAIWAN

Timing of the committee visit

The committee delegation visited the Republic of China (Taiwan) 2 days after the administration rejected the Republic of China's request to purchase more advanced jet fighters to augment its existing fleet of F-5E aircraft. The delegation departed before President Carter announced his intention to normalize diplomatic relations with the People's Republic of China under the terms and conditions which require withdrawal of diplomatic recognition from the Republic of China and the abrogation of the United States-Republic of China Mutual Defense Treaty.

No notice to committee of administration intentions

Although the State Department was aware weeks in advance of the committee's intention to have its delegation visit Taiwan, the committee was not informed officially of either the pending denial of the aircraft request or that any change in U.S. policy vis-a-vis the "two Chinas" was imminent.

At that time, to the committee's knowledge, no segment of the Congress had prior notification that planning had progressed to the point that the President could announce, before the end of the year, the sweeping change in policy toward the People's Republic of China (PRC) and Taiwan. The President made his announcement of the normalization of relations with the People's Republic of China on December 15.

The delegation also found U.S. diplomatic personnel in East Asia pretty much in the dark as to the timing of the move to normalize relations with the People's Republic of China.

The decision on the sale of advanced fighter aircraft to Taiwan, undoubtedly connected with the normalization strategy, was apparently conveyed to the Republic of China (ROC) Government about the time the delegation was leaving Washington. What purpose is served by the administration's not discussing the decision only and fully with the delegation is not clear to the committee.

The need for follow-on aircraft

The delegation found that the first line of defense for Taiwan is the ROC Air Force. During meetings with Chinese leaders, the point was repeatedly stressed that the security of Taiwan depended on the maintenance of a qualitative edge by Taiwan in the air.

Taiwan formally requested permission to purchase 60 F-4 fighter aircraft to augment its existing fleet of F-5E's. The F-4 is a long range aircraft capable of carrying a wide array of armament. The Chinese basically want a more capable, advanced aircraft for the future and indicated a willingness to buy the F-16 or F-18 if they could be made available in lieu of the F-4. Barring availability of any of these more advanced aircraft, the ROC expressed a desire for the F-5G, a proposed advanced version of the F-5E that would incorporate greater engine power and carry a more capable missile, like the Sparrow.

The administration denied the request for the F-4, or F-16 or F-18, in line with its policy of not introducing superior aircraft into a region. The administration said a decision on the F-5G would be delayed—supposedly on the grounds that the aircraft was still on the drawing board and a decision did not have to be made at this time.

The administration said it would sell Taiwan 48 more F-5E's and offered to equip them with Maverick air-to-ground missiles capable of defending against attacking ships in the straits between Taiwan and mainland China.

Taiwan is in the midst of a program to buy and assemble 200 F-5E's, the contract for those plane purchases expires in mid 1980.

The F-5E, widely used by Third World countries and small West European air forces, is essentially a defensive aircraft with a combat range of about 150 miles. The Republic of China considers it inadequate to carry out defensive strikes against air bases on the mainland from which attacking planes would probably operate.

Briefings given the delegation by Taiwan military leaders estimated that the Chinese Communists presently have 300 attack aircraft based within 250 miles of Taiwan, and another 1,500 attack planes within 500 nautical miles. These represent nearly a third of the 4,200 combat aircraft in the mainland Chinese inventory. (The People's Republic of China has the largest inventory of combat aircraft of any nation in the world, although that does not mean the world's most capable air force.) The People's Republic of China aircraft basing puts the mainland attack planes well outside the range of the F-5E and it is for this reason the Taiwan Government is anxious to acquire aircraft with longer range.

Another concern is the present development by Red China of a new fighter called the "Hsian A" with a speed of 1,320 miles per hour (mach 2.5). Production is expected to begin in 1979.

Throughout the delegation's meetings in Taipei, it was stressed by Republic of China leaders that their desire for a plane with greater striking range and power is not for offensive purposes.

Said one official:

We do not want attack planes in order to start a war in Taiwan Straits. Our objective is a defense so strong that the Chinese Communists will not dare attack because they would recognize our offensive power and realize what would happen to them in the second round of fighting.

President Chiang Ching-Kuo told the delegation that advanced aircraft are needed by Taiwan to "maintain a parity" with Communist China and that the acquisition of a follow-on plane to the F-5E "puts our eyes into the future."

He went on to state:

No matter how the world situation may change, we shall adhere to our consistent position and policy that there is absolutely no possibility of accommodation and negotiation with the Chinese Communist regime, that there is no possibility of our dealing or talking with any Communist state.

To demonstrate the readiness of the Republic of China Air Force, President Chiang Ching-Kuo arranged for an air show to be performed for the delegation. It included performances by the Republic of China aerobatic flying team and a special parachute team. The delegation also inspected a representative sampling of the Republic of China Air Force which consists of 687 aircraft (including 263 tactical fighters).

Chinese research, development and production

Several members of the delegation also visited the Aerospace Development Industrial Center (ADIC) which is located near the Tai-chung Air Base complex—the largest non-Communist air base in Southeast Asia. Lt. Gen. Y. C. Lee, director of the center, conducted a briefing and tour of the facilities.

The center represents the Republic of China's effort to develop an indigenous aircraft manufacturing capability. The center is 9 years old and has a work force of 2,000. Present efforts, which are impressive, are being directed toward developing a medium transport aircraft with a 300-mile range and a jet trainer.

General Lee reported that the first transport prototype was scheduled to fly in the near future. The jet trainer is in the prototype phase. The construction design for it is at the 60-percent stage.

In addition to providing spare parts for the UH-1 helicopter, the center coproduces the F-5E aircraft. At present, two aircraft per month are being produced. The center has the capability of producing 10 planes per month. Because of the high quality of workmanship, Northrop Corp., the coproducer, is using the center to assemble F-5E's and return them to the firm for sale. Northrop has placed an order for 10 aircraft to date.

Ultimately, the center wants to have the coproduction capability for follow-on aircraft to the F-5E, such as the F-16. Based upon the visit, it appears that such capability is well within the reach of the center.

Taiwan an economic showcase

The delegation was deeply impressed with the economic progress of Taiwan, which considers itself a showcase of the free enterprise system. The island, with a population of 17 million, had a gross national product (GNP) in 1978 of \$22 billion. Its annual rate of real economic growth has been very high for several years, reaching an estimated 13 percent in 1978, its record in battling inflation is much better than most other leading trade states, including the United States, and its unemployment is below 2 percent.

Per capita income reached \$1,200 in 1978, remarkably high by Asian standards.

Total U.S. trade with Taiwan in 1978 was estimated at \$7.3 billion which Republic of China leaders point out is more than three times our trade with the People's Republic of China. Taiwan is among America's top 10 trading partners, second only to Japan in East Asia. The United States, which accounts for almost one-third of Taiwan's total trade, has a deficit with the Republic of China of approximately \$1 billion. U.S. firms have investments in Taiwan estimated at over one-half billion dollars.

The delegation was told by American observers on the island that friction between native Taiwanese and leaders originally from the mainland, which was considered a serious problem at one time, has all but disappeared.

The threat to Taiwan and the abrogation of the treaty

Beyond the obvious concern about the effect of abrogating the Mutual Security Treaty on other allies, who might see the United States as abandoning an old friend, it is not at all clear how the People's Republic of China will react to continued arms sales to Taiwan or how the People's Republic of China posture will affect the U.S. Government actions. The announcement of normalization indicated that the continued security of Taiwan had been assured, but it did not say how.

It is noteworthy that the 1-year moratorium on arms sales to Taiwan, which the administration has agreed to, was not made clear in the initial announcement on normalization. The necessity for the moratorium has not been explained.

The administration contends that the security of the Republic of China will not be affected by the abrogation of a treaty guaranteeing U.S. support to that Republic's defense. In fact, the administration's position is that U.S. insistence that normalization not jeopardize the well-being of the people of Taiwan was the reason negotiations took so long. This implies that the U.S. statement of intent to continue providing arms to Taiwan to maintain its security is now compatible with the People's Republic of China official position that "as for the way of bringing Taiwan back to the embrace of the motherland and reunifying the country, it is entirely China's internal affair."

The stated intent of the United States to continue providing arms to Taiwan, as a vestigial remnant of the U.S. moral commitment, was specifically rejected in the position of Chinese Premier Hua Kuo-feng on December 16, 1978, after the normalization announcement:

The U.S. side mentioned that it would continue to sell arms to Taiwan for defense purposes after the normalization. We can absolutely not agree to this. During the discussions we made our position clear on many occasions. On this question, continued sales of arms to Taiwan after normalization does not conform to the principles of normalization * * *

This statement is reaffirmation of Hua's political report to the Eleventh National Congress of the Communist Party of China, dated August 12, 1977, in which he said:

"Taiwan province is China's sacred territory. We are determined to liberate Taiwan. When and how is entirely China's internal affair, which brooks no foreign interference whatsoever."

These statements raise questions as to the People's Republic of China's so-called tacit acceptance of continued U.S. arms shipments to Taiwan.

The committee also notes that while the administration does not believe the People's Republic of China will make an attempt to regain Taiwan by force after abrogation of the United States-Republic of China Treaty, Secretary of State Cyrus Vance specifically acknowledged that the United States had been unable to gain a commitment from the People's Republic of China not to use force to reunite Taiwan with the mainland.

Administration spokesmen have also maintained since the normalization announcement that the future security of Taiwan is not really dependent upon U.S. guarantees because the People's Republic of China does not have, and will not have "for the foreseeable future," the military capability to attack across the 100-milewide Taiwan Strait and because Taiwan's capabilities to defend against such an assault are formidable.

It would be interesting to have an official definition of "the foreseeable future" and to see how reassuring it might be to a citizen of Taiwan.

In any case, the future maintenance of Taiwan's independence and security is dependent, as it is for any nation, on the continued modernization of its deterrent forces. That requires, in turn, follow-on sales from the United States.

Continued opportunity for U.S. sales: a moral commitment

Whatever the final outcome on the official status of our relations and treaty obligations to Taiwan, the delegation believes that the American people have a moral obligation to the 17 million people on Taiwan who have by treaty placed their trust and their security in the integrity of the United States.

The committee delegation expressed the belief to the leadership of the Republic of China that there is considerable support in Congress for arms sales consistent with the legitimate security needs of Taiwan. Foremost among those needs is the requirement for a more capable followon to the F-5E aircraft. Next in importance is more naval capability and improved air defense.

If the F-5E was sufficient when the U.S. air and naval fleet was pledged to join in the defense of Taiwan, it is obvious that additional capability will be required when Taiwan can no longer rely on the support of U.S. forces.

JAPAN

United States-Japan Interlegislative Symposium

Responding to a personal invitation from the Prime Minister of Japan, a committee delegation represented the U.S. Congress on the defense panel of the United States-Japan Interlegislation Symposium in Tokyo. Other symposium panels were attended by members of other House of Representatives committees. This symposium constituted the first formal meeting of United States and Japanese legislative representatives.

Japanese participation in the formal meetings of the symposium was largely confined to representatives of the Liberal Democratic Party (LDP), which is and has been the dominant political party in Japan during the postwar era.

Opposition parties declined to participate in the formal symposium. However, representatives of the Democratic Socialist Party, New Liberal Club, and Komeito (Clean Government Party) did meet separately with members of the committee delegation at the Diet (Parliament) building. The two parties of the left, the Japan Socialist Party (JSP) and the Japan Communist Party (JCP) refused to meet with the delegation.

The focus of discussions in which Armed Services Committee members participated was regional security arrangements in northeast Asia.

