FINAL REPORT
OF THE
HIGH COMMISSIONER
TO THE
RYUKYU ISLANDS

14 MAY 1972
# CONTENTS

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>The Initial Setting In 1969</td>
<td>2</td>
</tr>
<tr>
<td>Our Okinawan Bases</td>
<td>4</td>
</tr>
<tr>
<td>Okinawan Economic, Social And Political Developments</td>
<td>10</td>
</tr>
<tr>
<td>Reversion</td>
<td>22</td>
</tr>
<tr>
<td>Summary Conclusions</td>
<td>30</td>
</tr>
<tr>
<td>Map</td>
<td>31</td>
</tr>
</tbody>
</table>
INTRODUCTION

This report is intended to summarize the principal events in the Ryukyu Islands during my administration as High Commissioner. I have had an experience unique to anyone in the military service of our nation, that of assisting in the return of a former enemy territory won in war; returning that territory in consonance with agreements reached in promotion of vital, larger interests of the United States.

When I was invested at a ceremony in Okinawa on 28 January 1969, I stated in my short talk that the High Commissioner has two basic responsibilities: to assure that the US military bases continue to play their important role in contributing to the peace and security of East Asia and the Western Pacific, and "to work to the very best of my abilities for the welfare and the well-being of the people of the Ryukyus." In this report I try to describe some of the problems we encountered and the success which we achieved in carrying out these basic responsibilities.

The distinctive aspect of my incumbency as High Commissioner, affecting all aspects of my period of administration, was the reversion goal and its final attainment. At the same time I endeavored to keep always in the forefront my responsibilities as a professional military officer "to support and defend the Constitution of the United States." This has been my primary goal at all times.

I have been privileged to work in harness with a superbly qualified group of associates -- military and civilian. Included in this group have been outstanding American citizens from the Department of State foreign service and from other departments of our Government.

Also I have enjoyed the steadfast support of my superiors and colleagues in the Department of Army; in the military structure of the Pacific Command; and in the American Embassy in Tokyo.

In concluding forty years of service in the uniform of the United States I count myself immensely fortunate to have occupied this particular post in these critical but rewarding years.

J. B. LAMPERT
Lieutenant General, United States Army
High Commissioner of the Ryukyu Islands
THE INITIAL SETTING IN 1969

In early 1969 the extensive complex of military bases on Okinawa constituted, as it does today, an essential link in US defense arrangements in the Western Pacific. Its most important mission was the support of US Forces and operations in Southeast Asia. A wide range of military aircraft including B-52s was based at Kadena Air Base. The Army's 2d Logistical Command, with its extensive modern facilities, was primarily engaged in the supply of our forces in Vietnam and was also the major rebuild base for Army forces throughout the Far East. With the withdrawal from Vietnam already under way, our Okinawan bases were beginning to shift from direct support of operations and troops in Southeast Asia to the role of a staging area for the withdrawal from Vietnam. The 2d Logistical Command was in the process of assuming a primary mission of rehabilitating and rebuilding equipment returned from Vietnam. Okinawa continued to provide an extremely valuable refueling, servicing and recovery capability for the Air Force. Okinawa also remained the home base for the Third Marine Division which had deployed to Vietnam in 1965.

Shortly before my arrival, on 10 November 1968, the people of the Ryukyu Islands held elections for their first popularly elected chief executive. This was the last major step in a basic US policy, initiated in the early 1960's, of allowing the people of the Ryukyus to manage their own affairs. The election was won by Mr. Chobyo Yara with the support of the three reformist parties -- the Okinawa Socialist Masses Party, the Okinawa Socialist Party, and the Okinawa People's Party -- on a platform of "immediate, unconditional and complete reversion." Mr. Yara's victory was a landmark in the Okinawan movement for reversion to Japan and was widely regarded as strong evidence of the Okinawan people's desire for early reversion. The Legislature, also elected on 10 November 1968, remained however under the control of the conservative Okinawa Liberal Democratic Party, which was closely affiliated with and was later to become a part of the ruling Liberal Democratic Party of Japan.

The election of a reformist administration, the first in the history of Okinawa, gave rise to considerable uncertainty and apprehension in the business community contributing to a lull in the impressive economic activity and growth of previous years. In addition, the climate for the introduction of much-needed foreign investment and technical know-how was not encouraging, partly due to the passage by the GRI Legislature of a restrictive foreign investment law.

I arrived on Okinawa as FUKKIKYO (the Okinawa Reversion Council) and other reformist organizations were making intensive efforts to hold the first general strike in the history of the US administration as part of their campaign for the removal of B-52s from Kadena. Fortunately, moderation prevailed and the general strike, which had been scheduled for 4 February 1969, was averted.
In the months that followed, the demand for the removal of the B-52s from Kadena continued to be the major political issue affecting the US military bases. Reformist organizations pressed in addition for the termination of port calls by US nuclear-powered submarines. The military bases also encountered some local opposition over jet noise and other "base nuisances" as they were characterized by Okinawans.

In July 1969 the presence of chemical munitions on Okinawa was publicized but was kept from becoming an immediate serious political problem by prompt US assurances of early and complete removal. Also in July 1969, the Third Marine Division began to redeploy to its Okinawa home base to a favorable reception from the local inhabitants and only brief protests from organizations opposed to our military bases.

Throughout 1969, the Okinawan scene was overshadowed and fundamentally influenced by the desire of the Okinawan and Japanese people for agreement by the United States to an early date for reversion, and by the plans of Japanese Prime Minister Sato to visit Washington toward the end of the year. The United States and Japan sought to limit local tensions and disturbances and to keep the situation on Okinawa from adversely affecting the preparations for and the outcome of the President's meeting with Prime Minister Sato, which took place on 19-21 November 1969. Chief Executive Yara's reformist administration maintained a working relationship with the US Civil Administration in the handling of mutual problems which arose. Serious labor disturbances involving our military bases were averted in the months following a strike held on 5 June 1969 by the ZENGUNRO union of base workers, as part of their annual "spring struggle" for higher wages and other benefits. Organizations opposed to our military bases and radical students conducted political rallies and demonstrations at Kadena, protesting the presence of the B-52s and then later the apparent intention of Prime Minister Sato to agree to the continued presence of US bases on Okinawa after reversion. Overall, however, despite various instances of student violence, the Okinawan scene remained free of serious disorders as the people waited to learn whether the United States would agree to set a date for the return of administrative authority to Japan.
OUR OKINAWAN BASES

Throughout the period of my tenure as High Commissioner, our military bases on Okinawa continued in operation and fulfilled all essential and required missions. The presence of our military bases in turn contributed greatly to the maintenance and continued growth of a prosperous Okinawan economy. In US Fiscal Year 1971, so-called "base expenditures" on the local economy amounted to an estimated $240 million, over 24 percent of the Gross National Product of the Ryukyu Islands.

Over the past three and a half years, there have been limited but important changes in the US base structure on Okinawa. By late 1969 the Third Marine Division had completed its redeployment from Vietnam, and in April 1971 the headquarters of the III Marine Amphibious Force was established on Okinawa. The Navy, with the smallest representation on Okinawa, received an important addition in October 1971 with the homeporting of Amphibious Group One of the Seventh Fleet.

