

# 琉球大学学術リポジトリ

米国管理下の南西諸島状況雑件 沖縄関係 日本政府援助プライス法（改正案を含む）(1)

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プライス法改正案

アジア局長

審議官  
総務参事官

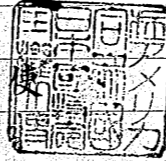
北東アジア課長

政 第1884号

昭和37年3月29日

外務大臣殿

在 朝 米 海 大



沖縄の経済社会開発のためのプロ  
セス改正法案テキスト送付の件

従電第653号に關し

プロセス改正法案(第87次議案H.R.10937)テ  
テキスト別添送付す。

別紙添付



桐林

在外公館

北 北 097

87TH CONGRESS  
2D SESSION

# H. R. 10937

IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 1962

Mr. PRICE introduced the following bill; which was referred to the Committee on Armed Services

## A BILL

To amend the Act providing for the economic and social development in the Ryukyu Islands.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 That section 4 of the Act of July 12, 1960 (Public Law  
4 86-629; 74 Stat. 462), is amended by striking out the  
5 figure "\$6,000,000" and inserting the figure "\$25,000,000"  
6 in place thereof.

I

84TH CONGRESS  
2d Session

H. R. 10937

IN THE HOUSE OF REPRESENTATIVES

March 27, 1962

87TH CONGRESS  
2d Session

H. R. 10937

**A BILL**

To amend the Act providing for the economic and social development in the Ryukyu Islands.

By Mr. PRICE

MARCH 27, 1962

Referred to the Committee on Armed Services

For the purpose of providing for the economic and social development in the Ryukyu Islands, the Act providing for the economic and social development in the Ryukyu Islands, approved July 10, 1950 (Public Law 56-400), is amended by striking out the word "and" appearing after the word "and" on page 1 of said Act, and inserting in its place the word "or".

87th CONGRESS  
2d Session

H.R. 10937

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A BILL

To amend the Act providing for the economic  
and social development in the Ryukyu  
Islands

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By Mr. Price

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March 27, 1962

Referred to the Committee on Armed Services

87th CONGRESS  
2d Session

H.R. 10937

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IN THE HOUSE OF REPRESENTATIVES

March 27, 1962

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6 in place thereof

アメリカ局長  
参事官  
北野 謙次

情才 2455号  
昭和37年4月25日

外務大臣 殿

在米  
朝海大使



琉球経済成長促進のための経済  
援助追加要請に関する件  
本件に関する4月2日付ホワイト・ハウス発  
表なら御参考までに1部送付する。

別紙添付

120

衆北 2468

FOR RELEASE AT 12:00 NOON, APRIL 2, 1962

Office of the White House Press Secretary

THE WHITE HOUSE

The President asked Congress today for an additional \$6,000,000 to step up the economic growth of the Ryukyu Islands.

The request was transmitted as an amendment to the 1963 budget for civil functions of the Department of the Army. The original budget estimate of \$7,900,000 for administration of the Ryukyu Islands was revised to \$13,900,000.

The funds requested are to provide for a higher level of economic aid beginning in 1963 in order to increase the rate of economic development of the Islands. At the time the budget estimates were prepared last fall, this matter was still under study. The study has now been completed and the additional funds are needed to carry out its recommendations. Legislation is also being prepared to lift the present \$6,000,000 ceiling on annual appropriation for economic aid.

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主管課長へ

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡ごう

電信写

37 10062 平 米北、臣北  
ワレントニ 4月24日2000巻  
本省 25日1013番  
小坂大臣 朝海大使

米下院本会議における沖繩問題討議に関する件

カ893号

1. 16日下院本会議において軍事施設における建設その他の目的のための法案(H.R. 11131) 審議の際 ST. GEORGE 議員 (= ニューヨーク) が沖繩は長期間保持するべきではなく、現に漸次日本に返さるべきであるから、沖繩に対する予算は慎重に検討されるべきであると述べたのに対し、CHURCH 議員 (イリノイ) は沖繩を太平洋防衛の根拠地として掌握する決意を現在以上弱めることは許さるべきでないと反駁した。

外務省

主管課長へ

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡ごう

電信写

2. この直後 VINSON 軍事委員長は沖繩問題理解のため重要なりとして高等弁務官の権限及び沖繩保持の軍事的必要性に関する同委員長より国防長官あて30日付書簡及び国防長官代理 (ROSWELL GILPATRIC) より同委員長あて11日付通簡を發表した (上記往復書簡を含む CONGRESSIONAL RECORD 関係部分等24日室送した)。

3. 上記通簡の要旨次の通り。

(1) (概論) 平和条約締結当時沖繩保持を必要とした軍事的戦略的基本問題は今回の改正 (大統領令ヲ10713号の改正) にあつて充分考慮されておらず、本改正は米国の管理本質的要素をいささかも損するべきでなく沖繩行政に関する確立された諸目的を推進するものである。

(2) (過去3年間いかなる軍事的目的因果

外務省



主管課長へ

本電主管、配布先等に関し御意見あ  
れば直ちに電信課検閲班に連絡ごう

電信写

されたか、又この目的のため割当てられ  
た額如何との向に対し)

軍事目的については新大統領令署名  
の際の3月19日付大統領ステートメ  
ントの通り支出については過去約10  
億ドルが軍事建設施設費、過去3年間  
1億8千万ドルが運営維持費、1945  
年末の沖繩救済及び至済援助費が約  
2億ドルである。

(3) (今回の施策決定に当って軍部の行な  
った勧告如何との向に対し)

以下の条件が一般的に軍部も改正に  
同意した。

(1) 統合参謀本部は文官の民政官任命  
に何等の利益をも見出さなかったが  
その必要なる理由を認識し、民政官の  
演ずべき資格及び民政官が高等弁務  
官に対し責任を負うべき事を強調し

主管課長へ

本電主管、配布先等に関し御意見あ  
れば直ちに電信課検閲班に連絡ごう

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た。

(2) 高等弁務官も同様文官任命を利益  
なしと述べたが高等弁務官に対して  
責任を負い、かつ適当な人物ならば受  
諾し得るであろうと答えた。高等弁  
務官はすべての改正案で協議を受け  
ており、民政官の問題を除き改正に賛  
成である。

(4) (太平洋司令官の意見如何との質問に  
対し)

CINCPAC も改正の内容を通報されそ  
の見解を述べる機会を与えられていた。

(3)

配布先 大臣、次官、外務官、房長、臣、米、条、情、参、事、長、  
長、臣、審、米、参、条、参、参、参、条、各、課、米、北、保、  
亞、北、情、道、内、外

秘

主管課長へ

電信写

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡ごう

37 11756 畧 並北  
 ワシントン 5月12日 1355発  
 奉 省 5月13日 0813着  
 小坂大佐 朝海大使

米下院軍事小委員会における証言内容調査の件

米1023号

省電米958号に関し

1. 9日プライス法案(H.R.10937)の聴聞会が軍事委員会の第2小委員会(SUB-COMMITTEE NO.2, COMMITTEE ON ARMED SERVICES)において開かれ、国防省国際安全保障担当のWILLIAM P. BUNDY 次官補代理、國務省ALEXIS JOHNSON 次官代理および国防省STEPHEN AILES 陸軍次官が証言を行った。引続き10日同小委員会はキヤラウエイ高等弁務官の証言を聴し、後、秘

外務省

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主管課長へ

電信写

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡ごう

懇会(EXECUTIVE SESSION)において同法案に賛意を表する報告を軍事委員会に提出するよう決定した。  
 2. 本件に関し國務省に照会せるところ、10日の秘密会における議事録はそれらしき発言は見当らず、同省も聴聞会の議事録は入手しおらざる由につき、聴聞会議事録入手次第報告する。取りあえず。

(3)

配布先 大臣、次官、外審官房長、亜米、条口、情  
 各局長、軍審、米参、総、並北、米比、情道、内

外務省

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秘

主管課長へ

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡をう

電信写

37 11857 略 亜北  
ワシントン 5月14日 1750発  
本省 15日 0750着  
小坂大臣 朝海大使

米下院軍事小委員会における証言内容調査の件

オ1031号

往電オ1023号に關し

1. 9日及び10日の Congressional record に  
は10日のオ2小委員会議事のうちプライス  
法案に賛意を表明する報告を軍事委員会に提  
出するとの決定のみ綴録会 (EXECUTIVE  
SESSION) において行われ、大旨記され、冒頭往  
電1の姓名の証言が公開であったか否か判  
明しなかつたが(下院は休日にて連絡つかず)  
14日軍事委員会に照会したところ、  
Congressional record の表現は間違ひであり

③

久松

外務省

秘

主管課長へ

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡をう

電信写

本件聴聞会は9日及び10日ともすべて  
EXECUTIVE SESSION で開催され証言は公表でき  
ない旨回答した。  
2. 従つてオ2小委員会の9日及び10日の  
審議に關し公表されたものは同委員会議長  
(PHILIP J. PHILBIN) が会議後新聞関係に  
対し発表したステートメントのみであるが  
冒頭貴電の新聞報道に關係ありやと思われ  
る部分別電する(同ステートメント全文を送  
する)なお別電の1は証言の内容ではなくパ  
ックグラウンド資料としての説明の部分であ  
り、2は証言に關する部分である。また3  
は貴電の新聞報道とは關係ないが米国の沖  
縄至琉球援助の方向を示すものと思われ、  
この点考案に報告する。

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配布先 大臣、次官、外務官、官房長、亞米、亞情、  
各局長、亞審、米參、統、亞北、米北保、情道

外務省

主管課長へ

本電主管、配布先等に関し御意見あ  
れば直ちに電信課検閲班に連絡ごう

電信写

37 11853 平 西比  
 ワシントン 5月14日1730発  
 本省 15日0745着  
 小坂大正 朝海大使

米下院軍事小委員会における証言内容  
調査の件

才1032号

往電才1031号に同じ

別電

(以下別紙英文)

了

配布先 大正、次官、外審、官長、亜米、参、  
 同、情各局長、亜審、米参、総、軍北、  
 米北、情道、内、米保

小林(又)

1. THE RYUKYUS ARE UNDER U.S. ADMINISTRATION PURSUANT TO ARTICLE 3 OF THE PEACE TREATY WITH JAPAN. WHILE RETAINING EXCLUSIVE JURISDICTION, THE U.S. GOVERNMENT HAS ACKNOWLEDGED THAT JAPAN RETAINS "RESIDUAL SOVEREIGNTY". OKINAWA, BY FAR THE LARGEST AND MOST IMPORTANT ISLAND IN THE RYUKYUS AND THE SITE OF A CRITICAL BATTLE IN WORLD WAR 11, IS NOW THE LOCATION OF A TREMENDOUS U.S. MILITARY BASE COMPLEX, INVOLVING MAJOR FACILITIES OF THE ARMY, AIR FORCE, NAVY AND MARINE CORPS. IT IS THE MOST IMPORTANT SUCH U.S. MILITARY BASE IN THE FAR EAST.

2. MR. BUNDY, AS THE FIRST ADMINISTRATION WITNESS, EMPHASIZED THE STRATEGIC IMPORTANCE OF THE RYUKYUS AND THE COMPLETE SUPPORT OF THE DEPARTMENT OF DEFENSE FOR THE REQUESTED INCREASE IN THE AID AUTHORIZATION.

MR. JOHNSON STRONGLY SUPPORTED THE STATEMENTS BY MR. BUNDY. HE STRESSED THE IMPORTANCE OF US-

JAPANESE COOPERATION CONCERNING THE ECONOMIC DEVELOPMENT OF THE RYUKYUS, AS IN OTHER MATTERS, AND OF DOING WHATEVER CAN BE DONE, IN ACCORDANCE WITH THE ADMINISTRATION'S POLICY, TO DISCHARGE THE RESPONSIBILITY OF THE UNITED STATES, AS ADMINISTERING AUTHORITY, TO ASSIST THE RYUKYUANS IN THEIR LEGITIMATE AND NATURAL EFFORTS TO IMPROVE THEIR WELFARE AND WELL-BEING. MR. AILES OUTLINED THE SITUATION AND THE CONCEPT OF INCREASED AID FOR THE RYUKYUS. GENERAL CARAWAY DELIVERED A STATEMENT IN WHICH HE DISCUSSED THE SITUATION IN THE RYUKYUS AND STRESSED THE URGENT NEED FOR THE INCREASED AID AUTHORIZATION. THE COMMITTEE WAS ESPECIALLY INTERESTED IN THE STATEMENTS AND ANSWERS BY HIGH COMMISSIONER CARAWAY, AS THE OFFICIAL DIRECTLY RESPONSIBLE FOR THE ADMINISTRATION OF THE RYUKYUS, WHO CAME FROM OKINAWA TO PROVIDE HIS FULL SUPPORT FOR THE REQUESTED INCREASE IN THE AID AUTHORIZATION.

3. IN THE PRESENTATIONS BY THE ADMINISTRATION WITNESSES, IT WAS BROUGHT OUT THAT A MAJOR FEATURE OF THE CONCEPT OF EXPANDED AID WOULD BE

INCREASED CAPITALIZATION OF CERTAIN FINANCIAL FACILITIES  
IN THE RYUKYUS FOR LOANS FOR ECONOMIC  
DEVELOPMENT. INCREASED AVAILABILITY OF FUNDS FOR  
THE FINANCING OF DESIRABLE PROJECTS WOULD,  
IT WAS EXPLAINED, BE A PRINCIPAL VEHICLE FOR SOUND  
ECONOMIC DEVELOPMENT IN THE ISLANDS. IN ADDITION,  
THE CONCEPT CALLS FOR AN INCREASE IN GRANT AID TO  
THE GOVERNMENT OF THE RYUKYU ISLANDS, ASSUMING THAT  
GOVERNMENT DOES ITS OWN PART. INCLUDED IN THE GRANT  
AID CATEGORY WOULD BE A VARIETY OF NEW MEASURES IN THE  
GENERAL FIELDS OF PUBLIC WELFARE. SOME OF THESE  
MEASURES WERE DESCRIBED AS CONDITIONAL UPON  
COOPERATIVE JAPANESE PARTICIPATION. THE JAPANESE  
GOVERNMENT WAS DESCRIBED AS BEING READY AND WILLING  
TO PLAY AN INCREASED ROLE IN AID TO THE RYUKYUS,  
ALTHOUGH MUTUALLY AGREEABLE SPECIFIC ARRANGEMENTS  
ARE IN THE PROCESS OF BEING WORKED OUT AND ARE NOT YET  
FINALIZED.

電信写

主管課長へ

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡を

37 / 2080 平 亜北  
ワシントン 5月16日 18.30 発  
本省 5月17日 08.20 発  
小坂大臣 朝海大使

ブライス法案下院軍事委員会可決に関する件

第1066号

往電第1031号に関し

15日下院軍事委員会はブライス法案を無修正にて可決しこれを下院に報告した。(了)

配布先 大臣、次官、外審、官務長、亜米、条、国、情、網、長、  
亞審、米参、総、亜北、米北、保、情、道、内、

田中

(印)

外務省

アジア局長

審議官

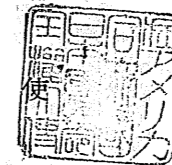
総務参事官

北東アジア課長

政才3035号  
昭和37年5月25日

外務大臣 殿

在米  
朝海大



ブライス法案関係下院軍事委員会議事録  
送付に関する件

5月16日発往電才1066号に関し、  
5月9日及び10日両日の下院軍事委員会才2  
分科会並びに同15日の同委員会におけるブ  
ライス法案に関する聴問会及びその審議状況の議  
事録 (executive session の場合は検閲を受ける  
こととなつていたので、削除の有無ないし部分  
は不明である) を入手したので、別添送付する。

特送局へ寫一部送付係

付属物空便

回覧番号

亜北 158 在外参館



算真不

政第3035号附属

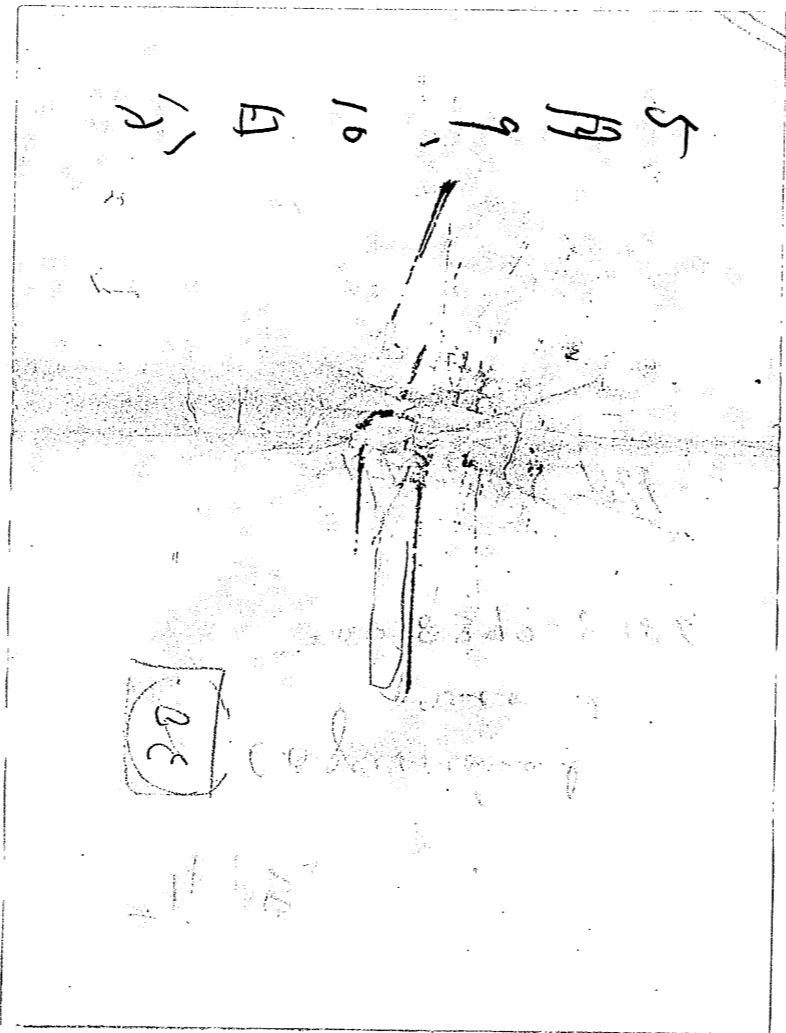
P.5259~5285

附属物空便

在アメリカ合衆国  
日本国大使館



外 務 省  
東京都千代田区霞ヶ関2丁目2番地  
電話 霞ヶ関 (581) 3351 番



TIPZ

Congressional  
record

PP 8379-8386

Apr. 25, 1966

6

0

2) 12 0 10 10 2

[No. 58]

**SUBCOMMITTEE NO. 2 CONSIDERATION OF H.R. 10937, TO AMEND  
THE ACT PROVIDING FOR THE ECONOMIC AND SOCIAL DEVELOP-  
MENT OF THE RYUKYU ISLANDS**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE NO. 2 OF THE COMMITTEE ON ARMED SERVICES,  
Washington, D.C., Wednesday, May 9, 1962.

The subcommittee met at 10 a.m., Hon. Philip J. Philbin (chairman of the subcommittee) presiding.

Mr. PHILBIN. The committee will come to order.

Members of the committee and friends, we have for consideration this morning H.R. 10937, a bill to amend the act providing for the economic and social development in the Ryukyu Islands.

(The bill referred to is as follows:)

[H.R. 10937, 87th Cong., 2d sess.]

A BILL To amend the Act providing for the economic and social development in the Ryukyu Islands

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act of July 12, 1960 (Public Law 86-629; 74 Stat. 462), is amended by striking out the figure "\$6,000,000" and inserting the figure "\$25,000,000" in place thereof.

Mr. PHILBIN. I have real reason to believe that this bill may well be at the one time the shortest in text and perhaps the most controversial bill that the committee will deal with this year. At least that is the impression we get.

The bill itself, the new Executive order, and the proposed agreement with Japan all involve elements concerning which many Members of Congress have strong feelings.

Indeed, it was with this very thought in mind that I invited Mr. Arends, distinguished friend, and Mr. Gavin and Mr. Cohelan to attend and participate in the hearing this morning. Each of them on more than one occasion has indicated a strong interest in Okinawa and I felt that this hearing presented a splendid opportunity to ask questions that they might want to propound and get full and responsive answers.

Although those statements of the witnesses that I have seen appear unusually brief, I am sure that the brevity indicates compression of information rather than the lack of it.

I think that we all should keep in mind that there is a real possibility of this bill being the subject of considerable debate on the floor of the House and that this hearing, with its fine informative statements which we will hear this morning, provides a rather full opportunity for preparing for this debate.

I do not desire to attempt to hurry this hearing. And if it is necessary, we will meet again tomorrow and as often as is necessary to

complete the subject matter of our inquiries in order to get the full light on this subject matter. So, I will ask the committee to proceed along that line. We must have a full understanding of this bill before we can bring it to the full committee or to the floor. I think that is well understood by all of us.

I urge both the members of the subcommittee and the other Members who have been invited to appear to examine into all aspects of this proposal. I personally do not see in the statements which are proposed for presentation this morning any historical background of the bill or any information which will lead us to the point at which we find ourselves today.

Since I think a review of this kind is necessary I am going to ask my very able and distinguished friend, staff member, and guide, Mr. Kelleher, to give a very brief statement of the background of the bill and bring us up to date.

Our witnesses this morning are the Deputy Assistant Secretary of Defense, the very distinguished Deputy Assistant Secretary of Defense for International Security Affairs, Mr. William P. Bundy; and the Under Secretary of the Army, Mr. Stephen Ailes; and the Deputy Under Secretary of State for Political Affairs, Mr. U. Alexis Johnson; and the High Commissioner of the Ryukyu Islands, Lt. Gen. Paul W. Caraway.

Our first witness will be Mr. Bundy. However, prior to hearing Mr. Bundy, I will ask Mr. Kelleher to give a brief statement of the background of the bill.

You may proceed, Mr. Kelleher.

Mr. KELLEHER. Mr. Chairman, since 1945, the United States has exercised full power over the Ryukyu Islands, of which Okinawa is the largest.

Prior to the war, these Islands were an integral part of Japan but after Japan surrendered, they were created as a separate and distinct territory for the purposes of occupation.

Japan was occupied under allied authority, the occupation of the Ryukyu Islands was solely under American control.

During this period, 1945-52, the occupation was a military one.

In 1952, the treaty of peace with Japan was ratified. The treaty provided in part that:

• • • the United States shall have the right to exercise all and any powers of administration, legislation and jurisdiction over the Territory and inhabitants of these Islands • • •

At this point a civilian administration was introduced to take the place of the military occupation which had preceded it. Even though it was called a civil administration, it was in fact headed by a U.S. military officer.

Necessarily during the whole period from 1945, through 1952 and up to 1960, the date of the Price Act (which is the act that this bill would amend), it was necessary to carry on governmental functions in Okinawa and the other Ryukyu Islands.

These functions, however, were carried out in many instances under the rather broad authority of the treaty of peace with Japan.

Appropriations were made by the Congress from time to time but on occasions they were subjected to points of order. It became

evident, therefore, that some basis in law should be provided not only to support the appropriations but to permit the retention and expenditure of revenues which arose in Okinawa itself. And these revenues accrued to both the local government, known as the GRI, or government of the Ryukyus Islands, but also to the civil administration of our own country.

Actually, the Price Act did not change anything but gave legislative sanction to a de facto situation.

I have mentioned that the Price Act sanctioned the retention and expenditure of funds arising in Okinawa. It also placed a limitation of \$6 million on the amount of money which could be appropriated annually for the Ryukyus.

Now we have arrived at a point where in the opinion of the executive branch, the \$6 million represents a limitation which precludes the performance of U.S. responsibilities in Okinawa and the other Ryukyus, and this bill would raise that limitation from \$6 million to \$25 million.

Mr. PHILBIN. Thank you very much.

Mr. PRICE. Before you get into the witnesses, Mr. Chairman, a comment on the historical background, which is absolutely factual. We referred to the \$6 million as a limitation. Of course, those of us who worked on it didn't consider it as a limitation, we considered it as doing something for Okinawa, to encourage at least that amount of expenditure.

We felt that we were stepping up our interests in Okinawa and set this figure as one which we thought would represent a good amount of work to be done in the island with that amount of money; it was based on actual statistics of what we thought the needs were, and I do not like for it to be referred to as a limitation. We actually thought that we were encouraging a greater interest in the economy of Okinawa. Also for the purpose of the historical document, to add to what Mr. Kelleher has read, I think this should be a part of the historical background.

Now, in 1957, June 5, 1957, in Executive Order No. 10713, the President of the United States assigned to the Secretary of Defense the exercise of the U.S. treaty powers mentioned by Mr. Kelleher, subject to the approval and direction of the President.

The President charged the Secretary of Defense with the development of an effective and responsible Ryukyuan government, based on the democratic principles and supported by a sound financial structure and with making every effort to improve the welfare and well-being of the inhabitants.

The Secretary of Defense has delegated his responsibility to the Department of the Army. I think this belongs in the historical background of this picture.

Mr. PHILBIN. Yes; that will be very helpful. We will be glad to have that incorporated into the record and it will be useful to the committee and very informative.

Now, Mr. Bundy, will you proceed to give us your statement on the bill.

Secretary BUNDY. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, I am representing Secretary McNamara, who, as you probably know, is in Bangkok today, and my immediate superior, Mr. Nieme, who is with the Secretary of State, attending the ANZUS meeting.

I am sure they regret their inability to be present here today.

It is a pleasure for me to appear before this committee to discuss the strategic importance of the Ryukyu Islands to the security of the United States and its allies. I realize that this committee is keenly aware of the importance of maintaining our dominant military posture in the western Pacific, but I would like to review briefly the principal military benefits which the United States derives from unrestricted use of these islands. I will also discuss why we in the Defense Department are persuaded that the recommendations of the President's Task Force on the Ryukyus represent the best hope of achieving a political and economic environment under which our security interests can be sustained for the indefinite future.

I will be followed by Under Secretary of the Army Ailes; as Mr. Price pointed out, the Army is the executive agent for the operation of the Ryukyus; Deputy Under Secretary of State U. Alexis Johnson, and Lieutenant General Caraway, the U.S. High Commissioner in the Ryukyus.

If circumstances were to force our military planners to select the base complex in the Far East which the United States should maintain, I am confident that they would unanimously name the Ryukyus without a moment's hesitation or regard for the color of their uniform; for the Ryukyus, principally Okinawa, constitute a major U.S. military complex in the western Pacific.

The value of these bases was well demonstrated during the Korean war and during the recurrent crises in the Taiwan Straits. The islands are a platform from which we support much of our current activities on behalf of our allies in southeast Asia.

We have found in these islands a place where we can effectively project a significant part of our [off the record].

This decade of revolutionary developments and challenges has already forced us to adapt our military doctrine and techniques to a type of warfare better known to our forefathers on the frontiers or to the Spanish guerrillas in Napoleon's time. The present challenge to free world interests in much of Asia takes the form of indirect aggression and subversion, and we have found that Okinawa assumes an unanticipated additional importance in meeting this new threat.

Thousands of acres of land in Okinawa have been turned into training and operational bases.

The task force on the Ryukyu Islands, selected by the President, has proposed measures which Secretary Ailes and General Caraway are prepared to discuss with you. The Department of Defense supports these task force recommendations because of the importance of retaining our position and the accompanying need to take account of social economic and political pressures against this position. Specifically, the Department of Defense endorses without qualification the bill before you to authorize an additional \$19 million for economic assistance to the Ryukyus.

That concludes my statement, Mr. Chairman.

Mr. PHILBIN. A very fine statement.

You have touched upon the strategic questions that are involved here, some of them, very effectively, and you have also indicated the other problems that appear in this field.

