

# 琉球大学学術リポジトリ

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

メタデータ	言語: 出版者: 公開日: 2019-02-05 キーワード (Ja): キーワード (En): 作成者: - メールアドレス: 所属:
URL	<a href="http://hdl.handle.net/20.500.12000/43580">http://hdl.handle.net/20.500.12000/43580</a>

プライス修正率の上院可決

主管課長へ

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡ごう

電信写

37 24003 平 亞北、米北

ワシントン 9月21日 1930 発  
本省 22日 0947 着

池田大臣代理 朝海大使

プライス法修正法案 米下院承認の件

オ2247号 早急へ送付之

21日下院本会議はプライス法修正法案を  
軍事委員会の報告の支出権限(1,200万ドル)  
通り承認した。

(下院は2500万ドルに決定(了)  
上院は向きの調整が必要)

配布先 大臣次官外務省、官房長、亞米、亞協、米、  
諸公使、亞参、米参、亞次、亞協参、米参、  
總務、米北、保、亞、調、亞、亞協政、  
米、規、情、道、内外

稲田 (中序)

外務省

主管課長へ

本電主管、配布先等に関し御意見あれば直ちに電信課検閲班に連絡ごう

電信写

37 24521 平 亞北、米北

ワシントン 9月26日 1850 発  
本省 27日 1010 着

池田大臣代理 朝海大使

プライス法修正法案 米下院承認の件

オ2289号

往電オ2287号に同じ

25日下院本会議はプライス法を上院修正  
案(1,200万ドル制限)通り承認した。

(了)

配布先 大臣、次官、外務、官房長、亞米、亞協、米、  
諸各局長、亞参、米参、亞次、亞協参、米参、  
總、亞北、米北、保、亞、調、亞、亞協政、  
米、規、情、道、内外

中序 (巨伯)

外務省

主管課長へ

本電主管、配付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 24675 平 電北  
ワinton 9月27日 2159  
本省 28日 11.05  
池田大臣代理 朝海大使

グライム法案審議に同し3件

才2315号 (大電急)

社電才2117号に同し

27日 上院才出委員会に琉球諸島  
関係費 2,200万ドル (990万ドル経済  
援助、210万ドル 行政費) を含む  
1963年対外援助法案を承認した。

配付先

大臣 次官 外務省 官房長 豆 米 佐 藤 邦 彦 閣  
長 参 事 長 次 長 参 事 長 佐 藤 比 呂 志 保  
各 務 課 長 米 本 重 参 事 長 佐 藤 邦 彦 閣

添付  
2票  
2紙

山形  
(印)

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 24824 平 米 北  
ワinton 9月28日 13-00 電  
本省 9月29日 09-32 着

池田大臣臨時代理 朝海大使

上院才出委員会における1963年度対外援助法案可決  
の件  
才2316号

在電才2231号に同し

上院才出委員会は27日夜1963会計年  
度対外援助等法案を可決し本会派に返  
付した。その中才1部対外援助(相互安全  
保障)の部につては下院の削減を7億  
9千2百40万ドル復活して44億2,280  
万ドルを承認した。内訳は下表の通り(単位  
千ドル)

Development Grants	275,000
American Hospitals	2,800
Investment Guaranties	100,000
Investment Surveys	1,000

木  
和村



主管課長へ

本電主管、配布先等に関し御意見あ  
れば直ちに電信課検閲班に連絡ごう

電信写

International Organizations	148,900
Supporting Assistance	400,000
Contingency Fund	290,000
Alliance for Progress	575,000
Development Loans	1,125,000
Administrative Expenses, Aid	52,000
Administrative Expenses, State	3,100
Military Assistance	1,450,000
Total	4,422,800

なお、新少筋は本件法案の上院本会議審議は10月10日の予定と報じている。

(純)

配付先 大臣、次官、外務官、官房長、亜米至、至協、  
至情各局長、至米至、至次、至協至、  
至参、至北、至米、至保、至總、至調、至米、  
至協政、至至、至規、至道、至内、至外

外務省

又週一自  
なな井松

主管課長へ

本電主管、配布先等に関し御意見あ  
れば直ちに電信課検閲班に連絡ごう

電信写

27 28日 29日 30日  
本 省 音 9月 28日 2/20  
29日 10/5  
池田大臣代理特電 在米 朝 詢 大 使 宛

海外援助支分法案に付停止

13

米2229の改訂に付打中入心5月26日  
貴部12月2号に關し

28日本使ハリマ2国務次官補日往訪に  
米国の對シ總援助に關する米共費が上院本会議  
会にて1200万ドルに復活せしむること  
は結構にあらずか。金額復活し小費ことは  
遺憾存し。自民党役員決議文(英語)手  
交し、今強上院に本会議、兩院協議会  
とあり一院の努力あり旨述べ  
也。何れも是は金額復活せしむること  
若外にて(Quarant)自分  
あり

一般  
抄(抄系)