Overall, however, the US Forces population, both of servicemen and dependents, declined significantly, largely as a result of the Air Force reduction and realignment of bases in the Western Pacific announced in December 1970. The Army on Okinawa underwent a smaller reduction. Generally speaking, the various reductions, deactivations and withdrawals of military units which have taken place have been a consequence of the worldwide reduction in US defense expenditures and the realignment of our military forces under the Nixon Doctrine following the withdrawal from Vietnam.

Joint Service Coordination

Upon my arrival on Okinawa on 28 January 1969, I assumed the function of Commander-in-Chief Pacific Representative, Ryukyu Islands (CINCPACREPRY), with the additional designation as Single Senior Military Representative for the Ryukyu Islands Area. In this capacity I was the direct agent of the Commander-in-Chief Pacific (CINCPAC) for coordination of joint service matters in the Ryukyus. CINCPACREPRY served as the permanent chairman for meetings of the Area Joint Commanders (AJCs). The AJCs were the commanders of the four permanently based service commands on Okinawa: United States Army Ryukyu Islands (USARYIS), Marine Corps Base (MARCORF), Fleet Activities, Ryukyus (FLEACTS, Ry), and 313th Air Division. The AJCs functioned as an executive body for issuing directives, planning and discussing policy, and rendering decisions. Staff actions to support the AJCs were accomplished by a subcommittee structure which was essentially ad hoc in nature. These subcommittees were formed to parallel joint staff organization and each subcommittee was subdivided into functional subcommittees for specific action areas.

CINCPACREPRY and the AJCs maintained very close and continuous contact throughout the past three and one half years. AJC meetings were held
frequently on a regular basis. When major problems of common interest to all the military services arose such as strikes, CINCPACREPRY and the AJCs met even on a daily basis as the situation required. The willing involvement of its members made the AJC organization a model of effective inter-service cooperation and coordination on Okinawa.

Relations With Base Workers

Relations with our Okinawan base workers was an area which required continuing attention by the High Commissioner and the Area Joint Commanders throughout this period. Difficult problems arose, particularly in relations between the US Forces and ZENGUNRO (All Okinawa Military Employees Trade Union). With the US Forces being the largest employer in the Ryukyus, ZENGUNRO, formed in 1963, had by January 1969 become the largest union and was increasingly militant, carrying out its first union-wide work stoppage in April 1968. As the world-wide reduction in US defense expenditures and other budgetary considerations made it necessary for the services on Okinawa to carry out reductions-in-force (RIFs) and other adverse personnel actions, ZENGUNRO reacted strongly by resorting to frequent work stoppages despite the prohibition of strike activities contained in CA Ordinance 116 of August 1953. The possibility of disorders and violence involving both Americans and Okinawans was always present and of serious concern.

A Joint Service Labor Committee (JSLC) had been established in April 1968 under authorization provided by the Secretary of Defense, with the responsibility, under the High Commissioner, of coordinating the handling of problems arising between ZENGUNRO and the military services. Authority had also been granted to CINCPACREPRY, through the JSLC, to determine prevailing levels of compensation and to negotiate with employee representatives with respect to all other terms and conditions of employment.

Relations with ZENGUNRO entered a new and difficult stage in December 1969 when the US Forces announced the first large-scale RIF in the history of the US administration of the Ryukyus. ZENGUNRO responded by carrying out strikes on 8-9 and 19-23 January. On 6 April 1970 the JSLC agreed to a reduction in the severity of disciplinary actions against the strikers in exchange for a ZENGUNRO pledge of labor peace for 90 days. At the request of the High Commissioner, Mr. Carl Clewlow, Deputy Assistant Secretary of Defense for Civilian Personnel Policy visited Okinawa in April 1970 to review and advise on the new situation arising from the participation of the majority of the Okinawan work force in repeated strikes. As a result of his visit, the services adopted an unpublished policy of not taking disciplinary actions against employees solely for participation in strikes. It was concluded that strict enforcement of the no-strike provision of CA Ordinance 116 was not feasible under the circumstances and in view of the approaching reversion of Okinawa to Japan where base workers have the right to strike.
Strikes affecting the military bases took place with increasing frequency in 1971 and early 1972. ZENGUNRO held six union-wide strikes in 1971, compared to one in 1969 and three in 1970. In addition, ZENGUNRO branches carried out ten strikes in 1971. Many of the strikes were in protest against RIFs, reduction-in-hours and other adverse personnel actions which the military services were obliged to carry out. However, ZENGUNRO also held strikes of a predominantly political nature in conjunction with three "general strikes" conducted by FUKKIKYO and KENROKYO to protest the terms of the Reversion Agreement.

In the reversion negotiations the United States and Japan agreed that the Master Labor Contract, the Indirect Hire Agreement and the Mariners Contract which prescribe the conditions of employment of base workers in Japan would apply to Okinawa on reversion. In mid-1971, an Advisory Labor Group, comprised of representatives from each of the services in Okinawa and in Japan under the chairmanship of the JSLC Chairman, was established to develop the inter-governmental agreements required to provide for the conversion of Okinawan base workers from the US direct-hire employment system to the indirect-hire system used in Japan. Using terms of reference developed with the assistance of Mr. Clewlow, negotiations were carried out in late 1971 and early 1972 in Tokyo with representatives of the Japanese Foreign Ministry and the Defense Facilities Administration Agency, the Japanese Government agency responsible for the administration of the indirect hire system. A tentative agreement was reached in January 1972, subject to approval by the two governments at the diplomatic level. It was also agreed that the DFAAA would be responsible for explaining the tentative agreement to ZENGUNRO.

Strong opposition to various provisins of the tentative agreement on conversion to the post-reversion indirect hire system, combined with opposition to another major RIF announcement of 18 February 1972, resulted in the longest ZENGUNRO strike in history, from 7 March through 10 April. The greater part of the approximately 1600 RIFs announced on 18 February were made necessary by the termination, reduction or readjustment of functions and missions in connection with reversion. ZENGUNRO, however, as in the past, charged the US Forces with using reversion as the occasion to further "rationalize" and strengthen the base structure on Okinawa. ZENGUNRO also pressed for an end to the use by the military services of contract labor, commonly referred to as Category IV, and for the conversion of all contract laborers to the indirect hire system.

ZENGUNRO strikes have in the whole been conducted in an orderly fashion. However, ZENGUNRO youth and radical students have increasingly sought to use the occasion of strikes to engage in acts of disorder and violence. Overall, the GRI police have demonstrated an increasingly effective capability to cope with threats to public order, and there have been only a small number of occasions when it has been necessary to use US personnel to control disorderly activities against the military bases.
American-Okinawan Incidents

Crimes and incidents involving Americans and Okinawans have been a serious political problem area, particularly after 30 May 1970 when a US serviceman assaulted a high school girl in Gushikawa. The incident took place in an atmosphere already emotionally charged by publicity given to opposition in Oregon and Washington to their becoming the new storage location for the chemical munitions to be removed from Okinawa. The Gushikawa incident, in that atmosphere, aroused strong Okinawan feelings of resentment at what they considered unequal treatment by Americans, feelings which were greatly stimulated by sensational news coverage and exploited by organizations opposed to the US bases. After Gushikawa, offenses committed by US personnel against Okinawans were a recurring major political issue notwithstanding a fairly constant rate of US offenses of all kinds and the granting to the GRI police in the latter part of 1970 of greater powers of investigation, arrest and detention of US personnel.