Now, on the general breakdown of this \$25 million, what is the attitude of the Department as to how that money will be dispensed, for what purpose?

Secretary BUNDY. I would prefer to let Secretary Ailes speak to the specifics of the program, if I may, Mr. Chairman. I am not familiar with it in that detail. He is, and is representing the Department. He was our representative on the task force. I think it would be better if he spoke to the specific constituents.

Mr. PHILBIN. Fine. He will give us a picture of the general program and the viewpoint that the Department has about it. We appreciate your statement very much.

Are there any questions from this witness?

(No response.)

Mr. PHILBIN. If not, we thank you.

Secretary BUNDY. Thank you very much.

Mr. PHILBIN. We thank you for coming before us and giving us a fine statement.

Mr. HALL. Do we have a copy of this task force report?

Mr. PHILBIN. You mean a copy of his remarks?

Mr. KELLEHER. You are referring to the task force report.

Mr. PHILBIN. The task force report. I believe that is available.

Mr. KELLEHER. We do not have a copy.

Mr. PRICE. I think we ought to have that for the record.

Mr. HALL. I do too.

Mr. COHELAN. Who is on the task force, Mr. Secretary?

Secretary AILES. Who all is on it?

Mr. COHELAN. Yes.

Secretary AILES. I am going to offer that in my statement in just a minute.

Mr. COHELAN. The other question I have—

Mr. HALL. Will we have a chance to interrogate Mr. Bundy after we hear the other statements?

Mr. PHILBIN. Well, if you have some questions that you desire to propound to Mr. Bundy, I would suggest you do it now, because he has another engagement.

Secretary BUNDY. I am perfectly at your disposal. I am a witness only with respect to the strategic importance.

Mr. COHELAN. I would like to discuss the strategy with you right now.

Secretary BUNDY. Fine.

(Off the record.)

Mr. PHILBIN. I would suggest, Mr. Cohelan, that you might refer that question to some of the succeeding witnesses, who would be prepared to give us specific answers and discuss those questions in detail.

Secretary BUNDY. It is a matter of detail. I can do it.

Mr. PHILBIN. He is a witness on the general program, the principles that are applicable from the standpoint of the Department here. But we have other witnesses.

Mr. COHELAN. I am very interested in this.

(Off the record.)

Mr. PHILBIN. No further questions?

Mr. HALL. If the Secretary says he is available, and obviously we are asking him many, many questions that he doesn't choose to an-

swer or doesn't have the answers for in view of subsequent testimony, will he return?

Mr. PHILBIN. I think any questions that members of the committee may have to propound will be answered by succeeding witnesses. (Discussion off the record.)

Secretary BUNDY. The development of those—I had to refer to those in order to underscore the importance of doing things that will keep us on a sound footing. They are essentially, of course, political questions. I am sure that Secretary Johnson will be more capable than I of commenting.

I have visited there and I do know it—

Mr. PHILBIN. I was about to suggest, Doctor, that you might ask those questions of the State Department witnesses who are here to answer your questions.

Mr. HALL. I would like to be sure that before the Under Secretary or Secretary Bundy, at least, leaves, that we are going to have in our deliberations a copy of this task force report or have it copied.

Mr. PHILBIN. We will have that task force report.

Mr. HALL. I would like to get some more information.

Mr. PHILBIN. We will get that report.

Secretary BUNDY. Secretary Ailes will be testifying specifically to that.

Mr. PHILBIN. Secretary Ailes is going to testify and then you can ask any questions you have in mind and get the answers.

Do you have further questions, Doctor?

Mr. HALL. I would like a copy of the biographical information that we oftentimes have on these reports about the gentleman that has just testified, himself.

Mr. PHILBIN. You mean Mr. Bundy?

Mr. HALL. Mr. Bundy.

Secretary BUNDY. Certainly.

Mr. PHILBIN. Do you have any written statement or just the one that you presented here?

Secretary BUNDY. No. Do you mean of a biographical nature?

Mr. HALL. Yes.

Secretary BUNDY. I didn't happen to bring one. I am sorry, I could have done it.

Mr. PHILBIN. Do you want biographical material concerning the witness?

Mr. HALL. Yes. He started off his statement that he is here in lieu of Secretary McNamara and/or the Secretary of State, and I would like to know where he fits into the machine.

Secretary BUNDY. I am the Acting Assistant Secretary for International Organization Affairs, which is largely concerned with policy matters in the Department of Defense, and my normal beat actually is the military assistance program, which also gets a great deal into the base matters.

I am appearing because of the policy implications for the Department of Defense as a whole on this bill, and to present the policy position of the Department squarely in support of it as being necessary to maintain — that we need strictly from a military standpoint, apart from other factors which I think also exist.

Mr. PHILBIN. Do you have any further questions, Doctor?

Does anyone have any further questions?

(No response.)

Mr. PHILBIN. If not, we will excuse you, and thank you very much, Mr. Bundy.

Secretary BUNDY. Fine, I will get biographical material, if you wish, Mr. Chairman.

Mr. HALL. I would appreciate it.

Secretary BUNDY. All right, fine.

Mr. PHILBIN. Mr. Ailes.

Proceed with your statement, Mr. Ailes.

Do you have a prepared statement?

Secretary AILES. Yes, sir, I do.

Mr. KELLEHER. It is before the members, sir.

Secretary AILES. Mr. Chairman and gentlemen, I am Stephen Ailes, the Under Secretary of the Army. I was also the Department of Defense member of the special interdepartmental task force on the Ryukyus.

I am grateful for the opportunity to discuss with you the importance of the Ryukyus to the United States and to urge the adoption of H.R. 10937, raising the aid authorization to \$25 million a year which will enable us to discharge our responsibilities by increasing economic assistance to the Ryukyu Islands.

The United States has but one reason for continuing to exercise in the Ryukyus those plenary rights of administration granted by article 3 of the treaty of peace with Japan. This reason is the Ryukyu Islands' singular strategic value to the security of the United States and the free world, as ably described by Mr. Bundy.

Our base on Okinawa is essential. This committee is in a special position to appreciate that. As the President stated on March 19 last, "The armed strength deployed at these bases is of the greatest importance in maintaining our deterrent power in the face of threats to the peace in the Far East. Our bases in the Ryukyu Islands help us assure our allies in the great arc from Japan through southeast Asia not only of our willingness but also of our ability to come to their assistance in case of need." It is for this reason and this reason alone that we must continue to maintain the integrity of our administrative authority over the Ryukyu Islands.

(Discussion off the record.)

On visiting the Ryukyus last July, I observed the increasing concern of our responsible officials for the stability of our military security and the U.S. position there. I learned that there were discernible portents of conditions which could seriously impair the freedom of military mobility which we enjoy in that area under our sole jurisdiction. There were evidences of growing dissatisfactions among the Ryukyuan people, indications that we might be taking for granted that we will continue to enjoy unimpaired that degree of voluntary cooperativeness and international acceptance of our administration which we have experienced since the end of the military occupation. Off the record.

When these hearings were scheduled, it occurred to us by all odds the best thing we could do [deleted].

Mr. PHILBIN. We appreciate it.

Secretary AILES. He came 7,000 miles to talk to this committee, and to answer your questions in that specific regard.

Mr. PHILBIN. We appreciate that. It would be very helpful to have his testimony.

Secretary AILES. Fine. I would like to lay a little more background here.

Mr. PHILBIN. We don't want to interrupt you, but when you make some of these remarks apart from your formal statement, we thought we should ask some questions in that light, with reference to those portions of your testimony.

Secretary AILES. I am delighted to have you interrupt me. My only point is when you want to talk about what is specifically going on in Okinawa today and what the nature of the problem is, we have got with us here today the man who is the best equipped of anybody to talk directly to it.

Mr. PHILBIN. That is what we want to get; we want to get all the evidence, and I am sure we are going to get it.

Mr. NORBLAD. What is the civilian population of Okinawa, roughly?

Secretary AILES. About 850,000, I believe. I can give it to you exactly.

General CARAWAY. Between 850,000 and 900,000.

Mr. NORBLAD. On Okinawa, itself?

General CARAWAY. No, sir, the entire Ryukyu Islands; 750,000 live on Okinawa.

Mr. NORBLAD. Thank you.

Mr. COHELAN. What is the birth rate, General?

General CARAWAY. The increase in population is about 20,000 a year, and the loss by death of infants is under four-tenths of 1 percent, something like that, very low.

Secretary AILES. If I may go on with my statement: As a result of the deep concern of the High Commissioner of the Ryukyu Islands, General Caraway, who is with us today, and stemming directly from his recommendations, an interdepartmental task force was established by the President last August to investigate the extent to which economic and social conditions contribute to the dissatisfaction of the Ryukyuan people, and to determine what steps were necessary to improve the position of the United States there.

I would like to also read in, in response to a question that Dr. Hall asked about who was on the task force, I would be glad to read into the record the composition of the task force.

Mr. PHILBIN. Glad to have that. Dr. Hall is very much interested in that.

Secretary AILES. All right.

The Chairman was Mr. Carl Kaysen, who is Deputy, today, to McGeorge Bundy, in the White House, who is a brother of William Bundy who just testified. I can give you—yes, Kaysen's present title is Deputy Special Assistant to the President for National Security Affairs. McGeorge Bundy is Special Assistant to the President for National Security Affairs.

And at the time the task force was organized, Mr. Kaysen was in that same office working directly under Walt Rostow, who I believe had the job then that he has now.

Is that correct?

Secretary JOHNSON. I think that is right, yes.

Secretary AILES. Also on the task force was Mr. John Steeves, from the State Department, who was succeeded by Mr. Edward Rice, who has that job today. And what exactly was that title?

Secretary JOHNSON. He was Deputy Assistant Secretary of Far Eastern Affairs. He is now Ambassador to Afghanistan.

Mr. PHILBIN. Succeeded by Mr. Rice?

Secretary JOHNSON. Yes, sir; who now occupies the position of Deputy Assistant Secretary for Far Eastern Affairs.

Secretary AILES. I should say, incidentally, that Mr. Steeves' personal experience was of great value to this task force, because not only is he a fine man with a long experience in the Department, but he had served as political adviser on Okinawa for 2 years 7 or 8 years ago, and was thoroughly familiar with the scene. I was the Defense Department member. We had Mr. John Ohly, who is with the AID Agency, and George L. P. Weaver, from the Department of Labor. Now, we had a working group—

Mr. PHILBIN. Pardon me. Whom does Mr. Ohly work under?

Secretary AILES. He is with the AID Agency.

Mr. PHILBIN. Is he military personnel or State Department personnel?

Secretary AILES. Well, AID is the Agency for International Development, which is under the State Department today.

Mr. PHILBIN. I understand.

Secretary AILES. Yes, sir. He has been in that field for a long time, and it was thought he had some real competence that would help us there. We had a working group which was headed up by a man named John Kaufmann, who is an economist that I have known for a number of years. He arrived back in this country after 2 years working with the Ford Foundation in Iran, just before this task force was organized.

Mr. Kaufmann was the Director of the working group that went to Okinawa. Mr. Henry Brodie and Mr. Kingdon Swayne from the State Department were on it, and then from the Army we provided Brig. Gen. Benjamin Evans, Col. Edward Allen, who I believe is here today, and Col. John Sitterson, who is here today. These men were the military representatives on the task force.

AID provided Mr. L. Albert Wilson, and the Department of Labor provided Mr. James D. Hoover. That was the—they constituted the working group.

Mr. PRICE. Mr. Chairman, may I make a comment here?

Mr. PHILBIN. Yes, Mr. Price.

Mr. PRICE. I have had an opportunity to look over the task force report, at least in sections and so forth, but I want to commend Dr. Kaysen on this task force for the careful way in which they approached this subject. Long before they made the trip to Okinawa, certainly after the task force was formed, they took the trouble to check into previous work that had been done by congressional committees in Okinawa.

I know they were careful to check with the special subcommittee of this Armed Services Committee that went over there in 1953, and they were armed with our report when they made their trip. I think

they made a very careful approach to this subject. I want to commend the task force for this.

Secretary AILES. I am sure those comments will be appreciated, Mr. Price.

I, myself, would like to say that I have never seen a group do a more determined job of trying to isolate the facts and analyze the problem.

With respect to "Can the committee see the report?" which was a question asked here earlier, I personally would be delighted if this committee would read the report. I think it is an excellent job, and that it lays out the problem there in as clear terms as you could possibly do it.

It makes a tremendously persuasive case for the solutions which it recommends.

Mr. PRICE. I suggest that you could submit the report to Mr. Kelleher for the backup material and Mr. Kelleher can make it available for the members to read in the Armed Services Committee office. That is the way we do it in the Joint Committee on Atomic Energy. It never leaves the committee room.

Mr. PHILBIN. That is a good suggestion, have it channeled to Mr. Kelleher, and there be available to members of the committee. Also you are prepared to discuss the recommendations of the report today, verbally you can do that?

Secretary AILES. Yes, sir.

Mr. PHILBIN. Are there any elements in the report that couldn't be discussed verbally with members of the committee?

Secretary AILES. The parts of the report that are sensitive are not related to the matter of what steps we might take with respect to additional aid, so much—

Mr. PHILBIN. I see.

(Off the record.)

Mr. PHILBIN. We would be interested, of course, in getting the information pertinent to the pending bill. We don't want to go beyond that, but in order to get that information it would be necessary, of course, to inquire concerning the report.

Secretary AILES. As I say, I genuinely am interested in having this committee look at this report. I certainly commend it to your attention. If it can be handled—

Mr. PHILBIN. I think the suggestion of Mr. Price is the one, with the approval of the committee, is the one we would adopt, so that it would be in the custody of Mr. Kelleher for those people who want to look it over and read it and ascertain its contents.

Secretary AILES. All right, sir. If I may pick up this statement, some of which is repetitive of what I just said—the chairman of this group, of which I was the Defense member, was Dr. Carl Kaysen of the White House staff, now Deputy Special Assistant to the President for National Security Affairs. Dr. Kaysen and a working group spent several weeks in the Ryukyus to examine the situation firsthand—I might comment, after having done about 2 months' work here, analyzing with consummate care everything that had been done in this area before, conferring with the High Commissioner and his staff and with representatives of the entire spectrum of the Ryukyuan population.



The group also went to Tokyo for conferences with our Ambassador to Japan. After considering the working group's findings and an extended period of study, the task force submitted its report and recommendations to the President. The proposed legislation before this committee, which would raise the authorizations for aid to the Ryukyus from \$6 million to \$25 million a year, is a direct result of the task force recommendations.

To place this request in context, I would like to summarize briefly for you the task force recommendations as acted on by the President. (Off the record.)

Now comes a point in the statement that is a thing that occurs to you as soon as you come into this problem, as I did, absolutely cold:

Our arrangements in the Ryukyus were all right for a short-term operation, under the circumstances prevailing in the past, but the circumstances have been changing and now it is clear that we have a long-term requirement. We need to make some adjustments for the long haul. (Off the record.)

Here, if I may add, if you look at the Executive order in the President's statement you will see that he, on the scene, is supposed to report his progress at regular intervals back to the Secretary of Defense.

Mr. HALL. Mr. Ailes, in view of that statement, why to the Secretary of Defense instead of to the Secretary of the Army, in view of the past Executive order?

Secretary AILES. I think he reports through the Secretary of the Army to the Secretary of Defense.

Mr. PHILBIN. He delegated his authority to the Secretary of the Army?

Secretary AILES. Yes, sir; but I think this report comes back to the Secretary of the Army and through us to the Secretary of Defense.

Mr. PHILBIN. To the Secretary of Defense?

Secretary AILES. Yes. (Off the record.) (Discussion off the record.)

Mr. PHILBIN. What is the contribution to the tax revenues of Japan on an annual basis?

Secretary AILES. Prior to the war?

Mr. PHILBIN. No, recently.

Secretary AILES. They don't make any contribution.

Mr. PHILBIN. The last time they contributed.

Secretary AILES. That would be prior to World War II. I am sure we could dig out that information.

Mr. PHILBIN. They have given nothing to Japan but they have gotten in the last year something over \$2 million?

Secretary AILES. Yes, sir. They give nothing to Japan at the present time.

Mr. PRICE. Specifically somewhere along the line you will give us an idea of what they do need over there, and what they are seeking and what type of program we hope to participate in, won't you?

Secretary AILES. Yes, sir. The task force report—some of these men were economists who went over there, Mr. Kayser is, himself, indeed, as Mr. Kaufmann. And they made a rather determined effort to find out what at least the periphery of this problem is, what the total amounts are, and we do have a chart here that lays out generally the areas in which additional aid is required which we will submit in due course here.

Mr. PRICE. Are you going to give us that type of information, what appropriation will be, and so forth, or shall we wait for General Caraway on that?

Secretary AILES. Well, General Caraway is far better equipped to do it than I am, and I am not sure he is the best man on the subject, himself. Mr. O'Flaherty is here, and we do have the people who are working on this subject.

Mr. PRICE. Will you give us the amount of previous appropriation, and what you expect to do?

Secretary AILES. We can give you any statistics that you would like on that. I have a great sheaf of it here, and all we should do is try to figure out exactly in what form you want it. There are masses of data with respect to Ryukyus.

Mr. PHILBIN. Proceed with your statement, and then we can come on that with the other witness.

Mr. PRICE. This sort of information will be very important in support of the bill. I would like to know who to direct those types of questions to to be sure we get them in the record.

Secretary AILES. At the appropriate time, as I say, there are others who are far better equipped to describe the details than I am. We do have data with respect to past aid. I was interested in that when you made the statement that you did, Mr. Price, about the 6 million figure not being really put in there originally as a limitation. The aid in some of those years ~~was~~ long before that was in the neighborhood of \$2 or \$3 million, as I recall.

Mr. PRICE. I don't think we ever reached the 6 million figure.

Secretary AILES. That is right.

Mr. PRICE. We never at any time thought of it as being a limitation, we were just hoping they might get to it some time.

Secretary AILES. Yes, sir.

Mr. PRICE. Because of the need that we thought existed there.

Mr. COHELAN. Mr. Chairman, I would just like to add to the point raised by Mr. Price in respect to the historical data about the Japanese Imperial Government's role when the Ryukyuan Islands were a prefecture of Japan.

It seems to me that that economic and social data is vitally important to note and compare as we go forward with negotiations, and also for the comprehension and better understanding of Members of Congress. So I just wanted to add to what he said and stress my own interest in this area.

Secretary AILES. All right. I would be glad to see what we have about the internal relationship between Okinawa and Japan before the war. I say we have an incredible amount of data after, and it may be that we have some before, too.

Mr. COHELAN. The point, it seems to me, Mr. Secretary, is that while there are a myriad of problems existing today, and they have to be coped with realistically, the fact of the matter is there have been some enormous improvements by our presence there.

Secretary AILES. No question about that. I do have here the statistics about the gross national product in Okinawa in the last 3 years, going up at a rate of about 20 percent. And the income at about the same rate. We could put those specifically in the record rather than take my memory of it. Off the record.

(Discussion off the record.)

Mr. ARENDS. As long as you are fixing percentages, what would you say the percentage of increase in standard of living is now as compared with 10 years ago, say in the Ryukyus and Okinawa? In other words, are they reaching for the moon, or are they reaching for something reasonable, or are they still at a very depressed state in their standard of living? I mean, is it appreciable, this increase; is it reasonable?

Secretary AILZE. There isn't any question but what they are far better off than they were 10 years ago.

Mr. ARENDS. Yes; that is what you said.

Secretary AILZE. I am sure in this complex of material there are some statistics here that maybe they don't reach that far, but demonstrate that overwhelmingly. There is still a way they can go. I mean, they are not very well off by our standards, let's put it that way.

Mr. COHELAN. Mr. Secretary, to help on this question, there are figures on per capita income and real income.

Secretary AILZE. Yes, sir.

Mr. COHELAN. And this would reflect unemployment and rates of unemployment?

Secretary JOHNSON. If I may interrupt, I have the figure on per capita income here.

Secretary AILZE. So do I.

Mr. ARENDS. Maybe I am rushing the Secretary.

Mr. Secretary, I will gladly wait until Mr. Johnson comes on.

Secretary AILZE. Also I suggest you might ask General Caraway some of these questions. You are talking about the kind of problems he lives with every day. He has a kind of knack of grappling—

Mr. NORBLAD. I wish you would develop that as you go along, both of you.

Mr. KELLEHER. Mr. Price, and myself, and others, were in Okinawa, for 10 days. We went from village to village. General Lemnitzer was with us. It was our understanding that they didn't care about the dollar or the yen. What they wanted was their lands back that were taken over by these big Navy bases and air bases. They wanted their mother soil which had been in their families for generations. The American dollar didn't mean much to them. If that is wrong, I wish you would clear it up. Isn't that the way you felt about it?

Mr. PRICE. Of course, that was 7 years ago.

Mr. NORBLAD. Yes.

Mr. PRICE. They were threatened with loss of additional land.

Mr. NORBLAD. That is the reason we were out there. We said, "We will give you so many dollars." They said, "We want our own land."

Mr. PRICE. This was the evolution of the economy from a strictly rural land economy to practically an industrial and service economy. This was very serious to them at that time, and I guess it is still serious. They still like to have much of their land back that we have taken over.

Mr. NORBLAD. It seems to me every village group we met with would talk only land with us.

Mr. PRICE. Yes. As a result of some of the reforms that the Army agreed to and set in since that hearing a lot of this type of agitation has gone down. Now, I imagine what they are interested in now

is the ordinary community facilities necessary to take care of a population of their size.

Mr. NORBLAD. My purpose in raising the question was to have you comment on that as you go along. If that has changed I would be very interested to know.

Secretary AILZE. I would say it would be well for General Caraway to address himself to these problems: "What is the current attitude, what are the current dissatisfactions of the people, what are the things that bother them the most, how do you do something about it?" Because, as I say, this is his daily problem when he has his nonmilitary hat on over there.

Is that right, General? We can put in the record, if you like, the per capita income statistics which we have got.

Mr. ARENDS. Probably we will come to that somewhere along the line.

Secretary AILZE. All right, sir.

I have summarized the three main points of the task force recommendations as acted on by the President.

Next, and in the context which I have described, I would like to turn to the specific legislation which is before you, the amendment of the Price Act. Actually, Mr. Kelleher has gone over that, so there is no use in my reading that part. I did have in mind his reading the preamble of the Executive order which Mr. Price read into the record.

I might point out that the preamble of this legislation, when first passed, emphasizes the same question. The preamble says:

Be it enacted that in the exercise by the President of the authority over the Ryukyu Islands granted the United States by article 3 of the Treaty of Peace with Japan and every effort shall be made to improve the welfare and well-being of the inhabitants of the Ryukyu Islands and to promote their economic and cultural advancement during such time as the United States continues to retain authority over the Ryukyu Islands.

There is a congressional expression of the same basic proposition that the task force report studies at some length.

Public Law 86-629, from which I just read the preamble, authorized a total of \$6 million for aid to the Ryukyus and for reimbursement to the Government of the Ryukyus for services performed for U.S. forces in the islands. In fiscal year 1963, nearly a million dollars of the amount appropriated will have to go for the reimbursement part. Further, until now, the actual appropriations have fallen well short of the \$6 million authorized.

Mr. Price's point. In the context I have discussed, the aid which the United States has given is inadequate, and an increased authorization is clearly needed.

In our request and in the amendment introduced by Mr. Price, the authorization would be increased to \$25 million. We do not expect to have to use that much every year. For example, the appropriation requested for this coming fiscal year 1963 is only \$12 million. However, the plan calls for a further increase in subsequent years, and we expect to need the full \$25 million authorization to insure that we can cover maximum foreseeable needs in a year of greatest cost. For all the reasons I have outlined, I urge your approval of this amendment.

I will be followed by the Honorable U. Alexis Johnson, the Deputy Under Secretary of State for Political Affairs, who will give you the

State Department's views of this legislation, and of its significance in connection with the problems the State Department deals with.

Then we would like for you to hear from Lt. Gen. Paul W. Caraway, the High Commissioner, who is also the Army commander in the Ryukyus, and the representative of the Commander in Chief, Pacific, for interservice coordination there. General Caraway will be prepared to give you further details regarding the need for and use of the increased aid which we are requesting. No one today knows more about the problems in the Ryukyus than General Caraway. He is, himself, responsible for bringing to the attention of the Army and the Department of State the precise nature of our present problems there. It may fairly be said that the task force study resulted from General Caraway's concern over this problem. When people wonder about the military aspect of this task force, and this study, I always say a military man, perhaps he regrets it sometimes since, but a military man, to wit General Caraway, is responsible for it. Under Secretary of State George Ball went through Okinawa perhaps in June or July of last year, and General Caraway so impressed upon him what he thought was the problem that they were facing there, that Mr. Ball, Secretary Ball, came back here determined that something had to be done.

I came through about 2 weeks later, and was so impressed with what General Caraway was telling me, that I declined a helicopter ride around the island to listen to some more of what he had to say. I believe it turned out you got that favorable rain that day so we couldn't have gone, anyway.

The task force benefited greatly from his advice in the course of the study in Okinawa, and the final conferences here. He returned to help us with them.

In order that this committee might get an explanation of this situation in the Ryukyus from the man who knows the most about it, we asked General Caraway to come to Washington to tell you about it, following Secretary Johnson's testimony.

Mr. Chairman, that completes my statement.

Mr. PHILBIN. Thank you. You made an excellent statement.

Mr. STAFFORD. Mr. Chairman, could I ask the Secretary a question?

Did I understand on the Presidential task force that there was somebody named Wasco or Rosco?

Secretary AILES. No, sir. If there was I never saw him.

Mr. NORELD. Walt Rostov, probably.

Secretary AILES. No, sir. What I said was that Walt Rostov had held a job on the White House staff before he went with the State Department that Carl Kaysen holds today.

Mr. STAFFORD. Thank you.

Secretary AILES. That is what I said.

Mr. PHILBIN. Mr. Arends.

Mr. ARENDS. Some time ago I evidenced some interest in this whole matter as the Secretary knows, and he very kindly called me one day and paid me a visit which I appreciated very much and clarified the air for me.

Mr. ARENDS. All of us are concerned militarily, and we are all as one in what we want to do militarily. The whole question comes

about from the political aspects of this matter, and I think they will probably be explored with Mr. Johnson, and then in what General Caraway has to say. I am only motivated by one thing: what we have to do out there in the Ryukyus. I think it is evident from my record in the past. Clear back to 1948, I am one of the Members who consistently voted for these programs. So I am interested in this, and I hope there will be complete frankness on the part of the next witness or two to tell us exactly what they think about this. This committee—Congressman Price and myself are members of the CIA Special Subcommittee, and time and time again, Mr. Secretary, we have this confidential information that comes to us that is terrifically helpful to us, so we can reach a decision with some balance.

I would think that you would have no hesitancy here, the witnesses this morning, in completely laying out all the background on this, assured of the fact that this committee—and our reputation is good in that respect—that we are able to keep secrets, and we know secret testimony when we hear it. I can visualize some difficulty with a bill like this on the floor of the House with a million questions being asked, and we are going to have to be prepared to go on that floor with the answers to those questions.

As you know, foreign aid as such is in for a real tough time this year, as probably never before. So we are here approaching a phase of it in this proposition here. So I think we have to have brutal frankness in what we are doing here this morning, so we will know, so we will be in a position to answer questions.

Mr. PHILBIN. Any further questions?

Mr. PRICE. In that connection, so that we would not confuse this with foreign aid—

Mr. ARENDS. Yes.

Mr. PRICE (continuing). I wonder if we have any figures relative to the amount of money we paid to these north African governments for rental of areas in which we have our bases, and so forth.

What I am trying to bring out here, this probably costs us less even if we went to the \$25 million than it does to support a base in Morocco.

