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THE END OF THE POSTWAR ERA

TIME FOR A NEW PARTNERSHIP OF EQUALITY WITH JAPAN

A REPORT

BY

Senator MIKE MANSFIELD

Majority Leader, United States Senate

TO THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

(II)



AUGUST 1976

Printed for the use of the Committee on Foreign Relations

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LETTER OF TRANSMITTAL

AUGUST 2, 1976.

HON. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: AS you know, with the Committee's permission, during the July recess I made an official trip to Japan to study major United States foreign and security problems in the Far East with emphasis on United States relations with Japan and Japanese attitudes concerning a number of matters of mutual interest, such as issues involving the People's Republic of China, the Soviet Union, and Korea. I am hereby transmitting my report on that trip. A confidential report has been sent to the President.

I was in Japan from July 9 through July 16, when I returned to Washington. While there I received a thorough briefing from Ambassador James D. Hodgson and his staff concerning political, economic, and security matters. I also had an informative briefing from Lt. General Walter T. Galligan, USAF, Commander, U.S. Forces Japan, and his staff concerning the status of U.S. military bases and personnel in Japan. Both Ambassador Hodgson and General Galligan were most helpful and cooperative.

I met with a number of officials of the Japanese government, each of whom was most generous with his time. Among those with whom I held discussions were Prime Minister Takeo Miki; Deputy Prime Minister and Director General of Economic Planning, Takeo Fukuda; Foreign Minister Kiichi Miyazawa; Director General of the Japan Defense Agency, Michata Sakata; and Finance Minister Masayoshi Ohira. My conversations with each official covered a wide range of subjects and thus gave me a broad cross section of opinion within the Japanese government on many matters of common interest.

In addition to these meetings, I had an opportunity for informal discussions with Deputy Minister of Foreign Affairs Keisuke Arita and several of his colleagues, former Japanese Ambassadors to the United States Takeshi Yasukawa and Nobuhiko Ushiba, and others.

I was accompanied on the trip by Mr. Francis R. Valeo, Secretary of the Senate, and Mr. Norvill Jones of the Committee staff. In order to obtain further information concerning the Korean problems and the Taiwan issues, as they relate to Japan, I sent Mr. Valeo to Korea and Mr. Jones to Taiwan following the completion of my schedule in Japan. At my request, Mr. Jones also inspected the U.S. military base situation in Okinawa on his way back to Washington.

I wish to express my appreciation to the Department of State for making my travel arrangements; to Ambassador Hodgson and his staff for their assistance and many courtesies; to General Galligan and his staff for the briefing and other helpful information; to the Congressional Research Service of the Library of Congress for assembling background materials; to the Department of Defense for assistance in the field to Mr. Valeo and Mr. Jones; to Mr. Valeo, who, as a former consultant to the Committee on Foreign Relations, has accompanied me on many past missions abroad, and to Mr. Jones of the Committee staff, who has also accompanied me on a number of past missions, for their assistance in connection with the trip.

Sincerely yours,

MIKE MANSFIELD.

LETTER OF TRANSMITTAL

August 2, 1976

Hon. John Sparkman,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: As you know, with the Committee's permission, during the July recess I made an official trip to Japan to study major United States foreign and security problems in the Far East with emphasis on United States relations with Japan and Japanese attitudes concerning a number of matters of mutual interest, such as issues involving the People's Republic of China, the Soviet Union, and Korea. I am hereby transmitting my report on that trip. A confidential report has been sent to the President.

I was in Japan from July 2 through July 16, when I returned to Washington. While there I received a thorough briefing from Ambassador John D. Hodgson and his staff concerning political, economic, and security matters. I also had an informative briefing from Lt. General Walter T. Galligan, USAF, Commander, US Forces Japan, and his staff concerning the status of US military bases and personnel in Japan. Both Ambassador Hodgson and General Galligan were most helpful and cooperative.

I met with a number of officials of the Japanese government, each of whom was an experienced person with his time. Among those with whom I had discussions were Prime Minister Takeo Miki, Deputy Prime Minister and Director General of Economic Planning, Takeo Fukuda; Foreign Minister Shiro Nakasone; Director General of the Japanese Agency, Shiro Seki; and Finance Minister Masayoshi Ohira. Japanese officials with each official covered a wide range of subjects and thus gave me a broad cross section of opinion within the Japanese government on many matters of common interest.

In addition to these meetings, I had an opportunity for informal discussions with Japanese Ministers of Foreign Affairs, Keisuke Arita, and several of his colleagues, former Japanese Ambassadors to the United States, Japan, New Zealand, and the United Kingdom, and others. I was accompanied on the trip by Mr. Francis M. Taylor, Secretary of the Senate, and Mr. Donald Jones of the Committee staff in order to obtain further information concerning the Japanese problems and the Asian issues as they relate to Japan. I sent Mr. Taylor to Korea and Mr. Jones to Japan following the completion of my schedule in Japan. At my request, Mr. Jones also inspected the US military base situation in Okinawa on his way back to Washington.

I wish to express my appreciation to the Department of State for making my travel arrangements for Ambassador Hodgson and his staff for their valuable and many courteous to General Galligan and his staff for the briefing and other helpful information; to the Congressional Research Service of the Library of Congress for assisting in the preparation of the report; to the Department of Defense for its assistance in the field to Mr. Taylor and Mr. Jones; to Mr. Taylor who was a former consultant to the Committee on Foreign Relations and accompanied me on many past missions abroad; and to Mr. Jones of the Congressional staff who also accompanied me on a number of past missions. Their assistance in connection with the trip.

Sincerely yours,

Mike Mansfield

THE END OF THE POSTWAR ERA—TIME FOR A NEW PARTNERSHIP OF EQUALITY WITH JAPAN

I. IMPORTANCE OF THE UNITED STATES-JAPAN RELATIONSHIP

One hundred and twenty-three years ago Commodore Matthew Perry led four U.S. naval vessels into Tokyo Bay, opening Japan to the outside world after more than two centuries of isolation. A new relationship began for our two countries, a relationship which, over the years, has moved through a broad spectrum, from friendship to war and back to friendship again. It is commonplace to say that there is a special relationship between our two countries. But this is an inadequate term to describe the interdependence and mutuality of interests that have come to bind our countries together. A stable Japan, which poses no military threat to the nations of Asia, is essential to stability and peace in the Pacific and the world. Although it lacks military power, Japan is the world's third ranking economic power and second only to the United States among the industrial democracies. In this sense, it is a factor to be reckoned with in its capacity to influence the flow of international events.

Aside from the umbrella of security provided by the mutual security treaty, the United States relationship is essential to Japan as a source of food, raw materials, and as a market for Japan's industrial output. To the United States, far less dependent on world markets for economic well-being, the Japanese tie is essential in a different, but no less important sense. It is a fundamental pillar in present U.S. foreign policy whose goal is continued stability in the Western Pacific. Geography and history, combined with the genius and industry of the Japanese people, have made Japan a keystone of that policy. The waters of the Pacific lap the shores of all the world's major powers—the United States, the Soviet Union, China, and Japan—and it is in the environs of the latter country that the interests of all are most entwined. For this nation which has fought three wars in Asia within a generation, the role of Japan in the structure of peace in the Pacific will continue to be of utmost importance in the years ahead. It is in the interest of both peoples to work at strengthening this unique relationship.

The visit by Commodore Perry began what became the first of a series of ups and downs in relations between Japan and the United States. Unlike our ties with Great Britain, language and cultural differences have been obstacles to mutual understanding between Japanese and Americans. Trust does not come easy under these circumstances. Extraordinary efforts by both sides are necessary. As Professor Edwin Reischauer, former U.S. Ambassador to Japan, wrote recently, this difficulty is compounded by the fact that: "We for

our part have lingering traces of the unquestioned nineteenth century assumption that the West was in all ways superior to the rest of the world."

Since the post-World War II occupation began, Americans have had a tendency to take the Japanese tie for granted. The Nixon "shocks" arising out of a failure to consult on measures to support the dollar, to suspend soybean exports, and on the new China policy have not been forgotten. There should be no more such unnecessary and undiplomatic treatment of our closest major ally in the Pacific.

II. FOREIGN POLICY AND SECURITY

Japan is an island nation. That, and an astute foreign policy have relieved its people of any discernible fear of attack from abroad. It enjoys good relations with all of the major powers and diplomatic and commercial relations with practically every nation of the world. A security commitment from the United States permits the spending of less than one percent of its gross national product for defense purposes. Japan's foreign policy, which is built around the umbrella of the security pact with the United States, has paid rich dividends by freeing resources for economic growth that would otherwise be devoted to unproductive military spending.

Article IX of the Japanese Constitution is the foundation of Japan's external policies. It states:

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.

Within these constraints, Japan has, like a Phoenix, risen from the ashes of defeat and humiliation into a unique position on the international scene. There is widespread public sensitivity among the Japanese to all military issues, particularly to those involving nuclear weapons. Japan's status as an unarmed, economic giant in a world bristling with weapons of mass destruction has contributed greatly to the easing of bitter memories of Japanese militarism, to the opening of doors to Japanese economic dynamism, and to a more stable international environment, notably in Northeast Asia.

Japan maintains only a small Self-Defense Force consisting of some 240,000 men. Recruitment for even this small force is difficult. At bottom, Japan's real security, aside from the U.S. commitment, is entrusted to effective foreign policies.

Following in the path of the Nixon visit to Peking, Japan established diplomatic relations with the People's Republic of China on September 29, 1972, but a Sino-Japanese peace treaty to end the formal state of hostilities from World War II has not yet been concluded. It is stalled by a dispute over Chinese insistence on an "anti-hegemony" clause. Although agreeable in principle to such a clause, the Japanese confront the fact that the Soviet Union has indicated that such language in a treaty would be considered an unfriendly act. Negotiations with China have been at a stalemate since last year. Meanwhile, trade and other relations with China continue, with \$2.5 billion in exports to China and \$1.5 billion in imports from China in 1975, three times the level of trade in 1970.

Under the "Japanese formula," Japan also maintains economic and cultural relations with Taiwan. The nation's interests on Taiwan are represented by the unofficial organization designated the "Japanese Interchange Association," which is headed by a former Japanese ambassador. The association is financed primarily by private funds. Taiwan's interests in Japan are represented by the Far East Association. The personnel of neither organization have any form of diplomatic status or immunity.

Other countries which recognize the People's Republic of China look after their trade or cultural interests in Taiwan through varying types of organizations: Great Britain through the Anglo-Taiwan Trade Committee; Germany through the Goethe Institution; Spain through the Cervantes Center; and the Philippines through the Asian Exchange Center. Taiwan has developed a web of relationships in order to handle specific circumstances which may be involved with any individual country.

The "Japanese formula" has worked well for Japan. Since formal diplomatic recognition of the People's Republic of China, trade, investment, and travel between Taiwan and Japan have all expanded. Trade has more than doubled—to \$2.5 billion last year—and accounts for 22 percent of all Taiwan's trade (the U.S. accounted for 31 percent of Taiwan's trade in 1975—\$3.47 billion).

With regard to the Soviet Union, Japan has yet to conclude a World War II peace treaty, the matter being snagged over four islands north of Hokkaido claimed by both Japan and the Soviet Union.¹ No break in the impasse is in sight. There is in Sapporo, the principal city of Hokkaido, a "Movement for the Reversion of the Habomais." The agitation which this group fosters from time to time is tempered by the realization that the Soviet Union is in a position to curtail fishing rights which are of significance to the Japanese. Moreover, there is a substantial general trade with the Soviet Union, although it is somewhat less than commerce with China. Last year exports to the U.S.S.R. were \$1.62 billion and imports \$1.17 billion. With regard to the status of Japanese joint ventures with the Soviets in the development of Siberia, many projects have been discussed but only two, natural gas and timber, have made progress. Others seem to be "fading away," as one Japanese official put it, due in part apparently, to the reluctance of U.S. private interests, which were also involved, to pursue them at this time.

Japanese officials are concerned about the increase in Soviet naval activities in the Western Pacific, citing in particular an increase in the activities of intelligence vessels. While I was in Japan, Soviet ships and ASW aircraft were conducting maneuvers in the Okinawa area. Insofar as Japan is concerned, the increase in Soviet naval operations in the Western Pacific is viewed, one involved official said, as constituting "a potential threat to Japan—but it is not overt yet." He went on to say that the Soviets were also engaged in a "cultural offensive."

Developments in the situation on the Korean Peninsula are reflected in Japan, in part, through the large Korean community in Japan, which is divided in its sentiments about the problems of the Peninsula.

¹ The Islands in dispute are: Etorofu, Kunashiri, Shikotan, and Habomai.

Some favor the North and others support South Korea and Japan is frequently drawn into difficulties arising from this division. There is also a deep-seated historic concern in Japan with the impact of developments in Korea on Japanese security.

The traditional overland invasion route to Japan has been via the Peninsula. While this route has also operated in the other direction, the fact is that in present circumstances both Soviet and Chinese military power which might approach by way of Korea appear overwhelming to Japan. Those Japanese given to nightmares in this matter, moreover, note that if the Koreans of the North and South should ever get together, their combined armed strengths would be four or five times greater than Japan's lightly armed self-defense force.

It is clear that a military conflict between North and South Korea could pose a threat to Japan especially if it were to draw in great powers as would be almost inevitable. Indeed, a breakdown of order in South Korea alone would create serious difficulties for the Japanese who have developed a major trading relationship of about \$4 billion annually with Seoul² and, in addition, have large investments in Korea.³

There is little that is apparent in the current Korean situation to feed these Japanese anxieties. The Republic of Korea, functions under a government which is for all practical purposes, a military-bureaucratic authoritarianism under the control of President Park Chung-Hee. Two years ago there was still protest and agitation for political freedom on the part of intellectuals, religious groups and others but that has now ceased. Civil liberties are in abeyance and fear of prison or death has silenced the opposition. The Park Administration is said to have considerable popular support. Certainly, it has the backing of the military establishment and the acquiescence if not the active support of major industrial and commercial groups. It has, of course, official support from the United States and, probably, from other foreign sources. The government, in short, gives the appearance of stability.

Moreover, the South Korean economy has been converted into a modern establishment which is second only to Japan among Asian nations. Its peoples are industrious and dexterous and, in the space of two decades, have developed a great range of modern industrial skills. Recent concentration on the improvement of agriculture has resulted in a rapid growth in the output of food to a point that is now close to adequate for maintaining the population.

Presently, the nation is in the midst of a boom, with industrial production expanding at the rate of 20 percent a year. The growth in GNP is running between 6 percent and 8 percent which, in the face of a drastically declining birth rate, is said to be bringing a great improvement in general living standards.

The Korean economic transition has depended heavily on U.S. economic aid, a program which is drawing to a close. The vestiges are calculated at about \$40 million in the pipeline and, approximately \$300

² Japan also has very limited trading contacts with North Korea, which, for the present have been suspended due to the inability of Pyongyang to make payment for past purchases.

³ One readily recognizable yardstick of this investment; all black and white Sony T/Vs which are distributed by Japan are now made in South Korea.

million in agricultural products, under a PL 480 agreement. An investment guarantee program continues to operate and is a significant factor in the inflow of private capital.

Korean trade is still closely tied to the United States and Japan, with the latter, in particular, providing a funnel for the outflow of Korean manufactures. However, the Koreans are beginning to develop independent commercial contacts with the rest of the world and Korean firms are said to have written in the neighborhood of \$2 billion of contracts to undertake construction in the Middle Eastern oil countries. Seoul is attracting an increasing inflow of businessmen from that region and from all other parts of the world, except Latin America and Africa.

The Korean capital city which now contains about 7 million persons is the center of industrial and commercial activity. It is a dynamic modern city in the midst of a building boom. It should be noted that the building includes deep concrete tunnels everywhere which are designed to relieve heavy surface traffic but which could serve as shelters in the event of war.

It is not possible to find in the present situation a persuasive reason to believe that war is imminent. Along the 38° parallel, except for occasional localized personnel clashes and a two-way loud-speaker propaganda war, all is quiet. The International Commission (Czechoslovakia, Poland, Switzerland and Sweden), as it has been for more than two decades, is present in the Zone. North Koreans and U.S. and South Korean military personnel continue to maintain rigidly formal contact, with occasional quarrels across the conference table that stand astride the 38° parallel. While the southern approaches to the demilitarized zone run through a kind of no-man's land, it is said that 40,000 tourists and other visitors a year pass through them to the 38° parallel. North Korea also has its flow of tourist buses carrying Koreans and other visitors from Communist countries to observe the dividing line.

The Soviet Union and the People's Republic of China are believed to have exercised a restraining influence on Pyongyang in order to prevent a precipitous rekindling of the war. However, Kim Il-sung, the Northern ruler, asserts that there is no intention to seek unification of the country by military means. The two sides continue to meet periodically at a very low level of Red Cross contact to seek unification by other means but progress to date has been completely absent.

In the South, the government stresses continuously the danger of invasion from the North and concentrates on the improvement of its military forces. The modernization program, except in regard to the Navy, is well-advanced. The U.S. aid-subsidy of the Korean military establishment is now largely provided under the military purchase program. The Koreans are assuming an increasingly larger share of the cost of their military establishment.

Notwithstanding these developments, the presence of U.S. combat forces in the South is seen as the critical factor in preventing an invasion from the North. There is deployed in the South, a contingent of about 40,000 U.S. servicemen. Except for small economy-induced reductions, the number has not been lowered in many years. Even those who stress most heavily the role of these forces in preventing a renewal of conflict do not argue that the total cannot be reduced in a gradual way over a period of years or, even, eventually be withdrawn. Any sug-

gestion of rapid withdrawal, however, is a source of profound anxiety to South Korean officials, even more perhaps than to the Japanese. Some estimates are that the present structure in South Korea would have no more than a 50-50 chance of survival without the U.S. military presence. However, the Administration has made clear that the United States has no intention of withdrawing precipitously and, similarly, the Congress has not taken any measures which would compel a precipitous withdrawal. In short, the situation insofar as the U.S. forces are concerned is one of stability.

It is a stability, however, which is underlain with uncertainties. In the first place, the economic progress which is probably a mainstay of public acquiescence in the present government rests on an extremely fragile base. It is dependent almost entirely on the import of raw materials and the export of industrial surpluses which are produced competitively largely by the comparative advantage of a low wage scale and investment guarantees. Any tremors in either the economy of Japan or the United States tend to become earthquakes in South Korea.

In the second place, although the present government is fully aware of the aversion which exists in segments of Congressional and other opinion in the United States regarding its authoritarianism, it appears to have no intention of modifying the present political structure. Its view is that this structure is not only necessary for defense against the North but is essential to the kind of economic progress which is being fostered in the South.

Finally, there is the question of U.S. military withdrawal. The question is often asked: how long will the commitment last? Clearly, a precipitous pullout by the United States, even if it did not open the door to military attack from the North would shake the government of South Korea to its very foundations. The reactions of an embittered political opposition and from within the military establishment are not measurable. Moreover, it is entirely possible that the deep-seated sentiments for Korean unification would surface in both North and South. The potential for spreading instability would be very great. Notwithstanding outward appearances, then, the basis for the Japanese concern regarding the Korean Peninsula is very real. In short, Korea is a time-bomb which has yet to be defused.