A serious riot in which a number of Americans were injured and 87 American cars burned took place in Koza on 20 December 1970. In the background was the Okinawan lack of understanding and resentment concerning the 11 December 1970 court-martial acquittal of a serviceman alleged to have caused the death of an elderly woman in a traffic accident at Itoman on 18 September. Added to this were anti-US sentiments generated by the delay in the removal of chemical munitions and by Gushikawa and other highly-publicized incidents involving Americans. The riot originated spontaneously, initially as a reaction to two minor traffic accidents, but was quickly exploited by anti-US agitators assisted by many taxi drivers. The Koza riot was deplored by many Okinawans but was viewed by many others as an understandable outburst of pent-up Okinawan resentments over real or imagined discriminatory treatment by Americans in the past.

Following the Koza riot, Okinawan crowds gathered much more frequently than before at the scenes of traffic accidents and other incidents involving Americans. A special problem was created by taxi cab drivers flocking to the scene and attempting to take the law into their own hands. Pressures grew for the transfer to Okinawan authorities of court jurisdiction over American servicemen and other US Forces personnel. To help reduce serious misunderstandings of US judicial principles and procedures, a trial observer system was inaugurated to allow accredited members of the Ryukyuan Bar and the GRI Judiciary to attend courts-martial cases involving Okinawans. These steps demonstrated US concern to Ryukyans and created better understanding. Later, in January 1972, a Joint US/Ryukyu Traffic Safety Commission was established on US initiative to develop solutions to the severe traffic problems on Okinawa.

Operation Red Hat

The fulfillment of the United States commitment to remove all toxic chemical munitions from Okinawa was a major task, successfully accomplished
during these final years of the US administration. This was one of the most controversial and emotionally charged projects ever carried out in a non-combat period by the US Army. Known as Operation Red Hat, the removal was under the direct supervision of Major General John J. Hayes, Commanding General of the Second Logistical Command. The first movement of 150 tons took place on 13 January 1971 following months of careful planning and review by US authorities in Okinawa, Hawaii and Washington. Faced with local opposition to the first move and the possibility of future interference, the US authorities on Okinawa and the GRI began in early spring of 1971, the development of a very extensive program of measures designed to allay concern and to orient the inhabitants along the removal route on the safety measures to be employed in the operation. Chief Executive Yara publicly supported this US/GRI cooperation and Japanese Ambassador Jiro Takase was instrumental in obtaining the full support of his Government. Beginning in mid-July, several thousand servicemen and DOD civilians, with the full cooperation of all services and the assistance of many representatives from other US agencies, carried out on an almost daily basis the movement of the approximately 13,000 tons of remaining munitions from the Chibana Ammunition Depot to Tengan Pier for shipment to the new storage site on Johnston Island. Operation Red Hat was completed on 10 September 1971 with complete safety.

Pressures for Land Release

The extensive use of Okinawan land by the US Forces, a politically sensitive subject in the past, continued to be the object of criticism from some local inhabitants and from elements opposed to the presence of our bases. Chief Executive Yara and the reformist parties increasingly pressed for the return of military-used land, particularly in the densely populated urban area around Naha, and for the opening to public use of roads passing through US bases. At the time of the signing of the Reversion Agreement on 17 June 1971, the United States announced that all or portions of 34 installations and sites used by the US Government would be released on or prior to reversion, including Naha Airport, Ishikawa Beach and a large petroleum tank farm in downtown Naha. Nonetheless, Okinawan pressures for additional releases of land continued to grow, focusing on such large installations as the Machinato-Naha Housing Area in Naha.

Race Relations

Over the past several years, black-white relations within the US community began to attract increasing attention from Okinawans starting with the Labor Day 1969 clash between black and white servicemen in Koza. In mid-August 1971 disorders took place in Naminoue and Koza which involved direct confrontations between Okinawans and black Americans.
Civic Action

In my initial visits to the smaller and more remote islands, I was particularly struck by the wide gaps in living conditions and especially in the great variance in the provision of essential public services such as power and water supply, and health and dental care. Accordingly, I initiated in mid-1969 a program of Civic Action employing personnel of the 1st Civil Affairs Battalion, 1st Special Forces Group, as advisors, with labor furnished locally by the village chiefs and materials purchased by the USCAR General Fund. The public Works Department of USCAR planned and monitored this effort in close coordination with the companion program of special assistance grants to municipalities. The Civic Action Program received enthusiastic approval and support from local officials and citizens, resulting in completion of more than 150 small but important projects such as village water systems, drainage systems, farm roads, and improvements to schools and playgrounds. In addition, emergency air landing strips were built on the remote islands of Tarama and Hateruma, SAFASIA medical, dental and veterinary teams administered both routine and emergency care and provided valuable training for local health officials as well. In 1971 a major drought struck the Ryukyu Islands and Civic Action effort was expanded to develop even more village water systems and to haul water among the scattered southern islands. When Typhoon Bess hit Yaeyama later in 1971, the Civic Action activity was further expanded to provide 90 temporary homes and other relief projects. This effort was instrumental in reducing human suffering and in providing recovery assistance.

The US Forces also continued, as in the past, to fly air/sea rescue and other mercy missions -- flying seriously ill and injured inhabitants from the remote island areas to hospitals on Okinawa for emergency medical treatment. This US Forces program served as an inspiration and model for the Flying Doctor Program which the GRI initiated in early 1972 with Japanese Government assistance.
OKINAWAN ECONOMIC, SOCIAL AND POLITICAL DEVELOPMENTS

Most of the economic, social, and political institutions essential for continued progress were already in being in Okinawa at the beginning of 1969. The US role had become one primarily of advice, assistance and encouragement as the Okinawans themselves took on more and more of the responsibility for their own welfare and advancement.

Economic Trends

The Ryukyuan economy regained momentum in mid-1969 following a one-year slump in growth and has continued to advance at a steady rate. Principal factors contributing to this economic upswing were substantial increases in personal consumption expenditures and private domestic capital formation, supported by increased aid from the COJ, US military expenditures and foreign investment. The nearly fifty-four percent increase in Gross National Product and the approximately sixty percent increase in per capita income since 1968 to the present were offset partially by the 17.4 percent rise in the consumers price index in the same period. While the
value of imports continued to be four times the value of exports, this imbalance has not been as serious as may at first appear. A large part of the imports represent capital expenditures for machinery, equipment and building materials. Three factors appear to contribute to the increase in capital expenditures: the prosperous state of the economy; a desire to hedge against anticipated higher commodity prices after reversion; and an underlying confidence in the future of the Okinawan economy. The end result has been a strengthening of the economic base for future development.