極秘

主管課長へ

電信写

本電主管、配付先等に関し御意見あれば直ちに電信課検閲班に連絡ごう

トリスト等委員会<sup>10月</sup>の委員と各個人に会  
つて本問題の重要性を~~説明した外~~、<sup>説明した外</sup>カ論議ス  
長官も本件を特に言及してあり大統領自身  
も本件はコソコソとしてい~~て~~、<sup>て</sup>い~~る~~、<sup>る</sup>事  
もかか~~る~~結果は~~遺憾~~、<sup>遺憾</sup>である、<sup>女中</sup>政府と  
しては~~できる~~限りのことはしてあり、<sup>30日</sup>関係  
係方面に説得~~努力~~、<sup>努力</sup>結果は~~判明~~、<sup>判明</sup>  
得~~ない~~、<sup>ない</sup>か、<sup>上院</sup>上院へ  
か~~この~~程度まで、<sup>した</sup>こと  
は~~充分~~程度に~~復讐~~、<sup>復讐</sup>したことは理解あ  
り、<sup>は</sup>は~~や~~註解い<sup>え</sup>い<sup>わ</sup>ぬ  
と思<sup>う</sup>と~~述~~べ<sup>る</sup>こと  
配布先 大臣、次官、外審、官房長、亜米、経、協、  
系、情、各、局、長、亜、米、参、事、長、経、協、参、事、長、  
総、務、長、亜、米、保、総、務、長、経、協、参、事、長、  
系、規、情、送、出、

外務省

主管課長へ

電信写

本電主管、配付先等に関し御意見あれば直ちに電信課検閲班に連絡ごう

37 25171 平 米北、亜北

ワシントン 10月2日 1840発

本省 3日 0831着

池田大臣代理 朝海大使

上院における1963年度对外援助支出  
法案可決の件

カ2354号 大至急

従電カ2315号及びカ2316号に関し  
1日1963会計年度对外援助等支出法案の  
審議に入った上院本会議は2日午後同法案  
各部の援助額を上院委員会案通りとし  
57対24票で可決した。従って沖漕関係  
費も支出委員会通り1,200万ドルで可決  
された。両院協議会の日取りは現在のとこ  
ろ未定。

(3)

配布先 大臣、次官、外審、官房長、亜米、経、協、系、情、各、局、長、  
亜、米、参、事、長、経、協、参、事、長、総、務、長、  
亜、米、保、総、務、長、経、協、参、事、長、  
系、規、情、送、出、

外務省

37.10.3

小林

（印）

北平評議

大 1/61

防第 5710 号

昭和 37 年 10 月 4 日

外務大臣殿

在 朝 米 兵 隊



又ノロウトン国防總省顧問の任命  
及び琉球の崩発状況に關する議會  
記録送付件

本件に關し、上院軍事委員會より入りの  
標記記録一部参考まで別添送付する。

別紙添付 (北平評議)

(上院軍事委員會審議録) June 4, '62

513

米保 30-10



**NOMINATION OF JOHN T. McNAUGHTON**  
**DEVELOPMENT OF THE RYUKYU ISLANDS**

3/1  
7/26

**HEARING**  
BEFORE THE  
**COMMITTEE ON ARMED SERVICES**  
**UNITED STATES SENATE**

**EIGHTY-SEVENTH CONGRESS**  
**SECOND SESSION**  
**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**

JUNE 14, 1962

Printed for the use of the Committee on Armed Services



U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1962

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OFFICE OF THE SECRETARY OF DEFENSE  
WASHINGTON, D. C.

**COMMITTEE ON ARMED SERVICES**

**RICHARD B. RUSSELL, Georgia, Chairman**  
HARRY FLOOD BYRD, Virginia  
JOHN STENNIS, Mississippi  
STUART SYMINGTON, Missouri  
HENRY M. JACKSON, Washington  
SAM J. ERVIN, Jr., North Carolina  
STROM THURMOND, South Carolina  
CLAIR ENGLE, California  
E. L. BARTLETT, Alaska  
HOWARD W. CANNON, Nevada  
ROBERT C. BYRD, West Virginia

**HARRY L. WINGATE, Jr., Chief Clerk**

II

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III

**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

U.S. 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, Stennis, Symington, Jackson, Thurmond, Cannon, Byrd of West Virginia, Saltonstall, Smith of Maine, and Beall.

Also present: William H. Darden, T. Edward Braswell, and Gordon A. Nease of the committee staff; Harry L. Wingate, Jr., chief clerk; and Herbert S. Atkinson, assistant chief clerk.

Chairman RUSSELL. The first item on our agenda this morning is to hear from the nominee for General Counsel of the Department of Defense, to succeed Mr. Vance.

The name of the nominee is the Honorable John T. McNaughton from Massachusetts.

Mr. Vance's nomination to be Secretary of the Army is also pending before the committee. Inasmuch as he has appeared personally and I had had no requests for another personal appearance I did not request Mr. Vance to be here this morning.

Mr. McNaughton, will you have a seat at the end of the table. We welcome you this morning and we congratulate you on your nomination. We will ask you to tell us briefly something of your background and maybe some the members of the committee will have some questions they want to ask you.

(The reference and biographical sketch follows.)

**NOMINATION REFERENCE AND REPORT**

IN EXECUTIVE SESSION,  
SENATE OF THE UNITED STATES,  
May 21, 1962.

Ordered, That the following nomination be referred to the Committee on Armed Services:

John T. McNaughton, of Massachusetts, to be General Counsel of the Department of Defense, vice Cyrus Roberts Vance.

## BIOGRAPHICAL SKETCH OF JOHN T. McNAUGHTON

John T. McNaughton was born on November 21, 1921, in Bicknell, Ind., the son of F. F. and Cecile Gertrude (McMillan) McNaughton. He moved with his family to Pekin, Ill., in 1923, where he attended public schools. He received an A.B. degree from DePauw University (Greencastle, Ind.) in 1942, an LL. B. from Harvard Law School in 1948, and a B. Litt. (in economics) degree in 1951 from Oxford, where he was a Rhodes scholar.