Looking at Asia in general, there is a strong mutuality of interests shared by Japan and the United States. Japan is a firm supporter of ASEAN, the Association of Southeast Asian Nations, as a new force for economic cooperation and progress in Southeast Asia. Japan is also interested in working toward broadening the regional concept of ASEAN to bring the nations of Indochina into the current membership: the Philippines, Thailand, Malaysia, Singapore, and Indonesia. Regional cooperation for peaceful purposes is a concept which appears to have broad support in Japan and, if pursued, should contribute to Asian stability and progress. "Poverty and peace," one Japanese official put it, "cannot co-exist."

As to national security matters, in June the Japanese Defense Agency issued a Defense White Paper, the second since the end of World War II. The basic objectives of the paper were to stimulate discussion of Japan's defense posture and to strengthen public support for the Government's program to upgrade the quality of these forces

(the text of the paper is printed in the Appendix). The report is premised on a continuation of the international status quo between the United States, the Soviet Union, and China and no change in Japan's ultimate dependence on the U.S. security guarantee.

Basically, the report takes an optimistic view of the international situation for Japan and assumes that any U.S.-U.S.S.R. conflict will not spill over to affect Japan. It rejects a nuclear option, stating that:

If Japan should take a nuclear option, even for a purely defensive purpose, her actual possession of nuclear arms will create serious suspicion and fear on the part of other nations.

The international environment on which Japan's defense policy will be based is described as assuming:

(a) that the U.S. and the Soviet Union will try to avoid an inter-continental nuclear war and an armed conflict which might lead to their full-scale involvement.

(b) that the Soviet Union will continue to face many European problems—a NATO-Warsaw Pact confrontation and the control of East European nations, among other matters.

(c) that Sino-Soviet relations, if improved partially, will most unlikely lead to an end of confrontation.

(d) that in Sino-U.S. relations, a further adjustment will continue on a reciprocal basis, and

(e) that the status quo, more or less, will be maintained in the Korean Peninsula where a minor incident would not escalate to a large-scale conflict.

Japan's view of the U.S.-Japan security relationship is described this way:

(a) The system is generally understood to play the role of preventing aggression against Japan from actually taking place, and of limiting the scale of an invasion, should it ever be undertaken.

(b) The system is also instrumental in providing the U.S. forces with facilities and areas for their use, which in turn make their presence tenable.

An integral part of the basic framework of international relations in Asia, the system thus contributes to the stability of the world and the maintenance of peace. Finally, but not the least importantly, it is the indispensable base of the wider spectrum of friendly U.S.-Japanese relations.

Clearly, reliance on the U.S. commitment remains strong on the part of the Japanese government, and close observers say that there is less controversy now over the U.S. security treaty than at any time since the relationship was formalized twenty-four years ago. There is now a more rational, less emotional, public dialogue over security issues than in the past. I found no indication that the fall of Indochina had resulted in any lessened confidence in the U.S. commitment, although there was some initial nervousness.

The White Paper emphasizes that Japan's defense objective is "on qualitative improvement rather than on quantitative expansion in the planned buildup of our defense capability." Defense Minister Sakata described the basic concept, as one for a "small armed force, but a bigger load" for Japan. The Japanese view, in this connection, should be respected. It behooves us to be very cautious in taking any step that could be interpreted by Asians, or by the Japanese people, as pressing the Japanese government to make a quantitative increase in the size of its defense force or to change its defense posture in a significant way.

This year Japan will spend .089 percent of its GNP and 6.17 percent of the government budget for defense, compared with current defense

spending totaling 5.5 percent of GNP and 24.8 percent of the budget by the United States. Japan ranks tenth in the world in military spending but at the bottom in relation to per capita income, GNP, or as a portion of the overall budget.

Agreement has been reached to establish a joint Defense Cooperation Subcommittee to operate under the U.S.-Japan Consultative Committee on Security, the basic focal point for discussion of security treaty matters. The Subcommittee will have the responsibility to discuss guidelines for military cooperation between the two countries in the event of an emergency. Officials on both sides place much value on the new subcommittee, seeing it as a symbol of a new spirit of cooperation on security matters.

A. U.S. bases and personnel

United States bases in Japan, particularly those on Okinawa, are still a source of tension although the situation is easing with continued reduction in the number of bases and the drawdown of military personnel.⁴

Article VI of the U.S.-Japan Security Treaty provides:

For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, aid and naval forces of facilities and areas in Japan.

In 1952, according to the Japan Defense Agency, there were 2,824 U.S. military facilities in Japan, of all sizes, covering 334,100 acres, and occupied by 260,000 U.S. servicemen. These facilities have now been reduced to 136 and take up 125,089 acres; they range in significance from the huge Kadena Air Base on Okinawa to a single antenna site taking less than an acre. Most are small facilities with few people attached. There are still 50,000 U.S. servicemen in Japan, along with 43,220 dependents and 3,768 civilian Department of Defense employees. Land for the bases is provided rent-free. The rent on privately owned land is paid to the landowner by the Japanese government. Thirty-eight of the facilities are used jointly by U.S. forces and the Japanese Self-Defense Forces. More than half of the base acreage and nearly two-thirds of the personnel are located on Okinawa. Other than those on Okinawa, measured by the number of personnel attached, there are only seven major U.S. bases:

	<i>U.S. military personnel attached</i>
1. Yokota Air Base—Headquarters, U.S. Forces Japan and of the 5th Air Force-----	4, 122
2. Camp Zama—Headquarters of the U.S. Army in Japan-----	791
3. Yokosuka—Headquarters, U.S. Naval Forces in Japan-----	1, 876
4. Iwakuni Air Station—Air Base for First Marine Air Wing-----	5, 102
5. Atsugi Naval Air Facility—7th Fleet Naval Air Facility-----	614
6. Misawa Air Base—Air Force Base-----	3, 081
7. Sasebo—Naval base-----	168

⁴ What has happened on the northern island of Hokkaido is a microcosm of the kind of contraction in the U.S. presence in most parts of Japan over the last quarter of a century. At the end of World War II, the military occupation introduced 13,000 U.S. troops into Hokkaido, mostly centered on the capital city of Sapporo. At least a division remained during the Korean War. In 1959, the airfield for Sapporo reverted to Japan and U.S. forces were cut back to a communications unit. By 1970, only a guard unit of 200 men remained. It was not until June of 1975 that this unit was withdrawn. What is left of the U.S. military presence is a Coast Guard "LORAN" unit on the Hokkaido coast. The official U.S. presence now consists of a consulate in Sapporo, with three Americans, a U.S.I.S. center run by an American and a specialist from the Department of Agriculture, on a temporary basis.

Japan makes a significant financial contribution to paying for the costs of the U.S. military presence. This year Japan will pay \$373 million toward the costs of retaining the bases: \$105 million for land rental, \$104 million in compensation to impacted communities, and \$173 million for the costs of reducing the number of bases through consolidation. All new construction in connection with the consolidation of U.S. facilities is paid for by the Japanese government.

1. *Okinawa*.—Although anti-U.S. military base pressures on the Japanese mainland seem to have eased, there is still strong public opposition to American bases on Okinawa. Twenty percent of the land area of the island of Okinawa is occupied by U.S. bases and they take up to 12% of the Ryukyu Islands chain. A joint decision was reached recently to return twelve additional U.S. facilities, including a firing range on Iejima Island which has been the source of much local controversy. After these reversions take place, the area occupied by the U.S. bases will be reduced from 12 percent to 9.8 percent of the total land area of the island chain.

Okinawans have strong feelings about the bases, which are scattered throughout the island in a checkerboard fashion. Residents carry a bitter legacy of anti-military feeling as a residue from World War II, when 150,000 Okinawans were killed. There is also a widespread feeling that Okinawans are carrying a disproportionate burden of Japan's defense effort, that they are being used in Tokyo. They are also concerned over the possibility of being sucked into an outside war regardless of the fact that they do not feel threatened by any external power.

Recently the opposition candidate for governor won in a close election with a plank that called for removal of all U.S. bases and personnel, although the pro-Tokyo government candidate also favored substantial reductions. It is impossible to determine how significant a factor the differences in the views of the candidates on the bases was in the election, but officials in Tokyo with whom I discussed the situation were acutely aware of the sensitivity of the base issue to Okinawans. It is an issue easily susceptible to political exploitation throughout Japan.

Although the bases account for 15 percent or more of Okinawa's income, this fact does not appear to have softened the persistent public resentment against the U.S. military presence. The 32,000 remaining servicemen in their concentrated U.S. communities still stick out like a sore thumb on the island, although incidents of overt personal hostility are becoming rarer. It is interesting to note that there are only about 5,000 members of the Japanese Self-Defense Force on Okinawa, using land which totals less than one percent of the area used by American forces. There is little joint use of facilities; the Japanese air units, for example, do not have a firing range and must return to the Japanese mainland for firing practice.

Apart from Okinawa, a heavy U.S. military concentration exists in the Tokyo-Yokohama area, the most densely populated part of Japan and is being reduced only slowly. The Sanno Hotel which has been held by the U.S. Army since occupation days is an example. Located in the heart of Tokyo, the hotel is used primarily for U.S. military personnel on leave and, on occasion, by U.S. Government travelers on military business. Since the mid-1950's the Japanese government and

the owners of the property have been trying to get the United States to release this building. Finally, late last year, after taking the Japanese government to court, the owner won a settlement calling for payment of compensation and for return of the property within five years. But the U.S. still insists on a replacement in the downtown Tokyo area before it will relinquish the Sanno, notwithstanding the fact that any valid military justification for retaining this particular facility ended long ago.

The reduction and consolidation of U.S. bases in Japan which is spurred by pressures of budget limitations, steeply-climbing prices in Japan, and Japanese cooperation, is generally headed in the right direction. It should continue, on the basis of close consultation at all times with Japanese officials.

III. ECONOMIC RELATIONS

Japanese and American economic interests are inextricably entwined. America is Japan's largest market and Japan is our most important market, aside from Canada. Currently the United States absorbs some 24 percent of Japan's exports, down from a considerably higher proportion several years ago, marking the diversification of Japan's foreign markets.

There have, of course, been problems with our trade in the past—over steel, textiles and other items—but with time, restraint, and concessions on both sides these problems have been surmounted. Other bilateral trade difficulties are to be anticipated in the future. With goodwill, cooperation, and understanding of mutual needs, these problems should also be manageable. There may well be a need for additional mechanisms for day-to-day dialogue between the two governments on economic issues, both to find solutions to problems before they become critical as well as to provide forums for discussion of matters of mutual interest.

A matter of potential concern for the immediate future, is the reappearance of a growing gap in bilateral trade balances. Japanese exports to the United States for January–April 1976 exceeded imports from the United States by \$1.628 billion, compared with a deficit of \$735.5 million for the last four months of 1975.

Japan's economic growth rate this year, in real terms, is estimated at 6.2 percent which will result in a GNP of \$515.6 billion, somewhat more than one-third of that of the United States. Inflation has been brought under reasonable control and is now running at an annual rate of 8.8 percent. Unemployment is 2 percent, although U.S. and Japanese figures are not comparable due to different employment practices. Environmental issues are of growing public concern in Japan and expenditures for environmental protection now absorb some 13 percent of all capital expenditures compared with about 5 percent for comparable spending in the United States.

As is the case with most other raw materials, Japan is heavily dependent for its energy requirements on foreign sources and it will continue to be for the foreseeable future. Eighty-nine percent of its energy needs are derived from imports (seventy-seven percent from oil). Under a ten-year plan for energy development, its dependence on foreign energy sources will be reduced by only seven percent. Japan's

domestic petroleum production is negligible, although some drilling is underway at offshore sites.

Other than the trade deficit, which to a great extent is a factor of the uneven recovery rates of our respective economies, there are only two major bilateral issues of current concern, fisheries and air routes. The Japanese people depend on fish for 60 percent of their protein and are heavily dependent on ocean fishery resources. They are deeply concerned over the potential impact of the recently enacted law to establish a 200 mile territorial limit for fishing (P.L. 94-265). I explained to the officials who raised this matter that the Congress voted this interim measure out of self-defense following repeated failures by the United Nations Law of the Sea Conference to arrive at an international agreement; after many nations had unilaterally increased their territorial claims to 200 miles; and that imposition of the limit would be held in abeyance for an additional period to give the U.N. Conference more time to come up with a solution. Discussions between Japanese and U.S. officials over the implementation of the new law have begun and it is to be hoped that a satisfactory bilateral solution can be found, assuming that the U.N. Conference again fails to produce an international accord. The air route issue involves a Japanese desire for new ports of entry into the United States and it is also likely to involve requests by U.S. airlines for the right to continue service to Okinawa.

The Lockheed affair, or Lockheed "typhoon," as one official called it, is Japan's Watergate. It is a Japanese—not an American—problem. Thus far, it appears that the affair has had no major adverse effect on Japan-U.S. relations. However, it has had an impact on the conscience of the Japanese public and may eventually set in motion significant changes in Japan's political structure and alinement. In my judgment, the American political system has not only survived the Watergate affair, in the end, it may be strengthened by it. It is entirely possible that the Lockheed scandal could have the same effect in Japan.

The Senate Committee on Foreign Relations has turned over to the Executive Branch all information in its possession relating to the affair for transmittal to the Japanese government. Japanese officials are aware that Congress had been fully cooperative with their government on the matter.

Looking to the future, it is in the interest of Japan, the United States, and the world to establish international ground rules to control under-the-table business dealings and political manipulations like those involved in the Lockheed affair. In this era of multinational corporations and state trading, a single country cannot do much, acting alone, to prevent such practices. "Multinational firms," one Japanese official agreed, "cannot be checked through individual governments." This dry rot in the world's commerce is an international problem and solutions in a similar fashion can only be international. The United Nations may well be peculiarly suited to this purpose.

IV. CONCLUDING OBSERVATIONS

Although the Japan-U.S. relationship began nearly a century and a quarter ago, the unique meshing of our two countries' interests began

with the end of World War II. Japan has now become the second most powerful industrial democracy in the world. And under the U.S. security umbrella, Japan has been free of fear of outside attack and of burdensome military spending. It has been able to devote its vast energies to creating an economic machine of immense productivity.

In 1960, riots and widespread public protests against the mutual security treaty with the United States caused the cancellation of President Eisenhower's plans to visit Japan. President Ford's visit to Japan in 1974 and Emperor Hirohito's visit to the United States last October, historic occasions for both nations, epitomized the changes which have taken place in our relationship since that time. At no period in our post-war history have U.S. relations with Japan been better.

But as the visit by Commodore Perry signaled the end of one era for Japan, an era of isolation from the outside world, we have entered a new era in our contemporary relationship. The end of the post-war era was signaled by the 1972 Okinawa reversion agreement. We have now reached a new plateau, where trust in affairs of mutual concern is essential to both countries. We cannot afford either to preach to the Japanese, to patronize them, or to ignore their legitimate interests. The only basis for trust is to treat with one another on the basis of equality.

The U.S.-Japan security treaty is more than a pledge to maintain a stable and peaceful Pacific. It is a symbol of the need for day-to-day cooperation between Japan and the United States across a range of human activities. The partnership begun at the end of World War II should be strengthened by additional mechanisms for consultation and discussion, building on the precedent of the recently created Joint Defense Cooperation Subcommittee.

Japan is the only major nation in the world which has rejected military power as the basis for the protection and advancement of its interests. Japan is in a unique position, therefore, to exercise leadership in dealing with the problems which will increasingly trouble the world in the years ahead. Environmental issues, shortages of energy and other resources, food and population problems, the world arms burden and nuclear dangers—all are matters with regard to which Japan is uniquely situated to play an international role of leadership. Japan's unique position in the world warrants a permanent seat on the United Nations Security Council and an amendment to the U.N. Charter to that end would be in order.

There may be shifts in Japanese political currents in the period ahead as Japan goes through a period of reassessment. It is especially important that United States officials become better acquainted with and more closely attuned to the broader spectrum of Japanese opinion. A greater exchange of academicians, politicians, journalists, cultural leaders, and others would be in the longrange interests of both countries.

Japanese and American policy interests in the Far East are well served by continuation of the present security treaty relationship. Japanese confidence in the United States commitment is a key factor for stability in the area. I found no evidence of a move to change Japan's military status in such a way as to cause her neighbors concern. Nor is there any reason that a further reduction in U.S. bases and forces

should create uncertainty about the U.S. treaty commitment. Continuation of the present policy to consolidate and eliminate non-essential facilities is desirable, economical and will serve our common interests.

U.S.-Japan relations are good but they could be better. The era of patron-client is over. A new relationship on the basis of equality and a mutuality of interests has begun. Professor Edwin Reischauer described the potential of that relationship as a pattern for the world's future in this way :

If we and the Japanese can build a fully equal relationship of complete trust and cooperation as the two leading members of the group of industrialized democracies, this may be a hopeful sign that in time other such relationships can be built across the chasms of racial and cultural difference, as we move toward creating a truly viable "one world."

This is a worthy goal for both countries.

V. RECOMMENDATIONS

The recommendations which are contained in this report may be summarized as follows:

1. No more "shocks". Wherever feasible, joint mechanisms should be established for periodic consultations on problems of common concern. Our unique relationship warrants unique approaches to insure a continuing dialogue, at all levels, on matters of mutual interest.

2. Japan should obtain a permanent seat on the U.N. Security Council.

3. The reduction and consolidation of U.S. military facilities and personnel should continue in close consultation with the Japanese government.

4. There should be broadened contacts, official and unofficial, between Japan and the United States.

5. The United Nations should undertake to develop a treaty encompassing a code of conduct for international commercial dealings which would outlaw practices such as those involved in the Lockheed affair.

6. There should be a gradual withdrawal of U.S. ground forces from South Korea as that nation's military strength improves.

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II. RECOMMENDATIONS

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APPENDIX

1. TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN

Signed at Washington January 19, 1960; Ratification advised by the Senate of the United States of America June 22, 1960; Ratified by the President of the United States of America June 22, 1960; Ratified by Japan June 21, 1960; Ratifications exchanged at Tokyo June 23, 1960; Proclaimed by the President of the United States of America June 27, 1960; Entered into force June 23, 1960. With Agreed Minute and Exchanges of Notes.

The United States of America and Japan,

Desiring to strengthen the bonds of peace and friendship traditionally existing between them, and to uphold the principles of democracy, individual liberty, and the rule of law.

Desiring further to encourage closer economic cooperation between them and to promote conditions of economic stability and well-being in their countries.

Reaffirming their faith in the purposes and principles of the Charter of the United Nations, and their desire to live in peace with all peoples and all governments,

Recognizing that they have the inherent right of individual or collective self-defense as affirmed in the Charter of the United Nations,

Considering that they have a common concern in the maintenance of international peace and security in the Far East,

Having resolved to conclude a treaty of mutual cooperation and security,
Therefore agree as follows:

ARTICLE I

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

The Parties will endeavor in concert with other peace-loving countries to strengthen the United Nations so that its mission of maintaining international peace and security may be discharged more effectively.

ARTICLE II

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between them.

