Issues They May Raise:

Okinawa Reversion Date - For Sato, agreement at this meeting on a date for reversion is a political must. Essentially, he seeks the certainty of an agreed date, but the earlier the date, the earlier Sato may retire and Fukuda succeed him. Sato is rushing passage of all legislation necessary to the continuation of our VOA and base activities so that he may say Japan is ready to exchange instruments of ratification. He knows that July 1 has been our target date for budget and planning purposes. We recommend that you:

-- state that Julyyl is our preferred date, the earliest that would ensure smooth transition to Japanese administration.

-- remind Sato that every day by which reversion is advanced makes it more difficult for both U.S. and Japanese agencies to avoid embarrassing loose ends.

-- if necessary to create the proper atmosphere and obtain objectives of our own, agree with Sato on a date earlier than July 1. May 15 is the earliest feasible date; May 31 would be much better.

Okinawa Base Levels - The Okinawans and Sato's political opposition have been exerting heavy pressure on the GOJ to reduce the concentration of our bases on Okinawa, especially in the densely populated south. This pressure is augmented by a popular feeling that we are seeking a detente with Peking while asking Japan to expand its defense responsibilities to include Okinawa and a heavy concentration of US bases, which puts Japan in an invidious position. However, we have told them that we foresee a continuing need for the bases and that the Senate's favorable vote

SECRET

DEGLASSIFIED E.O. 13523, Section 3.5 NLN 07-40/8645 PER 17R. 9/28/2011 By AM NARA, Date 4/27/2012 E.P. 1 OF 37 -2-

on the Treaty was due in good part to Japan's assurances that reversion would not impair the effectiveness of our base structure. We recommend that you:

-- express understanding of Sato's political problems.

-- inform him that in response to his approach you will instruct the appropriate authorities to re-study our requirements on Okinawa to prepare for discussions after reversion of the possibilities and conditions for further reductions, including the possible release of the Awase golf course and a beach.

Removal of Nuclear Weapons from Okinawa - Sato will seek a specific assurance that there will be no nuclear weapons on Okinawa on reversion, possibly including a personal guarantee from you and/or the right to inspect US facilities. We recommend that you:

--avoid personal involvement in a new guarantee or pledge.

-- regret our inability to permit inspection by GOJ to verify the absence of nuclear weapons.

-- remind Sato that Secretary Rogers and Deputy Secretary Packard made it clear in public testimony before the Senate Foreign Relations Committee that there would be no nuclear weapons on Okinawa after reversion.

-- remind him that our position on this subject is also embodied in paragraph 8 of your Joint Communique of November 21, 1969, and in Articles II and VII of the Reversion Treaty.

-3-

-- confirm to him, as we have already done to Fukuda, that at the time of reversion the USG will provide the GOJ an appropriate assurance in writing that Okinawa is being returned in a state consistent with Japanese policy on nuclear weapons.

SECRET