Mr. ARENDS. Sure.

Mr. PRICE. This supports more than one base, a whole operation.

Secretary AILES. I have heard comparisons of that precise character: That we have a tremendous investment here on Okinawa, and what we are paying here is in the nature of "fire insurance"; it is a very small premium, particularly when some of the payments we have to make in other parts of the world for bases run as high as they do. The situation is quite a bit different.

Mr. HALL. Will you yield right there?

Mr. PRICE. Yes.

Mr. HALL. There is a basic difference in that we occupy these bases by conquest, liberation, and treaty rights with sovereign rights implied therein, whereas we are renting the others from sovereign nations.

Mr. PRICE. Yes.

Secretary AILES. Perfectly true.

Mr. PRICE. That may be true, but it is not a basic difference, because we are also in north Africa, you might say, by conquest and liberation. That is the way we went in there.

Mr. PHILBIN. It is tied in with our master strategy in the world.

Mr. PRICE. I think the point here is we are all agreed as to the military importance of this area; we are agreed it is the only place we can have there that will support the facility.

Now, what is the best way for us to maintain these bases over a long period of time? We are going to be there a long time. That is one thing we always make clear to the Okinawans, themselves, that someday they may return to Japan, but that day is far off.

We make it clear to them that we are going to be there as long as we think it is necessary to be there for the preservation of peace in southeast Asia, and in the world. So I think we are all agreed that we need the place.

Now, we have to come up with some formula that makes it possible for us to retain it.

Mr. PHILBIN. Thank you, Mr. Price.

Thank you very much, Mr. Secretary.

Secretary AILES. Quite welcome.

Mr. PHILBIN. The next witness will be the Deputy Under Secretary of State for Political Affairs, Mr. U. Alexis Johnson. If we may have your testimony?

Secretary JOHNSON. Mr. Chairman and members of the committee, I do not have a prepared statement, but I am prepared to discuss this informally with you.

Mr. PHILBIN. Proceed.

Secretary JOHNSON. Mr. Price has very well stated the problem, and I entirely agree that this is the problem. Mr. Ailes and Mr. Bundy have well set forth the military importance of this area on which we all agree. We in the State Department entirely agree on this.

From my long service in the Far East, I am probably in as good a position as anybody to appreciate the importance that Okinawa has had and will continue to have for free world security. So we proceed from the premise that Okinawa is important to our defense interests and will remain so for the indefinite future. Therefore, it is clearly important that we retain the most cooperative and friendly relationship possible with the people of Okinawa and Japan on this question.

Now, there are three aspects really to this question of our ability to stay there. First, of course, is the attitude of the Ryukyuan people themselves. Mr. Ailes has spoken to this and General Caraway will undoubtedly be able to speak to this firsthand much better than I can. But there are a few points in that regard that I would like to bring out.

Next is the question of our relationship with Japan with respect to the Ryukyus. Our relations with Japan have been improving steadily. Japan is an important power factor in the Far East. It is important that we be able to maintain a cooperative relationship with Japan both as far as our overall relations are concerned and as far as the Ryukyus are concerned.

And, lastly, there is the question of our worldwide international position, and of how our presence in the Ryukyus is viewed by the rest of the free world.

First, with respect to the Ryukyus, there has been mention made here of the economic situation. The economic situation is important.

However, there are a few points I would like to make with regard to the psychological. Mr. Ailes has touched on this, as well. The psychological problem with respect to the Ryukyus people is probably of almost equal importance with that of the economic situation. The first problem is, of course, that these 900,000 people do not have the status and advantages of being an American territory. They are not in the position, say, that Hawaii was, or Alaska was, or that Puerto Rico or territories such as Guam are. They are not considered Americans; they are not treated as Americans. We have no thought of permanently incorporating them into the United States. Therefore, they do not see any future orientation toward the United States. They are too small and don't have the resources to survive as an independent entity, if and when the time arrives that we ever find that it is not necessary for us to stay there any longer. Naturally, they have their orientation and look toward Japan.

So I would say a part of the psychological problem is that they feel themselves neither fish nor fowl, neither Americans nor Japanese, nor can they feel themselves Ryukyuan in the sense of the Ryukyu Islands becoming an independent entity.

For example, among the simple practical problems that they run into, when they travel abroad, the High Commissioner gives them a travel document which is not a passport and which customs officers, immigration officers, abroad look at somewhat skeptically: "What are you, are you Japanese, are you American?" "No, I am neither one. I am a Ryukyuan, and this is a travel document from the Ryukyuan authorities."

It doesn't entitle them to, a small detail, waiver of visa fees, and things of this nature. I have had experience with Ryukyuan in the posts where I have served abroad. When they get into difficulty they don't know whether to turn to the American consul or to the Japanese consul. We work cooperatively with the Japanese on it. But it is part of the problem of being neither fish nor fowl.

Another small point: Their ships have no national flag. They fly the international letter signal flag for the letter "D," as their flag on their fishing vessels when they are at sea.

In spite of the neglect which they undoubtedly suffered under the Japanese prior to World War II, the Ryukyuan consider themselves Japanese. They have long close racial, economic, and cultural ties with Japan going back to the beginning of the 17th century. There was a period, part of this period, when the king of the Ryukyus paid tribute to the court in Peiping, and there was a vague Chinese suzerainty over them. But clearly ever since about the beginning of the 1800's their ties have been primarily with Japan. And they were formally incorporated into Japan in the latter part of the 19th century. I think General Caraway will bear me out in saying that as far as the Ryukyuan people are concerned, they see their long-term future lying with Japan.

They have noted the enormous advance that Japan has made since World War II, and as has been brought out here they feel, rightly or wrongly that they have not kept pace with what is going on in Japan. They resent attempts to orient them toward the United States because we disclaim a long-term intention of incorporating them into the United States, and they resent anything that they feel prevents their

carrying out ties with Japan, ties that they feel that they would have if they were a normal Japanese prefecture.

Those are just some of the psychological problems in the situation. Now, in Japan, itself, there are some other questions. The Japanese, although as I said, they somewhat neglected the area prior to World War II, unquestionably feel a strong sense of identification with and responsibility toward the Ryukyus. Some of this may be politically motivated, but nevertheless it is a very real factor.

Mr. NORBLAD. Did they have representation in the Japanese Parliament prior to World War II?

Secretary JOHNSON. Yes, they were a prefecture of Japan, an economically poor prefecture, as were some other prefectures, but they were fully incorporated into Japan.

Although the Soviets are occupying some islands in the north—the Kuriles, the Habomais, and Shikotan—that the Japanese would like to get back, the population there is very small, and the only area that was a part of prewar Japan with any substantial population that is still alienated from Japan is the Ryukyus. So these feelings of the Japanese are focused primarily on the Ryukyus.

Mr. PHILBIN. What is the population of the Kuriles?

Secretary JOHNSON. The number of Japanese remaining in the Kuriles would be negligible, if there are any at all.

Mr. PHILBIN. It would be much less, of course, than Okinawa.

Secretary JOHNSON. There is no comparison, yes.

Mr. PHILBIN. Do we have any other arrangement similar to this in the world where we have complete autonomy?

Secretary JOHNSON. No; this is unique.

We propose to enter into negotiations with the Japanese which will set forth the parameters of their assistance, and which will from our standpoint channel that assistance in the directions that we would like to see it go, and from the standpoint of Japan will enable Japan to say, "Well, we have negotiated with the United States and are taking care of our fellow compatriots in the Ryukyus."

Mr. PHILBIN. Do you think that might work out to the advantage of our country, and that we would satisfy public opinion not only in Japan but in the islands, as well?

Secretary JOHNSON. Oh, yes; very much so.

Mr. PHILBIN. That is the objective of this bill.

Secretary JOHNSON. Yes.

Mr. PHILBIN. Even though you don't see any immediate prospect of giving these islands back to Japan you do think it can be worked out on a cooperative basis so that virtually—so that both Japan and the Ryukyans will be relatively satisfied?

Secretary JOHNSON. Relatively satisfied; this is our objective.

(Discussion off the record.)

Mr. PHILBIN. Mr. Lankford?

Mr. LANKFORD. In speaking, as I gather it, of a cooperative venture of aid between Japan and the United States for the Ryukyans, would this be a token aid on the part of Japan, or would it be substantial? For instance, you have asked for \$12 million for aid to the Ryukyus, in the 1963 budget. It is envisaged that Japan would come up with matching funds, so to speak?

Secretary JOHNSON. Not necessarily so, no. We expect that our proportion of this would be the larger part, that the Japanese proportion would be the lesser part.

Mr. LANKFORD. Would this be understood by the people of the Ryukyus, that the major portion of the aid is coming from the United States?

Secretary JOHNSON. Oh, yes. And as far as the amounts and the areas into which this would go, this type of thing would have to be negotiated out with the Japanese. Ambassador Reischauer, in close coordination with General Caraway. They work very closely together on this, as they do on all other problems.

Mr. LANKFORD. The purpose of the Japanese aid, then, would be as a—

Secretary JOHNSON. Supplement, if you want to use the word. From the standpoint of the Japanese Government, a solid demonstration of their interest in the Ryukyus, from our standpoint supplementing what we are doing. We don't look upon this just as a token operation with the Japanese.

Mr. LANKFORD. It will be substantial!

Secretary JOHNSON. There are substantial fields in which the Japanese can make a genuine contribution.

For example, some of the technical fields, medicine—General Caraway can speak to this in more detail than I can. There are fields, technical fields in which the Japanese have something very substantial to offer.

Now, related to this, of course, is the fact that we are seeking to get the Japanese to contribute more to the development of the underdeveloped countries in southeast Asia. We cannot on the one hand, ask them to contribute, say, to the development of Thailand, and say, "but we can't use your help in the Ryukyus, which we recognize you still retain title to."

Mr. HALL. We recognize what?

Secretary JOHNSON. They still retain residual sovereignty. We recognize that Japan has residual sovereignty, to use the term that was used in the—

Mr. PHILBIN. In the treaty?

Secretary JOHNSON. Well, it was not actually used in the treaty.

Mr. HALL. That is the point.

Secretary JOHNSON. Actually the term, "residual sovereignty," was used by Mr. Dulles when he was presenting the treaty to the San Francisco Conference, and in the presentations to the Senate when the treaty was under consideration.

Mr. PHILBIN. It is a very clear idea of the interpretation on the part of Mr. Dulles.

Secretary JOHNSON. It was an interpretation on the part of Mr. Dulles.

Mr. PHILBIN. That it would be residual sovereignty!

Secretary JOHNSON. Yes.

Mr. HALL. What about the second page of the second statement, regarding "Sovereign territory."

Secretary JOHNSON. We do not claim sovereignty over the Ryukyus. We exercise all the rights of sovereignty.

Mr. PHILBIN. That is right.

Mr. PRICE. I don't think there has been a statement made or speech made about Okinawa since Mr. Dulles' statement of that fact that hasn't carried that phrase in there.

Secretary JOHNSON. Yes.

Mr. PHILBIN. Is that clear to you, Doctor?

Mr. HALL. I recommend we drop it, but it is clear.

Mr. COHELAN. Mr. Secretary, I have been interested in your development of this whole problem—

Mr. NORBLAD. Will you speak up, please?

Mr. COHELAN. I have been interested in the Secretary's development of this whole problem and the apparent lack of any interest in the possibility of social or political inventions that would allow for some kind of nationhood identification or protectorate or trusteeship status that might give them some feeling of stronger ties to the United States. Has there been any investigation of that possibility?

Secretary JOHNSON. I would say that this was considered in the early days after World War II. There was some thought at that time that the Ryukyus might develop along independent lines. There was some thought that there was a Ryukyuan nationalism, if you will, of some kind. However, that never developed, and it is quite evident that they don't have any such thoughts at the present time.

Mr. COHELAN. But you indicated by your more or less dualism that they are neither fish or fowl?

Secretary JOHNSON. Yes.

Mr. COHELAN. And you have indicated that we have made no overtures to more strongly identify with them. That suggestion that there has been some conscious decision made about our role vis-a-vis the Ryukyans?

Secretary JOHNSON. Well, this decision was really made in the treaty. In the treaty, the decision was made that we would not attempt to incorporate the Ryukyus permanently into the United States. The treaty provided for Japan acquiescing in our seeking a trusteeship, United Nations trusteeship.

This has never been sought for various reasons. A trusteeship, of course, carries with it the concept of an underdeveloped people moving toward eventual independence. It is quite clear the Ryukyus don't think of themselves as moving toward eventual independence. They think of themselves only in terms of moving back into association with Japan.

Mr. PRICE. When we were there in 1955, I remember riding all through the island with Mr. Higa, who was the Ryukyuan Chief Executive at the time and they at all times made it very clear that they consider themselves Japanese.

Secretary JOHNSON. Oh, yes.

Mr. PRICE. And when the time for the reversion came, they would revert to Japan. I don't think any of them ever had any other idea.

Secretary JOHNSON. They see the enormous prosperity in Japan. It is a very great attraction. They see Japanese growth of industry, education, Japan as a world power.

Mr. PRICE. All of it was on friendly terms, just normal conversation of how the people felt.

Mr. COHELAN. Just as a matter of sociology and interaction, we are there, we are going to be there for a long time. I went through on an

all too short stay but on a very intensive visit and my impression was that there is a very substantial Americanization going on in those islands. You can go down the streets of Naha and it looks like Berkeley, Calif., in some of its areas.

Secretary JOHNSON. Yes.

Mr. COHELAN. These people are going to be different. The point being that given the social and political support that would be required, it would seem to me that our ties and identification might be strengthened through some political or international device, certainly to relieve the criticism that is involved in this business of being a stateless nation or a stateless people. It just—the real point of concern with me is that I wonder whether we have ever seriously thought of them as being associated with us. That, of course, is a form of rejection and it might cause them to react the way they have reacted.

Secretary JOHNSON. I would say we have not. We have thought of this basically in military terms. As Mr. Ailes and Mr. Bundy pointed out, we looked at the Ryukyus first from the short term. Now our look is to an indefinite future, but still in terms of military necessity. I don't think that we think at all in terms of a permanent political incorporation of the Ryukyus in the United States. This would mark a very great departure for us.

Mr. COHELAN. I don't mean to suggest that they ought to be made Americans, as such, but I think that there might be some intermediate process. You have, in fact, the reality of our presence.

Secretary JOHNSON. Yes.

Mr. COHELAN. And the very fact of our presence over time is going to inevitably result in interaction between the peoples. Now, it can be constructive and it can be otherwise. Hopefully it will be constructive, but it suggests to me that this an alternative that might be pursued in terms of social invention.

I don't think we have even thought about it in terms of maybe some intermediate alternative. We have thought about it in terms of international patterns of the past, the rigidities of the concept of trusteeship and this sort of thing and our past experience.

This is slightly irrelevant, but I wanted to pursue that other side of the problem. So we are left actually with no alternative but identification with Japan.

Mr. PHILBIN. That is right.

Secretary JOHNSON. I would say that is correct as it now stands. The problem is frankly to face it as a compromise here. We are trying to compromise with all the factors concerned to achieve the objective of staying there as long as we need to stay there.

I might say that this program now, even, is not a radical shift.

Secretary AILES. That is right.

Secretary JOHNSON. There has been an evolutionary process, and this program now is another step in this evolutionary process.

Mr. COHELAN. But in terms of our policy planning, what time segment do we take? The reason I ask the question, clearly we have made a lot of mistakes there, just in terms of the physical planning of the island. It seems to me that somebody didn't think we were going to be there very long.

We have now got a pretty good idea about how long we are going to be there, sufficient to take a planning view. Now, my question is, Over what period of time are we making plans?

Secretary JOHNSON. Well, this program we are talking about is a first 5-year program; we are not presenting it as something that is no longer going to be valid at the end of 5 years.

Mr. COHELAN. You understand what I mean?

Secretary JOHNSON. I understand your point, and your point is very good, yes.

Mr. COHELAN. Because if we can make some kind of a reasonable time plan, it would seem to me that we can make some intelligent improvements in the overall situation which would be more helpful in carrying out our objectives.

Secretary JOHNSON. The objective of this program is to bring the Ryukyus into closer association with Japan, a relationship which Japan, on the one hand, and they, on the other hand, find a tolerable one.

Mr. PRICE. Will the gentleman from California yield? Just on the point you asked about, how long we are going to continue this program? I think this might be the appropriate place to read into the record Mr. Dulles' statement on that point.

Secretary JOHNSON. Do you have that? Very good, Mr. Price.

Mr. PRICE. On December 25, 1953, when the northernmost islands in the Ryukyus, known as Amami Oshima, were returned to Japan, Secretary Dulles issued a policy statement which included in pertinent part:

The U.S. Government believes that it is essential to the success of the cooperative effort of the free nations of Asia and of the world in the direction of peace and security, that the United States continue to exercise its present powers and rights in the remaining Ryukyu Islands so long as conditions of threat and tension exist in the Far East. Accordingly, the United States intends to remain as custodian of these islands for the foreseeable future.

Secretary JOHNSON. That is right.

Secretary AILES. Amen.

Mr. COHELAN. Then allowing for that, and allowing for our own national policy planning and our military planning, which, as we know in this room, is done in a certain time sequence, allowing for technological and all sorts of other changes, it is going to be—we can at least plan for many years, it would seem to me.

There has got to be social planning along with everything else, as far as the islands are concerned.

Secretary JOHNSON. Social, yes, you are entirely correct, and part of this program is that the social planning will be in step with that of Japan. It will not be American.

Mr. COHELAN. And with the cooperation of the Japanese.

Secretary JOHNSON. And with the cooperation of Japan. One of the efforts here is to do just that. It will not be American standards but something that will be in consonance with Japanese standards. The program will, as Mr. Ailes has mentioned, include such things as medical care, and educational opportunities; so that the Ryukyus could fit into Japan relatively smoothly and easily rather than setting up American or other standards which would be markedly different from those of Japan and constitute a wrench, when reversion does take place.

Mr. COHELAN. I understand.

Secretary JOHNSON. We are seeking to minimize the problems connected with eventual reversion.

Mr. COHELAN. I have forgotten whether we have access to the Japanese market; the Ryukyus, do they have access to the markets? General CARAWAY. They have it across the board.

Secretary JOHNSON. Yes. A part of the problem is that in spite of their relatively good economic status as compared with prewar, Ryukyuan economic standards are below those of Japan. I think it would be fair to say that to a large extent, the Ryukyus are in an economic climate quite different from that of the Japanese, who are industrializing so very rapidly.

Mr. COHELAN. Thank you.

Mr. PRICE. Will the gentleman yield? I would like to get additional evidence in the record on this matter of residual sovereignty.

Secretary JOHNSON. Yes.

Mr. PRICE. Not only Mr. Dulles has made a statement regarding the residual sovereignty, but in the Eisenhower-Kishi joint communique on June 21, 1957, the following appeared:

The Prime Minister emphasized the strong desire of the Japanese people for the return of administrative control over the Ryukyu and Bonin Islands to Japan. The President reaffirmed the U.S. position that Japan possesses residual sovereignty over these islands. He pointed out, however, that so long as the conditions of threat and tension exist in the Far East the United States will find it necessary to continue the present status. He stated that the United States will continue its policy of improving the welfare and well-being of the inhabitants of the islands and of promoting their economic and cultural advancement.

Subsequently, budget messages in 1958 and the budget for fiscal year 1963—1958 and 1959, and the budget message for fiscal year 1963 read:

To protect the security of the United States and of the free world, the United States will continue responsibility for the administration of the Ryukyu Islands as long as conditions of threat and tension in the Far East require the maintenance of military bases in these islands.

President Kennedy, on March 19, 1962, said this, speaking of the report of the task force, he said:

The work of the task force (on the Ryukyus) underlines the importance the United States attaches to its military bases in the Ryukyu Islands. The armed strength deployed at these bases is of the greatest importance in maintaining our deterrent power in the face of threats to the peace in the Far East. Our bases in the Ryukyu Islands help us assure our allies in the great arc from Japan through southeast Asia not only of our willingness but also of our ability to come to their assistance in case of need.

Now, this is followed all the way through from Mr. Dulles' statement which I previously read.

Secretary JOHNSON. Yes.

Mr. PRICE. In 1957 it was a statement from President Eisenhower, down through the budget messages presented to each Congress.

Secretary JOHNSON. Incidentally, do you have in the record the President's statement of March 19?

Mr. PHILBIN. No, we don't, but we will take that for the record, if you have it.

Secretary JOHNSON. I have that. I think that lays the whole thing out.

Mr. KELLEHER. It is not in the record, but I will put it in the record at this point.

On March 19, 1962, President Kennedy stated:  
 "The work of the task force [on the Ryukyus] underlines the importance the United States attaches to its military bases in the Ryukyu Islands. The armed strength deployed at these bases is of the greatest importance in maintaining our deterrent power in the face of threats to the peace in the Far East. Our bases in the Ryukyu Islands help us assure our allies in the great arc from Japan through southeast Asia not only of our willingness but also of our ability to come to their assistance in case of need."

Secretary JOHNSON. Mr. Price, we might add to that record the communique issued by the President and Prime Minister Ikeda when Prime Minister Ikeda was here:

The President and the Prime Minister exchanged views on matters relating to the Ryukyu and Bonin Islands which are under U.S. administration but in which Japan retains residual sovereignty.

The President affirmed that the United States should make further efforts to enhance the welfare and well-being of the inhabitants of the Ryukyus and welcomed Japanese cooperation in these efforts. The Prime Minister affirmed that Japan would continue to cooperate with the United States to this end.

And I might say, Mr. Chairman, that part of our purpose in meeting with you and seeking this change is to get the sense of the Congress, so far as we can in this regard, to enable us to undertake these conversations with the Japanese at as early a date as possible.

Mr. PHILBIN. Does that conclude your statement?

Secretary JOHNSON. I believe that concludes it. There is more I can discuss, but I think we have covered the ground pretty well.

Mr. PHILBIN. If there are no further questions—

Mr. NORBLAD. Let me ask two questions.

Are there any blood ties between the Ryukyans and the Japanese, any intermarriage, or things of that nature?

Secretary JOHNSON. Oh, yes, very much so.

Mr. NORBLAD. Is there, because of the prosperity, present prosperity in Japan, any immigration of people from the Ryukyus to the mainland itself?

General CARAWAY. Not very much.

Mr. NORBLAD. Thank you.

Secretary JOHNSON. Are they seeking to do so?

General CARAWAY. No, interestingly enough we are getting quite a number of Japanese changing their family registers back to the Ryukyus.

Mr. NORBLAD. Coming from the mainland back to the Ryukyus?

General CARAWAY. Yes.

Mr. NORBLAD. Who came from where originally?

General CARAWAY. Some of them are probably Ryukyuan, by ancestry, and some of them are Japanese.

Mr. PHILBIN. Thank you, Secretary Johnson. We found your statement very helpful.

Secretary JOHNSON. All right.

Mr. PHILBIN. We hoped to sit this afternoon and hear General Caraway, but because of a very important program in the House we won't be able to do it. So we will return at 10 o'clock in the morning and we will hear you at that time.

(Whereupon, at 12:10 p.m., the subcommittee adjourned, to reconvene at 10 a.m., Thursday, May 10, 1962.)

HOUSE OF REPRESENTATIVES,  
 SUBCOMMITTEE NO. 2 OF THE  
 COMMITTEE ON ARMED SERVICES,  
 Washington, D.C., Thursday, May 10, 1962.

The subcommittee met at 10 a.m., Hon. Philip J. Philbin (chairman of the subcommittee) presiding.

Mr. PHILBIN. The committee will come to order.

We have a very distinguished witness this morning in the person of General Caraway. We will proceed with the hearings where we left off yesterday.

We would like very much to have your testimony, General Caraway. General CARAWAY. Thank you, sir.

Mr. Chairman, I will start with the prepared statement, then I am ready to answer any questions remaining.

Mr. PHILBIN. All right.

General CARAWAY. Mr. Chairman and gentlemen, I am Lt. Gen. Paul W. Caraway, and for the past 15 months I have been privileged to be High Commissioner of the Ryukyu Islands with my headquarters on Okinawa. In this capacity, I would like to make it clear that it was decided 11 years ago that the administration of the Ryukyu Islands continue under U.S. Government control.

This was neither an altruistic decision nor was it a determination based upon mere military convenience. Instead, the decision was based upon the strategic and tactical military requirements of the time, and today those requirements are even more compelling. The military value of Okinawa, the major island in the Ryukyu chain which stretches from the southern tip of Japan to the northern tip of Taiwan, has been multiplied many times over since the United States entered into the treaty of peace with Japan in 1952.

For the above reasons I support fully the request for an increase in the level of assistance to the Ryukyus to \$25 million. Off the record.

Recognizably, military needs limit the solution of every problem. However, the annual contribution established by law (86-629, 86th Cong.) at \$6 million, which the United States is making to the civil population of the Ryukyus for the use of our billion-dollar military asset, is insufficient to assure the continued economic and social growth of the civilian community.

Under the present level of assistance, investment capital is in short supply and is a major factor limiting economic growth; the educational facilities in these islands when compared with educational facilities in some areas of Japan are found wanting. Off the record.

There are areas of the islands lacking adequate water supplies and there are even some islands where the people after a drought of less than 1 month must bring water by boat from nearby islands. The capital city of Naha with over 200,000 people has no sewer system other than open ditches. These are cited as examples of some of the basic needs in the Ryukyus. Yet, since the treaty of peace in 1952, the United States has sought to insure continued availability of the base by annual grants that average less than \$6 million.

Since it is the U.S. intent to safeguard this valuable military base in the Ryukyus, in my judgment, the time has now come when a higher premium must be paid. The people in the Ryukyu Islands, as a result of the security requirements in the western Pacific, have



no central government other than the United States to afford them protection and to provide them the necessary economic assistance for programs that are beyond their own abilities to provide. Under the treaty of peace, the United States has the full responsibility for these people and the United States has accepted this responsibility. Off the record.

Their standard of income they say is about 69 percent of the average in Japan. Their standard of consumption is about 78 percent, and the administrative standard is about 54 percent.

Mr. PHILBIN. Do they contend that these standards have changed since what they were before World War II?

General CARAWAY. No, sir. They simply are holding that these are the standards in which they now exist vis-a-vis the Japanese economy.

Mr. PHILBIN. Comparative standards as of the present time?

General CARAWAY. Yes; as of the present time.

The way you get to this business is the poor prefectures of Japan receive what is known as equalization subsidies from the central government which are intended to reduce the existing differences between the standards of living in the various prefectures.

So that the Ryukyans, as I say, on this basis say that they would receive a subsidy if they were returned to Japan.

Mr. PRICE. If they were returned to Japan would they have something like we have here, community facilities program, that would help them take care of the sewer situation in Naha, for instance?

General CARAWAY. Yes, sir. You see, this equalization system is not only for the purpose of equalization of their standard of living; it makes up for the fact that most of the tax sources, the tax revenue sources in Japan, are in the hands of the central government, and therefore the prefectures or the municipalities have a hard time raising taxes in their own area.

Mr. DOYLE. Mr. Chairman, if you make allowance for the fact that I wasn't here yesterday because I was serving on another committee, therefore I didn't hear the testimony yesterday, but because of Mr. Price's question, is it appropriate for me to ask why, after all these years, haven't we done something about open sewer ditches in the city of 200,000 population?

General CARAWAY. Well, it becomes a question, I think, Mr. Doyle, of the priorities with which you have to assign the projects that you spend the money on. Second, this is theoretically within the budgetary—that is right—the budgetary province of the GRI, government of the Ryukyuan Islands. But GRI has not had the money. The municipality of Naha also has some tax resources and they have been using those resources for improving of the city, but they haven't gotten around to the sewer system.

