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)

（原文は縦書）

ペンハヤシ　茶碗主様の下さる

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こう

電信写

亜北

37　　12833
ワシントン　5月24日　1945年
本　省　25　0907着

小坂大臣　朝海大使

『プライス法の下院通過に関する件』

第1150号　（平）

往電第1060号に関し

24日下院はプライス法を原案のまま発声採決多数にて承認した。

（了）

配布先　次官、外務、官房長、米、条、条、情各局長、条次、米参、条参、欧、米北、欧亜、条米力、条各課

外務省

アジア局長
審議官
総務参事官
北東アジア課長

政オ2962号
昭和37年5月21日

外務大臣　殿

在米
朝海大使

下院に提出されたプライス報告書送付の件

5月21日付往電オ1111号に関し、プライス報告書写2部別添送付する。

別紙添付

添付なし

文書課受信印 37.5.25 1130

北東アジア課 37.5.26

電信番号 亜北 在外公館 1150

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こう

37　15158　略　亜北

ワシントン　6月20日21,50発

本　省　6月21日11,10着

小坂大臣　朝海大使

プライス法の下院通過に関する件

第1382号

往電第1150号に関し、

1、14日プライス法案に関する聴聞会が上院軍事委員会において行われ、エールズ陸軍次官、ジョンソン国務次官代理等が証言を行なったが、同聴聞会の議事録（速記会社によるもの）を入手したので其の概要を別電する（同議事録22日便にて空送する）。

2、20日国務省関係者は館員に対し同聴聞会の模様につき次の如く語った。

(1) 本公聴会においては微妙な問題が

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採り上げられるため政府側は秘密会にする旨があったが、これが認められず結局公聴会となった。

(2) 本法案の提案者たるプライス議員の努力により下院の審議は大過なく終了したが、軍事委員会はこれと異なり聴聞会においても沖縄問題についての政府の方針を批判する強い意見が表明された。上院側は

(イ) 毎年2500万ドルの金額が必ずしも支出される訳ではないのに何故かかる高額な経済援助の枠を引き上げることが必要とされるか、および

(ロ) 沖縄の究竟的な地位との関連で多額の経済援助を行うことは理由があるか、この点についての米国の基本政策如何

の二点について質問を行い、委員特にTHURMOND委員（サウスカロライナ選出民主党）は特に右記(ロ)の点について強硬な意

主管課長へ
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電信写

37　15160　(平)　亜北

ワシントン　6月20日2200発
本省　21日1117着

小坂大臣　朝海大使

プライス法の上院通過に関する件

第1383号

往電第1382号に関し、

1. 軍事委員会聴問会はRussel議員が司会し、各委員（主としてSaltonstall, Thurmond, Stennis議員）の質問に対し、大部分Aiken陸軍次官が答えた（平和条約の解釈に関する部分はJohnson国務次官代理が答弁）。

2. 同聴問会の模様を概略すればSaltonstallおよびThurmond両議員は平和条約の解釈および米政府の対沖縄基本政策を強く非難したがこの日委員会全体の空気とは見えず寧ろ

(左伯)

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電信写

見を述べ池田総理訪米時行なわれた沖縄問題に関する国務省のアレンジメントを含めて政府の対沖縄政策を厳しく批判し沖縄問題に関し日本側との協力体制に入ることが米国の利益に資するとの政府側の主張を完全には納得しなかった様子であった。

(3) かゝる委員会の空気については国務省も憂慮しており現段階においては同法案が無修正で通過するか否かについても断言出来ないが政府としてはその実現のためになお一層努力する方針であり、円滑に事が運ばれることを希望している。

(4) なお、次回聴問会（秘密会）は21日に予定されている。(3)

配布先　次官、外務、官房長、条約、経済、情報、条約局長、
在米、条務、条務総、米北、政策、在米大、
条局課、亜北

主管課長へ

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至済援助につき、なんらかの措置をとると云う政策自体については全員賛意を表しつつも、援助増額の程度が政府側の提出した資料より勘案し、多過ぎるとの意見が優勢側的であった点が注目される。

3. 政府側は沖縄の戦前戦後における至済的比較、現在の沖縄と日本の他県との間の比較（総所得または個人所得等）、沖縄と本土との課税負担上の比較、米軍資産用有に対する支出、米軍の調達支出金、沖縄における産業投資等に関し各議員よりの質問に答えたが、資料不充分として、更に詳細な資料の提出を要求された。これは秘密会において提出されることとなっている。

4. Saltonstall 議員の沖縄の日本帰属に関する質問に対し、Riles 陸軍次官は、平和条約によれば米国が沖縄を必要としなくなった後沖縄は国連の信託統治地になるであろうと

（15/160 の2）

外務省

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述べたが Johnson 国務次官代理はこれを訂正し次の通り説明した。

(1) 平和条約交渉当時は米国の施政権返還後沖縄が独立的地位を望むか、日本との関係を求めるかは不明確であったので、第3条の如き規定となったが、その後沖縄が後者を選ぶことが明確となった。国連は沖縄になんらの権限も有せず、沖縄が国連に帰属するかも知れないとの考えは正しくない。かかる権限はかつて存在しなかったし、現在もない。従って残存主権の処理は純然たる日米間の問題である。

(2) 沖縄長期駐留に関する1953年12月24日のダレス長官、1954年1月7日のアイゼンハウアー大統領および1955年12月30日のブリッカー陸軍長官の各ステートメントに現われた米政府の政策は現在でも不変である。

（15/160 の3）

外務省

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(3) 池田総理訪米の際ケネディ大統領は残存主権が日本にある旨述べたがわれわれは軍事情勢が必要とする限り沖縄にとどまる意思を持つことと、不必要となった場合には沖縄が日本に帰属すべきことの2点を明確にしている。

(4) 日本帰属が実現する場合沖縄が日本より大きく立遅れていることは望ましくなく、後って円滑に日本に復帰(smoothly fit back)することを可能とさせることが本法案の一つの目的である。

(5) 日本政府側においては住民の福祉に対する関心を示したいとの意嚮が見られるがこれは理解され得ることである。

5、Stennis 議員の発言

沖縄を国連に与えるとか、日本に返還するとかについて、われわれは心配する必要はない。われわれは沖縄を太平洋の武器庫とし

(15160 つゞく)

外務省

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たのであつて、われわれがこれを長期に亘り使用するであろうことは誰でも知つていたことであると考える。

6、Jackson 議員の発言

多くの困難は残存主権などと述べたことから生じており、これを繰返しているうちに沖縄が今にも日本に返されるであろうとの感じが日本国内に生じ実際よりも早く返還の時期を設定した結果になつたと考える。

7、Thurmond 議員の発言

(1) 平和条約は日本の残存主権を規定しておらず、何故アイゼンハウアー、ケネディ両大統領らがかかる立場をとつたか了解に苦しむ。彼等の言明によつて日本は米国が日本の主権を認めつつあると感じているのである。われわれはこれを放棄することを考えるべきではない。

(15160 つゞく)

外務省

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(2) ケネディ大統領は今年3月19日のステートメントにおいて"日本の完全主権への回復"と述べたが大統領にはかかる言明を行なう権限は与えられていないはずである。

(3) 日本は沖縄を放棄したのであり、軍事要請が消滅した場合においても、これを日本に返還する必要は必ずしもない。

(4) 1960年沖縄の停留における日本国旗掲揚問題が生じた際、自分はアイゼンハウアー大統領に激しく反対の抗議を行ったが、昨年これが実現したことを知り、心外に堪えなかった。国旗掲揚を認めることは残存主権の承認の一態様である。(これに対しRussell議長はパナマでも同様の事例があったことを指摘し、これが米国の外交政策の一つであると注意した)。われわれは沖縄に無期限にとどまるのであるが、そうでないことを示唆する如き如何なる措置をとることも大

(1466039)

外務省

主管課長へ

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きな誤りと考える。

(3)

配付先　次官、外務、官房長、米亜、条、情報局長、米参、亜次、条参、総、亜北、米北、欧亜、米カ、条局課

(1466040)

外務省

アジア局長
審議官
総務参事官
北東アジア課長

北米課長

政第3643号
昭和37年6月21日

外務大臣　殿

在米
朝海大使

上院軍事委員会におけるプライス
法案聴問会に関する件

往電第1382号に関し、
本件議事録別添送付する。

付属物空便（行）

北東アジア課
37.6.25

37.6.25

559

回覧番号 在外公館
亜北 1572

Vol. 1

The United States Senate

Report of Proceedings

Hearing held before

Committee on Armed Services

NOMINATION OF JOHN T. McNAUGHTON TO BE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

- - - - -

H.R. 10937

TO AMEND THE ACT PROVIDING FOR THE
ECONOMIC AND SOCIAL DEVELOPMENT IN THE RYUKYU ISLANDS

Thursday, June 14, 1962

Washington, D.C.

WARD & PAUL
OFFICIAL REPORTERS
1760 PENNSYLVANIA AVE., N.W.
WASHINGTON 6, D.C.

PAGE

H.R. 10937

To Amend the Act Providing for the
Economic and Social Development in
the Ryukyu Islands

The Honorable Stephen Ailes,
Under Secretary of the Army 3

The Honorable U. Alexis Johnson,
Deputy Under Secretary of State
for Political Affairs

NOMINATION OF JOHN T. McNAUGHTON
TO BE GENERAL COUNSEL OF THE DEPARTMENT
OF DEFENSE

- - - - -

H.R. 10937
TO AMEND THE ACT PROVIDING FOR THE
ECONOMIC AND SOCIAL DEVELOPMENT IN
THE RYUKYU ISLANDS

- - - - -

Thursday, June 14, 1962

United States Senate,
Committee on Armed Services,
Washington, D. C.

The Committee met, pursuant to notice, at 10:30 a.m., in Room 212, Senate Office Building, Senator Richard B. Russell (Chairman) presiding.

Present: Senators Russell (presiding), Stennis, Symington, Jackson, Thurmond, Cannon, Byrd (of West Virginia), Saltonstall, Smith and Beall.

Also present: Harry L. Wingate, Jr., Chief Clerk; William H. Darden, Professional Staff Member; Herbert S. Atkinson, Assistant Chief Clerk; T. Edward Braswell, and Gordon A. Nease of the Committee Staff.

Lt. Colonel John D. Sitterson, Office of the Under Secretary of the Army; and

Chairman

Chairman Russell. The next item on the agenda is H.R. 10937.

This proposes to amend the 1960 Act authorizing the assistance to the Ryukyu Islands by increasing the amount authorized to be appropriated from $6 million a year to $25 million in order to develop the islands.

This is a legislative proposal of the Department of Defense, and we have been advised that the enactment of the bill would be in accordance with the program of the President of the United States.

The principal witness before the Committee this morning will be the Honorable Stephen Ailes, who is known to all of you Under Secretary of the Army.

The Chair understands that perhaps there is some classified material involved in his testimony and in that case we may be compelled to go into Executive session.

There is another small bill pending before the Committee that is rather important, in addition to two extremely important reports of subcommittees, so I hope that the members of the Committee will not leave under the impression that they have concluded the work today when we hear Mr. Ailes' testimony. There are two very important reports from subcommittees.

We will be glad to have you, Mr. Secretary, and you may proceed to make such statement as you desire.

(The bill, H.R. 10937 referred to follows:)

STATEMENT

STATEMENT OF THE HONORABLE STEPHEN AILES,
UNDER SECRETARY OF THE ARMY

Mr. Ailes. Thank you, Mr. Chairman.

I have an unclassified statement which I will be glad to make and if you do want me to go further then I have a classified statement I can make to the Committee if desired.

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 which will enable us to discharge our responsibilities by increasing economic assistance to the Ryukyu Islands.

This Committee is particularly well qualified to appreciate the military value of the Ryukyus. You are aware that the only reason which the United States has for continuing to exercise in the Ryukyus those plenary rights of administration granted by Article 3 of the Treaty of Peace with Japan is the singular strategic value of these islands to the security of the United States and the Free World.

The military importance of this island group stems not only from its central geographic location with respect to vital areas of the Far East, but also from our right to deploy and utilize there our forces of all types, as

we

we think best.

Our base on Okinawa provides us the ability to bring our military power to bear rapidly in the event of aggression. As the President stated on March 19th 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 purely military reason and this reason alone that we must maintain administrative authority over the Ryukyu Islands. We must continue to maintain it as long as the military requirement persists.

The Ryukyus are not well endowed with nature's riches; the population ekes out a living from the soil under the most difficult of conditions.

These small islands are among the most thickly populated in the world; moreover, necessity forces us to use over 10 per cent of their total arable land for military purposes, even though we try to keep our land use to an essential minimum.

The Ryukyuans have been severed from the homeland, Japan, and have not shared in the impressive economic recovery which Japan has enjoyed. Although they have

enjoyed

enjoyed great progress under U.S. administration, they have not received the subsidies from the Japanese government which the Japanese prefectures receive and they have not had the benefit of the social welfare programs open to all Japanese.

Even though under United States control, they are not a part of the United States community, and there is nothope of their becoming a part.

The military exigencies which prompted our decision to retain administrative control of the Ryukyus have lasted 17 years and bid fair to last for an indefinite time in the future.

On visiting the Ryukyus last July, I observed the concern of our responsible officials on the scene for the stability of our position there. There were portents which appeared to place in doubt the military freedom of action which we now enjoy in that area.

There were evidences of growing dissatisfaction among the Ryukyuan people. There were increasing expressions in the press and from the political arena of the Ryukyuans' desire to return to Japan.

It was clear to our responsible people on the scene that one of the principal underlying causes was the growing conviction in the Ryukyus that the United States was

not

not, in the words of Executive Order 10713 and Public Law 86-629, making "every effort to improve the welfare and well-being of the inhabitants of the Ryukyu Islands" and "to promote their economic and cultural advancement."

Chairman Russell. Mr. Secretary, would it disturb you if Senator Saltonstall asks a question?

Mr. Ailes. No, Sir.

Senator Saltonstall. I appreciate the Chairman's question.

Could I interrupt you to ask one question as we listen more thoughtfully. What is the racial background of the inhabitants of the Ryukyu Islands? There are 900,000 of them, I see.

Mr. Ailes. Yes, Sir.

Senator Saltonstall. What are the racial backgrounds?

Mr. Ailes. They are essentially Japanese. They were a prefect of Japan before the war. Perhaps people who have lived there forever can tell the difference between a Ryukyu and the Japanese, but they are very closely related ethnically.

Senator Stennis. This is Okinawa?

Mr. Ailes. Yes, sir. Okinawa is the principal island in the group and it has about three-quarters of the population on it.

Chairman Russell. At the time of the invasion of

Okinawa

Okinawa I read many times that the natives there were of slightly different ethnic groups than the Japanese.

I could have been in irror. But I read it a dozen times or more they were a different ethnic background. They were not pure Japanese.

Mr. Ailes. I guess there is a problem of what is pure Japanese. The Japanese are different depending upon what part of Japan you come from or whether you come from the islands in the north. But they had been a part of Japan.

Chairman Russell. Oh, yes.

Mr. Ailes. For a considerable period of time prior to the war.

Chairman Russell. Well, the Japanese originally just got them like we do, though, by conquest.

Didn't they take them away from Formosa of the Chinese?

Mr. Ailes. Well, the Ryukyuan Islands were a part or had a relationship with the Chinese at one stage for a considerable period of time. But then they were independent, and there were a series of kings or rulers. Then they developed as I recall, some sort of a relationship with Japan, and whether the Japanese actually conquered them or not, I don't know.

May I ask that question, does anybody know?

Colonel McCabe. Yes, sir, they were taken by the

Japanese.

Japanese. By war they simply moved into the islands.

Chairman Russell. Thank you. I thought I had some recollection of it.

You may proceed, Mr. Secretary.

Mr. Ailes. Thank you, sir.

The Ryukyuan people make frequent references to the economic advantages of their cousins in Japan, who have enjoyed during the past several years an extraordinary degree of prosperity.

As a result of the concern of the High Commissioner, Lt. General Caraway, an interdepartmental task force was established last August to investigate the extent to which economic and social conditions contribute to the dissatisfaction of the Ryukyuans, and to determine what steps are necessary to improve the position of the United States there.

The Chairman of this group, of which I was the Defense member, was Carl Kaysen of the White House staff, now Deputy Special Assistant to the President for National Security Affairs.

Mr. Kaysen and a working team spent several weeks in the Ryukyus examining the facts first hand. After meeting with representatives of the entire spectrum of the Ryukyuan population, conferring with the High Commissioner and his staff and with the U.S. Ambassador

in

in Tokyo, the group made a series of recommendations. These were endorsed subsequently by the Task Force and by the respective Departments and have been approved by the President.

I would like to make it clear that the conclusions of this report as to the possibilities of the future are not pessimistic in character, provided certain steps are taken.

The report does, however, strongly recommend that certain steps be taken, and taken promptly. One aspect of the program, and the aspect most pertinent here, is the need to increase our economic assistance to the Ryukyu Islands above the $6 million limitation of PL 86-629, known as the Price Act.

That is the purpose of this legislation, is to remove that limitation.