ARTICLE III

The Parties, individually and in cooperation with each other, by means of continuous and effective self-help and mutual aid will maintain and develop, subject to their constitutional provisions, their capacities to resist armed attack.

ARTICLE IV

The Parties will consult together from time to time regarding the implementation of this Treaty, and, at the request of either Party, whenever the security of Japan or international peace and security in the Far East is threatened.

ARTICLE V

Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of Article 51 of the Charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE VI

For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan.

The use of these facilities and areas as well as the status of United States armed forces in Japan shall be governed by a separate agreement, replacing the Administrative Agreement under Article III of the Security Treaty between the United States of America and Japan, signed at Tokyo on February 28, 1952, as amended, and by such other arrangements as may be agreed upon.

ARTICLE VII

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE VIII

This Treaty shall be ratified by the United States of America and Japan in accordance with their respective constitutional processes and will enter into force on the date on which the instruments of ratification thereof have been exchanged by them in Tokyo.

ARTICLE IX

The Security Treaty between the United States of America and Japan signed at the city of San Francisco on September 8, 1951 shall expire upon the entering into force of this Treaty.

ARTICLE X

This Treaty shall remain in force until in the opinion of the Governments of the United States of America and Japan there shall have come into force such United Nations arrangements as will satisfactorily provide for the maintenance of international peace and security in the Japan area.

However, after the Treaty has been in force for ten years, either Party may give notice to the other Party of its intention to terminate the Treaty, in which case the Treaty shall terminate one year after such notice has been given.

AGREED MINUTE TO THE TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN
THE UNITED STATES OF AMERICA AND JAPAN

Japanese Plenipotentiary

While the question of the status of the islands administered by the United States under Article 3 of the Treaty of Peace with Japan has not been made a subject of discussion in the course of treaty negotiations. I would like to emphasize the strong concern of the Government and people of Japan for the safety of the people of these islands since Japan possesses residual sovereignty over these islands. If an armed attack occurs or is threatened against these islands, the two countries will of course consult together closely under Article IV of the Treaty of Mutual Cooperation and Security. In the event of an armed attack, it is the intention of the Government of Japan to explore with the United States measures which it might be able to take for the welfare of the islanders.

United States Plenipotentiary

In the event of an armed attack against these islands, the United States Government will consult at once with the Government of Japan and intends to take the necessary measures for the defense of these islands, and to do its utmost to secure the welfare of the islanders.

EXCHANGES OF NOTES BETWEEN THE UNITED STATES AND JAPAN DATED
JANUARY 19, 1960

His Excellency CHRISTIAN A. HERTER,
Secretary of State of the United States of America.

EXCELLENCY: I have the honour to refer to the Treaty of Mutual Cooperation and Security between Japan and the United States of America signed today, and to inform Your Excellency that the following is the understanding of the Government of Japan concerning the implementation of Article VI thereof:

"Major changes in the deployment into Japan of United States armed forces, major changes in their equipment, and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under Article V of the said Treaty, shall be the subjects of prior consultation with the Government of Japan."

I should be appreciative if Your Excellency would confirm on behalf of your Government that this is also the understanding of the Government of the United States of America.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

NOBUSUKE KISHI.

His Excellency NOBUSUKE KISHI,
Prime Minister of Japan.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honour to refer to the Treaty of Mutual Cooperation and Security between Japan and the United States of America signed today, and to inform Your Excellency that the following is the understanding of the Government of Japan concerning the implementation of Article VI thereof:

"Major changes in the deployment into Japan of United States armed forces, major changes in their equipment, and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under Article V of the said Treaty, shall be the subjects of prior consultation with the Government of Japan."

"I should be appreciative if Your Excellency would confirm on behalf of your Government that this is also the understanding of the Government of the United States of America."

"I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration."

I have the honor to confirm on behalf of my Government that the foregoing is also the understanding of the Government of the United States of America.

Accept, Excellency, the renewed assurances of my highest consideration.

CHRISTIAN A. HERTER,
*Secretary of State of the
United States of America.*

His Excellency NOBUSUKE KISHI,
Prime Minister of Japan.

EXCELLENCY: I have the honor to refer to the Security Treaty between the United States of America and Japan signed at the city of San Francisco on September 8, 1951, the exchange of notes effected on the same date between Mr. Shigeru Yoshida, Prime Minister of Japan, and Mr. Dean Acheson, Secretary of State of the United States of America, and the Agreement Regarding the Status of the United Nations Forces in Japan signed at Tokyo on February 19, 1954, as well as the Treaty of Mutual Cooperation and Security between the

United States of America and Japan signed today. It is the understanding of my Government that:

1. The above-mentioned exchange of notes will continue to be in force so long as the Agreement Regarding the Status of the United Nations Forces in Japan remains in force.

2. The expression "those facilities and areas the use of which is provided to the United States of America under the Security Treaty between Japan and the United States of America" in Article V, paragraph 2 of the above-mentioned Agreement is understood to mean the facilities and areas the use of which is granted to the United States of America under the Treaty of Mutual Cooperation and Security.

3. The use of the facilities and areas by the United States armed forces under the Unified Command of the United Nations established pursuant to the Security Council Resolution of July 7, 1950, and their status in Japan are governed by arrangements made pursuant to the Treaty of Mutual Cooperation and Security.

I should be grateful if Your Excellency could confirm on behalf of your Government that the understanding of my Government stated in the foregoing numbered paragraphs is also the understanding of your Government and that this understanding shall enter into operation on the date of the entry force of the Treaty of Mutual Cooperation and Security signed at Washington on January 19, 1960.

Accept, Excellency, the renewed assurances of my highest consideration.

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I have the honour to confirm on behalf of my Government that the foregoing is also the understanding of the Government of Japan.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

NOBUSUKE KISHI.

His Excellency CHRISTIAN A. HERTER,
Secretary of State, of the United States of America.

DEAR SECRETARY HERTER: I wish to refer to the Treaty of Mutual Cooperation and Security between Japan and the United States of America signed today. Under Article IV of the Treaty, the two Governments will consult together from time to time regarding the implementation of the Treaty, and, at the request of either Government, whenever the security of Japan or international peace and security in the Far East is threatened. The exchange of notes under Article VI of the Treaty specifies certain matters as the subjects of prior consultation with the Government of Japan.

Such consultations will be carried on between the two Governments through appropriate channels. At the same time, however, I feel that the establishment of a special committee which could as appropriate be used for these consultations between the Governments would prove very useful. This committee, which would meet whenever requested by either side, could also consider any matters underlying and related to security affairs which would serve to promote understanding between the two Governments and contribute to the strengthening of cooperative relations between the two countries in the field of security.

Under this proposal the present "Japanese-American Committee on Security" established by the Governments of the United States and Japan on August 6, 1957, would be replaced by this new committee which might be called "The Security Consultative Committee". I would also recommend that the membership of this new committee be the same as the membership of the "Japanese-American Committee on Security", namely on the Japanese side, the Minister for foreign Affairs, who will preside on the Japanese side, and the Director General of the Defense Agency, and on the United States side, the United States Ambassador to Japan, who will serve as Chairman on the United States side, and the Commander-in-Chief, Pacific, who will be the Ambassador's principal advisor on military and defense matters. The Commander, United States Forces, Japan, will serve as alternate for the Commander-in-Chief, Pacific.

I would appreciate very much your views on this matter.

Most sincerely,

NOBUSUKE KISHI.

His Excellency
 NOBUSUKE KISHI,
Prime Minister of Japan.

DEAR MR. PRIME MINISTER:

The receipt is acknowledged of your Note of today's date suggesting the establishment of "The Security Consultative Committee". I fully agree to your proposal and share your view that such a committee can contribute to strengthening the cooperative relations between the two countries in the field of security. I also agree to your proposal regarding the membership of this committee.

Most sincerely,

CHRISTIAN A. HERTER.

2. AGREEMENT UNDER ARTICLE VI OF THE TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN, REGARDING FACILITIES AND AREAS AND THE STATUS OF UNITED STATES ARMED FORCES IN JAPAN

The United States of America and Japan, pursuant to Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan signed at Washington on January 19, 1960, have entered into this Agreement in terms as set forth below:

ARTICLE I

In this Agreement the expression—

(a) "members of the United States armed forces" means the personnel on active duty belonging to the land, sea or air armed services of the United States of America when in the territory of Japan.

(b) "civilian component" means the civilian persons of United States nationality who are in the employ of, serving with, or accompanying the United States armed forces in Japan, but excludes persons who are ordinarily resident in Japan or who are mentioned in paragraph 1 of Article XIV. For the purposes of this Agreement only, dual nationals, United States and Japanese, who are brought to Japan by the United States shall be considered as United States nationals.

(c) "dependents" means

(1) Spouse, and children under 21;

(2) Parents, and children over 21, if dependent for over half their support upon a member of the United States armed forces or civilian component.

ARTICLE II

1. (a) The United States is granted, under Article VI of the Treaty of Mutual Cooperation and Security, the use of facilities and areas in Japan. Agreements as to specific facilities and areas shall be concluded by the two Governments through the Joint Committee provided for in Article XXV of this Agreement. "Facilities and areas" include existing furnishings, equipment and fixtures necessary to the operation of such facilities and areas.

(b) The facilities and areas of which the United States has the use at the time of expiration of the Administrative Agreement under Article III of the Security Treaty between the United States of America and Japan, shall be considered as facilities and areas agreed upon between the two Governments in accordance with subparagraph (a) above.

2. At the request of either Government, the Governments of the United States and Japan shall review such arrangements and may agree that such facilities and areas shall be returned to Japan or that additional facilities and areas may be provided.

3. The facilities and areas used by the United States armed forces shall be returned to Japan whenever they are no longer needed for purposes of this Agreement, and the United States agrees to keep the needs for facilities and areas under continual observation with a view toward such return.

4. (a) When facilities and areas are temporarily not being used by the United States armed forces, the Government of Japan may make, or permit Japanese nationals to make, interim use of such facilities and areas provided that it is agreed between the two Governments through the Joint Committee that such use would not be harmful to the purposes for which the facilities and areas are normally used by the United States armed forces.

(b) With respect to facilities and areas which are to be used by United States armed forces for limited periods of time, the Joint Committee shall specify in the agreements covering such facilities and areas the extent to which the provisions of this Agreement shall apply.

ARTICLE III

1. Within the facilities and areas, the United States may take all the measures necessary for their establishment, operation, safeguarding and control. In order to provide access for the United States armed forces to the facilities and areas for their support, safeguarding and control, the Government of Japan shall, at the request of the United States armed forces and upon consultation between the two Governments through the Joint Committee, take necessary measures within the scope of applicable laws and regulations over land, territorial waters and airspace adjacent to, or in the vicinities of the facilities and areas. The United States may also take necessary measures for such purposes upon consultation between the two Governments through the Joint Committee.

2. The United States agrees not to take the measures referred to in paragraph 1 in such a manner as to interfere unnecessarily with navigation, aviation, communication, or land travel to or from or within the territories of Japan. All questions relating to frequencies, power and like matters used by apparatus employed by the United States designed to emit electric radiation shall be settled by arrangement between the appropriate authorities of the two Governments. The Government of Japan shall, within the scope of applicable laws and regulations, take all reasonable measures to avoid or eliminate interference with telecommunications electronics required by the United States armed forces.

3. Operations in the facilities and areas in use by the United States armed forces shall be carried on with due regard for the public safety.

ARTICLE IV

1. The United States is not obliged, when it returns facilities and areas to Japan on the expiration of this Agreement or at an earlier date, to restore the facilities and areas to the condition in which they were at the time they became available to the United States armed forces, or to compensate Japan in lieu of such restoration.

2. Japan is not obliged to make any compensation to the United States for any improvements made in the facilities and areas or for the buildings or structures left thereon on the expiration of this Agreement or the earlier return of the facilities and areas.

3. The foregoing provisions shall not apply to any construction which the Government of the United States may undertake under special arrangements with the Government of Japan.

ARTICLE V

1. United States and foreign vessels and aircraft operated by, for, or under the control of the United States for official purposes shall be accorded access to any port or airport of Japan free from toll or landing charges. When cargo or passengers not accorded the exemptions of this Agreement are carried on such vessels and aircraft, notification shall be given to the appropriate Japanese authorities, and their entry into and departure from Japan shall be according to the laws and regulations of Japan.

2. The vessels and aircraft mentioned in paragraph 1, United States Government-owned vehicles including armor, and members of the United States armed forces, the civilian component, and their dependents shall be accorded access to and movement between facilities and areas in use by the United States armed forces and between such facilities and areas and the ports or airports of Japan. Such access to and movement between facilities and areas by United States military vehicles shall be free from toll and other charges.

3. When the vessels mentioned in paragraph 1 enter Japanese ports, appropriate notification shall, under normal conditions, be made to the proper Japanese authorities. Such vessels shall have freedom from compulsory pilotage, but if a pilot is taken pilotage shall be paid for at appropriate rates.

ARTICLE VI

1. All civil and military air traffic control and communications systems shall be developed in close coordination and shall be integrated to the extent necessary for fulfillment of collective security interests. Procedures, and any subsequent changes thereto, necessary to effect this coordination and integration

will be established by arrangement between the appropriate authorities of the two Governments.

2. Lights and other aids to navigation of vessels and aircraft placed or established in the facilities and areas in use by United States armed forces and in territorial waters adjacent thereto or in the vicinity thereof shall conform to the system in use in Japan. The United States and Japanese authorities which have established such navigation aids shall notify each other of their positions and characteristics and shall give advance notification before making any changes in them or establishing additional navigation aids.

ARTICLE VII

The United States armed forces shall have the use of all public utilities and services belonging to, or controlled or regulated by the Government of Japan, and shall enjoy priorities in such use, under conditions no less favorable than those that may be applicable from time to time to the ministries and agencies of the Government of Japan.

ARTICLE VIII

The Government of Japan undertakes to furnish the United States armed forces with the following meteorological services in accordance with arrangements between the appropriate authorities of the two Governments:

(a) Meteorological observations from land and ocean areas including observations from weather ships.

(b) Climatological information including periodic summaries and the historical data of the Meteorological Agency.

(c) Telecommunications service to disseminate meteorological information required for the safe and regular operation of aircraft.

(d) Seismographic data including forecasts of the estimated size of tidal waves resulting from earthquakes and areas that might be affected thereby.

ARTICLE IX

1. The United States may bring into Japan persons who are members of the United States armed forces, the civilian component, and their dependents, subject to the provisions of this Article.

2. Members of the United States armed forces shall be exempt from Japanese passport and visa laws and regulations. Members of the United States armed forces, the civilian component, and their dependents shall be exempt from Japanese laws and regulations on the registration and control of aliens, but shall not be considered as acquiring any right to permanent residence or domicile in the territories of Japan.

3. Upon entry into or departure from Japan members of the United States armed forces shall be in possession of the following documents:

(a) personal identity card showing name, date of birth, rank and number, service, and photograph; and

(b) individual or collective travel order certifying to the status of the individual or group as a member or members of the United States armed forces and to the travel ordered.

For purposes of their identification while in Japan, members of the United States armed forces shall be in possession of the foregoing personal identity card which must be presented on request to the appropriated Japanese authorities.

4. Members of the civilian component, their dependents, and the dependents of members of the United States armed forces shall be in possession of appropriate documentation issued by the United States authorities so that their status may be verified by Japanese authorities upon their entry into or departure from Japan, or while in Japan.

5. If the status of any person brought into Japan under paragraph 1 of this Article is altered so that he would no longer be entitled to such admission, the United States authorities shall notify the Japanese authorities and shall, if such person be required by the Japanese authorities to leave Japan, assure that transportation from Japan will be provided within a reasonable time at no cost to the Government of Japan.

6. If the Government of Japan has requested the removal from its territory of a member of the United States armed forces or civilian component or has made an expulsion order against an ex-member of the United States armed

forces or the civilian component or against a dependent of a member or ex-member, the authorities of the United States shall be responsible for receiving the person concerned within its own territory or otherwise disposing of him outside Japan. This paragraph shall apply only to persons who are not nationals of Japan and have entered Japan as members of the United States armed forces or civilian component or for the purpose of becoming such members, and to the dependents of such persons.

ARTICLE X

1. Japan shall accept as valid, without a driving test or fee, the driving permit or license or military driving permit issued by the United States to a member of the United States armed forces, the civilian component, and their dependents.

2. Official vehicles of the United States armed forces and the civilian component shall carry distinctive numbered plates or individual markings which will readily identify them.

3. Privately owned vehicles of members of the United States armed forces, the civilian component, and their dependents shall carry Japanese number plates to be acquired under the same conditions as those applicable to Japanese nationals.

ARTICLE XI

1. Save as provided in this Agreement, members of the United States armed forces, the civilian component, and their dependents shall be subject to the laws and regulations administered by the customs authorities of Japan.

2. All materials, supplies and equipment imported by the United States armed forces, the authorized procurement agencies of the United States armed forces, or by the organizations provided for in Article XV, for the official use of the United States armed forces or for the use of the members of the United States armed forces, the civilian component, and their dependents, and materials, supplies and equipment which are to be used exclusively by the United States armed forces or are ultimately to be incorporated into articles or facilities used by such forces, shall be permitted entry into Japan; such entry shall be free from customs duties and other such charges. Appropriate certification shall be made that such materials, supplies and equipment are being imported by the United States armed forces, the authorized procurement agencies of the United States armed forces, or by the organizations provided for in Article XV, or, in the case of materials, supplies and equipment to be used exclusively by the United States armed forces or ultimately to be incorporated into articles or facilities used by such forces, that delivery thereof is to be taken by the United States armed forces for the purposes specified above.

3. Property consigned to and for the personal use of members of the United States armed forces, the civilian component, and their dependents, shall be subject to customs duties and other such charges, except that no duties or charges shall be paid with respect to:

(a) Furniture and household goods for their private use imported by the members of the United States armed forces or civilian component when they first arrive to serve in Japan or by their dependents when they first arrive for reunion with members of such forces or civilian component, and personal effects for private use brought by the said persons upon entrance.

(b) Vehicles and parts imported by members of the United States armed forces or civilian component for the private use of themselves or their dependents.

(c) Reasonable quantities of clothing and household goods of a type which would ordinarily be purchased in the United States for everyday use for the private use of members of the United States armed forces, civilian component, and their dependents, which are mailed into Japan through United States military post offices.

4. The exemptions granted in paragraphs 2 and 3 shall apply only to cases of importation of goods and shall not be interpreted as refunding customs duties and domestic excises collected by the customs authorities at the time of entry in cases of purchases of goods on which such duties and excises have already been collected.

5. Customs examination shall not be made in the following cases:

(a) Units of the United States armed forces under orders entering or leaving Japan;

(b) Official documents under official seal and official mail in United States military postal channels;

(c) Military cargo shipped on a United States Government bill of lading.

6. Except as such disposal may be authorized by the United States and Japanese authorities in accordance with mutually agreed conditions, goods imported into Japan free of duty shall not be disposed of in Japan to persons not entitled to import such goods free of duty.

7. Goods imported into Japan free from customs duties and other such charges pursuant to paragraphs 2 and 3, may be re-exported free from customs duties and other such charges.

8. The United States armed forces, in cooperation with Japanese authorities, shall take such steps as are necessary to prevent abuse of privileges granted to the United States armed forces, members of such forces, the civilian component, and their dependents in accordance with this Article.