There is an interesting complication here, though, also; while we must do something about the sewer system just for our own health standards before we are through, as you know, we have to tie the sewer system to the water supply, to the electricity supply, to the fuel supply. If we were to try to just jump in to have a very modern sewer system, we would run out of water until we can get our water resources developed further. So before you are through you have just one thing that leads to another, and you have to pull them

together. We are making the first steps on closing the open ditches this year. Off the record.

Mr. PHILBIN. How much have they already received for that purpose?

General CARAWAY. For this particular one we got about \$230,000, and they will put in about an equal amount.

Mr. PHILBIN. It is going to take you—you have additional funds required before you can complete the project?

General CARAWAY. Not from us. Not for this particular project. To complete the project of putting in even a reasonably modern sewer system for Naha, itself, it is going to take something over \$1 million or \$1½ million.

Mr. PHILBIN. If this bill is passed, the funds presumably would come out of this bill, that would be one of the purposes?

General CARAWAY. This would be one of the programs that would be developed.

Mr. PHILBIN. What kind of a sewer system are you constructing there; is it a regular sewer system in the form of reduction plants, or what is it?

General CARAWAY. Well, I am not completely familiar with it.

Mr. PHILBIN. All right.

General CARAWAY. It was developed by the Japanese sanitary engineers, and it will accomplish the carriage of the sewerage away. It is the prevention of the raw sewage from flowing into the ocean or into any water systems. And we hope we are going to be able to get the further item added in which we will be able to reclaim the water for industrial use.

Mr. PHILBIN. Under the conditions you described there, with these open ditches conducting sewage, it is amazing you haven't had serious epidemics in the area. Have you had any outbreaks or epidemics, illness of any character, that can be traced to the sewage?

General CARAWAY. No, we have been very fortunate.

Mr. PHILBIN. You have been extremely fortunate, when you consider we have taken full responsibility in this area under the treaty.

General CARAWAY. Yes.

Mr. PHILBIN. I understand that is the situation. It is all the more amazing that we haven't found some way up to this time to cope with the situation that presents such jeopardy to the public health and to the health of our own people who may be there.

General CARAWAY. That is right.

Mr. PHILBIN. Which should be of manifest concern to all of us.

General CARAWAY. Yes, sir.

Mr. COHELAN. Mr. Chairman, I would like to comment on that. I would hope, General, that in the course of your statement or your subsequent remarks you might explain to the members of the committee just what relationship there is between the High Commissioner, the U.S. civilian authority there, and the government of the Ryukyu Islands, because it seems to me that while it is nice for them to set up these priorities, that we have a dominant and primary interest, if you please, in taking what are basic public administrative measures to correct the situation.

Now, we have talked about this before, and I know that it has been a matter of funds, but this is all the more alarming because it seems

to me that as a matter of physical planning for our own protection that we should be taking what are essentially, Mr. Chairman, public health measures.

Mr. PHILBIN. Yes.

Mr. COHELAN. Now, you mentioned, and as any good city manager will know, water is the prime problem, and you have a serious water problem there. But even that can be solved if we will think about it in terms of the funding that is required, because it is a question of getting adequate catchments and storage and so on, as I understand it.

Mr. DOYLE. Mr. Chairman.

Mr. PHILBIN. Yes.

Mr. DOYLE. May I make this observation. It just seems to me—I have been, by the way, to the island several years ago. I remember the conditions very well. It seems to me there are many places in the world where we have poured millions and millions of dollars in other foreign lands which are not nearly so intimately related to our own national security as these islands are.

Mr. PHILBIN. And would the gentleman—

Mr. DOYLE. And with less cause and with less appraisalment by engineers or by anyone else than we have here.

Mr. PHILBIN. Would the gentleman permit this observation by the chairman?

Mr. DOYLE. Yes, indeed.

Mr. PHILBIN. Not only of great concern to our Nation and our cause, but also particularly in the light of these conditions that might easily degenerate into epidemic conditions of vital concern to the health of our own personnel engaged in important critical operations, defense operations in that area.

General CARAWAY. That is right, sir.

Mr. PHILBIN. That is the astonishing part of it to me, that they haven't had serious repercussions from the failure to cope with these public health problems and that we haven't had more illness, critical and serious illnesses and perhaps epidemics that would attack our personnel situated there.

Mr. PRICE. Is the sewer project one of your priority items now, if you step up this authorization?

General CARAWAY. Yes, sir. It is already, as I say, with the amount we got at this time, we are already starting it. We are having a water survey which will go through the entire water system of the islands. The plans have been drawn for several years for Naha.

Mr. PRICE. I can see why we haven't done too well in Okinawa on the pollution problem, we don't do too well on the same kind of a problem over here.

Mr. COHELAN. Well done.

General CARAWAY. We should be able to do better in Okinawa because it is a smaller area and more manageable.

Mr. PRICE. I think Mr. Philbin pointed out a very important thing, not only the health of the people of the island, which is a vital factor, of great importance, of course, but also the health of our own people serving over there threatened by this condition.

Mr. COHELAN. Mr. Chairman, I would like to say at this point, and say it very vigorously, that it has affected the health standards of the island, and later on I will be asking some questions about the rate of

certain social diseases, and so on, and it has a direct relationship to these conditions that we are talking about.

Mr. PHILBIN. Now, another question that occurred to me during your testimony, I don't want to press this question to you because I presume the Army Engineers and some other people in that area should answer them. But I would certainly assume that the expenditure of something in the neighborhood of \$1 million or \$1½ million for the establishment of an adequate sewer system in a community of 200,000 or more people would be an extremely low and painfully deficient amount of money to spend for such a purpose.

General CARAWAY. Well, I agree with you, Mr. Chairman. It may be that the estimates will have to be changed when you get ready to contract for the system. This was just the first rough estimate given me.

Mr. PHILBIN. Was this estimate for the entire job?

General CARAWAY. As I understand it, it was for the job that has now been designed.

Mr. COHELAN. You are only talking about one city?

General CARAWAY. Yes, there are three or four which need to be taken care of.

Mr. DOYLE. May I ask one more question at this point?

Mr. PHILBIN. Yes, Mr. Doyle.

(Off the record.)

Mr. PRICE. We want them to recognize the fact that we are there as a military bastion to preserve not only their peace but also the peace of southeast Asia.

General CARAWAY. That is right.

Mr. PHILBIN. And moreover, we are not there to exploit them or reduce their standards of living.

General CARAWAY. That is right, sir.

Mr. PHILBIN. Dr. Hall, who is an expert on the health questions, medical questions, on our committee—and we are very proud of him—may have some questions along that line which he would desire to propound at this time.

Mr. HALL. Mr. Chairman, I am not at all sure that I am an expert, though I have had, as the general has, some experience with barren islands where we have to save rain and soak and dispose of our waste, and so forth. I do want to say, though, as a preamble to any remarks I make today, that after hearing the testimony yesterday and reading the general's testimony, that I am in a position of having my mind changed as to the social and economic duties that we need to perform in these islands of occupation. Off the record.

(Discussion off the record.)

Mr. HALL. I wrote, Mr. Chairman, with help of others, on October 24, 1944, in the medical and sanitary data of the Ryukyu Islands, prepared for the War Department Technical Bulletin 108, as follows:

*Sewage.* Only one water carriage sewage system is reported in the Ryukyu Islands, at Naha City in Okinawajima. This system is reported to have a disposal plant from which the sewage is dumped (probably raw) into the river. Since it has somewhat less than 4 miles of sewer pipe, the system can serve only a small fraction of the city's 33,000 inhabitants.

In 1938 there were only three privies (see insert) directly connected with the sewer in Naha City. The universal system of sewage disposal elsewhere is to collect the night soil in buckets or pails and transport it in carts to storage cisterns, whence it is distributed for use as fertilizer as needed. As a conse-

quence, there is widespread soil pollution and the prevalence of certain insects is increased. Other wastes are reported to be disposed of by dumping in the rivers or the sea.

An official report (Annual Report of Ministry of Public Health and Welfare for 1938, pt. III, pp. 106-107) gives the following information in regard to refuse and garbage disposal in Naha City and Shuri City, Okinawajima. No information has been found regarding incineration of wastes anywhere in the islands.

I point that out simply to show that we have come a long way. As a physician and surgeon, I certainly wouldn't want our troops or their peoples exposed to undue hardships while recognizing the value of developing certain immunity from exposure. We do such a good job with our people, both civilian and military over there, they are immunized before they report there. That is how we have lived as fortunately as we have all this time.

Then, of course, this report could be carried on in regard to the insects, poisonous snakes, and everything else around there. Then there is also a very complete report to the Ailes subcommittee last year, prepared in large part by the same people and the Department of Health, Education, and Welfare people, which shows simply the contrast in the progress that we have made.

Like others of this committee, I have been there on many occasions and have seen this progress come along, albeit slowly, but positively and progressively. And what we are here considering is how far we should go toward further improving our status on this important military bastion that we all recognize.

I think it is tremendously important that we do this and that we support the general and the High Commissioner with his other hat on, in doing this up to a point and take another look at it and make this a job of continuing surveillance and updating of the Price bill.

Mr. PHILBIN. Proceed with your statement.

General CARAWAY. Tentative figures show that grants over the 5-year period commencing with the fiscal year 1964 in the range of \$16 to \$20 million annually, plus a one-time cost totaling another \$4 to \$5 million, will be needed.

Mr. NORBLAD. The figure yesterday given, as I recall, was \$12 million?

General CARAWAY. \$12 million is what we are requesting for 1963.

Mr. NORBLAD. That is right.

General CARAWAY. This is a projection through a 5-year period.

Mr. NORBLAD. I recall that figure was given by Mr. Ailes.

General CARAWAY. Yes, sir; \$12 million is what we are asking for.

Mr. PHILBIN. That is right.

General CARAWAY. Maybe I might as well stop here for a second so that we will catch the point. There are two factors in this business. In the first place, it is almost impossible, you know, to suddenly double, treble, or quadruple your—

Mr. PHILBIN. Your outlay.

General CARAWAY (continuing). Your outlay without increasing the administrative cost and your administrative capability to see that it is done properly.

Mr. PHILBIN. Right.

General CARAWAY. So just to go from \$6 to \$12 million, particularly as we get our money apportioned generally in the third quarter, it means that we have to obligate this entire sum in less than half the time of the fiscal year.

Mr. PHILBIN. What you are saying is that there is a limit to the speed with which you can proceed with these authorizations and appropriations when they are once made?

General CARAWAY. That is right.

Mr. PHILBIN. And this is one way to schedule them over a period of time.

General CARAWAY. Yes, sir.

Mr. PHILBIN. So you can move into them and phase them in a most efficient and economical manner.

General CARAWAY. Yes, sir.

Mr. HALL. General, is this primarily for the sanitary improvement of the island, this initial money, or does it involve all this social legislation and retirement, teachers' scales, and everything else involved?

General CARAWAY. It goes pretty well across the board. I have a breakdown in the next page or so.

Mr. PHILBIN. He comes to that breakdown.

Mr. HALL. Yes.

General CARAWAY. Now, the areas of greatest need appear to be the lack of social legislation, except for a single program of unemployment insurance, which is now in effect, and, the availability of credit in amounts needed to encourage individual enterprise. Let us now examine current programs and their costs in these areas and then project these and other programs through fiscal year 1967, showing the levels necessary to meet our responsibilities within the framework of the \$25 million of an amended Price Act (Public Law 86-629).

I will start with 1960 instead of going clear back to 1959. First, let's take fiscal year 1960, and in the breakdown here we see that for the reimbursement for government services, it amounts to about \$815,000 for the government of the Ryukyu Islands. These repay the government of Ryukyu Islands for their added costs in the fields of public safety, public health, and sanitation, that they must bear simply because the U.S. forces and the U.S. administration are there.

This would normally be a charge upon the Central Government of Japan in a prefecture in Japan.

It also is more than they would need if they didn't have Americans on the island.

For the support of government projects, which would amount to \$2,534,000, or did in fiscal year 1960, this included \$790,000 for educational facilities and equipment; contribution to teachers' pay was nothing then; public health and welfare, \$330,000; public works and economic development, \$1,065,000; technical cooperation and education—this is from outside, third country, et cetera—\$344,000; transportation, \$5,000.

Now, this last item is for transportation of donated relief supplies by agencies and individuals in the United States to carry them to the Ryukyus for use.

And in the capitalization of loan funds and disaster relief we had no appropriation, no breakdown.

In 1961, going down the same list, it was \$825,000 to reimburse the government of the Ryukyus, \$3,492,000 to support the government projects divided into education facilities and equipment, \$1,075,000; contribution to teachers' pay, nothing; public health and welfare,

\$475,000; public works and economic development projects, \$1,550,000; technical cooperation and education, \$387,000; and the transportation costs of \$5,000, again.

Now, in 1962 we had \$890,000 for this reimbursement of government services; we had \$1,477,000 used to support the government projects; educational facilities and equipment was \$1,117,000. And here the first contribution to the teachers' pay came in of \$1 million; public health and welfare, \$425,000; public works and economic development projects, \$1,535,000; technical cooperation and education, \$395,000; transportation, again, \$5,000.

The teachers' pay is far below the teachers' pay in Japan. This is part of our program to try to bring them up. Off the record.

(Discussion off the record.)

Mr. NORBLAD. Where do the teachers get their training? In Japan, I assume?

General CARAWAY. Prior to the war, all of them, what teachers the Ryukyans provided out of their own people—and it was only about a third of the teachers, and they were in the elementary schools—were trained in Japan. Now, we have an increasing number of teachers trained in the University of the Ryukyu Islands of which the American administration and every American citizen should be very proud.

There was no educational system higher than a senior high school in the Ryukyus prior to the war. If a person could get a scholarship or had the money to get a college or university education he had to go to Japan. This university that we have here now, which has a mission from the Michigan State University helping it, has a student body of about 2,300 to 2,400 students—Ryukyans. It is providing teachers and they are very good.

Mr. PRICE. We established that university, didn't we?

General CARAWAY. Yes, sir; we established it. And we still provide funds to the university as part of our construction programs here. For example, we have provided the construction for a fieldhouse, which they have never had, and which is extremely important to any Japanese university system. The Nampo Doho Engo Kai, which is the Society for the Friends of the Southern Islands, a semi-Japanese Government function, is providing the equipment inside. They are a charitable organization. Off the record.

(Discussion off the record.)

Mr. PHILBIN. How many members are there in the Legislature?

General CARAWAY. There are 29 members, of which the Liberal Democratic Party has 22. The Okinawa Social Masses Party has five. Off the record.

(Discussion off the record.)

Mr. PHILBIN. To what extent do you have union organizations in the islands?

General CARAWAY. The union organization is growing by leaps and bounds, sir, and it is developing in a very—we hope—a very proper way. Off the record.

Mr. PHILBIN. Is there a legal system there whereby normally people who have charges against them are entitled to get counsel?

General CARAWAY. Yes, sir; they have counsel.

Mr. PHILBIN. Do they have jury trials?

General CARAWAY. Yes, sir. Well, their trials are conducted under Japanese law, which is without jury, but by a judge or panel of judges.

Mr. COHELAN. There is due process.

General CARAWAY. There is due process.

Mr. PHILBIN. It is essentially the same legal system that they have in Japan?

General CARAWAY. It is. Off the record.

Mr. PHILBIN. Have there been instances where people have been charged with various offenses and not been brought to trial that have been brought to your attention?

General CARAWAY. No.

Mr. PHILBIN. You have never, in other words, had to take over civil justice?

General CARAWAY. Not once. GRI has taken jurisdiction.

Mr. PHILBIN. There are some offenses over which, of course, your government would take jurisdiction?

General CARAWAY. Yes, sir.

Mr. PHILBIN. What are those?

General CARAWAY. We have the normal military courts-martial, military justice system, and we also have a system in which we handle people who are not military personnel.

Mr. PHILBIN. Would that be governed essentially by the same principles that govern the status of forces arrangements that we have in various countries?

General CARAWAY. Well, we have no status of forces. These people operate within courts which are established by the President in his Executive order and under procedures that are approved by Washington for the civil administration courts.

Mr. PHILBIN. But up to this point you have not been requested to intervene in the administration of Ryukyuan justice, as such?

General CARAWAY. No. Here again, we have our judges; our American judges have as one of the things they do—one of their duties, of course, is to advise and help the Ryukyuan judiciary, and they do this.

Mr. PHILBIN. Do we have American teachers teaching in the Ryukyuan schools?

General CARAWAY. Not as paid teachers, with the exception of the Michigan State University mission, which has a man now at the university in the department of English who is an adviser to the Ryukyuan teachers, and he teaches teachers.

We have an engineering man; we have had a librarian who has now finished his job, and the library is being turned over completely to Ryukyans. We also have an administrator, a university administrator.

Now, in the schools, from junior high school through senior high school, we have a very large and effective volunteer teachers' program principally in the English language, made up of young soldiers, sailors, marines, and airmen, enlisted and officers, also dependents. They are worth their weight in gold.

Mr. PHILBIN. This is on a voluntary basis?

General CARAWAY. Yes.

Mr. DOYLE. About how many in that voluntary corps of teachers?

General CARAWAY. I would presume we have 300 or 400.

Mr. PHILBIN. In addition, you have your own system for teaching your own people?

General CARAWAY. We have a regular oversea Department of Defense school system.

Mr. PHILBIN. Those people would come from the United States?

General CARAWAY. They are under contract from the States.

Mr. PHILBIN. How many of those do you have?

General CARAWAY. I haven't got the figures at my fingertips. The Army administers it, and I would say that we have about 200 or 300 teachers, because we must teach the Army, Air Force, and the Navy. The Marines have—

Mr. PHILBIN. All the military personnel dependents?

General CARAWAY. Yes, sir.

Mr. PHILBIN. Through contractors and other personnel that are working in the area with you that are part of your operations; is that right?

General CARAWAY. Yes, sir. In addition to that, though, we have the commercial entrants who can, as they do in other places, pay tuition. Their children can also go to this school.

Mr. PHILBIN. How about the remaining personnel of your civil government that you conduct; you have, of course, representatives of other departments of our Government working in association with you?

General CARAWAY. I have a political adviser.

Mr. PHILBIN. Who is the political adviser?

General CARAWAY. He is a Foreign Service Officer, Class 1, named Gerald Warner. Gerald Warner has been on the policy planning staff in the State Department. He has recently replaced Mr. Blankenship, who has gone as Consul General to Holland, also a Foreign Service Officer, Class 1.

Mr. PHILBIN. He is a career man in the State Department?

General CARAWAY. Yes, a Japanese language officer, he speaks Japanese very well.

Mr. PHILBIN. Has he served in the area prior to that time?

General CARAWAY. He served in Japan, China, and he served in Taiwan, prewar.

Mr. PHILBIN. What are his duties in relation to your civil government?

General CARAWAY. His duties are to provide me with constant advice and assistance on all matters of policy or politics or anything else I ask him to give me help on.

Mr. PHILBIN. He has frequent consultation with you regarding these matters?

General CARAWAY. About 5 or 10 times a day.

Mr. PHILBIN. I see.

(Discussion off the record.)

Mr. PHILBIN. Do you have much immigration from other countries than Japan?

General CARAWAY. Not much immigration, no sir. We have the Japanese who are the principal immigrants. There are not very many.

Mr. NORBLAD. What is the reason for the immigration to the Ryukyus? Economic?

General CARAWAY. I think it is economic, Mr. Norblad.

Mr. NORBLAD. Are there jobs there that aren't in Tokyo?

General CARAWAY. There are better jobs there. A lot of them will establish a business in the Ryukyus and they will marry a Ryukyuan woman and have children and live there 5 or 6 years, and finally they do this: have their family registers transferred from wherever its repository is in Japan to the Ryukyu Islands, and they become a citizen of the Ryukyus. If they do not do this, they are inhibited in many ways in their economic activities by Ryukyuan law, and so it is to their advantage if they want to have a store or an industry of some sort, to become a Ryukyuan citizen.

They are exempted from many of the disabilities that a non-Ryukyuan citizen must face in trying to do business in the Ryukyus.

(Discussion off the record.)

Mr. PHILBIN. Do you have Russians or Chinese Red nationals or other Russian nationals coming into the Ryukyuan Islands?

General CARAWAY. I know of no Russian who hasn't been a stateless person practically to be in the Ryukyu Islands.

Mr. PHILBIN. Does the Russian Government have diplomatic representatives there?

General CARAWAY. No, sir. We have one or two refugees from Red China. The rest of them are Taiwanese or Chinese from Hong Kong, Englishmen, New Zealanders, Australians. We have some Frenchmen. We have one or two Italians.

Mr. NORBLAD. It sounds like a pretty prosperous place to me.

General CARAWAY. (Off the record.)

(Discussion off the record.)

Mr. PHILBIN. In effect, you and your political adviser determine the admissibility of those who apply for admission?

General CARAWAY. If there is any question about it, yes, sir.

Mr. PHILBIN. Normally wouldn't there be some question or would there be some procedure that they are required to go through before they would be admitted?

General CARAWAY. Yes, sir. They have to go through the procedures and they generally are given a check to see whether there is anything in their background that would make them undesirable. But most of these checks are negative. We have literally thousands of Japanese come through every year as tourists, as businessmen traveling back and forth, as Government officials, as visitors to relatives of friends, and so on.

Mr. PHILBIN. What mechanism do you have set up to check on those people who are visitors or who are entrants, who seek admission to the Ryukyus for any purpose?

General CARAWAY. Well, we have the Government of the Ryukyu Islands, which has an immigration department, and we have in our Department of Public Safety, which is in the staff of the High Commissioner, the American administration, it has control over the immigration.

Mr. PHILBIN. I see.

General CARAWAY. We have a Ryukyuan travel unit in Tokyo from which most of the applications come, and that passes upon those people there, and the names of those that are not automatically eligible are sent down to us for determination.

Mr. PHILBIN. So that you and your political adviser, Mr. Warner, would make the determination concerning their admissibility?

General CARAWAY. If it became necessary for us to personally do it.

Mr. PHILBIN. So that he functions as your adviser in immigration matters. In what other matters does he function as your adviser?

General CARAWAY. Well, any time we have a query from the State Department, or any time that we have to have a discussion or want to get a joint view or a view from the American Embassy in Tokyo, Mr. Warner will participate in developing our position and participate in the wording of telegrams or messages that go back and forth.

Now, I would like to say this: Both of my political advisers up to this time—and I have had two now in this short period, Mr. Blankenship stayed for 3 years, I just got the end of his tour—have been extremely capable.

(Off the record.)

General CARAWAY. Yes, sir.

Mr. PHILBIN. And to receive instructions from the State Department. My point was, are there instances where you would receive instructions through him from the State Department which would override any of your decisions?

General CARAWAY. No, sir, I get instructions from the Department of Defense through the Department of the Army, and nothing else that comes to me is obligatory.

Mr. PHILBIN. In other words, there are no occasions when the State Department would override your decisions?

General CARAWAY. No, sir.

Mr. PHILBIN. You have consultations but you make the decisions, you are the final judge and you make your decisions after consultation?

General CARAWAY. Yes.

Mr. PHILBIN. He says he doesn't get the instructions directly.

General CARAWAY. Not from State, no, sir.

Mr. PHILBIN. You do get instructions from the Department of Defense in Washington?

General CARAWAY. Yes, sir.

Mr. PRICE. But the High Commissioner makes the decision.

General CARAWAY. I have to make the decision.

Mr. PRICE. You make it only after this man talks to you, not after anybody in Washington talks to you?

General CARAWAY. That is right.

Mr. PHILBIN. Are there instances when the Department of Defense here has overridden or overruled your decisions?

General CARAWAY. Has the Department of Defense? No, they have never overridden me. It is all according to how you operate. If I am getting to something where it is not really within the very clear guidelines that I have, I will come back and say "That is what I intend to do," or "This is what should be done," and I will get a decision on it, and I will get that decision and carry it out.

Mr. PRICE. Take the case of the land acquisition problem. The High Commissioner more or less had a different position than Washington had, but after a period of years the position of the High Commissioner prevailed, didn't it?

General CARAWAY. Yes, sir.

Mr. PRICE. Not immediately, but in time, after he was able to make known to the Department here just how serious this problem was.

General CARAWAY. Yes, sir.

Mr. PRICE. Then, in time, Washington changed their position to correspond with the advice that they were receiving from the High Commissioner's office.

General CARAWAY. Yes, sir.

Mr. PHILBIN. Now, in addition, the State Department advisers, do you have expert advisers or specialists from other U.S. Government Departments?

General CARAWAY. Not in the sense that you are thinking, sir. We have had on the staff a representative of the U.S. Treasury, and we have had representatives or consultants or members of the staff on loan from the Internal Revenue now to help us with tax matters. We have also had agricultural advisers. Generally, however, my staff is made up of civil service employees; one expert in the field of politics; that is, they call him the liaison officer, but he gives political advice, not as much as the political adviser does. We also have a comptroller who handles financial matters—the spending of money. I have an economics director who has under him various economists.

Mr. PHILBIN. Who is your economic director?

General CARAWAY. A man named Mr. Rhyne, who has been there since December.

Mr. PHILBIN. Is he Army personnel?

General CARAWAY. He is a Department of the Army civilian, the Department of the Army being the executive agency.

Mr. PHILBIN. Is he a professional economist?

General CARAWAY. I would presume so; the best man they could recruit. He seems to be pretty good at it.

Mr. PHILBIN. What is his rating, roughly speaking?

General CARAWAY. He is a GS-15.

Mr. PHILBIN. GS-15?

General CARAWAY. Yes.

Mr. COHELAN. Mr. Chairman, at that point I would like to interrupt, if I may. May I say, when I was out there, I had the privilege of spending a full afternoon in conference with the gentleman that has been referred to, and I was very impressed with his comprehension of the problems and the economic planning that at least was being done on paper.

I would like to add, further, that I am very pleased at the General's testimony. Not only in Okinawa, Mr. Chairman, but in Korea, in Japan and in Taiwan, this was a special interest of mine, and in each place I had found superb cooperation between the military and the State Department.

Mr. PHILBIN. That is always gratifying to report.

Mr. HALL. Mr. Chairman, I would like to comment there and say, like Mr. Cohegan, I am delighted with the General's testimony, and it is easy for me to take on board, because in a trip through Europe last fall on a military mission for the mother committee of this subcommittee, and through South America later on as an active duty officer, I observed this very thing to be true, that the Foreign Service officers in the field are dedicated, devoted, hardworking, knowledgeable, and they don't get in the way in the manner in which we have

developed a fear here in Washington that they might do. In fact, I came back and complimented the Secretary of State on this problem and asked him the blatant question of how it could be that we had such a dedicated corps of Foreign Service officers and we are so fouled up in the Department, itself, here in Washington.

And Dean Rusk didn't see fit to reply to that one, but we talked about it at breakfast later on, and it is a real problem. That is what this committee is interested in.

I can believe everything that you say about your fine working relations out there. I am delighted to hear them.

Now, what effect, just to be blunt about it, do these ministers plenipotentiary, that come through there, like Chester Bowles, Averill Harriman, and the others have, on (a) this bill, or (b) any decisions that you want to make or even information that is categorized topside between the State Department and Department of Defense and then comes down to you through Army that is adverse to the fair manipulation of your position as commander in chief out there of all the Armed Forces and High Commissioner with your other hat on, if any?

General CARAWAY. I can honestly say that I have had no difficulty in carrying out my duties because of instructions that I have received from the departments in Washington.

Mr. HALL. That is very reassuring, Mr. Chairman. I think that is fine. Now, about the second part of the question. Did the visit of these two gentlemen that I mentioned in particular, and purposely put into the hearings here, have anything in particular to do with this bill that is presently before us, or is this simply a matter of necessity from your point of view?

General CARAWAY. Mr. Bowles and Mr. Harriman?

Mr. HALL. Yes.

General CARAWAY. They had nothing to do with it, as far as I know, unless they participated in whatever the State Department coordination that took place between Defense and State.