Let me review briefly the Price Act and its background. Prior to adoption of the Price Act, the Congress made annual appropriations for assistance to the Ryukyus, but in the absence of specific authorizing legilation they were subject to points of order.

It became evident, therefore, that some basis in law should be provided to support the appropriations, and also to permit the retention and expenditure of the revenues of the Government of the Ryukyu Islands and of

the

the U.S. civil administration.

Actually the Price Act did not change anything but gave legislative sanction to a de facto situation. Section 1 of the Act provided,

"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."

The Act authorized up to $6 million to be appropriated annually for the Ryukyus.

In effect, this became a limitation, although Congressman Price himself stated on the hearings of this proposed amendment we recently had in the House, "those that worked on it didn't consider it as a limitation " but "as doing something for Okinawa, to encourage at least that amount of expenditure."

Accordingly, we respectfully submit at this time that the annual limitation of $6 million contained in Section 4 of the Act should be raised.

The Task Force, after reviewing and studying the economic situation in the Ryukyus, concluded that the

Price

Price Act limitation must be increased to a level of $25 million.

If the Congress approves H.R. 10937, additional economic assistance of no more than $6 million is proposed for fiscal year 1963, as the initial increment of increased economic assistance, pending further studies and related actions. This is over and above the $6 million appropriation request which has been submitted to the Congress, which is part of the budget.

The original $6 million request would provide $945,000 for reimbursement to the Ryukyuan Government for extraordinary services performed in the fields of public health and public safety because of the presence of, and for the benefit of our forces in the Ryukyus; contributions toward medical facilities and programs of approximately $1.25 million; education facilities, about $1.5 million; approximately $2 million for public works and economic development; and a little over $300,000 for technical training and technical cooperation.

The additional $6 million which will be requested, subject to the approval of the proposed amendment, will be employed as follows: $1 million for urgently needed projects in the fields of education, public health, public works and economic development; $4 million for capital augmentation of the two principal lending public institutions in the Islands to promote capital formation and

assist

assist small business; and $1 million, on a no-year basis, for disaster relief and rehabilitation.

Additional yearly costs under the "Administration Ryukyu Islands, Army" (ARIA) appropriation could be $10 - $12 million in the subsequent four years, plus possible one-time costs of $4 - 5 million, which may occur in Fy 1964.

Such additional funds will be employed to finance accelerated economic development programs and for contributions to much needed welfare programs.

The spread of the estimates is due to variables which are dependent on the following factors:

(a) the resolution of arrangements for assistance by the Government of Japan;

(b) coordination with, and certain actions by the Government of the Ryukyu Islands; and

(c) requirements for disaster relief.

Dependent on the outcome of these, it is possible that an appropriation requirement for up to $19 million additional could arise in the year of greatest cost, entailing a maximum total of $25 million in that year.

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 the educational facilities

in

in many areas of Japan are found wanting, even a modest retirement program for Ryukyuan Government employees is out of the question, as is a pension program for its teachers, and other related social programs cannot be undertaken, under the present level of assistance.

Additionally, there are many areas lacking adequate water supplies and there are even some islands where the people after a drought of less than one month must bring water by boat from nearby islands.

The capital city of Naha with over 200,000 people, who are located on the island of Okinawa, has no sewer system other than open ditches. These are cited as examples of some of the basic needs of the Ryukyus.

The United States is not a colonial power. Our presence in the Ryukyus is not related in any way to any desire to acquire territories or to dominate peoples. While we are in the Ryukyus for purely military reasons, it is true that we do hold the ultimate political authority over some 900,000 people without their consent. In this situation, it seems clear to me that we of all people must take every appropriate step to see to it these people progress and prosper.

In summary, we are convinced that our interests and responsibilities in the Ryukyus call for a substantial increase in U.S. economic assistance.

The

The amounts needed, while greater than provided in recent years, are still small in comparison with what we have at stake. This is a special and unique case. Increased aid for the Ryukyus and for economic development there is essential. I believe that the steps that we propose are the right way to go about it.

I urge, therefore, that this Committee give favourable consideration to the amendment of Public Law 86-629 which has been submitted.

Chairman Russell. Mr. Secretary, what is the area of the Ryukyus under our control in square miles?

Mr. Ailes. The whole area of the Ryukyu Islands under our control, it is a small area, General Caraway made a direct, in his testimony, comparison. It is something like twice the size of New Jersey; anybody give me specific information on that?

Chairman Russell. I don't think it is near that large.

Senator Stennis. The House says Okinawa is 454 square miles.

Mr. Ailes. Total acreage of 542,000 of which 153,000 is arid.

Chairman Russell. I am not opposed to increasing this authorization of $6 million but I want us to do it with our eyes open. It is a fact, is it not, Mr. Secretary,

that

that prior to the war that the standard of living in Okinawa was far below that in the other prefectures of Japan?

Mr. Ailes. It was Japan's poorest prefectur as I understand it.

Chairman Russell. And they were having to haul water by boats then from island to island?

Mr. Ailes. Oh, yes.

Chairman Russell. There is nothing we have done to bring about that condition and the Japanese have done nothing to remedy it.

Mr. Ailes. There is no question about that, sir, and they are in far greater condition than they were before the war.

Chairman Russell. Yes, sir, we have not been niggardly there.

As I recall, we appropriated for and built an electric plant there and turned it over to them and then we buy the current back from them, isn't that correct?

Mr. Ailes. I am not sure about that, sir. I know we have done a great deal for the islands. They have a university there that they are very proud of, that they are responsible for. I think the U.S. has absolutely nothing to be ashamed of in the manner in which we have looked out for the people.

The

The problem is that nearby Japan has enjoyed a tremendous prosperity, and the Japanese Government now does, and I am not sure to what extend it did this in the past, but now certainly does make good provisions for the poorer prefectures. The people in Okinawa feel they are Japanese racially, and feel they would be far better off if they were part of Japan. And this is a source of difficulty to us, of course, and we feel that it is up to us to, if not try to apply a direct standard based on that comparison, at least to see to it that the difficulty, the difference is not too great.

Chairman Russell. How many civilians do we employ therein our various military operations?

Mr. Ailes. How many Okinawans?

Chairman Russell. Yes, sir.

Mr. Ailes. We can provide that. We have a great deal of backup material here, Mr. Chairman, that will take me just a minute to produce some of it but I can give you the precise figure.

Chairman Russell. All right, sir.

Mr. Ailes. As of September, 1961, our military activities, the appropriated fund activities employ 15,300. Our non-appropriated fund activies employ 10,000, that is a direct hire of 25,300.

Contractors

Contractors who work for us employ 8,000, and domestics and other personnel employees of our personnel add another 15,000, making a total of 48,300.

Chairman Russell. Have you any figures there to indicate the wages they receive.

Mr. Ailes. We have a figure on the contributions -- yes, sir, I can give you the wages.

Do you want the wage figures or the total amount of money that goes into the economy?

Chairman Russell. I want to get an idea about the wage scale. I was of the opinion we pay those who work for the Government more than --

Mr. Ailes. As of September, 1961, average hourly wage for the employees of our appropriatedfund activity is 34.46 cents per hour.

The average hourly wage of those who work for our non-appropriated fund activity is 27.03 cents.

The average appropriated wages is $66.61 and the non-appropriated $53.67.

Chairman Russell. Can you get or furnish for the record the pay scale in Japanese industry, textile and otherwise?

Mr. Ailes. Yes, sir, I am sure we can.

May Colonel Sitterson speak to that?

Chairman Russell. Yes, I would like him to. I am

not

not oppose to this bill. I am trying to get some facts. I think you are asking for too much money.

Mr. Ailes. Yes, sir, we are delighted to furnish all the information we got. Colonel Sitterson was a member of the working group that went to Okinawa when the study was made and I think it would be helpful if he could speak to it.

Chairman Russell. All right.

Colonel Sitterson. Mr. Chairman, I would like to compare our military employees on the Ryukyus to those in Japan.

The wage scales are not directly comparable because the Japanese in Japan, the Japanese employees receive a large number of fringe benefits and special compensations and they have separation, retirement provisions that is worth something in terms of compensation and current value.

All of these things added up give the Japanese employee of our forces their roughly a 50 per cent greater income than they receive in the Ryukyus. This comparison is made by the Ryukyuans also, and it is one of the causes of dissatisfaction.

Chairman Russell. How about the wages that the Japanese pay their own people in industry, have you got anything on that?

In the textile mills, what do they pay these girls

spinning

spinning this cloth they send over here?

Colonel Sitterson. Our wages are pretty much in line. We don't have statistics.

Senator Stennis. He said our wages.

Colonel Sitterson. The worker in Japan is much better off than either the civilian employee or, employed in private industry or, of our armed forces in the Ryukyus. I cannot support that with detailed statistics but that is a fact. I studied that.

Mr. O'Flaherty. May I provide a direct answer to your question?

Mr. Ailes. This is Mr. O'Flaherty, sir, who is with the Civil Affairs Office in the Islands.

Chairman Russell. Yes.

Mr. O'Flaherty. The average monthly earnings in private industry is $67.70.

Chairman Russell. $67?

Mr. O'Flaherty. That is what it is.

Chairman Russell. That is what I thought. I thought it was in the sixty dollars. I had that figure in mind and they work for more than forty hours a week, do they not?

Mr. O'Flaherty. That is right.

Chairman Russell. Whereas those who work for us work forty hours, do they not?

Mr. O'Flaherty. Yes, sir.

Chairman Russell. So there is no very vile discrimination here. They get a little more money for fewer hours work.

Senator Cannon. Mr. Chairman, would the Chairman yield?

Chairman Russell. Yes.

Senator Cannon. That $67.70 then is the figure that compares to the $66 that the secretary gave as the amount of the average month earning that we pay in the Ryukyus and Okinawa from appropriated funds.

Mr. O'Flaherty. No, sir, it compares with the average wage paid in Okinawa by the private industry which is $48. In other words, our pay scale is somewhat higher than that of the average private industry.

Senator Cannon. But the point I am trying to make from appropriated funds we pay in the Ryukyus $66 a month average, is that right?

Mr. Ailes. Yes, sir.

Senator Cannon. And the Japanese industry is $67.70 a month average, which is a dollar and seventy cents.

Chairman Russell. I thought he said the $66 was non-appropriated.

Senator Cannon. $66 was appropriated and non-appropriated was $53.

Colonel Sitterson. There is one statement I would like to make to clarify this. In addition to this the Japanese employee receives -- he does receive the benefit of social welfare type legislation and compensation later in life which has a value to him.

This is one of the basic differences between the two because our employees do not receive that.

Chairman Russell. The Secretary made that very clear.

If you will put the social security payments amount to it, it will help us with this record, I think I have it somewhere in my office.

Senator Symington, do you have a question?

Senator Symington. Thank you, Mr. Chairman.

Mr. Secretary, not too long ago there was a commotion about the fact that Okinawan residents were getting low wages. Has that been cleared up? I remember a figure of ten cents an hour.

Mr. Ailes. You mean from private industry?

Senator Symington. I don't know what I mean. But I do know that you are asking for more money to help the Ryukyu situation and we are talking about wages of $67. I saw a report from the Department of Labor where Okinawans were getting nothing or approaching that.

Then the wage scale was very low and very bad and I was wondering how embracing this improvement would be if--do you know the scales of the local people?

Mr.

Mr. Ailes. I am sure Mr. O'Flaherty does.

Mr. O'Flaherty, can you give any information on that subject?

Mr. O'Flaherty. Yes, sir, I can.

I gave the average, Senator Symington.

Senator Symington. What is the lowest wage you pay in the islands in Okinawa, hourly wage?

Mr. O'Flaherty. United States Government? Paid by the United States Government?

Senator Symington. Yes.

Mr. O'Flaherty. 26 cents is the average.

Senator Symington. 26 cents an hour?

Mr. O'Flaherty. Yes, sir. The average.

Senator Symington. That would be just over $10 a week, on the basis of a 40-hour week.

Mr. O'Flaherty. That is correct, sir.

Senator Symington. So when we talk about $66 and $67.50 and all this, that has nothing to do with the realities of what the people are getting there, does it?

Mr. O'Flaherty. $67 is the average in Japan paid by private industry, sir.

Chairman Russell. Our average is $66?

Mr. Ailes. Appropriated funds.

Senator Symington. That is to the people, not to the natives.

Chairman

Chairman Russell. No, sir, an American gets 20 per cent more than he gets here. What are you talking about?

Senator Symington. How do you get 26 cents an hour. Which is over --

Chairman Russell. That is what they paid an Okinawan. An American over there, none of them get less than $2 an hour.

Senator Jackson. They work more than 40 hours.

Senator Symington. I saw a report they were getting paid around ten cents an hour.

Chairman Russell. You mean an American?

Senator Symington. No, Okinawan.

Chairman Russell. It is erroneous.

Colonel Sitterson. Senator, if I may try to answer your question this way, the Government of the Ryukyus Islands the Government has not passed a minimum wage law, the U.S. forces do have minimum standards and the amount paid by U.S. forces has been furnished to you. The high commissioner there has been trying to work it, work the government of the Ryukyu Islands to deal off a minimum wage law and related legislation with it.

So it has not been adopted. There are some people who work, particularly in the rural areas, I saw some of them working on simple type dams and primitive type construction who were being paid as low as ten cents an hour.

This is correct. One of the things the task force had in mind was to try to use an influence to progressively, not in a revolutionary way, but in a very carefully planned

evolutionary

evolutionary way to raise these standards. But you are correct, Senator, it is very low at the present time.

Chairman Russell. You don't intend to pay subsidies to people working on private dams out in the country, do you, Colonel?

Colonel Sitterson. No, sir.

Senator Stennis. Mr. Chairman, before we leave that --

Chairman Russell. I have other questions.

Senator Stennis. I thought you were through.

Chairman Russell. No.

We have considerable military forces there.

Does this spending add to the economy in any way?

Mr. Ailes. Oh, yes, sir, I am sure it does. On Okinawa everybody recognizes that great benefits do come incidentally from our presence there, not only because of the people we hire but because of the sending of our military forces.

Chairman Russell. How much are you asking the budget this year for Okinawa.

Mr. Ailes. We have asked for $6. million. You mean for this economic assistance.

Chairman Russell. Yes.

Mr. Ailes $6 million, sir, and if this bill is passed, removing the $6 million limitation we would ask for an additionsl $6 million for fiscal 1963.

Chairman

Chairman Russell. So that would be $12 million.

Mr. Ailes. Yes, sir.

Chriaman Russell. So if you had authorization of $12 million so far as Fiscal 1963 is concerned you wouldn't -- that would cover it for 1963 but not for the long-range program that you envision?

Mr. Ailes. That is exactly right. That is exactly right.

Chairman Russell. Mr. O'Flaherty, you seem to have a good many figures and a good deal of information back there. I have some vague recollection about an electric plant we built there in Okinawa.

Do you know anything about that? It seems to me it costs three or four million dollars. We didn't authorize it but we put it in the appropriations bill.

Mr. O'Flaherty. Yes, sir. The requirement was actually for 24.5, approximately $24.5 million to build an 80,000 kilowatt plant. After several years of unsuccessful efforts to obtain funds for the construction of this plant, the Congress in fiscal year 1960 authorized an appropriation to the Secretary of the Army for loan to the Ryukyu Power Corporation which is really under the control of the High Commissioner as the principal civilian official, civil official on the islands.

This money was to be loaned by the Secretary of the Army to the Power Corporation and repaid to the United States Treasury. The balance of the requirement above 18 million

dollars

dollars to be derived from the earnings, the retained earnings of this power corporation.

The plant has not yet been constructed, Mr. Chairman.

It is expected that the bids will be let on the 28th of this month. There were several delays connected with the design and engineering contract but the power plant will be under way shortly.

Chairman Russell. Where are we getting our electicity at the present time?

Mr. O'Flaherty. We have a land-based plant, sir, which consists of a plant built in 1954, and augmented by a diesel or rather a power barge which operates on diesel fuel, and some auxiliary diesel engines, mobile power produced.

Mr. Ailes. If I remember, that power barge is literally, that is a shipt that is tied up.

Mr. O'Flaherty. It is a ship.

Mr. Ailes. Generating electricty.

Chairman Russell. I recalled a great deal of testimony about it in the appropriations committee but it was vague in my mind.

Will this authority that is building this plant, will they only supply our people or will they supply the local population?

Mr. O'Flaherty. This is for the total needs of the military and civilian.

Chairman

Chairman Russell. Where does the city of Naha get its power from now?

Mr. O'Flaherty. It gets it from the integrated power system which presently supplies both the military and civilian economy. The military takes preference. There is inadequate power now to meet civilian needs and certainly not to enable any economic development.

Chairman Russell. I was of the opinion it had been a very serious power condition there that we had tried to remedy by making some appropriations for it.

Mr. O'Flaherty. Yes, sir, it will be taken care of, it is being taken care of, Mr. Chairman.

Chairman Russell. Was this situation of those sewers in the city of Naha, was that brought about due to our action during the war or that is, that has always been the case there.

