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SUBJ: PRESIDENT/SATO TALKS: OKINAWA "GOODIES"

REF A. TOKYO 12098; B. STATE 217919

SUMMARY: RE GOJ REQUESTS FOR CONCESSIONS AT SAN CLEMENTE RE OKINAWA, EMBASSY RECOMMENDS: A) USG AFFIRM NEED FOR CAPABILITY TO CARRY OUT FAR EAST SECURITY COMMITMENTS BUT INDICATE THAT PURSUANT TO NIXON DOCTRINE, CHANGING ASIAN CONDITIONS, AND MUTUAL QUEST FOR GENERATION OF PEACE USG WILL CONTINUE TO REVIEW AND ADJUST BASE STRUCTURE IF, AS AND WHEN TENSIONS ARE RE-DUCED; B) CONSIDERATION OF OFFER BY USG TO ADVANCE REVERSION DATE TO MAY 15 BUT MAKE CLEAR DIFFICULTY AND PERHAPS PRACTICAL IMPOSSIBILITY OF COMPLETING ALL ARRANGEMENTS; AND C) REITERATION BY PRESIDENT OF PARA 8 OF 1969 SATO-NIXON COMMUNIQUE AND INDICATION THAT ASSURANCE WILL BE GIVEN ON R-DAY THAT NO NUKES ARE ON OKI NAWA.

1. CONCESSIONS: GOJ DOMESTIC POLITICS. AS FORNMIN FUKUDA INDICATED (REFTEL A), PRIMIN SATO IN TALKS WITH PRESIDENT AT SAN CLEMENTE WILL BE SEEKING THREE CONCESSIONS RE OKINAWA. THE MOTIVATION IS CLEARLY JAPANESE DOMESTIC POLITICS: A) TO FACILITATE SATO'S DEALING WITH OPPOSITION PARTIES BY DEMONSTRATING RESPONSIVENESS TO CURRENT DIET DEBATES; AND B) TO EN-HANCE PROSPECTS FOR ENGINEERING FUKUDA'S SUCCESSION TO PREMIERSHIP. RE LATTER, FUKUDA TO IMPROVE HIS CHANCES OBVIOUSLY WISHES TO PROJECT IMAGE OF DYNAMIC LEADER-

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SHIP, E.G. OBTAINING FROM USG BENEFITS FOR JAPAN ADDITIONAL TO THOSE ATTAINED IN OKINAWA NEGOTIATIONS BY HIS PREDECESSOR AICHI.

2. BASE REDUCTIONS. FACT THAT SATO GIVES TOP PRIORITY (REFTEL A) TO SOME GESTURE RE BASE REDUCTIONS IS UNDOUBTEDLY DUE TO QUESTION BEING ASKED WITH INCREAS-ING FREQUENCY (CF. WAKAIZUMI TALK, TOKYO 12155): IS EXTENSIVE US MILITARY COMPLEX ON OKINAWA COMPATIBLE WITH PROGRESS TOWARD REDUCTION OF TENSIONS IN FAR EAST, E.G. PRESIDENT'S PEACE MISSION TO CHINA, PRC'S ENTRY INTO UN, WIND-DOWN IN VIETNAM, AND ABOVE ALL TOKYO'S EFFORTS TO BUILD BRIDGES TO PEKING?

3. ADVANCING REVERSION DATE. MORI HAS INDICATED TO ME IN CLOSE CONFIDENCE THAT TWO CHIEF PURPOSES IN FUKUDA'S PUSHING FOR ADVANCEMENT OF REVERSION DATE FROM JULY 1 TO APRIL 1 ARE: A) HOLDING OUT THIS PROSPECT AT THIS TIME PROVIDES GOJ WITH WHIP FOR SECUR-ING PROMPT AND UNCRIPPLED PASSAGE BY DIET OF LEGIS-LATION NEEDED TO IMPLEMENT REVERSION AGREEMENT; AND B) THE SOONER REVERSION TAKES PLACE THE SOONER SATO WILL RETIRE AND THE BETTER FUUKUDA'S CHANCES FOR SUCCESSION.

4. NUCLEAR REASSURANCES. GIVEN RECORD OF USG INDICATIONS THAT NUCLEAR WEAPONRY WILL BE REMOVED, GOJ'S PERSISTENCE IN SEEKING REASSURANCES ON R-DAY IS ALMOST COMPLETELY MATTER OF DOMESTIC POLITICAL REFLEXES WHICH STILL LINGER FROM HIROSHIMA. AS NOTED IN REFTEL A, FUKUDA HAS NOT YET PLAYED CARD WHICH WE HAVE PRO-VIDED, I.E. THAT R-DAY REASSURANCES WILL BE FORTHCOM-ING. HE HAS BEEN SOMEWHAT UNDERCUT BY DSP LEADER KASUGA WHO HAS RETURNED FROM WASHINGT ON CLAIMING THAT HE OBTAINED PROMISE THAT STATEMENT WOULD BE MADE ON R-DAY.

5. USG PROBLEMS AND PERSPECTIVE. EACH OF GOJ'S THREE REQUESTS POSES FOR US PROBLEMS, WHICH WE CONTINUALLY MAKE KNOWN TO GOJ AND WHICH NEED NOT BE REPEATED HERE. PERHAPS MOST DISTURBING FEATURE IS HAVING THESE ISSUES APPROACHED AS MATTERS OF PUBLIC

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BARGAINING BETWEEN JAPAN AND US WHEN CONTINUING EMPHASIS SHOULD BE ON "MUTUALITY" OF OUR SECURITY INTERESTS, DETERRENT CAPABILITY, AND REGIONAL DEFENSE EFFECTIVENESS.