Japanese views and concerns.—The LDP representatives were concerned about the long-term commitment of the United States to a role in the maintenance of peace and stability in northeast Asia, and particularly about our commitment under the Japan-United States Security Treaty to defend Japan from armed aggression.

This treaty represents the cornerstone of Japanese security arrangements. Consequently, the 1977 announcement of U.S. plans to withdraw troops from Korea was a matter of great concern to Japan as it was interpreted as a lack of U.S. resolve to remain a power in Asia.

As one Japanese parliamentarian put it, the withdrawal from Korea raised serious doubts into the minds of Japanese about the willingness of the United States to “shed white blood for the yellow peoples of Asia.”

The withdrawal plan was seen in an overall context by Japanese as part of a continuing transition in the U.S. Asian policy which has been in a state of evolution since the Shanghai communique of 1972 and the withdrawal of American forces from Vietnam in 1973.

Immediately prior to the symposium, Secretary of Defense Harold Brown had visited Japan as part of a continuing effort to reassure Japanese leaders of U.S. long-term commitments to security arrangements in northeast Asia.

Chapter 2, article 9, of the Japanese Constitution was literally written in English and translated into Japanese by U.S. Occupation Forces:

Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as 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 belligerency of the state will not be recognized.

In 1954, this article was “interpreted” to prohibit only offensive forces, thereby permitting establishment of a self-defense force. Today, the Self-Defense Force consists of roughly 250,000 men and its annual budget of more than \$10 billion (proposed for fiscal year 1979) represents the seventh largest national defense budget in the world.

However, Japan’s Self-Defense Force is structured entirely for the defense of the Japanese home islands and adjacent territorial waters. It possesses no regional peacekeeping capability to protect Japan’s vital sea lanes.

Japan thus relies upon its Self-Defense Force for protection against invasion, and upon the United States for protection of its sealanes.

The Treaty of Friendship and Cooperation with the People's Republic of China is also seen by Japan as an important part of the security arrangements of northeast Asia.

U.S. views and concerns.—Members of the U.S. delegation expressed the view that even though there had been significant increases in Japan's defense budget in recent years, Japan was still not assuming the role of a full partner in its own defense, much less assuming any broader responsibilities for regional security.

It was pointed out that the artificial barrier of 1 percent of the gross national product (GNP), which has traditionally been an upper limit on Japanese defense expenditures, is no longer realistic given Japan's growing vulnerability to economic strangulation through interdiction of the sea lanes.

Members of the committee delegation expressed concern over Soviet naval expansion in the Western Pacific and the growing necessity for Japan to assume a greater responsibility in the protection of its sea lanes.

The U.S. delegation called upon the Japanese Diet to adjust to new realities through major increases in defense expenditures to expand and redefine the Japanese concept of the Self-Defense Force.

The LDP response.—Although some members of the Liberal Democratic Party clearly agreed with the views expressed by the U.S. delegation, spokesmen for the majority of the Japanese representatives stated the clear belief that: (1) The prodefense elements in the Diet lacked sufficient votes to bring about sudden and dramatic increases in the defense budget; and (2) a broadened definition of self-defense than present homeland defense concepts would be extremely difficult to reconcile with the wording and the spirit of article 9.

The Japanese Liberal Democratic Party participants also stated that a constitutional amendment to permit the assumption of greater defense missions by Japan was politically impossible in Japan today.

Views of opposition parties

Komeito (Clean Government Party).—Komeito differs significantly from the more conservative Liberal Democratic Party concerning the nature of Japan's longterm security arrangements. Unlike the Liberal Democratic Party which encompasses a broad spectrum of political views, the Komeito membership appears to have rather homogeneous political views which were presented to the committee delegation as "party positions."

Komeito believes that since 35 percent of the Japanese population is concentrated in three megalopoli, and since Japan is totally lacking in energy sources, the country simply could not survive under war conditions no matter how heavily armed.

Komeito acknowledges that immediate abrogation of the United States-Japan Security Treaty is unrealistic, but the party favors abrogation at an early date. To promote regional stability, Komeito also favors conclusion of a Japan-U.S.S.R. friendship treaty similar to the one recently concluded with the People's Republic of China. Komeito was silent, however, on whether or not the U.S.S.R. would be expected to return the northern islands to Japan as a prerequisite to the adoption of this treaty signifying a policy of equidistance between Japan and all other major powers in the region.

The Komeito representatives also advocated gradual reduction of the present Self-Defense Force to a national guard. They alleged that at least one-third of the Japanese people think the present level of defense spending—nine-tenths of 1 percent of GNP—is too high and that there remains a strong undercurrent of anti-Americanism in Japan, in part related to the fact that U.S. bases in Japan have land lying unused in a country where land is scarce.

Social Democrats and New Liberal Club.—Representatives from the DSP and the New Liberal Club met jointly with the committee delegation and collectively expressed views on defense matters very similar to those of the LDP.

In general, they believe that Japan's role in the peace and security of East Asia is more economic-political than military. They support maintaining a limited self defense capability, but believe the United States-Japan treaty continues to be the backbone of their security system.

Both parties expressed the view that article 9 is now "deeply rooted in the mentality of the people" and concluded that major increases in the Self-Defense Force would be supported only by a minority in Japan.

These two opposition parties expressed the view that major increases in defense expenditures would "represent an assault on the spirit of article 9." They indicated that their parties would support qualitative but not quantitative increases in defense capability.

Major points stated by U.S. representatives

After hearings the views and reservations stated by the Japanese representatives and the warnings concerning the sensitive political climate in Japan regarding arms development, the delegation reiterated its position that a more forward-looking defense posture is in order for Japan.

It should be understood that the members of the delegation spoke as individuals at the symposium sessions. The members of the delegation, however, were in general agreement that Japan could make a greater contribution to the overall security requirements for Northeast Asia and that such would not be inconsistent with the present framework of Japanese defense spending.

The delegation members made the following key points in their dialogue with the Japanese:

There is no reference in the Constitution to the gross national product. If spending 1 percent of gross national product for defense does not violate the Constitution, it is not clear how increasing the spending above that to, say, 1½ or 2 percent, or gradually increasing the spending over time would make a legal difference.

Japan could increase its defense budget to enhance its own defense capability and contribute to regional security in a way that is entirely consistent with the present concept of the Self-Defense Force as a "defensive" force.

Examples of the kinds of defense contributions that Japan can make, consistent with the defensive nature of the Self-Defense Force, were offered by members of the delegation. These include anti-submarine warfare capability for Japanese naval forces operating in

home waters and areas immediately adjacent; provision of substantially improved capability for air and ocean surveillance; improved quality and increased number of air superiority aircraft for air defense (Japan has already begun such an effort with the beginning of procurement of the F-15); increased purchases of U.S. equipment for the Self-Defense Force (which would make a positive contribution toward correcting the trade imbalance between the two countries; and a greater contribution to support of U.S. forces in Japan as an example of increased burden sharing.

The present emphasis in the Self-Defense Force has the force structure to epitomize its capability against an invasion by a land army—probably the least likely threat. The force should improve its capability to meet air and naval threats. The sealanes are vital to Japanese security and Japan should be able to contribute to keeping the sealanes open by handling some sea defense requirements on its own, freeing U.S. units for service elsewhere.

The delegation does not believe that Japan should develop nuclear weapons or other strategic capability. The United States can and should continue to handle the full strategic role. The delegation believes that the United States must continue to be prepared to handle the major burden of regional security requirements, consistent with the provisions of the Mutual Security Treaty. What the delegation has proposed is only that Japan make a greater contribution to that joint commitment to defense.

If the United States can afford to spend 6 percent of its GNP on defense, a country with a \$13 billion annual trade surplus with the United States should be able to spend more than 1 percent of GNP on defense.

The SDF budget

The delegation believes it might be useful to look at the present status of spending for the Self-Defense Force.

The following tables reflect significant trends in Japan's defense budgets:

SCOPE OF DEFENSE BUDGET

[In millions of dollars]

	Fiscal year		Fiscal year 1979 budget request
	1977	1978	
1. Defense agency	7,677	8,545	9,429
(1) Personnel (military and civil)	4,577	5,091	5,160
(2) Others	3,101	3,454	4,269
(a) Equipment, etc.	1,470	1,628	2,064
Aircraft	703	654	746
Vessels	271	398	471
Weapons and vehicles, etc.	495	576	847
(b) R. & D.	79	86	113
(c) Facility maintenance and construction	207	232	419
(d) Equipment maintenance	734	855	955
(e) Others (training, oil, etc.)	613	651	718
2. Defense Facilities Administration Agency	776	959	1,240
3. National Defense Council5	.5	.53
Defense budget (1+2+3 total)	8,453	9,505	10,670
Increase over previous fiscal year (percent)	11.8	12.4	12.3
Ratio of defense budget to GNP (percent)88	.90
Ratio of defense budget to general account expenditure (percent)	5.93	5.54

Note.—Exchange rate: \$1 = ¥200.

BUDGET APPROPRIATION FOR BASE-RELATED MEASURES

[In millions of dollars]

	Fiscal year		
	1977	1978	1979
1. General account.....	680	823	1,099
(1) Improvements and adjustments of the environs of base.....	386	482	628
(2) Improvements of U.S. forces facilities and areas.....	0	0	72
(3) Compensation expenditures, etc.....	217	229	252
(4) Welfare measures for the U.S. base employees.....	9	31	36
(5) Relocation of U.S. forces facilities and areas.....	68	79	111
2. Special account.....	71	56	46
Relocation of U.S. forces facilities and areas.....	71	56	46
Total.....	752	878	1,145

Note.—Amount for fiscal year 1979 is budget request; exchange rate: \$1 = ¥200.

Visit to Japanese Self-Defense Force units

During its stay in Japan, the delegation visited Hokkaido, the northernmost Japanese island, to observe units of the Japanese Self-Defense Force (SDF). At Chitose Air Base, the delegation received a briefing on the 2d Air Wing of the Self Defense Force which has a squadron of F-104's and a squadron of F-4's and watched a practice scramble of aircraft. The delegation also saw a review of various airplanes of the Japanese force. All of the aircraft are manufactured in-country, including the F-4's and the F-104's. The air force is being upgraded with the procurement of F-15 aircraft.

In addition, the Air Force has begun deployment of the Mitsubishi F-1, a single-seat close air support fighter. The F-1 is a variation of the Mitsubishi T-2, a twin-engined two-seat jet trainer, the first supersonic aircraft developed by the Japanese aircraft industry. Eventually, the Air Force expects to deploy a total of about 70 F-1's.

The delegation then journeyed by helicopter to the area of the 7th Division, the only armored division in the self defense force. The delegation received a briefing on the various items of equipment in the 7th Division, all of it homemade, and then witnessed a live firing demonstration by Japanese tanks. The delegation was particularly impressed with a Japanese tank, the M-74, which has altitude position adjustment capability; that is, the tank can be raised or lowered or can be adjusted so that the front or back or either side is raised or lowered individually.

The delegation was very impressed with the efficiency of the Japanese units that it reviewed and believes the Japanese force is capable of using the most sophisticated equipment that it might obtain from the United States. Privately, the delegation did hear complaints from some Japanese personnel that they had an insufficient amount of equipment and supplies for adequate training.

Security implications in the defeat of Prime Minister Fukuda

Shortly after the committee delegation returned from the Far East, Prime Minister Takeo Fukuda was defeated in an Liberal Democratic Party primary for party president by Masayoshi Ohira, the secretary-general of the party. In line with tradition, Ohira was then elected Prime Minister by the Diet. Ohira was Foreign Minister of Japan in the Tanaka Cabinet at the time Japan established diplomatic relations with the People's Republic of China in 1972. He is also known

to have been a major influence in the 1978 initiatives which resulted in the signing of the Sino-Japanese Treaty of Peace and Friendship.