9. (a) In order to prevent offenses against laws and regulations administered by the customs authorities of the Government of Japan, the Japanese authorities and the United States armed forces shall assist each other in the conduct of inquiries and the collection of evidence.

(b) The United States armed forces shall render all assistance within their power to ensure that articles liable to seizure by, or on behalf of, the customs authorities of the Government of Japan are handed to those authorities.

(c) The United States armed forces shall render all assistance within their power to ensure the payment of duties, taxes, and penalties payable by members of such forces or of the civilian component, or their dependents.

(d) Vehicles and articles belonging to the United States armed forces seized by the customs authorities of the Government of Japan in connection with an offense against its customs or fiscal laws or regulations shall be handed over to the appropriate authorities of the force concerned.

ARTICLE XII

1. The United States may contract for any supplies or construction work to be furnished or undertaken in Japan for purposes of, or authorized by, this Agreement, without restriction as to choice of supplier or person who does the construction work. Such supplies or construction work may, upon agreement between the appropriate authorities of the two Governments, also be procured through the Government of Japan.

2. Materials, supplies, equipment and services which are required from local sources for the maintenance of the United States armed forces and the procurement of which may have an adverse effect on the economy of Japan shall be procured in coordination with, and, when desirable, through or with the assistance of, the competent authorities of Japan.

3. Materials, supplies, equipment and services procured for official purposes in Japan by the United States armed forces, or by authorized procurement agencies of the United States armed forces upon appropriate certification shall be exempt from the following Japanese taxes: (a) Commodity tax; (b) Traveling tax; (c) Gasoline tax; (d) Electricity and gas tax.

Materials, supplies, equipment and services procured for ultimate use by the United States armed forces shall be exempt from commodity and gasoline taxes upon appropriate certification by the United States armed forces. With respect to any present or future Japanese taxes not specifically referred to in this Article which might be found to constitute a significant and readily identifiable part of the gross purchase price of materials, supplies, equipment and services procured by the United States armed forces, or for ultimate use by such forces, the two Governments will agree upon a procedure for granting such exemption or relief therefrom as is consistent with the purposes of this Article.

4. Local labor requirements of United States armed forces and of the organizations provided for in Article XV shall be satisfied with the assistance of the Japanese authorities.

5. The obligations for the withholding and payment of income tax, local inhabitant tax and social security contributions, and, except as may otherwise be mutually agreed, the conditions of employment and work, such as those relating to wages and supplementary payments, the conditions for the protection of workers, and the rights of workers concerning labor relations shall be those laid down by the legislation of Japan.

6. Should the United States armed forces or as appropriate an organization provided for in Article XV dismiss a worker and a decision of a court or a Labor

Relations Commission of Japan to the effect that the contract of employment has not terminated become final, the following procedure shall apply :

(a) The United States armed forces or the said organization shall be informed by the Government of Japan of the decision of the court or Commission ;

(b) Should the United States armed forces or the said organization not desire to return the worker to duty, they shall so notify the Government of Japan within seven days after being informed by the latter of the decision of the court or Commission, and may temporarily withhold the worker from duty ;

(c) Upon such notification, the Government of Japan and the United States armed forces or the said organization shall consult together without delay with a view to finding a practical solution of the case ;

(d) Should such a solution not be reached within a period of thirty days from the date of commencement of the consultations under (c) above, the worker will not be entitled to return to duty. In such case, the Government of the United States shall pay to the Government of Japan an amount equal to the cost of employment of the worker for a period of time to be agreed between the two Governments.

7. Members of the civilian component shall not be subject to Japanese laws or regulations with respect to terms and conditions of employment.

8. Neither members of the United States armed forces, civilian component, nor their dependents, shall be reason of this Article enjoy any exemption from taxes or similar charges relating to personal purchases of goods and services in Japan chargeable under Japanese legislation.

9. Except as such disposal may be authorized by the United States and Japanese authorities in accordance with mutually agreed conditions, goods purchased in Japan exempt from the taxes referred to in paragraph 3, shall not be disposed of in Japan to persons not entitled to purchase such goods exempt from such tax.

ARTICLE XIII

1. The United States armed forces shall not be subject to taxes or similar charges on property held, used or transferred by such forces in Japan.

2. Members of the United States armed forces, the civilian component, and their dependents shall not be liable to pay any Japanese taxes to the Government of Japan or to any other taxing agency in Japan on income received as a result of their service with or employment by the United States armed forces, or by the organizations provided for in Article XV. The provisions of this Article do not exempt such persons from payment of Japanese taxes on income derived from Japanese sources, nor do they exempt United States citizens who for United States income tax purposes claim Japanese residence from payment of Japanese taxes on income. Periods during which such persons are in Japan solely by reason of being members of the United States armed forces, the civilian component, or their dependents shall not be considered as periods of residence or domicile in Japan for the purpose of Japanese taxation.

3. Members of the United States armed forces, the civilian component, and their dependents shall be exempt from taxation in Japan on the holding, use, transfer *inter se*, or transfer by death of movable property, tangible or intangible, the presence of which in Japan is due solely to the temporary presence of these persons in Japan, provided that such exemption shall not apply to property held for the purpose of investment or the conduct of business in Japan or to any intangible property registered in Japan. There is no obligation under this Article to grant exemption from taxes payable in respect of the use of roads by private vehicles.

ARTICLE XIV

1. Persons, including corporations organized under the laws of the United States, and their employees who are ordinarily resident in the United States and whose presence in Japan is solely for the purpose of executing contracts with the United States for the benefit of the United States armed forces, and who are designated by the Government of the United States in accordance with the provisions of paragraph 2 below, shall, except as provided in this Article, be subject to the laws and regulations of Japan.

2. The designation referred to in paragraph 1 above shall be made upon consultation with the Government of Japan and shall be restricted to cases where open competitive bidding is not practicable due to security considerations, to the technical qualifications of the contractors involved, or to the unavailability

of materials or services required by United States standards, or to limitations of United States law.

The designation shall be withdrawn by the Government of the United States:

(a) upon completion of contracts with the United States for the United States armed forces;

(b) upon proof that such persons are engaged in business activities in Japan other than those pertaining to the United States armed forces; or

(c) when such persons are engaged in practices illegal in Japan.

3. Upon certification by appropriate United States authorities as to their identity, such persons and their employees shall be accorded the following benefits of this Agreement:

(a) Rights of accession and movement, as provided for in Article V, paragraph 2;

(b) Entry into Japan in accordance with the provisions of Article IX;

(c) The exemption from customs duties, and other such charges provided for in Article XI, paragraph 3, for members of the United States armed forces, the civilian component, and their dependents;

(d) If authorized by the Government of the United States, the right to use the services of the organizations provided for in Article XV;

(e) Those provided for in Article XIX, paragraph 2, for members of the armed forces of the United States, the civilian component, and their dependents;

(f) If authorized by the Government of the United States, the right to use military payment certificates, as provided for in Article XX;

(g) The use of postal facilities provided for in Article XXI;

(h) Exemption from the laws and regulations of Japan with respect to terms and conditions of employment.

4. Such persons and their employees shall be so described in their passports and their arrival, departure and their residence while in Japan shall from time to time be notified by the United States armed forces to the Japanese authorities.

5. Upon certification by an authorized officer of the United States armed forces, depreciable assets except houses, held, used, or transferred, by such persons and their employees exclusively for the execution of contracts referred to in paragraph 1 shall not be subject to taxes or similar charges of Japan.

6. Upon certification by an authorized officer of the United States armed forces, such persons and their employees shall be exempt from taxation in Japan on the holding, use, transfer by death, or transfer to persons or agencies entitled to tax exemption under this Agreement, of movable property, tangible or intangible, the presence of which in Japan is due solely to the temporary presence of these persons in Japan, provided that such exemption shall not apply to property held for the purpose of investment or the conduct of other business in Japan or to any intangible property registered in Japan. There is no obligation under this Article to grant exemption from taxes payable in respect of the use of roads by private vehicles.

7. The persons and their employees referred to in paragraph 1 shall not be liable to pay income or corporation taxes to the Government of Japan or to any other taxing agency in Japan on any income derived under a contract made in the United States with the Government of the United States in connection with the construction, maintenance or operation of any of the facilities or areas covered by this Agreement. The provisions of this paragraph do not exempt such persons from payment of income or corporation taxes on income derived from Japanese sources, nor do they exempt such persons and their employees who, for United States income tax purposes, claim Japanese residence, from payment of Japanese taxes on income. Periods during which such persons are in Japan solely in connection with the execution of a contract with the Government of the United States shall not be considered periods of residence or domicile in Japan for the purposes of such taxation.

8. Japanese authorities shall have the primary right to exercise jurisdiction over the persons and their employees referred to in paragraph 1 of this Article in relation to offenses committed in Japan and punishable by the law of Japan. In those cases in which the Japanese authorities decide not to exercise such jurisdiction they shall notify the military authorities of the United States as soon as possible. Upon such notification the military authorities of the United States shall have the right to exercise such jurisdiction over the persons referred to as is conferred on them by the law of the United States.

ARTICLE XV

1. (a) Navy exchanges, post exchanges, messes, social clubs, theaters, newspapers and other non-appropriated fund organizations authorized and regulated by the United States military authorities may be established in the facilities and areas in use by the United States armed forces for the use of members of such forces, the civilian component, and their dependents. Except as otherwise provided in this Agreement, such organizations shall not be subject to Japanese regulations, license, fees, taxes or similar controls.

(b) When a newspaper authorized and regulated by the United States military authorities is sold to the general public, it shall be subject to Japanese regulations, license, fees, taxes or similar controls so far as such circulation is concerned.

2. No Japanese tax shall be imposed on sales of merchandise and services by such organizations, except as provided in paragraph 1(b), but purchases within Japan of merchandise and supplies by such organizations shall be subject to Japanese taxes.

3. Except as such disposal may be authorized by the United States and Japanese authorities in accordance with mutually agreed conditions, goods which are sold by such organizations shall not be disposed of in Japan to persons not authorized to make purchases from such organizations.

4. The organizations referred to in this Article shall provide such information to the Japanese authorities as is required by Japanese tax legislation.

ARTICLE XVI

It is the duty of members of the United States armed forces, the civilian component, and their dependents to respect the law of Japan and to abstain from any activity inconsistent with the spirit of this Agreement, and in particular, from any political activity in Japan.

ARTICLE XVII

1. Subject to the provisions of this Article,

(a) the military authorities of the United States shall have the right to exercise within Japan all criminal and disciplinary jurisdiction conferred on them by the law of the United States over all persons subject to the military law of the United States;

(b) the authorities of Japan shall have jurisdiction over the members of the United States armed forces, the civilian component, and their dependents with respect to offenses committed within the territory of Japan and punishable by the law of Japan.

2. (a) The military authorities of the United States shall have the right to exercise exclusive jurisdiction over persons subject to the military law of the United States with respect to offenses, including offenses relating to its security, punishable by the law of the United States, but not by the law of Japan.

(b) The authorities of Japan shall have the right to exercise exclusive jurisdiction over members of the United States armed forces, the civilian component, and their dependents with respect to offenses, including offenses relating to the security of Japan, punishable by its law but not by the law of the United States.

(c) For the purposes of this paragraph and of paragraph 3 of this Article a security offense against a State shall include (i) treason against the State; (ii) sabotage, espionage or violation of any law relating to official secrets of that State, or secrets relating to the national defense of that State.

3. In cases where the right to exercise jurisdiction is concurrent the following rules shall apply:

(a) The military authorities of the United States shall have the primary right to exercise jurisdiction over members of the United States armed forces or the civilian component in relation to: (i) offenses solely against the property or security of the United States, or offenses solely against the person or property of another member of the United States armed forces or the civilian component or of a dependent; (ii) offenses arising out of any act or omission done in the performance of official duty.

(b) In the case of any other offense the authorities of Japan shall have the primary right to exercise jurisdiction.

(c) If the State having the primary right decides not to exercise jurisdiction, it shall notify the authorities of the other State as soon as practicable. The authorities of the State having the primary right shall give sympathetic consideration to a request from the authorities of the other State for a waiver of its right in cases where that other State considers such waiver to be of particular importance.

4. The foregoing provisions of this Article shall not imply any right for the military authorities of the United States to exercise jurisdiction over persons who are nationals of or ordinarily resident in Japan, unless they are members of the United States armed forces.

5. (a) The military authorities of the United States and the authorities of Japan shall assist each other in the arrest of members of the United States armed forces, the civilian component, or their dependents in the territory of Japan and in handing them over to the authority which is to exercise jurisdiction in accordance with the above provisions.

(b) The authorities of Japan shall notify promptly the military authorities of the United States of the arrest of any member of the United States armed forces, the civilian component, or a dependent.

(c) The custody of an accused member of the United States armed forces or the civilian component over whom Japan is to exercise jurisdiction shall, if he is in the hands of the United States, remain with the United States until he is charged by Japan.

6. (a) The military authorities of the United States and the authorities of Japan shall assist each other in the carrying out of all necessary investigations into offenses, and in the collection and production of evidence, including the seizure and, in proper cases, the handing over of objects connected with an offense. The handing over of such objects may, however, be made subject to their return within the time specified by the authority delivering them.

(b) The military authorities of the United States and the authorities of Japan shall notify each other of the disposition of all cases in which there are concurrent rights to exercise jurisdiction.

7. (a) A death sentence shall not be carried out in Japan by the military authorities of the United States if the legislation of Japan does not provide for such punishment in a similar case.

(b) The authorities of Japan shall give sympathetic consideration to a request from the military authorities of the United States for assistance in carrying out a sentence of imprisonment pronounced by the military authorities of the United States under the provisions of this Article within the territory of Japan.

8. Where an accused has been tried in accordance with the provisions of this Article either by the military authorities of the United States or the authorities of Japan and has been acquitted, or has been convicted and is serving, or has served, his sentence or has been pardoned, he may not be tried again for the same offense within the territory of Japan by the authorities of the other State. However, nothing in this paragraph shall prevent the military authorities of the United States from trying a member of its armed forces for any violation of rules of discipline arising from an act or omission which constituted an offense for which he was tried by the authorities of Japan.

9. Whenever a member of the United States armed forces, the civilian component or a dependent is prosecuted under the jurisdiction of Japan he shall be entitled:

(a) to a prompt and speedy trial;

(b) to be informed, in advance of trial, of the specific charge or charges made against him;

(c) to be confronted with the witnesses against him;

(d) to have compulsory process for obtaining witnesses in his favor, if they are within the jurisdiction of Japan;

(e) to have legal representation of his own choice for his defense or to have free or assisted legal representation under the conditions prevailing for the time being in Japan;

(f) if he considers it necessary, to have the services of a competent interpreter; and

(g) to communicate with a representative of the Government of the United States and to have such a representative present at his trial.

10. (a) Regularly constituted military units or formations of the United States armed forces shall have the right to police any facilities or areas which they use

under Article II of this Agreement. The military police of such forces may take all appropriate measures to ensure the maintenance of order and security within such facilities and areas.

(b) Outside these facilities and areas, such military police shall be employed only subject to arrangements with the authorities of Japan and in liaison with those authorities, and in so far as such employment is necessary to maintain discipline and order among the members of the United States armed forces.

11. In the event of hostilities to which the provisions of Article V of the Treaty of Mutual Cooperation and Security apply, either the Government of the United States or the Government of Japan shall have the right, by giving sixty days' notice to the other, to suspend the application of any of the provisions of this Article. If this right is exercised, the Governments of the United States and Japan shall immediately consult with a view to agreeing on suitable provisions to replace the provisions suspended.

12. The provisions of this Article shall not apply to any offenses committed before the entry into force of this Agreement. Such cases shall be governed by the provisions of Article XVII of the Administrative Agreement under Article III of the Security Treaty between the United States of America and Japan, as it existed at the relevant time.

ARTICLE XVIII

1. Each Party waives all its claims against the other Party for damage to any property owned by it and used by its land, sea or air defense services, if such damage—

(a) was caused by a member or an employee of the defense services of the other Party in the performance of his official duties; or

(b) arose from the use of any vehicle, vessel or aircraft owned by the other Party and used by its defense services, provided either that the vehicle, vessel or aircraft causing the damage was being used for official purposes, or that the damage was caused to property being so used.

Claims for maritime salvage by one Party against the other Party shall be waived, provided that the vessel or cargo salvaged was owned by a Party and being used by its defense services for official purposes.

2. (a) In the case of damage caused or arising as stated in paragraph 1 to other property owned by either Party and located in Japan, the issue of the liability of the other Party shall be determined and the amount of damage shall be assessed, unless the two Governments agree otherwise, by a sole arbitrator selected in accordance with subparagraph (b) of this paragraph. The arbitrator shall also decide any counter-claims rising out of the same incident.

(b) The arbitrator referred to in subparagraph (a) above shall be selected by agreement between the two Governments from amongst the nationals of Japan who hold or have held high judicial office.

(c) Any decision taken by the arbitrator shall be binding and conclusive upon the Parties.

(d) The amount of any compensation awarded by the arbitrator shall be distributed in accordance with the provisions of paragraph 5(e) (i), (ii), and (iii) of this Article.

(e) The compensation of the arbitrator shall be fixed by agreement between the two Governments and shall together with the necessary expenses incidental to the performance of his duties, be defrayed in equal proportions by them.

(f) Nevertheless, each Party waives its claim in any such case up to the amount of 1,400 United States dollars or 504,000 yen. In the case of considerable variation in the rate of exchange between these currencies the two Governments shall agree on the appropriate adjustments of these amounts.

3. For the purposes of paragraphs 1 and 2 of this Article the expression "owned by a Party" in the case of a vessel includes a vessel on bare boat charter to that Party or requisitioned by it on bare boat terms or seized by it in prize (except to the extent that the risk of loss or liability is borne by some person other than such Party).

4. Each Party waives all its claims against the other Party for injury or death suffered by any member of its defense services while such member was engaged in the performance of his official duties.

5. Claims (other than contractual claims and those to which paragraphs 6 or 7 of this Article apply) arising out of facts or omissions of members or employees of the United States armed forces done in the performance of official duty, or

out of any other act, omission or occurrence for which the United States armed forces are legally responsible, and causing damage in Japan to third parties, other than the Government of Japan, shall be dealt with by Japan in accordance with the following provisions:

(a) Claims shall be filed, considered and settled or adjudicated in accordance with the laws and regulations of Japan with respect to claims arising from the activities of its Self-Defense Forces.

(b) Japan may settle any such claims, and payment of the amount agreed upon or determined by adjudication shall be made by Japan in yen.

(c) Such payment, whether made pursuant to a settlement or to adjudication of the case by a competent tribunal of Japan, or the final adjudication by such a tribunal denying payment, shall be binding and conclusive upon the Parties.

(d) Every claim paid by Japan shall be communicated to the appropriate United States authorities together with full particulars and a proposed distribution in conformity with subparagraphs (e) (i) and (ii) below. In default of a reply within two months, the proposed distribution shall be regarded as accepted.