The only time they came to Okinawa was during the trip from the chief-of-missions meeting in Baguio, Philippine Islands, and on their way to Tokyo, and they stopped over about 2 hours.

In our time-honored fashion, as soon as we got them on the island and could find out for sure they were there, we proceeded so that they would know as much about the Ryukyus and be as sympathetic to us as we could hope.

Mr. HALL. Mr. Chairman, that is good, and very reassuring, and I am not making idle jest or any political maneuver here, but I am a little bit concerned about a man that carries that power that spends as much time in the East as he does and said on one day that we were winning in Laos, for example, in a UPI conference, and then the next day we find out that hundreds of Chinese Reds had overrun the defense bastion at Namtha and subdued a 5,000-man government garrison.

This is a real problem to us and there are, of course, other incidents that we could quote. We want to be sure in this committee, recognizing the military mission of this island bastion out there, that we all admit is tremendously important and has been and is going to continue to be for years, that you have the direct line of authority that you have just so beautifully elucidated here to us.

Mr. PRICE. We are always concerned about those problems. I remember when Willoughby was out in the same general area, making the same kind of statements, and the next day the situation changed just as radically as it has in Laos. So these things are always with us, regardless of what administration is in power.

Mr. PHILBIN. Mr. Cohehan.

Mr. COHELAN. I wonder if you could develop a little more on that immigration procedure and policies. You suggested that the Government of the Ryukyu Islands has an immigration office. Now, how are the standards set and what are our standards? Do they conform generally to our general immigration program? Do we use the same criteria, and so on?

General CARAWAY. As far as the Ryukyuan part, in which there is no American interest involved, and there are many Ryukyus who travel back and forth and many Japanese who travel back and forth that are not really—they don't affect our being there, they work under their own rules and they follow pretty closely the Japanese course. Of course, that is always the way the legislation is cast by the Government of the Ryukyu Islands and the Legislature. For the rest, where we feel it our—where we have a requirement to take an interest in any man or group of people who are coming in, ours are based upon, of course, the requirement for security of the base and whether or not it is going to affect the operation of our mission in the islands.

Now, our procedures are that we simply say we cannot let this man come in or we will let him in.

I am sorry I don't have in front of me the rules and regulations but we can get them for you.

Mr. COHELAN. But they are essentially Ryukyuan standards, as far as admission and entry into the country is concerned?

General CARAWAY. As far as those many people, such as tourists or a mothers club from Kagoshima who want to come down and visit the war memorials on the southern end of Ryukyu Islands, that is Ryukyuan standards.

Mr. COHELAN. How about revenue, customs; is there any such thing in their arrangement?

General CARAWAY. Yes. That is regulated by the GRI, Government of Ryukyuan Islands legislation, which is based upon the Japanese law.

Mr. COHELAN. Now, we have discussed immigration, General. When I was out there I recall you told me about emigration.

General CARAWAY. Yes.

Mr. COHELAN. Now, is there not some emigration going on?

General CARAWAY. Yes. Over the past 10 years about 13,000 Ryukyus have left the islands. The bulk of them, if not all of them, have gone, or certainly the vast majority of them have gone to Latin America, Bolivia, and some to Colombia and Brazil.

Mr. PRICE. They have quite a town in Bolivia.

General CARAWAY. Yes, there are two projects there.

Mr. PRICE. I suggest we get on with the general's statement.

Mr. PHILBIN. Yes.

Mr. BYRNE. I would rather hear him talk the way he is talking.

Mr. PHILBIN. Let's get back to the general's statement.

Mr. BYRNE. He is doing a very fine job.

General CARAWAY. Thank you, sir.

We are down now to the fiscal year 1963 estimate, which is only an estimate. Now, it is divided in two parts, as you will see here. The first part is the original \$6 million we put forward recently and which is already in the House committee. As amended, it is the second \$6 million that we have put forward as a supplemental request.

Mr. NORBLAD. Does this come under Defense Department appropriation?

General CARAWAY. This is "Army, Ryukyu Islands" or aid to Ryukyu Islands.

Colonel SITTERSON. It is administration to Ryukyu Islands.

Mr. NORBLAD. Under Defense appropriations?

Colonel SITTERSON. No, sir; it is tied in, although it is not actually properly a foreign aid item, it is tied in with the foreign aid.

Mr. KELLEHER. Let's clear that up. As a matter of fact, you get your money from within the Department of Defense, don't you? It is in a Defense appropriation. It is not foreign aid.

Colonel SITTERSON. The money is appropriated to the Department of the Army actually.

Mr. PHILBIN. Military assistance program of the foreign aid program?

Colonel SITTERSON. No, sir.

Mr. KELLEHER. No, sir; it is not.

Colonel SITTERSON. As a separate title headed "Civil functions of the Army," and further headed "Administration, Ryukyu Islands, Army."

Mr. KELLEHER. I think we have a detail that we don't need; put it that way.

Mr. PRICE. Is it carried in the foreign aid appropriations?

Mr. HAUGERUD. Yes, we go before Mr. Passman's subcommittee.

Mr. NORBLAD. I am getting two contrary statements from you two gentlemen sitting beside each other.

Mr. PHILBIN. That is right. If you go to the Appropriation Committee for—let's get it cleared up.

Colonel SITTERSON. May I try to clear this up, sir?

It is under the authority—

General CARAWAY. Let's let Mr. O'Flaherty say it.

Colonel SITTERSON. All right.

General CARAWAY. Mr. O'Flaherty is the most expert. We will let him try to trace this tangled thread for us.

Mr. PHILBIN. Fine.

Mr. O'FLAHERTY. This appropriation is peculiar in nature. If you will permit me I would like to give a little of the background. During the occupation of Germany, Japan, Austria, et cetera, there was set up a special appropriation called "Government and relief in occupied areas." This is referred to as GARIOA. This was an appropriation to the Department of the Army, which is the agency of the Government which exercises its powers in occupied areas.

At the conclusion of the treaty of peace with Japan, this appropriation ceased to be, and was replaced for the Ryukyus, which was the only area outside of our own land under our control, by an appropriation entitled "Administration, Ryukyu Islands, Army."

This is, as Colonel Sitterson properly stated, an Army appropriation falling in the category of civil functions of the Army, such as the public works appropriation, the soldiers homes, the cemeteries, military cemeteries, and certain exceptional types of activities of the Army. It is therefore an appropriation made directly to the Department of the Army, administered by and accounted for by the Army. It is not made through the Defense Department channels or budget.

If that isn't clear, I would be happy to try to clear it up.

Mr. PRICE. With one exception. What subcommittee of the House Appropriation Committee do you have to justify this amendment to?

Mr. O'FLAHERTY. Thank you, Mr. Price, because I should have added that without being asked. For reasons best known to other than ourselves, we justify our request for funds before the House Subcommittee on Foreign Operations, chaired by Mr. Passman at the present time. Now, this is sometimes reported out in conjunction with the foreign aid bill, because he hears those—his committee hears those bills at approximately the same time. But they also, as you know, hear the Export-Import Bank budget justifications, the Inter-American Bank justifications—Inter-American Development Bank. These are not, per se, strictly, foreign aid, either. So for reasons unknown to me, we appear before that subcommittee. But it is not a foreign aid appropriation, sir.

Mr. PHILBIN. Proceed, General.

Mr. HALL. While we are interrupting, why do we anticipate \$1 million disaster this next year when we have had none in the last 5 years?

General CARAWAY. We have had the disasters in the last 5 years, but we have never been able to have a disaster fund established. All they would allow us to have was a contingent. If we had a disaster, they withheld part—I am sorry, I am talking too fast.

When the appropriation request was reviewed by the budgetary authorities, part of the money that was authorized to be appropriated under ARIA was held back to meet a contingency of a typhoon or a disaster. We had a severe typhoon at the end of 1961—when the Congress was in recess—and we had to get approval of the Budget Bureau to draw down the general fund.

Mr. PHILBIN. And you have drawn on that every year?

General CARAWAY. We would draw on it if the time came. Some years we have drawn on it very heavily, some years no major disasters.

Mr. HALL. Thank you. I have been there in two of them.

Mr. BYRNE. In other words, an act of God that you are prepared for?

Colonel SITTERSON. Yes, sir.

Mr. PHILBIN. Do you have further questions?

Mr. BYRNE. I am eating every word that he speaks.

General CARAWAY. As I say, we have divided 1963 into two parts because the second part has not yet been heard—is not yet before the House committee. But for the reimbursement of Government services we established at our first request, \$945,000; then for the Government projects we had \$5,055,000, which went for: education, \$1,180,000; teachers' pay again, because now that you have raised their pay about 15 percent you must continue to keep it raised, another \$1 million; public health and welfare, \$707,000; public works and economic development projects, \$1,743,000; technical cooperation and education, \$420,000; \$5,000 for transportation again.



Then we have run out of our money. That made our \$6 million. But when we were allowed to increase this request, we didn't ask any more for the reimbursement to the government of the Ryukyu Islands, because they didn't need it. This was covering their payments that were rightfully theirs. This is only about one-third of the amount of money it takes to run the—only about one-third that it takes to run public service, public health, sanitation costs to the Ryukyuan Islands.

We increased our support of Government projects by \$1 million. That is, for educational facilities, we added another \$220,000. We did nothing on the teachers' pay because it covered it. We went to public health, which covers many of these things, sanitation, health centers, and so on, \$575,000; economic development projects and public works, \$200,000; then in order to start meeting this shortage of long-term investment capital we are asking that we have \$4 million to be put into two major lending agencies in the Ryukyu Islands. One is a civil administration corporation, the Ryukyuan Development Loan Corporation, which is the only source of long-term, reasonable interest funding for establishing industry or any other sort of individual enterprises in the Ryukyus.

The other is the Central Bank for Agriculture, Forestry, and Fisheries Cooperatives, which is building up its lending base. This makes loans to the basic industries: farmers, forestry, fisheries, and so on.

It has a good collection record because they make the community responsible if they make a loan, and it makes short-term loans, it makes loans for disasters, such as when their crops are destroyed by typhoon, and it helps people to expand pineapple or sugar or fishing fleets, and so on. It is loans principally in small amounts. This is a Ryukyuan government operation and it has functioned very well, indeed. It has had no blot upon its operation.

Mr. PHILBIN. Go ahead.

Mr. DOYLE. At what rate of interest, please?

General CARAWAY. It is about 4 percent or 3 percent for the disaster loans, which are generally for about a year, and it, I believe, works out up to 6 percent, maybe 8 percent for the others, which is below what you can get anywhere else in the Far East.

Mr. HALL. I believe thoroughly in this fund, but will any part of it revolve back into our Treasury?

General CARAWAY. No, sir; these funds are always revolved back into the lending agency itself to be reloaned.

Mr. PHILBIN. Reimbursable to the lending agency.

General CARAWAY. Yes, sir.

Mr. HALL. Once we establish it then and loan them this \$4 million, will we need to replenish it every year?

General CARAWAY. This is a grant, sir.

Mr. HALL. Or granted.

General CARAWAY. The way we visualize it, we should, if we want to bring these agencies up to—

Mr. HALL. I am thoroughly in accord with that; yes.

General CARAWAY. We should make grants over a period of, say, 5 years until they get to the amount of money that provides them with the lending strength to meet the requirements. It takes less for the co-op, for the Central Bank of Cooperatives than it does for the Development Loan Corporation.

Mr. COHELAN. What about their losses; what has been their percentage of losses or delinquencies on these loans to date?

General CARAWAY. I don't have the figure, but they are very low.

Mr. O'FLAHERTY. The Ryukyu Development Loan Corporation has had less than 1 percent average loss over a period of years.

Mr. PHILBIN. We had better get along with the general's statement; if there are no more questions.

Mr. KELLEHER. General, is this a classified table, or could it be used in the report?

General CARAWAY. This is not classified.

Mr. PHILBIN. Proceed, then, General, with your statement.

General CARAWAY. Referring back to the table that we have been discussing, these are the programs in broad outline which we have been able to carry out during the past several years and our proposed program for fiscal year 1963. It will be observed that the successive appropriations have moved upward toward the \$6 million authorization of the Price Act, and here I should like to make a comment about that figure which, as Mr. Price pointed out yesterday, has become to be regarded a ceiling rather than an indicated level to which we should move.

It is recalled that the Price bill, introduced as H.R. 1157 in January 1959, specified \$6 million as the amount of money to be set aside annually for economic assistance, with provision for carryover of any unobligated balances up to a total \$6 million carryover to remain available. Thus, it is conceivable that in any one year as much as \$12 million might have been available.

The House of Representatives approved H.R. 1157 in that form, but subsequently accepted changes in the proposed legislation made by the Senate. The principal changes were the deletion of the provision for the automatic set-aside of \$6 million, and of the provision for carryover of unobligated balances. In actual practice the \$6 million, as authorized by Public Law 86-629, became interpreted as a ceiling; and this is quite a different thing from the original aim of the legislation.

Viewed in this light, the rise from the amount originally sought to be authorized to what we seek now is not so great. As a matter of fact, it will have been noted that we are asking the Congress to appropriate \$12 million, not \$25 million for fiscal year 1963.

Our tentative proposal for fiscal year 1964 may be the year of greatest cost because of a one-time contribution by the United States to make retroactive to 1952 a retirement system for Ryukyuan Government employees and teachers.

General CARAWAY. Gentlemen, we have shown you the broad outlines of the annual programs which we would propose to carry forward under the amended public law. This is one facet, and I believe the most important one, of the various actions. The related actions are the amendment of the Executive order made by the President on March 19, 1962, and the arrangements which the President has directed us to work out with the Government of Japan in order to implement a cooperative relationship between the United States and Japan in providing assistance to promote the welfare of the Ryukyuan people.

The President, as you know, amended the Executive order on March 19 to accomplish the following:

- (a) Provide for nomination of the chief executive of the government of the Ryukyu Islands by the legislature;
- (b) Restate the veto power of the High Commissioner;
- (c) Lengthen the term of the legislature from 2 to 3 years;
- (d) Permit the legislature to alter the number and boundaries of election districts;
- (e) Make certain technical changes in the provisions for criminal jurisdiction over certain Americans in the Ryukyus; and,
- (f) Provide for a civil administrator.

These measures, together with a program of increased external aid from the United States and the Government of Japan, were all designed to obtain controlled growth of the Ryukyuan economy and of the Ryukyuan economy, compatible with their capabilities. These three actions, that is, the amendment of the Executive order, the amendment of the Price Act, and the negotiation of an agreement with Japan under which Japanese aid will be provided in an orderly manner are all related measures to achieve and preserve the essential security of the Ryukyus. Off the record.

Mr. PHILBIN. That is an outstanding and very admirable statement, and I want to thank you very much. You have given us a fine picture here. Now are there any questions?

Mr. PRICE. Mr. Chairman, I have a few here I would like to get into the record. I think they are very important.

What have been the appropriations for the last few years, and specifically how have they been used? You can refer to the chart that you have already shown.

Mr. PHILBIN. I think they have already stated it.

General CARAWAY. Yes.

Mr. PRICE. Yes. I think we ought to get these questions right in context in the record.

Mr. PHILBIN. Would there be any objection to incorporating those expenditures in the record?

Mr. PRICE. I think we ought to have them answered definitely.

General CARAWAY. All right, sir.

In 1959—and they will correct me if I am wrong here—fiscal year 1959, our total economic assistance amounted to \$1,300,000.

Mr. PRICE. \$1,300,000?

General CARAWAY. Yes. Actually how much did the Congress appropriate?

Mr. O'FLAHERTY. \$1,300,000.

General CARAWAY. Then in 1960, fiscal year, it was \$3,349,000.

In 1961, it was \$4,317,000.

For fiscal year 1962, it was \$5,367,000.

For fiscal year 1963 we are asking \$12 million.

Mr. PRICE. Now, can you give us for the purpose of the record and tie it down all in one place so it can be easily accessible to the Members of the House, can you give us the general use of these funds?

General CARAWAY. Yes. These funds were used generally in the following categories: Reimbursement for certain activities and support provided to the American administration and the forces there by the Government of Ryukyu Islands, particularly in the fields of public safety, public health, and sanitation.

Second, in support of Government projects in education, public health and welfare, public works and economic development, tech-

nical cooperation, and education and technical training programs, and in the transportation of privately donated relief supplies.

Now, also there was a part that was authorized but not appropriated which could not be broken out, of course, the amount of money to take care of natural disasters.

Mr. PRICE. Now, what is the status of the 1963 fiscal request for funds, the \$6 million item?

General CARAWAY. \$6 million of this request is now in the House Committee. We have had the hearing on it in the House.

Mr. O'FLAHERTY. It has not been reported out.

Mr. HALL. Appropriations Committee you mean?

General CARAWAY. Yes, sir, the Appropriations Committee. The other \$6 million is requested, prepared, the request for \$6 million additional is prepared and ready to be heard at any time the hearing is called.

Mr. PRICE. Your chart in your statement shows the different categories, titles, for the expenditure of these funds, but I think possibly you should be more specific as to what the funds will be used for.

General CARAWAY. All right.

I think I have covered reimbursement for Government services.

Mr. PRICE. Yes.

General CARAWAY. Now, support of Government projects, educational facilities and equipment: This provides school buildings, as we can get the money, to keep pace of the rising school population. This is construction. Its major other category probably is vocational training equipment, that goes into the junior and senior high schools and the technical high schools.

Now, some of this is very important. For example, there is a fisheries high school training ship which is probably the largest single item.

Mr. PRICE. This is their major industry, fishing?

General CARAWAY. It is one of the basic ones, fisheries and agriculture.

Mr. PRICE. Yes.

General CARAWAY. But this teaches these young people, this provides equipment upon which these young people can learn a trade. They can become mechanics, automotive mechanics, they can become machinists. It provides typewriters for them to learn.

Mr. DOYLE. Are there any girls taking any of that technical training?

General CARAWAY. Yes, yes.

Mr. HALL. You mean vocational training?

General CARAWAY. Vocational training.

Mr. HALL. Not vocational rehabilitation, but training?

General CARAWAY. This is vocational training of young students who will enter the labor force.

Mr. HALL. I would be 100 percent for this. But I would be against rehabilitating their sick and wounded which account for over half of this report to the Ailes committee, rehabilitation training like we have in the Department of the HEW here.

General CARAWAY. We don't have anything like that. Our participation in the program of that type is minuscule. Now, it assists

the public health and welfare health centers. It provides medicine for tuberculosis and I believe also for leprosy. It goes for encephalitis control and for the control of polio.

Mr. HALL. Mr. Chairman, those are all verifiable and I have seen them. I think they are highly commendable.

Mr. PHILBIN: Should those various items be put in the record?

General CARAWAY. These? Yes, sir.

Mr. PHILBIN. The detail, there is no objection to putting those items in the record?

General CARAWAY. No, sir; they are well known and we are proud of them.

Then the public works and economic development category. This goes to the establishment and expansion of water systems, roads, sea-walls, reclamation of lands in order to increase the acreage available to people and irrigation systems. I mean this is the general outline.

Mr. HALL. What about sanitary situation?

Mr. PRICE. Yes, what about this Naha sewer situation?

General CARAWAY. This will fall in part of this year, this is the construction program, \$230,000.

Mr. HALL. Is that open-lagoon type, or insoak radial infiltration into the land?

General CARAWAY. You mean what we are doing here? This particular project is simply going to close up an open drainage ditch and put it into culverts, but it will be ready to be tied in.

Mr. HALL. I know, but in the overall sanitary sewage disposal survey that you referred to—and you may have covered this while I had to step out—but I do think we ought to know what the principal feature is, because of the composite makeup of the islands out there is going to be through if we are going to spend this money.

General CARAWAY. I am sorry, sir, I am not able to tell you technically how the system is engineered. I will have to find out.

Mr. PHILBIN. Find out and provide that for the record.

General CARAWAY. Yes, sir.

Mr. PHILBIN. Advise Dr. Hall about the method that is being used. Off the record.

(Discussion off the record.)

Mr. PRICE. General, what is the interrelationship between this bill, the new executive order, and the proposed agreement with Japan?

General CARAWAY. I tried to cover that. I am not sure I have made it clear. All three of these—

Mr. PRICE. I think you did, too, except I am trying to get into one place the type of questions that would be thrown at us and have a question-and-answer session of this, which would be easy for a member to seek out. You know, sometimes they won't go through a long statement, but if they see a direct question they will read the answer to the direct statement or question.

General CARAWAY. Now see if this will answer it, sir.

The three actions that you have mentioned here, that is, the amendment of the Executive order, the amendment of the act which will increase appropriation authority to \$25 million a year, and the negotiation of an agreement with Japan, under which Japanese aid would be provided in an orderly manner, are all related measures with the intent—they all relate, because they all must work with each other to achieve and preserve the essential security of the Ryukyu Islands.

Mr. PRICE. When is it expected that the agreement with Japan will be entered into?

General CARAWAY. It is impossible at this time, Mr. Price, to forecast. Off the record.

(Discussion off the record.)

Mr. PRICE. Then you would have to almost know exactly the final amount carried in the authorization?

General CARAWAY. Yes, sir.

Mr. PRICE. What effect would it have—you seem to have projected, at least on our side, a pretty good idea of what you think is going to be required over there. What effect would a reduction of this figure be? For instance, if it were cut \$10 million, \$15 million; what effect would that have?

Mr. PHILBIN. I have one more question. Mr. Arends could not be present this morning, but he was interested in what the military reaction would be to the new Executive order, the new Executive order that you have mentioned, you have detailed the various improvements, liberalizations that have been made in that order. I take it from your testimony that you are satisfied that that will be a definite improvement in the situation?

General CARAWAY. It will be an improvement, and it does not put upon us—it does not cause us any difficulties.

Mr. PHILBIN. Yes.

Mr. PRICE. In that connection, Mr. Chairman, I think we ought to develop that further, because I think it possibly could be raised. You give in your concluding paragraphs the fact that we would lose many military capabilities. Now, is this a military position or is this a finding from you as the High Commissioner?

Has this been gone over with your military superiors, Joint Chiefs of Staff, for instance, or anybody?

General CARAWAY. I don't know whether the Joint Chiefs of Staff would have seen this specifically or not. This is my assessment, and it would be the assessment of all the commanders on the island and all of the agencies who have to do with the security of the United States.

Mr. PRICE. All of the military commanders on the island? (Off the record.)

General CARAWAY. The decision is made by the military; yes, sir, in which I participated.

Mr. PHILBIN. Mr. Kelleher, do you have any questions?

Mr. KELLEHER. A statement germane to Mr. Price's question. I think it should be known that Mr. Gilpatric signed a letter dated April 11, 1962, which indicated that you, as High Commissioner, General, didn't feel any real need for a civilian civil administrator there.

General CARAWAY. The civil administrator is, as you know, an assistant to the High Commissioner. He is not a deputy high commissioner. He has no authority and no powers other than those that might be given by the High Commissioner to him for some specific purpose. The only context in which I have gone through this is that it made no real difference to the High Commissioner whether you had a military man as a civil administrator or a civilian as a civil administrator. What is required is that they be good men; and second, that there be a clear understanding that he is an assistant of the High Commissioner.

Mr. KELLEHER. That is brought out in the letter, General, that it is acceptable, but unnecessary.

General CARAWAY. No, I —

Mr. PRICE. General, let me ask —

General CARAWAY. No, I don't believe that. How was that worded?

Mr. KELLEHER (reading):

The High Commissioner, while likewise stating that he saw no advantage to changing to a civilian civil administrator, stated that a suitable civilian appointee responsive to the High Commissioner's authority would be acceptable.

General CARAWAY. Yes, sir, that is what I have just said.

Mr. PRICE. That is what the program calls for, isn't it?

General CARAWAY. Yes, sir.

Mr. KELLEHER. Yes, sir.

Mr. PRICE. Now, can you see any way in which this new approach to the situation on Okinawa could adversely affect the military mission there?

General CARAWAY. Within the four corners of the paper, no.

Mr. PRICE. Do you see any way in which it will be helpful to carrying out the military mission on Okinawa?

General CARAWAY. Now we are talking about—let's—this is your interrelationship problem coming in—stop here. I want to get the point of the question.

Mr. PRICE. Well, you are going to get support or lose support on this particular bill based on the House feeling that it is a matter of national security.

General CARAWAY. Yes.

Mr. PRICE. And if there would be any opposition to it, it probably would be a fear that the military position might be weakened in some way by a new approach to this problem. What is your—

General CARAWAY. I don't think it will result in any weakening of the military position there. In fact, I think that if this is carried out in the spirit and the letter in which it is written it will strengthen our position.

Mr. PRICE. That is all.

Mr. PHILBIN. Any further questions?

Mr. NORBLAD. Yes; one.

Mr. DOYLE. Am I in error? I get the impression that this is a necessity in your judgment.

General CARAWAY. Yes, sir.

Mr. DOYLE. Is that true?

General CARAWAY. Yes, sir.

Mr. NORBLAD. With reference to the economy of the islands and so on, what about the effect of the tremendous civilian employment? Did you say the other day that we had about 45,000 Okinawans employed?

General CARAWAY. About that.

Mr. NORBLAD. That payroll should be in the neighborhood of \$100 million a year, which would be a tremendous boost to their economy.

General CARAWAY. It is a boost. The payroll isn't quite that large.

Mr. NORBLAD. Well, \$80 million, then?

General CARAWAY. The military employs both those directly hired and paid from appropriated funds, and those that are paid from non-appropriated funds. They constitute the largest single labor force in the island. Off the record.

Mr. NORBLAD. Do they have any feeling because of this tremendous payroll, which we will say is \$80 million a year, is having a tremendous boost on their economy and all?

General CARAWAY. Yes.

Mr. NORBLAD. 45,000 employed right there?

General CARAWAY. Yes. Off the record.

Mr. NORBLAD. One other question and I will conclude. Dr. Hall spoke about a report made some time prior to World War II, in which Naha, if I recall correctly, had a population of about 30,000-odd. It has now jumped to 200,000. Is that tremendous jump because of our occupation?

General CARAWAY. Part of it is due to the occupation of the island, part of it is the natural urbanization taking place worldwide.

Mr. PHILBIN. All right.

Mr. COHELAN. I have two.

(Discussion off the record.)

Mr. COHELAN. I am very pleased to hear that these measures are being taken. I don't have to tell you how important this is.

General CARAWAY. Yes, sir.

Mr. COHELAN. Now, turning from that to the question that we have also discussed before, about the electric rates in Okinawa, and without getting into all the detail I would ask you this question: Has anything been done about the rate structure of electricity rates in Okinawa?

General CARAWAY. Yes. We have the rates for Nago about 45 to 50 percent reduced, because we have negotiated a direct contract between the Ryukyu Electric Power Corp. and the Nago Distribution Co., and it has reduced their take, the profits of the company, from 15 percent on their investment to about 9 or 10 percent.

Mr. COHELAN. As a matter of fact, we supply the power?

General CARAWAY. We generate and supply the power.

Mr. COHELAN. That is all I have.

Mr. PHILBIN. If there are no further questions, this will conclude—

Mr. DOYLE. I have one.

Mr. PHILBIN. All right.

Mr. DOYLE. General, calling your attention to your summary statement for 1965-67, just a few words, and I ask this because of Mr. Price's very pertinent question: Now, I take it, therefore, that you are telling us that this is a package proposal you have made because you have inserted there deliberately the words "in combination."

In other words, it wouldn't be to eliminate any of them, is that your purpose?

General CARAWAY. Yes, sir. I think we have an overall program here of which this is an important, if not the most important to deal with.

Mr. PRICE. Now, if you will go completely off the record and get your hands off of that.