In the range of candidates for presiding over the Liberal Democratic Party, Japanese newspapers generally characterized Yasuhiro Nakasone as the "hawk," Fukuda as the "middle-of-the-roader" and Ohira as the most "dovish" of the three major candidates.

Nakasone had campaigned on a platform urging that at least 3 to 5 percent of Japan's GNP be allocated to defense.

Ohira has been referred to in press reports as holding the view that any rapid buildup of Japanese military strength would invite tension in East Asia. Under his administration, therefore, it remains to be seen whether there is any change in Japan's defense posture or if expenditures on defense grow at a slower annual rate than was planned by Mr. Fukuda.

The growth of defense spending might be slowed also by the reported decision of Ohira to abandon as too inflationary the 7-percent annual growth goal endorsed by Fukuda.

Japanese views of the Taiwan question

Japan concluded a Treaty of Friendship and Peace with the People's Republic of China in August 1978, after having previously severed diplomatic relations with the Republic of China.

The so-called "Japanese formula" for normalization of relations with the People's Republic of China includes the following elements:

- (1) recognition of Peking as the sole legitimate government of China;
- (2) termination of diplomatic recognition of the Republic of China;
- (3) an ambiguous expression of "respect" for the People's Republic of China position that Taiwan is part of China;
- (4) People's Republic of China acceptance of the continued existence of unofficial economic and social ties with Taiwan.

The Japanese recognize that the "Japanese formula" has a questionable application to the United States-People's Republic of China normalization process because Japan had neither a defense treaty nor any moral obligation to defend the Republic of China.

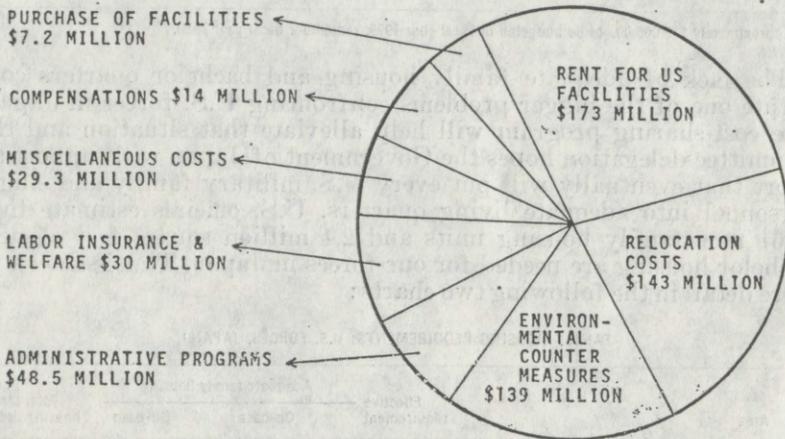
Although the Japanese Government has no official position about United States-People's Republic of China-Republic of China tangle relationships, the Diet members made it clear that Japan generally does not favor sudden changes in the regional security arrangements without consultation. None of the Japanese delegates suggested that U.S. recognition of the People's Republic of China would contribute to regional stability and security. However, representatives from both the Liberal Democratic Party and the Democratic Socialist Party expressed the view that U.S. abandonment of Taiwan would be destabilizing and would contribute to a long-term increase in regional tensions.

Japanese contributions in support of U.S. forces

The committee learned that the Government of Japan plans to increase its contributions in support of U.S. forces in Japan by 35 percent by 1980. This fiscal year Japan is spending \$584 million in support of U.S. forces. It expects to increase that amount to about \$800 million in 1980 and maintain that level of support each year thereafter.

For the most part, Japan's financial support of the U.S. presence in Japan has been limited to: (1) paying the rental of land occupied by U.S. forces; (2) constructing replacement facilities as a result of U.S. base consolidations in which valuable land and facilities are voluntarily returned to Japan or as a result of requests by the Government of Japan that the United States relocate or relinquish certain facilities; (3) providing payments to Japanese communities near U.S. bases as off-setting compensation for the impact U.S. military operations may have on the environment of those communities. The following diagram shows the categories of support being provided in fiscal 1978 by the Government of Japan:

**GOJ SPENDS @ \$584 MILLION IN SUPPORT OF US FACILITIES IN JAPAN
(THIS REPRESENTS 6.1% OF JAPAN'S DEFENSE BUDGET)**



The additional support by Japan, the committee delegation was advised, is planned in two ways. One is a facilities cost-sharing program. The other is a labor cost avoidance plan. Both were proposed by the Fukuda administration and are expected to be carried forward by the administration of the new prime minister and presented to the Diet for approval in early 1979.

The facilities cost-sharing program is planned to begin in the Japanese fiscal year (JFY) 1979 which starts April 1, 1979. It is currently planned as a 2-year program costing \$120 million of which \$75 million would be budgeted in JFY 1979 and \$45 million in JFY 1980. U.S. officials in Japan are hopeful the facilities cost-sharing program will become a long-term effort that will enable the United States to modernize its bases in Japan. The current Government of Japan philosophy regarding this cost-sharing program is that it should be directed only to people-related projects such as barracks, family housing, and environmental protection.

The committee delegation believes that the Government of Japan should consider including U.S. dependent schools in the people oriented category. At least four dependent schools in Japan need new facilities in the immediate future. It is also the delegation's hope that the facilities cost-sharing program will go beyond the people-related

and environmental categories to include high priority military operational projects that could bolster the defense of Northeast Asia.

A list of the projects in the current facilities cost-sharing program follows:

FACILITIES COST SHARING, FISCAL YEAR 1979¹

Item	Quantity	Estimated cost (millions)
Family housing (units):		
NAF Atsugi.....	210	\$27.3
Yokota AFB.....	210	32.3
Bachelor housing:		
Misawa AFB.....	256-768	9.0
Yokota AFB.....	256-768	8.8
MCAS Iwakuni.....	356-868	14.0
Environmental:		
POL tanks—Sasebo (barrels).....	850,000	17.4
Sound suppressors—Kadena AFB.....	2	11.2
Total.....		120.0

¹ Approximately \$75,000,000. to be budgeted in fiscal year 1979, remainder fiscal year 1980.

The lack of adequate family housing and bachelor quarters constitute one of the bigger problems confronting U.S. forces in Japan. The cost-sharing program will help alleviate that situation and the committee delegation hopes the Government of Japan will support an effort that eventually will put every U.S. military family and single personnel into adequate living quarters. U.S. officials estimate that 5,761 new family housing units and 2.4 million square feet of new bachelor housing are needed for our forces in Japan. This is shown in more detail in the following two charts:

FAMILY HOUSING REQUIREMENTS: U.S. FORCES, JAPAN¹

Area	Effective requirement	Adequate family housing		Total family housing deficit
		On-base	Off-base	
Misawa.....	1,479	963	241	275
Yokota.....	2,982	1,986	23	973
Okinawa.....	7,824	5,315	270	2,239
Zama.....	1,099	861	0	238
Iwakuni.....	307	135	40	132
Navy (Kanto).....	4,021	2,099	18	1,904
Total.....	17,712	11,359	592	5,761

¹ Data as of July 1978.

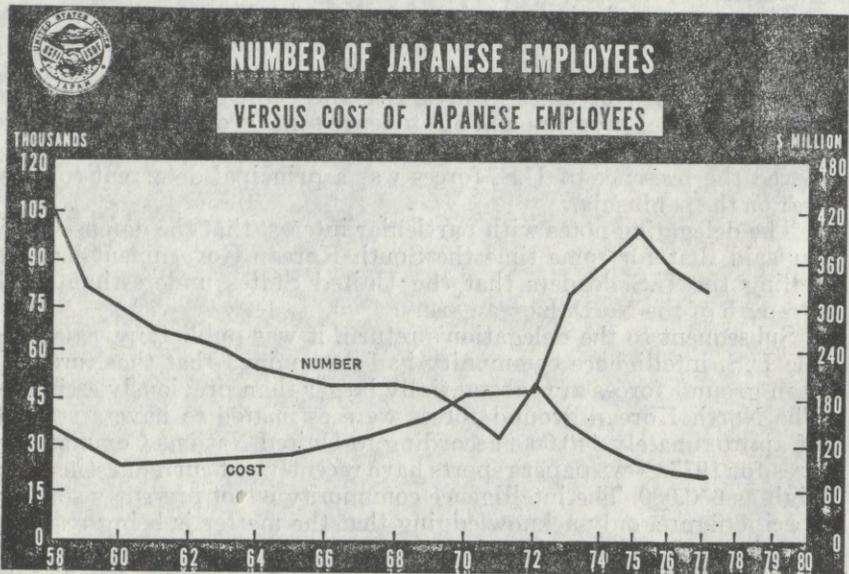
BACHELOR HOUSING REQUIREMENTS

Area	Storage facilities			New
	Adequate	Upgradable	Not upgradable	
Misawa.....	55,208	0	461,256	363,763
Yokota.....	251,636	0	258,470	0
Zama.....	125,560	220,839	104,738	36,930
Navy (Kanto).....	0	0	452,873	258,018
Iwakuni.....	150,408	408,594	227,593	664,384
Okinawa.....	397,300	4,640,423	220,058	1,066,685
Other.....	0	26,980	93,878	48,240
Total.....	980,112	5,296,836	1,818,866	2,438,020

Due to the strength of the yen against the dollar and annual wage increases averaging 12.4 percent over the past 10 years, the cost to the U.S. Defense Department for Japanese employees has tripled even though the force has been cut in half. About 24,000 Japanese are employed by the Government of Japan and assigned to U.S. military installations under three employment contracts; master labor, indirect hire, and mariners. The Japanese Government pays the employees' salaries and allowances and is reimbursed by the U.S. military services for these expenditures which total about \$400 million a year. Until a year ago, the United States also reimbursed Japan for the cost of administering the employment contracts which totals about \$30 million a year.

When Japan agreed in December 1977 to bear the cost of administering the Japanese labor program, it was a major breakthrough in heretofore Japanese resistance to providing support in this critical area. Now, the Government of Japan proposes a further sharing of the manpower burden by assuming about \$32 million a year in direct labor cost. Here again, if the proposal is carried forward by the Ohira administration as anticipated, the Diet will vote on the budget item in early 1979.

The following chart shows the growth of Japanese labor costs to the U.S. military during the past 20 years.



KOREA

In order to maximize its time in Korea, the delegation, after visits with the Prime Minister, the Foreign Minister, and the Minister of Defense, the briefings by the U.S. Ambassador and the U.S. military staff, split into two groups with part visiting the demilitarized zone and part visiting an industrial complex.

These visits are discussed here briefly. Some members also participated in a workshop on security and strategic issues in northeast Asia. Members of the delegation also had a private meeting with President Park Chung Hee.

Meeting with Korean officials

Discussions with senior officials of the Korean Government centered around the proposed withdrawal of U.S. forces and the relative balance of forces between North and South Korea.

Korean military officials gave the delegation extensive briefings on the estimated size and activities of the North Korea Armed Forces and on the military programs and defensive equipment requirements of the South Korean army, navy and air force. The South Korean briefings were classified.

In discussion with the delegation, South Korean officials indicated their concern for the effect of the planned U.S. troop withdrawal and made it clear they believe the present level of U.S. forces is desirable. While the official position is that the Koreans can adjust to the withdrawal of forces if equipment is provided to allow a corresponding buildup of South Korean capabilities, the South Korean officials clearly were concerned about the possibility that additional equipment would not be made available to Republic of Korea Armed Forces in a timely manner.