Mr. McNaughton served as a lieutenant in the Navy during World War II, first in the Armed Guard in the North Atlantic and later on a destroyer escort in the Pacific.

He was admitted to the Illinois bar in 1948 and the Massachusetts bar in 1956. From 1949 to 1951, he served with ECA in Paris first with the Deputy U.S. Special Representative, and then as Assistant General Counsel. He was editor and legal counsel of the Pekin (Ill.) Daily Times from 1951 to 1953, assistant professor at the Harvard Law School from 1953 to 1956, and full professor from 1956 until 1961, when he went on leave of absence. While on the faculty at Harvard Law School, he coauthored two books on the law of evidence. He worked in the trial department of Ropes & Gray, Boston, from 1953 to 1955, and served several periods as assistant district attorney, Middlesex County, Mass., from 1957 to 1961. During the past year, he has served as Deputy Assistant Secretary of Defense for Arms Control.

Mr. McNaughton was a candidate for Congress from Illinois in 1952. He is married to the former Sarah Elizabeth Fulkman and has two sons, Alexander, age 13, and Theodore, 6. They reside at 6693 MacArthur Boulevard, Washington 16, D.C.

## STATEMENT OF JOHN T. McNAUGHTON, NOMINEE TO BE GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

Mr. McNAUGHTON. My name is John McNaughton. I was born in Indiana, southern Indiana, and moved to Pekin, Ill., when I was about six and I have lived there most of my life. I went to the public schools there. I went to DePauw University in Indiana, 1938-42; was in the Navy from 1942 to 1946.

I attended the Harvard Law School from 1946 to 1948, was at Oxford from 1949 to 1951 and at the same time on leave of absence worked for the Marshall plan in Paris.

I returned to Pekin, Ill., to one of the family newspapers in 1951 where I was editor of the Pekin Daily Times. I ran for Congress unsuccessfully in 1952.

In 1953 I went to the Harvard Law School to teach, and up until 1 year ago I was teaching at the Harvard Law School. I was at the same time practicing part time as an assistant district attorney for Middlesex County while teaching at Harvard.

The past year since 1961 I have been Deputy Assistant Secretary of Defense for Arms Control, one of Paul Nitze's deputies.

Chairman RUSSELL. Did your service in the Navy involve PT boat service?

Mr. McNAUGHTON. It did not. [Laughter.]

Chairman RUSSELL. Mr. McNaughton, I don't have anything else. In recent months so many nominees had biographies indicating service in patrol boats that one could get the impression this was the most numerous class of ships engaged in the last war.

Senator SALTONSTALL? :

Senator SALTONSTALL. Mr. Chairman, I don't think I have any questions of Mr. McNaughton.

I would just make the observation that Ropes & Gray is one of the leading law firms in Boston, and I would say that Mr. McNaughton apparently has succeeded me as an assistant district attorney in Middlesex County, but only about 40 years later, and that he has had the misfortune of graduating from the Harvard Law School and being a professor there.

But in spite of those observations, I think I would be in favor of his nomination.

Chairman RUSSELL. Well, the committee will recover from its surprise that you will support a Harvard man for confirmation and I will call on Senator Stennis. [Laughter.]

Senator STENNIS. Mr. McNaughton, you list here that you were with the law firm of Ropes & Gray and you were in the trial department. Did you actually try cases in the courtroom before jurists and judges?

Mr. McNAUGHTON. Not with Ropes & Gray.

Senator STENNIS. Well, at any time?

Mr. McNAUGHTON. When I was assistant district attorney in Middlesex County I prosecuted perhaps 20 or 30 cases, none of them major cases.

Senator STENNIS. That extends over a period of 2 or 3 years?

Mr. McNAUGHTON. Four years.

Senator STENNIS. You can go into a courtroom then and try a case before a jury, judge and jury, is that right?

Mr. McNAUGHTON. I think so, yes, sir.

Senator STENNIS. You are experienced in that and you know how it works and you can do it?

Mr. McNAUGHTON. Yes, sir.

Senator STENNIS. That is a strong recommendation to me in addition to the other good points about your record. I have no further questions.

Chairman RUSSELL. Senator Symington?

Senator SYMINGTON. No questions, Mr. Chairman.

Chairman RUSSELL. Senator Jackson?

Senator JACKSON. Mr. Chairman, I just want to observe Mr. McNaughton has a very fine background and excellent record and I believe he will do a good and outstanding job in the Department.

Chairman RUSSELL. Senator Thurmond?

Senator THURMOND. I have no questions, Mr. Chairman.

Chairman RUSSELL. Senator Cannon?

Senator CANNON. What have you done in 1961 since you left Harvard Law School?

Mr. McNAUGHTON. I have been Deputy Assistant Secretary of Defense for Arms Control.

Senator CANNON. Does that involve negotiations—what does it involve?

Mr. McNAUGHTON. On one occasion, briefly, I attended the test ban talks under Arthur Dean.

This year, on two occasions, the first when Secretary Rusk went over in March, I accompanied Secretary Rusk, and again in April, when Arthur Dean tabled the outline of the U.S. treaty, I went over with Adrian Fisher and sat in again on the negotiations.