(e) The cost incurred in satisfying claims pursuant to the preceding subparagraphs and paragraph 2 of this Article shall be distributed between the Parties as follows:

(i) Where the United States alone is responsible, the amount awarded or adjudged shall be distributed in the proportion of 25 percent chargeable to Japan and 75 percent chargeable to the United States.

(ii) Where the United States and Japan are responsible for the damage, the amount awarded or adjudged shall be distributed equally between them. Where the damage was caused by the defense services of the United States or Japan and it is not possible to attribute it specifically to one or both of those defense services, the amount awarded or adjudged shall be distributed equally between the United States and Japan.

(iii) Every half-year, a statement of the sums paid by Japan in the course of the half-yearly period in respect of every case regarding which the proposed distribution on a percentage basis has been accepted, shall be sent to the appropriate United States authorities, together with a request for reimbursement. Such reimbursement shall be made, in yen, within the shortest possible time.

(f) Members or employees of the United States armed forces, excluding those employees who have only Japanese nationality, shall not be subject to any proceedings for the enforcement of any judgment given against them in Japan in a matter arising from the performance of their official duties.

(g) Except in so far as subparagraph (e) of this paragraph applies to claims covered by paragraph 2 of this Article, the provisions of this paragraph shall not apply to any claim arising out of or in connection with the navigation or operation of a ship or the loading, carriage, or discharge of a cargo, other than claims for death or personal injury to which paragraph 4 of this Article does not apply.

6. Claims against members or employees of the United States armed forces (except employees who are nationals of or ordinarily resident in Japan) arising out of tortious acts or omissions in Japan not done in the performance of official duty shall be dealt with in the following manner:

(a) The authorities of Japan shall consider the claim and assess compensation to the claimant in a fair and just manner, taking into account all the circumstances of the case, including the conduct of the injured person, and shall prepare a report on the matter.

(b) The report shall be delivered to the appropriate United States authorities who shall then decide without delay whether they will offer an ex gratia payment, and if so, of what amount.

(c) If an offer of ex gratia payment is made, and accepted by the claimant in full satisfaction of his claim, the United States authorities shall make the payment themselves and inform the authorities of Japan of their decision and of the sum paid.

(d) Nothing in this paragraph shall affect the jurisdiction of the courts of Japan to entertain an action against a member or an employee of the United States armed forces unless and until there has been payment in full satisfaction of the claim.

7. Claims arising out of the unauthorized use of any vehicle of the United States armed forces shall be dealt with in accordance with paragraph 6 of this Article, except in so far as the United States armed forces are legally responsible.

8. If a dispute arises as to whether a tortious act or omission of a member or an employee of the United States armed forces was done in the performance of official duty or as to whether the use of any vehicle of the United States armed forces was unauthorized, the question shall be submitted to an arbitrator appointed in accordance with paragraph 2(b) of this Article, whose decision on this point shall be final and conclusive.

9. (a) The United States shall not claim immunity from the jurisdiction of the courts of Japan for members or employees of the United States armed forces in respect of the civil jurisdiction of the courts of Japan except to the extent provided in paragraph 5(f) of this Article.

(b) in case any private movable property, excluding that in use by the United States armed forces, which is subject to compulsory execution under Japanese law, is within the facilities and areas in use by the United States armed forces, the United States authorities shall, upon the request of Japanese courts, possess and turn over such property to the Japanese authorities.

(c) The authorities of the United States and Japan shall cooperate in the procurement of evidence for a fair hearing and disposal of claims under this Article.

10. Disputes arising out of contracts concerning the procurement of materials, supplies, equipment, services and labor by or for the United States armed forces, which are not resolved by the parties to the contract concerned, may be submitted to the Joint Committee for conciliation, provided that the provisions of this paragraph shall not prejudice any right which the parties to the contract may have to file a civil suit.

11. The term "defense services" used in this Article is understood to mean for Japan its Self-Defense Forces and for the United States its armed forces.

12. Paragraphs 2 and 5 of this Article shall apply only to claims arising incident to non-combat activities.

13. The provisions of this Article shall not apply to any claims which arose before the entry into force of this Agreement. Such claims shall be dealt with by the provisions of Article XVIII of the Administrative Agreement under Article III of the Security Treaty between the United States of America and Japan.

ARTICLE XIX

1. Members of the United States armed forces, the civilian component, and their dependents, shall be subject to the foreign exchange controls of the Government of Japan.

2. The preceding paragraph shall not be construed to preclude the transmission into or outside of Japan of United States dollars or dollar instruments representing the official funds of the United States or realized as a result of service or employment in connection with this Agreement by members of the United States armed forces and the civilian component, or realized by such persons and their dependents from sources outside of Japan.

3. The United States authorities shall take suitable measures to preclude the abuse of the privileges stipulated in the preceding paragraph or circumvention of the Japanese foreign exchange controls.

ARTICLE XX

1. (a) United States military payment certificates denominated in dollars may be used by persons authorized by the United States for internal transactions within the facilities and areas in use by the United States armed forces. The Government of the United States will take appropriate action to insure that authorized personnel are prohibited from engaging in transactions involving military payment certificates except as authorized by United States regulations. The government of Japan will take necessary action to prohibit unauthorized persons from engaging in transactions involving military payment certificates and with the aid of United States authorities will undertake to apprehend and punish any person or persons under its jurisdiction involved in the counterfeiting or uttering of counterfeit military payment certificates.

(b) It is agreed that the United States authorities will apprehend and punish members of the United States armed forces, the civilian component, or their dependents, who tender military payment certificates to unauthorized persons and that no obligation will be due to such unauthorized persons or to the Govern-

ment of Japan or its agencies from the United States or any of its agencies as a result of any unauthorized use of military payment certificates within Japan.

2. In order to exercise control of military payment certificates the United States may designate certain American financial institutions to maintain and operate, under United States supervision, facilities for the use of persons authorized by the United States to use military payment certificates. Institutions authorized to maintain military banking facilities will establish and maintain such facilities physically separated from their Japanese commercial banking business, with personnel whose sole duty is to maintain and operate such facilities. Such facilities shall be permitted to maintain United States currency bank accounts and to perform all financial transactions in connection therewith including receipt and remission of funds to the extent provided by Article XIX, paragraph 2, of this Agreement.

ARTICLE XXI

The United States may establish and operate, within the facilities and areas in use by the United States armed forces, United States military post offices for the use of members of the United States armed forces, the civilian component, and their dependents, for the transmission of mail between United States military post offices in Japan and between such military post offices and other United States post offices.

ARTICLE XXII

The United States may enroll and train eligible United States citizens residing in Japan, who apply for such enrollment, in the reserve organizations of the armed forces of the United States.

ARTICLE XXIII

The United States and Japan will cooperate in taking such steps as may from time to time be necessary to ensure the security of the United States armed forces, the members thereof, the civilian component, their dependents, and their property. The Government of Japan agrees to seek such legislation and to take such other action as may be necessary to ensure the adequate security and protection within its territory of installations, equipment, property, records and official information of the United States, and for the punishment of offenders under the applicable laws of Japan.

ARTICLE XXIV

1. It is agreed that the United States will bear for the duration of this Agreement without cost to Japan all expenditures incident to the maintenance of the United States armed forces in Japan except those to be borne by Japan as provided in Articles II and III.

2. It is agreed that Japan will furnish for the duration of this Agreement without cost to the United States and make compensation where appropriate to the owners and suppliers thereof all facilities and areas and rights of way, including facilities and areas jointly used such as those at airfields and ports, as provided in Articles II and III.

3. It is agreed that arrangements will be effected between the Governments of the United States and Japan for accounting applicable to financial transactions arising out of this Agreement.

ARTICLE XXV

1. A Joint Committee shall be established as the means for consultation between the Government of the United States and the Government of Japan on all matters requiring mutual consultation regarding the implementation of this Agreement. In particular, the Joint Committee shall serve as the means for consultation in determining the facilities and areas in Japan which are required for the use of the United States in carrying out the purposes of the Treaty of Mutual Cooperation and Security.

2. The Joint Committee shall be composed of a representative of the Government of the United States and a representative of the Government of Japan, each of whom shall have one or more deputies and a staff. The Joint Committee

shall determine its own procedures, and arrange for such auxiliary organs and administrative services as may be required. The Joint Committee shall be so organized that it may meet immediately at any time at the request of the representative of either the Government of the United States or the Government of Japan.

3. If the Joint Committee is unable to resolve any matter, it shall refer that matter to the respective Governments for further consideration through appropriate channels.

ARTICLE XXVI

1. This Agreement shall be approved by the United States and Japan in accordance with their legal procedures, and notes indicating such approval shall be exchanged.

2. After the procedure set forth in the preceding paragraph has been followed, this Agreement will enter into force on the date of coming into force of the Treaty of Mutual Cooperation and Security, at which time the Administrative Agreement under Article III of the Security Treaty between the United States of America and Japan, signed at Tokyo on February 28, 1952, as amended, shall expire.

3. The Government of each Party to this Agreement undertakes to seek from its legislature necessary budgetary and legislative action with respect to provisions of this Agreement which require such action for their execution.

ARTICLE XXVII

Either Government may at any time request the revision of any Article of this Agreement, in which case the two Governments shall enter into negotiation through appropriate channels.

ARTICLE XXVIII

This Agreement, and agreed revision thereof, shall remain in force while the Treaty of Mutual Cooperation and Security remains in force unless earlier terminated by agreement between the two Governments.

In witness whereof the undersigned Plenipotentiaries have signed this Agreement.

Done at Washington, in duplicate, in the English and Japanese languages, both texts equally authentic, this 19th day of January, 1960.

For the United States of America :

CHRISTIAN A. HERTER,
DOUGLAS MACARTHUR 2ND,
J. GRAHAM PARSONS.

For Japan :

NOBUSUKE KISHI,
AIICHIRO FUJIYAMA,
MITSUJIRO ISHII,
TADASHI ADACHI,
KOICHIRO ASAKAI.

AGREED MINUTES TO THE AGREEMENT UNDER ARTICLE VI OF THE TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN, REGARDING FACILITIES AND AREAS AND THE STATUS OF UNITED STATES ARMED FORCES IN JAPAN

The Plenipotentiaries of the United States of America and Japan wish to record the following understanding which they have reached during the negotiations for the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, Regarding Facilities and Areas and the Status of United States Armed Forces in Japan, signed today :

ARTICLE III

The measures that may be taken by the United States under paragraph 1 shall, to the extent necessary to accomplish the purposes of this Agreement, include, *inter alia*, the following :

1. To construct (including dredging and filling), operate, maintain, utilize, occupy, garrison and control the facilities and areas ;

2. To remove buildings or structures, make alterations, attach fixtures, or erect additions thereto and to construct any additional buildings or structures together with auxiliary facilities;

3. To improve and deepen the harbors, channels, entrances and anchorages, and to construct or maintain necessary roads and bridges affording access to such facilities and areas;

4. To control (including measures to prohibit) in so far as may be required by military necessity for the efficient operation and safety of the facilities and areas, anchorages, moorings, landings, takeoffs and operation of ships and water-borne craft, aircraft and other vehicles on water, in the air or on land comprising, or in the vicinity of, the facilities and areas;

5. To construct on rights of way utilized by the United States such wire and radio communications facilities, including submarine and subterranean cables, pipe lines and spur tracks from railroads, as may be required for military purposes; and

6. To construct, install, maintain and employ in any facility or area any type of installation, weapon, substance, device, vessel or vehicle on or under the ground, in the air or on or under the water that may be requisite or appropriate including meteorological systems, aerial and water navigation lights, radio and radar apparatus and electronic devices.

ARTICLE V

1. "United States and foreign vessels . . . operated by, for, or under the control of the United States for official purposes" mean United States public vessels and chartered vessels (bare boat charter, voyage charter and time charter). Space charter is not included. Commercial cargo and private passengers are carried by them only in exceptional cases.

2. The Japanese ports mentioned herein will ordinarily mean "open ports."

3. The exemption from making "appropriate notification" will be applicable only to exceptional cases where such is required for security of the United States armed forces or similar reasons.

4. The laws and regulations of Japan will be applicable except as specifically provided otherwise in this Article.

ARTICLE VII

The problem of telecommunications rates applicable to the United States armed forces will continue to be studied in the light of, *inter alia*, the statements concerning Article VII recorded in the official minutes of the Tenth Joint Meeting for the Negotiation of the Administrative Agreement signed on February 28, 1952, which are hereby incorporated by reference.

ARTICLE IX

The Government of Japan will be notified at regular intervals, in accordance with procedures to be agreed between the two Governments, of numbers and categories of persons entering and departing.

ARTICLE XI

1. The quantity of goods imported under paragraph 2 by the organizations provided for in Article XV for the use of the members of the United States armed forces, the civilian component, and their dependents shall be limited to the extent reasonably required for such use.

2. Paragraph 3(a) does not require concurrent shipment of goods with travel of owner nor does it require single loading or shipment.

3. The term "military cargo" as used in paragraph 5(c) is not confined to arms and equipment but refers to all cargo shipped to the United States armed forces on a United States Government bill of lading, the term "military cargo" being used to distinguish cargo shipped to the United States armed forces from cargo shipped to other agencies of the United States Government.

4. The United States armed forces will take every practicable measure to ensure that goods will not be imported into Japan by or for the members of the United States armed forces, the civilian component, or their dependents, the entry of

which would be in violation of Japanese customs laws and regulations. The United States armed forces will promptly notify the Japanese customs authorities whenever the entry of such goods is discovered.

5. The Japanese customs authorities may, if they consider that there has been an abuse or infringement in connection with the entry of goods under Article XI, take up the matter with the appropriate authorities of the United States armed forces.

6. The words "The United States armed forces shall render all assistance within their power etc." in paragraph 9(b) and (c) refer to reasonable and practicable measures by the United States armed forces.

ARTICLE XII

1. The United States armed forces will furnish the Japanese authorities with appropriate information as far in advance as practicable on anticipated major changes in their procurement program in Japan.

2. The problem of a satisfactory settlement of difficulties with respect to procurement contracts arising out of differences between United States and Japanese economic laws and business practices will be studied by the Joint Committee or other appropriate persons.

3. The procedures for securing exemptions from taxation on purchases of goods for ultimate use by the United States armed forces will be as follows:

a. Upon appropriate certification by the United States armed forces that materials, supplies and equipment consigned to or destined for such forces, are to be used, or wholly or partially used up, under the supervision of such forces, exclusively in the execution of contracts for the construction, maintenance or operation of the facilities and areas referred to in Article II or for the support of the forces therein, or are ultimately to be incorporated into articles or facilities used by such forces, an authorized representative of such forces shall take delivery of such materials, supplies and equipment directly from manufacturers thereof. In such circumstances the collection of commodity and gasoline taxes shall be held in abeyance.

b. The receipt of such materials, supplies and equipment in the facilities and areas shall be confirmed by an authorized officer of the United States armed forces to the Japanese authorities.

c. Collection of commodity and gasoline taxes shall be held in abeyance until:

- (1) The United States armed forces confirm and certify the quantity or degree of consumption of the above referred to materials, supplies and equipment; or
- (2) The United States armed forces confirm and certify the amount of the above referred to materials, supplies, and equipment which have been incorporated into articles or facilities used by United States armed forces.

d. Materials, supplies, and equipment certified under c(1) or (2) shall be exempt from commodity and gasoline taxes insofar as the price thereof is paid out of United States Government appropriations or out of funds contributed by the Japanese Government for disbursement by the United States.

4. The Government of the United States shall ensure that the Government of Japan is reimbursed for costs incurred under relevant contracts between appropriate authorities of the Government of Japan and the organizations provided for in Article XV in connection with the employment of workers to be provided for such organizations.

5. It is understood that the term "the legislation of Japan" mentioned in paragraph 5, article XII includes decisions of the courts and the Labor Relations Commissions of Japan, subject to the provisions of paragraph 6, Article XII.

6. It is understood that the provisions of Article XII, paragraph 6 shall apply only to discharges for security reasons including disturbing the maintenance of military discipline within the facilities and areas used by the United States armed forces.

7. It is understood that the organizations referred to in Article XV will be subject to the procedures of paragraph 6 on the basis of mutual agreement between the appropriate authorities.

ARTICLE XIII

With respect to Article XIII, paragraph 2 and Article XIV, paragraph 7, income payable in Japan as a result of service with or employment by the United

States armed forces or by the organizations provided for in Article XV, or under contract made in the United States with the United States Government, shall not be treated or considered income derived from Japanese sources.

ARTICLE XV

The facilities referred to in paragraph 1 may be used by other officers and personnel of the United States Government ordinarily accorded such privileges abroad.

ARTICLE XVII

Re paragraph 1(a) and paragraph 2(a) :

"The scope of persons subject to the military laws of the United States shall be communicated, through the Joint Committee, to the Government of Japan by the Government of the United States."

Re paragraph 2(c) :

"Both Governments shall inform each other of the details of all the security offenses mentioned in this subparagraph and the provisions governing such offenses in the existing laws of their respective countries."

Re paragraph 3(a) (ii) :

"Where a member of the United States armed forces or the civilian component is charged with an offense, a certificate issued by or on behalf of his commanding officer stating that the alleged offense, if committed by him, arose out of an act or omission done in the performance of official duty, shall, in any judicial proceedings, be sufficient evidence of the fact unless the contrary is proved.

The above statement shall not be interpreted to prejudice in any way Article 318 of the Japanese Code of Criminal Procedure."

Re paragraph 3(c) :

"1. Mutual procedures relating to waivers of the primary right to exercise jurisdiction shall be determined by the Joint Committee.

"2. Trials of cases in which the Japanese authorities have waived the primary right to exercise jurisdiction, and trials of cases involving offenses described in paragraph 3(a) (ii) committed against the State or nationals of Japan shall be held promptly in Japan within a reasonable distance from the places where the offenses are alleged to have taken place unless other arrangements are mutually agreed upon. Representatives of the Japanese authorities may be present at such trials."

Re paragraph 4 :

"Dual nationals, United States and Japanese, who are subject to the military law of the United States and are brought to Japan by the United States shall not be considered as nationals of Japan, but shall be considered as United States nationals for the purposes of this paragraph."

Re paragraph 5 :

"1. In case the Japanese authorities have arrested an offender who is a member of the United States armed forces, the civilian component, or a dependent subject to the military law of the United States with respect to a case over which Japan has the primary right to exercise jurisdiction, the Japanese authorities will, unless they deem that there is adequate cause and necessity to retain such offender, release him to the custody of the United States military authorities provided that he shall, on request, be made available to the Japanese authorities, if such be the condition of his release. The United States authorities shall, on request, transfer his custody to the Japanese authorities at the time he is indicted by the latter.

"2. The United States military authorities shall promptly notify the Japanese authorities of the arrest of any member of the United States armed forces, the civilian component or a dependent in any case in which Japan has the primary right to exercise jurisdiction."