Growth in Infrastructure

The basis for growth of Okinawan economic infrastructure has been provided, to a large extent, by direct and indirect Civil Administration initiative. Programs executed by the USCAR-owned corporations and by aid to the GRI and other Okinawan governmental bodies have had a high impact. Less apparent, though equally effective, has been the advice and assistance provided by USCAR to business, financial, political and other elements of the Okinawan community and to foreign investors.

...Since January 1969 the USCAR-owned Ryukyu Electric Power Corporation (REPC) has completed three modern thermal power plants totaling 203 megawatts (MW) of generating capacity to meet both present and immediate
future demands. Design and construction are well advanced for additional plants to meet longer term projected demands. The construction of two 85-MW units at Machinato involved an unusual funding arrangement in which the REPC paid 20 percent of the construction contract cost and the contractor financed the remaining 80 percent for repayment over ten years. The REPC also extended its service to all islands inhabited by 50 or more households as part of its continuing effort to make 24-hour reliable low-cost power service available throughout the Ryukyus. The assets of REPC have increased from $44 million in January 1969 to over $80 million in early 1972.

...The USCAR-owned Ryukyu Domestic Water Corporation (RDWC) supplies both domestic and industrial water to Okinawa with sales and production increasing by over 15 percent annually since 1969. The severe drought in 1971 which forced water service curtailment from 4 July to 3 September emphasized the need for greater reservoir storage capacity. This difficulty should be prevented in future years when the Fukuji Dam and reservoir, begun in 1969, is completed. Fukuji reservoir will increase storage on Okinawa tenfold. Great emphasis has been placed on thorough and detailed coordination with the GOJ concerning Fukuji Dam to minimize the potential difficulties inherent in transferring responsibility for construction of such a large and complex project. RDWC assets have grown from $26 million to $45 million since 1969.
...Okinawa's first modern water-borne sewage collection and treatment system, conceived and planned under High Commissioner Paul W. Caraway, was constructed and placed into service during the past three years. The dumping of raw sewage into the sea through outfall sewers ceased as modern treatment plants came into service. The new system will soon serve about 75 percent of Okinawa's population, Ryukyuan and American. As the use of traditional and unsanitary means of sewage disposal have been progressively eliminated, disease prevention and environment enhancement were steadily advanced.

...The Civil Administration's Ryukyu Development Loan Corporation (RDLC) granted an average of $12.1 million in loans annually during the past three years aimed at developing and diversifying Okinawan primary and secondary industries. Immediate emphasis of the Corporation has been upon promoting improvements in agriculture and fisheries and upon development of industries which can be expected to help balance Okinawa's trade deficits. More than $15.6 million worth of hotel and complementary tourist facility construction alone has been initiated since 1968 with RDLC assistance.

...Foreign industrial investments have continued to increase in spite of an apparent reluctance on the part the GRI controlled Foreign Investment Board to approve additional investments in a timely manner and without
oppressive restrictions. Foreign investors have provided training, additional jobs, an increased tax base, and a more stable and diversified industrial system to Okinawa. Many American foreign investors have taken an active interest and part in the life of the local community, further cementing US relations with Okinawa.

...Provision of adequate highways has been acutely difficult in land-sensitive Okinawa. In 1970 the USG completed a major highway master plan, designed to meet future traffic requirements. This will be no easy task, however, since automobile registrations have grown by more than 50 percent in the past three years. The US began to implement the master plan with the Naha by-pass freeway, a limited access four-lane main arterial which ultimately will cost over $35 million. Additional bridge and highway improvement projects have been undertaken on existing routes.

...Major additions to air and sea port capacity are under construction. Naha's partially complete Aja Port will increase Okinawa's commercial sea freight throughput capacity threefold, and completion of the new Naha Air Terminal facility will permit efficient handling of both domestic and international passengers to meet projected 1985 needs. Land reclamation for this project was funded jointly by the US and Japan; however, current indications are that the GOJ may locate the new terminal elsewhere leaving the reclaimed land available for other purposes. Major improvements have been completed at both Ishigaki and Minami Daito airfields and emergency landing strips have been completed at Kita Daito, Tarama, and Hateruma.

...Telecommunications traffic has increased at a remarkable rate in the Ryukyus necessitating rapid modernization of existing facilities. The first island-wide automatic dial telephone system was inaugurated in Okinawa at the end of June 1970. The Ryukyu Telegraph and Telephone Public Corporation completed its inter-island tropospheric scatter communication system between Okinawa and Miyako and Yaeyama Guntos in July 1969. The existing Japan-Ryukyus over-the-horizon microwave system is now saturated and a new line-of-sight microwave system is under construction. Expected to be operational in mid-1972, the new system will, for the first time, include an unrestricted capability for live color video transmission from Japan.

...The High Commissioner's Fund for Special Assistance to Municipalities has been directed toward growth of the infrastructure at the community level. Numerous communities, especially in rural and isolated areas, benefited from the expenditure of approximately $1.3 million from Civil Administration funds on 190 separate construction projects undertaken during the 1969 to 1972 period. This self-help program, in which local people themselves contributed over $1.1 million in cash and equivalent labor, was used to promote construction of village halls, libraries, simple water systems, drainage facilities, farm roads, fire stations and other local impact improvements. In addition to supporting economic,
cultural and social objectives, the program produced much good will toward the United States and favorable comment from municipal officials and representatives of the Government of Japan.

Financial Development

Since January 1969, the private financial sector of the Okinawan economy made great strides in modernizing its operations, with emphasis on the use of electronic equipment. The growing use by Okinawans of their financial institutions was reflected in the continuously increasing volume of bank accounts. Ryukyuan checking accounts increased from a total of $2.5 million on 31 December 1968 to $31 million on 31 December 1971. During the same period, bank deposits grew from $375.3 million to $504.3 million, reflecting greater business activity, higher earnings and the confidence of depositors in the stability and future of Okinawan financial institutions.

The Bank of the Ryukyus (BOR), which began in 1948 with a modest US investment of $280,500, constitutes a particularly impressive success story. When USCAR divested itself of its majority share of BOR stocks in March of 1972, as required in connection with reversion, total BOR assets had reached $386.7 million, with earned surplus amounting to $13.4 million. With purchase of the USCAR stock limited to Okinawans, the sale was greatly over-subscribed, evidencing the faith of the Okinawan public in the institution.

Labor

Many of the pressures, trends and uncertainties cited earlier in respect to US Forces relations with Okinawan labor have been apparent throughout the broad labor field in Okinawa. Intensified union activities, economic changes, the aforementioned reductions of military base workers, and the approach of reversion created labor turbulence and required the close attention of the Civil Administration.

The power and influence of organized labor on Okinawa has grown at an accelerating rate in both the private and public sectors. The two major labor federations in Japan, SOHYO and DOMEI, exerted strong competitive efforts to affiliate individual Okinawan unions. In this contest, the moderate DOMEI union, first organized in 1970, has not been as successful as the more militant and long-established KENROKYO labor federation closely associated with SOHYO. Present affiliation on Okinawa is 58 percent KENROKYO and 11 percent DOMEI, with the remaining 31 percent belonging to a variety of independent labor groups.