Mr. O'Flaherty. Mr. Chairman, the city of Naha was completely and, I mean, literally devastated.

Chairman Russell. Yes, sir, I remember that.

Mr. O'Flaherty. It was relocated actually at the convenience of our military operations requirements. So when it was rebuilt it was in this rather primitive stage in which the reconstruction was taking place, no provision was made for sewers.

Chairman Russell. But there were sewers there prior to the war?

Mr.

Mr. O'Flaherty. This is very doubtful, Mr. Chairman, I do not know.

Senator Cannon. I can answer that, Mr. Chairman, there was not, so I was advised.

Chairman Russell. That is what I had thought but I did want Mr. O'Flaherty to tell us.

Senator Saltonstall?

Senator Saltonstall. Mr. Chairman, I would like to ask two questions: The first question, under the treaty of peace with Japan, "The United States will have the right to exercise all and any power of administration, legislation and jurisdiction over the territory and inhabitants of these islands."

Now, that is Article 3 of the Treaty.

Mr. Ailes. Yes, sir.

Senator Saltonstall. And ultimately there is no — the Ryukyu Islands will go back to Japan, will they not, theoretically at least?

Mr. Ailes. That is not what the Treaty provides. The Treaty says after we no longer need them they will go to the United Nations as a trustee territory, I believe.

Senator Saltonstall. United Nations.

Chairman Russell. That is right.

Mr. Ailes. Yes, sir, but our Government has consistently recognized residual sovereignty in Japan, and I believe that

we

we have taken a position for some years that ultimately they will go back.

Senator Saltonstall. I bring that question up because --

Chairman Russell. We have made a flat statement to that effect by any authorized spokesman?

Mr. Ailes. Yes, sir, Mr. Dulles. I think we can provide both of those for the record.

Chairman Russell. That is all right.

I was just curious to know because I was of the opinion the United Nations had some rights in that and I didn't know how we could unilaterally divest them of any jurisdiction they had there.

I had assumed if we had no further use for them as a military base they would eventually go back to Japan.

Mr. Ailes. Mr. Chairman, I didn't notice that Mr. Alexis Johnson has come in. He is Deputy Under Secretary of State for Political Affairs and I am sure he would be delighted to answer any questions on this subject.

I didn't realize I had such support until I just turned around.

Mr. Johnson is right here.

Chairman Russell. You brought up the heavy reserves and now we are overpowered, but we will let him open fire.

Open fire, Mr. Johnson, on that.

STATEMENT OF THE HONORABLE U. ALEXIS JOHNSON, DEPUTY UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS

Mr. Johnson, Mr. Chairman, under the treaty of peace as Senator Saltonstall has noted, the price that Japan would agree to our seeking a trusteeship under the United Nations for the Ryukyu Islands.

In the presentations that were made to the Senate at the time of the ratification of the treaty, as well as the statements that Mr. Dulles at that time we negotiated a treaty made with the Japanese peace treaty made, he interpreted this as meaning that the residual soverignty, which was the term that was used, resided in Japan.

May I say at the time the treaty was being negotiated there was some uncertainty in our own minds as to whether the Ryukyus would ultimately seek an independent status or whether they would seek at such time as we might withdraw from there a relationship with Japan. It has become increasingly clear through the years since the negotiation of that treaty that the Ryukyuan people did not desire and are not seeking an independent status, but rather seek a relationship with Japan, and look forward at such time as we may withdraw from there to returning to becoming an integral part of Japan.

The

The United Nations, as such, have no authority over the Ryukyus nor would they have -- Mr. Ailes, if I may correct Mr. Ailes' statement, the thought that when we withdraw from there that somehow or other it would go to the United Nations is not entirely correct.

There is no thought of this whatsoever. We never did --

Chairman Russell. So the settlement of residual sovereignty then is purely a matter between the United States and Japan.

Mr. Johnson. In the United States and Japan, yes, sir. We have never sought to establish the trusteeship that was contemplated in the treaty because it was recognized that this would probably be --

Senator Saltonstall. Mr. Chairman, I have brought this up because I have been reading in the newspaper recently there has been a considerable stirup and if I remember correctly, the Japanese Government is interested or is stirred up as to whether these islands shouldn't be returned.

Then you read on page 6 of the House report, which is a very excellent report, that on December 24, 1963, Dulles, Secretary Dulles, said that we will remain in the Ryukyu Islands so long as conditions threaten and tension exists.

Then on January 7, 1954, President Eisenhower says, "We shall maintain indefinitely our bases in Okinawa."

And

And ON December 30, 1955, Secretary of the Army Brucker says, "The United States intends to retain control of Okinawa for many, many years."

I brought the subject up because in connection with this increased authorization and so on.

Mr. Johnson. Yes.

Senator Saltonstall. Is there anything in these reports that you read in the newspaper that the whole situation in Okinawa may be changed in spite of these statements that we make; but in accordance with the terms of Article 3 of the Treaty?

Mr. Johnson. No, Senator, there is no thought of changing this at the present time.

You are correct in saying that there is in Japan a strong pressure for the reversion of the Ryukyus to Japan.

However, let me also say it is correct that authorized spokesmen and President Kennedy most recently during the time that Prime Minister Ikeda was here have reiterated that we regard the residual sovereignty --

Senator Saltonstall. Say that over again?

Mr. Johnson. We regard the residual sovereignty in the Ryukyus as residing in Japan. We have made two statements. It is our intent and the -- and it is our desire to stay in the Ryukyus as soon as the military situation requires that we

do

do so. There is no difference of view whatsoever on that.

Secondly, at such time as we may no longer, military necessity may no longer require us to remain there that the Ryukyus would be returned to Japan.

One of the objectives of this legislation and one of the problems we have to meet is that the development in the Ryukyus not be so out of step with the development in Japan that at such time as they might return to Japan these would be a deep wrench.

The objective is to maintain a development in the Ryukyus that will be at least roughly comparable to that of Japan, so that they could smoothly fit back into Japan.

Senator Saltonstall. So there is no negotiation or pending negotiation or any future negotiation as far as we can see at the moment, for changing the status?

Mr. Johnson. None whatsoever, sir.

Senator saltonstall. Thank you.

Mr. Johnson. However, there is, may I say, on the part of the Japanese Government and very understandably so, a desire to show their interest in the welfare of the people of the Ryukyus. This is they regard them as Japanese. The Ryukyuans themselves regard themselves as Japanese and the Japanese Government is under considerable compulsion to show its interest-- it is interested in the welfare of the people there,

Senator

Senator Saltonstall. From our point of view we want to keep Okinawa in a relative position with the Japanese people.

Mr. Johnson. That is correct, sir.

Senator Saltonstall. And that is the purpose that you are asking this for?

Mr. Johnson. That is the, that is it, sir, and to provide a basis upon which we can negotiate with the Japanese Government on their contribution toward this development.

Senator Saltonstall. May I ask just one more question, Mr. Chairman?

Mr. Ailes, on page 6 of your statement you say that "it is possible that an appropriation requirement for up to $19 million additional could arise in the year of greatest cost, entailing a maximum total of $25 million in that year."

In reply to the Chairman you said there would only be $6 million asked this year which would be a total of $12 million instead of the six that is now possible under this authorization.

But this $19 million additional would be really for emergency purposes that you don't need or can foresee at the present time unless there was a disaster or something absolutely knew you wanted to do, is that correct?

Mr. Ailes. Senator Saltonstall, it is more than that.

May I ask, Mr. Chairman, are we going to have a clasified discussion of this subject later, because these are problems we could --

Chairman

Chairman Russell. If there is any classified information involved we will. I don't want you to give any classified information in public meeting here.

Mr. Johnson. No, sir.

My only meaning was if we wanted to talk about what these programs really should involve for the future we have considered that as classified information.

Chairman Russell. I suggest we can just let Senator Saltonstall write his question down there and remember it and we will go into Executive Session along with the others and other Senators may have questions highly classified.

Senator Saltonstall. Mr. Chairman, thank you.

Chairman Russell. Mr. Johnson, what is the difference between the status of the Ryukyus and the Kuriles, those islands the Russians took from the Japanese?

Is there any residual sovereignty in those islands?

Mr. Johnson. No. Those islands are still - there are two islands up there, Habomai, Shikotan, that are still under dispute.

There has never been a treaty of peace yet between the Soviet Union and Japan which disposed of the Kuriles Islands.

Chairman Russell. What are the Japanese doing to improve the condition of the people up there?

Mr.

Mr. Johnson. The Japanese population were evacuated out of there. There was very little population up there in the first place and at the end of the war, whatever there was, was evacuated out and there no longer remain any Japanese so far as I know.

Chairman Russell. When the Russians take anything for keeps like East Prussia, the oldest home of the German Knights, and the Hanseatic League, they just took it and sent all the Germans out. There is no residual sovereignty concerned. They are not concerned about that. Why don't you people in the United Nations tell about that? I say you have been a representative of this country in the United Nations?

Mr. Johnson. I have never represented us in the UN.

Chairman Russell. I can't blame you then. If sometimes our people would point out these little differences it would be helpful. They come down here and point out to the Congress how we will make everybody — while the Russians will do thus and so, and the Russians have never done anything yet, in the demands that we do something, I have never been able to so indicate on the face of the globe.

Senator Thurmond. Mr. Chairman, could I ask a question?

Chairman Russell. Senator Stennis was next in order. If he will yield to you.

Senator Stennis. I am going to be quite brief.

Mr.

Mr. Chairman, even though we are concerned with this matter greatly, it seems very apparent to me that we are not going to pass this bill in any $26 million or $25 million, whichever it is, on the showing that has been made here so far, especially when it is trying to get a comparable economy with Japan.

There has been no showing here what the comparison is, what the wage scales are in the different categories in Japan, what the wage scales are in the different categories here.

Chairman Russell. The cost of living.

Senator Stennis. How much taxes they pay in Japan, how much taxes they pay in Japan, let me repeat, and the cost of living figures such as may be available.

Mr. Ailes, who has charge of the spending of this money, the army, Department of Defense or who?

Mr. Ailes. Well, the --

Senator Stennis. How does it go out? I don't mean for a detailed explanation, but you are appearing here for the Army. Does the Army have charge of it?

Mr. Ailes. Yes, sir.

The Army has responsibility under the Department of Defense in Okinawa, in the Ryukyus.

Senator Stennis. Mr. Chairman, if I may just comment, it appears to me if this was a matter being presented, you know, in court it would just be sent back to the docket until the

facts

facts had been developed, and I think that we should request here comparable tables so far as they can be supplied on these economic matters.

Chairman Russell. You are correct and I am sure they would be glad to furnish them, if they can get them up.

Senator Stennis. The cost of living index such as the Chairman mentioned.

Chairman Russell. The Army can.

Mr. Ailes. Yes, sir, we have an incredible amount of information on all of these things we would be delighted to furnish.

Senator Stennis. What is the money used for now just briefly, what are you going to use this money for, just state that in one or two categories there. You cover it in part.

Mr. Ailes. Senator Stennis, do you have the House report before you?

Senator Stennis. Yes.

Mr. Ailes. If you will look at page 14, you will see some information about a table in the past years where this money has gone, and the $12 million on the righthand column, the $12 million is divided into two columns, one the amount that is already in the budget, and secondly, what the additional sums will be used for.

Senator

Senator Stennis. All right, if you have a table already before us showing that.

Mr. Ailes. You will notice that the bulk of the additional funds for this year goes to financing the loan fund, for the two loan organizations for economic development, $4 million of it is — and $1 million —

Senator Stennis. If you have it here that is all right. If the others have questions, I just didn't know it was outlined in the report.

Mr. Chairman, I think this is a matter of grave concern. I don't think we need to worry about giving it to the United Nations or back to Japan, either, we have made this an arsenal of the Pacific and I suppose everybody knew we were going to use it a long time apparently. I remember we spent, I expect hundreds of millions of dollars there in military installations.

Chairman Russell. It is in the billions.

Senator Stennis. It went through this Committee here.

Chairman Russell. I hope the Senator is right. I have a more wholesome respect for the influence exercised by the professional do-gooders in this country, if they put on an organized drive we will give it back lock, stock and barrel.

Senator Stennis. I know I have been there only briefly but they told me a great number of these people were having an unparalleled prosperity because of the expenditure of these

Federal

Federal funds, and very find comparable wages that were being paid, and I saw some of them at work, too, and they seemed to be doing an excellent job, those little Okinawans there, redoing our missiles, and so forth, taking the parts out, and cleaning them and putting them back and I was well impressed with it.

I learned, too, that in every election they have there that all the major parties have in their platform they want to be restored to Japan. I don't know how much that is a genuine issue. What about that, Mr. Secretary. Do you run into that?

Mr. Ailes. Oh, yes, sir. I am sure if you run for office in Okinawa you run on that platform. There is no question about that.

Senator Stennis. Well; I think we have to do something about that but this is a mighty high figure, it seems to me like, along this showing, that is all I have.

Chairman Russell. Senator Smith.

Senator Smith. I haven't any questions.

Chairman Russell. Senator Symington?

Senator Symington. Mr. Secretary, have you got a report from the Department of Labor about conditions on Okinawa?

Mr. Ailes. Yes, sir. There was a labor representative on the task force, George Weaver and there was a labor representative on the working group that went to Okinawa.

And

And one of the sub-reports that were written was written by the labor representative.

Senator Symington. Well, one of the members of the task force was quite worried about this operation. I notice that just looking this over, there are a couple of questions I would like to ask.

On page 13 you say that you want to put a million dollars up for contingency funds for typhoons and other natural disasters.

What other natural disasters?

Mr. Ailes. You are reffering to the House report?

Senator Symington. Yes. Is that just insurance in case of a fire or something?

Mr. Ailes. I understand that the other natural disasters are in there just to cover everything. The real problem is typhoons.

Senator Symington. I understand that. But what you are asking —

Mr. Ailes. They say, I am informed, they do have a tidal wave problem from time to time.

Senator Symington. Isn't that incident to the typhoon.

Mr. Ailes. They say not.

Senator Symington. That is separate. I see. Then you are going to provide selcted leaders to gain firsthand experience, train technicians, and send them over here, apparently to visit and provide nominal cost of ocean transportation for welfare supplies and so forth.

Then

Then I notice that half of the money of a million nine as I read it on page 14 would go to additional personnel, including a new civilian civil administrator.

You had $1.3 million in 1959. $3.3 million in 1960. $4.3 million in 1961. $5.3 million in 1962 and now you want to quadruple it in 1963.

This is going to be may be a hard year to raise money as against some of the past years, and as I look at it, I don't quite see where the $25 million is going with the premises that you have on page 15, this as a short term effort is aimed at a quick increase at levels of income and standards of social security, health and education. What this really is you are going to get into a big welfare program on the Islands, are you not, as against what has been done in the past?

Mr. Ailes. Yes, sir, I think it is going to be substantially increased.

The $25 million figure is no covered in this table because after all what we are talking about here is in effect an authorization and not an appropriation, and as I believe has been explained, that it is deemed highly necessary, and highly important to work out a program to last over a period of years, and what we are seeking is to have the authorization put high enough to cover some of the contingencies that are apparent from here right now.

Incidentally,

Incidentally, that $300,000 figure you referred to in paragraph (d) on page 13 about Ryukyun leaders firsthand experience in American life is a program which has been tremendously successful, It is an increase.

Senator Symington. Based on the quadrupling I am glad something has been tremendously successful. I don't say that sarcastically. But the pattern, if it follows when this island really gets rolling, it will probably go back to Japan, and this tremendous increase worries me.

I would like to get a breakdown of this labor situation which one of the task force members mentioned to me, of how low the wages were for natives there, because the figures that have been given, I think in Japan, I saw some figures recently the steel industry put out.

The average wage in steel in this country are $2.75 an hour $2.75 or $3.75, and the average wages in Japan in steel counting the fringe benefits which were heavy are 50 cents an hour.

That would be $20 a week. So somebody is getting $60 a week on Okinawa, I don't see how that quite ties in.

Chairman Russell. $60 a month.

Senator Symington. Then that would be low on the Japanese side from the figures I have seen, on steel anyway. I would like to see a breakdown of what is paid in Japan and what is paid in Okinawa.

Which

Which would be constructive.

Mr. Ailes. I am sure we could furnish that and we would be very happy to, sir.

Senator Symington. Thank you, Mr. Secretary, I have no further questions, Mr. Chairman.

Chairman Russell. Senator Smith?

Senator Smith. I have no questions.

Chairman Russell. Senator Jackson?

Senator Jackson. Mr. Secretary, I assume that part of the difficulty here is that we would not be required to spend a lot of money if Okinawa, the island, were integrated into the Japanese economy.

Isn't that exactly a part of the real problem?

Mr. Ailes. We have certain base rights there or we would not have these responsibilities either from the point of view of maintaining our military establishment which is the basic problem of being responsible for these people, which is our problem at the present time, or the conditions at the present time.

Senator Jackson. We are having to do the things if they were a part of Japan they could do?

Mr. Ailes. Yes, sir.

Senator Jackson. So we are stuck with a deficit here to the extent that at least we should try to maintain some comparability between the two areas.