Re paragraph 9 :

"1. The rights enumerated in items (a) through (e) of this paragraph are guaranteed to all persons on trial in Japanese courts by the provisions of the Japanese Constitution. In addition to these rights, a member of the United States armed forces, the civilian component or a dependent who is prosecuted under the jurisdiction of Japan shall have such other rights as are guaranteed under the laws of Japan to all persons on trial in Japanese courts. Such addi-

tional rights include the following which are guaranteed under the Japanese Constitution:

"(a) He shall not be arrested or detained without being at once informed of the charge against him or without the immediate privilege of counsel; nor shall he be detained without adequate cause; and upon demand of any person such cause must be immediately shown in open court in his presence and the presence of his counsel;

"(b) He shall enjoy the right to a public trial by an impartial tribunal;

"(c) He shall not be compelled to testify against himself;

"(d) He shall be permitted full opportunity to examine all witnesses;

"(e) No cruel punishments shall be imposed upon him.

"2. The United States authorities shall have the right upon request to have access at any time to members of the United States armed forces, the civilian component, or their dependents who are confined or detained under Japanese authority.

"3. Nothing in the provisions of paragraph 9(g) concerning the presence of a representative of the United States Government at the trial of a member of the United States armed forces, the civilian component or a dependent prosecuted under the jurisdiction of Japan, shall be so construed as to prejudice the provisions of the Japanese Constitution with respect to public trials."

Re paragraphs 10(a) and 10(b):

"1. The United States military authorities will normally make all arrests within facilities and areas in use by and guarded under the authority of the United States armed forces. This shall not preclude the Japanese authorities from making arrests within facilities and areas in cases where the competent authorities of the United States armed forces have given consent, or in cases of pursuit of a flagrant offender who has committed a serious crime.

Where persons whose arrest is desired by the Japanese authorities and who are not subject to the jurisdiction of the United States armed forces are within facilities and areas in use by the United States armed forces, the United States military authorities will undertake, upon request, to arrest such persons. All persons arrested by the United States military authorities, who are not subject to the jurisdiction of the United States armed forces, shall immediately be turned over to the Japanese authorities.

"The United States military authorities may, under due process of law, arrest in the vicinity of a facility or area any person in the commission or attempted commission of an offense against the security of that facility or area. Any such person not subject to the jurisdiction of the United States armed forces shall be immediately turned over to the Japanese authorities.

"2. The Japanese authorities will normally not exercise the right of search, seizure, or inspection with respect to any persons or property within facilities and areas in use by and guarded under the authority of the United States armed forces or with respect to property of the United States armed forces wherever situated, except in cases where the competent authorities of the United States armed forces consent to such search, seizure, or inspection by the Japanese authorities of such persons or property.

"Where search, seizure, or inspection with respect to persons or property within facilities and areas in use by the United States armed forces or with respect to property of the United States armed forces in Japan is desired by the Japanese authorities, the United States military authorities will undertake, upon request, to make such search, seizure, or inspection. In the event of a judgment concerning such property, except property owned or utilized by the United States Government or its instrumentalities, the United States will turn over such property to the Japanese authorities for disposition in accordance with the judgment."

ARTICLE XIX

Payment in Japan by the United States armed forces and by those organizations provided in Article XV to persons other than members of the United States armed forces, civilian component, their dependents and those persons referred to in Article XIV shall be effected in accordance with the Japanese Foreign Exchange Control Law and regulations. In these transactions the basic rate of exchange shall be used.

ARTICLE XXI

United States military post offices may be used by other officers and personnel of the United States Government ordinarily accorded such privileges abroad.

ARTICLE XXIV

It is understood that nothing in this Agreement shall prevent the United States from utilizing, for the defrayment of expenses which are to be borne by the United States under this Agreement, dollar or yen funds lawfully acquired by the United States.

WASHINGTON, *January 19, 1960.*

C. A. H.
N. K

DEPARTMENT OF STATE,
Washington, January 19, 1960.

His Excellency NOBUSUKE KISHI,
Prime Minister of Japan.

EXCELLENCY: I have the honor to refer to paragraph 6(d) of Article XII of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, Regarding Facilities and Areas and the Status of United States Armed Forces in Japan, signed today. The second sentence of the said paragraph provides that "in such case the Government of the United States shall pay to the Government of Japan an amount equal to the cost of employment of the worker for a period of time to be agreed between the two Governments."

I wish to propose on behalf of the Government of the United States that the period of time mentioned above shall not exceed one year after the notification provided for in paragraph 6(b) of Article XII of the above-cited Agreement, and may be determined in the consultations under paragraph 6(c) of Article XII above on the basis of mutually agreeable criteria.

If the proposal made herein is acceptable to the Government of Japan, this Note and Your Excellency's reply to that effect shall be considered as constituting an agreement between the two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

CHRISTIAN A. HERTER,
Secretary of State of the United States of America.

WASHINGTON, *January 19, 1960.*

His Excellency CHRISTIAN A. HERTER,
Secretary of State of the United States of America.

EXCELLENCY: I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honor to refer to paragraph 6(d) of Article XII of the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, Regarding Facilities and Areas and the Status of United States Armed Forces in Japan, signed today. The second sentence of the said paragraph provides that 'in such case the Government of the United States shall pay to the Government of Japan an amount equal to the cost of employment of the worker for a period of time to be agreed between the two Governments.

"I wish to propose on behalf of the Government of the United States that the period of time mentioned above shall not exceed one year after the notification provided for in paragraph 6(b) of Article XII of the above-cited Agreement, and may be determined in the consultations under paragraph 6(c) of Article XII above on the basis of mutually agreeable criteria.

"If the proposal made herein is acceptable to the Government of Japan, this Note and Your Excellency's reply to that effect shall be considered as constituting an agreement between the two Governments."

I have the honour to inform Your Excellency that the Government of Japan accepts the above proposal of the Government of the United States, and to confirm that your Note and this reply are considered as constituting an agreement between the two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

NOBUSUKE KISHI.

ARTICLE XVII

It is understood that nothing in this Agreement shall prevent the United States from utilizing for the defrayment of expenses which are to be borne by the United States under this Agreement, dollar or yen funds lawfully acquired by the United States.

Washington, January 13, 1960.

C.A.H.
N.E.

DEPARTMENT OF STATE
Washington, January 13, 1960.

The Honorable Nobusuke Kishi
Prime Minister of Japan

Reference is made to the letter to the Secretary of State of January 12, 1960, from the Honorable Nobusuke Kishi, Prime Minister of Japan, regarding the proposed amendment to the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, regarding facilities and arms and the status of United States Armed Forces in Japan, signed today. The second sentence of the said paragraph provides that "in such case the Government of the United States shall pay to the Government of Japan an amount equal to the cost of completion of the work for a period of time to be agreed between the two Governments."

I wish to propose on behalf of the Government of the United States that the period of time mentioned above shall not exceed one year after the notification provided for in paragraph 4(b) of Article XII of the proposed Amendment, and that the amount to be paid shall be determined in the consultation under paragraph 4(b) of Article XII on the basis of mutually agreed criteria. If the proposal made herein is acceptable to the Government of Japan, the United States and Japan will be pleased to state that the effect shall be considered as constituting an agreement between the two Governments.

Very truly yours,
W. Averell Harriman
Assistant Secretary of State

Secretary of State of the United States of America

Washington, January 13, 1960.

The Honorable Nobusuke Kishi

Prime Minister of Japan

Reference is made to the letter to the Secretary of State of January 12, 1960, from the Honorable Nobusuke Kishi, Prime Minister of Japan, regarding the proposed amendment to the Agreement under Article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, regarding facilities and arms and the status of United States Armed Forces in Japan, signed today. The second sentence of the said paragraph provides that "in such case the Government of the United States shall pay to the Government of Japan an amount equal to the cost of completion of the work for a period of time to be agreed between the two Governments."

I wish to propose on behalf of the Government of the United States that the period of time mentioned above shall not exceed one year after the notification provided for in paragraph 4(b) of Article XII of the proposed Amendment, and that the amount to be paid shall be determined in the consultation under paragraph 4(b) of Article XII on the basis of mutually agreed criteria.

If the proposal made herein is acceptable to the Government of Japan, the United States and Japan will be pleased to state that the effect shall be considered as constituting an agreement between the two Governments.

Very truly yours,
W. Averell Harriman
Assistant Secretary of State

Secretary of State of the United States of America

Prime Minister of Japan

3. "DEFENSE OF JAPAN"

Defense White Paper—Summary, June 1976

(Published by the Japanese Defense Agency)

Japan's internal and external environments have undergone far-reaching changes since 1970 when the last Defense White Paper was published. The current White Paper is designed partly to clarify the background against which the so-called "post Fourth Defense Buildup Plan" is being programmed, and primarily to give a wider segment of the public an understanding of the realities of the international environment, the basic concepts of our national defense and some facts about the self-defense forces. The Paper consists of four chapters: Chapter I: Trends of the International Situation. Chapter II: Defense Policies of Japan. Chapter III: The Public and Self-Defense Forces. Chapter IV: SDF and Their Major Activities.

In Chapter I, the international situation is analyzed in terms of its relatively long range trends and with emphasis on the factors relevant to the concept of our national defense policies. The chapter also outlines the general implications and the respective roles of the collective security system and military power in the nuclear age; it also elaborates factual data on the military presence around Japan.

Readers will find in Chapter II explanations of our basic defense policies, including the concept of a basic standing force which can be characterized as a basic defense capability.

Chapter III is devoted to civilian control and other related issues indispensable for understanding the fact that the self-defense forces are people's arms and their effectiveness depends on mutual trust.

The last chapter includes factual information on the forces, their activities and some of the problems inherent to their organization.

Chapter I. Trends of the International Situation

1. COEXISTENCE AND STRUGGLE

A. East-West relations

(a) The United States and the Soviet Union, fearing the consequences of mutual use of nuclear arms with massive destructive power, have found that it is to their mutual interest to continue their dialogue on how to avoid crisis, whatever their conflict of interests, and to adopt political and military measures necessary for accommodation. Thus East-West dialogue has continued in Europe where impressive military forces, including those of the two superpowers, directly confront each other; and potential confrontations have been controlled in other regions of the world where the interests of the two powers are deeply involved.

(b) In the background of this trend exists a military equilibrium based on a mutual nuclear deterrence between the United States and the Soviet Union or between Western and Eastern Europe. Also contributing to this trend is the common recognition that nations increasingly have to turn their eyes to their own problems, that military expenditures would become too heavy to bear if they should increase as tension remains and grows, and that many global problems are beyond resolution by military means only. In Asia, the Sino-United States rapprochement became to some extent a regional stabilizing factor; but the region is far from stable because of its multiplicity which has no parallel in Europe but has long been inherent to Asia.

(c) On the other hand, the world has faced a series of wide-ranging problems—population increase, poverty, resources, pollution, among others. In the 1970's in particular, food, oil and other resources have become serious issues which impressed the world with the urgent need for international cooperation. The issues no longer remain purely economic but are today identified as problems

directly relevant to national security. As a result, the growing need for international interdependence cannot fail to have a favorable impact on East-West relations.

(d) However, the United States and the Soviet Union do not hide the mutual distrust that lies underneath their détente; in fact, critical voices are constantly raised in their respective domestic scene against concessions and compromises related to détente. The United States interprets détente as a policy that governs, with limitations, the relations between superpowers who are essentially in a state of confrontation. The United States, therefore, seeks a more stabilized international order by, on one hand, maintaining sufficient military power necessary for a military equilibrium and, on the other, continuing her dialogue with Moscow. As for the Soviet Union, peaceful coexistence is designed to avoid war with nations with different social systems. Her policy, however, never rules out all types of struggles, either national liberation or ideological.

(e) All this inevitably reveals the limit of détente. Its primary objective is nothing but the avoidance of an intercontinental nuclear war as well as conventional armed conflict that might escalate to such a war. Hence, détente does not keep big powers from staging political struggles for expanding influence or for preventing it. Neither does détente itself prevent military conflict in the areas where big powers have only limited strategic interest, as evident in the case of Angola.

(f) The emergence of China as a nuclear power has made international relations more complex than before and has contributed to the multipolarization of world politics. Against the background of the Sino-Soviet dispute, China never ceases to be defiant vis-a-vis her northern neighbor and always challenges any possible creation of a new international order under a Pax Russo-Americana.

(g) Thus the realities of the world today are far removed from peace: powers, in the East and the West, build up their military capabilities while keeping their mutual distrust under the carpet, and make political accommodation only to the extent it is necessary. Détente or reduction of tension basically connotes both coexistence and struggle between East and West. Consequently the international community would have to live, for the foreseeable future, with the realities of a continuous cycle of tension and relaxation. However inevitable the parallel presence of coexistence and struggle may be, if international relations are to turn more stable, the world may continue to need international efforts to maximize the coexistence relationship and to minimize the struggle factors through accelerated development of arms control and other measures.

B. Roles of collective security systems

(a) Direct, armed collision has so far been successfully deterred both between the two nuclear superpowers and between collective security organizations, each with a US or Soviet deterrent, including nuclear capabilities, integrated as their respective basic security factor. The rest of the world, however, has suffered from countless military clashes since the end of World War II.

(b) The collective security system among nations had primarily been military in Cold War days. As East-West confrontation was relaxed and interdependence gained momentum, the system has become the base for a wider spectrum of cooperative relations, not only military but also political and economic.

(c) This does not spell an end to conflict of interests or to confrontation among nations. In the contemporary international community where the UN peacekeeping function falls short of an effective means, collective security systems under regional arrangements still remain an appropriate option.

C. Contemporary implication of military power

(a) In the politico-military context outlined above, a kind of stability exists among the major nations today. To uphold this stability, however, the US and the Soviet Union have to keep their nuclear capabilities invulnerable while others maintain a military potential based on credible conventional arms. It might sound paradoxical that a strong military power is essential for the maintenance of peace; it might not be so, however, if one identifies military power with the strength to deter war. This is the basic characteristic of military power in the nuclear age.

(b) To avoid wars of any kind, a chain of nations should have no single feeble link which might provoke a military challenge; only an international system whose every link is strong and enduring can survive any test it faces. An appropriate defense posture, coupled with diplomatic efforts, is the first step to

strengthen the links of the chain of nations and to make peace strategy viable. Such a defense posture depends, first of all, on a collective security system based on common will and mutual responsibility.

Secondly, it implies that every member nation of the system must have a strong will and capability to defend itself by itself. The maintenance and improvement of such a posture over a long period is the prerequisite of regional stability and peace.

(c) Even if a war should break out, the major powers will most likely try to avoid a nuclear exchange or a large scale military conflict; thus it is quite possible that the actual employment of their military means will be limited to a significantly lower level than what their inherent military might represents. This explains why even a nonnuclear military power can be useful for the defense of small and medium nations.

2. STRATEGIC ENVIRONMENT OF JAPAN

A. Most Asian nations have built-in domestic problems which, coupled with regional multiplicity, contribute to an ever present instability. To make the matter more complex, China and the Soviet Union almost annually step up their positive approaches to these nations; nowhere in the world does the Sino-Soviet rivalry seem to be so overt and intensive. The United States, on the other hand, plays the role of a counter-weight to the communist rivalry by expressing her concern in terms of a visible presence in the region.

B. Northeast Asia is the area where the vital strategic interests of the United States, the Soviet Union and China converge. It is also one of the areas where a number of bilateral security systems function effectively, more or less. In sharp contrast to the European environment, the area is laced with confrontations and rivalries making it one of the most unstable regions in the world. A large scale armed conflict, however, is deterred at the moment by the tacit efforts of the United States, the Soviet Union and China.

C. On the other hand, the United States and the Soviet Union maintain in this area frontal deployments of their armed forces, second in scale only to those of the European front. China and the Soviet Union have contributed since the late 1960's to a continued military tension along their land border where troop concentrations are obvious on both sides.

D. The Soviet military has deployed in this region a sizable military force with a variety of combat capabilities which seems to have been substantially augmented in quality and quantity in recent years. In particular, its Pacific Fleet has acquired the status of a full-fledged Blue Water navy.

E. China possesses a substantial military power with, as its mainstay, an army with the largest manpower in the world and some nuclear capability. She seems to be now focusing her efforts on the modernization of her military capability.

F. The United States has gradually streamlined and reduced her military presence in this region, but she still deploys an infantry and a marine division in the Korean Peninsula and Okinawa respectively while her 7th Fleet and the 5th Air Force maintain high mobile strike capabilities.

G. In the Korean Peninsula, the confrontation continues between the north and the south with each side deploying more than a total one million regular troops in highest combat ready status. The area thus is one of the highest threat areas in the world in terms of military tension. A military contingency, however, still remains a remote likelihood mainly due to the continued military equilibrium supported by the US military presence in Korea.

H. Military situation in Japan's periphery: Chart 1 and 2 show the general trend of the military disposition around Japan and the deployment of forces in her periphery.

Chapter II. Defense Policies of Japan

1. BASIS OF DEFENSE POLICIES

A. *Fundamental implication of defense capability*

(a) A nation possesses its own defense capability as a demonstration of its people's will and responsibility to defend their freedom, independence and security, and to uphold peace, progress and prosperity. In Japan's case, such a capability must be strictly for purely defensive purposes in accordance with the stipulation of article 9 of the Constitution.

(b) With respect to nuclear arms, the three non-nuclear principles will be maintained and, against a nuclear threat, Japan will depend on the credibility of the American nuclear deterrent. If Japan should take a nuclear option even for a purely defensive purpose, her actual possession of nuclear arms will create serious suspicion and fear on the part of other nations. So long as Japan stands on this premise, she should feel no need to go nuclear, from not only the military but also the political viewpoints.

(c) With this as the basic characteristic, Japan's defense capability should be ready to deal with a contingency by denying others easy armed aggression. This defense capability, together with the United States-Japan security system, must form a defense posture that leaves no operational deficiency. And under this system, the capability must be one which can function effectively in preventing an aggression before it is actually launched.

(d) The implication of possessing such a defense capability lies not so much in fighting a contingency as in functioning for the maintenance of peace. The capability, coupled with the United States-Japan security system, substantially contributes to a stable equilibrium of international relations in Asia. From this point of view, our defense capability should be of a size appropriate for such an implication and a contribution; it also must be of a nature that directly serves the public in helping and cooperating with them in peacetime.

B. United States-Japan security system

(a) The system is generally understood to play the role of preventing aggression against Japan from actually taking place, and of limiting the scale of an invasion, should it ever be undertaken.

(b) The system is also instrumental in providing the US forces with facilities and areas for their use, which in turn make their presence tenable. An integral part of the basic framework of international relations in Asia, the system thus contributes to the stability of the world and the maintenance of peace. Finally, but not the least importantly, it is the indispensable base of the wider spectrum of friendly United States-Japanese relations.

2. THE CONCEPT OF BASIC STANDING FORCE

A. Procedural background

The concept has been adopted by the Defense Agency in planning the follow-on of the Fourth Five-Year Defense Buildup Program (fiscal year 1972-76). It is expected to make the buildup program more concrete, practical, rationale and meaningful than it has ever been. In other words, the concept represents a form of thinking fed into the policy-drafting process in the Agency, and hence will be an input into a further review as to its practicability before it will be submitted to the Defense Council for a final decision.

B. International environment

The concept presupposes a continued, effective maintenance of the United States-Japan security system, and in addition assumes:

(a) that the United States and the Soviet Union will try to avoid an inter-continental nuclear war and an armed conflict which might lead to their full-scale involvement.

(b) that the Soviet Union will continue to face many European problems—a NATO-Warsaw Pact confrontation and the control of East European nations, among other matters.