Union membership has increased over the past three and one-half years by 20 percent to reach a current total of about 70,000. Much of this increase, however, is attributed to the conversion of the 12,000 member Okinawa Teachers' Association to union status. ZENGUNRO lost membership
as a result in part from previously cited reductions in force and in part from rank and file disenchantment with the Union's efforts to obtain additional benefits.

During the 1969-1972 period, the US, in cooperation with the GRI and the GOJ, intensified programs of training and retraining offsetting to some degree the hardships brought about by US Forces reductions in force. A major vocational training institute was established in 1971 with the prime objective of retraining separated Okinawan employees of the US military services. Also, the High Commissioner appointed a Re-employment Coordinator to assist in both retraining separated employees and in locating or developing re-employment positions. Another vocational training center was established several years ago by the US Civil Administration. This center has been expanded and is training students in a variety of skills in demand by industry on Okinawa and in Japan.

Industrial development on Okinawa, while considerably increased, has not kept pace with the numbers of Okinawans finishing school and entering the labor market. Employers from other countries, primarily Japan, have been recruiting over 10,000 Okinawans a year through official GRI channels. Another 10,000 to 12,000 Okinawans a year have gone to Japan as a result of direct recruitment by employers or through personal contacts with Okinawans already employed in Japan. With the out migration, particularly of younger workers, the average age of the Okinawan labor force has been increasing in nearly all sectors, resulting in a disproportionate rise in labor costs.

Health

![Graph showing hospital beds from 1969 to 1972]
The Okinawan health care program under the central direction of the GRI operates from a network of special and general hospitals, health centers, and outlying public health nurse and aid stations, for the most part constructed with US aid and assistance funds. The main thrust of the US program has been to increase the numerical strength and improve the qualifications of the Okinawan medical profession. Continued US assistance has also been channeled into the upgrading of facilities.

In 1969 the first class of physicians graduated under the USCAR-sponsored two-year Postgraduate Medical Education Program. This program, run by the University of Hawaii for Ryukyuan physicians, has provided training for 53 physicians to date. Eight of these physicians have gone on to further specialty training in the United States under US sponsorship. The Postgraduate Medical Education Program has achieved considerable recognition in Japanese medical circles and indications are that the GOJ will continue it at least through 1975.

In a related area, the US has sponsored on-island advanced training for nurses in such specialty areas as physical therapy, rehabilitation, and surgery. The US Army Medical Center on Okinawa has contributed valuably by providing on-the-job training to both nurses and nursing students in these and additional specialities. Also, workshops were presented by consultants from the East-West Center, University of Hawaii, in the specialized care necessary for tuberculosis patients, and fellowships for public health nurses were obtained from the World Health Organization.

In 1970 another ward and needed service areas were added with US assistance funds to the Nago Hospital, a modern medical facility which serves all of northern Okinawa and neighboring islands. Assistance also was provided to add new typhoon-proof quarters for the staff at the Airaku-en and Nansei-en Leprosaria. A 50-bed psychiatric ward was added to the Yaeyama Hospital and new public health nurse stations and dispensaries were built on the offshore islands. Despite the many improvements, hospitals remain overcrowded and Okinawan doctors and hospitals still have to rely upon the US Army Medical Center on Okinawa for professional, clinical and laboratory assistance. It is anticipated that this assistance function will be performed by the Japanese medical profession and institutions following reversion.
Under US Administration the Okinawa School System has adopted administrative and curricula standards comparable to and compatible with those in Japan. In terms of compulsory education standards and classroom density, Okinawa compares favorably with most Japanese Prefectures. Political disruption, unrelated to educational improvement, which political activity by many teachers encouraged in the schools, impeded endeavors for further assistance.

Programs to upgrade teacher qualifications continued, with thirty-nine of the ninety-three students currently seeking degrees in the US under USCAR's Ryukyu Scholarship Program working in educational fields. Also, the East-West Center in Hawaii has given specialized postgraduate training to 25 Okinawan teachers since January 1969.

The School Lunch Program was administered by volunteer agencies until 30 June 1971. Through USCAR-USAID-GRI cooperation, the program was continued to reversion. From January 1969 to May 1972, the US provided food
commodities worth $3.9 million for this program. The success of this and similar US programs since 1945 is indicated by the additional four to six inches of growth which characterizes today's Okinawan youth compared to his pre-war counterpart.

Public Safety

Without significant additions to its numerical strength, the GRI Police Department has added greatly to its law enforcement capability since 1969 through the steadily increasing efficiency of the department and heightened professionalism of its members. This improvement results, in large measure, from the commendable influence of the USCAR Public Safety Department. A new Police Academy, opened in February 1970, provides recruits with a comprehensive eleven-month training course before commissioning. Additionally, it affords refresher, specialized and advanced training for approximately 200 commissioned police officers each year. More than thirty selected police officers per year also complete advanced courses in police science at Japanese police colleges and at the East-West Center in Hawaii. Police capabilities have been improved further in the past three years through the acquisition of new fixed facilities, modern communications equipment and a wide range and number of police vehicles.

The increasingly close cooperation between US and local law enforcement agencies led to the formation of the highly successful Joint Narcotics Control Office in July 1971. This office has achieved considerable success in combating drug traffic in and through the Ryukyu Islands. Leading importers and wholesalers of narcotics have been arrested and imprisoned, and others, finding it unprofitable and dangerous to continue in the drug trade, have departed. Despite results achieved, the drug problem in Okinawa remains serious.

Immigration

Travel to and from the Ryukyu Islands has doubled since 1969. This increase in travel was facilitated by simplification of travel forms and procedures, including the use of a data processing system and high-speed communication equipment. Although Ryukyuan have had freedom of travel for several years, prior to 21 May 1970 only Ryukyuan businessmen and students attending college in Japan were issued travel documents to allow multiple trips. On 21 May 1970, regulations were liberalized to allow issuance of multiple-trip travel documents. Travel to Okinawa by Japanese national officials, residents of Amami Oshima and employees of Japanese companies with branch offices in Okinawa was facilitated by more liberal regulations.
Fire Protection

The fire departments in the Ryukyu Islands, which operate under the control of the mayors of the municipalities total about 300 full-time and over 4,000 volunteer firemen. Generally speaking, Ryukyuan fire departments possess adequate equipment, but require constant professional training assistance. Special training classes therefore have been conducted by US Forces and Japanese fire department specialists. Those fires which occurred during the last three and one-half years were brought under control well before they could reach disastrous proportions.

Welfare

The many American women's clubs and other welfare-minded organizations on Okinawa have rendered an unusually high level of assistance to the Okinawan people. Some years ago the Ryukyuan-American Welfare Council was formed and has acted as the focal point for receiving petitions and for disbursement of materials and funds by member organizations. The US military wives clubs, the principal donors, have contributed $450,000 since 1969 to Okinawan charities and to typhoon, fire and drought disaster victims. Children's homes, schools, hospitals for the crippled and handicapped, old-folk's homes -- all have benefited from the generosity of the American wives.

Political Developments

Since 1969 major emphasis has been placed upon increasing the economy of the GRI in preparation for reversion. First through the Advisory Commission and later through the Preparatory Commission, the Civil Administration has transferred to the GRI as rapidly as possible those functions which would not impact on US administrative responsibilities. As a result, the GRI obtained substantial autonomy in such important fields as taxation, budget, and agricultural development.