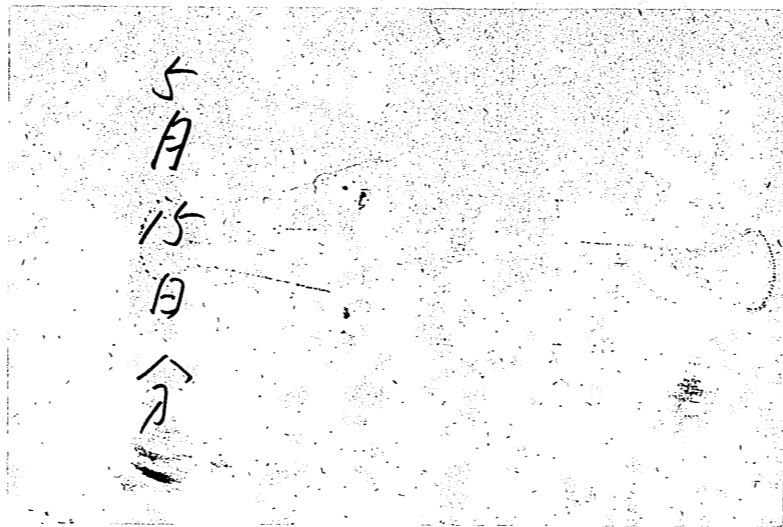
(Discussion off the record.)

Mr. PHILBIN. Thank you very much, General. You have given us excellent testimony. We are most appreciative of it. This will conclude the hearings.

I want to thank all of those who came and gave us some fine testimony. We will consider the bill now. Thank you very much, gentlemen.

(Whereupon, at 12:24 p.m., the committee proceeded to further business.)

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[No. 59]

FULL COMMITTEE CONSIDERATION ON H.R. 6664, H.R. 8333, H.J. RES. 559, H.J. RES. 646, H.R. 10595, H. CON. RES. 473, H.R. 10937, H.R. 11743, A BILL TO AMEND THE PROVISIONS OF TITLE III OF THE FEDERAL CIVIL DEFENSE ACT OF 1950, AS AMENDED, AND OTHER COMMITTEE BUSINESS

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
Washington, D.C., Wednesday, May 16, 1968.

The committee met at 10:16 a.m., Hon. L. Mendel Rivers (acting chairman) presiding.

Mr. RIVERS. Let the committee come to order.

The chairman was called to the White House this morning, so he has asked me to told the committee meeting for him. And we have a rather heavy agenda.

So, from my own subcommittee, we have four bills to report. I am going to ask Mr. Blandford if he would make that report for me. They are not long.

Mr. Blandford, would you make your report for Subcommittee No. 1?

Mr. BLANDFORD. Yes, sir. The first bill is H.R. 6664, which is a bill to authorize the commandant of the Judge Advocate General's School to award appropriate graduate legal degrees and credits.

This school has been in existence since 1951. They conduct a full course. It is the only school of its kind in the Nation. And the bill as amended by the subcommittee will permit the award of graduate legal degrees.

The bill has been approved by the American Bar Association and Congressman Albert and Congressman Pirnie both testified in favor of it. Congressman Albert and Congressman Pirnie introduced the bills considered. The American Council on Graduate Schools appeared in opposition to the bill, but offered the suggestion that if it were amended by adding the word "legal degrees," so it would be limited to legal degrees, they would not have any objection. The Department had already recommended that it be limited to graduate degrees. So we incorporated both recommendations and made them graduate legal degrees.

There would still be some opposition, perhaps—there is still opposition from the American Council. However, the graduate schools of the Nation, some 250 of them, have no objection to the bill now in its present form. It has been endorsed by everyone who is familiar with it, particularly the American Bar Association, and, after all, it is the American Bar Association and their accrediting committee which is the important committee with regard to the standards under which these degrees will be awarded.

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There will be 100-and-some-odd degrees awarded for past schooling, and there will be degrees awarded in the future under very high standards which must be approved by the accrediting committee of the American Bar Association.

The bill is favored by the Department of the Army, on behalf of the Department of Defense.

Stated briefly, the proposed legislation would permit the commandant of the Judge Advocate General's School, upon recommendation of the faculty, to award appropriate graduate legal degrees and credits to persons who are enrolled at that time who fulfill certain requirements. Since these persons have undergraduate degrees, the Department recommended that the bill be amended by inserting the word "graduate" before the word "degree" wherever it appears in the bill.

In addition, Dr. Gustave O. Arlt, representing the Council of Graduate Schools of the United States, who originally appeared in opposition to the proposed legislation, stated that his organization would have no objection to the proposed legislation if the degrees were restricted to graduate legal degrees. Since the Department of Defense recommended the word "graduate," and since the Council of Graduate Schools of the United States recommended limiting the degrees to legal degrees, the subcommittee amended the bill so as to restrict the degrees to graduate legal degrees. The Department of Defense offered no objections to the proposed legislation as amended.

There is precedent for the proposed legislation, in that the Superintendents of the Military Academies may confer bachelor of science degrees upon graduates, and the Superintendent of the Naval Postgraduate School may confer bachelor's, master's, or doctor's degrees in engineering or related fields, and the commander of the Air University, is authorized to confer appropriate degrees upon graduates of the Resident College of the U.S. Air Force Institute of Technology.

Mr. RIVERS. Now, all of these students at this Institution have already got their bachelor degrees.

Mr. BLANDFORD. They all have LL.B.'s; yes sir.

Mr. RIVERS. So the recipients of these degrees will be men who have already gotten their bachelorate degree.

Mr. BENNETT. Wouldn't it be better to say degrees in law, rather than legal degrees, which has an ambiguous manner meaning degrees which are legal and degrees which are illegal.

Mr. BLANDFORD. Well, the representative of the Graduate Schools of America, who is in this business, recommended the word "legal," so we didn't go beyond that.

Mr. BENNETT. Let us have the record make it real clear so there won't be any ambiguity in the backup information, that these don't mean legal degrees in the sense they are proper degrees, but legal degrees in the sense they are in law.

Mr. BLANDFORD. Yes; I think that is understood.

Mr. COHELAN. Mr. Chairman.

Mr. RIVERS. Yes, Mr. Cohelan.

Mr. COHELAN. Mr. Chairman, as the committee may know, I am a strong supporter of the Judge Advocate General's School.

I have some questions here. I am a little disturbed by the report of Mr. Blandford, because I got the impression that this perhaps is not going to be an accredited operation, not in relation to the law, but in relation to educational institutions, that is, schools of law.

Now, I would like to have someone expand on that and I would like to get it very clear.

Mr. PIRNIE. Mr. Chairman, may I answer that?

Mr. RIVERS. Wait a minute.

Mr. BLANDFORD, can you—we have some—

Mr. BLANDFORD. I think, Mr. Cohelan, that your question involves the matter of whether, say, the Council on American Education would look with favor upon these degrees. I don't think that is the issue, really.

The question is whether the people who are in the business will recognize this as a valid degree. The people that are in the business are the American lawyers. And the American Bar Association, who have an accrediting committee, have approved the awarding of these degrees, and are in favor of this school.

Actually, all this basically boils down to is adding to the dignity and prestige of military lawyers. Whether or not this would be useful to them in later life, if they retired or left the service, is questionable. But from that viewpoint, these degrees will be of value to these people during their military service. And whether or not they are accredited by the American Council on Education for future purposes seems to be rather immaterial insofar as the purpose of the bill is concerned.

Mr. COHELAN. Well, I understand the gentleman's observations very well. And I know that the gentleman himself is a very distinguished lawyer. And I know that he holds the law in very high regard and recognizes it to be one of the great social sciences and arts.

Now, isn't it true that this very same advanced study, which is essentially what it is, in this very, very profound field, could be done at our standard colleges and universities?

Mr. BLANDFORD. I doubt very much—

Mr. COHELAN. We are giving doctor of law degrees, and master of law degrees at our institutions of higher learning, and any qualified lawyer can get admission to those graduate schools and get the same things.

Now, this is the point I am getting at. It seems to me quite material whether or not in the discipline of the law at the advanced level of study, that this kind of an institution that we are creating is accepted in the corporate body of scholars in this field.

Mr. BLANDFORD. Well, Mr. Cohelan, I would raise the same question, then, with regard to Naval Academy degrees, Air Force Academy degrees, the Post Graduate School at Monterey, and the Air University at Montgomery. We have precedent for it.

Mr. PIRNIE. I can give the answer to that.

Mr. RIVERS. Mr. Pirnie is the author of this bill which is being considered. Mr. Pirnie was one of the first members of the Board of Visitors. Mr. Pirnie has grown up with the school from its inception. So, Mr. Pirnie, you see if you can shed any light on this problem.

Mr. PIRNIE. I think I can. I think Mr. Cohelan is right.

Now, it was approached from that angle. This bill has the approval of the Association of American Law Schools, who made their investigation. And every recommendation which they made was incorporated, so as to improve curriculum and all of the disciplines with which you might be concerned. So it does meet those standards.

Mr. RIVERS. And the curriculum at this school far exceeds that of any other school anywhere in this area.

(Mr. Pirnie nods.)

Mr. RIVERS. The numbers of hours required in these subjects are far more than any school.

Mr. BENNETT. It is very specialized.

Mr. RIVERS. Yes.

Mr. BENNETT. It is not the sort of thing you would get at some other school.

Mr. COHELAN. Would the gentleman from New York yield to me for a question?

Mr. PIRNIE. Yes.

Mr. COHELAN. I am wondering what kind of degree is contemplated.

Mr. RIVERS. Master of law.

Mr. COHELAN. Master of law degree.

Mr. BLANDFORD. Basically, master's, but not limited to that.

Mr. OSMERS. Mr. Chairman.

Mr. RIVERS. Mr. Osmers.

Mr. OSMERS. I want to get some information, and then I want to ask a question of Mr. Pirnie.

First, I want to ask, sir, if the bill would permit graduates in prior years to be awarded?

Mr. BLANDFORD. It would.

Mr. OSMERS. It would, and I think that is fair, that they should.

And the second question that I would like to ask—I wonder if Mr. Pirnie would tell the full committee what he has told me about a very important byproduct in the law that comes about as a result of this school. I think it is very important to a layman like myself, at least.

Mr. PIRNIE. I would be very glad to.

The thesis of work at the school is of great importance to the Judge Advocate General's Department, because the pressure of work prevents the type of study which advances the administration of the law.

So the very difficult subjects in the development of worldwide responsibilities in the Judge Advocate create these particular studies that are assigned to these graduate schools.

So when you read the theses that are submitted, you find a very solid background for constructive action on the part of the Judge Advocate General, in moving ahead in the field of military law responsibilities.

Mr. COHELAN. Would the gentleman yield to me for a question?

Mr. PIRNIE. Yes.

Mr. COHELAN. Can the gentleman assure me—because I don't want to belabor this thing. Can the gentleman assure me that the standards of admission to this graduate school are going to be consistent with the equivalent standards of admission in other graduate schools throughout the country?

Mr. PIRNIE. Yes, they are even higher.

Mr. RIVERS. Even higher.

Mr. PIRNIE. According to Mr. Kirby, who is the chairman of the Committee for the American Bar, who examines schools, all American law schools, he finds in his report that the standards of selection and of instruction are higher than any institution.

Mr. COHELAN. And would the gentleman comment on the curriculum, that is, is the curriculum in the graduate school going to be roughly equivalent to the one pursued?



Mr. RIVERS. It is even greater. I wish in your discussion you would also mention the comparative law field.

Mr. PIRNIE. Yes.

That is becoming tremendously important because of our dealing with the nations of the world. Mr. Blandford has the entire curriculum there. You might just skeletonize that with the scholars.

Mr. RIVERS. Read that.

Mr. BLANDFORD. I think it is very interesting, Mr. Pirnie, and Mr. Cohelan. This school will be teaching a curriculum probably that has no comparison with any other law school in the country. It teaches military justice, of course. It is 194 hours. But then it teaches military affairs. And this is where the student becomes proficient in the field of administrative law, which pertain to the Military Establishment and the regulations under which the military must operate. And also goes into the questions of retirement law, separation laws—many fields that are peculiar only to the military.

Then there is a course of 112 hours on a subject which is dear to the heart of this committee, and that is procurement. And I doubt whether there is any law school that teaches procurement law in this manner, which is peculiar to the military, and yet the military are spending billions of dollars every year.

Civil and international law, 192 hours. This instruction is comparative law, international law, jurisprudence, claims, legal assistance, litigation, civil affairs, and things of that nature. This is a very far-reaching course for these people, many of whom will spend a lot of time overseas. Comparative law. This is vital to these lawyers who will be engaged in status of forces agreements, and things of that nature overseas.

International law, which is becoming perhaps more important with each passing day as the world shrinks in size.

Claims. Here we have the Federal Torts Claims Act. These lawyers will be dealing with the Federal Torts Claims Act on many occasions.

Legal assistance to military personnel. This is a peculiar course of its own for military personnel.

Litigation in itself as a course. This again is the Federal Torts Claims Act, and, of course, ties in with the Department of Justice.

There is a course on lands, land acquisition, and land disposal, as we know is a very important matter, and this is also peculiar to the military, and yet we know the military has tremendous land holdings throughout the United States and throughout the world.

Civil affairs in domestic emergencies, which are peculiar to the military—separation, divorce, and things of that nature which are very important.

This is the type of curriculum that is taught in this school.

Mr. COHELAN. Would the gentleman comment on how you are going to get instructors for these subjects?

Mr. BLANDFORD. They have the instructors. They have 21 instructors.

Mr. PIRNIE. Well, would the gentleman yield?

Mr. BLANDFORD. Yes, sir.

Mr. PIRNIE. You might be interested to know that quite a few of the law schools have drawn upon this faculty and certain men that are retired, so as to become members of their faculty.

So it has a very high standard of instruction. All of the men are selected on the basis of their capabilities to instruct. And they are very strictly monitored.

I went through these classes and I found that the techniques of instruction were way in advance of my own law school and of any law school that I saw. And that was true according to the other members of the Board of Visitors, which included the dean of the Northwestern University, a professor from Cornell, a professor from New York University, and also North Carolina. So that our Board of Visitors has generally been composed of educators. I was about the only one who was just a member of the profession.

Mr. COHELAN. Will the gentleman from New York advise me on whether or not this bill was considered before, and, if so, what happened to it?

Mr. PIRNIE. You wish me to answer? I can give that.

Mr. BLANDFORD. Go ahead.

Mr. PIRNIE. But it was before my time here.

Mr. BLANDFORD. Yes.

Mr. PIRNIE. A measure was introduced and came up for hearings, and at that time the president of Harvard and the president of Cornell sent letters here which they thought it was inappropriate for any Federal institution to give degrees.

I went to the president of Cornell to discuss with him the situation, and I felt that he was very much impressed by this fact, that there wouldn't be any other school in the Nation which could give this type of instruction.

Certainly, there are instructions giving advanced degrees in law, but they could not beam toward military subjects because they couldn't afford to do it. They couldn't provide the instructors, and they couldn't spend the time in this limited field. They wouldn't be attracting the personnel to support it.

So we made it very clear that the educational standards which were being met there were very, very high. And I gained the impression that the president of Cornell at least found the picture entirely different than he had been led to believe.

Mr. RIVERS. Is there any further question, Mr. Cohelan?

Mr. COHELAN. I am just wondering—one final point. I am just wondering if it isn't possible to give something less than a master's degree?

Mr. RIVERS. No.

Mr. PIRNIE. No.

Mr. BENNETT. They already have a bachelor's degree.

Mr. RIVERS. They got baccalaureate degrees.

Is there objection?

(No response.)

Mr. RIVERS. Without objection, H.R. 6664 is approved by the committee.

The next one, Mr. Blandford.

Mr. BLANDFORD. The next bill is H.R. 8333.

The purpose of this bill is to amend title 10 of the United States Code so as to provide that members of the Armed Forces shall be retired in the highest grade satisfactorily held in any armed force.

This is a rather peculiar situation which comes about as a result of a Comptroller General's decision.

It so happened that if an individual served, say, in the Army and attained the grade of master sergeant, or first lieutenant, and then was discharged for one reason or another or his enlistment expired, and then he enlisted or transferred to the Navy or the Air Force, and does not attain the same equivalent grade in the next service, when he retires he may only retire in the highest grade that he attained in the service from which he retires.

Now, this has been a hardship on a relatively small number of individuals who were under the impression that the law permitted them to retire in the highest grade served regardless of the service. We are presumably unified in our defense efforts, and yet a man who served as a first lieutenant in the Army, and who only attains the grade of E-5 in the Navy, when he goes to retire can only retire as an E-5 in the Navy.

In addition to that, there are some other peculiarities in that a person may possibly have served in a higher permanent grade than the temporary grade he now serves in. And this would allow him to retire in his highest permanent grade.

Finally, there is another provision which—how the Comptroller General figured this one out, I will never know. I read the decision, and I still don't know.

He held that if an individual transfers from the Army to the Air Force, and had attained a higher grade in the Army, he could only be retired from the Air Force in that higher grade if he had served in the Army Air Corps on the Army Air Force.

Now, the Army is the Army is the Army. But this didn't apply as far as the Comptroller General was concerned, in that if a man had served, say, as a master sergeant in the cavalry and then switched—maybe he was an administrative officer or a noncommissioned officer—and then switched over to the Air Force, he could not retire in the higher grade even though he had been retired by the Air Force in the higher grade. The Comptroller General in 1958 ruled that it is unfortunate, but unless he served in the Army Air Force or the Army Air Corps he could not draw the retirement pay of that higher grade.

The bill in this respect is retroactive to those people who were retired prior to 1958, and who had their pay withheld. It would also be retroactive for those people retired after 1958 because it would not be fair to give one group a retroactive benefit and deny it to another group who retired a few weeks later, in that regard.

The bill is very nominal in cost, about \$270,000 annually to the Air Force, and about \$100,000 annually to the rest of the services, and about \$100,000 at a maximum for any retroactive cost involved.

H.R. 8333 is based upon the report recommended by the Department of the Air Force in connection with the bill H.R. 3302. The letter from the Department of the Air Force in connection with H.R. 3302 states as follows:

The Department of Defense has long supported the view that a person who has served satisfactorily on active duty in one armed force and later becomes a member of another armed force should be entitled to the same benefits for physical disability and retirement purposes as a person who remains in the same armed force for his entire service. H.R. 3302, in its present form, would firmly establish that principle, and the Department of the Air Force, on behalf of the Department of Defense, therefore interposes no objection to the proposed legislation, as far as it goes. The Department does believe, however, that provision should also be made in any such legislation for those individuals

retired before the date on which it becomes law, who clearly fall within the purview of the same admittedly valid principle, as those who retire after the effective date of the act.

On the same grounds, the Department of Defense believes the proposed legislation should overcome the adverse effect of a decision by the Comptroller General (B-184506, February 23, 1958) in which it was held that, in determining the highest temporary grade in which an Air Force member had served and was entitled to be retired, service in the Army could be considered only if the higher grade was held in the Army Air Corps or the Army Air Force. Prior to that decision, it had been the view of the Department of the Air Force that, in the case of Air Force personnel who had formerly served in the Army, Army service was to be considered as the equivalent, for all purposes, of service in the Air Force. In the case of Air Force personnel who have been retired in a grade held in the Army, other than in the Army Air Corps or the Army Air Force, there is an overpayment of retired pay involved. Since such payments were made and received in good faith they should be validated.

It should be noted that section 3 of the proposed legislation is retroactive. This section would overcome the adverse decision of the Comptroller General that held that a person retired from the Air Force could not be retired in the highest grade satisfactorily held while serving in the Army unless he had served in the Army Air Corps. Many of these persons retired prior to 1958, were retired in the highest grade satisfactorily served, and the proposed legislation validates the payments made. Some new expenditures will be required, however, for those retired after 1958 who were denied advancement.

It is estimated that the proposed legislation, if enacted, will involve a cost of approximately \$270,000 annually in the Air Force. Costs for the other services will not exceed \$100,000 annually. The retroactive cost will be less than \$100,000.

The subcommittee unanimously recommends enactment of H.R. 8333 to the full committee.

Mr. RIVERS. This really cures the decision of the General Accounting Office, and you addressed yourself to the enlisted man, did you?

Mr. BLANDFORD. Yes; it is all basically enlisted.

Mr. HARDY. Mr. Chairman. This retroactive provision: Does that mean, then, that persons who have been retired under the Comptroller General's ruling would now be paid a lump sum for the back pay?

Mr. BLANDFORD. Only from 1958, Mr. Hardy. The others who were retired prior to that date, because of the introduction of this bill over a period of several years, have not had their pay withheld—have not had to pay the money back. This would be in the nature of a validation of the retirement pay they received. That is why the cost is so nominal.

Mr. HARDY. Well, in other words, under the Comptroller General's ruling, there are individuals who now have a setoff against them.

Mr. BLANDFORD. Well, they are on the books as a setoff.

Mr. HARDY. It has not been collected?

Mr. BLANDFORD. It has not been collected, which is standard. If a bill is introduced they will withhold collection action. If this bill fails, why—

Mr. HARDY. Since 1958, persons who were retired under these conditions have not drawn their pay; is that right?

Mr. BLANDFORD. That is correct.

Mr. HARDY. So only the group retired since 1968 and who did not draw the pay for the higher grade—

Mr. BLANDFORD. Yes.

Mr. HARDY. Would be paid in a lump sum?

Mr. BLANDFORD. That is correct. And then only in the Air Force because of the peculiar situation which resulted. Because you will recall when we passed—when another committee passed the National Security Act, or reported it, there was a provision that permitted the Air Force to take over a portion of the Army. Everybody thought they were going from one status to the identical status in the Air Force. And, lo and behold, the Comptroller General said not if you weren't in the Army Air Force, or Air Corps. If you were in the Army Air Force or Army Air Corps you are all right. If you are in the cavalry or infantry, or anything else, you weren't all right. Where they figured that out, I will never know.

Mr. HARDY. Now, one more thing. Now, the cost indicated a while ago, is that the total cost of the bill, or the cost of only this one section?

Mr. BLANDFORD. \$270,000 annually for the Air Force as a result of permitting people to retire in a higher grade served in another service. Of course, this will dwindle. This will be a first-year cost, and then reduce. Then \$100,000 is an estimate of other services; for example, people who served in the Army who are now serving in the Navy. And then \$100,000, which is a very high estimate, probably an error on the side of being too high rather than being accused of being too low, for the retroactive cost involved.

Mr. HARDY. Well, that does bring it as a total—

Mr. BLANDFORD. \$407,000 as a first-year cost, and about \$370,000 on an annual cost, and dwindling thereafter.

Mr. HARDY. Has there been any actuarial computations to determine the expected total cost?

Mr. BLANDFORD. No. The reasoning is that the cost of trying—these people have to make application for this. The general survey is that it will be very limited in number, but nevertheless the cost of trying to go through all these pay records would be rather substantial and not justified in the light of this.

Mr. HARDY. If you have a \$300,000 annual cost for a period of who knows how much, 20 or 30 years there—

Mr. BLANDFORD. Well, yes; if it is 20 or 30 years, on an actuarial basis, but, of course, that is true of anything that we do of that nature.

Mr. HARDY. I understand that. But I am just thinking in terms of liking to know, if I can, what these things are going to cost over a period of time.

Mr. BLANDFORD. Well, it will be \$370,000 maximum on a recurring cost, reducing as your retirees die.

Mr. RIVERS. Any other questions?

Mr. KOWALSKI. I have a question. Some men hold a position but are not promoted for various reasons.

Mr. BLANDFORD. That is not involved, Mr. Kowalski.

Mr. KOWALSKI. That is not involved?

Mr. BLANDFORD. No. What you have reference to, the old step-down operation.

Mr. KOWALSKI. Or situations like that.

Mr. BLANDFORD. Yes.

Mr. BENNETT. May I ask one question?

These people get title, I mean who is a lieutenant in the Army, and goes in the Air Force.

Mr. BLANDFORD. Yes, because he will be held to have served in the higher grade satisfactorily by the service in which he attained that higher grade, and for—we have gone through this before, if you will remember, on this very issue of having the right to have the title. He will get the rank. Because this is the service he will be retired from.

Mr. KOWALSKI. I think that is very important.

Mr. BLANDFORD. Yes, it is.

Mr. RIVERS. Without objection.

Now, why don't you take the next two up together?

Mr. BLANDFORD. All right, sir.

The next two bills involve—one is the Air Force Academy and the other is the Naval Academy.

One involves the continuing authority to allow two Belgium students to go to the Naval Academy, and the other is to authorize a Thailand student, whose name I cannot pronounce, to go to the Air Force Academy.

The purpose of House Joint Resolution 559 is to authorize the Secretary of the Air Force to admit a citizen of the Kingdom of Thailand to the U.S. Air Force Academy.

Specifically, it would provide authority for the Secretary of the Air Force to admit Prabaddh Riddhagni, a citizen and subject of the Kingdom of Thailand, to the U.S. Air Force Academy, if qualified under the rules and regulations governing admission to the U.S. Air Force Academy.

Precedent has been established in this regard under authority of title 10, United States Code, since foreign students have been admitted to the U.S. Naval Academy and the U.S. Military Academy. However, at present there are no foreign students at the Air Force Academy.

In view of the foregoing, and the fact that the excellent relationship which presently exists between this country and Thailand, one of our staunchest allies in southeast Asia, will be enhanced, the Department of the Air Force has recommended approval, and the Bureau of the Budget interposed no objection.

No increased costs will be involved.

The subcommittee unanimously recommends enactment to the full committee.

The purpose of House Joint Resolution 656 is to authorize the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium.

Under present provisions of title 10, United States Code, a total of four persons may receive instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy, respectively, from the Republic of the Philippines. In addition, not more than 20 persons at any one time from Canada and the American Republics (other than the United States) may receive instruction at each of these service academies under provisions of the same title.

However, students from friendly nations other than the Philippines, Canada, and the American Republics may attend the academies only under special legislation. Two Belgian nationals were authorized to receive instruction at the U.S. Naval Academy in 1954, and again in 1959.

The two Belgian midshipmen now at the Naval Academy are scheduled to be graduated in June of 1963. The Belgian Government wishes to send an additional two students to be trained at Annapolis. The Department of the Navy favors enactment of this resolution, and the Bureau of the Budget interposes no objection.

The subcommittee unanimously recommends enactment of the proposed resolution.

Mr. RIVERS. Without objection, those two are approved. Now, Mr. Philbin, we have a report from your committee. Mr. PHILBIN. The first bill I have to report from my committee is H.R. 10595, introduced by our distinguished fellow Member, Mr. Rutherford.

Now, under this legislation all Extra Long Staple cotton remaining in the stockpile established pursuant to the Strategic and Critical Materials Stockpile Act will be transferred to the Commodity Credit Corporation, and this Corporation in turn will be authorized to dispose of the cotton.

In 1957 the Office of Defense Mobilization, the agency responsible for stockpile policy, determined that Extra Long Staple cotton was no longer needed as a stockpile material. In that year, the Congress enacted a bill (Public Law 85-96) authorizing the disposal of 50,000 bales from the stockpile. Most of that quantity has been sold. The proposed legislation authorizes the disposal of the remaining 219,000 bales from the stockpile inventories.

The domestically grown cotton which is to be transferred to the Commodity Credit Corporation shall be sold only for unrestricted use at not less than the price which the Commodity Credit Corporation may sell its stocks under the Agricultural Act of 1949 and such cotton shall be excluded in making any determination with respect to national marketing quotas under that act until after it is sold by the Corporation. The foreign-grown cotton can only be sold or disposed of for export.

At present there is a shortage of Extra Long Staple cotton throughout the world, and at the same time there is no further need to stockpile Long Staple cotton. As a matter of fact, the Government removed Long Staple cotton from the strategic list in 1957, as I pointed out.

The subcommittee received testimony from the Office of Emergency Planning recommending enactment of the proposed legislation with three amendments which are clarifying in nature.