Senator CANNON. Sitting in on the negotiations, did that involve attending the setting forth of our policy as far as arms program was concerned?

Mr. McNAUGHTON: Not necessarily the sitting in, sir, but the anticipation which takes place largely in the Defense Department, which cooperates with the State Department and White House and the answer is "Yes," in that context.

Senator CANNON: There has been a lot of criticism about the disarmament proposals in that it would appear to some people that apparently the United States is in a unilateral position so far as disarmament is concerned.

You had little to do with such a policy?

Mr. McNAUGHTON: No.

Chairman RUSSELL: Senator Byrd?

Senator BYRD: No questions.

Chairman RUSSELL: Anything occur to any other member of the committee that they desire to recur to questions?

If not, thank you very much, Mr. McNaughton, for your appearance here. We hope that you will have a very pleasant tenure and you will render service to your country.

Mr. McNAUGHTON: Thank you, Mr. Chairman. (The nomination of Mr. McNaughton to be General Counsel of the Department of Defense was subsequently approved by the committee in executive session and confirmed by the Senate on June 15, 1962.)

#### H.R. 10937

Chairman RUSSELL: The next item on the agenda is H.R. 10937. This proposes to amend the 1960 act authorizing 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 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 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 are 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.)

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

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

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

Passed the House of Representatives May 24, 1962.

Attest:

RALPH R. ROBERTS, Clerk.

#### STATEMENT OF HON. 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 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 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 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 percent 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 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 U.S. control, they are not a part of the U.S. community, and there is no hope 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 Ryukyuan 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, 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 prefecture of Japan before the war. Perhaps people who have lived there forever can tell the difference between a Ryukyuan 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 invasion of Okinawa I read many times that the natives there were of slightly different ethnic groups from the Japanese.

I could have been in error. But I read 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 got them though, by conquest.

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

Mr. AILES. Well, the Ryukyu 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, not 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, Lieutenant 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 Ryukyuan, 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 firsthand. 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 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 Public Law 86-629, known as the Price Act.

That is the purpose of this legislation, 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 legislation 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 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 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 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 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 to \$12 million in the subsequent 4 years, plus possible one-time costs of \$4 to \$5 million, which may occur in fiscal year 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 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 1 month must bring water by boat from nearby islands.

The capital city of Naha with over 200,000 people, 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 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 favorable consideration to the amendment of Public Law 86-629 which has been submitted.

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

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

Chairman RUSSELL. I don't think it is nearly that large.

Senator STENNIS. The House report says Okinawa is 454 square miles.

Mr. AILES. The Ryukyu Islands have a total acreage of 542,000 or 848 square miles of which about 153,000 acres are arable. Okinawa has about 290,000 acres. The total land utilized by U.S. forces and agencies is about 75,600 acres—or 118 square miles—of which approximately 16,500 acres are classified as arable land. Most of the arable land used by our forces and agencies is on Okinawa.

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

Mr. AILES. It was Japan's poorest prefecture, 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 had done to bring about that condition and the Japanese had done nothing to remedy it.

Mr. AILES. There is no question about that, sir. They are in far better 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 United States has absolutely nothing to be ashamed of in the manner in which we have looked out for the people.

The problem is that nearby, Japan has enjoyed a tremendous prosperity, and the Japanese Government now does. I am not sure to what extent 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 there in 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 appropriated fund activities of U.S. forces and agencies in the Ryukyus were employing approximately 15,300 Ryukyuan civilians and nonappropriated fund activities about 10,000. That is a direct hire of about 25,300.

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

Chairman RUSSELL. Have you any figures to indicate the wages they receive?

Mr. AILES. We have a figure; 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 appropriated fund activity is 34.46 cents per hour.

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

The average appropriated monthly wage is \$66.21 and the nonappropriated \$53.67.

Note.—Clarification subsequently provided by the Department of the Army follows: The Ryukuans employed by the United States work up to 48 hours a week before earning overtime. The \$66.61 figure includes total average monthly, actual earnings, including overtime and any allowances received, such as language differential.

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 on that?

Chairman RUSSELL. Yes, I would like him to. I am not opposed to this bill, but 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 the compensation of our military employees in the Ryukyus to that of those in Japan.

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

All of these things added up give the Japanese employee of our forces there roughly a 50 percent greater income than they receive in the Ryukyus. This comparison is made by the Ryukuans 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 anything on that?

In the textile mills, what do they pay the girls 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, employed in private industry or, 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 our Civil Affairs Office of the Army.

Chairman RUSSELL. Yes.

Mr. O'FLAHERTY. The average monthly earning 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 sixty-odd dollars. I had that figure in mind and they work for more than 40 hours a week, do they not?

Mr. O'FLAHERTY. That is right.

Chairman RUSSELL. While those who work for us work 40 hours, do they not?

Mr. O'FLAHERTY. Yes, sir.

Chairman RUSSELL. So there is no very wide 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 is 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 \$1.70 more.

Chairman RUSSELL. I thought he said the \$66 was nonappropriated.

Senator CANNON. The \$66 was appropriated and nonappropriated was \$53.

Colonel SITTERSON. There is one statement I would like to make to clarify this. In addition to this the Japanese employee receives 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 insert the social security payments it will help this record.

Senator SYMINGTON, do you have a question?

Senator SYMINGTON. Thank you, Mr. Chairman.