The announced time-phasing of the withdrawals contemplating more gradual withdrawal than initially expected, has been helpful in alleviating the dismay of Korean officials. It seemed to the delegation that the South Koreans still hope that the United States will reassess the withdrawal program and opt to leave some ground forces in Korea on a permanent basis. The prime minister told the delegation he believed the presence of U.S. forces was a principal deterrent to a new war on the peninsula.

The delegation notes with particular interest that the defense minister said that for some time the South Korean Government has been telling the U.S. leaders that the United States underestimated the strength of the North Korean army.

Subsequent to the delegation's return, it was publicly revealed that the U.S. intelligence community had determined that the North Korean ground forces are substantially larger than previously estimated. The North Korean ground forces were estimated to have a strength of approximately 440,000, according to United Nations Command figures for 1977. Newspaper reports have recently put current estimates as high as 650,000. The intelligence community is not presently stating a specific figure, only acknowledging that the matter is being restudied and that past estimates have been low.

If the North Koreans have ground forces in the range of 600,000 to 650,000 (which would be in addition to a navy of approximately 30,000 and an air force of approximately 40,000) such would be an extraordinarily large force to maintain for a population of 16 million people and in numbers of men under arms as a percentage of population would make North Korea one of the most heavily armed nations in the world.

The delegation understands that U.S. intelligence estimates of recent years are being extensively reanalyzed to determine the reason that

past estimates have been incorrect. At such time as this reanalysis is complete, the delegation believes the committee should be promptly notified. At that time, the committee will have to determine if any further committee or subcommittee action is required.

South Korean officials pointed to the new North Korean tunnel discovered under the demilitarized zone and to the buildup in North Korean forces and raised the question of why the North Korean regime of Kim Il Sung would undertake such preparations if they did not contemplate an effort to reunite the peninsula by force.

The delegation is aware that many observers believe that the People's Republic of China and the Soviet Union may, in their own interests, discourage an attack by the North in the near term.

Such a possibility, however, is hardly a sound basis for long-range planning for defense of South Korea. The delegation believes that the requirements of the Republic of Korea army should be restudied in line with the latest estimates of North Korean military strength, and that the decision to withdraw all U.S. ground forces should be reexamined.

Visit to the DMZ

A contingent of the delegation journeyed to the demilitarized zone (DMZ) between North and South Korea and talked to United States and Korean commanders in the area.

The contingent visited the negotiation site at Panmunjom where talks have taken place intermittently for years. The group visited a site in the zone where the South Korean and U.S. forces recently discovered a new tunnel that the North Koreans were digging under the DMZ. This is just the latest of three tunnels discovered so far.

When such a tunnel is found, the ROK digs down to the tunnel and blocks it. Several members of the delegation descended the full length of the exploratory shaft to inspect the tunnel first hand.

The delegation was informed that officials believe several other tunnels are in the process of being dug by the North Koreans.

These tunnels are extensive undertakings that involve movement of massive amounts of earth. They are dug clandestinely and the North Koreans consistently deny their existence even when presented with direct evidence.

The question must be asked why the North Koreans are building such tunnels if they do not have aggressive intent, since they serve no other known purpose. The tunnels potentially could allow several divisions of North Korean forces to pass under the DMZ and create havoc behind the Republic of Korea lines in a conflict.

Visit to Changwon industrial complex in South Korea

Committee representatives visited the Changwon industrial complex in South Korea.

This development, located on the southern coast approximately 250 miles south of Seoul and about 25 miles west of Pusan, covers an area of 12,000 acres. The development includes a housing and recreation area for the workers. The area is approximately equally divided between industrial and residential development with a dual highway dividing the two areas.

The Changwon complex is one of a number of industrial complexes which have been and are continuing to be developed in South Korea

under the nation's economic development plan. The Changwon complex was started in February 1974. At present, about 50 factories are in operation. Major construction of additional housing and industrial plants are still in progress. For example, a \$500 million facility for the manufacturing of complete central station powerplants—hydro, fossil, and nuclear—is nearing completion on the sea coast. Since the complex was designed from scratch as a unit, consideration could be given to the most efficient arrangement for services such as electric power, transportation, and material flow. For example, crane service directly from the manufacturing shops to deep water piers, which can handle several hundred tons, has been provided to service the central station powerplant production area.

The complex is designed to produce both capital and consumer goods including trains, elevators, transformers, electric motors, autos, chemicals, refrigerators, and military equipment. About 70 percent of the production is for commercial use and the remainder for military hardware. The latter includes tanks, mortars, recoilless rifles, fuses, anti-aircraft guns, et cetera.

Economic data.—The total investment in the complex to date is \$2.1 billion. The annual production is valued at \$4.766 billion of which \$1.594 billion was exported. It is planned to make the industrial plant exporting business the nation's major industry. The latest export commitments include a cement production plant to Saudi Arabia, and a tire production plant to Sudan. In addition to the completely nationally developed facilities, there are 6 joint venture developments in the complex which were developed and financed in cooperation with foreign help. This includes three with U.S. interests, 12 with Japanese cooperation and one with United Kingdom help. Most foreign cooperation involves licensing arrangements. For example, licensing arrangements have been entered into with Westinghouse, General Electric, and General Motors for a large number of products ranging, for example, from light bulbs to central station turbine generators. Completion of the complex which is planned to include additional joint ventures with foreigners will include 100 major plants and about 100 supporting facilities.

Staffing.—One of the first facilities included in the complex was for the purpose of training personnel. These facilities include schools for training engineers to the level of masters degrees and schools to train 900 students to the equivalence of mechanical high school graduate level each year. In addition, training in various specialized artificer trades are provided in the various production complexes such as machine tool operation, electronics, et cetera.

The total complex will involve the employment of 150,000 workers. The total population of the complex is estimated to be 500,000.

Tour facilities.—One of the facilities visited produced both machine tools and military equipment. The military hardware being produced included 105 and 155 mm howitzers, recoilless rifles, mortars, and armament for tanks. In addition, lathes, steel rolling machines and other specialized machine tools such as shapers were being produced. No U.S. machine tools were in evidence although many Japanese machine tools were in use.

Mark 48-A tanks were being upgraded to A-3's and A-5's. These operations included stripping the tanks down to the bare hulls build-

ing up the hull armor to permit reengining with diesels and then reinstalling upgraded propulsion trains, transmissions, turrets, guns, tracks, and fire and maneuvering control systems. The facilities appeared excellent.

At present, 150 tanks are completely upgraded each year. Plans are also being made to build completely new tanks at the same facility.

New facilities under development.—Another new major facility was in final stages of construction. This facility is designed to construct heavy items of capital plant and equipment, including central station power plants, petrochemical plants, bulldozers, dump trucks, et cetera. Included in the area are large machine shops with capacity to machine pieces weighing up to 500 tons, foundries, and research and development areas. The complex will consist of 7 factories in an area of 43 million square meters, employing 10,000 workers. Pier facilities are nearing completion to carry out deep draft ocean shipments direct- ing from the manufacturing complex. Initial operations with 7,000 employees are scheduled to start in 1979, and full scale operation of the complex is scheduled to start in 1980.

The industrial accomplishments of South Korea, if Changwon is an example, are outstanding. The modern capital plant and equipment, the competence and dedication of management and industriousness of the workers, as evidenced at Changwon, are the ingredients of successful industrial and economic development.

All reasonable efforts are being expended to obtain a semblance of control of adequate fuel and raw materials, such as by the development of all practical indigenous energy fuel resources, and construction of nuclear energy generating facilities at the maximum possible rate.

Workshop on security and strategic issues in northeast Asia

Several members of the delegation participated as observers in a seminar in Seoul on security issues sponsored jointly by the Georgetown Center for Strategic and International Studies and the Asiatic Research Center of Korea University.

This workshop brought together academicians, journalists, and military experts to discuss the major economic, political, and security issues confronting the United States, the Republic of Korea, North Korea, Japan, the People's Republic of China, the ROC and the U.S.S.R.

This workshop represented one in a continuing series of conferences among scholars and experts from the United States and Korea to examine key questions concerning security arrangements in northeast Asia.

Academic forums such as this contribute to the community of understanding of how and why major changes are taking place in the regional power balance in northeast Asia.

Conference leaders noted that during the decade of the 1970's, a "four power equilibrium" of the United States, the U.S.S.R., the People's Republic of China, and Japan had replaced the two-power rivalry of the United States and U.S.S.R.

They also noted the shift in the regional military balance toward the U.S.S.R. and the political realignments that were taking place and called attention to the fact that South and North Korea and Taiwan were anxiously and eagerly trying to figure out what the changing

international environment portends for their respective military and political positions.

At the time of this conference the United States and the People's Republic of China had not announced the agreement to normalize diplomatic relations.

MILITARY CONSTRUCTION

In conjunction with the committee delegation's participation in the Japan-U.S. Interlegislative Symposium, and related review of East and Northeast Asia matters, the delegation gathered information on U.S. military basing and facility requirements in the Pacific region. In addition to the countries on the delegation's itinerary, there were staff visits to Guam, the Philippines, and Okinawa. Specifically, the examinations focused on (1) long-range U.S. base and facility requirements; (2) near-term military construction; and (3) installation problems impacting on military operations.

The review of construction matters gave considerable attention to the Philippine bases, since these are considered the southern anchor of the U.S. base structure (the Yokusuka, Japan base serves as the northern anchor) and since at the time of the delegation visits the base rights negotiations with the Philippine Government had not been completed. Subsequent to the delegation's return, the administration announced that an agreement had been reached. U.S. construction projects were held in abeyance pending completion of the base rights negotiations. There is a backlog of construction requirements.

A roundtable discussion at the staff level dealt with selected military construction programs that impact on U.S. readiness in the Pacific, including contingency basing requirements, ammunition supply and handling capabilities, and allied burden sharing. Some of these programs are discussed in more detail in the appropriate sections of this report.

Onsite visits and discussions with individual services continued on a review of fiscal year 1980 military construction projects, individual problems, and long-term requirements.

HAWAII

ARMY

Tripler Hospital

The largest item in the proposed fiscal year 1980 military construction program for the Army in Hawaii is the \$73 million request to initiate new construction at Tripler Army Hospital. The hospital serves as the military and Coast Guard Hospital, the Veterans' Administration and Public Health Service Hospital as well as the hospital for the American Trust Territories. An estimated population of 394,000 is served by the hospital.

Associated with the phase I construction program is the phase II modernization of the existing hospital, which will have 500,000 square feet of new space, a completely refurbished main hospital and at least one vacant wing that may be turned over to the Veterans' Administration for long-term care patients. The number of beds (538) will not change as a result of the program.

The new construction at Tripler was one of three alternatives initially considered. The other two alternatives involved construction at a new site which was rejected because of the cost, \$154 million, and lack of suitable sites, and total modernization of the existing plant. According to hospital staff, the latter approach was too expensive and was rejected because economic analysis demonstrated that the combined new construction-modernization program was the most feasible.

Concept design has been completed, the draft environmental impact statement has been prepared and is being processed for clearance by the Department of the Army and project design is scheduled for completion in time for the fiscal year 1980 construction program.

The 30-year-old facility was not designed to meet its current mission. Originally built to care for wounded servicemen, the hospital now serves a totally different population as well as functioning as a teaching institution for military physicians, nurses, technicians, and paramedical personnel.