The political parties on Okinawa, except for the Socialists, remained independent local parties through 1969. In 1970, however, two of the four remaining parties formally affiliated with Japanese counterparts. The Okinawa Liberal Democratic Party became a branch of the Japan Liberal Democratic Party, and the Komeito, a branch of the Komeito Party in Japan. The Okinawa People's Party, closely linked to the Japan Communist Party, did not formally affiliate with that party; and the Okinawa Socialist Masses Party maintained its identity as a strictly local organization.

In November 1970, Okinawans were allowed for the first time since World War II to elect representatives to the Japanese Diet. The election sent four reformists and three conservatives to Tokyo. Since then the
Okinawan Dietmen, especially the reformists, have used the Diet forum to call the attention of the Japanese public to military base issues and a variety of reversion-related matters.

With their elective terms due to expire in November 1971, the Legislature and the Chief Executive both requested the US Government to extend their terms of office through reversion. Since it was apparent that an election held on the eve of reversion would be an unsettling factor which could impede reversion preparations, the High Commissioner recommended and the President approved an amendment of Executive Order 10713 permitting the terms of office of the Legislature and Chief Executive to be extended until reversion. The GOJ, on its side, stated it would recognize the Chief Executive and Legislature as acting Prefectural Governor and Assembly, respectively, pending elections to be held forty to fifty days after reversion.

With the announcement of a target date of 1972 for reversion, Japanese financial assistance, which had been growing over the years, increased dramatically. In Japanese Fiscal Year 1969 Okinawa received $63.9 million; in the following year, $97.3 million, and in the final year before reversion, $166.7 million. In addition, the COJ announced plans for various reversion commemoration activities designed to provide a framework for improvement of the Okinawan economic infrastructure, including a national athletic meet in 1973 and an international marine exposition in 1975.

In the same period with reversion becoming increasingly more imminent the United States reduced its direct economic aid to Okinawa. US appropriated aid funds which had totaled $15.6 and $17.5 million in FY 1969 and 1970 respectively were reduced to $1.075 million in FY 1972.
As I indicated at the outset, reversion and the various steps towards its attainment affected all aspects of my period of administration. When I assumed the position of High Commissioner, it was already quite clear that the US and Japan were moving in the direction of an early agreement to return the civil administration of the Ryukyu Islands to Japan. On his return from Washington in 1968, Prime Minister Sato of Japan stated that he and President Johnson had agreed that a timetable for reversion should be developed within two or three years. In mid-1968 Secretary of State Rusk stated that a continuous review of the status of the Ryukyu Islands was being carried out between Japan and the United States with a view toward reaching an agreement on a reversion timetable. Then, in mid-December 1968 Prime Minister Sato publicly expressed his desire to discuss the Okinawan problem with President Nixon after his assumption of office. In his New Year's message to the people of Okinawa in January 1969, Prime Minister Sato said he hoped to meet the President in the fall of 1969 and reach an understanding on the timing of reversion.

When I arrived on Okinawa, the US Civil Administration had already begun to address what was increasingly to become its principal task and preoccupation: planning and then preparing for a smooth and orderly transfer of US administrative authority to Japan. It was of course not until Prime Minister Sato met with President Nixon in Washington in 1969 that an agreement on reversion was reached between the two countries. And another two years would be required, first to plan for and carry out the extremely complex and difficult negotiations on the specific conditions and arrangements for reversion, and then to obtain the approval of the United States Senate and the Japanese Diet.

Nixon-Sato Communique

On 21 November 1969, the President and Prime Minister Sato issued a joint communique, the basic provisions of which were to determine the future of Okinawa, the US Civil Administration and our military bases. It was agreed that the two governments would immediately begin consultations with a view to accomplishing the return of US administrative rights over the Ryukyu Islands to Japan in 1972, subject to the conclusion of specific arrangements with necessary legislative support. It was further agreed that the Treaty of Mutual Cooperation and Security and related arrangements, including the Status of Forces Agreement and the prior consultation agreement, would apply to Okinawa upon reversion without modification. Prime Minister Sato assured the President that reversion should not hinder the effective discharge of international obligations assumed by the United States for the defense of countries in the Far East including Japan. A Preparatory Committee was to be established in Okinawa, comprised of the High Commissioner and the Japanese Ambassador with the Chief Executive as adviser, for
the purpose of local consultations and coordination on local preparations for the transfer of administrative rights. Overall responsibility for reversion preparations was vested in the US-Japan Consultative Committee in Tokyo comprised of the American Ambassador, the Japanese Foreign Minister and the Director General of the Prime Minister's Office.

Reversion Agreement

On 17 June 1971, following almost two years of intensive and often difficult negotiations, the Okinawa Reversion Agreement was signed in Tokyo by Japanese Foreign Minister Aichi in a ceremony attended by the American Ambassador, Armin H. Meyer, Prime Minister Sato and his cabinet and other officials of both countries, including the High Commissioner. In a simultaneous ceremony in Washington, Secretary of State Rogers signed the Agreement on behalf of the United States with Japanese Ambassador Ushiba present. The Reversion Agreement and associated documents such as Agreed Minutes and exchanges of notes were the culmination of negotiations conducted in Tokyo under the overall supervision of Ambassador Meyer, assisted by Minister Richard L. Sneider and Vice Admiral Walter L. Curtis, US Military Representative on the Okinawa Negotiating Team (USMILRONT). Throughout the course of these negotiations, the High Commissioner, US commanders on Okinawa and their staffs were closely consulted on the very wide range of subjects and problems involved.

The Reversion Agreement provided for the relinquishment by the US of all rights and interests under Article III of the Japanese Peace Treaty. Japan agreed to provide facilities and areas for our military bases in accordance with the terms of the Treaty of Mutual Cooperation and Security. In addition, the Agreement provided for the transfer of US-owned corporations and other US civil assets on Okinawa to the Government of Japan and for the payment by Japan of $320 million over a period of five years in consideration of the transfer of these assets and other extra costs born by the US as a result of reversion.

The future of the Voice of America relay station on Okinawa had proved one of the most difficult problems to arise in the course of the reversion negotiations. In Article VIII of the Reversion Agreement, Japan consented to the continued operation of WOA on Okinawa for five years after reversion. It was agreed that the United States and Japan would enter into consultation two years after reversion with respect to WOA's future operations on Okinawa.

Another major subject which had to be addressed during the reversion negotiations was the treatment to be accorded after reversion to the American business and professional community on Okinawa, which had made an important contribution to the US administration and to the Okinawan economy over many years. Early in the negotiations, a Business Advisory Group was established by the US Chamber of Commerce on Okinawa to help bring to the
attention of both the US and Japanese governments the particular problems and concerns of this community. With the assistance and sympathetic interests of the High Commissioner and the US Civil Administration, the Business Advisory Group maintained close and continuous contact with the American Embassy in Tokyo over a period of many months. When the Reversion Agreement was signed on 17 June 1971, one of the most important related documents was a letter to Ambassador Meyer from Japanese Foreign Minister Aichi containing basic Japanese assurances for the protection of US business and professional interests on Okinawa after reversion.