Mr. Secretary, not too long ago there was commotion about the fact Okinawan residents were getting low wages. Has that been cleared up? I remember a figure of 10 cents an hour.

Mr. AILES. You mean from private industry?

Senator SYMINGTON. I don't know. But you are asking for more money to help the Ryukyu Islands and we are talking about wages of \$67. I saw a report from the Department of Labor showing Okinawans were not getting anything approaching that.

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

Mr. AILES. I am sure Mr. Edward W. O'Flaherty of Army Civil Affairs 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. Paid by the U.S. Government?

Senator SYMINGTON. Yes.

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

Senator SYMINGTON. 26 cents an hour?

Mr. O'FLAHERTY. 26 cents is 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.

Chairman RUSSELL. Our average is \$66?

Mr. AILES. From appropriated funds.

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

Chairman RUSSELL. No, sir; an American gets 20 percent more than he gets here. What are you talking about?

Senator SYMINGTON. How do you get 26 cents an hour?

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 saying they were getting paid around 10 cents an hour.

Chairman RUSSELL. You mean an American?

Senator SYMINGTON. No, Okinawan.

Colonel SITTERSON. Senator, if I may try to answer your question this way, the government of the Ryukyus Islands 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 has been trying to work with the Government of the Ryukyu Islands to get them to adopt a minimum wage law and related legislation with it.

So far it has not been adopted. There are some people who work for a very low wage, 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 10 cents an hour.

One of the things the task force had in mind was to try to use an influence progressively, not in a revolutionary way, but in a very carefully planned 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, but in the country, for instance, 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 spending of our military forces.

Chairman RUSSELL. How much are you asking in 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 ask for an additional \$6 million for fiscal 1963.

Chairman RUSSELL. So that would be \$12 million.

Mr. AILES. Yes, sir.

Chairman RUSSELL. So if you had authorization of \$12 million so far as fiscal 1963 is concerned 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 many figures and a good deal of information back there. I have a vague recollection about an electric plant we built there in Okinawa. Do you know anything about that? It seems to me it cost several million dollars.

Mr. O'FLAHERTY. Yes, sir. The requirement was actually for \$22.5, approximately \$22.5 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 Electric Power Corp. which is really under the control of the High Commissioner, as the principal 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 U.S. Treasury; the balance of the requirement above \$18 million 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 29th of this month. There were several delays connected with the design and engineering contract but the powerplant will be underway shortly.

Chairman RUSSELL. Where are we getting our electricity 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 units.

Mr. AILES. If I remember, that power barge is literally a ship that is tied up.

Mr. O'FLAHERTY. It is a ship. Mr. AILES. Generating electricity.

Chairman RUSSELL. I recall a great deal of testimony about it in the Appropriations Committee but it was vague in my mind.

Will this plant supply only our people or will it supply the local population?

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

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

Mr. O'FLAHERTY. It get 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 enough 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 sewer situation in the city of Naha brought about as a result of our action during the war or has that always been the condition 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. 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. 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 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 the residual sovereignty of Japan, and I believe that we have taken a position for some years that ultimately they will go back.

Senator SALTONSTALL. I bring that question up because—

Chairman RUSSELL. Has a flat statement to that effect been made by any authorized spokesman?

Mr. AILES. Yes, sir, by Mr. Dulles initially and later by others. I think we can provide those for the record.

Chairman RUSSELL. That is all right.

I wanted to know because I had the impression the United Nations was mentioned in the treaty.

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.

Mr. Johnson is right here.

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

You may comment, Mr. Johnson, on that.

Mr. Johnson. I am sure he would be delighted to answer any questions on this subject.

Mr. Johnson is right here.

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

You may comment, Mr. Johnson, on that.

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

Mr. JOHNSON. Mr. Chairman, the treaty of peace as Senator Saltonstall has noted, provides 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 made at the time we negotiated the treaty with the Japanese, he interpreted the treaty provisions as meaning that residual sovereignty, 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, to returning to their former status as an integral part of Japan.

The United Nations, as such, have no authority over the Ryukyus nor would they have—if I may correct Mr. Ailes' statement—the thought that when we withdraw from there somehow or other the islands 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. Between 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 stir-up 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, 1953, 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 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 newspapers that the whole situation in Okinawa may be changed in spite of these statements that we make, but in accordance with the terms of the 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 it is our desire to stay in the Ryukyus as long as the military situation requires that we do so. There is no difference of view whatsoever on that.

Secondly, at such time as military necessity may no longer require us to remain there 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 there 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. They regard them as Japanese. The Ryukyuan 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 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 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 \$6 million 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 new 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 classified discussion of this subject later, because these are problems we could—

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

Mr. AILES. 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 let Senator Saltonstall write his question down and remember it and when we go into executive session other Senators may have questions that are 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 and 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 Kurile Islands.

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

Mr. JOHNSON. The Japanese population were evacuated out of there. There were very few people up there in the first place and at the end of the war they were evacuated 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? You have been a representative of this country in the United Nations?

Mr. JOHNSON. I have never represented us in the U.N.

Chairman RUSSELL. I can't blame you then. If sometimes our people would point out these little differences it would be helpful.

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. 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 amount of \$25 million 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 that may be available.

Mr. AILES, who has charge of the spending of this money, the Army, Department of Defense, or who? How does it go out? I don't want 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 for Okinawa for the Ryukyus.