Physically, the hospital appears to be in solid condition. The lack of required space to meet current standards, accommodate high technology equipment, particularly modern X-ray machines, and provide for well organized health care components detracts from the hospital's efforts to provide first-rate medical care.

If the Tripler construction program is approved, it should be accompanied by a comprehensive management program to achieve maximum efficient utilization. Any costs associated with special requirements of other Federal agencies should be identified, eliminated from the military construction program or put on a cost-sharing basis with other agencies that utilize the facility.

Schofield Barracks

A \$3 million, 32-chair dental clinic has been requested. Assuming that the current military population remains stable, the new clinic is needed to replace the rapidly deteriorating and poorly laid out clinic built in 1928 that currently serves military personnel.

Other projects that will be requested in later years include maintenance equipment shops, hardstands, and enlisted messes. Physically, the current facilities are in poor condition and will need to be replaced or upgraded in the near future.

Kwajalein Missile Range (KMR)

A review of Kwajalein Missile Range projects, conducted at Fort Shafter, Hawaii, with representatives of the Pacific Ocean Division, Corps of Engineers, revealed that three projects are included in the proposed fiscal year 1980 construction program. They include modernization of bachelor enlisted quarters for 550 civilian personnel, modernization of radar facility and upgrade of boat facilities for Kwajalein Missile Range workboat fleet.

The construction program is carried out under negotiated bid with a joint venture firm that has held the basic contract at Kwajalein Missile Range for a number of years. The Army is considering bidding the construction work on a competitive basis in the future.

NAVY

Briefings and visits with the Pacific Fleet Command covered long-term facility requirements, fiscal year 1980 military construction, the Kahoolawe range problem and the selection of architect-engineers for military construction on Guam.

Long-term requirements

The Pacific fleet base structure is designed to meet the following objectives: (1) Homeporting; (2) aircraft basing; (3) ammunition storage; (4) depot maintenance; and (5) training.

Currently, the Pacific fleet has over 200 ships, 2,000 aircraft and 213,000 personnel. It covers one-third of the globe, consists of 44 installations valued at \$6.263 billion and averages \$67 million per year in military construction. With the signing of the Philippine base agreement, the present base structure should prove adequate for some time to come, although some modernization and additions will be required from time to time. Failure to maintain the Philippine naval positions could have meant costly relocation of assets.

Fiscal year 1980—military construction

According to Navy briefers, the Pacific Fleet Command has a requirement of \$125 million in new construction to maintain the status quo. Currently, unprogramed requirements total \$986 million or 15.7 percent of the total value of the command's base structure.

The following table summarizes the Pacific Fleet Command's proposed fiscal year 1980 military construction program. As noted, it totals \$148.8 million, of which 26.8 percent is devoted to energy conservation, pollution abatement, and occupational and safety requirements.

TABLE 1.—CINCPACFLT FISCAL YEAR 1980 MILCON PROGRAM

	Cost (thousands)	Percent
Energy conservation.....	\$3,000	
Pollution abatement.....	16,110	
OSHA.....	150	
Safety.....	20,550	
Total.....	39,810	26.8
BEQ.....	14,550	
Storage facilities.....	9,250	
Training facilities.....	7,400	
Miscellaneous.....	8,300	
Total.....	39,500	26.5
Ship support.....	63,750	
Air stations.....	5,750	
Total.....	69,500	46.7
Total.....	148,810	100.0

The specific projects proposed for fiscal year 1980 are outlined in the following table:

TABLE II.—CINCPACFLT FISCAL YEAR 1980 MILCON PROGRAM

Activity	Project No.	Project description	Cost (thousands)
NS ADAK	017	Fire station	\$3,350
	411	Replace fuel tanks	2,050
	860	Bering barracks modernization	5,600
	861	Mess hall modernization	1,750
	871	Marine barracks modernization	4,200
	886	Sewer system rehabilitation	3,600
NAF ATSUGI	090	BEQ	3,000
NAB CORONADO	124	Pollution abatement facility for abrasive blasting	1,500
NAS FALLON	224	Weapons area improvements	1,450
NSD GUAM	079	Oil spill prevention	2,100
NAS LEMOORE	034	Convert hangar lights	200
	042	F/A-18 aircraft maintenance training building	3,800
	043	F/A-18 aircraft weapons system training facility	2,500
NS MIDWAY	835	Sewer treatment plant	3,900
NAS MIRAMAR	211	Security light and fencing	1,400
	251	Energy control and monitoring system	2,800
	253	Addition to engine maintenance shop	1,600
	255	Out-of-airframe acoustical enclosure	2,200
	264	Helo underwater escape training facility	1,100
NAS MOFFETT	064	HE mags	550
	105	Airfield pavement improvement	4,150
NAS NORTH ISLAND	025	Warehouse	7,200
	090	Shore bomb observation post (SCI)	950
	392	Increased electrical service, berth L	1,450
	439	Precision measurement electrical lab	1,000
NS SAN DIEGO	145	Pier 3 utilities	8,000
SSF SAN DIEGO	042	Pier steam distribution system	2,300
NAS WHIDBEY	001	Sewage system improvement—Lift station	160
	015	Replace asbestos interior station theater	150
	861	Sanitary sewer	2,650
CFA YOKOSUKA	102	Air-condition YHRP facility	150
Total			76,810
Additional projects included in the enhanced budget level:			
NM GUAM	620	Ammo wharf	46,000
NM LUALUALEI	009	Land acquisition, West Loch	20,000
NS SAN DIEGO	200	Quaywall	6,000
Total			72,000

In terms of construction in Hawaii, outside the Pacific Fleet Command, the following table summarizes the proposed fiscal year 1980 program, including three projects at the Marine Corps Air Station at Kaneohe.

TABLE III.—FISCAL YEAR 1980 MILCON PROJECTS IN HAWAII FOR OTHER MAJOR CLAIMANTS

Activity	Project No.	Project description	Cost (thousands)
NAV CAMS EASTPAC	905	Electric power system improvement	\$2,350
NSC PEARL	065	Oil spill prevention	230
NSC PEARL	066	Replace sheetpile bulkheads and quaywalls	3,650
NAVSHIPYDPEARL	089	Pipe shop improvements	7,300
NAVSHIPYDPEARL	213	Service (group) shops	10,200
NAVSHIPYDPEARL	232	Improve light efficiency	420
NAVSHIPYDPEARL	233	Electric ground system improvement	220
PWC PEARL	420	Additional utilities—Mike Wharves	4,450
PWC PEARL	425	Compressed air system improvement—SUBASE	1,000
MCAS KANEOHE	019	Gymnasium	2,000
MCAS KANEOHE	216	Maintenance hangar alterations	510
MCAS KANEOHE	273	Maintenance facility	4,800
Total			37,130

West Loch—land acquisition

This project in the proposed fiscal year 1980 program would cost an estimated \$20 million (\$19 million for land acquisition; \$1 million for relocation of existing special weapon assets). The project is designed to consolidate naval ammunition operations and establish the required explosive safety areas for consolidated operations near the harbor entrance.

Because of the threat of urban encroachment, the Navy has proposed acquisition of approximately 1,007 acres to provide for the necessary protection for naval magazine operations. Much of the land in question is currently planted in sugarcane. As such, there is no conflict with safety requirements; however, several land-use studies indicate that urban development of the property is expected in the near future, and the present landowner, Campbell Estates, has prepared a master plan for the eventual development of the property.

Should the Navy proceed with its consolidation plan, it appears that it is in an untenable position as far as safety requirements are concerned. If the committee determines that such a plan should not be implemented, then it will be incumbent upon the Navy to present other alternatives. In any event, given the factors involved, a decision will be required in fiscal year 1980; otherwise, whatever options may be available will be lost.

The following material summarizes the history of the project.

West Loch land acquisition

1. Public Law 92-545 (Oct. 25, 1972) authorized fee acquisition of 1,167 acres of private land located within the EQSD arcs at West Loch Branch, NAVMAG Lualualei. The amount authorized in this statute was \$10,089,000. This authorization was extended by section 605(3)(1) of Public Law 93-552, approved on December 2, 1974, and continues in force by the partial acquisition by land exchange in 1975 of approximately 161 acres from Hawaii Meat Co.

2. It was originally intended to accomplish the entire acquisition by exchange. The project was presented to Congress on that basis and no appropriation was requested or granted.

3. In 1972 1,178 acres of private land were within the West Loch EQSD arcs. Approximately 10 acres of this comprised the State highway leading to the main gate at West Loch Branch. This area was not included in the project. A restrictive easement has been acquired by the Navy limiting use of this land to highway purposes.

4. The total required Public Law 92-545 project area (1,167.4 acres), less the Hawaii Meat Co. property which was acquired in 1975 (160.7 acres), results in a total of 1,006.7 acres remaining to be acquired. All of this property is owned by Campbell Estate.

5. Efforts to obtain an exchange agreement with Campbell Estate have been unsuccessful and an appropriation is now required in order to complete the acquisition without further delay.

6. Of the \$10,089,000 previously authorized, \$2,380,000 has been used in the Hawaii Meat Co. land exchange. Approximately \$13,300,000 in increased authorization and an appropriation of \$21,000,000 are required to complete the acquisition of the remaining 1,007 acres.

7. In 1971 when the \$10,089,000 project amount was established, Campbell Estate's sugar cane lands within the EQSD arcs were valued at \$6,000 per acre. In 1977 and 1978 appraisals, these same lands were valued at \$15,000 and \$16,500 per acre. The increases reflect the overall rise in land values which occurred on Oahu during this period.

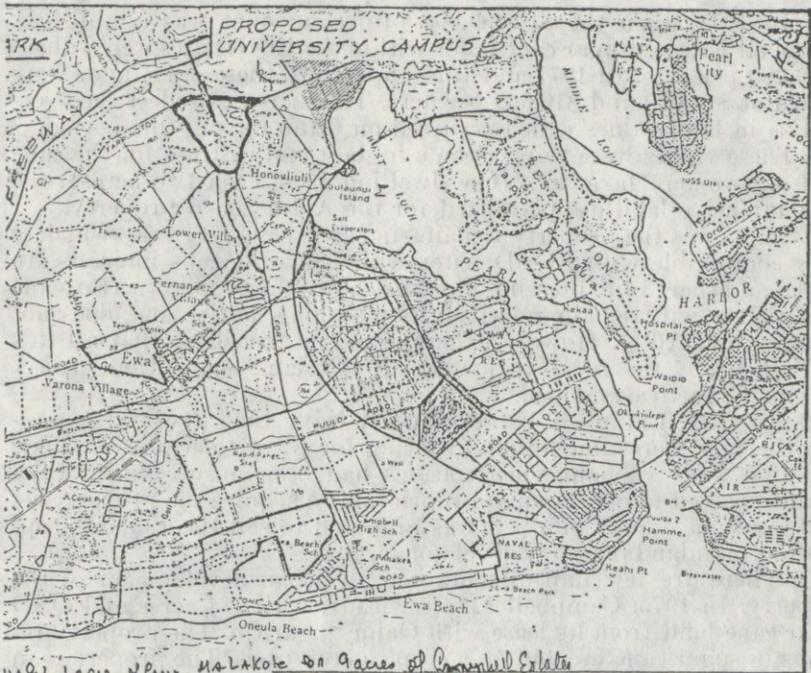
8. These values were based upon a highest and best use for the cane land as two-acre farm lots (one dwelling from each two acres), the most intensive land use permitted for the AG-1 zoned property.

9. So long as the property remains in sugar cane use, a use which is fully compatible with EQSD criteria, the Government's interests are served and there is no pressing need to acquire the property. Also, cane land values will remain relatively low so long as the zone does not change from AG-1. However, there is reason to believe that all this will change if the fiscal year 1980 MCON land acquisition project does not go forth as planned.