One of the most complex subjects in the reversion negotiations was that of claims. As finally resolved, Japan agreed in the Reversion Agreement to waive all claims of Japan and its nationals against the United States and its nationals arising from the presence, operations or actions of forces or authorities of the United States in the Ryukyu Islands during the US administration. This waiver did not, however, include claims of Japanese nationals specifically recognized in the laws of the United States or the local laws of the Ryukyu Islands applicable during the US administration. Settlement of claims not waived is to be made by US agencies in accordance with procedures to be established during consultation with Japan. Types of claims to be treated involve such matters as land rentals and restoration.

The obvious importance of recognizing the continued validity of judicial decrees and the effect of convictions prior to reversion is reflected in Article V of the Reversion Treaty. Pending suits and prosecutions will be continued in Japanese courts. Offenses occurring prior to reversion may be prosecuted thereafter, but Japan will not prosecute members of the military forces for such offenses.

In the Nixon-Sato Communiqué, Prime Minister Sato had "made clear the intention of his Government, following reversion, to assume gradually the responsibility for the immediate defense of Okinawa as part of Japan's defense efforts for her own territories." In the course of the reversion negotiations, representatives of the Japan Defense Agency (JDA) and the US Department of Defense worked out specific arrangements which were set forth in an Arrangement Concerning Assumption by Japan of the Responsibility for the Immediate Defense of Okinawa, which was signed on 29 June 1971 by Admiral Curtis and Mr. Takuya Kudo of the JDA after approval by the US-Japan Security Consultative Committee.

Senate and Diet Approval

On 21 September 1971, the President sent the Reversion Agreement to the Senate, urging early and favorable consideration. The Senate Foreign Relations Committee conducted hearings 27-29 October at which I was called to testify, and reported the Agreement favorably and unanimously to the Senate on 2 November. Shortly thereafter, on 10 November 1971, the Senate gave its advice and consent with an overwhelming vote of approval: 84 yeas, 6 nays and 10 not voting.
The Japanese Diet gave its approval to the Reversion Agreement on 22 December 1971 at the end of a special Diet session, which had convened on 16 October for the specific purpose of considering the Agreement and implementing legislation. The Agreement was extensively debated in the Diet, amidst demands for renegotiation and efforts by the opposition parties to postpone Diet action. Organizations opposed to the approval of the terms of the Reversion Agreement conducted frequent large scale demonstrations in Japan. In Okinawa, opposition activities reached a peak on 10 November with a FUKKIKYO rally which resulted in the death of a GRI policeman. This tragic event shocked the Okinawan people and the several protest rallies held thereafter were on a smaller scale and more orderly. Active campaigning against the Reversion Agreement came to end in Okinawa and Japan after the five bills necessary to implement the Agreement were passed by the Lower House of the Diet on 30 December.

San Clemente

Following the approval of the Reversion Agreement by the Senate and the Diet, there remained the question of the date on which reversion would take place. On 6-7 January 1972, Prime Minister Sato met with the President in San Clemente, California and it was decided that the date of reversion would be 15 May 1972. This date was earlier than the 1 July 1972 date on which we had based our reversion planning but later than the 1 April 1972 date requested by the Okinawans and the Japanese Government.

In their statement at the end of their discussions in San Clemente, two subjects which were of major concern to the Okinawans and which had been prominently debated in the Japanese Diet were addressed: nuclear weapons and base reductions. The "President indicated the intention of the US Government to confirm upon reversion that the assurances of the USG concerning nuclear weapons on Okinawa have been fully carried out." Prime Minister Sato asked for the realignment or reduction of bases "to the extent possible, particularly those in areas densely populated or closely related to industrial development." The President "replied that, these factors would be taken fully in consideration in working out after reversion mutually acceptable adjustments in the facilities and areas consistent with the purpose of the (Security Treaty)."

Reversion Preparations

All of the military services and US Government agencies on Okinawa were involved in the process of supporting the reversion negotiations and preparing for reversion. The function of coordinating the efforts of all concerned was performed by the Reversion Coordination Group (RCG), which I established in April 1970, and by its predecessor, the Special Task Group, formed in June 1969. RCG served as the central repository on Okinawa for all information relating to reversion and coordinated the provision of
information and recommendations required by the military services and USG agencies in Washington, by CINCPAC and by the American Embassy and USMILRON in Tokyo and US Forces, Japan. RCG ensured that USCAR and the military services on Okinawa were kept informed of reversion developments and were given the opportunity to participate in matters that affected them. RCG also provided staff support to the US element of the Preparatory Commission.

USCAR Role

The United States Civil Administration of the Ryukyu Islands played a highly active role in all aspects of reversion preparation. USCAR provided continuing direct support for all of the negotiations underway in Tokyo and was consulted frequently by US officials in Tokyo and Washington. It was a primary source of statistics, information and recommendations required by US negotiators in dealing with their Japanese counterparts.

USCAR also provided guidance and support for the US Element of the Preparatory Commission in Naha. Support to PrepCom included technical expertise, data, and personnel for various PrepCom subcommittees. A close working relationship between USCAR and the Preparatory Commission was essential in that virtually all of the topics under consideration in the latter body dealt with the transfer of USCAR functions to the GOJ on Reversion Day, 15 May.

In addition to its continuing support to PrepCom, USCAR was engaged in other vital activities connected with reversion preparation. GOJ visitors from the Construction, Transportation and Finance Ministries as well as other ministries and agencies called regularly on USCAR officers to discuss technical matters (ranging from dam construction to judicial processes) and to develop methods for a smooth transfer of USCAR functions. Briefings; tours; provision of charts, blueprints and maps; and answers to a seemingly endless succession of questions, all constituted parts of USCAR's efforts to assist the GOJ in preparing to assume its administrative role in the Ryukyu Islands.

Simultaneously, USCAR was going forward with preparations for its own dissolution. Departments were consolidated, force reductions carried out, certain functions turned over to other US agencies and files catalogued and prepared for shipment to the National Archives.

Preparatory Commission

The Preparatory Commission, commonly referred to as PrepCom, was established on 3 March 1970, replacing the Advisory Committee to the High Commissioner which had existed since February 1968. The Advisory
Committee had had the limited function of recommending to the High Commissioner measures in the economic and social fields which could be taken to prepare for the smooth integration of the Ryukyus into Japan at such time as reversion occurred. The Advisory Committee had held a total of 189 formal meetings and had made 47 recommendations, all of which were accepted by the High Commissioner.

On 9 November 1970, the Preparatory Commission concluded an "Agreement to Facilitate a Smooth Transfer of Civil Administrative Rights of the United States to Japan Upon Reversion." This agreement was subsequently approved by the US-Japan Consultative Committee in Tokyo at a meeting attended by the High Commissioner. The agreement provided for the relinquishment of seventeen USCAR functions to the GOJ, subject to certain reservations, effective 1 December 1970. The transfer of additional functions to the GOJ or the GRI was held in abeyance during 1971 and early 1972 -- first to await conclusion of the Reversion Agreement and the securing of necessary legislative approval and then because the nearness of the reversion date made additional transfers of functions impractical. However, as the sole official channel for local consultation and coordination with the GOJ on local reversion preparations, the Preparatory Commission continued to play a key role as a forum for inter-governmental fact-finding, exchange of information, planning and discussion. The US Alternate Representative -- first Minister Eddie W. Schodt and then, from February 1971 on, Civil Administrator Robert A. Fearley -- met periodically with their GOJ and GRI counterparts.