Senator STENNIS. Mr. Chairman, if I may just comment, it appears to me if this was a matter being presented in court it would be sent back to the docket until the facts had been developed. 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. 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 right-hand 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 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 loan funds, 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. 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; I suppose everybody knew we were going to use it a long time apparently. We spent hundreds of millions of dollars there in military installations.

Chairman RUSSELL. It is in the billions.

Senator STENNIS. It went through this committee.

Chairman RUSSELL. I hope the Senator is right, but I have a more wholesome respect for the influence exercised by the professional dogooders 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 funds, and very fine comparable wages that were being paid. I saw some of them at work, too, and they seemed to be doing an excellent job; those Okinawans there, redoing our missiles, taking the parts out, and cleaning them and putting them back and I was favorably impressed.

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 but this is a high figure, it seems to me.

Chairman RUSSELL. Senator Smith.

Senator SMITH. I haven't any questions.

Chairman RUSSELL. Senator Symington?

Senator SYMINGTON. Mr. Secretary, have you 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. One of the subreports that was written was written by the labor representative.

Senator SYMINGTON. Well, one of the members of the task force was worried about this operation.

On page 13 you say that you want a million-dollar contingency fund for typhoons and other natural disasters.

What other natural disasters?

Mr. AILES. You are referring to the House report?

Senator SYMINGTON. Yes.

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 you are asking—

Mr. AILES. I am informed that 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. I see. Then you are going to provide selected Ryukyuan leaders, firsthand experience of American life, train technicians, that is, send them over here and provide the nominal cost of ocean transportation for welfare supplies, and so forth.

Then I notice that half of \$1,900,000—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; \$5.4 million in 1962. Now you want to quadruple it in 1963.

What you are going to get into is 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 not covered in detail in this table because, after all, what we are talking about here is, in effect, an authorization and not an appropriation. As I believe has been explained, 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, that \$300,000 figure you referred to in paragraph (d) on page 13 about Ryukyuan leaders, firsthand experience in American life is a program which has been tremendously successful. It is an increase.

Senator SYMINGTON. I am glad it has been tremendously successful. But this tremendous increase worries me.

I would like to get a breakdown of labor wages—the wages for natives there. Recently I saw some figures the steel industry put out.

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

I would like to see a breakdown of what is paid in Japan and what is paid in Okinawa.

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. AILES. That is exactly right. And in return for that responsibility we have the freedom militarily which we consider to be essential not only to 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 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 that as an observation. You don't have to comment on it.

That is all, Mr. Chairman.

Chairman RUSSELL. Senator Thurmond?

Senator THURMOND. Thank you, Mr. Chairman.

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, Nansai 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 Papeete 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 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 would 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 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 doesn't

say that to them. Wasn't that made in an effort to negotiate, so to speak, or to try to get along with Japan 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 over there that we can actually hold. 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.

On March 19 of this year, when the statement was made by the President on this 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 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 Ryukyu Islanders want, and when 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 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 relinquish this authority, and I was very disappointed when these statements were issued.

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 us it. Furthermore, I want to say because I consider the Ryukyus vital to our national defense, I am sympathetic to your request here this morning.

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

In 1960 the Japanese wanted to fly the flag in Okinawa on certain days, holidays and so forth, and I wrote President Eisenhower bitterly protesting the flying of the Japanese flag on Okinawa or Ryukyus because there is no authority for it under the treaty.

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. 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 very disturbed when I heard 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 acknowledgment that the Japanese have residual power and I bitterly protested.

And I want to be on record.

Chairman RUSSELL. It is done in Panama, 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 try to please everybody.

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

Senator THURMOND. I think it is softness in our policy. 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 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 THURMOND. My information is that 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 requested follows.)

In November 1960, the then Secretary of the Army, Mr. Brucker, recommended that the U.S. Government decline to accede to Japanese requests to permit the flying of the Japanese flag over public buildings in the Ryukyus on various holidays. The Department of the Army maintained this position until the question was reviewed in June 1961. At that time, agreement was reached at higher level, with the acquiescence of the Department of the Army, to permit the flying of the Japanese flag over public buildings in the Ryukyus on certain holidays.

Chairman RUSSELL. Senator Cannon, you may proceed.

Senator CANNON. Thank you, Mr. Chairman.

Mr. Secretary, 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. 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 later for the record; we can put it in more usable form.

Senator CANNON. You gave us the wages paid from appropriated and nonappropriated funds. I wonder if you could give us the average wage paid by contractors?

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 STRICKSON. We only gave the figures for appropriated and nonappropriated funds.

Senator CANNON. You read the number but not the average wages.

If you will give us the average wages; perhaps you could just submit a sheet or chart showing all 4 of those categories, which total 48,300 people, to show the average wage in each case.

Now, with 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. Government and relief in occupied areas.

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 instance, 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. I have forgotten what the political governing group is called, but do we furnish the funds for the compensation of 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 a considerable amount of expenses that they incur?

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 SIMPSON. We do not directly contribute to the support of their administrative costs. We do give grants to the GRI for specific aid purposes. However, the Senate did last year add \$1 million specifically to subsidize an increase in pay for teachers. That is one specific category.

Senator CANNON. There has been a very substantial improvement from the standpoint of new construction.

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

Senator CANNON. Yes; but I mean it was rebuilt temporarily initially, and now there is a lot of more or less permanent type of construction being undertaken in there a 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 RUSSELL. None of it is built with GARIOA funds?