Mr.

Mr. Ailes. That is exactly right. And in return for that responsibility we have the freedom militarily which we consider to be essential not only our welfare but that of the whole free world.

Senator Jackson. Frankly, and you don't have to answer this right now, but I think much of our trouble, however, stems from the fact that we made reference to the residual sovereignty that resides in Japan as far as these islands are concerned.

Now, this is fine in terms of international law, but when you keep repeating year after year after year there comes a feeling, I assume, in Japan that any day now the islands will be turned back to them, you see it is one thing to talk in legalistic terms about the relationship between Japan and these islands, and our relationship, and another thing to interpret that insofar as the general opinion is concerned of the people in Japan, and I must say that once we started to, or once we made the announcement we would recognize the residual rights of Japan on these islands it seems to me we placed a much earlier terminal date on these islands than would have been true otherwise.

It is the very reference to this that has laid the groundwork for so much of the political feelings both in Okinawa and in Japan.

I make

I make that as an observation. You don't have to comment on it.

That is all, Mr. Chairman.

Chairman Russell. Senator Thurmond.

Mr. Secretary, on account of the strategic importance of Okinawa to us, and I think it is vital, if we are run out of Japan or other countries over there, this is the one place we can stay.

Under article 3, the treaty of peace provides this, and this is why I don't understand that President Eisenhower and Ambassador Allison and President Kennedy and others have taken the position there is any residual sovereignty.

The treaty doesn't provide for any residual sovereignty. I want to read this section to you:

"Japan will concur in any proposal of the United States to the United Nations to place under its trusteeship system, with the United States as the sole administering authority, Nansei Shoto South of 29° north latitude (including the Ryukyu Islands and the Daito Islands), Nanpo Shoto south of Sofu Gan (including the Bonin Islands, Rosario Island and the Volcano Islands) and Parece Vela and Marcus Island, pending the making of certain proposals and the affirmative action thereon the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction

over

over the territory and inhabitants of these islands including their territorial waters".

Do you know of any authority under that treaty for any residual sovereignty?

Mr. Ailes. Senator, my difficulty is that I have never been very clear in my own mind what residual sovereignty really meant. We have had this problem elsewhere as perhaps you know. I suppose that what it means is that the United States will have some difficulty in conveying title to somebody else and that means we don't have the total sovereignty so somebody must have what was left.

But I do know that this position was taken by Secretary Dulles some years ago, and has been reiterated since.

Senator Thurmond. Does it simply mean we have, as it says here, the right to exercise all and any powers of administration, legislation and jurisdiction over the territory, inhabitants of these islands including their territorial waters and if we give that up that then the United States can give it up to the United Nations.

It doesn't say anything about it ever going back to Japan, nor is there any authority for it ever to go back to Japan.

Mr. Ailes. Sir, I don't like to pose as an international law expert. I don't know what you would say this treaty does mean, if you assume it is not to be conveyed to the United Nations under its trusteeship program.

Senator

Senator Thurmond. And because President Eisenhower made that statement about residual sovereignty and because Mr. Dulles made that statement about residual sovereignty and because Ambassador Allison back in 1956 made this statement about residual sovereignty, Japan has felt that we are acknowledging that they do have title and are just waiting for us to give it back to them when the treaty don't say that to them and wasn't that made in an effort to negotiate, so to speak or to appease Japan and try to get along with her and have good relations with her?

I am very fond of the people of Japan. I think they are wonderful people, and they certainly deserve consideration.

I don't know of any more hard working or diligent people anywhere. But at the same time, in my judgment, Okinawa is essential to the defense of this country and we shouldn't think of giving it up, and I say it is the only base we have got over there that we can actually hold on to.

Don't you actually agree with that?

Mr. Ailes. Oh, yes, Senator, I don't think there is any disposition to give up Okinawa as long as it is needed as a military base. I think everything that has ever been said has made that very clear including the statement that President Kennedy made here quite recently on March 19. Let me see if I can put my hand right on that.

On

On March 19, of this year when the statement was made by the President on the subject he said, "I recognize the Ryukyus to be a part of the Japanese homeland and look forward to the day when the security interests of the free world will permit their restoration to full Japanese sovereignty. So it is always the security interests of the free world"—

Senator Thurmond. Restoration, the word is "restoration."

Mr. Ailes. Yes, sir.

Senator Thurmond. What authority is there for him to make that statement?

Mr. Ailes. Well, sir, I say I don't like to comment on the problem of international law. I recognize that Mr. Johnson said here a minute ago that independence is not what the Ryukyuan Islands want and our need for being there ceases there isn't any reason for us to propose a trusteeship arrangement with the United Nations and for the Japanese to agree with it if that is not what the people involved want. I assume that is how the problem arises. But I know that the people who do pass on these questions have taken the position for some time that the nature of the situation is that we can release the islands to Japan when the military exigency so permits.

Senator Thurmond. If we can, why are we going to release them to Japan.

Japan

Japan has given them up. There is no authority for them ever to go back to Japan. That is what I am trying to put in proper perspective here this morning. Under this treaty Japan has no longer any authority or ever will have unless we voluntarily relinguish this authority, and I was terribly disappointed when these statements were used.

I objected to them at the time about residual authority, and I have been concerned about the State Department using that term residual authority over and over again, when it wasn't necessary, and when there is no authority in the treaty for them to use it and furthermore, I want to ask you — I want to say because I could consider the Ryukyus vital to our national defense, I am sympathetic to your request here this morning.

When you are asking about the full amount, I would like to look into that, but I am sympathetic and I think something ought to be done there and I think there is great merit in the request you make here but I want to to say this and maybe Secretary Johnson could answer this.

That in 1960, I heard of a movement to try to — the Japanese wanted to fly the flag in Okinawa on certain days, holidays and so forth, and I wrote the President, President Eisenhower, in 1960 bitterly protesting the flying of the Japanese flag on Okinawa or Ryukyus because there is no authority under the treaty and why should we permit another nation

to

to come in there and fly their flag.

Why should we permit the Japanese flag to be flown there any more than any other flag.

These islands came to us, just as the Kurile Islands went to Russia above there, as the Chairman referred to a few moments ago, and I want to say this, that I was terribly disturbed, I was terribly disturbed last year when I heard, Mr. Chairman, that we had granted authority to the Japanese to fly that flag in the Ryukyus and they are now flying that flag on certain holidays.

I bitterly protested it in 1960 when I heard it was being considered. As I said I wrote President Eisenhower and last year I was terribly disturbed when I understand they had approved, the State Department and the President had approved flying the Japanese flag in the Ryukyus Islands over certain holidays and they are doing that now, aren't they?

Mr. Ailes. Yes, sir that is my understanding.

Senator Thurmond. I just want to say I was terribly disappointed when I learned of the action of the President last year in permitting the Japanese flag to be flown on holidays on the Ryukyus because that is another acknowledgement that the Japanese have residual power and I bitterly protested.

And I want to be on record.

Chairman Russell. Senator, that is just part of our

policy.

policy, it is done in Panama, it is not part of the treaty, and I am sure if the Republic of Mexico insisted on flying their flag in New Mexico and lower California we would let them come in and do it there. We please everybody.

I have just been delighted that nobody has asked for the Capitol. Well, we will still preserve the Capitol.

Senator Thurmond. I think it is softness in our policy. I think it is softness. We are going to be in Okinawa and we are going to be there indefinitely and I think we will make a terrible mistake if we do anything or say anything that indicates we are not. I think Okinawa again, I again say the Ryukyus is vital to the Security of this country and the free world.

Chairman Russell. Senator Cannon.

Senator Cannon. Thank you, Mr. Chairman.

Senator Thurmond. I want to say this, Mr. Secretary.

Chairman Russell. I thought you were through.

Senator Thurmond. Excuse me, Mr. Chairman.

When this matter came up last year, didn't the Secretary of the Army recommend against the flying of the flag in the Ryukyus? I believe you were there.

Mr. Ailes. I don't recall that. I don't believe that is correct.

Senator

Senator Thurmond. My information is it is correct.

Would you furnish that information for the record?

Mr. Ailes. I will.

Senator Thurmond. My information is that you did object to it but the Secretary of Defense, I believe, after collaborating with the State Department overruled him.

Mr. Ailes. If that matter came up in the Army, as a matter of fact it came up before I was there which is now 15 months but I will be glad —

Senator Thurmond. I think you will find that is the case.

Mr. Ailes. Yes.

Senator Thurmond. And I would like to have it on the record.

Mr. Ailes. All right.

Senator Thurmond. Thank you.

(The information referred to follows:)

COMMITTEE INSERT

Chairman Russell. Senator Cannon, you may proceed.

Senator Cannon. Thank you, Mr. Chairman.

Mr. Secretary, has there ever been, have the people there ever taken a vote as to whether or not they should prefer eventually to go back to Japan if we relinquish authority?

Mr.

Mr. Ailes. I am sure there never has been a plebiscite on that. I don't know how that question could be put. Let me ask any of my experts.

Is there anybody who knows that? I know that everybody who works there is convinced that the great bulk of the population states this as a desire. But I am sure there has never been a formal vote.

Senator Cannon. Extremely strong feeling among the population?

Mr. Ailes. This is the way our people interpret it.

Senator Cannon. Mr. Secretary, in order that we could have a comparison of relative growth, I wonder if you could furnish us, and perhaps you have it here, the average annual income of Japan before the war, and that of the Ryukyus and the average annual income now of the Japanese and that of the Ryukyus to show some sort of comparative position there so far as income is concerned.

Do you have that information available here or do you need to supply it?

Mr. Ailes. We have a lot of information with respect to income, and I believe it would be simpler to furnish it; we can put it in more usable form.

Senator Cannon. You gave us paid from appropriated and non-appropriated funds. I wonder if you could give us the average wage paid by contractors?

Do

Do you have that?

Mr. Ailes. It was not on the table I saw.

Senator Cannon. And I would also like the average wage paid to domestics, I am talking about hourly wage now.

Mr. Ailes. I believe I read that into the record.

Colonel Sitterson. We had only appropriated and non-appropriated funds.

Senator Cannon. You read the numbers but not the average wages.

If you will give us the average wages, perhaps you could just submit a sheet or chart showing all four of those categories which total 48,300 people to show the average wage in each case.

Now, the funds we have made available in the past, isn't it a fact that we have engaged in a very substantial building program in the Ryukyus?

Mr. Ailes. These tables don't show some of the major developments made under what we call GARIOA funds.

Mr. O'Flaherty. Yes.

Mr. Ailes. Rehabilitation of occupied territory.

Senator Cannon. Even in recent years isn't it a fact that a considerable amount of these funds have gone to building and construction programs?

For

For instance administration building, there was a new administration building if I remember correctly, which was completed about 1959 or 1960, wasn't that built with funds that we made available?

Mr. Ailes. Yes, sir.

Senator Cannon. What about the governing, I have forgotten what the political governing group is called, but do we pay, furnish the funds for the compensation for that group?

Mr. Ailes. No, sir. GRI, the Government of Ryukyu Islands we do not pick up the payroll tab of the Government.

Senator Cannon. But we do pick up the, a considerable amount of expenses that they incur in the case of the Government.

Mr. Ailes. I don't believe so. The Government makes contributions to all of these programs, the Government of Ryukyu does. It has its own tax structure. One of the variables I believe I read here, for the future is the fact that they contribute. I don't believe we make any contributions to the actual functioning of the Government as such.

Is that correct?

Colonel Sitterson. We do not directly contribute to the solvency or their administrative costs, we do give grants to the GRI for these specific purposes.

However, the Senate did last year add one million dollars

specifically

specifically to subsidize an increase in pay for teachers. That is one specific category.

Senator Cannon. How, there has been a very substantial improvement from the standpoint of new construction and that sort of thing in that -- in Naha which is it, contains about 25 per cent of the population now within the past few years, is that true?

Mr. Ailes. I gather from what Mr. O'Flaherty said the town was completely rebuilt.

Senator Cannon. Yes, but I mean it was rebuilt temporally initially, and now there is a lot of new, if I understand it correctly, more or less permanent type of construction being undertaken in there of very substantial modernization and improvement program.

Mr. Ailes. May I have Mr. O'Flaherty answer that question?

Mr. O'Flaherty. I think the answer can be given in the affirmative, sir. There has been permanent construction, but it is far from comparable with many of our small communities here.

Naha is the capital city.

Mr. Ailes. Is this construction paid for by the United States?

Mr. O'Flaherty. Oh, no, construction is paid for locally. With the exception of the highways which we use for our own purposes it is local construction.

Chairman

Chairman Russell. None of it is built with GARIOA funds?

Mr. O'Flaherty. Sir, the port development and highways and initially the electric facilities and water was built with GARIOA funds.

Chairman Russell. While we are doing these let's furnish what the GARIOA funds furnished for and the total amount.

Mr. Ailes. We have it right here but we will furnish it in a table, if you would like.

Senator Cannon. Before the war these islands were -- they had no industry as such. They were just simple fishing and very light agriculture sort, were they not?

Mr. Ailes. Yes, sir.

Senator Cannon. Are we attempting in this rebuilding program, are we attempting to change the basic from of their economy?

Mr. Ailes. No, sir. I wouldn't say that but we are trying to improve their agriculture, such as it is.

Some of these monies that are requested, as I said in response to what Senator Symington asked, are for development loans, which would, we hope, get some types of local incustry going which would provide employment and set up wage levels and jobs that way but we are not trying to make a major change or industrialize the islands in any major way.

Certainly

Certainly not with figures in this category.

Senator Cannon. You talked quite a little about the comparisons between Japan, that they were providing fringe benefits. Is it your proposal here if these funds are approved to provide fringe benefits throughout the entire working level of these people?

Mr. Ailes. No, but we were talking about retirement, helping them set up retirement programs, pension programs for teachers, some devices of this sort which are in effect in Japan but which aren't in effect in Okinawa, these are supplied by the social welfare benefits that they would enjoy were they a part of Japan but don't enjoy under our stewardship.

Senator Cannon. When you say we would try to set these up does that mean we would plan on supporting these so long as we are in the islands, for these various classes?

Mr. Ailes. Well, I believe the approach we take to all of these things is that some of these things we would aid and assist them until such time as the Government of the Ryukyus could take over the proposed job itself.

Senator Cannon. Have they made any representation that they feel they ought to help in taking over the responsibilities?

Mr. Ailes. I am sure they can't do it at the present time.

Senator Cannon. Nor in the foreseeable future?

Mr. Ailes. Certainly not in the immediate future.

Senator Cannon. What is the adult population --

Mr. Ailes. May I say one thing on that in General Caraways' statement when he did testify before the House Committee he discussed at somelength the kind of aid programs of this sort that Japan is able to give the local profecture because either it gives to everybody in the country or because it helps the local prefectures and it is that sort of things we are trying to do here in a sense.

Senator Cannon. Do you have the figures on the adult population? I know what the total population is.

Mr. Ailes. By age groups, yes, sir.

Senator Cannon. Just for the adults as a general group.

Mr. Ailes. Well, the classification I have here is zero to 19 population is 438,000 out of 883,000.

Senator Cannon. Out of 883.

Mr. Ailes. Yes, sir.

Senator Cannon. So that means we have a working population roughly of over 19 of 446,000, and we employ 48,300, so about 11 per cent.

Mr. Ailes. Yes, sir.

Senator Cannon. Assuming they are over 19.

Thank

Thank you very much, Mr. Chairman.

Chairman Russell. Senator Byrd.

Senator Byrd (West Virginia) Mr. Chairman, with all due respect to the Secretary as a fellow West Virginian I am not constrained to believe I shall vote for this bill as presently written.

First of all, I point to the fact, which has already been alluded to we have not in the past been appropriating up to the full amount of the authorization provided.

In 1960, we appropriated 3.3 million dollars, and in 1961 we appropriated 4.3 million dollars and in 1962 5.4 million dollars.

As has been pointed out, on page 27 and also on page 3, the expected outside appropriation needs would amount to about 23 million dollars, the outside figure, because on page 27 it is stated there that additional costs under the ARIA appropriation would be six million dollars and that approximately $10 to $12 million per year would be needed in the subsequent four years, plus possible one-time costs of four to five million dollars. So taking it outside figures at the maximum of $23 million, the inside figures would amount to a maximum of $20 million, with only a one time cost of 24 and 25 million dollars which would indicate that if all of the needs were to arise, as are anticipated here, there would be an inside cost

more

more near only of 20 million dollars, and eliminating the one year, there would be an over-all appropriation need of about 15 million dollars per year.

So, Mr. Chairman, I just can't vote for it, however, I realize that the Secretary has indicated that in Executive Session he will be glad to provide this information and on the basis of that additional information why we may see an immediate need for certainly increasing the amount of the authorization and I think there is a need. But I would certainly not want to increase the authorization to 25 million dollars because I can't anticipate a time once we increase that authorization, I can't anticipate a time when we can lower it. It is a little like increasing the salaries of our own staff. We can always increase those salaries, but the action is certainly with approbation, but once he attempts to cut that staff salary he loses his staff member. So, I think we should proceed cautiously in increasing the authorization.