The very extensive range of reversion of preparations which had to be made was reflected in the subjects treated in the Preparatory Commission. They included the transfer of US-owned corporations, state and prefectural land, postal and telecommunications matters, the disposition of cultural centers and the future of the English Language Center, and the disposition of incomplete aid projects. PrepCom also took up such subjects as automobile registration and drivers' licenses; immigration, quarantine and customs controls; registration of Ryukyuan vessels; conversion of radio call signs; disposal of unexploded ordnances; medical evacuations and air/sea rescues; post-reversion fishing arrangements and World Health Organization programs in the Ryukyu Islands.

As the United States Representative, I met with Ambassador Jiro Takase, the Japanese Government Representative, and Chief Executive Yara, the GRI Adviser, in formal meetings of the Preparatory Commission held to review and approve the work carried out in PrepCom. On a number of occasions, we also had private "free discussion" periods, affording Chief Executive Yara an additional opportunity to bring to our attention and to the attention of the US and Japanese Governments reversion matters and problems of particular concern to the GRI and the Okinawan people.

From time to time, in the exercise of its overall responsibility for reversion negotiations, the US-Japan Consultative Committee in Tokyo held
meetings which I was invited to attend. These meetings provided the occasion for useful discussions and exchanges of views on Okinawan problems of current concern to the two governments.

Projected Post-Reversion Changes

On 15 May 1972 the Ryukyu Islands resume the place within Japan which they held prior to 1945, as the prefecture of Okinawa. Okinawa will be administered thereafter on the same basis as the other 46 prefectures of Japan. The present Chief Executive and the Legislature of the Ryukyu Islands will continue in office as the acting governor and the acting prefectural assembly. Within 50 days after 15 May, elections are to be held for a prefectural governor and a 44-member prefectural assembly which will replace the present 32-member GRI Legislature. Chief Executive Yara has declared his candidacy for re-election as the first prefectural governor, supported by the Reformist parties which elected him to office in November 1968. Seisaku Ota, a former Chief Executive during the US administration and most recently President of the Okinawa branch of the Okinawa Liberal Democratic Party, has announced his candidacy in opposition to Mr. Yara.

Reversion will bring many changes in the administration of Okinawa. Many of the functions presently exercised by the GRI are national government functions in Japan and will be taken over by agencies of the Central Government after reversion. The Central Government in Tokyo will also assume many of the tax powers now exercised by the GRI. The elected school board system currently used in Okinawa is scheduled to be terminated and an appointed school board system of the type customary in Japan will be introduced in its place, in the face of strong opposition from the Okinawa Teachers' Union. The University of the Ryukus will become a national university in the Japanese university system, and the private universities are scheduled to emerge to form a University of Okinawa. Teachers on Okinawa, in the past an influential political force, will become subject to the Japanese law which prohibits political activities by teachers and teachers organizations.

Social change on Okinawa is likely to be minimal. The customs and traditions of the Okinawan people, basically Japanese in many respects, were respected and left intact through the years of the US administration, as was the use of Japanese as the language of instruction in the Okinawan educational system.

Economically, the Okinawan economy will continue to depend heavily on US military expenditures and on Japanese Government financial assistance. The Japanese Government has budgeted for a very substantial increase in expenditures in Okinawa for the first year following reversion and appears fully aware of the need for large-scale assistance to the Okinawan economy for some years to come.
Our military bases will remain on Okinawa on the same basis as US military bases in Japan, operating within the framework of the Treaty of Mutual Cooperation and Security and its related arrangements including the Exchange of Notes on 19 January 1960 on prior consultation. This latter agreement provides that major changes in the deployment into Japan of US Armed Forces major changes in their equipment, and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted in response to an armed attack against Japan or the US in Japanese territory shall be subjects of prior consultation with the Government of Japan.

After reversion, the use of US military facilities and areas on Okinawa as well as the status of US Armed Forces, including dependents and civilian employees, will be governed, as in Japan, by the Status of Forces Agreement of 19 January 1960. Americans who are not members of the Armed Forces or otherwise eligible under the SOFA will be required to register as alien residents with the Japanese authorities. Americans not covered by the SOFA will also be required to pay Japanese income tax and to do business in yen currency. US Forces personnel will continue to use dollars on-base. In general, the impact of reversion on US Forces personnel and their dependents should not be great. The most noticeable change in their daily lives will be the use of Japanese currency in the off-base economy.

The application of the SOFA, which has worked so well in Japan for so many years, is expected to reduce significantly if not remove various major sources of friction and misunderstanding on the part of Okinawans in the past. The SOFA criminal jurisdiction provisions and procedures will apply under which the authorities of Japan have the right to exercise jurisdiction over members of the US Armed Forces, as well as members of the civilian component and their dependents, with respect to certain offenses or in certain circumstances. The Japanese police authorities will have responsibility for the maintenance of law and order and for offenses committed outside the US military facilities and areas. As noted earlier, local labor requirements of US Armed Forces and affiliated organizations will be satisfied with the assistance of the Japanese authorities, replacing the direct hire system which has been used on Okinawa under the US administration with indirect hire arrangements which have well served the US Armed Forces in Japan. Finally, requests for the release of military-used land and other local problems affecting our military bases will be handled in accordance with the SOFA, administered by the Joint Committee in Tokyo.

The cost of maintaining our military bases on Okinawa will be significantly increased after reversion. Most notably, labor costs will increase about 40 percent under the Japanese-administered indirect hire system. Individual members of the US Forces also will face higher costs as prices on Okinawa begin to approach those in Japan proper.
SUMMARY CONCLUSIONS

The record of the US administration of the Ryukyus is one in which I believe Americans can take much pride and satisfaction. Politically, for many years, the people of the Ryukyus have had their own court system, a freely elected legislature with a full range of political parties, a free press and freedom of speech, assembly and religion. Economically, the Ryukyuan people have come to enjoy one of the highest standards of living in Asia and the Western Pacific. The material comforts and possessions of modern life such as TV and automobiles have spread widely and have come within the reach of more and more Okinawan families. Health standards have been greatly raised to the point where life expectancy is as high as in the United States and in Japan. Significant improvements have been made in the educational system, including the introduction of university-level education. Impressive progress has been made in many other fields, with the encouragement, advice and assistance of the US Civil Administration. A good foundation has been laid for further economic and social advancement in the future.

The return of Okinawa to Japan in conditions of peace and goodwill is a tribute to the close and friendly relations prevailing between the United States and Japan. With continuation and strengthening of this relationship, the United States should be able to continue to maintain and operate its installations in Okinawa, in an environment of understanding for as long as the interests of the two countries may require.