In addition, the SuPima Association of America strongly endorsed the proposed legislation, as did the American Farm Bureau Federation, the American Cotton Manufacturers Institute, and the National Cotton Council. Members of Congress also testified in support of the proposed legislation.

The subcommittee received no testimony in opposition to the proposed legislation.

The subcommittee unanimously recommends adoption of the bill H.R. 10595, as amended.

Mr. RIVERS. Read the amendments.  
Mr. HARDY. Mr. Chairman, can I ask a question about it?  
(Mr. Rivers nods.)

Mr. RIVERS. Let's get the amendment first.

Mr. HARDY. Well—

Mr. RIVERS. Go ahead and ask your question.

Mr. HARDY. Let's go ahead with the amendments if you like, because this may have a bearing on it. I don't know.

Mr. BLANDFORD. On page 2, line 8, strike the words "made available," and substitute therefor the word "transferred."

That simply transfers this cotton to the Department of Agriculture.

On page 2, line 9, put a period after the word "corporation," and strike the words "in lots as requested."

Page 2, line 11, remove the period at the end of the sentence and add the following:

at not less than the world market price as determined by the Secretary of Agriculture unless some other basis is proposed by the Secretary of Agriculture and concurred in by other interested Government departments or agencies.

I might add that that is limited to other American agencies, Government agencies.

Mr. HARDY. Mr. Chairman, I think I am going to object to that one.

Mr. BLANDFORD. Page 2, line 11, before the sentence beginning with the words "Such foreign-grown cotton," insert the following new sentence:

In administering sales or disposals of the foreign-grown cotton, the Secretary of Agriculture with the concurrence of other interested Government departments or agencies shall periodically determine and announce quotas for disposals by commercial sales and for disposals through the Agricultural Trade Development and Assistance Act of 1954, as amended.

I might go back to the amendment that Mr. Hardy indicated he would oppose. In the letter from Mr. McDermott, who is the Director of the Office of Emergency Planning, it says:

The added language makes it clear that export sales of foreign-grown cotton may be at world market prices. It also assures that export sales on any other basis will not interfere with the international relations of the United States.

Mr. HARDY. Mr. Chairman, that is the key to my objection.

The State Department has been controlling the sale of surplus rubber to the disadvantage of the United States for quite a considerable period of time. They have an absolutely unrealistic table of prices under which they permit the sale of surplus rubber. And just this morning I had some people in talking to me about the tin surplus disposal program.

And the foreign governments are going to try to impose the same kind of restrictions, operating through the State Department, that now are applied to the disposal of surplus rubber.

And I just am fed up with giving the State Department a veto right on the sale of anything out of our stockpile; until we get a little bit more realistic approach to the manner in which this stuff ought to be permitted to move in world commerce I am just going to be opposed to any kind of a provision that gives them control of it. And if you go to the floor with it, I will have to oppose it on the floor.

Mr. RIVERS. Any other—Mr. Chamberlain.

Mr. CHAMBERLAIN. Could I ask the gentleman?

Mr. RIVERS. Yes.

Mr. CHAMBERLAIN. Whether or not, did I understand you to say that the Farm Bureau has approved this legislation?

Mr. PHILBIN. Yes, the Farm Bureau approved it.

Mr. CHAMBERLAIN. Thank you.

Mr. COHELAN. Mr. Chairman, I would like to ask this question. I am wondering; the bill is very general in its provisions. I am wondering what commodities are involved, and what impact it is going to have?

Mr. RUTHERFORD. If the gentleman will yield.

Mr. RIVERS. Mr. Rutherford is the author of the bill.

Mr. RUTHERFORD. 47,500 bales are involved in the extra long staple, and this is a staple of 1 $\frac{1}{8}$  inch or longer. And if the gentleman will permit me to respond to the gentleman from Virginia: The objection by the author of the bill as well as of all the authors of similar legislation—and there are only five Members of Congress involved—two in Arizona, two from New Mexico, and only my congressional district in Texas, grows this type of cotton.

We had the same feeling and the same reaction as the gentleman from Virginia had, and that was the interference of the State Department. We now have to check with the Secretary of Agriculture, and check with the Secretary of State on practically every foreign commodity.

However, it is one of those situations that we feel the merit of disposing of this cotton far outweighs the statutory stipulation of the State Department interference.

And I might say this: In the absence of this language, by administrative procedures, we have found that the State Department still is an integral part in disposing of this as well as sugarbeets or most anything else.

It was my position before the subcommittee that we objected to the State Department being more or less a party to this, but we accepted a realistic fact of life and accepted it reluctantly.

Mr. COHELAN. Can the gentleman explain to me how you distinguished between foreign-grown cotton and domestic cotton?

Mr. RUTHERFORD. Well, it is that cotton which is grown outside the continental limits of the United States, such as Peru, Sudan, in the Egyptian area primarily.

Mr. COHELAN. Do we have it in our stockpile?

Mr. RUTHERFORD. For some time, when we had a shortage of extra long staple cotton for our war efforts, and when it was in short supply—and this was an infant industry, farming industry, of the United States. This was such a great requirement that we did stockpile foreign cotton, extra long staple.

Mr. COHELAN. Can the gentleman explain to me about what impact it will have on the normal channels of trade? Will this in any way affect the market for cotton?

Mr. RUTHERFORD. It will affect it, but favorably. At the present time you have a shortage of some 40,000 to 50,000 bales of cotton that is required by the mills. And this will supply the market. And this is due to insect and adverse weather conditions in the Sudan and the Egyptian area, and the market has been more or less promoted by the industry, itself, by the domestic cotton growers.

Therefore, we feel that the strategic and critical stockpiles have stabilized since 1957 as the able subcommittee chairman stated, and it is our desire to make this domestic cotton available to the mills and to the market at the present time who have a requirement for it.

Mr. PRICE. Mr. Chairman, on that point I think you should bring out the fact that if we don't approve of this, that the growers, our growers, our domestic growers, may be adversely affected.

Mr. RUTHERFORD. This is true.

Mr. PRICE. Because they have developed a market and on their present production they are unable to fulfill the demands of that market, and they are fearful unless they can keep this supply going for several years, that the fabricators or the textile people will gradually get away from this type of cotton.

Mr. RIVERS. I might say, I know a little something about this long staple cotton. It started in my country over 200 years ago. It was destroyed by the boll weevil. It is the most expensive, highest grade cotton on earth. There is a terrific shortage of it, a terrific shortage.

Mr. COHELAN. We grow some pretty good cotton out in California.

Mr. RIVERS. You don't grow this kind of cotton.

Mr. RUTHERFORD. If the gentleman will yield further, and in elaboration of what Mr. Price stated I would state this, that this market has been developed by a voluntary tax by the growers, themselves, of \$5 per bale. They have been very successful in developing this market. And, therefore, if this domestic cotton is not released from the stockpile, then the mills only have one other place to go, and that is to get foreign-grown cotton to fill the requirements that have been developed by the domestic growers.

Mr. COHELAN. What is going to happen to the foreign-grown cotton?

Mr. RUTHERFORD. This is really not a concern.

Mr. RIVERS. They don't grow enough of it.

Mr. RUTHERFORD. At this time there has been a reduction because of adverse weather conditions.

Mr. RIVERS. Is there objection?

Mr. HARDY. Mr. Chairman, I have an amendment to the amendment offered by the committee.

And I have suggested a deletion of some of the language. If Mr. Blandford will—if you will permit Mr. Blandford to read the language that I have suggested.

Mr. RIVERS. Mr. Blandford, read it.

Mr. HARDY. Then I would like to make a comment at the conclusion as to the purpose I have in offering that amendment.

Mr. RIVERS. All right.

Mr. BLANDFORD. Mr. Hardy offers the following amendment to the amendments:

On page 2, line 11, in lieu of the following language—

at not less than the world market price as determined by the Secretary of Agriculture unless some other basis is proposed by the Secretary of Agriculture and concurred in by other interested Government departments or agencies—

is amended to read:

at not less than the world market price as determined by the Secretary of Agriculture.

And on page 2, line 11, in lieu of the following language:

In administering sales or disposals of the foreign grown cotton, the Secretary of Agriculture with the concurrence of other interested Government departments or agencies, shall periodically determine and announce quotas for disposals by commercial sales and for disposals for the Agricultural Trade Development and Assistance Act of 1954 as amended,

amend that to read:

In administering sales or disposals of the foreign grown cotton, the Secretary of Agriculture shall periodically determine—

and eliminate the words—

with the concurrence of other interested Government departments or agencies.

In other words, the Secretary of Agriculture in both instances will make the determination without the statutory requirement that there be statutory concurrence by other Government agencies.

Mr. RIVERS. As many as favor—

Mr. HARDY. Mr. Chairman, may I make just this brief statement about the reason for that?

I have recently been through a rather thorough examination of the surplus rubber disposal program and I have observed the extent to which the Department of State is calling all of the shots. They have been using the rubber disposal program substantially as an adjunct to the foreign aid program and have deliberately exercised a price control, in my judgment—a price control function of the stockpile sales program, that is, the surplus sales program under the stockpile.

Now, my purpose in suggesting this revision in the language would be to eliminate the Department of State from making decisions affecting the economic movement of our surplus long staple cotton.

In my judgment, the disposal of that cotton ought to be based upon the world market price as determined by the Secretary of Agriculture, and not as determined by the Secretary of State in order to bolster or to court favor of some foreign government. That is the purpose of it.

Mr. BECKER. Mr. Chairman, may I ask a question of the gentleman from Virginia?

Mr. RIVERS. Yes, sir.

Mr. BECKER. How does this affect our regular foreign trade program, in that the Secretary of State makes recommendations that does supersede the prices of goods sold on the world market?

Mr. HARDY. I think the Secretary of Agriculture would be able to gauge the disposals in accordance with the requirements of our foreign trade program, without having to depend on the Secretary of State or the Department of State.

Mr. BECKER. I might agree with the gentleman. But how does it affect the present law insofar as our foreign trade is concerned?

Mr. HARDY. I don't think it affects the present law at all. The Secretary of Agriculture will have to be bound by existing law. There is no question about that.

Mr. BECKER. Or the Secretary of State.

Mr. HARDY. That is exactly right. But the only trouble is this:

I do not want to see further use of our stockpile as an augmentation of the foreign aid program. And that is exactly what they have been doing.

Mr. RUTHERFORD. Mr. Chairman.

Mr. RIVERS. Mr. Rutherford.

Mr. RUTHERFORD. Mr. Chairman, my original thoughts were the same as the gentleman from Virginia. And I might say that if his language to implement and be carried forth I think it would be good and healthy, because I, too, object to the State Department directing it. But I do not feel that he will curtail the State Department's intervention. I think he will only relieve them from responsible action.

Whether the gentleman from Virginia's language prevails, or not, the State Department would still, by administration, act in this matter, will be conferred with by the Secretary of Agriculture; and I think we are kidding ourselves if we have accomplished this by the gentleman from Virginia's language.

I feel by stating that the Secretary of State and the State Department is placed in the legislation, then they are responsible and there is no back passing possibility in it. Because regardless of what we do here, I think we ought to recognize—and I recognize—the facts of life, that the State Department is still going to be checked with.

And I might say further to the gentleman that I took the original position and objected to the inclusion of these amendments. I am now committed to them and feel possibly it is best to stay with the language as recommended in the amendments read by Mr. Blandford.

Mr. PRICE. Mr. Chairman, as I recall the hearings on this bill, the foreign supply that is going to be disposed of will be distributed through—under the provisions of Public Law 480.

I think as a standard for this type of operation it is already pretty well set.

Mr. BLANDFORD. The domestic, I believe, goes under 480, and under the Trade Agreements Act, the foreign export goes under the Trade Expansion Act.

Mr. RUTHERFORD. 407.

Mr. BLANDFORD. That is it. And 408 would be the domestic price, which would mean the prevailing farm parity price on cotton.

Mr. RIVERS. As many as favor the amendment proposed by Mr. Hardy will raise their hands.

(Show of hands.)

Mr. RIVERS. Mr. Smart, you count.

Mr. SMART. Eleven, Mr. Chairman.

Mr. RIVERS. All opposed.

(Show of hands.)

Mr. SMART. Seven opposed.

Mr. RIVERS. By a vote of 11 to 7, the amendment reported by Mr. Hardy carries.

Now, the question recurs on H.R. 1095 as amended. As many as favor the bill as amended will say "Aye."

(Chorus of "ayes.")

Mr. RIVERS. Opposed, "No."

(No response.)

Mr. RIVERS. The bill is reported.

Now, Mr. Philbin, have you another?

Mr. PHILBIN. Yes.

The next is Resolution 473.

The purpose of this resolution is to express the approval of the Congress to dispose of certain materials now in the stockpile which are considered in excess of mobilization requirements.

These items include—

- (a) approximately 440,246 pounds of silk noils;
- (b) approximately 96 short tons of 91 percent nickel in ingot form, approximately 4 short tons of sintered nickel powder in the form of "cups," and approximately 9 short tons of cobalt in rondelle form averaging 97.9 percent cobalt;
- (c) cordage fiber consisting of approximately 7,500,000 pounds of abaca fiber and approximately 10 million pounds of sisal fiber.
- (d) approximately 3,500 long tons of vegetable tannins (quebracho, chestnut, and wattle extracts);
- (e) approximately 28,816 short tons of celestite;
- (f) approximately 4,471 troy ounces of platinum scrap and a quantity of nonferrous scrap consisting of approximately 520 short tons of brass, 74 short tons of silicon bronze and copper, 11 short tons of beryllium copper, and 106 short tons of zinc foil;
- (g) approximately 50,000 long tons of pig tin;
- (h) approximately 155,876,000 pounds of castor oil;
- (i) approximately 265,000 pounds of cobalt oxides, and approximately 5,500 pounds of cobalt carbonates;
- (j) approximately 1,890 long tons of chromite ore;
- (k) approximately 65,447 pounds (gross weight) of ferrovanadium;
- (l) approximately 63 short tons of ferromanganese, and approximately 4½ short tons of electrolytic manganese metal;
- (m) approximately 10 million pounds of contained nickel and cobalt in the form of nickel oxide powder; and
- (n) approximately 5 million pound of molybdenum.

Seven of the fourteen listed materials cover quantities in excess of the currently established objectives. These are the silk noils, cordage fiber, vegetable tannins, tin, castor oil, nickel oxide powder, and molybdenum.

The other seven materials are subspecification materials and do not meet current stockpile specifications. These are the nickel items, celestite, nonferrous and platinum scrap, cobalt oxides and carbonates, chromite ore, ferrovanadium, and ferromanganese and electrolytic manganese metal.

Disposal plans for all of these materials have been developed by GSA in accordance with authorizations received from the Office of Emergency Planning. The other agencies concerned have been consulted, and they have concurred in the proposed plans. Notices of the proposed disposals have been published in the Federal Register and transmitted to the Congress.

All of the disposal plans have been so devised that there will be no undue market impact. Present market conditions generally are favorable for these materials. Based on current market prices, it is estimated that these disposals will bring the Government more than \$160 million in revenue. In addition, of course, storage and maintenance expenses will be reduced. This is particularly true of the perishable items such as the cordage fibers.

The Strategic and Critical Stockpile Act authorizes the disposal of materials no longer needed because of revised determinations, but it also provides that—

no such disposition shall be made until six months after the publication in the Federal Register and transmission of a notice of the proposed disposition to the Congress and to the Armed Services Committee of each House thereof.

In addition, the law provides that no material constituting a part of the stockpile may be disposed of without the express approval of the Congress, except where the revised determination is by reason of obsolescence of that material for use in time of war.

The items contained in this resolution are not obsolete but they are in excess of present requirements, and therefore the Government desires to dispose of them.

Each of the items has been advertised in the Federal Register and the method for disposal of each of the items was explained by the witnesses. In this connection, I might add that most of the items in the resolution are noncontroversial in every sense of the word. However, I call your particular attention to item (g) which authorizes the disposition of approximately 50,000 long tons of pig tin. It is proposed to dispose of the tin in small lots over several years, but 10,000 long tons of pig tin will be made available for disposition in small lots as soon as possible after the resolution has been approved.

In that connection, I might also mention that the maximum objective for pig tin in our stockpile is 185,000 long tons.

There is now 349,498 long tons of pig tin in the stockpile, leaving a surplus of 164,498 long tons.

The resolution contemplates the sale of 50,000 long tons, with an acquisition cost of \$121,576,000.

I might also mention that the price of tin has fluctuated between 1958 and early 1961 from 86½ cents a pound to \$1.04 per pound. Then in the latter part of 1961, the price of tin advanced to about \$1.21 per pound.

Thus it would appear that now would be a most advantageous time for the Government to dispose of a portion of the excess tin in our stockpile. In that connection I should point out that the law states that—

the plan and date of disposition shall be fixed with due regard to the protection of the United States against avoidable loss on the sale or transfer of the material to be released and the protection of producers, processors, and consumers against avoidable disruption of their usual markets.

No opposition to any disposals have been received.

The subcommittee urges approval of the resolution.

Mr. HARDY. Mr. Chairman.

Mr. RIVERS. Mr. Hardy.

Mr. HARDY. The thing that bothers me about this—I think we need to take action of this nature. However, I am a little disturbed by the same language that appears in this bill, or in this resolution, as appeared in the resolution which authorized the sale of surplus rubber from the stockpile. And that language appears on line 5, beginning on line 5, on page 1.

It says:

In accordance with the plans of disposition published by General Services Administration in the Federal Register.

Now, the distinguished gentleman from Massachusetts, Mr. Philbin, has pointed out that the law states that the disposition shall be made in a manner to protect the United States against avoidable loss.

However, when we pass this resolution we have amended that law by approving the plan of disposition as published in the Federal Register. And I don't know—I haven't had an opportunity to see the plan as set up in the Federal Register. But if it follows the general scheme that was followed in the plan of disposal for natural rubber, then we will have taken upon ourselves the burden of saying that this is a proper way to protect the United States against avoidable loss. And, Mr. Chairman, in the case of rubber, we didn't do it. In the case of tin, if, again, we have a price-fixing scheme, then we are relieving the executive branch of Government of further judgment by adopting in law the plan which they have published in the Federal Register.

Now, I don't know what the thing has in it—what the plan has, and whether or not this is an advantageous period of time to dispose, I don't know, either. Now, on the basis of the market prices, as the gentleman has indicated, it would seem to be.

But, again, the key to this rests in the plan as approved or as published in the Federal Register, and I would like to strike those words from it and find something to substitute for it.

Mr. BLANDFORD. Mr. Hardy, you couldn't do that legally because what you are doing is passing a resolution here, and you must amend the Stockpiling Act by law in order to do that.

Mr. HARDY. Well, if you haven't given the congressional sanction to this business by the language in this resolution then I don't know what you have done.

Mr. BLANDFORD. You may be giving congressional sanction to it, but if you wish to change the method you must change the basic law.

Mr. HARDY. I am not talking about changing the methods. But I am talking about writing in here—

Mr. BLANDFORD. We are merely complying with what the law says we must do in order to approve.

Mr. HARDY. Does the law say that we have to approve a plan which they have published in the Federal Register? I don't think so.

Mr. BLANDFORD. I will read the law.

Mr. HARDY. The law says they have to publish a plan in the Federal Register.

Mr. BLANDFORD. In accordance with the plans of disposition.

Mr. HARDY. I don't think the law says that we have to make that statement. The law says they have to publish a plan. As a matter of fact, after we pass this, they could publish another plan of disposition, could they not, except for the fact that we have already approved it in this legislation?

Mr. BLANDFORD. They have indicated that if there is any necessity for changing the plan, that they could do so, if it was in the best interests of the Government, or if some processor or producer was being hurt. There is some latitude in that respect. There has to be. There may be some economic conditions.

Mr. HARDY. The thing that I adhere to is a specific approval of their plan of disposition.

Now, I think we did wrong when we approved their plan of disposition with respect to rubber. Maybe not in this case, I don't know, because I haven't studied it.

Mr. RIVERS. This is the chairman's bill, and no doubt he has gone along those lines.

Mr. HARDY. Well, the chairman did a poor job of going into it on rubber, I will tell you that.

Mr. RIVERS. You tell the chairman.

Mr. HARDY. I have told him that.

Mr. BECKER. Mr. Chairman, could I ask the gentleman from Virginia a question, please?

Mr. RIVERS. Mr. Becker.

Mr. BECKER. Is it your point, Porter, that the plan of disposition of the General Services Administration is not presently concocted, but they will propose one, and then publish it in the Federal Register?

Mr. HARDY. No; they have already published it.

Mr. BECKER. They have already published it?

Mr. HARDY. They have already published it.

Mr. BLANDFORD. I will read the publication.

Mr. PHILBIN. Yes; I would suggest you read it.

Mr. RIVERS. You get the Federal Register, don't you?

Mr. BECKER. Yes, but who reads it.

Mr. Blandford (reading):

Pursuant to the provisions of section 3(e) of the Strategic and Critical Materials Stockpiling Act, notice is hereby given of a proposed disposition of approximately 50,000 long tons of pig tin now held in the national stockpile, the office of Civil Defense Mobilization has made a revised determination pursuant to section 2(a) of the Strategic and Critical Materials Stockpiling Act that said pig tin is excess to stockpile's needs by reason of lower emergency requirements and technical advances. Since the revised determination is not by reason of obsolescence of the pig tin for use in time of war, this proposed disposition is being referred to the Congress for its express approval as required by section 3(e) of the Strategic and Critical Materials Stockpiling Act. General Services Administration proposes to transfer said pig tin to other Government agencies or to offer the material for sale on a competitive basis or otherwise to dispose of it in the best interests of the Government upon the express approval by the Congress of this proposed disposition, or 6 months after the date of publication of this notice in the Federal Register, whichever is later. The 50,000 long tons of tin that are in excess of national stockpile needs will be made available for sale on the basis of prevailing market prices in small lots over a period of several years. It is proposed to begin making available for sale in small lots approximately 10,000 long tons of the total as soon as possible. The rate and conditions of disposal will be determined by the Administrator of General Services in concurrence with other interested departments and agencies, with due regard to the protection of producers and processors and consumers against avoidable disruption of their usual market, as well as the protection of the United States against avoidable loss, dated September 1, 1961, Janni L. Moore, Administrator, Federal Register, Document 618577.

Mr. HARDY. But there is no price and quantity table on this?

Mr. BLANDFORD. There couldn't be, Mr. Hardy. You can't estimate the price of tin. The tin has fluctuated.

Mr. HARDY. You did in rubber.

Mr. BLANDFORD. Well, we tried it. I know what you are talking about with regard to putting a limitation on it, but we didn't do it with tin.

Mr. PHILBIN. Does the gentleman from Virginia yield for a moment?

Mr. HARDY. I am through.



Mr. PHILBIN. No. This permits the disposition of the excess that is in the stockpile, and I am sure the gentleman agrees with that, do you not?

Mr. HARDY. I think so.

Mr. PHILBIN. In an orderly way to protect the processes, distributors, and consumers, everyone who is concerned here. Now, that is all it does. Now, obviously, we have to leave some latitude in the administrative agencies of the Government. We cannot control the disposition of every ton of this tin. And that is not sought to be done. This is merely a notice to the Congress of the United States, and the members of the industry, and all those interested, that we propose to dispose of this excess that is now in the stockpile, and the general arrangements and conditions under which we do it.

Mr. HARDY. We appreciate that observation. I, frankly, am not critical about the plan of disposition as published in the Federal Register, as I was with respect to the rubber.

Mr. BLANDFORD. Mr. Hardy, in rubber you had a very definite price range, that you would sell so much at a certain price, and you wouldn't sell it under a certain price, and you would sell unlimited amounts when it reached a certain price. That is not involved here.

Mr. HARDY. Of course, the gentleman knows that immediately after that thing went into effect the price of rubber got down to a point where under their own pricing quantity table they couldn't sell a pound of it.

Mr. BLANDFORD. I am well aware of the situation. But that is not the situation here is tin.

Mr. RIVERS. Is there objection?

Mr. HARDY. Mr. Chairman, I shall not object to it. I want to study the matter a little bit more. And I want to relate it to the experience that I had in examining the rubber program.

Mr. RIVERS. You will have that right.

Mr. HARDY. I do regret that in here, again, there is that language which relates to putting the State Department in here for a complete control of the program.

Mr. RIVERS. Mr. Hardy has that right.

Mr. PHILBIN. And the industry on notice. I don't think it has reference to control by the State Department.

Mr. RIVERS. Without objection.

Now, Mr. Philbin, you have another bill.

Mr. PHILBIN. The next bill that the committee has to present is H.R. 10937.

We had extensive meetings on this bill, for 2 days last week.

The bill proposes to amend the act providing for promotion of economic and social development in the Ryukyu Islands.

I am afraid this report is perhaps fairly long. But the bill, I think it is reasonable to assume, will be subject to some controversy in this committee, and debate. I feel, therefore, that a full understanding of the bill is essential.

For the rest of the report, I am going to refer to the bill as related to Okinawa, which is the only island on which we have some substantial installations. Members of the committee are fully aware of that situation, our interests in Okinawa, and what they involve.

Now, briefly in this background I would like to review the history of this bill.

Since 1945 the United States has exercised full power over Okinawa.

Prior to the war, these islands were an integral part of Japan but after Japan surrendered they were treated as a separate and distinct territory for the purposes of occupation.

Japan was occupied under allied authority; the occupation of Okinawa was solely under American control.

During this period, 1945 to 1952, the occupation was purely a military one.

In 1952, the Treaty of Peace with Japan was ratified. The treaty provided that—

• • • the United States shall have the right to exercise all and any powers of administration, legislation, and jurisdiction over the territory and inhabitants of these islands • • •

At this point a civil administration was introduced to take the place of the military occupation which had preceded it. Even though it was called a civil administration, gentlemen, it was, and is, in fact headed by a U.S. military officer.

Necessarily during the whole period from 1945, through 1952, and up to 1960, the date of the Price Act (which is the act this bill would amend); it was necessary to carry on governmental functions in Okinawa.

These functions, however, were carried out in many instances under the rather broad authority of the Treaty of Peace with Japan.

Appropriations were made by the Congress from time to time, but on occasion they were subjected to points of order. It became evident, therefore, that some basis in law should be provided not only to support the appropriations but to permit the retention and expenditure of revenues which arose in Okinawa itself. And these revenues accrued to both the local government, known as the GRI, or Government of the Ryukyu Islands, and also to the civil administration of our own country.

Actually, the Price Act did not change anything but gave legislative sanction to a de facto situation.

I have mentioned that the Price Act sanctioned the retention and expenditure of funds arising in Okinawa. It also placed a limitation of \$6 million on the amount of money which could be appropriated annually for the Ryukyus.

I think I should note particularly at this point two matters of importance. Both of them were brought up and stressed by Mr. Price, the author of the bill, during our hearings.

First, I think it is important to quote the preamble to the basic law relating to Okinawa. It reads as follows:

That, in the exercise by the President of the authority over the Ryukyu Islands granted the United States by article 3 of the Treaty of Peace with Japan, every effort shall be made to improve the welfare and well-being of the inhabitants of the Ryukyu Islands and to promote their economic and cultural advancement, during such time as the United States continues to retain authority over the Ryukyu Islands.

I have read that in order to place in context this further statement: although the \$6 million authorized for annual appropriations has, in fact, become a limitation as our responsibilities have increased, it was by no means intended to be a limitation at the time of its enactment.

On the contrary, it was intended to spur and encourage a greater level of expenditure in Okinawa and although it is phrased in the law as a limitation, and has actually become a limitation, it was intended to represent what was then thought to be a reasonable level of expenditure.