I am willing to increase it to some extent but it seems to me if there is an emergency need and real exigency in 1964, the year in which it is indicated that the greatest need will arise, we can provide additional authorization for that year so I think we ought to have the Secretary speak to us in Executive Session, Mr. Chairman, so that we can wisely meet the needs at the moment.

Chairman

Chairman Russell. Mr. Secretary, do you desire to make a statement in Executive Session with respect to this measure?

Mr. Ailes. Sir, I am here to provide information and support this legislation. If people have doubts in their minds about the importance of this base or the necessity of making this expenditure, I do have a statement that is classified that I can give or summarize and I think it would be highly desirable to do so if the Committee desires it.

Chairman Russell. Well, of course, we will yield to your wishes. I have read it myself but I will be glad to hear it also.

I think perhaps we had better go into executive session conclude the hearing on this bill now and we can then return to that civilian defense bill if there is any hearing necessary on it. It is an extension of an existing law. I doubt if there would be any question.

We have two important subcommittee reports which is what I am trying to get to now.

Very well, we will go into executive session at this point.

(Whereupon, at 12:10 p.m., the Committee recessed and proceeded into Executive Session.)

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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こう

37　15254　平　亜北

ワシントン　6月21日2057発
本　省　22日1007着

小坂大臣　朝海大使

プライス法の下院通過に関する件

第1394号
往電第1382号に関し

一、日本定の上院軍事委員会はプライス議員（下院）より証言を行いたい旨申入れ、同議員が同日都合が悪いためプライス法案聴聞会は行なわれなかった。次回予定は未定なるも来週行なわれる公算大である。

了

配布先　次官、外審、官房長、亜、米、条、情各局長
　　亜次、総、条参、総、米北、亜、条各課、亜北

外務省

要写　部

発電保 総第 23896 号
昭和 37年8月 日16 時 00分発
(分類　　)

電信課長

第 1498 号 (大至急)

大臣	主管 アジア局長	起案 昭和37年8月11日
政務次官		
事務次官	宇山審議官	
大使		
官房長	主任 北東アジア課長	起案者 古川(柳) 電話番号 408

(協議)

(回覧)

在 米 朝 海 大使館 大 平 大臣発

電報 在 大公使 総領事宛

件名 プライス法案の米上院における審議に関する件

~~貴電第1394号に関し~~
~~沖縄援助増額に関するプライス法案~~

電信案(甲)　外務省　回覧番号

11 70

~~貴電~~、国会答弁の必要あり、プライス法案の上院通過の~~見通し~~見通しおよび~~審議~~審議が遅延している事情を調査の上折返し~~大至急~~回電ありたい。

電信案(乙)　外務省

極秘

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こう

電信写

37　20186　暗　亜北

ワシントン　8月13日1700発
本　省　14日0707着

大平大臣　朝海大使

プライス法の下院通過に関する件

才1819号　至急

貴電才1498号に関し、

国務省では上院軍事委員会は6月14日公聴会を開いた後、何ら進展なく、プライス法案は引続き同委員会に付託中であり、同委員会がいつ上院本会議に報告するかについて、ぜんぜん見当がつかない旨述べている。審議遅延の事情については調査のうえ、追電すべきも取りあえず。了

配布先　次官、外審、官房長、亜、米条、情報局長、亜審、亜次、米参、条参、統、北、保、亜米、条名課、亜北

外務省

極秘

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こう

電信写

~~37~~　20393　~~暗　亜北~~

~~ワシントン~~　8月~~15日1710~~
~~本　省~~　16日~~0638~~着

大平大臣　朝海大使

プライス法の上院における審議状況に関する件

~~才1843号~~

~~往電才1819号に関し~~

~~15日~~ケイセン大統領特別補佐官~~に会談し~~に15日訪ね、~~上次のごとく~~語った~~ところ~~概要は下記のとおり。

A　~~上院軍事委員会~~は~~キャラウェー~~高等弁務官、および~~レムニツァー~~統合参謀本部議長の証言を~~求めた後、プライス法案につき~~軍事委員会が~~ひ~~上院に報告することとなろう。~~委員~~委員会中~~には~~1,2名は本法案に批判的な~~議員がいることは予期の通りであるが~~大多数は~~本法案~~賛成であり、~~本法案が~~本会期中に~~通過することは~~多分

外務省

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こう

9月間違いないかろうと思う。ただ指助金額枠が~~要請通りに~~2500万ドルに決定されるかどうかについては疑問も残るところがあり、~~残る~~低い額に落着く可能性も~~残る~~考えられる。

B. ~~事務局~~上院の審議が遅延したのは法案自体に対する積極的な反対があるというよりは目下~~上院における~~諸法案審議全体の空気との関連による。~~したがって~~行政府としては~~伸~~立法府に圧力をかけにくい面があり、本来保守的な上院には今まで~~非常に大きな~~援助強化の必要がなかったのかどうかという事件に対する消極的な空気があるか、~~本法案が通過せねば日本が困る~~だけでなく大統領として~~困った立場に立たされる~~ことは勿論であるのでこのため~~従って~~~~通過に再努力されなくてはならない~~。日本側は~~非常~~~~遠く~~成り行きを見ていて欲しい。

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こう

~~前記本文~~次官，外務，官房長，~~事務~~，条約，情報局長，亜細亜，~~米州~~，~~経済~~，~~欧亜~~，~~条約~~，~~亜北~~，~~米北~~，~~経済~~，~~第一~~，~~第二~~課

極秘

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こう

電信写

317　20764　暗　亜北

ワシントン　8月20日1820発

本　省　21日0806着

大平大臣　朝海大使

プライス法の上院における審議状況に関する件

オ1884号

往電オ1843号に関し

20日ジョンソン副次官と会談の際、本使より沖縄に関するプライス法改正案が上院の審議を待ちおる模様のところ、これは池田・ケネディ会談のフォローアップとして極めて日本側にとりエニカレジングなり、この法案通過の見通し如何と尋ねたところ、ジョンソンはプライス法案は恐らく原案の2,500万ドルでは通るまじく1,900万ドルに削られる公算ありこれはとも角として肝心の支出

久松（条情）

極秘

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こう

電信写

該案について下院のパスマン議員辺りが例により強硬な削減を主張しており、今のところ見通しはつけ難いと答えた。よって本使よりこの際日本側より有効なとるべき措置ありやと尋ねたところ、同副次官は議会関係は枝微なる一方国務省としては日本側の気持は承知しおるにつきこの際は静観しおらるること適当と存ずと述べていた。御参考まで。

3

配布先　大臣、次官、外審、官房長、亜米、条情、各局長、亜審、米参、条次、条参、総亜北、米北、保、条米、米カ、条各課

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欧亜班に連絡こう

電信写

37 21250 暗 亜北

ワシントン 8月24日1800
本省 25日0730
大平大臣 朝海大使

プライス法案の上院軍事委員会における審議の件

第1923号

24日某よりの連絡によれば、プライス法案は30日上院軍事委員会の審議が行われる見込であり、修正はあるかも知れぬが可決される模様との由。なんら御参考まで。

了

配布先、大臣次官外務官房長亜米欧条情各局長亜審米参欧条参総亜総亜北米北保欧米カ条各課

杯(2)(ハセ)

外務省

8月27日、D公表を通ず特達依頼

アジア局 宇山参事官

アメリカ局 竹内
昭37.8.24

8月24日
参議院 佐多忠隆議員より

次の資料要求があった。
ついては何分の儀、至急佐多議員と連絡ありたし。

(1) 米国下院軍事委員会がプライス法に関する報告書なるものを公表した由なるも、右報告書を入手したし

(2) 下院軍事委員会第2小委員会なる5月9日及び10日のヒヤリング及び5月15日の同小委員会(或は軍事委員会自体かも知れぬ)の記録を公表した由なるが、そのヒヤリング及び記録

GA-6

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こう

電信写

37　21679　平　亜北
ワシントン　8月29日1950
本　省　8月30日0954
大平大臣　朝海大使

琉球軍政府関係予算に関する件

特定へ連絡こう

※1961号

下院予算委員会外国活動予算小委員会聴聞会の議事録を入手せるところ3月12日及び8月8日に行なわれた琉球軍政府関係予算に関する聴聞会（いずれも秘密会）の議事録が掲載されておるので同議事録31日便にて送付する。なお、同議事録説明によれば8月8日の聴聞会で提案されている1963年度琉球軍政府関係予算総額は往電※682号にて報告した際の1,390万ドルより38万2千ドル増額の1,428万2千ドルとなっ

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こう

電信写

ているが、この増額分は琉球政府及び日本政府との交渉に当るため民政官事務所のスタッフ増員とこれらのための常用者費用に当てられる由であり、琉球援助額1,200万ドルには変更はない。念のため。

(3)

配布先　大臣、次官、外審、官房長、亜、米条、情、各局長、亜審、米参、条参、総、亜北、米北、条条、規、情道、内、外

アジア局長
審議官
総務参事官
北東アジア課長

政第5113号
昭和37年8月29日

外務大臣殿

在米
朝海大使

米下院予算委員会小委員会における
沖縄関係聴問会議事録送付の件

8月29日付往電第1961号に関し、
本件議事録1部別添送付する。

付属物空便(行)

別紙は南方班宛送付

回覧番号
亜北 2558

在外公館

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1684

AMENDING THE ACT PROVIDING FOR PROMOTION OF ECONOMIC AND SOCIAL DEVELOPMENT IN THE RYUKYU ISLANDS

MAY 16, 1962.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PRICE, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H.R. 10937]

The Committee on Armed Services, to whom was referred the bill (H.R. 10937) to amend the act providing for the economic and social development in the Ryukyu Islands, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 10937 is to increase from $6 million to $25 million the amount authorized to be appropriated in any fiscal year for obligation and expenditure in accordance with programs approved by the President for certain activities within the Ryukyu Islands which are detailed later in this report.

BACKGROUND OF THE LEGISLATON

Public Law 86-629, the basic law which would be amended by this bill, was approved by the President July 12, 1960. That legislation was designed to establish a basis in law for U.S. programs for the promotion of economic and social development in the Ryukyu Islands.

In essence that law provided the following authorities:

(1) All fines, fees, forfeitures, taxes, assessments, and any other revenues received by the government of the Ryukyu Islands shall be covered into the treasury of the Ryukyu Islands and shall be available for expenditure by that government;

(2) Revenues derived by the U.S. Civil Administration of the Ryukyu Islands from certain designated sources shall be de-

posited in separate funds and shall be available for obligation and expenditure in accordance with the annual budget programs approved by the President;

(3) That not to exceed $6 million is authorized to be appropriated in any fiscal year for obligation and expenditure in accordance with programs approved by the President for purposes specifically set out in the law.

Public Law 86–629 is set out in its entirety in the Ramseyer at the end of this report.

It should perhaps be pointed out that in essence that law did not change the situation that then existed in the Ryukyus, but rather gave legal sanction to a de facto situation.

NEED FOR THIS LEGISLATION

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. These islands, centrally located with respect to vital areas of the Far East, provide a major link in our forward defense barrier in the Pacific. Our base on Okinawa is essential. The presence of our military base there provides us the capability to bring our military power to bear rapidly in the event of aggression.

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.

Increasing concern

There is an increasing concern on the part of our responsible officials for the stability of our military security and the U.S. position there. 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. 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.

Task force findings

As the result of the deep concern of the High Commissioner, an interdepartmental task force was established last August to investigate the extent to which economic and social conditions contribute to the dissatisfaction of the Ryukyuans, and to determine what steps were necessary to improve the position of the United States in the Ryukyus.

The Chairman of this group 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 team which spent several weeks in the Ryukyus to examine the facts firsthand, meeting with representatives of the entire spectrum of the Ryukyuan population, and conferring with the High Commissioner of the Ryukyus and his staff and with the U.S. Ambassador in Tokyo, made several recommendations pertinent to this subject. These were endorsed subsequently by the task force and the respective departments, and have been approved by the President. The most pertinent of these is the urgent need to increase our economic assistance to the Ryukyu Islands above the $6 million limitation of Public Law 86–629, known as the Price bill.

Appropriations

Existing requirements for high priority projects necessary to correct the inadequacies in economic assistance demonstrate that the present annual limitation of $6 million contained in section 4 of the act of July 12, 1960, should be raised. The task force, after reviewing and studying the economic situation in the Ryukyus, concluded that the present limitation should be increased to a level of $25 million. If the Congress approves H.R. 10937, additional economic assistance of $6 million is proposed for fiscal year 1963, as the initial increment of increased economic assistance, pending further studies and related actions. This is over and above the $6 million appropriation request originally submitted to the Congress. However, it is considered that additional yearly costs under the "Administration, Ryukyu Islands, Army" (ARIA) appropriation will be $10–$12 million in the subsequent 4 years, plus possible one-time costs of $4–$5 million, which may occur in fiscal year 1964.

VARIABLES

The spread of the estimates is due to variables which are dependent on the following factors: (*a*) The resolution of arrangements for assistance by the Government of Japan; (*b*) coordination with, and certain actions by the government of the Ryukyu Islands; and (*c*) requirements for disaster relief. Dependent on the outcome of these, it is possible that an appropriation requirement for up to $19 million additional could arise in the year of greatest cost, entailing a maximum total of $25 million in that year.

THE RYUKYU ISLANDS

Geography

The Ryukyu Islands consist of three major island groups comprising approximately 63 islands extending in a curved chain for about 374 miles. They lie between 29° and 24° north latitude and are bounded by the Pacific Ocean on the east and the China Sea on the west.

The islands total in area approximately 542,632 acres, or approximately 848 square miles.

Okinawa

Okinawa is by far the largest of these islands, with an area of 290,555 acres, or 454 square miles.

Population

The total population of the Ryukyu Islands is 890,000 people; 750,000 of these people live on the island of Okinawa.

Relative location

The Ryukyu Islands lie southeast of Japan, northeast of Formosa and the Philippines, and west of the Bonins. Okinawa, the main island, is almost 6,000 miles from San Francisco, 970 miles from Tokyo, and about 920 miles from Manila. The map which appears later in this report indicates further its position relative to other areas in the Far East.

UNITED STATES AUTHORITY IN THE RYUKYUS

1945–52

Since 1945 the United States has exercised full powers over the Ryukyu Islands, of which Okinawa is the largest. Prior to the war these islands were an integral part of Japan, but following Japan's surrender they were treated as a separate and distinct territory for the purpose of occupation. Unlike Japan, where occupation was carried out nominally under Allied authority, the occupation of the Ryukyus proceeded solely under American control. The measure of U.S. control was determined by international custom and conventional law as well as unilaterally by the United States. While control was restored to local institutions as they manifested a capacity to exercise it, the United States retained all powers, subject only to limitations imposed by international law.

As the sole occupier, the United States was charged with the responsibility for providing government in occupied territories, including all measures necessary to preserve public order and safety. The measure of its responsibility as an occupier is expressed in the Hague Convention of October 18, 1907 (36 Stat. 2259); the United States is a signatory and as a treaty duly ratified by the Senate, it is part of the law of the land.

1952 to present

The Treaty of Peace with Japan, ratified by the Senate April 28, 1952, provided for the administrative separation of the Ryukyus from Japan and the continued exercise of all powers by the United States. Under the terms of article 3 of the treaty, Japan agreed that it would concur in any proposal of the United States to the U.N. to place these islands, as well as certain others, under its trusteeship with the United States as sole administering authority and that pending such disposition—

> * * * the United States will have the right to exercise all and any powers of administration, legislation, and jurisdiction over the territory and inhabitants of these islands. * * *

While Japan did not renounce all right, title, or claim to the islands, it did confer upon the United States important attributes of sovereignty which the United States continues to exercise today. In describing the status of these islands, Federal courts have spoken of the exercise by the United States of "de facto" sovereignty.

Residual sovereignty

As noted above, the whole basis for the relationship between the United States and Japan with respect to Okinawa and the other

Ryukyus is based on article III of the treaty of peace between the United States and Japan. The pertinent portion of article III is set out immediately above.

It is pointed out that, conversely, article II of the treaty stated that Japan "renounces all right, title, and claim" to Korea, Formosa, the Kurile Islands, and other specifically enumerated areas. The difference between the two articles of the treaty is that on the one hand (Korea, Formosa, etc.) there is a total relinquishment of Japan's rights in these areas, while on the other hand (the Ryukyus) ~~something~~ still remains in Japan. What remains in Japan Mr. Dulles designated on September 5, 1951, as "residual sovereignty." This term is not a precise one in international law and appears to reflect what is called nudum ius soveranitatis. 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.

Ryukyus not U.S. territory

Having never been ceded by Japan, the Ryukyu Islands are not U.S. territory (Hudson, "Permanent Court of International Justice (1920–42)" (1943), 66). U.S. statutory law as a whole is not applicable to the area. The law consists of the law of Japan prior to 1945 and enactments of the local government and of the civil administration, including those carried over from military government. U.S. Federal courts have declared the islands to be a "foreign" country or territory in considering the application of specific U.S. statutes thereto. (See *U.S.* v. *Shiroma*, 123 F. Supp. 143.)