10. In 1977, Campbell Estate advised Navy that it would not retain the 1,007 acres indefinitely, waiting for Navy to acquire it. They said that since exchange negotiations had been unsuccessful, Navy should proceed to obtain an appropriation to acquire the property. If that were not done, Campbell was prepared to sell the EQSD property to a mainland property development firm.

11. There are few impediments now to urban development of the property. In 1975, Campbell Estate withdrew all 984 acres of EQSD sugar cane land from its lease with Oahu Sugar Co. The property remains in sugar cane use, but on a crop-to-crop basis. The property can be removed from cultivation immediately upon payment of crop damages, or to avoid damages property development can be scheduled to begin after the harvesting of crops.

12. During the past few years, rapid urban growth has continued in the Ewa area adjoining Campbell's EQSD lands (see enclosure (1)). Campbell Estate has a master plan which calls for eventual urban development of the entire Ewa plain with the exception of the EQSD property which is set aside for Navy acquisition (see enclosure (2)). The city and county of Honolulu general plan calls for the expansion of the Honolulu urban core into this area (see enclosure (3)). Over the long run, if Navy does not acquire the property, it is likely that zoning changes would be approved so that urban development can take place. If the AG-1 zoning for the property were changed to R-6 residential, the estimated cost per acre would be approximately \$100,000. The total project cost would then be about \$107,000,000 instead of \$21 million.

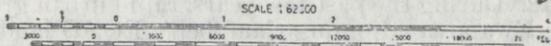


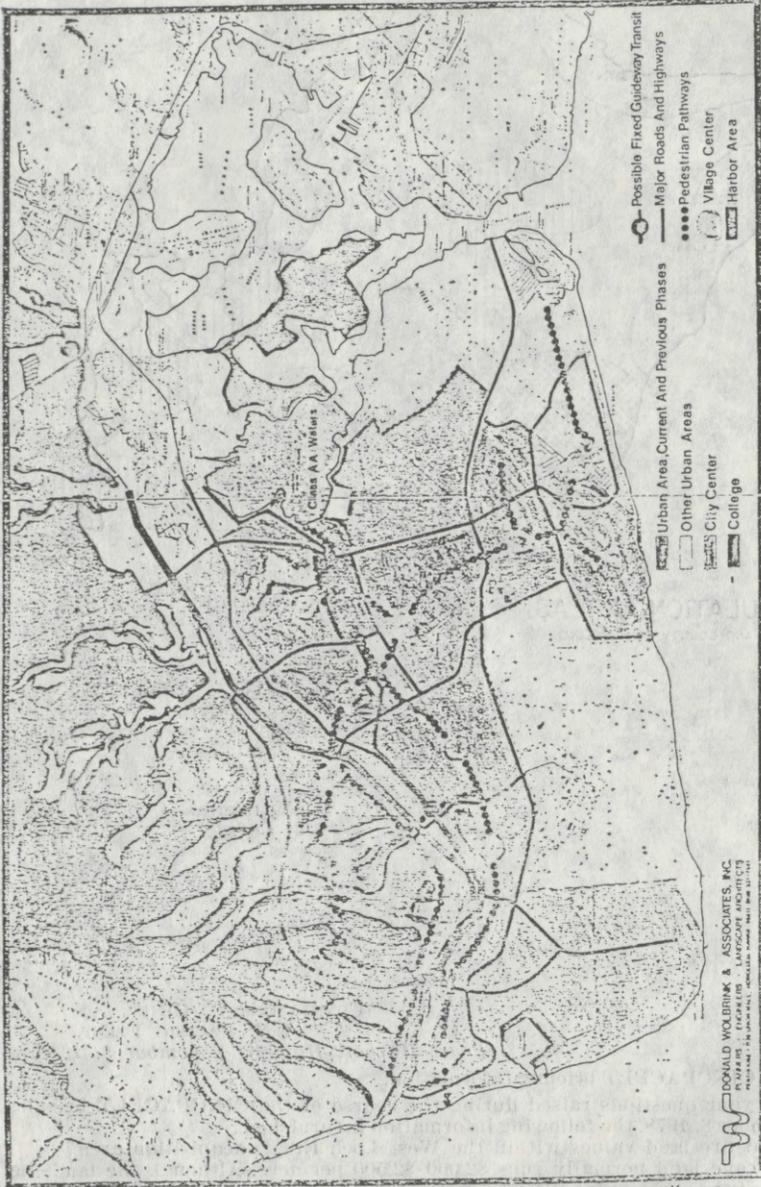
FILE (1)

with 1 acre of Ewa MALAHOE on 9 acres of Proposed Ewa

DISTRICT OF EWA ISLAND OF OAHU

ACRES)
ACQUIRED (1007 ACRES)
ATION

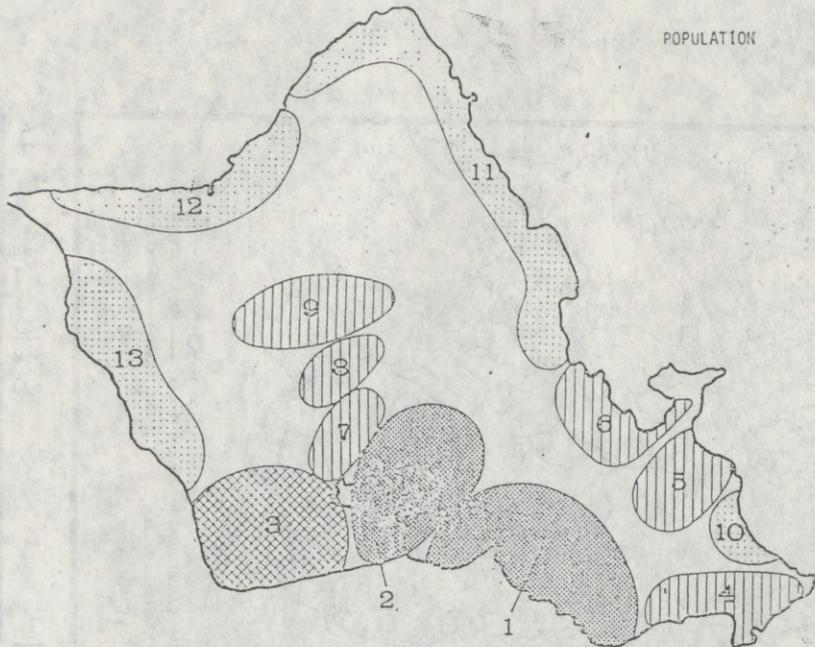





DONALD WOLBRINK & ASSOCIATES, INC.
 1000 W. 10th Street, Suite 100
 Annapolis, MD 21403
 Phone: 410-293-1111

The Framework Plan 5th Stage

Scale 1" = 1/4" 17



POPULATION AREAS
CITY AND COUNTY OF HONOLULU

LEGEND

	<u>PRIMARY URBAN CENTER</u>
	1. Honolulu (Waialae/Kahala-Halewa)
	2. Aiea-Pearl City
	<u>SECONDARY URBAN CENTER</u>
	3. Ewa - Makakilo
	<u>URBAN-FRINGE</u>
	4. Aiea Koa - Hawaii Kai
	5. Kailua
	6. Kaneohe - Ahuimanu
	7. Waipahu - Crestview
	8. Millilani - Waipio
	9. Wahiawa
	<u>RURAL</u>
	10. Waimanalo
	11. Kahaluu - Kahuku
	12. North Shore
	13. Waianae Coast

Encl. (2)

COMMANDER IN CHIEF,
U.S. PACIFIC FLEET,

Pearl Harbor, Hawaii, November 9, 1978.

Subject: CINCPACFLT briefing information.

1. Per your questions raised during the course of the CINCPACFLT briefing on November 8, 1978, the following information is furnished:

a. What are land values within the West Loch ESQD acquisition area?

Sugar cane land normally runs \$2,000-\$2,500 per acre. Although the land the Navy wants to purchase at West Loch is planted in sugar cane, most of it is zoned as two-acre farm lots which are currently appraised between \$16,000 and \$17,000 per acre. A small portion of the property is also zoned residential with a \$60,000 per acre value.

b. What are the lease rental rates in the area?

Agricultural leases are long term and provide either for renegotiation of rental rates every 5 years or are at a rate based upon a percentage of the average amount of income from sugar produced from the land. The current rental rates for sugar cane land in the area are \$115 to \$125 per acre.

Very respectfully,

R. P. NYSTEDT,
Capt., CEC, USN.
Fleet Facilities Officer.

Kaneohe Bay, Marine Corps Air Station

The station's primary mission is to support the first Marine Brigade. At present, the station's military population is 8,500, not counting personnel involved with the Marine Corps development program known as the Marine Amphibious Unit (MAU) rotation program.

The proposed fiscal year 1980 military construction program consists of three projects: (1) Gymnasium replacement, \$2 million; (2) maintenance hangar alterations, \$510,000; and (3) maintenance facility, \$4,650,000. On-site visits indicate that the facilities in question are needed; however, it is possible that one or more of the projects may slip to a later fiscal year because of budgetary concerns.

Overall, the station is emphasizing four major objectives: (1) Completion of bachelor enlisted quarters upgrading; (2) new maintenance and operation facilities; (3) new morale-recreation facilities; and (4) upgrade of existing utility systems.

Kahoolawe

Kahoolawe is the smallest of the eight main islands of the Hawaiian archipelago. It is located approximately 6 miles southeast of the island of Maui. The island is 11 miles long, 6 miles at the widest point, and has a maximum elevation of 1,477 feet. It contains some 28,000 acres in an area of 45 square miles.

The island has been used as a Navy target range since 1941. It is currently utilized for weapons delivery training by the U.S. Navy, Army, Air Force, Marine Corps, Coast Guard, air, ship and ground forces, and for allied naval forces. The targets are used for shore bombardment, gunfire support controller training, close air support training, individual and group air-to-ground attack training, and mortar and artillery firing. Normally, the target complex is in use 5 days and 3 nights each week for locally based units. When aircraft carriers transit the area en route to the Western Pacific, weekend operations for embarked air wings usually are conducted. The projected use of the target complex through 1979 is 285 days and 123 nights each year.

In recent years there has been intense pressure on the Navy to stop the bombing. Most of the pressure has been generated by local activists, especially a group called the "Protect Kahoolawe Ohana." Their appeal to the public is based upon a revival of interest in Hawaiian history and culture, and a concept called Aloha Aina (love of the land). They argue that the aina is sacred to Hawaiians and that the bombing by the military is a desecration of the land. According to the Navy, public statements by some Ohana leaders clearly indicate that their goals include the return of all military property to the people and that Kahoolawe is just the first domino.

Legal claims have been filed in Federal Court against the Navy on environmental grounds. The Navy is in the process of preparing and submitting a new environmental impact statement. In addition, a memorandum of understanding has been signed with the Governor of Hawaii that covers significant items associated with the dispute:

MEMORANDUM OF UNDERSTANDING
PERTAINING TO THE ISLAND OF KAHO'OLAWÉ

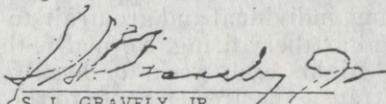
In a spirit of mutual cooperation, this memorandum of understanding has been signed to set forth common intent and objectives concerning the island of Kaho'olawe. The United States Navy and the State of Hawaii agree to implement the following regarding the island of Kaho'olawe:

- (1) The elimination of all cloven-hooved animals from the island;
- (2) A soil conservation program evolving from the cooperative experimental planting programs jointly conducted by the State of Hawaii and the U. S. Navy since 1970;
- (3) A program of continued cooperation between the Navy and the State in inventorying archaeological sites on Kaho'olawe which are eligible for inclusion in the National Register of Historic Places;
- (4) The careful planning of operations by the Navy so as to avoid hazarding such sites;
- (5) The provision for reasonable support services and transportation by the U. S. Navy to carry out the above programs;
- (6) The continuance of efforts to develop other programs for mutual benefit; and
- (7) The development of specific management plans for performing the above; it being understood that the activities included in the management plans shall be accomplished speedily and cooperatively.