The first question which would arise in anyone's mind is: If \$6 million were considered a reasonable level of expenditure only 2 years ago, why does that need to be increased to \$25 million. The reason is this:

The United States has only one reason for continuing to occupy Okinawa and to exercise the rights which it has under the Treaty of Peace with Japan. That reason is that Okinawa has a most important strategic value to the security of the United States and the free world. We all know its location with respect to vital areas in the Far East and the fact that it provides a major link in our forward defense barrier in the Pacific. Our base in Okinawa is essential and there can be no doubt about this.

Recently the President himself stressed this fact when he said:

The armed strength deployed at these bases is of the greatest importance in maintaining our deterrent power in the face of threats to the peace in the Far East. Our bases in the Ryukyu Islands help us assure our allies in the great arc from Japan through southeast Asia not only of our willingness but also of our ability to come to their assistance in case of need.

I think that all of us concede the importance of Okinawa and the necessity for our continued occupancy of it. So how has the situation changed to require this higher level of expenditure?

The subcommittee was told that there is an increasing concern on the part of our responsible officials for the stability of our military security in the U.S. position in Okinawa. One witness said that there are—

discernible portents of developing conditions which could seriously impair the freedom of military mobility which we enjoy in that area under our sole jurisdiction.

He went on to say—

There are evidences of growing dissatisfactions among the Ryukyuan people, indications that we might be taking for granted that we will continue to enjoy unimpaired that degree of voluntary cooperativeness and international acceptance of our administration which we have experienced since the end of military occupation.

Indeed, this concern mounted to the point where the President appointed a special task force headed by a member of his staff to study this problem.

The task force did several months of work here in Washington and then spent several weeks in Okinawa making an on-the-spot investigation.

Actually, this bill, which we now have before us, is a result of that task force study. So we can see that this matter is by no means a routine piece of legislation but is one which has had the attention of the President himself.

I think I should explain that it is not expected that the \$25 million upper limit will be reached in the near future. For example, the fiscal year 1963, the department has requested \$6 million in accordance with basic law and will request only an additional \$6 million should this bill become law. This is a total of \$12 million for fiscal year 1963.

Generally and briefly, these funds would be expended in the following fashion:

1. About \$1 million to reimburse the Ryukyus for services provided our troops and other people (this is in the area of public health, public safety, and so forth).

2. About \$9.5 million as contribution to Government projects. This relates to promotion of the economic and social development of Okinawa through contributions to provide additional and improved educational facilities, teachers' pay, public health and medical programs, social welfare activities, and general economic development. Also \$4 million of this amount would be for capital augmentation of two public credit institutions;

3. About \$1 million for disaster relief;

4. For technical education and training, \$300,000 and a number of other smaller amounts.

Our relationship with Okinawa is unique in our history and our responsibilities are similarly unique. We have absolute control over these islands and, therefore, we have a special obligation to see to it that our administration of the islands is not less than should be expected from the United States. Okinawa has been a propaganda weapon before and will continue to be. We must counter this propaganda.

Of course, \$25 million is a great deal of money, but when we stop to think that we have a capital investment in Okinawa of over \$1 billion, and equipment and supplies totaling even more billions of dollars—\$25 million becomes a pretty small amount as insurance to cover our investment. It approximates, I suppose, the price of two B-52 airplanes or a few more of our new fighter airplanes.

In conclusion, I think I should mention very briefly the new Executive order issued by President Kennedy. This Executive order amended the previous Executive order in five instances. Only one of these has caused questions to arise and that is the establishment of the Office of Civil Administrator.

With respect to this change, I think it should be understood that the Civil Administrator "shall have such powers and perform such duties as may be assigned to him by the High Commissioner."

This by no means places a civilian above the military commander. Indeed, the Civil Administrator is subordinate to the military commander and has only those powers and duties which are assigned to him by the military person who is the High Commissioner.

Mr. Chairman, that is my report on the bill, and I move its approval by the committee.

Mr. RIVERS. That was a unanimous report?

Mr. NORBLAD. Yes, sir.

Mr. RIVERS. Without objection.

And I will ask Mr. Price to report that. He is the author.

You better get a rule on that, Mr. Price.

(Mr. Price nods.)

Mr. RIVERS. And in the other bill, H.R. 6664, I am going to ask Mr. Pirnie, who is the author of that, to report that bill.

That will go on the consent calendar.

(Mr. Pirnie nods.)

Mr. RIVERS. Then, on the bill, H.R. 10595, the author of whom is Mr. Rutherford—I will ask you, Mr. Rutherford, to report that bill. Now, we have some reprogramming actions. Mr. Kelleher.

Mr. KELLEHER. Yes. General Oden is here, Mr. Chairman, on the first one, for the Army.

General Oden.

Mr. RIVERS. Come forward, General.

Give the reporter your name and tell the committee what you have on reprogramming for the Army.

Should this be executive session?

Mr. KELLEHER. Mr. Chairman, if the numbers of airplanes or missiles and the amounts of money are not mentioned—and it isn't necessary that they be mentioned because each member has a sheet giving that information before him—then it would not have to be executive. However, since the committee may go into other detail, perhaps executive session is desirable.

(Whereupon, at 11:30 a.m., the committee proceeded further in executive session.)

(Whereupon, at 11:43 a.m., the committee proceeded further in open session as follows:)

Mr. RIVERS. Now, we have one other bill. I would like to finish before the bell rings, because, Mr. Hardy, our committee has a bill on the floor, and we should be there.

Mr. HARDY. On what?

Mr. RIVERS. That is that section 15, that we are going to try to pass.

Mr. SMART. Military justice.

Mr. RIVERS. Come up, gentlemen.

We have H.R. 11743, which is a bill—this is another increment—extending the life of the civil defense emergency powers for 4 more years. That is all it does.

Give the reporter your name and tell us about this H.R. 11743.

Colonel CHAMBERS. Mr. Chairman, I am James M. Chambers, the Deputy Director of Emergency Planning.

Mr. Charles Kendall, our General Counsel, is with us.

I think perhaps in the interest of time, sir—there are just one or two parts of my short prepared statement that I would like to give, and give the rest to the reporter.

I think first of all, Mr. Chairman, I would like to say, because it is the first time I have appeared before you, that it is a privilege for me to be once again back in Government, and appearing before this committee.

And I think that this committee probably is better aware of the Civil Defense Act, and the emergency sections which were so carefully worked into it back in 1950.

This has been extended twice. It is temporary legislation. It gives extraordinary powers to the President, which can only come into being under very extraordinary circumstances.

The tremendous increase in the destructive capability of weapons makes it even more important today than it was at the time you originally enacted it in 1950.

And, therefore, I am today, on behalf of the President, recommending that this bill be enacted and that title III of the Civil Defense Act be extended to June 30, 1966.

(The prepared statement of Colonel Chambers is as follows:)

Mr. Chairman and members of the committee, I consider it a privilege to appear before you on behalf of the President to recommend the enactment of H.R. 11743, which will provide for the continuation of his current authority to deal effectively with the civil defense problems with which he would be faced in the event of an enemy attack upon the United States.

This committee is well aware of the functions of the Federal Civil Defense Act of 1950, having considered the original bill and the several amendments which have been made over the last 12 years. You know of the care which was exercised in limiting the availability of extraordinary powers to extraordinary situations. Most of the Civil Defense Act deals with preparedness, but the portion which the bill now before you would extend provides important authorities to the President for use when and if they are needed.

This standby authority is contained in title III of the act and grants emergency authority during the existence of civil defense emergency. In case of attack or an anticipated attack, the President, or the Congress by concurrent resolution, may proclaim the existence of a state of civil defense emergency. Any such emergency may be terminated either by the President, or by concurrent resolution of the Congress.

In the event of such proclamation the President may mobilize all the resources of the Federal Government required to meet the problems that would arise.

He could use Federal personnel and facilities, provide emergency shelter, repair or restore vital utilities and other facilities. He would have broad procurement and utilization authority over property. He could reimburse States for assistance given to other States. He would have unencumbered authority to employ temporary additional personnel without regard to existing law. He could provide financial assistance for temporary relief of injured civilians and he could otherwise incur such obligations on behalf of the United States required to meet the existing conditions.

Constitutional safeguards regarding just compensation for nongovernmental property acquired are preserved. Likewise the immunity of the Federal Government from actions at law while performing emergency actions is reserved.

The standby authority contained in title III serves another important function, in that it provides knowledge as to what the authority of the President will be in such circumstances. This in turn provides a basis for the development of essential plans and procedures by the various Government agencies in their particular areas of responsibility, which would be put into effect in the event of such an attack. It is incumbent upon the Government to assure that preparedness measures are developed and maintained at a high level so long as there is a possibility of a sudden enemy attack upon the Nation.

Because of the tremendous increase in the destructive capability of modern day weapons, in contrast with those which were available 12 years ago when the authority was first enacted, there is a substantially greater need today from the standpoint of national security that these standby emergency powers be available to the President. In case of a sudden attack, there would be no time for the Congress to legislate the necessary emergency authority.

As originally enacted, the Federal Civil Defense Act of 1950 provided that these standby emergency powers would terminate on June 30, 1954, or such earlier date as might be prescribed by concurrent resolution of the Congress. This termination date was extended to 1958 in 1954 and to June 30, 1962, by Public Law 85-514, dated July 11, 1958.

In view of the importance of this legislation, I recommend on behalf of the President the enactment of H.R. 11743, which will extend title III of the Federal Civil Defense Act of 1950, as amended, to June 30, 1966.

Mr. HARDY. You are talking only about title III, Mr. Chairman—

Colonel CHAMBERS. Only title III, Mr. Hardy.

Mr. HARDY. And what is the specific limitation of that title?

Colonel CHAMBERS. Well, it is the emergency power of the President, or in the Congress by concurrent resolution, to declare a civil defense emergency, to take certain actions under most extraordinary conditions.

Mr. BRAY. Mr. Chairman—

Mr. PRICE. And this has no connection whatever with the subsequent actions this committee will have to take to approve the shelter program?

Colonel CHAMBERS. Not at all.

Mr. RIVERS. It hasn't anything to do with it.

Mr. BRAY. Mr. Chairman—

Mr. RIVERS. This merely extends it. Yes.

Mr. BRAY. That is what I had in mind. This merely extends what is already law.

Mr. SMART. That is right.

Mr. BRAY. This gives no power beyond what is already here.

Colonel CHAMBERS. That is exactly right.

Mr. RIVERS. That is exactly right.

Without objection, the bill is favorably reported.

(Whereupon, at 11:45 a.m., the committee adjourned.)

○

要字 2 部  
 発電係 第 16514 号  
 昭和 37 年 5 月 21 日 15 時 45 分 発

電信案 (分類)

電信案 第 1012 号 (PP)

大 臣 政務次官 事務次官 外務審議官 官 房 長	主管 アジア局長 宇山審議官 主任 北東アジア課長	起案 昭和 37 年 5 月 21 日 起案者 柳谷 電話番号 406
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北米課長

在 米 朝 海 臨時代理 大使 宛 小坂 大臣 務 総 領 事

電 報 在 大 公 使 宛 総 領 事

21 31  
 信 課  
 電 方 濟  
 検 閱

件 名 フライズ修正案報告書調査方針の件

貴地 18 日 宛 石塚 毎日 特派員 電 によれ  
 ば、米下院軍事委員会は、近く下院本会議  
 に提出 ~~する~~ 予定の ~~修正案~~ フライズ  
 修正案に関する報告書の内容を明かす

外務省 37.5.22  
 30 ページに添付

したがして、その概要を報じているところ、  
 本件報道は日本国内及び沖繩において  
 種々の反響を呼びおこすについては、同報告  
 書の要旨をやり返し回電ありたく、テキスト  
 空送ありたい。

主管課長へ

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡ごう

電信写

37 12541 平 重北  
フシントン 5月21日 2000巻  
本省 22日 1044着  
小坂大臣 朝海大使

プライス<sup>修正</sup>法案に関する件

オノノノ号 至急  
貴電オノノ号に開レ

下院軍事委員会のプライス議員より下院に提出されたプライス法案(H.R. 10937)に関する報告書(report no. 1684)の要旨次の通り(報告書2日便パウチにて空送する)。(数字は新章を表わすため当館にて付した)

1. PURPOSE OF THE BILL

本法案の目的は大統領の承認する諸計画に従って毎年支出を費せられる金額を600

小泉  
林川井  
fu

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万ドルから2,500万ドルに増額することにある。

2. BACKGROUND OF THE LEGISLATION

(1950年7月12日大統領の承認した公法<sup>86-629</sup>を簡単に説明している)

3. NEED FOR THIS LEGISLATION

琉球諸島に引き続き行政権を行使する理由はその米國及び自由世界に対する絶大な戦略的価値あり、沖縄の基地付絶対必要(essential)である。

(2) INCREASING CONCERN

米政府評決において沖縄の軍事的安全保障と米國の治下の安定に関する憂慮の念が増大している。また沖縄の軍事的機動性を大きく損うおそれのある諸条件の崩壊が認められ、琉球住民の不満が増大しつつある兆候もある。

(2) TASK FORCE FINDINGS

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(沖繩に関するタスク・フォースの設置と  
その結論を略述している)

(3) APPROPRIATIONS

前記タスク・フォースは現在の経済援助の枠を、500万ドルのレベルに引き上げるべきであるとの結論を出した。もしも議会が本法案を承認すれば更に検討を行なつた上最初の増加分として1963会計年度600万ドルの追加提案が考えられている。これは既に議会に提出された600万ドル支出要請の上<sup>積</sup>である。しかしながら 'Administration, Ryukyu Island, Army' 関係の支出に基づく追加経費が今後4年間年額1,000万ドルに1,200万ドルになり、更にそれに加えて1回限りの支出として400万ドルに500万ドルの臨時経費の支出がある年(多分1964年)のあることが考慮されている。

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4. VARIABLES

見續りに中をもたせてあるのは (A) 援助取極めに関する日本政府の決定 (B) 琉球政府との調整および (C) 災害救済の程度の3つの変数的要因に基づいている。これらの結果いかんによっては最大の経費を要する年度においては1,900万ドルの最大限追加を要し現在の600万ドルに加え合計2,500万ドルを要する場合も生じ得る。

5. THE RYUKYU ISLANDS (琉球諸島の地勢、人口等が略述されている)

6. UNITED STATES AUTHORITY IN THE RYUKYUS

(1) 1945-52 (要旨略)

(2) 1952 TO PRESENT (要旨略)

(3) RESIDUAL SOVEREIGNTY

沖繩に関する日米両国の関係のすべての基礎は平和条約が基に基<sup>づ</sup>いている。同条約が基<sup>づ</sup>く関係において領土権の完全な放棄が

小林(手)

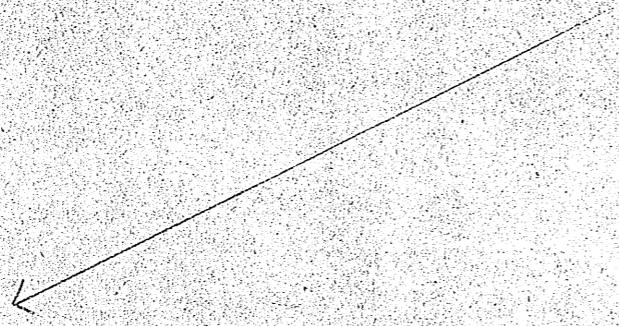
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アノトハシガ沖繩の場合に依然として日本側  
ニテハものゝかが残っている。これをダレス  
「残存主権」と述べたが、この言葉は国際法  
上正確な述語ではない。(以下原文通り)

THIS IS NOTHING MORE THAN A KIND OF FORMAL  
TITLE OF A SOVEREIGN AND DOES NOT CONFER ON JAPAN  
ANY RIGHT TO EXERCISE ANY TRUE SOVEREIGNTY. IN LAY  
LANGUAGE, IT CAN BE SAID THAT WHAT JAPAN RETAINS  
WITH RESPECT TO THE RYUKYUS IS THE RIGHT TO  
EXPECT THAT THE UNITED STATES WILL NOT TRANSFER  
THE RYUKYUS, INCLUDING OKINAWA, TO ANY THIRD PARTY.



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(4) RYUKYUS NOT U.S. TERRITORY

琉球諸島は日本がかつて割譲したことは  
ないから米国の領土ではない。従つて連邦  
裁判所も琉球諸島を外国又は外国領土と宣  
言している。

(5) EXECUTIVE ORDER NO. 10713

(要旨略)

(6) 'DE FACTO' SOVEREIGN

(要旨略)

(7) ADMINISTRATION NOT TEMPORARY

1953年12月のダレス言明以来琉球  
の統治とそれによつて生ずる責任が本質的  
に一時的のものでないことは明々白々と存  
つてゐる。

7. STATEMENTS RE U.S. TENURE IN THE RYUKYUS

(1953年12月24日のダレス声明より)  
1962年3月19日のケネディ大統領声  
明に到る神繩関係の声明12を掲げてゐる。



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8. TWO 'GOVERNMENTS' IN THE RYUKYU ISLANDS

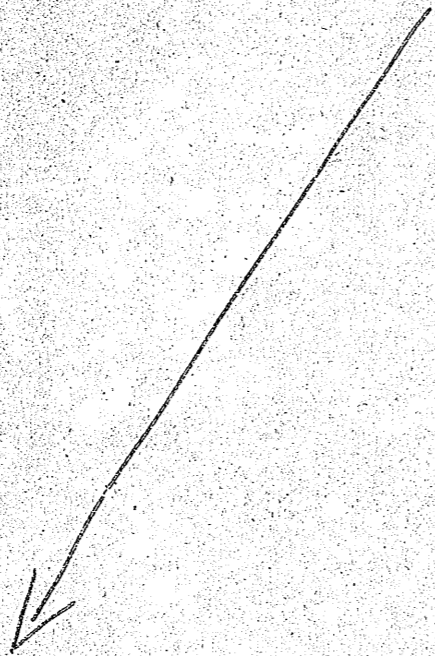
(要旨略)

9. REVENUE OF THE GRI

(要旨略)

10. REVENUE OF THE CIVIL ADMINISTRATION

(要旨略)



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11. THE USCAR CORPORATIONS AND BUSINESS-TYPE

OPERATIONS (要旨は略。なお USCAR は US CIVIL ADMINISTRATION OF THE RYUKYUS の略。)

12. WHAT ARE RYUKYUS TO UNITED STATES?

(1) MOST IMPORTANT MILITARY BASE

沖縄は如何なる基準に従ってき極東の最も重要な基地でありこれを失えば事実上米国の軍事体制のあらゆる要素について根本的変革を必要とし単に太平洋における米国の攻撃力及び防衛力のすべての面に影響を及ぼすのみならず沖縄及び太平洋から離れている軍事施設についても重大な変更を必要とする如き一連の連鎖反応を惹起するであろう。従って沖縄の軍事的重要性はいくら強調されても強調され過ぎるという事はない。

(2) OKINAWANS NOT ENEMIES

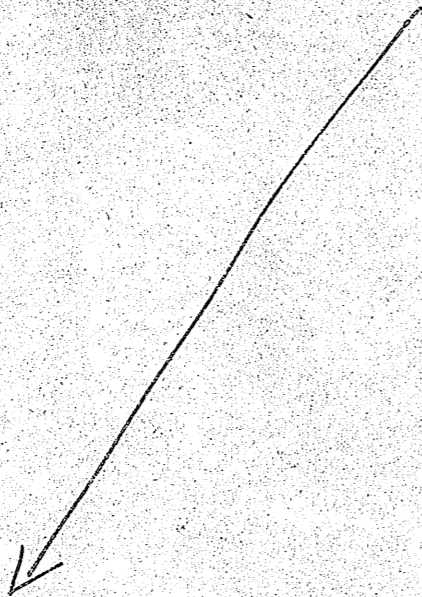
沖縄統治権の結果これに附随して諸々の

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電信写

責任が発生した。沖縄が日本の一部であり日本は米国の敵国であったことは事実でありが沖縄人自身は全体としては米国の敵ではなく日本の行った軍事活動に参加するところから実際上また心理上ある程度離れていた。  
(以下原文)



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PERHAPS IT WOULD NOT BE FAR FROM THE TRUTH TO SAY THAT THE OKINAWAN PEOPLE INNOCENT VICTIMS IN THE WAR BETWEEN THE UNITED STATES AND JAPAN.

(3) RELATIONSHIP UNIQUE

米国の琉球との関係は米国の歴史に於て争突上類例が無いものであるから従来の外国関係から沖縄との関係を比較することは不可能である。沖縄は民主主義のコーナーストーンであり世界注視の中心にあって米国は本體につき欠けるところがあつては存しない。

(4) LARGE U.S. INVESTMENT

米国は非常に大きな金融投資を沖縄に有しておりこれは前述の考慮の如き重要性は持っていないが確に重視されては存しないものである。

13. SPECIFICS (本項全文別添する)

1963 会計年度必要と見積りされている費目及び金額は次の通りである。

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(1) AID TO THE RYUKUAN ECONOMY. (1200 万ドル)

(A) REIMBURSEMENT FOR GOVERNMENT SERVICES

(94万5千ドル)

(B) CONTRIBUTION TO GOVERNMENT PROJECTS (963万ドル)

(C) DISASTER RELIEF (100万ドル)

(D) TECHNICAL EDUCATION AND TRAINING AND  
TRANSPORTATION OF COMMODITIES (30万ドル)

(E) TECHNICAL COOPERATION (12万5千ドル)

(2) 1963会計年度の行政費として190万ド  
ルが計上されている。本法案が承認されれば  
この費目においてさらに追加増額が要請さ  
れるであろう。この追加額の半分は民政官  
を含む増員のための給与分であり残りは増  
員に伴う人件費増額と沖縄住民に対する情  
報活動の強化計画に当てられる。

14. REASON FOR INCREASE

(要旨略)

15. COMMITTEE POSITION

外務省

主管課長へ

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電信写

委員会は本件立法を強く支持するものであ  
る。

FINALLY, THE COMMITTEE WISHES TO MAKE CLEAR THAT  
ITS APPROVAL OF THIS LEGISLATION IS GIVEN WITH THE  
CLEAR UNDERSTANDING THAT U.S. ADMINISTRATIVE CONTROL  
OF THE RYUKYUS AND THE CONTINUED MAINTENANCE AND  
OPERATION OF THE U.S. BASE THERE ARE INSEPARABLE,  
AND THAT, THEREFORE, THE UNITED STATES WILL CONTINUE  
TO RETAIN ITS JURISDICTION OVER THESE ISLANDS SO LONG AS REQUIRED  
BY THE SECURITY INTERESTS OF THE UNITED STATES.

(3)

配布先

大臣次官外務官房長官米次長米国情各局長  
重審米参事参総重北米保北米各課国政情道  
内

外務省

主管課長へ

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電信写

37	12543	平 亞北
	ウシントン	5月21日2030着
	本 省	5月22日1054着
	小坂大臣	朝海大使

プライス法修正案に因る件

オ1118号(オ1111号別電)  
(以下別紙英文の通り)

配布先 大臣、次官、外審官、局長、亞米、  
政、条、口、情各局長、亞審、米參、  
条參、総、亞北、米北、保、条各課、  
口政、情道、内

主管課長へ

電信写

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SPECIFICS

THE COMMITTEE NOW WISHES TO DELINEATE AT THIS POINT IN THE REPORT THE EXACT SUMS OF MONEY WHICH ARE ESTIMATED TO BE REQUIRED FOR FISCAL YEAR 1963 AND TO INDICATE WITH REASONABLE PRECISION THE USES TO WHICH THESE SUMS WOULD BE PUT.

AID TO THE RYUKYUAN ECONOMY, \$12 MILLION

(A) REIMBURSEMENT FOR GOVERNMENT SERVICES, \$945,000. --- TO REIMBURSE THE GOVERNMENT OF THE RYUKYU ISLANDS FOR EXTRAORDINARY EXPENSES IN THE FIELDS OF PUBLIC HEALTH AND SAFETY RELATED TO THE PRESENCE IN THE RYUKYUS OF U.S. FORCES.

(B) CONTRIBUTION TO GOVERNMENT PROJECTS, \$9,630,000 --- TO PROMOTE THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE RYUKYU ISLANDS PURSUANT TO PUBLIC LAW 86-629 THROUGH CONTRIBUTIONS PROVIDING ADDITIONAL AND IMPROVED EDUCATIONAL FACILITIES, TEACHERS' PAY, PUBLIC HEALTH AND MEDICAL PROGRAMS, PUBLIC SAFETY MEASURES, SOCIAL WELFARE ACTIVITIES, PUBLIC WORKS AND ECONOMIC DEVELOPMENT \$4 MILLION OF THIS AMOUNT IS REQUIRED FOR CAPITAL AUGMENTATION OF TWO ESSENTIAL PUBLIC CREDIT INSTITUTIONS.

(C) DISASTER RELIEF, \$1 MILLION, --- TO PROVIDE

外務省

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FUNDS ON A CONTINUING BASIS TO MEET THE UNPREDICTABLE HAVOC OF TYPHOONS AND OTHER NATURAL DISASTERS TO WHICH THE RYUKYUS ARE SUBJECT.

(D) TECHNICAL EDUCATION AND TRAINING AND TRANSPORTATION OF COMMODITIES, \$300,000 --- TO PROVIDE SELECTED RYUKYUAN LEADERS SOME FIRSTHAND EXPERIENCE OF VARIOUS ASPECTS OF AMERICAN LIFE, TO TRAIN TECHNICIANS TO ALLEVIATE THE SERIOUS SHORTAGE EXISTING IN THESE ISLANDS, AND TO PROVIDE THE NOMINAL COST OF OCEAN TRANSPORTATION FOR WELFARE SUPPLIES DONATED TO THE RYUKYUAN PEOPLE BY U.S. VOLUNTARY AID ORGANIZATIONS.

(E) TECHNICAL COOPERATION, \$125,000 --- TO PROVIDE A QUALIFIED GROUP OF EDUCATORS TO ASSIST THE UNIVERSITY OF THE RYUKYUS, AND TO OBTAIN NEEDED ADVISORY SERVICES IN AGRICULTURE, FORESTRY, ANIMAL HUSBANDRY, FISHERIES, AND INDUSTRY.

IN ADDITION TO THE FOREGOING AMOUNTS, \$1,900,000 HAS BEEN REQUESTED FOR FISCAL YEAR 1963 TO PROVIDE PERSONNEL, OPERATING EXPENSES, AND FACILITIES FOR THE HIGH COMMISSIONER OF THE RYUKYU ISLANDS TO ADMINISTER THE PROGRAM AND POLICIES REQUIRED UNDER PUBLIC LAW 86-629. SHOULD H.R. 10937 BE ENACTED INTO LAW, SOME ADDITIONAL REQUEST WOULD BE MADE TO THE CONGRESS

TO COVER THE EXPENSES INVOLVED IN THE EXPANDING EFFORTS

REFLECTED

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IN THE BILL.

HALF OF THIS ADDITIONAL REQUEST WOULD BE FOR THE  
PAY OF ADDITIONAL PERSONNEL INCLUDING THE NEW CIVILIAN  
CIVIL ADMINISTRATOR. THE BALANCE PROVIDES RELATED  
INCREASED TRAVEL AND OPERATING EXPENSES, AND AN EXPANDED  
INFORMATIONAL SERVICE MORE EFFECTIVELY TO INFORM THE  
RYUKYUAN PEOPLE OF THE CHARACTER, OBJECTIVES, PROGRAMS,  
AND RESULTANT BENEFITS OF THE U.S. CIVIL ADMINISTRATION  
AND THE GOVERNMENT WHICH IN REPRESENTS.

BELOW IS SET OUT A TABLE WHICH SHOWS APPROPRIATIONS  
FROM 1959 TO DATE AND THE ADDED \$6 MILLION WHICH WOULD  
BE REQUESTED FOR FISCAL YEAR 1963 IF THIS BILL IS  
ENACTED INTO LAW.

(7)