Executive Order No. 10713

The President in Executive Order 10713, signed on June 5, 1957, assigned to the Secretary of Defense the exercise of U.S. powers subject to his approval and direction. He charged the Secretary of Defense with the "development of an effective and responsible Ryukyuan government based on democratic principles and supported by a sound financial structure" and with making every effort to "improve the welfare and well-being of the inhabitants" (22 Fed. Reg. 4007, 1957).

This Executive order was amended by Executive Order 11010 dated March 16, 1962. The amended Executive order is set out in full later in the report.

"De facto" sovereign

The responsibilities of the United States as "de facto" sovereign result both from the demands of national security and from humanitarian considerations. As was stated by a special subcommittee of the House Armed Services Committee (Price committee), following a visit to Okinawa in 1955, the U.S. responsibilities toward the Okinawans "arise in the first instance from our tradition of fair play." They stated further that—

> Okinawa has become, in its most precise sense, a "showcase of democracy." The eyes of the world and particularly the hooded eye of the Communist world are fixed effectively on our actions in Okinawa, the latter in concentrated study to

discover what can be used as propaganda against us. These two considerations have been placed in order of priority—morality first, practicality second ("Report of a Special Subcommittee of the Armed Services Committee," No. 86, 1956, p. 7658).

Administration not temporary

That the administration of the Ryukyus, and the responsibilities imposed thereby, are not provisional or temporary in nature has been made crystal clear since December 1953 when Secretary of State Dulles stated that—

> the U.S. Government believes it is essential for 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 * * * Ryukyu Islands and in other islands specified in article 3 of the treaty so long as conditions of threat and tension exist in the Far East.

STATEMENTS RE U.S. TENURE IN THE RYUKYUS

1. On December 24, 1953, Secretary of State Dulles, on the occasion of the reversion of Amami Oshima to Japan, stated for the press:

> The U.S. Government believes that it is essential for 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 excersise its present powers and rights in the remaining Ryukyu Islands and in the other islands specified in article 3 of the peace treaty so long as conditions of threat and tension exist in the Far East.

2. On January 7, 1954, President Eisenhower, in his state of the Union message to Congress, stated: "We shall maintain indefinitely our bases in Okinawa."

3. On December 30, 1955, Secretary of the Army Brucker, following his return from a trip to the Far East, stated for the press:

> The United States intends to retain control of Okinawa for many, many years.

4. On January 16, 1956, President Eisenhower, in his budget for fiscal year 1957, stated:

> The Ryukyu Islands are the remaining responsibility under this appropriation. Under the treaty of peace with Japan, the United States is empowered to continue to exercise all powers of administration, legislation, and jurisdiction over the territory and the 800,000 inhabitants of the Ryukyu Islands. A system of military bases and other installations pertinent to the defense of the Pacific area has been developed in the islands. Since these are of critical strategic importance to the security of the free world, it is expected that the United States will be responsible for their administration for an indefinite period.

5. On June 8, 1956, the House Armed Services Committee approved the Price subcommittee report, which stated:

> The question as to the length of our tenure was perhaps best answered by the Secretary of State when he said, in connection with the return of the Amami Islands to the jurisdiction of Japan, that it was the intention of the United States, to continue "to exercise its present powers and rights in the remaining Ryukyus Islands * * * so long as conditions of threat and tension exist in the Far East."

6. On June 27, 1956, U.S. Ambassador to Japan Allison stated for the press:

> I have noted that as a result of recent press statements particularly about the Price subcommittee report there have arisen misapprehensions concerning American intentions in Okinawa and Japan. I want to say emphatically that there has been no change in our basic policy either toward Okinawa or Japan. With regard to the Ryukyu Islands we have recognized Japan's residual sovereignty and have no intention of seeking to acquire permanent possession of the islands. When we returned the Amami-Oshima Islands to Japan in 1953 the Secretary of State said that the United States would "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." No one can predict exactly how long these conditions will obtain, but it remains our considered estimate that they necessarily may last for some time. In the meantime, I am sure our friends everywhere realize that our presence on Okinawa is part of our contribution to that joint strength essential to the defense of freedom.

7. In the Eisenhower-Kishi joint communique of June 21, 1957, the following appears:

> 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.

8. The Budget of the U.S. Government for fiscal year 1958 reads on page 607 as follows:

> Since (the Ryukyu) Islands are of critical strategic importance to the security of the free world, it is expected that the United States will be responsible for their administration for an indefinite period.

9. The same statement appears in the Budget of the United States for fiscal year 1959, page 546.

10. In the Budget of the United States for fiscal year 1960, the following statement is made on page 566:

> Since a system of military bases and other installations pertinent to the defense of the Pacific area has been developed in these islands which are of critical importance to the security of the free world, it is expected that the United States will be responsible for their administration for an indefinite period.

11. The budget for fiscal year 1963 reads on page 359 as follows:

> 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.

12. 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.

TWO "GOVERNMENTS" IN THE RYUKYUS ISLANDS

There are, in a sense, two echelons of government in the Ryukyu Islands. One is the local government of the Ryukyuans themselves. This is called the government of the Ryukyu Islands. The other government is a part of the executive branch of the U.S. Government itself; it is called the U.S. Civil Administration of the Ryukyus, and is headed by a High Commissioner, who exercises the ultimate authority in accordance with the powers and functions assigned him.

Both of these governments, their origin, function, limitations, and responsibilities, are described in detail later on in this report in Executive Order No. 10713, as amended by Executive Order No. 11010.

REVENUE OF THE GRI

In order to place the economic and fiscal aspect of H.R. 10937 in proper context, the committee feels that at this point it should describe the sources and amounts of revenue of the GRI.

The principal source of GRI revenues is taxation; this source is supplemented by nontax revenues, i.e., postal fees, telephone and telegraph fees and other fees and charges.

For the last few years the revenue accruing to the GRI is as follows: In 1960, $21,660,000; in 1961, $23,966,000; and in 1962, it is estimated that this revenue will total approximately $27,305,000.

These funds have always been retained in the Ryukyus and used for normal governmental purposes such as education, public health and welfare, public safety, public works and services, economic development, and general government. Section 2 of Public Law 86-629 did not change this situation. It did, however, give specific legal authority for the retention of these funds in the Ryukyus. Prior to that law the retention of these funds was under the possibly adequate but somewhat vague authority of the peace treaty with Japan.

REVENUE OF THE CIVIL ADMINISTRATION

In view of the rather complex origin and nature of the civil administration the committee wishes to deal with them in somewhat more detail. Possession and control of certain of the assets purchased by or generated by the Government and Relief in Occupied Areas (GARIOA) and subsequent appropriations for the Ryukyuan people have been retained by the civil administration for either security or technical and economic reasons.

Assets

These assets include cash, electric power generating and transmission facilities, bulk petroleum distribution facilities, warehouses and a refrigerating plant, domestic housing and water distribution facilities. Some of these were constructed to provide facilities for the direct use of the Ryukyuan people, as the warehouses, refrigeration plant, and water facilities. Others were designed for a dual purpose, as, for example, to provide electrical power for Ryukyuan consumption and a source of revenue through power production for the U.S. forces.

For administrative purposes, these assets have in most cases been capitalized to form USCAR wholly controlled corporations and agencies such as the Ryukyu Electric Power Corp., the Ryukyu Development Loan Corp., the Ryukyu Domestic Water Corp.

Value and income

It is estimated that by June 30, 1962, the net worth value of such assets will be approximately $52,600,000, with a future earning capacity of approximately $7,400,000 annually. These earnings are generally either reinvested or used otherwise—in accordance with U.S.-approved programs—to meet the growing requirements of the expanding economy. They may not be used to augment or substitute for U.S. military appropriations or other U.S. Government agencies' fund requirements.

Trust estate

Conceptually, the assets herein described constitute a trust estate, whose principal beneficiary and whose sole remainderman is the Ryukyuan people. This concept, which is the logical result of the inter-relationship between the congressional intent of the GARIOA appropriation for the Ryukyus and sound management practice of the HICOM, has been recognized and validated by a decision of the Comptroller General.

Opinion of Comptroller General

Under date of April 24, 1953, the Secretary of the Army sought a decision as to whether or not the funds and facilities above mentioned should be considered to be "owed to or owned by the U.S. Treasury" within the meaning of section 1415 of the Supplemental Appropriation Act, 1953 (66 Stat. 662). In his decision, dated August 17, 1953, the Comptroller General stated, in part:

> * * * it appears clear that while all of the funds involved are available to the U.S. Civil Administration of the Ryukyus (USCAR) which is an agency of the United States, they are available to it solely because it exercises the functions of a local government of the Ryukyus and that the funds are intended and used for the benefit of, and are in the nature of a trust account held for, the Ryukyuan people and are not available to supplement funds appropriated by the Congress for general purposes of the United States or military purposes of the Army. Under the circumstances, the said assets do not appear to be foreign credits "owed to or owned by the U.S. Treasury" within the meaning of section 1415 of the Supplemental Appropriations Act, 1953 (66 Stat. 662), and that provision appears inapplicable to the said assets.

THE USCAR CORPORATIONS AND BUSINESS-TYPE OPERATIONS

The High Commissioner of the Ryukyu Islands, exercising local governmental powers in the Ryukyus by virtue of article 3 of the Treaty of Peace with Japan and the implementing Executive Order 10713, is authorized to create corporations when necessary and desirable to accomplish its mission.

Such corporations are instrumentalities of USCAR in that they are completely controlled by USCAR. However, the High Commissioner, acting as a trustee for the Ryukyuan people, established such corporations to hold and operate facilities created as a result of appropriations by the Congress for the benefit of the Ryukyuan people. Accordingly, and as indicated previously, beneficial ownership of the assets of USCAR corporations is in the Ryukyuan people.

The High Commissioner's role as a trustee for the Ryukyuan people was specifically recognized by the Comptroller General, in a decision dated August 17, 1953 (B-114950), cited above.

Congress apprised

Congress has been fully apprised of the existence and nature of USCAR corporations. Congressional recognition has been evidenced by such actions as the fiscal year 1958 appropriation of $1,513,000 for extension of the Ryukyu Electric Power Corp.'s transmission system. In fiscal year 1960 the Congress appropriated $18 million for loan to the Ryukyu Electric Power Corp. for construction of additional generating facilities.

List of corporations

The foregoing points out the peculiarly distinctive characteristics of the USCAR corporations. The corporations are:

The Ryukyu Electric Power Co. (*REPC*).—This was established by CA Ordnance No. 129, dated September 29, 1954, to acquire and administer the Machinato Electric Powerplant (constructed with GARIOA funds), and other facilities for the generation, transmission, distribution, and sale of electricity. The RFPC presently leases its facilities to the Army which operates the integrated power system, and it purchases power from the Army to satisfy local requirements. Under Public Law 86-383, the Congress appropriated $18 million for loan by the Secretary of the Army to the REPC to construct an additional 80,000-kilowatt plant, the total cost of which will be $22.7 million. In apportioning $14 million of these funds to finance initial construction contracts, the Bureau of the Budget has stipulated that the REPC assume the operation of the power system, relieving the Army of that responsibility. Preparations for such assumption are now underway. Construction of the new plant will begin in July 1962.

The Okinawa Housing Corp. (*OHC*).—This was established by CA Ordinanace No. 5, dated April 5, 1950, to acquire, construct, maintain, and operate housing facilities constructed or rehabilitated with GARIOA funds for members of the U.S. forces. OHC presently owns and maintains 443 houses, of which 438 were constructed from GARIOA funds and 5 from retained earnings. These houses are used to meet the housing requirements of the military services. Rentals received constitute the revenues of the corporation. It is planned to dissolve the corporation as soon as its assets are released from military requirement. (In addition to the current housing assets of OHC, $3.9 million of GARIOA funds were used to construct 200 masonary dependent houses in the Machinato-Naha housing area on Okinawa in 1952. These assets were transferred to the Army in August 1952 without reimbursement. The concerned committees of the Congress were subsequently notified of this transfer.)

The Ryukyu Warehouse Corp. (*RWC*).—This was established by CA Ordinance No. 113, dated May 26, 1953, to operate nine warehouses (constructed with GARIOA funds). In accordance with its plan to withdraw from most business activities, the Office of the High Commissioner terminated the operation of the corporation on February 28, 1961. The major portion of the physical assets of the corporation were disposed of during fiscal year 1961, and the remaining assets in the first half of fiscal year 1962.

The Ryukyu Domestic Water Corp. (*RDWC*).—This was established by HICOM Ordinance No. 8, dated September 4, 1958, to acquire, maintain, and operate domestic water-producing properties and facilities for collection, treatment, transmissoin, distribution, and sale of water for the use and benefit of the Ryukyuan people, for industrial development, and for other purposes.

The Ryukyu Development Loan Corporation (*RDLC*).—This was previously the Ryukyu Reconstruction Finance Fund, established in April 1950. The RDLC was established as a corporation by HICOM ordinance on January 1, 1960, to accelerate development of productive and other essential activities by providing long-term loan assistance not otherwise available from private or public sources, and thereby to encourage private capital formation and investment of such capital in sound and diverse business activity.

Other business activities

In addition to these wholly owned corporations, the HICOM is engaged in the following business-type activity:

The Petroleum Distribution Fund (PDF), through which the High Commissioner procures and distributes to PX outlets and the local economy all POL products. By applying a markup on landed, distribution, and administrative costs, significant net revenues are realized. These are distributed to the GRI, which does not impose a POL tax, and to the general fund for economic aid and reserve purposes.

The High Commissioner also has an interest in the Bank of the

Ryukyus, established by Military Government Ordinance No. 1, dated May 4, 1958 to maintain adequate facilities for receiving, disbursing, storing, and safeguarding funds of government and private individuals; for conducting normal banking transactions incident to the successful functioning of the local government; and for promoting commercial, industrial, and agricultural enterprises by providing adequate capital. The U.S. civil administration owns 51 percent of the 300,000 outstanding shares of the bank's stock. This investment is carried by the HICOM at acquisition cost rather than at its current appreciated value. Annual dividends on this investment are paid to the general fund of the High Commissioner.

WHAT ARE RYUKYUS TO UNITED STATES?

Much of the preceding portion of this report relates to what the Ryukyu Islands are, where they are located, the authority which the United States exercises in the Ryukyus and the basis for this authority, and the expected tenure of our occupancy of the Ryukyus. Some detail is given also of the two "governments" which exist in the Ryukyus and the fiscal basis for each of them.

At this time the committee feels it would be well to summarize briefly exactly what the Ryukyu Islands mean to the United States.

Most important military base

First, and more important, Okinawa, the largest island, is by any measure our most important single military base in the Far East. Without it radical changes would have to be made in virtually every element of our military structure. Loss of it would induce a chain reaction which would affect not only every aspect of our defensive and offensive capability in the Pacific but would require major modifications in military establishments far removed from Okinawa and from the Pacific itself. Its importance to the United States from a military standpoint cannot be overemphasized. Additionally, the islands are of great importance to other strategic operations of the United States; for example, and to cite only one, there are major facilities of the Voice of America.

Okinawans not enemies

Second, the authority which the United States gained over Okinawa as a result of the Peace Treaty With Japan generated concomitant responsibilities. While it is true that Okinawa was a part of Japan, and Japan was an enemy of the United States, the Okinawan people themselves were not, as a group, enemies of the United States and were both practically and psychologically somewhat dissociated from participation in the military actions taken by Japan against the United States. Perhaps it would not be far from the truth to say that the Okinawan people were innocent victims in the war between the United States and Japan.

Because the practical effect of the 1952 Peace Treaty With Japan placed the United States in complete control of Okinawa and provided, to repeat, that—

> * * * the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of these islands * * *

the United States has a similarly total responsibility to these people over whom it has such exclusive jurisdiction and control.

Relationship unique

Third, comparisons of other relationships which the United States has or has had with foreign countries cannot be made since the relationship existing between the Ryukyus and the United States is virtually unique in our history.

As the Price subcommittee of the Armed Services Committee stated in its report in 1956:

> Okinawa has become, in its most precise sense, a showcase of democracy.

The world is watching and the United States must not be found wanting.

Large U.S. investment

Fourth, the United States has a very large monetary investment in Okinawa and while this monetary investment lacks the importance or significance of other considerations set out above, it is certainly one which cannot be disregarded. It is an investment which prudence dictates should be protected, and protection in this case goes well beyond the normal connotation of that word; it implies the kind of protection which has as one of its essential elements a proper relationship between our country and the Okinawans with all of the benefits which flow from such a relationship.

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 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 effort reflected 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 it 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.