6. RECOMMENDATIONS. TAKING ALL FOREGOING FACTORS INTO CONSIDERATION, I.E. SATO GOVERNMENT'S DOMESTIC PRO-BLEMS AND DESIRABILITY OF ASSURING PREMIERSHIP SUC-CESSION WITHOUT DAMAGE TO US-JAPAN RELATIONSHIP, CHANGING POLITICAL SCENE AS JAPAN AND CHINA GROPE FOR NEW ROLES IN WHAT WE HOPE WILL BE NEW ASIAN EQUILI-BRIUM, AND HARD SECURITY REQUIREMENTS IF OUR COMMIT-MENTS ARE TO BE HONORED PURSUANT TO NIXON DOCTRINE, EMBASSY RECOMMENDS GOJ'S REQUESTS FOR OKINAWA "GOODIES" BE HANDLED AT SAN CLEMENTE ALONG LINES OF FOLLOWING COMPROMISES:

BASE REDUCTIONS. WHILE HOLDING FIRM THAT NO A. SPECIFIC ADDITIONAL OKINAWA BASE REDUCTIONS CAN BE PLEDGED PRIOR TO REVERSION, PUBLIC DISCLOSURES BY BOTH USG AND GOJ FOLLOWING SAN CLEMENTE WOULD : (1) POINT OUT THAT SUBSTANTIAL LIST OF FACILITIES RE-LEASES ARE INCORPORATED IN REVERSION AGREEMENT (A POINT VIRTUALLY IGNORED IN DIET DEBATES); (2) REITER-ATE WELL-KNOWN USG POLICY (FOR OUR OWN BUDGETARY REASONS AS FOR OTHER) NOT RPT NOT TO OPERATE ANY FACILITIES BEYOND MINIMUM NEEDED FOR CARRYING OUT OUR MUTUAL-SECUITY COMMITMENTS (RECORD IN HOMELAND JAPAN CAN BE CITED, I.E. REDUCTION IN PAST TEN YEARS FROM OVER 500 FACILITIES TO 116 WITH NEW REALIGNMENTS CON-STANTLY TAKING PLACE); (3) AVER THAT PRIMIN AND PRESIDENT EAGERLY HOPE THAT IN NEW WORLD OF NEGO-TIATIONS RATHER THAN CONFRONTATION TENSIONS WILL RELAX IN EAST ASIA AND AS THEY DO MILITARY POSTURE CAN AND WILL BE ADJUSTED: (4) AFFIRM THAT US-JAPAN TREATY RELATIONSHIP WILL REMAIN FIRM AND CONSONENT WITH PROGRESS TOWARD GENERATION OF PEACE; (5) DISCLOSE THAT WITH FOREGOING FACTORS IN MIND USG AND GOJ WILL AT A REGULAR SECURITY CONSULTATIVE COMMITTEE MEETING WITH-IN ONE YEAR AFTER R-DAY REVIEW OKINAWA BASE STRUCTURE TO DETERMINE WHAT FURTHER REALIGNMENTS MIGHT BE POSSIBLE IN LIGHT OF CONDITIONS EXISTING AT THAT TIME;

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AND (6) ADD THAT IN QUEST FOR GENERATION OF PEACE BOTH COUNTRIES WILL COOPERATE BETWEEN THEMSELVES AND WITH OTHER COUNTRIES IN EAST ASIA TOWARD GREATER PROGRESS IN ECONOMIC DEVELOPMENT AND HUMAN WELFARE.

B. ADVANCING REVERSION DATE. DEPENDING UPON THE RESULTS OF A STUDY WHICH WE ARE CURRENTLY MAKING IN TOKYO, SATO MIGHT BE OFFERED TWO POSSIBILITIES: A) REVERSION ON JULY 1 WITH ALL REVERSION CONDITIONS HONORED TO WHICH USG COMMITTED, E.G. REMOVAL OF P-3'S FROM NAHA; OR B) EARLIER REVERSION DATE, PERHAPS AS FUKUDA SUGGESTED SPLITTING THE DIFFERENCE, I.E. MAY 15, BUT WITH STIPULATION OF SPECIFIC US REVERSION COMMIT-MENTS WHICH MAY NOT BE COMPLETED AND RE WHICH THERE MAY HAVE TO BE POST-REVERSION ACTIVITY. (EMBASSY HOPES TO FORWARD RESULTS OF ITS STUDY WITHIN WEEK.)

C. NUKE REASSURANCES. AFTER SAN CLEMENTE, SPOKES-MEN FOR BOTH COUNTRIES SHOULD: A) SAY THAT PRESIDENT REITERATED TO PRIME MINISTER HIS PLEDGE CONCERNING NUCLEAR WEAPONRY MADE IN PARAGRAPH 8 OF SATO-NIXON COMMUNIQUE, AND B) INDICATE THAT IN RESPONSE TO SUGGESTION BY PRIMIN SATO USG WILL ON R-DAY PROVIDE GOJ WITH A FORMAL ASSURANCE THAT NO RPT NOT NUCLEAR WEAPONS ARE STATIONED ON OKINAWA. MEYER

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