(c) that Sino-Soviet relations, if improved partially, will most unlikely lead to an end of confrontation,

(d) that in Sino-U.S. relations, a further adjustment will continue on a reciprocal basis, and

(e) that the status quo, more or less, will be maintained in the Korean Peninsula where a minor incident would not escalate to a large-scale conflict.

This series of assumptions makes it almost unthinkable that a large-scale military aggression might be launched against Japan but does not rule out the possibility of a spin-off from an armed conflict in Japan's peripheral areas and of other small-scale military invasions.

C. Conceptual implications

(a) Against the background of the international environment assumed above, our defense capability could be identified with a defense power in peacetime. Its

primary goal is not so much an ability to deal with a specific, imminent threat as a basic posture streamlined as a whole with no gross deficiency and well-balanced so far as its integral elements are concerned. Such a defense capability by nature spells that:

(i) Every integral element of defense should have no serious deficiency so that the capability as a whole would be sufficient to take minimum, necessary steps in dealing with possible aggression staged by any of the conventional means,

(ii) In terms of operational function, all the elements must be built up and organized by taking into account the characteristics of Japan's peculiar terrain and other local conditions. This is indispensable for an organized defensive reaction to an aggression, from its very outset, should it break out in either Japan's territory or her peripheral air or sea space. The organization needs both a balance between, and an organic integration of, combat and logistic elements, if they are to operate as an effective, comprehensive defense power against the aggression.

(iii) In peacetime, the defense capability should undertake meticulously planned training and education. Further, to be always ready for rescue-relief operation in case of a large-scale natural disaster, the required units with necessary facilities and equipment ought to be prepositioned in such a manner as to leave no serious geographical gap.

(b) In terms of operational capability, the basic standing force must maintain the following posture:

(i) For a quick and flexible response to changes in situations, a higher priority should be given to operational readiness of air and strait surveillance as well as other intelligence activities than to other elements of the defense capability.

(ii) The basic standing force must maintain an operational posture ready to deal quickly and appropriately with indirect aggression, violations of territorial air and other types of illegal military acts.

(iii) A most conceivable small-scale aggression, if any, may well turn out to be a near-surprise attack. This spells a need for a quick response posture which in turn depends on the sufficiency of manpower and equipment within a necessary limit.

(iv) In upgrading various force functions and equipment, it should be taken into account that the United States-Japan security system would function effectively; that in turn means that smooth operational coordination with the U.S. forces will be of critical importance.

(v) The force must be a basis for a smooth expansion and reinforcement to a necessary level, if and when a political decision should be made to that effect in response to changes in the international situation.

D. In short, our defense capability can be best described as the basic standing force—"basic" in that it is similar to a meaningful basic minimum force commonly accepted as something which any independent nation will need, and "standing" in that Japan in particular needs it at all times, given the contemporary domestic climate and international environment. The concept, however, will be subject to a review, should substantial changes emerge in the presupposed international situation.

E. Primary emphasis

A major emphasis is placed on qualitative improvement rather than on quantitative expansion in the planned buildup of our defense capability under the concept of the basic standing force. By qualitative improvement, it is not meant only to upgrade the performance factors of tanks, aircraft, ship and other major equipment but rather to enhance the defense capability as a whole with combat and logistic elements well balanced functionally in the context of an overall national security posture.

Chapter III. The Public and Self-Defense Forces

1. CIVILIAN CONTROL

One factor differentiates the contemporary self-defense forces from the military under the old constitution; it is the fact that they are integrated into a civilian control system that exists in various forms at every planning and policy-making stage from the Diet, the cabinet, the Defense Council to the Defense Agency. The system, if it is to remain valid and viable, should be supported by politico-administrative efforts public concern as well as by the understanding of the men in the forces.

2. "COMMITTEE TO THINK ABOUT DEFENSE"

The 11-member committee was set up to give a conceptual input of public opinion into defense planning for the period that follows the Fourth Defense Buildup Program. The members studied and discussed, among other things, the need for Japan to possess her own defense capability, the implication of the United States-Japan security system and its role. The views and suggestions produced in the committee have contributed substantially to the conceptual work of the basic standing force.

3. PUBLIC UNDERSTANDING AND CONCERN

Public concern in defense affairs has gradually grown greater as evident in a recent public opinion poll which showed that 79 percent of the polled recognized the need for having the self-defense forces. Close contacts are also developing between the public in general and the men in the forces, while a minority of the people still maintains a negative attitude toward the forces, producing a detrimental effect upon the morale of the men in service.

4. DEFENSE FACILITIES AND COMMUNITY

For an overall defense posture, it is critically important that a harmonious relationship should exist between defense facilities and the surrounding community. On one hand, the facilities must function effectively; on the other, the function should not disturb the community excessively. For this purpose, a new law was put into effect in 1974 for the improvement of the living environment around defense facilities. The Agency has since taken positive steps to reduce the noise levels of aircraft and to prevent other forms of possible public nuisance.

5. RESCUE-RELIEF AND OTHER COMMUNITY ACTIVITIES

In addition to their inherent mission, the self-defense forces must contribute to the stabilization of national life by making best use of their organization, equipment and capabilities. They must have undertaken rescue-relief operations, disposal of unexploded bombers and other community activities, including civil engineering projects. The rescue-relief operations have increased both in scope and scale as illustrated in chart 3. An exercise has also been conducted in preparation for a possible major earthquake.

Chapter IV, SDF and Their Major Activities

1. ORGANIZATION AND AUTHORIZED MANPOWER

2. OUTCOME OF THE FOURTH DBP

The five year buildup program for fiscal year 1972-76 is about to end with a substantial proportion of the planned acquisition of major equipment left unaccomplished, mainly due to extremely high procurement cost.

3. NEW UNITS AND NEW EQUIPMENT

Newly organized or commissioned units and equipment include the 1st Tank Brigade, the 7th Antiaircraft Artillery Group, DDG Tachikaze equipped with SAMs, submarine Takashio, and F4EJ squadron and a C-1 Squadron, among others.

4. SCRAMBLES

The Air Self-Defense Force is under alert around the clock against possible violations of Japan's territorial air. In September 1975, for instance, a Soviet plane did violate the territorial air forcing the ASDF to scramble. Frequency of scrambles stands at about 320 times a year (table 1).

5. RESTRICTED TRAINING AIR SPACE

Air space for ASDF training has been strictly restricted since 1971. This creates considerable difficulty in the training programs of jet planes. A similar difficulty exists in finding maneuver grounds for the GSDF and training waters for the MSDF.

6. UPGRADING OF EDUCATION

A Defense Medical College was set up to meet an acute shortage of medical officers while the Defense Academy has added a new faculty of Humanities and Social Science.

7. INTERNAL OPINION SURVEY

A recent survey conducted by the GSDF shows that 74 percent of the men feel their daily duties are worthwhile, that many list, as an ideal mode of living, "life with time for individual hobbies" and that many others call for more intensive daily training.

8. NEW POLICIES FOR SDF PERSONNEL

A new system was initiated to recruit high school graduates of high caliber and train them for quicker promotion to the EM grade; the Agency also improved pay and accommodations for those living in barracks, and started in fiscal year 1974 to accept women in both the MSDF and the ASDF.

9. R. & D. AND DOMESTIC PRODUCTION

Domestic arms production is a desirable option for acquiring equipment that is exactly suitable for Japan's terrain and other specific requirements as well as maintaining a technological potential and streamlining logistic support. However, there can be a case in which domestic technology and cost-effectiveness could be inferior to equipment purchased overseas. Procurement decisions have thus been made on a case-by-case basis. Domestic arms production and R. & D. have to be undertaken in an extremely difficult condition, cost-wise and manpower-wise. The problems that need further scrutiny include, therefore, a selection of items with predetermined priorities, strict evaluation and properly planned home production.

10. DEFENSE EXPENDITURES: THEIR TRENDS

During the Fourth DBP, the defense-expenditure/appropriated-budget ratio decreased annually as shown in Chart 4; the average increase of the expenditure stands at 17.7 percent against 20.9 percent of the appropriated budget. On the other hand, the manpower cost has risen while the proportion allocated to material cost has dropped as shown in chart 5. The absolute amount of Japan's defense expenditure can be ranked 10th in the world; but this is somewhat misleading since Japan belongs to a world group ranked at the bottom if the expenditure is measured in relation to either GNP, per-capita income or the appropriated budget.

FIG. 1.—TREND OF FORCES AROUND JAPAN (APPROXIMATE)

	Division	Naval forces	Air forces
U.S.S.R. in the Far East:			
1965.....	8 (17)	70	1,430
1970.....	20 (22)	100	1,870
1975.....	30 (30)	-----	2,000
China:			
1965.....	225 (115)	21	2,800
1970.....	245 (118)	21	3,300
1975.....	280 (142)	35	4,400
North Korea:			
1965.....	33 (18)	1.5	500
1970.....	37 (22)	1.4	580
1975.....	41 (24)	4.4	590
Republic of Korea:			
1965.....	57 (29)	5.7	-----
1970.....	60 (30)	7.0	200
1975.....	58 (24)	7.8	220
U.S. Forces in the Far East:			
1965.....	8.7 (3)	90	920
1970.....	9.6 (3)	110	740
1975.....	6.6 (2)	60	500
Japan:			
1965.....	15.2 (13)	11.2	720
1970.....	15.8 (13)	13.9	590
1975.....	15.5 (13)	16.8	610

1. The figures for ground forces (10,000 persons) and air forces (combat aircraft) are quoted mainly from the Military Balance published in the corresponding year.

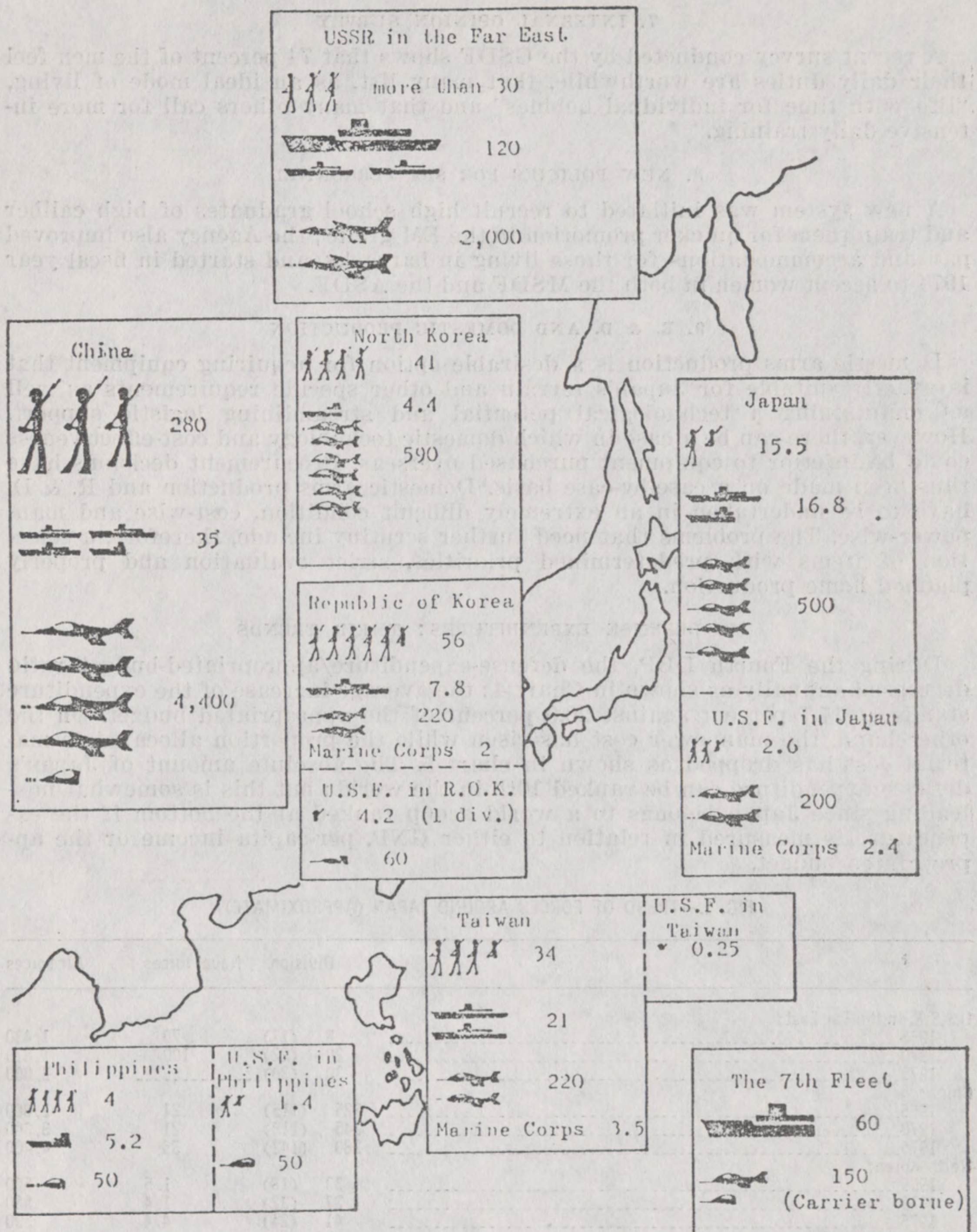
2. The figures for naval forces (10,000 tons) are quoted mainly from the Jane's Fighting Ships published in the corresponding year.

3. The figures for Chinese divisions do not include artillery, and railway construction engineer divisions.

4. Naval force of the U.S. forces in the Far East is the 7th Fleet. Air forces include carrier borne elements of the 7th Fleet.

5. U.S. forces in the Far East are in Japan, the Republic of Korea, Taiwan, and Philippines.

6. The figures for Japan indicate actual strength.



(Note) 1. Aircraft is "combat aircraft" from Military Balance, it comprises bomber, fighter-bomber, strike, interceptor, reconnaissance, etc.; it does not include helicopters.

FIGURE 2.—Deployment and basing around Japan.

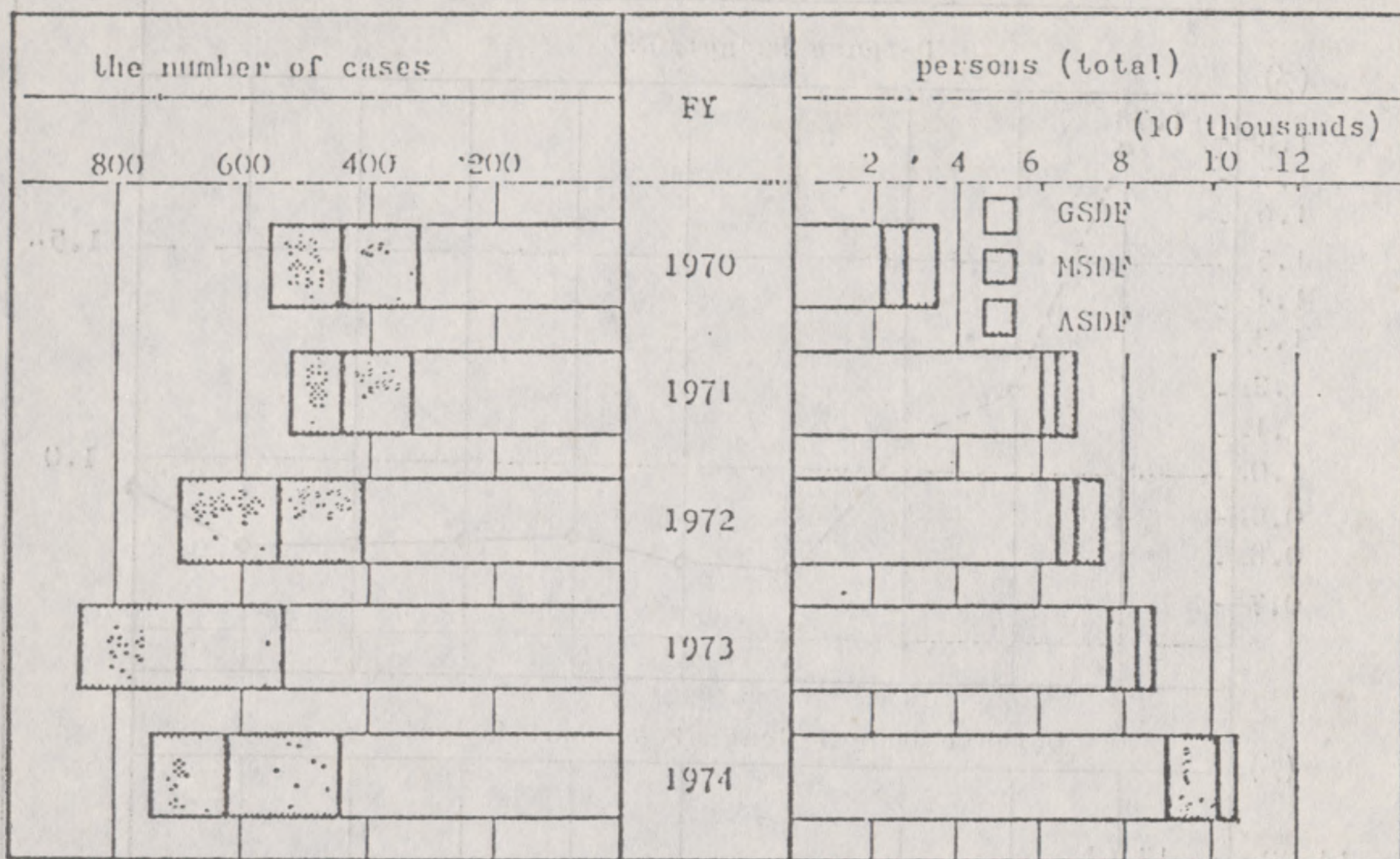


FIGURE 3.—Relief for disastered people.