History of ARIA economic assistance appropriations by activities, fiscal years 1959–63

[In thousands]

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963 estimate+ as amended
1. Reimbursement for Government services	$500	$815	$825	$890	$945+ $0
2. Support of Government projects	800	2,534	3,492	4,477	5,055+1,000
(*a*) Educational facilities and equipment	(0)	(790)	(1,075)	(1,117)	(1,180+ 225)
(*b*) Contribution to teachers' pay	(0)	(0)	(0)	(1,000)	(1,000+ 0)
(*c*) Public health and welfare	(330)	(330)	(475)	(425)	(707+ 575)
(*d*) Public works and economic development projects	(170)	(1,065)	(1,550)	(1,535)	(1,743+ 200)
(*e*) Technical cooperation and education	(295)	(344)	(387)	(395)	(420+ 0)
(*f*) Transportation	(5)	(5)	(5)	(5)	(5+ 0)
3. Capitalization of loan funds for economic development	0	0	0	0	0+4,000
4. Disaster relief (no-year funds)	0	0	0	0	0+1,000
Total economic assistance	1,300	3,349	4,317	5,367	6,000+6,000

REASON FOR INCREASE

The question naturally arises as to why, if only 2 years ago, $6 million per annum appeared to be sufficient for the expenditures contemplated by Public Law 86–629, it is now necessary to amend the law to permit expenditures of four times that sum.

It was the view of the administration in 1959, based on analysis of anticipated developments in the Ryukyu Islands, that not less than $6 million would be required annually to meet the normal requirements of U.S. support in order to achieve our objectives there. Accordingly, the Department of the Army requested authorization for annual contributions from appropriated funds for this purpose of $6 million, with provision for an automatic set-aside of this amount and also for carryover of the unobligated balances thereof until a total of

$6 million carryover had been reached. Thus, it is conceivable that in any one year as much as $12 million might have been available for application to these purposes.

H.R. 1157, introduced on January 7, 1959, contained the provisions which the administration requested at that time. H.R. 1157 was approved by the House of Representatives, which 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 annually, 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, as a consequence, actual appropriations by Congress amounted to $3.35 million in fiscal year 1960, $4.3 million in fiscal year 1961, and $5.4 million in fiscal year 1962.

Two areas

The increased assistance requested would be directed into two areas: A short-term effort aimed at a quick increase in levels of income and standards of social security, health, and education; and a longer term effort, which will contribute to the islands' economic development for their greater self-sufficiency.

COMMITTEE POSITION

The committee fully recognizes the imperatives which require provision of assistance adequate to preserve unhampered the maintenance and operation of this invaluable military base; it is aware also of the variable factors which bear directly on the annual funding estimates which the civil administration must develop. The committee strongly supports authorizing legislation which will permit the Congress to appropriate those amounts which may be justified as required in any given fiscal year. 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.

EXECUTIVE ORDER 10713

June 5, 1957

As amended by Executive Order 11010, March 19, 1962

PROVIDING FOR ADMINISTRATION OF THE RYUKYU ISLANDS

WHEREAS under Article III of the Treaty of Peace with Japan the United States is exercising all and any powers of administration, legislation and jurisdiction over the territory, including territorial waters, and inhabitants of the Ryukyu Islands (the term "Ryukyu Islands", as used in this Order, meaning Nansei Shoto south of 29 degrees North Latitude, excluding the islands in the Amami Oshima Group with respect to which all rights and interests of the United States

under the said article of the treaty have been relinquished to Japan;

Now, THEREFORE, by virtue of the authority vested in me by the Constitution, and as President of the United States and Commander-in-Chief of the Armed Forces of the United States, it is ordered as follows:

Section 1. Except as the Congress may otherwise provide by law with respect to the Government of the Ryukyu Islands, all administrative, legislative, and jurisdictional powers reposed in the United States by Article III of the Treaty of Peace with Japan shall be exercised in accordance with this Order.

Section 2. The said powers shall be exercised by the Secretary of Defense, subject to the direction and control of the President of the United States. In the exercise of this authority the Secretary of Defense shall encourage the development of an effective and responsible Ryukyuan Government, based on democratic principles and supported by a sound financial structure, shall make every effort to improve the welfare and well-being of the inhabitants of the Ryukyu Islands, and shall continue to promote the economic and cultural advancement of the inhabitants. The Secretary of Defense may delegate any function vested in him by this Order to such officials or organizational entities of the Department of Defense as he may designate.

Section 3. The Secretary of State shall be responsible for the conduct of relations with foreign countries and international organizations with respect to the Ryukyu Islands.

Section 4. (a) There is established, under the jurisdiction of the Secretary of Defense, a civil administration of the Ryukyu Islands, the head of which shall be known as the High Commissioner of the Ryukyu Islands (hereinafter referred to as the "High Commissioner"). The High Commissioner (1) shall be designated by the Secretary of Defense after consultation with the Secretary of State and with the approval of the President, from among the active duty members of the Armed Forces of the United States, (2) shall have the powers and perform the duties assigned to him by the terms of this order, (3) may delegate any function vested in him to such officials of the civil administration as he may designate, and (4) shall carry out any powers or duties delegated or assigned to him by the Secretary of Defense pursuant to this order.

(b) There shall be under the High Commissioner a civilian official who shall have title of Civil Administrator. The Civil Administrator shall be designated by the Secretary of Defense, after consultation with the Secretary of State and with the approval of the President, and shall have such powers and perform such duties as may be assigned to him by the High Commissioner. (As amended by EO 11010)

Section 5. There is hereby continued, subject to the provisions of this order, the now existing Ryukyuan central government (hereinafter referred to as the Government of the Ryukyu Islands).

Section 6. (a) The legislative power of the Government of the Ryukyu Islands, except as otherwise provided in this order, shall be vested in a legislative body consisting of a single house. Members of the legislative body shall be directly elected by the people of the islands in 1962, and triennially thereafter, for terms of three years.

(b) The territory of the Ryukyu Islands shall continue to be divided into districts, each of which shall elect one member of the legislative body. The present 29 districts are continued, but the number of boundaries of districts may be altered by law enacted by the Government of the Ryukyu Islands with the approval of the High Commissioner. Any redistricting shall be done with due regard to obtaining districts which are relatively compact and contiguous and which have reasonably equal populations. (As amended by EO 11010)

Section 7. The legislative body shall exercise legislative powers which extend only to all subjects of legislation of domestic application. The legislative body shall determine the procedures for judging the selection and qualification of its own members and shall choose therefrom its officers and determine its rules and procedures. Local legislative bodies, the members of which shall be elected by the inhabitants of the respective municipalities in accordance with procedures established by the legislative body of the Government of the Ryukyu Islands, shall be given and shall exercise appropriate municipal legislative powers. The High Commissioner shall report to the Secretary of Defense all laws enacted by the legislative body of the Government of the Ryukyu Islands and the said Secretary shall report the same to the Congress of the United States.

Section 8. (a) The executive power of the Government of the Ryukyu Islands shall be vested in a Chief Executive, who shall be a Ryukyuan. The Chief Executive shall have general supervision and control of all executive agencies and instrumentalities of the Government of the Ryukyu Islands and shall faithfully execute the laws and ordinances applicable to the Ryukyu Islands.

(b)(1) The Chief Executive shall be appointed by the High Commissioner on the basis of a nomination which is made by the legislative body herein provided for and is acceptable to the High Commissioner. A Chief Executive so appointed shall serve for the remainder of the term of the legislative body which nominated him and for such reasonable period thereafter as may be necessary for the appointment of a successor pursuant to this paragraph, or, failing such an appointment, pursuant to paragraph (2) of this sub-section.

(2) In the event the legislative body does not make an acceptable nomination within a reasonable time as determined by the High Commissioner, or if by reason of other unusual circumstances it is deemed by the High Commissioner to be necessary, he may appoint a Chief Executive without a nomination. The tenure of any Chief Executive appointed pursuant to this paragraph (2) shall be as determined by the High Commissioner.

(c) The head of each municipal government shall be elected by the people of the respective municipality in accordance with procedures established by the legislative body of the Government of the Ryukyu Islands. (As amended by EO 11010)

Section 9. (a) Every bill passed by the legislative body shall, before it becomes law, be presented to the Chief Executive. If the Chief Executive approves a bill he shall sign it, but if not he shall return it, with his objections, to the legislative body within fifteen days after it shall have been presented to him. If a bill is not returned within the specified fifteen-day period, it shall become law in like manner as if it had been approved by the Chief Executive, unless the legislative body by adjournment prevents its return, in which case it shall be law if approved by the Chief Executive within forty-five days after it shall have been presented to him; otherwise it shall not be law. When a bill is returned to the legislative body with objections by the Chief Executive, the legislative body may proceed to reconsider it. If, after such reconsideration two thirds of the legislative body pass it, it shall become law in like manner as if it had been approved by the Chief Executive.

(b) If any bill approved by the legislative body contains several items of appropriation of money, the Chief Executive may object to one or more of such items or any part or parts, portion or portions thereof, while approving the other items, or parts or portions of the bill. In such case, the Chief Executive shall append to the bill, at the time of signing it, a statement of the items, or parts or portions thereof, objected to, and the items, or parts or portions thereof, so objected to shall not take effect. Should the legislative body seek to over-ride such objections of the Chief Executive, the procedures set forth above will apply. In computing any period of days for the foregoing purposes, Sundays and legal holidays shall be excluded. (As amended by EO 11010)

Section 10. Judicial powers in the Ryukyu Islands shall be exercised as follows:

(a) A system of courts, including the civil and criminal courts of original jurisdiction and appellate tribunals, shall be maintained by the Government of the Ryukyu Islands. These courts shall exercise jurisdiction as follows:

(1) Civil jurisdiction in all civil cases, subject to the provisions of paragraphs b (1) and (2), below.

(2) Criminal jurisdiction over all persons except (a) members of the United States Forces or the civilian component, (b) employees of the United States Government who are United States nationals, and (c) dependents of the foregoing, provided, nevertheless, that subject to paragraph c, below, criminal jurisdiction may be exercised by courts of the Government of the Ryukyu Islands over dependents who are Ryukyuans. Criminal jurisdiction may be withdrawn from the courts of the Government of the Ryukyu Islands by the High Commissioner in any case which affects the security, property, or interests of the United States and which is so designated by him. (As amended by EO 11010)

(b) A system of courts, including civil and criminal courts of original jurisdiction and appellate tribunals, shall be maintained by the Civil Administration. These courts shall exercise jurisdiction as follows:

(1) Civil jurisdiction over any case or controversy of particular importance affecting the security, property, or interests of the United States, as determined by the High Commissioner. Such cases instituted in a court of the Government of the Ryukyu Islands shall be transferred to the appropriate Civil Administration court upon order of the High Commissioner at any time in the proceedings, including final appellate process, prior to the entering of final decree, order or judgment. Cases so transferred may be subject to trial de novo in the discretion of the court of the Civil Administration.

(2) Civil jurisdiction in cases and controversies in which a member of the United States forces or the civilian component thereof, an employee of the United States Government who is a United States national, or a dependent of one of the foregoing, unless such dependent is a Ryukyuan, is a party if upon petition of one of the parties to the suit the High Commissioner deems the case to be important in its effect, direct or indirect, on the security of the Islands, on foreign relations or on the security, property or interests of the United States or nationals thereof and determines that the Civil Administration should assume jurisdiction over the case. In this event, such cases instituted in a court of the Government of the Ryukyu Islands shall be transferred to the appropriate Civil Administration court by order of the High Commissioner at any time in the proceedings, including final appellate process, prior to the entering of final decree, order or judgment. Cases so transferred may be subject to trial de novo in the discretion of the court of the Civil Administration.

(3) Criminal jurisdiction over (a) the civilian component, (b) employees of the United States Government who are United States nationals, and (c) dependents, excluding Ryukyuans, (i) of the foregoing and (ii) of members of the United States forces. (As amended by EO 11010)

(4) Criminal jurisdiction in specific cases of particular importance affecting the security, property, or interests of the United States, as determined by the High Commissioner. Such cases instituted in a court of the Government of the Ryukyu Islands may be transferred to the appropriate Civil Administration court upon order of the High Commissioner at any time in the proceedings, including the final appellate process, prior to the entering of final decree, order or judgment. Cases so transferred may be subject to trial de novo in the discretion of the court of the Civil Administration.

(c) Criminal jurisdiction over persons subject to trial by courts-martial under the Uniform Code of Military Justice (10 U.S.C. 801 et seq.) will be exercised by courts other than

courts-martial only when the military commander concerned determines not to exercise military jurisdiction under the Uniform Code of Military Justice and specifically indicates to the High Commissioner his approval of referring the case to another court.

(d) The highest appellate court of the Civil Administration shall have jurisdiction to review:

(1) Any case, civil or criminal, tried in the inferior courts of the Civil Administration, whether initiated therein or removed thereto, upon appeal by any party.

(2) Any case, civil or criminal, decided by the highest court of the Government of the Ryukyu Islands having jurisdiction thereof in which is involved

(i) a conflict of decision between the highest court of the Government of the Ryukyu Islands and the highest appellate court of the Civil Administration or

(ii) a question of United States, foreign or international law, including the interpretation of any treaty, act of Congress of the United States, Executive Order of the President of the United States or of a proclamation, ordinance or order of the High Commissioner upon appeal by any party or, if no such appeal be taken, upon petition, setting forth the special grounds therefor, presented to the court by the chief legal officer of the Civil Administration. The highest appellate court of the Civil Administration shall have power to affirm, modify, set aside or reverse the judgment, order or decree reviewed or to remand the case with such directions for a new trial or for entry of judgment as may be just. In a criminal case, the appellate court may set aside the judgment of conviction, or may commute, reduce (but not increase) or suspend the execution of sentence.

(e) Nothing in this section shall be construed as extending to any court of the Government of the Ryukyu Islands or of the Civil Administration, jurisdiction over the United States Government or any agency thereof unless specific authority has been conferred in the premises by the Congress of the United States.

(f) For the purpose of these provisions the expression—

(1) "Members of the United States Forces" shall mean the personnel on active duty belonging to the land, sea or air armed forces of the United States of America whenever in the Ryukyu Islands.

(2) "Civilian component" shall mean the civilian persons of United States nationality who are in the employ of, serving with, or accompanying the United States forces whenever in the Ryukyu Islands.

(3) "Dependents" shall mean the spouse and any child or relative by affinity, consanguinity or adoption when dependent upon the principal for over half of his or her support whenever in the Ryukyu Islands.

Section 11. (a) The High Commissioner may, if such action is deemed necessary for the fulfillment of his mission under this order, promulgate laws, ordinances or regulations. The High Commissioner, if such action is deemed by him to be important in its effect, direct or indirect, on the security of the Ryukyu Islands, or on relations with foreign countries and international organizations with respect to the Ryukyu Islands, or on the foreign relations of the United States or on the security, property or interests of the United States or nationals thereof, may, in respect of Ryukyuan bills, laws, or officials, as the case may be, (1) veto any bill or any part or portion thereof, (2) annul any law or any part or portion thereof within 45 days after its enactment, and (3) remove any public official from office. The High Commissioner has the power of reprieve, commutation and pardon. The High Commissioner may assume in whole or in part, the exercise of full authority in the islands, if such assumption of authority appears mandatory for security reasons. Exercise of authority conferred on the High Commissioner by this subsection shall be promptly reported, together with the reasons therefor, to the Secretary of Defense who shall inform the Secretary of State.

(b) In carrying out the powers conferred upon him by the provisions of subsection (a) of this section, the High Commissioner shall give all proper weight to the rights of the Ryukyuans and shall, in particular, have proper regard for the provisions of the second sentence of Section 2 of this order. (As amended by EO 11010).

Section 12. In carrying out this order, including Section 11, the High Commissioner shall preserve to persons in the Ryukyu Islands the basic liberties enjoyed by people in democratic countries, including freedom of speech, assembly, petition, religion and press, and security from unreasonable searches and seizures, and from deprivation of life, liberty or property without due process of law.

Section 13. The Secretary of Defense may issue such further instructions as may be necessary for the carrying out of this order.

Section 14. Except as they may be inconsistent herewith, the proclamations, ordinances, and directives heretofore issued by the existing Civil Administration and its predecessor Military Government agencies shall continue in force and effect until modified, revoked, or superseded under the authority of this order. No proceeding, either civil or criminal, pending in any court of the Government of the Ryukyu Islands or of the Civil Administration of the Ryukyu Islands on the date of this order shall abate by reason of this order; and any such proceeding shall be conducted and concluded in accordance with laws, ordinances, proclamations, and directives in effect immediately before the date of this order.

Section 15. This order shall become effective immediately, but until its provisions shall severally become operative as herein provided, the legislative, executive and judicial functions now vested in the Civil Administration and the Government of the Ryukyu Islands, shall continue to be exercised as now provided by law, ordinance, proclamation

or directive, and the incumbents of all offices under the Civil Administration or the Government of the Ryukyu Islands shall continue in office until their successors are appointed or elected and have qualified, unless sooner removed by competent authority.

TRANSITIONAL PROVISIONS—EXECUTIVE ORDER 11010, MARCH 19, 1962

Section 3. (a) This order shall not operate to terminate immediately the tenure of the Chief Executive of the Government of the Ryukyu Islands now in office. That tenure shall terminate when his first successor, appointed under the provisions of Executive Order No. 10713 as amended by this order, enters upon office as Chief Executive or on such other date as may be fixed by the High Commissioner.

(b) The members of the legislative body in office on the date of this order shall continue in office until the termination of their present terms as members.