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

Chairman RUSSELL. While you are furnishing information, please furnish what GARIOA funds were provided 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 island 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 to change the basic form of their economy?

Mr. AILES. No, sir. I wouldn't say that, but we are trying to improve their economy.

Some of these moneys 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 industry going which would provide employment and set up wage levels and jobs that way.

Senator CANNON. You talked quite a little about the comparisons with Japan, and that Japan was providing fringe benefits. Is 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 and social welfare, 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 without substantial help.

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 Caraway's statement, when he testified before the House committee, he discussed at some length the kind of aid of this sort that the central Government of Japan is able to give the local prefectures, either because it gives it to everybody in the country or because it helps especially the poorer prefectures. It is that sort of thing 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 that the zero to 19 population is 438,000, out of a total of 883,000.

Senator CANNON. Out of 883,000?

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 percent.

Mr. AILES: Yes, sir, if you were to include all adults, as distinct from the actual work force.

Senator CANNON: Assuming they are over 19.

Thank you very much, Mr. Chairman.

Chairman RUSSELL: Senator BYRD.

Senator BYRD of 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 that we have not in the past been appropriating up to the full amount of the authorization provided.

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

As has been pointed out, on page 27 and also on page 3, the expected outside appropriation needs would amount to about \$23 million, the outside figure, because on page 27 it is stated there that additional costs under the ARIA appropriation would be \$6 million, and that approximately \$10 to \$12 million per year would be needed in the subsequent 4 years, plus possible one-time costs of \$4 to \$5 million. Outside appropriation needs would amount to about \$23 million, the inside figures would amount to a maximum of \$20 million, with only a one-time cost of \$24 and \$25 million, which would indicate that if all of the needs were to arise, as are anticipated here, there would be an inside cost more nearly \$20 million, and eliminating the 1 year, there would be an overall appropriation need of about \$15 million 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 we may see an immediate need for 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 because I can't anticipate a time, once we increase that authorization, when we can lower it. It is a little like increasing the salaries of our own staff. We can always increase those salaries, and 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.

(The information requested, and subsequently furnished, follows. Additional information of a security classification was also supplied.)

TABLES COMPARING RYUKYUS AND JAPAN AND SHOWING USE OF ARIA/GARIOA FUNDS

The following material is provided in answer to specific questions regarding comparative economic data on the Ryukyus and Japan (tables I and II) and the

amount and application of assistance provided under the "Administration, Ryukyu Islands, Army (ARIA)" and "Government and relief in occupied areas (GARIOA)" appropriations, table III.

It should be noted that the methods used to measure wages, income, prices, and production may vary considerably. Therefore, the data provided are by no means an exact comparison between years or between countries.

TABLE I.—Comparative economic statistics, Ryukyus and Japan

Wage scales (dollars per month)	Japan	Ryukyus
Local national U.S. employees:		
Appropriated fund.....	(1)	\$86.61
Nonappropriated.....	(1)	\$53.67
Contractor employed.....	(1)	(2)
Domestics.....	(1)	\$22.00
Private industry:		
Average.....	\$67.70	\$48.00
Iron and steel.....	\$95.23	None
Private consumption (1960 personal consumption as percent of GNP).....	62.4	49.0
Tax burden (1960 taxes as percent of GNP) (millions of dollars):		
Taxes.....	\$7,016	\$20.5
GNP.....	\$40,736	\$199.0
Taxes as percent of GNP.....	19.4	10.3

<sup>1</sup> Comparative wage scales, Okinawa and Japan: Appropriated fund employees: The military services, by reason of their employment of significant numbers of Ryukyuan personnel on Okinawa and of Japanese personnel in Japan, have extensive wage and payroll cost data in the 2 areas. On Okinawa, positions occupied by local national personnel are evaluated and graded on the basis of their duties and responsibilities and the pay rates are set for each skill level to match the compensation prevailing in the local economy for the same level of duties and responsibilities. The Japanese, utilized by the services in Japan, are furnished to the U.S. Forces by the Japanese Government on a reimbursable basis under a master-labor contract. The base pay fixed in the master labor contract for each type of position is presumed to reflect the relative value that such a position is accorded in the Japanese economy. Apart from the base pay, the Japanese employee, in contrast to his Ryukyuan counterpart, receives a substantial portion of his compensation in the form of family allowance, bonuses, and other fringe benefits. These radically different bases of compensation in Okinawa and Japan have served historically as obstacles in arriving at any agreed, valid comparison of compensation between the 2 areas.

<sup>2</sup> A wage data analysis recently made by the military services resulted in the following findings with regard to appropriated fund employees:

(a) The base pay of a Ryukyuan employee at a given skill level is essentially the same as the base pay received by his Japanese counterpart.

(b) In Okinawa, except for a language allowance, an employee's base pay constitutes his total compensation, whereas in Japan base pay accounts for approximately 50 percent of the employee's total compensation with the other 50 percent being made up of allowances, bonuses, and other fringe benefits.

(c) When consideration is given to these other benefits which the Japanese employee receives, the total compensation of the Japanese employee exceeds on the average that of the Ryukyuan employee by an estimated 46.7 percent.

Other categories of personnel: Comparative wage and payroll cost data for nonappropriated fund employees, U.S. contractor employees, and domestics and others paid from private funds, are not available. However, all employees in Japan, including those in these categories, receive allowances and social welfare and other benefits which are not available to Ryukyuan employees on Okinawa.