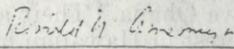
The State is aware of the position of the United States Navy that there is continuing need for the island of Kaho'olawe. The State is also aware, however, of the special concerns of various organizations and individuals regarding land use of the island of Kaho'olawe. The United States Navy is also aware of the State's desire for the ultimate transfer of the island of Kaho'olawe to the State in accordance with federal laws.

This memorandum is to take effect on August 9, 1978.


 GEORGE R. ARIYOSHI
 GOVERNOR, STATE OF HAWAII


 S. L. GRAVELY, JR.
 VICE ADMIRAL, U. S. NAVY
 Commander THIRD Fleet

Approved as to Form:


 State of Hawaii
 Attorney General

Dated: August 5, 1978

Should the Navy be required to terminate training on the island or relinquish control of it, preliminary estimates indicate that it would cost over \$100 million to remove unexploded ordnance. An undetermined amount of unexploded ordnance lies on the surface, just below the surface, and in the surrounding waters. Extensive decontamination work could provide approximately 80 percent surface clearance, but

there is no guarantee against the later exposure of undiscovered ordnance. The adjacent waters within the 10-fathom curve present special problems in clearing.

Explosive ordnance specialists have surface-swept the eastern one-third of the island for troop movement, and surveys have been done on other parts of the island and surrounding waters in an attempt to determine the scope of the problem. Also, the high iron content of the soil of Kahoolawe renders modern metal detector devices useless, further compounding the problem.

As far as alternative sites are concerned, the Navy reports that sites outside the Hawaiian Islands are also outside the range of ships and aircraft for training purposes. For example, the nearest training site is San Clemente Island, Calif. It is 11 extra days round-trip steaming time for destroyer-class ships, \$10,000 per day in fuel alone, and personal hardship of extra time away from home for young sailors and marines. Sites in the western Pacific carry an even greater handicap in terms of distance.

There are no other suitable sites within the State's political and geographic boundaries. Pohakuloa, on the Big Island, is beyond the range of naval gunfire, and would inhibit air operations because of weather and proximity of mountains. Makua Valley on Oahu would require ships to fire over populated areas, which is unacceptable. Kaula Rock, off Kauai, is too small for combined Navy-Marine operations and is not usable for most types of naval gunfire exercises because it is too small to safely allow spotters to observe and score the exercises. The Pacific Missile Range Facility at Barking Sands, Kauai, is an underwater range and does not contain land targets, making it unusable for most operations.

The Leeward Isles-Necker, Nihoa, French Frigates Shoals, are unusable because they are (1) bird and wildlife sanctuaries, (2) too small for naval gunfire training, or (3) too small for artillery and air-to-ground training operations.

Architecture-engineer selection—Guam

In May 1978, the Naval Facilities Engineering Command (NFEC) adopted a new policy governing the selection of architect-engineer contracts for designwork associated with military construction projects on Guam.

The new policy stipulates that projects costing \$500,000 or over that are considered technically complex construction projects will be handled by the Commander, Pacific Division (NFEC), instead of the Officer in Charge of Construction, Marianas, the onsite agent for Guam construction. As a result, the Guam architect-engineer community has registered complaints indicating that the decision will mean less work for them.

Subsequent discussion with the OICC, Marianas, indicates that decision is supported by that Office. Because of the work associated with Typhoon Pamela restoration efforts and the trust territories infrastructure construction program, the OICC, Marianas, reported that adequate staffing is not available at the level to monitor the work. Previously, a public school and an Army Reserve center on Guam had to be closed because of construction problems; whether or not these particular projects prompted the change in policy is not clear. It is appar-

ent, however, that this experience caused the Navy to review operations on Guam.

AIR FORCE

Discussions with the Pacific Air Command indicate that the present base structure is adequate for current force levels and objectives; however, it is possible that expansion of existing facilities may be required.

In terms of near-term military construction, Air Force briefers focused on Korean bed-down requirements. This item will be discussed under the section of the report concerned with Korea.

GUAM

Discussions with military commanders on Guam suggest that the island along with the U.S. Trust Territories in Micronesia are viewed increasingly as possible fallback positions for the current line of defense maintained by the United States. While this perspective may be of a longer range, it does have more immediate implications as far as land acquisition and military installation requirements are concerned.

It is essential, therefore, that assessment of the total capabilities and requirements of establishing this type of basing alinement in these areas is developed; otherwise, it is conceivable that decisions made now could result in reduction of current capabilities to the extent that irreparable damage is caused. Specifically, further reduction in the capability of the Guam shipyard repair facility could seriously hamper any future requirement to expand its operations. Also, the land consolidation and exchange program on Guam should be carried out in a manner as to eliminate unnecessary military holdings.

NAVY

Visits were made to six separate Navy activities on Guam to review their military construction programs: (1) Public Works Center; (2) Naval Magazine; (3) Naval Station; (4) Ship Repair Facility; (5) Naval Communications Station—Barrigada; and (6) Naval Air Station—Agana.

Public Works Center

The Public Works Center is the largest naval activity in Guam. An industrially funded activity, the Center has 1,260 civilian employees and generates \$45 million annually in its accounts.

Three military construction projects are identified for fiscal year 1980. The first is a \$1.2 million energy monitoring and control system that is designed to cover 125 buildings, promote savings of 530,000 gallons of fuel per year, and have a 2½-year payback. The project is being designed for expansion capability.

A \$1.6 million boiler stack replacement project is proposed. As a pollution abatement project, it is designed to bring current power-plant operations into compliance with Clean Air Act requirements covering stack emissions.

The third project is a water pollution control project that is designed to collect and dispose of wastewater from ships berthed in Apra Harbor. The project costs an estimated \$300,000.

One other point is made. The fiscal year 1978 sanitary sewage collection and treatment project, authorized in the amount of \$2.8 million, may be canceled since the Navy is taking the position that it would be the only organization providing secondary treatment.

Naval magazine

The magazine has 200 ammunition storage facilities situated on 8,800 acres. It has a 40,000-short-ton storage capability.

The major project associated with the magazine is the Orote Point Ammunition Wharf. Phase I of the project was authorized in the amount of \$21.4 million in fiscal year 1979. Phase II is estimated to cost \$21.6 million. Review of the project indicates, however, that its timetable may slip. At the time of the visit, environmental impact hearings were being held. Opposition was being expressed to the project's location, and suggestions were being made that the wharf should be located closer to the breakwater.

Three points were raised in conjunction with the project. One involves the capability of handling containerized ammunition. Based upon reports that the Army, the manufacturing agent, was not planning to containerize ammunition, questions arose about designing the wharf to handle containerized loads. While it appears that an increasing number of cargo ships have containerization capability, the Navy reports that containerization was not built into the present wharf design beyond a capability to install rail lines in the future.

The second point concerns the shipment of ammunition to Anderson Air Force Base. Presently, the ammunition is transported by truck from the present Hotel Wharf, up the middle of the island, to the north end of the island, where Anderson is located. Unless the Anderson Base barge facility is programmed, the whole project may be subject to question because of the island transportation issue.

The third point involves alternate funding sources. The present ammunition wharf is located in the commercial part of the harbor. As a result, when naval ammunition operations are involved, commercial port activities are suspended. It has been suggested that either commercial resources or other Federal funds associated with economic development efforts be utilized for the project. Indications are, however, that neither one of these alternatives is available at the present time. The Guam naval magazine has two other problems confronting it. One involves corrosion of the doors of the ammunition igloos, which were built in 1945. The other is that the protective gates that are part of the security system for special weapons may not operate properly due to tropical climates. This problem had not been resolved at the time the report was written.

Naval station

The naval station's mission is to provide ship support and depot supply operations. The complex has limited facilities for receiving the fleet. A better balance needs to be established between fleet requirements and facilities; for example, barracks are being used as administrative space and for a dispensary. As a result, housing is in short supply to support the fleet.

Ship repair facility

Originally established in 1945 as part of the Navy's industrial department, the ship repair facility currently employs 700 civilian work-

ers. Covering 184 acres, the facility is located between the inner and outer Apra Harbor, and can accommodate up to 19,000 tons in its drydock. It has the only acoustic range in the Western Pacific Command. The facility cannot handle aircraft carriers without dredging the present channel.

Naval Communication Station, Barrigada

A standby generator, originally scheduled for fiscal year 1980, has been delayed. The need for the project is clear since when one of the two existing 2,500-kilowatt generators is out of service, the total technical load cannot be carried by the present standby generators.

Naval Air Station

The construction work here involves the enlisted quarters that are being restored and modernized after Typhoon Pamela, but the work has been delayed because of material shortages.

AIR FORCE

Anderson Air Force Base

A \$46 million Typhoon Pamela restoration program was authorized in fiscal year 1977, but major construction is just being because of delays in receiving materials. Much of the construction will be concrete structures in order to minimize future storm damage.

The largest component involves \$22 million to renovate all 1,454 housing units on the base. One interesting aspect of this renovation work involves the installation of a reheat coil in the air conditioners. This reheat coil is able to supply most of the hot water required for the quarters. This application should be examined to determine the feasibility of using it elsewhere.

The proposed fiscal year 1980 military construction consists of one program, a \$251,000 addition to the base fire station to house the new P-15 crash vehicle.

Trust Territories

Interest is being expressed in developing military bases in the United States Trust Territories in Micronesia. Specifically, consideration is being given to requesting \$24 million in fiscal year 1980 to acquire a 100-year leasehold interest in 17,000 acres of land on Tinian, part of the Northern Mariana Islands. The land would be used for training operations as well as the possible development of an air base for contingency purposes. In fact, an interim lease of land on Tinian reached the point of a memorandum of understanding with the Governor. The legislature, however, challenged the memorandum of understanding because of recent bombing exercises. The memorandum of understanding has subsequently been agreed to and signed by all interested parties.

Of particular interest is the fact that the land acquisition and base development proposal was part of the negotiations between the United States and the Tinian Government on the covenant to establish a Commonwealth of the Northern Mariana Islands. The Tinian Government supports the program, viewing it as economic development. Under the agreement, the United States has until January 9, 1983, to make payment for the leasehold.

The other area in Micronesia in which the United States has expressed interest in obtaining land for military operations is the Island of Palau, the western terminus of the Western Caroline Islands. As contemplated, the United States would like to obtain access to the Malakal Harbor, 2,000 acres on the island of Babelthuap for a base support complex, 30,000 acres on Babelthuap for ground force training and maneuvers, and joint use of both the Koror airport and Anguar airfield and their improvement to military standards.

PHILIPPINE ISLANDS

NAVY

Subic Bay

Discussions were held with a number of the commands at Subic Bay and visits were made to the five major activities at the base. From a physical standpoint, Subic Bay has been very successful in maintaining its old facilities. There has been little new construction since the Vietnam period and the base negotiations had resulted in the suspension of any new construction.