(c) The amendment of Section 4 of Executive Order No. 10713 made by this order shall become effective on July 1, 1962. All other parts hereof shall become effective on April 1, 1962.

JOHN F. KENNEDY.

THE WHITE HOUSE, *March 19, 1962.*

NEW EXECUTIVE ORDER

Some Members of Congress have expressed concern that the new Executive order, amending the Executive order of June 5, 1957, would have a deleterious effect on the military command system on Okinawa, through the interjection of a civilian in a command structure which has heretofore been entirely military. This concern, in the opinion of the committee, is unwarranted.

The provision for the appointment of a civilian Civil Administrator, as set forth in Executive Order 11010, is a concession to repeated requests and petitions of many groups and individuals that this position be filled by a civilian, rather than by a military man.

As an assurance that the military command structure will in no way be adversely effected by such an appointment, it is pointed out that the new Executive order expressly provides that the Civil Administrator "shall have such powers and perform such duties as may be assigned to him by the High Commissioner." There is no question, therefore, but that the Civil Administrator must be fully responsive to the authority of the High Commissioner, who is his immediate superior and to whom he is fully responsible. It should be noted that the Civil Administrator can serve as the High Commissioner's deputy only for matters of the civil administration—not for purely military matters, which are handled by the military alone through the normal chains of command.

INTERRELATION BETWEEN BILL, NEW EXECUTIVE ORDER, AND PROPOSED AGREEMENT WITH JAPAN

On March 19 the President announced that he had signed an amendment to Executive Order 10713, which, along with a number of other measures, is the result of recommendations of the interdepartmental task force appointed last year to investigate conditions in the Ryukyus. He stated that he was directing that certain actions be taken to discharge more effectively our responsibilities toward the Ryukyus, and to minimize the stresses that will accompany the anticipated eventual restoration of the Ryukyu Islands to Japanese administration. These directed actions consist, among others, of—

(*a*) Asking the Congress to amend the Price Act (Public Law 86-629) to remove the present $6 million ceiling on assistance to the Ryukyu Islands.

(*b*) Preparing for submission to the Congress plans for the support of new programs in the Ryukyus to raise the levels of compensation for Ryukyuan employees of the U.S. forces and the government of the Ryukyu Islands and the levels of public health, educational, and welfare services so that over a period of years they reach those obtaining in comparable areas in Japan.

(*c*) Preparing proposals for the Congress to provide over future years a steady increase in loan funds available for the development of the Ryukyuan economy.

(*d*) Entering into discussions with the Government of Japan with a view toward working out precise arrangements to implement a cooperative relationship between the United States and Japan in providing assistance to promote the welfare and well-being of the inhabitants of the Ryukyu Islands and their economic development, as discussed by him with Prime Minister Ikeda during the latter's visit to Washington last year. In the joint communique issued by the President and Prime Minister Ikeda following discussions held in Washington, D.C., June 20–21, 1961, it was stated that—

> The President affirmed that the United States would 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.

The amendment to the executive order was designed to—

(*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, to emphasize its restricted purposes.

(*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.

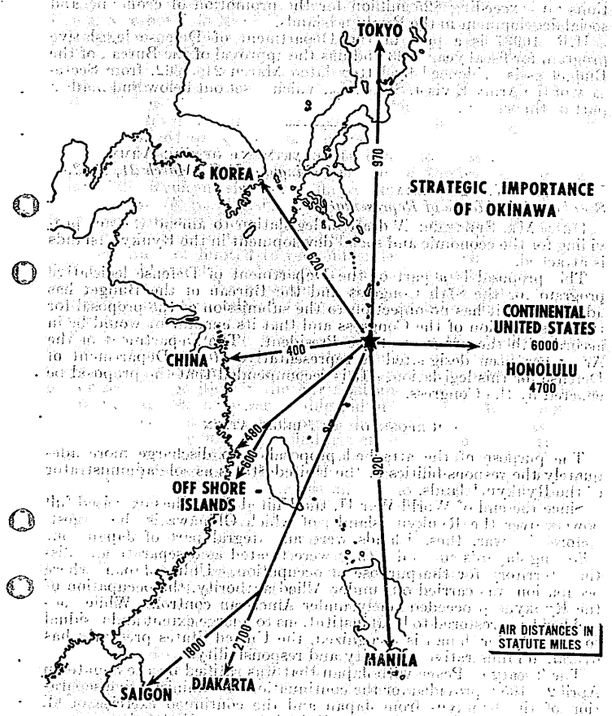
(*f*) Establish under the High Commissioner a civilian official who shall have the title of Civil Administrator.

In considering the relationship of these three matters, the President in his March 19 announcement emphasized that the U.S. armed strength deployed on the Okinawa bases is of the greatest importance

in maintaining our deterrent power in the face of threats to the peace in the Far East and help us to assure our allies in southeast Asia of our willingness and ability to come to their assistance in case of need. The President stated the task force had examined in detail the problem of reconciling the military imperative for continued U.S. administration with the desires of the Ryukyuan people to assert their identity as Japanese, to obtain the economic and social welfare benefits available in Japan, and to have a greater voice in the management of their own affairs.

The amendment to the Price Act is necessary to obtain the economic and social benefits necessary for the Ryukyuans which will satisfy the Ryukyuan desires sufficiently to accomplish the military imperative for continued U.S. administration. The negotiations with Japan will provide for an arrangement so that Japan can assist the United States in providing economic and social benefits for the Ryukyuans. The amendment to the Executive order provides, among other things, for satisfying Ryukyuan desires for a greater voice in the management of their affairs.

In this connection, the committee recalls that section 2 of the Executive order asserts the duty of the concerned U.S. authorities to encourage the development of an effective and responsible Ryukyuan government, not only based on democratic principles, but also supported by a sound financial structure. The committee notes that the U.S. administration has established and fostered two financial institutions which are major elements in the islands' financial system, and is of the opinion that, under the continuing control and guidance of the High Commissioner, these institutions should become increasingly important to the financial stability and economic development of the area.



FISCAL DATA

Enactment into law of this measure will permit annual appropriations not exceeding $25 million for the promotion of economic and social development in the Ryukyu Islands.

H.R. 10937 is a part of the Department of Defense legislative program for fiscal year 1963 and has the approval of the Bureau of the Budget as is evidenced by letter dated March 21, 1962, from Secretary of the Army Elvis J. Stahr, Jr., which is set out below and made a part of this report.

DEPARTMENT OF THE ARMY,
Washington, D.C., March 21, 1962.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: A draft of legislation to amend the act providing for the economic and social development in the Ryukyu Islands is attached.

This proposal is a part of the Department of Defense legislative program for the 87th Congress and the Bureau of the Budget has advised that it has no objection to the submission of the proposal for the consideration of the Congress and that its enactment would be in accord with the program of the President. The Department of the Army has been designated as representative of the Department of Defense for this legislation. It is recommended that the proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of the attached proposal is to discharge more adequately the responsibilities of the United States as sole administrator of the Ryukyu Islands.

Since the end of World War II, the United States has exercised full powers over the Ryukyu Islands, of which Okinawa is the largest. Before the war, these islands were an integral part of Japan, but following Japan's surrender they were treated as a separate and distinct territory for the purpose of occupation. Unlike Japan, where occupation was carried out under Allied authority, the occupation of the Ryukyus proceeded solely under American control. While control has been restored to local institutions to a large extent and residual sovereignty for Japan is recognized, the United States presently has overall administrative authority and responsibility.

The Treaty of Peace with Japan that was ratified by the Senate on April 28, 1952, provided for the continuation of administrative separation of the Ryukyus from Japan and the continued exercise of all powers over the Ryukyus by the United States. Under the terms of article 3 of the treaty, Japan agreed that it would concur in any proposal of the United States to the United Nations to place these islands, as well as certain others, under its trusteeship with the United States as sole administering authority, and that pending such disposition—

"* * * the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of these Islands * * *"

In Executive Order 10713, dated June 5, 1957, the President assigned to the Secretary of Defense the exercise of these U.S. treaty powers subject to the approval and direction of the President. He 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 responsibilities to the Department of the Army.

Public Law 86-629, an act to provide for promotion of economic and social development in the Ryukyu Islands, approved July 12, 1960, authorized to be appropriated not to exceed $6 million in any fiscal year for obligation and expenditure in accordance with programs approved by the President, for (*a*) promoting the economic development of the Ryukyu Islands and improving the welfare of the inhabitants thereof; (*b*) reimbursing the government of the Ryukyu Islands for services performed for the benefit of and by reason of the presence of the Armed Forces of the United States within the Ryukyu Islands, including but not limited to reimbursement for such services in the fields of public health and safety, in annual amounts which may be paid in advance to the government of the Ryukyu Islands; and (*c*) emergency purposes related to typhoons or other disasters in the Ryukyu Islands.

The need for increased economic assistance for the Ryukyu Islands is essential to correct serious existing deficiencies, to discharge our responsibilities as administering authority, and to enhance the stability of our security position in the Far East and Pacific area. An interdepartmental task force was established in August 1961, to determine what steps were necessary to improve the position of the United States in the Ryukyu Islands. The findings of the task force confirmed an urgent need to increase the economic assistance to the Ryukyu Islands. Existing requirements for high priority projects necessary to correct the inadequacies in economic assistance demonstrate that the present fiscal year limitation of $6 million contained in section 4 of the act of July 12, 1960 (74 Stat. 462), must be either eliminated entirely or increased to a new level of $25 million. Pending further studies and related actions, current recommendations for additional economic assistance for fiscal year 1963 total a minimum of $6 million as the first increment of increased economic assistance. This additional amount is over and above the present $6 million authorization for which an appropriation request previously has been submitted to the Congress.

It is the view of the Department of Defense that U.S. security interests and our responsibilities for the welfare of the people in this area can best be assured by the enactment of the attached proposal as a matter of priority.

COST AND BUDGET DATA

Additional costs under the "Administration Ryukyu Islands, Army" (ARIA) appropriation are estimated to be at least $6 million in the first year (fiscal year 1963) and approximately $10–$12 million per year in the subsequent 4 years, plus possible one-time costs of $4–$5 million, which may occur in fiscal year 1964. The spreads in the

estimates occur because of variables which are dependent on (*a*) the resolution of arrangements for assistance by the Government of Japan, (*b*) coordination with, and certain actions by, the government of the Ryukyu Islands, and (*c*) requirements for disaster relief. Dependent of the outcome of these actions in (*a*) and (*b*) and on the requirements for disaster relief, it is possible that a maximum requirement for up to $19 million additional under the ARIA appropriation could arise in the year of greatest cost, for a maximum total of $25 million. As indicated by the above estimates, it may be possible to accomplish the task force objectives without expenditures reaching that maximum level.

Additional overhead costs as covered by Public Law 84-801 (5 U.S.C. 642a; 70 Stat. 652) will be incurred. Information concerning this additional cost will be furnished to the Congress.

Sincerely yours,

ELVIS J. STAHR, JR.,
Secretary of the Army.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, there is herewith printed in parallel columns the text of provisions of existing law which would be repealed or amended by the various provisions of the bill as reported:

EXISTING LAW	THE BILL AS REPORTED
PUBLIC LAW 86-629	
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, 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.	
SEC. 2. All fines, fees, forfeitures, taxes, assessments, and any other revenues received by the Government of the Ryukyu Islands shall be covered into the treasury of the Ryukyu Islands and shall be available for expenditure by the Government of the Ryukyu Islands.	

EXISTING LAW	THE BILL AS REPORTED
	SEC. 3. Revenues derived by the United States civil administration of the Ryukyu Islands from the following sources shall be deposited in separate funds, which are hereby authorized to be established by the High Commissioner of the Ryukyu Islands, and shall be available for obligation and expenditure in accordance with annual budget programs approved by the President: (a) Public-benefit trusts, business-type operations, funds, and enterprises established by the civil administration of the Ryukyu Islands, or its predecessor agencies; (b) Corporations wholly or partly owned by the civil administration of the Ryukyu Islands; and (c) Fines, fees, and forfeitures received by the civil administration of the Ryukyu Islands.
	SEC. 4. There is hereby authorized to be appropriated not to exceed $6,000,000 in any fiscal year for obligation and expenditure in accordance with programs approved by the President, for: (a) promoting the economic development of the Ryukyu Islands and improving the welfare of the inhabitants thereof; (b) reimbursing the Government of the Ryukyu Islands for services performed for the benefit of and by reason of the presence of the Armed Forces of the United States within the Ryukyu Islands, including but not limited to reimbursement for such services in the fields of public health and safety, in annual amounts which may be paid in advance to the Government of the Ryukyu Islands; and (c) emergency purposes related to typhoons or other disasters in the Ryukyu Islands. Preference shall be given to programs in which the Government of the Ryukyu Islands participates by sharing part of the costs or contributing other resources.
	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.

EXISTING LAW

SEC. 5. The term "Ryukyu Islands," as used in this Act, means Nansei Shoto south of twenty-nine degrees north latitude, excluding the islands in the Amami Oshima group with respect to which all rights and interests of the United States under article 3 of the Treaty of Peace with Japan have been relinquished to Japan.

SEC. 6. Nothing in this Act shall be construed to extend the application of any law of the United States to the Ryukyu Islands which would not otherwise be applicable there.

SEC. 7. All financial transactions of the United States civil administration of the Ryukyu Islands, including such transactions of all agencies or instrumentalities established or utilized by such administration, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921, as amended, and the Accounting and Auditing Act of 1950, as amended. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by such administration, agencies, or instrumentalities, and necessary to facilitate the audit. This section does not apply to the Government of the Ryukyu Islands.

Approved July 12, 1960.

THE BILL AS REPORTED

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こう

電信写

37　21778　平　亜北

ワシントン　8月30日1740発

本　省　31日0733着

大平大臣　朝海大使

プライス法案の上院軍事委員会における審議の件

第1973号

24日往電に関し

30日上院軍事委員会の聴聞会は行われなかった。同委員会事務局に照会せるところ、プライス法に関する次回審議の予定は現在のところ未定である由。

配布先　大臣、次官、外審、官房長、亜、米、条、情、各局長、亜審、米参、経次、条参、総、亜北、米北、保、経、米力、条各課

外務省

極秘

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こう

電信写

37　22369　情　亜北

ワシントン　9月6日2025

本　省　6日1009

大平大臣　朝海大使

沖縄援助に関する日米交渉の件

第2040号

貴電第1637号に関し、

4日国務省との定例会談の際、加藤より貴電2.のわが方の今後の段取りの予定を説明し、貴電3.の点につき米側の注意を喚起し、米側の準備促進方要請しておいたが、これに対し先方は琉球立法院選挙及び明年度予算の2点は米側としても正に考慮に入れて本件促進を念頭においている次第であるが、仮にプライス法案の上院審議が遷延しているのであるか上院通過しない限り具体的な計画を推進することは困難な事情に

外務省

極秘

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こう

電信写

あるので、なるべく速やかに伝達したい旨答えた。なお国務省側は（イ）プライス法案については上院を通過するであろうが、金額は要求額を相当下回るべき旨及び（ロ）戻税法案（今回初めて対沖縄援助戻税が外国援助戻税関係と一括審議されることとなったが別に意味なき由）については下院では削減されても上院である程度復活されるのが通例である旨説明があった。

（了）

面時光、
大臣、次官、外審、官房長、亜、米、条、情報局長、
亜審、米参、条参、総、亜北、米北、条北、欧、
情連、内

（アジア局）

極秘

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こう

電信写

37　22489　時　亜北

ワシントン　9月6日23.05発
本省　9月12.16着
大平大臣　朝海大使

ボール次官との会談（沖縄問題）に関する件

第2060号
往電第2058号に関し
本件会談の際、沖縄問題に関し本使よりボール次官に対し我国の予算案の作成時期の問題、ならびに米国ならびに我国よりの現地調査団の派遣の結果による現地側の期待その他の諸情勢にも鑑み、プライス法案の早期成立を要望する旨を申述べたのに対しボール次官は、プライス法案は下院を終り、上院軍事委員会に移つており、戻税法案は下院予算委員会の手にある。今議会は近来

（湯浅）

極秘

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こう

最も難かしかった懇会の一つであるが本件案の成立につき確言はできないが見込みありと考えており、今後もその成立に努力すべき旨を答えた。

配付先　大臣、次官、外審、官房官、亜米条、情各局長、亜参、米参、条参、総、総、亜総、北、米米、条条、規、情道内

外務省

極秘

file

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こう

37　23056　略　要非

ワシントン　9月12日1,700着

本　省　9月13日0,22着

大平大臣　朝海大使

プライス法案審議に関する件

第2117号

1. 1963会計年度対外活動歳出法案のうち琉球諸島に対する経済援助及び輸出入銀行関係事項は12日午後上院歳出委員会の秘密会で審議された。

2. 上院軍事委員会事務局に非公式ルートを通じて照会中のところ、同事務局はプライス法案が13日午前、同委員会の秘密会において審議される予定である旨連絡越した。(了)

配布先　大臣、次官、外審官房官、亜米条、参、情各局長、亜審、米参、条次、参総、総、亜総、北、米米、条条、規、情道内

高橋（森）

外務省