<sup>3</sup> Actual earnings, average, including overtime.

<sup>4</sup> Ryukyuan private consumption is primarily for basic consumer items: food, etc. It is considered that detailed analysis of Japanese private consumption would show relatively less spent for basic items and a higher percentage for luxury goods.

TABLE II.—Japanese and Ryukyuan average annual income comparison, prewar and postwar

Period	[In dollars, base year 1953]	
	Japan	Ryukyus
1934-36.....	\$183	\$119
1961.....	361	247



TABLE III—Appropriations, "Administration Ryukyu Islands, Army" (ARLA), formerly "GARIOA" funds, fiscal years 1947-62

	Fiscal year 1947	Fiscal year 1948	Fiscal year 1949	Fiscal year 1950	Fiscal year 1951	Fiscal year 1952	Fiscal year 1953	Fiscal year 1954	Fiscal year 1955
<b>Project: Economic assistance</b>									
1. Food and agricultural supplies.....	\$8,488,400	\$10,860,140	\$13,599,534	\$13,599,130	\$13,881,630	\$7,107,119	\$4,996,633		
2. Industrial supplies and materials.....	120,000	120,000	5,607,738	28,699,377	20,458,046	1,952,254	68,336		
3. Petroleum and oil products.....	288,000	1,700,000	696,468	1,531,052	1,334,742	1,288,273	611,041	\$844,189	
4. Medical and other supplies.....	458,000	1,210,000	1,294,881	1,265,034	298,810	41,130	1,170,965	3,880	
5. Transportation.....			3,497,699	4,432,271	791,023	1,414,301	1,175,965	679,362	570,000
6. Government services projects.....			120,000	194,748	240,226	368,305	368,032	283,476	287,322
7. Technical education and cooperation.....									
<b>Total, economic assistance.....</b>	<b>9,350,000</b>	<b>13,940,140</b>	<b>24,855,500</b>	<b>50,403,644</b>	<b>39,745,476</b>	<b>13,250,382</b>	<b>9,222,077</b>	<b>1,811,140</b>	<b>1,922,295</b>
<b>Project: Economic assistance</b>									
1. Food and agricultural supplies.....									
2. Industrial supplies and materials.....									
3. Petroleum and oil products.....									
4. Medical and other supplies.....									
5. Transportation.....									
6. Government services projects.....									
7. Technical education and cooperation.....									
<b>Total, economic assistance.....</b>	<b>1,714,305</b>	<b>1,070,000</b>	<b>1,000,000</b>	<b>1,900,000</b>	<b>1,900,000</b>	<b>3,340,000</b>	<b>4,317,000</b>	<b>5,897,000</b>	<b>176,600,008</b>

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.

At this point I would like to include in the record the statement of Senator Hiram L. Fong of Hawaii.

(The statement referred to follows:)

STATEMENT OF SENATOR HIRAM L. FONG, OF HAWAII, IN SUPPORT OF H.R. 10397

Mr. CHAIRMAN and members of the committee, I am most appreciative of this opportunity to testify for the enactment of H.R. 10397, which amends Public Law 86-629 by increasing the present annual \$6 million authorization to \$25 million, for the promotion of economic and social development of the Ryukyu Islands, commonly known as Okinawa.

I urge the committee to approve this increase because I believe it is vital to the maintenance of our strategic military base on Okinawa.

It is not necessary to belabor before this committee the imperative need for economic and social stability among the peoples living where our overseas bases are located.

As of today, there is no question but that the Okinawans regard the United States with friendly eyes. Our relationships on the whole are most salutary. It is to our Nation's advantage to maintain that spirit of cooperation and friendship.

This committee is fully aware that, to the extent local unrest, discontent, and hostility should prevail at our bases overseas, the continuation of our military forces there becomes less tenable. Under such unfavorable circumstances, our advance bases are put into jeopardy.

In 1959 I was privileged to visit Okinawa, which has a unique relationship with us. Okinawa is an anomalous political entity. The United States has control over the islands and yet they are not part and parcel of our Nation. Our complete administrative control over the islands includes economic, educational, and social responsibilities to their people. During my visit to Okinawa, I was able to see many improvements which the joint efforts of the United States and the people of Okinawa had accomplished since the great devastation inflicted upon the islands in World War II. I learned firsthand about many of Okinawa's varied and complex problems, some of which are deeply rooted in their ancient culture. But I feel that many of these difficulties can be overcome with the provision of more adequate funds.

It is interesting to note that there was cooperation between the island people and the Americans on Okinawa in the execution of governmental plans and programs, but the budgetary limitations of the government of the Ryukyu Islands and the U.S. civil administration hampered their work in the fields of education, health, social welfare, and public works. If this had been adequate, there would have been much greater improvement and more lasting results achieved during the past 17 years of American administration.

The introduction of H.R. 10397 was the result of recommendations of the task force appointed last year by the President to investigate current conditions on the Ryukyu Islands and the U.S. policies and programs in force there. As Okinawa is essential to the security of the United States in serving as an important link in our Pacific defense network, and as an expression of genuine friendship for the people of these islands and a desire to improve their economic, educational, and social conditions, I urge that this bill be favorably reported and acted upon before the adjournment of Congress.

Thank you very much for this opportunity to present my endorsement of this bill.