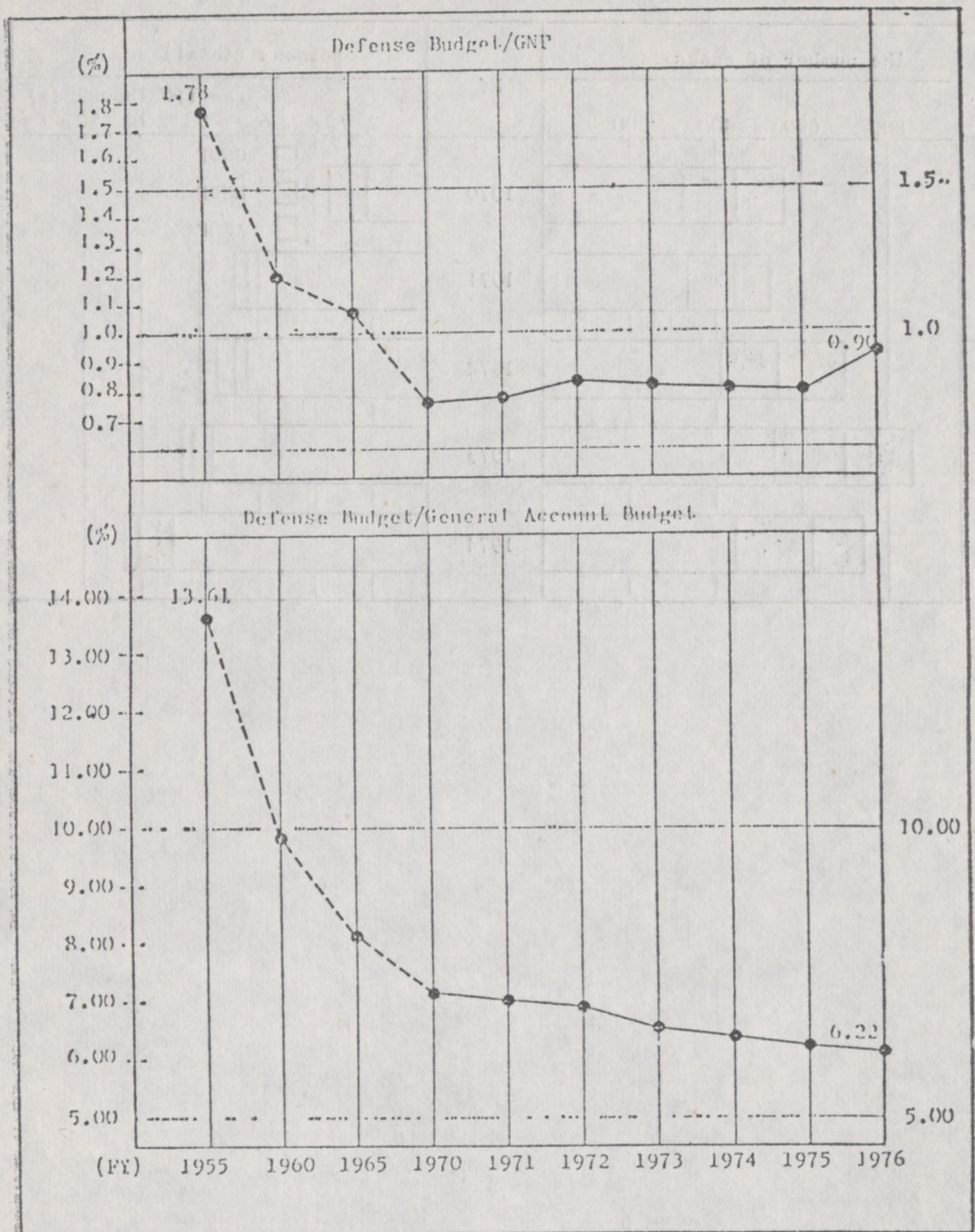
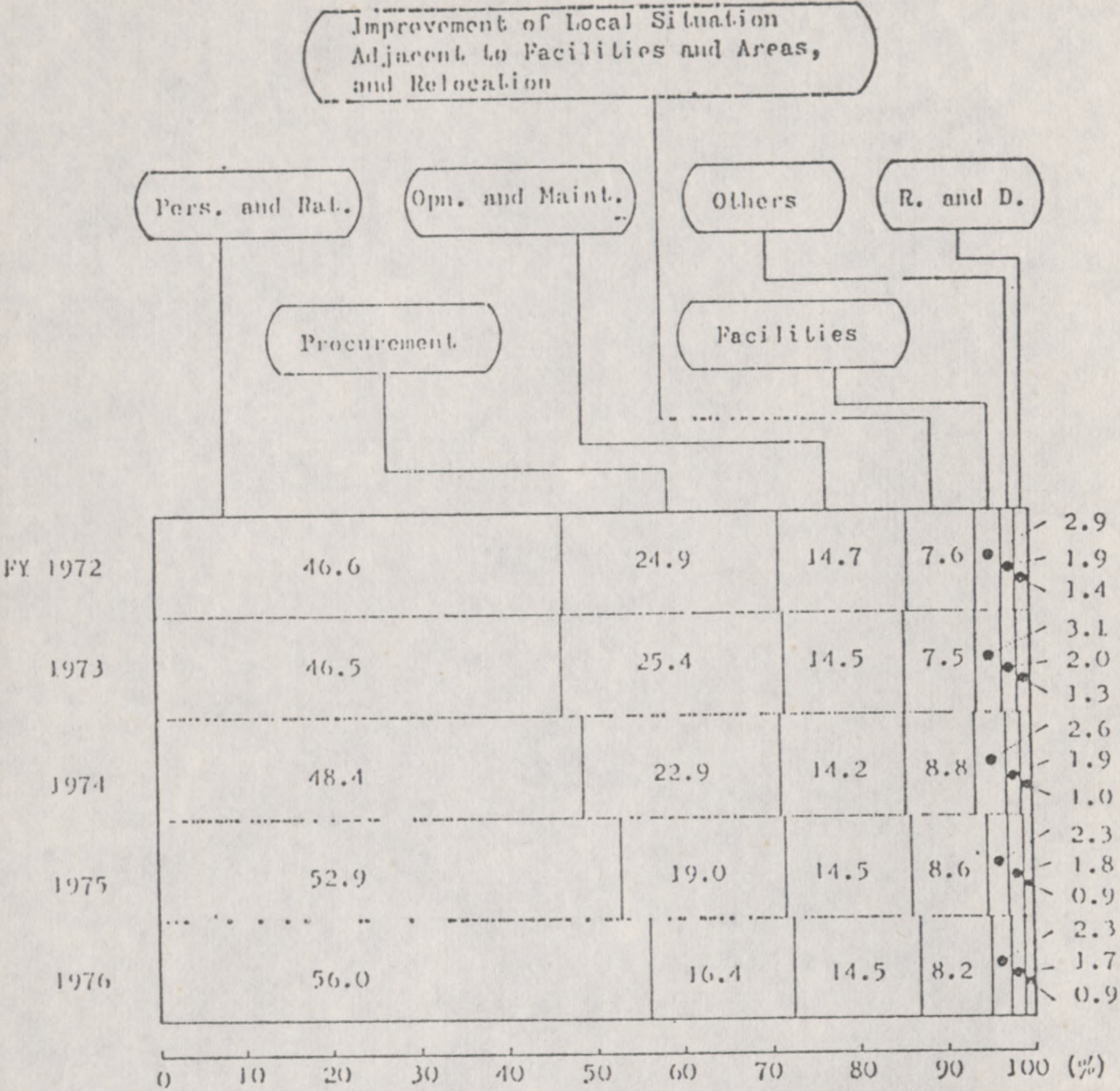


FIGURE 4.—Trend of defense budget.



(Note) 1. Procurement includes Weapons and Vehicles, Aircraft and Ships.
2. Operation and Maintenance includes living cost, Clothing, Fuel, Maintenance and Repair.

FIGURE 5.—Change of composition of defense budget under the fourth 5-year defense plan.

The number of times of scramble (Fiscal year 1970-74) :

Fiscal year:	Number of times
1970	370
1971	345
1972	306
1973	257
1974	323
Total	1,601
Average	¹ 320

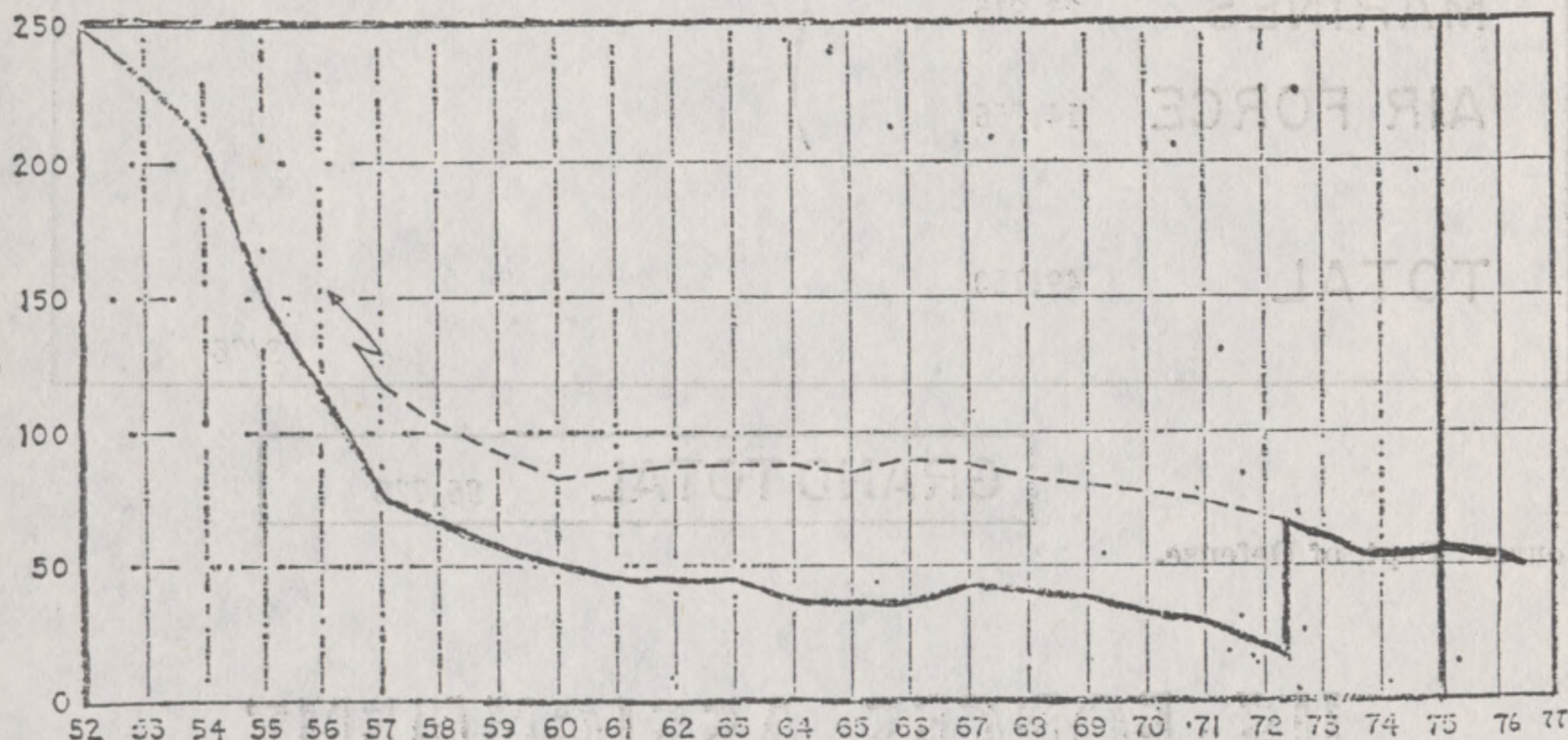
¹ About.

PERSONNEL STRENGTHS

4. DATA CONCERNING U.S. MILITARY PERSONNEL AND BASES IN JAPAN

GRAPH I

U.S. MILITARY POPULATION IN JAPAN
(IN THOUSANDS)

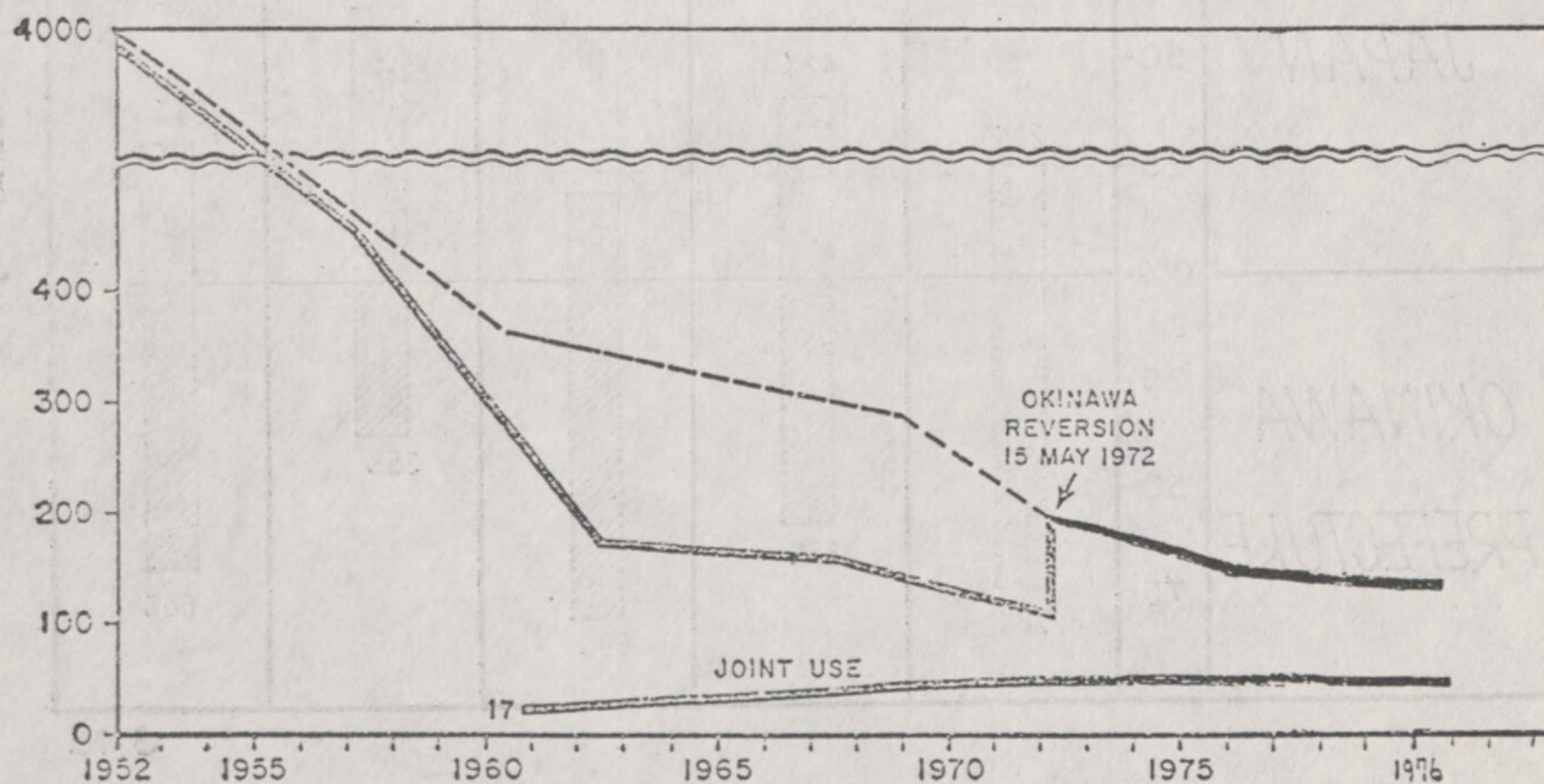


NOTE.—Rise on graph in 1972 reflects the U.S. bases on Okinawa which became a part of the U.S. military community in Japan upon reversion.

Source: Dept. of Defense.

GRAPH II

US FACILITY HOLDINGS



NOTE.—Rise on graph in 1972 reflects the U.S. bases on Okinawa which became a part of the U.S. military community in Japan upon reversion.

Source: Dept. of Defense.

PERSONNEL STRENGTHS

U.S. MILITARY		CIVIL SERVICE EMPLOYEES	U.S. DEPENDENTS (MIL & CIV)
ARMY	4,462	3,768	43,220
NAVY	6,607		
MARINES	23,915		
AIR FORCE	14,756		
TOTAL	49,750		

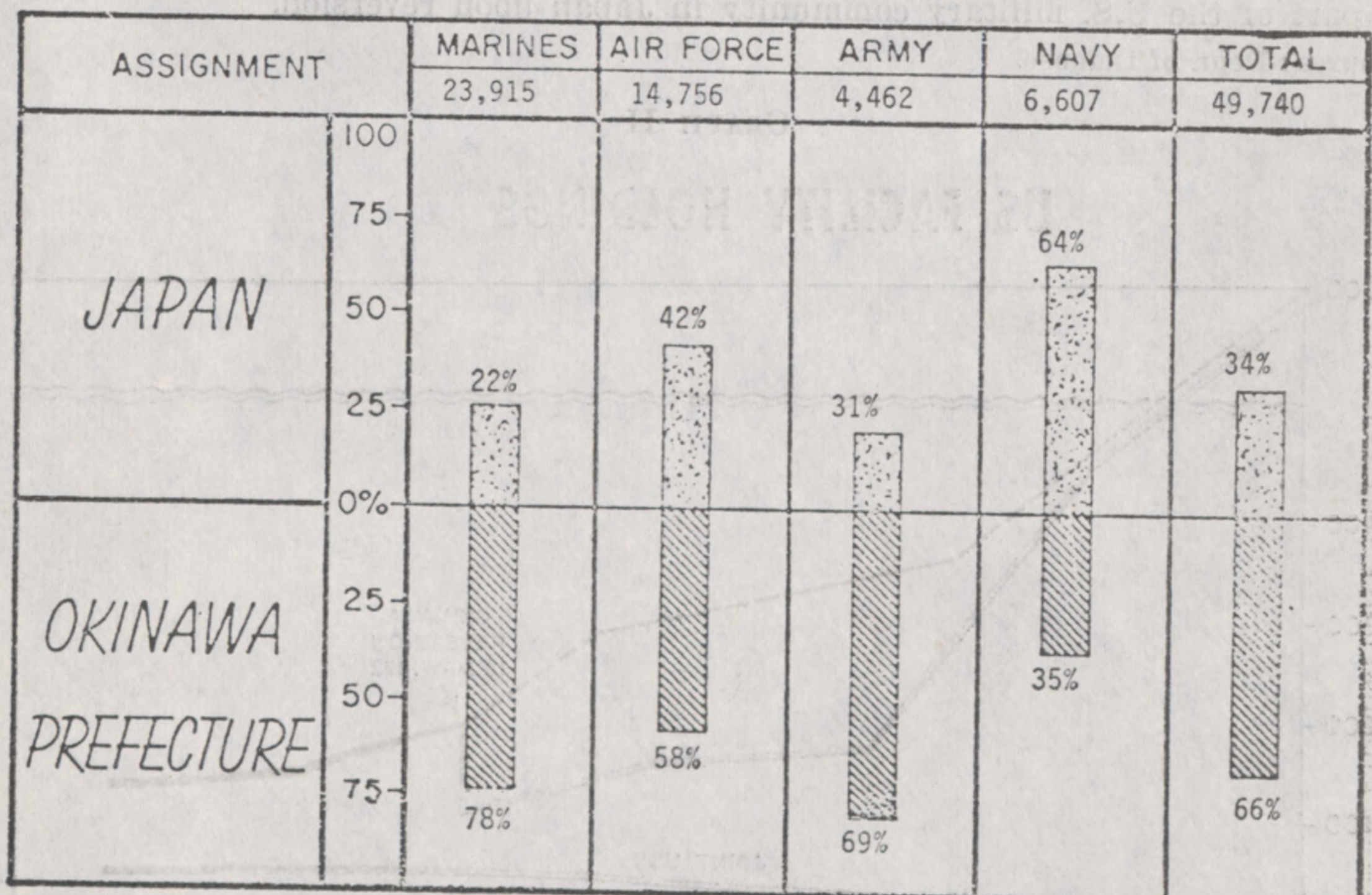
3/76

GRAND TOTAL

96,728

Source : Dept. of Defense.

US FORCES ASSIGNMENT



3/76.

Source : Dept. of Defense.