Public Works Center

The Public Works Center has instituted an apprenticeship program in order to protect its skilled manpower base. To date, 1,400 individuals have graduated and 100 students are currently enrolled. Over the last 2 years, the Public Works Center has lost 20 percent of its work force to Mideast countries which offer substantial wage increases to workers. Efforts are being made to recruit female workers for the apprenticeship program because it is thought they will be less inclined to relocate after their training is completed. Presently, 20 percent of the apprentices are female.

Naval supply depot

The depot has a critical computer backlog problem that requires immediate relief. The backlog is averaging at least 150 hours of computer time per week. This lack of adequate inventory control and administrative oversight only compounds the extensive security problem at Subic Bay. Estimates indicate that security losses run over \$1 million annually. The command is exploring the use of minor construction to provide more space for additional computers.

Ship repair facility (SRF)

The SRF also has an apprenticeship program to attempt to hold down personnel losses. In the past 2 years, 1,100 workers have been lost to the Mideast. Presently, the work force is 4,200 Philippines and 64 U.S. citizens. Because of the heavy work schedule, three shifts are run per day.

In addition to the impact of the Mideast on the work force, the ship repair facility may face further personnel losses when the Japanese ship repair facility at Subic Bay is put in operation. That facility is being constructed as a joint venture between the Government of the Philippines and the Japanese firm of Kawasaki Heavy Industries, with Government of Japan support. The purpose of the facility is to repair Japanese oil tankers. It will be located across the harbor from the ship repair facility, Subic.

Military construction requirements at the ship repair facility include upgrading the power systems at two piers.

Naval magazine

The ammunition magazine is a 12,000 acre complex which houses a \$140 million inventory. It serves as a transshipment point to Okinawa, Korea, and Japan. The most pressing construction requirements include correcting internal and external encroachment problems, relocation of administrative facilities from explosive safety arcs and increased fire protection.

Naval air station—Cubi Point

One of the major problems at the naval air station is the inability to find reliable contractors. A number of construction projects stand incomplete. Station personnel reported that contractors have simply walked away from the jobs.

There is a requirement for transient crew housing and upgrade of hanger space.

AIR FORCE

Clark Air Force Base

Clark Air Force Base, headquarters of the 13th Air Force, is a strategically located, valuable resource. It provides access to the Southwest Pacific, mainland Asia, the Indian Ocean, and the Middle East. It also represents a commitment to U.S. presence in the region. Many of the facilities are old, however, and will need to be replaced.

One issue is very sensitive. The Philippine Government has sought to have the U.S. Air Force place its planes on alert status in conjunction with the Spratly Island dispute. Both the Philippines and Vietnam are claiming the island which is located approximately midway between the two countries in the South China Sea. Rumor of vast oil resources have spurred interest in the island. The Philippine Government is also interested in obtaining F-4 aircraft from the United States in order to reach the island. To date the United States has not acceded to either request.

OKINAWA

Visits and discussions focused on Japanese burden sharing and spending military construction requirements.

Kadena Air Force Base

Under the Japanese facilities adjustment program (JFAP), which will probably terminate in fiscal year 1979, the Japanese Government replaces like facilities for the United States on U.S. installations. This enables the Japanese to regain land previously held by the United States. To be eligible, the original U.S. facility must be operational until it is replaced. Under JFAP, the United States does not hold title to the buildings.

Under JFAP, the United States does not have a voice in the selection of projects. While the Japanese initially replaced operational-type projects, the present emphasis is on building family housing, with some 900 units remaining to be built. The requirement for housing is critical. Off-base housing runs about \$350 per month for 1,000 to 1,100 square feet, with utilities extra.

The following charts summarize the JFAP and other relocation efforts, including base consolidation, on Okinawa and the mainland:

SUMMARY OF MAJOR RELOCATION PROGRAMS IN JAPAN: OKINAWA

Program	Estimated construction cost (million)			Number of bases totally or partially released		Acreage involved in release		Actual/estimated program completion date
	Program total	Remaining	Percent	Total	Released to date	Total	Released to date	
Japan facilities adjustment program (JFAP)-----	\$265	\$138	52	2	1	1,062	248	1981
Okinawa base consolidation plan (OBCEP)-----	1 350	320	91	41	28	7,033	3,752	1984
Consolidation and reduction of Okinawa facilities (CROF)-----	35	34	97	11	2	3,328	587	1984

¹ Including \$150,000,000 for Naha port.

SUMMARY OF MAJOR RELOCATION PROGRAMS IN JAPAN: MAINLAND

Program	Estimated construction cost (million)			Number of bases totally or partially released		Acreage involved in release		Actual/estimated program completion date
	Program total	Remaining	Percent	Total	Released to date	Total	Released to date	
Grant Heights/Green Park relocation program-----	103	0	-----	2	2	484	484	Aug. 1976.
Kanto Plain consolidation plan (KPCP)-----	175	0	-----	7	7	5,888	5,888	Sept. 1978.
Yokohama housing relocation program (YHRP)-----	125	69	55	4	2	191	2	1982.
Kanagawa facilities consolidation program (KFCEP)-----	75	73	97	4	0	135	0	1983.
Defense communication system reconfiguration (DCSR) Kanto Plain-----	17	17	100	2	0	95	0	Unknown.

The fiscal year 1980 military construction program proposed for Kadena Air Force Base includes three projects totaling \$3,937,000. With the bed-down of the E-3A AWACS aircraft, a \$2.4 million aircraft corrosion-control facility is requested. A squadron operation building, costing \$632,000 is also proposed. This project was denied in fiscal year 1979 because of the availability of other space, but local Air Force officers stated there was insufficient space available for permanent use. A base supply and equipment facility, costing \$882,000 is also requested.

Future military construction projects will be related to the bed-down of the F-15 aircraft. It should be noted also that construction bids are currently running at about 72 percent of the current working estimate; therefore, it does not appear that devaluation of the dollar has severely impacted on the military construction program.

ARMY

Chibana Petroleum Distribution Center

Since 1977, the Army's role in Okinawa has been reduced and many of its facilities have been turned over to the Marine Corps. The Army maintains a minimum force level to operate the petroleum distribution system.

The system, which functions as the defense fuel supply point for Okinawa, handles 241,000 barrels of fuel per month. Most of the equipment is 25 to 30 years old and some of the pipeline in the densely populated area of Naha has been closed off because of safety problems. In the last 5 years maintenance and repair has doubled.

The United States plans to return the Naha tank farm and pipeline to the Japanese Government. In return, the United States is seeking a \$35 to \$40 million replacement complex at North Chimaron, with 7 new tanks with a capacity of 500,000 barrels, to handle diesel fuel, motor fuel and aviation fuel.

As part of the modernization effort, the Army has proposed for the fiscal year 1980 military construction program a \$2.793 million tank replacement project at the Kuni tank farm.

MARINE CORPS

Camp Butler

There has been no military construction for the Marine Corps on Okinawa since 1969. Many of the facilities have been either constructed by the Japanese Government (approximately \$33 million) or inherited from the Army. Under the proposed Japanese cost-sharing program, it appears, that 10 percent of the dollars will come to Okinawa while 60 percent of U.S. forces in Japan are located on Okinawa.

Marine Corps installations on Okinawa need to upgrade personnel facilities. Improved housing and modernization of dining room facilities appear to be two of the most pressing needs.

JAPAN

Even though the Japanese Government intends to embark on a facilities cost-sharing program in 1979 to provide new family and bachelor housing for U.S. forces in Japan, there will be a continuing requirement for military construction authorized by Congress for U.S. bases in Japan.

For the 5th Air Force in Japan (not including Okinawa), planners are proposing two new elementary schools at Yokota Air Base for inclusion in the fiscal year 1980 military construction authorization bill. At Misawa Air Base, a chapel center and dependent high school are being proposed for fiscal year 1980.

At Iwakuni where the U.S. Marines operate an air station, there is a 5-year backlog of military construction totaling \$85 million, including an elementary school currently programmed for fiscal year 1980. About half of the remaining backlog is for bachelor housing to replace substandard barracks, perhaps the worst in the U.S. military inventory. If the barracks problem is eventually corrected through the Japanese initiative of facilities cost sharing, the emphasis at Iwakuni will be to include mostly operational type projects in the next several annual military construction programs. Until this year, there had not been any military construction program for Iwakuni since 1969 because of uncertain tenure and location of U.S. forces in Japan. Last year, the Marine Corps made a long-range commitment to Iwakuni and as a result the committee added an enlisted barracks project to the fiscal year 1979 military construction authorization bill approved by Congress.

Air Force

With the gradual withdrawal of U.S. Army forces, the Air Force has been assigned increased responsibility. Coupled with the Korea cost-sharing program, the Air Force military construction program is expected to increase significantly in the next few years.

While the total dollar value of the Korean cost-sharing program has not been determined, current spending levels are in the \$30 to \$40 million range. Unlike the Japanese who emphasize nonoperational projects in their cost-sharing program, the Korean Government is emphasizing operational projects at bases that are not under U.S. control. This enables the Koreans to use the facilities in the absence of U.S. forces. At U.S.-controlled bases, such as Osan, selected support projects, including housing, are being approved. In addition, the Korean Government is providing real estate with its program.

Osan Air Force Base

At Osan Air Force Base, the U.S. Air Force's primary air base in Korea, it was learned that efforts are underway to extend the current 1-year personnel tour to 2 years. This policy will stabilize personnel and reduce turnover. To compensate for the extension approval being granted to selected personnel is to have their families accompany them. As a result, additional family housing requirements are being identified.

The fiscal year 1980 military construction program reflects the Air Force's concern with readiness and the perceived threat of North Korea.

Major projects include six quick-turn facilities (\$6 million) that are designed to provide pit stop service to aircraft under hardened covers. The quick-turn approach is driven by the stated Air Force objective of increasing the number of sorties individual aircraft can undertake on a daily basis.

Complementing the quick-turn facilities is a proposed \$1,350,000 arm/disarm pad. This safety project will enable aircraft to load and unload munitions in a less congested area.

The largest project proposed for Osan is \$12 million for 12 aircraft shelters. Another 12 are scheduled for fiscal year 1981. By the end of this year, Osan will have 111 aircraft protection revetments and aircraft shelters. This total includes 59 shelters which can handle F-15 aircraft.

Presently, Osan has all of its in-place aircraft protected by shelters. A question arises, then, with respect to the need for additional shelters. Air Force spokesmen claim that with the number of augmentation aircraft scheduled for Osan additional shelters are required. The committee will want to examine this issue closely during its review.

Other projects include airfield improvements, security upgrade and training additions. In sum, the fiscal year 1980 military construction program at Osan totals \$21,560,000. In fiscal year 1981, the program planned is estimated at a total of \$50,755,000.

New family housing is also programed for Osan. The Korean Government has approved 200 units for the base. According to the Air Force, the units will meet Department of Defense space requirements.

The project is estimated to cost over \$11 million. Ultimately, the Air Force at least at base level, would like to have 1,000 units of family housing at Osan. The current planning for community support facilities at the base is predicated on the 1,000 figure; therefore, it will be necessary to monitor the construction program at Osan to make certain that the scope of the support facilities are in line with the number of housing units.

In addition to the units at Osan, 700 units are scheduled to be built for the U.S. Forces Command at Seoul. The project will be in three phases and according to Korean estimates will cost \$30 million.

At the Kunsan Air Force Base, the other major Air Force base in Korea in addition to Osan, two projects are proposed for fiscal year 1980. One is a taxiway upgrade effort costing \$3,450,000. The other involves alteration of existing aircraft shelters by adding power and light capability. This would cost \$510,000.

