

Japan and the Cold War (1952-1991)

LEARNING OBJECTIVES

- ➔ Evaluate the development of Japan's relations with the superpowers during the Cold War
- ➔ Evaluate the factors that shaped Japan's relations with the superpowers during the Cold War
- ➔ Evaluate the responses of Japan to the development of the Cold War

HOW TO APPROACH STUDYING THIS TOPIC

In studying relations between nations, we identify the nature of their relationship by making observations of their interactions in the following areas:

1. Diplomacy
2. Security/Military
3. Economy

The notes have been organised according to decades. One way of approaching this topic is by considering how positive or negative interactions are in the above areas in each decade. In the case of Japan, this can also be based on the focus of each prime minister's administration and the prime minister's relationship with the US president of that time. The following table will thus be useful:

1950s	Yoshida Hatoyama Kishi	Truman Eisenhower
1960s	Ikeda Sato	Kennedy Johnson Nixon
1970s	Tanaka Miki Fukuda Ohira	Nixon Ford Carter
1980s	Ohira Nakasone	Carter Reagan

Another way to approach the topic would be to consider key events that are indicative of the state of relations in each decade:

1950s	San Francisco Peace Treaty US-Japan Security Treaty Yoshida Doctrine
1960s	Revision of US-Japan Security Treaty Ikeda's Income Doubling Plan
1970s	Nixon Shocks

		Bilateral Frictions Fukuda Doctrine Comprehensive Security	
	1980s	Ron-Yasu Era Bilateral Economic Rivalry	

Context of Japan-US Relations

*On August 14, 1945, still reeling from the aftershock of the atomic bombing of Hiroshima and Nagasaki, the Japanese government accepted the Allied powers' Potsdam Declaration, and World War II came to an end in the Asia-Pacific. Stripped of all of its colonial possessions acquired since 1895, **Japan faced, for the first time in its history, occupation by foreign troops and reconstitution of its government at the behest of external authorities.** As the nominally Allied occupation of the vanquished empire began, **US general Douglas MacArthur, Supreme Commander for the Allied Powers (SCAP),** stood atop the Allied military command and administrative structure in Japan. At this moment, the post-World War II histories of the United States and Japan became inexorably entwined. The atomic blasts, which killed 40,000 of Hiroshima's 350,000 inhabitants and 70,000 of the 270,000 people in Nagasaki, ushered in the nuclear age and **Japan's quest for redemption in the postwar world where visions of the "American century" now reigned supreme.** This symbiotic genesis foreshadowed the knotting of Japan's antinuclear pacifism and the United States' investment, both material and metaphorical, in a nuclear arsenal as the bedrock of international peace and security during the Cold War.*

*In this braided history, it was the **United States' self-assigned mission to remold Japan into a stable democracy conforming to the Western and capitalist rules of the game.** But within months of the war's end, the confrontation with the Soviet Union began to color American strategic thinking and foreign policymaking, and the task of refashioning Japan came under the added and accumulating weight of the **developing Cold War between the two superpowers.** Officials in Washington and the American proconsul in Japan became determined to **minimize Soviet influence in occupied Japan.** By early 1946, the effective exclusion from the Allied Council and the Far East Commission – the inter-Allied institutions overseeing the occupation – of Soviet, and to a lesser extent British, voices infused another source of rancor into the former Grand Alliance. The implementation of occupation policies became in all vital respects an American enterprise, with a small contingent of British Commonwealth forces, mostly Australian, sharing peripheral military tasks.*

Sayuri Guthrie-Shimizu, Japan, the United States, and the Cold War, 2010.

1. The US Occupation of Japan (1945-1952)

- When the war ended, it was the common intent of all the Allied Powers to render Japan incapable of ever returning to the field of battle. "Demilitarization" was thus the first policy of the Occupation authorities and was accompanied by abolishing Japan's armed forces, dismantling its military industry, and eliminating the expression of patriotism from its schools and public life.
- The American government, which had led the Allied war effort and whose representative, General Douglas MacArthur, was named the Supreme Commander of the Occupation forces and took charge of the Supreme Command of Allied Powers (SCAP) which began

the work of rebuilding Japan, felt that only a democratic Japan would be truly peace-loving. It was assumed that democratic countries like the United States and Great Britain were more peaceful than nondemocratic countries such as Hitler's Germany and prewar Japan under the emperor.

- The American government believed that establishing democracy in Japan involved change in all areas of Japanese life. Under MacArthur and with the cooperation of the Japanese, Japan undertook tremendous changes in just seven short years — the Occupation lasted from 1945 to 1952. The success of the Occupation can be judged by the fact that forty years later, Japan has not fought a war, is a close ally of the United States, and has not changed most of the important reforms made by the Occupation.
- The phase from the end of the war in 1945 through 1947, involved the most fundamental changes for the Japanese Government and society. The Allies punished Japan for its past militarism and expansion by convening war crimes trials in Tokyo. At the same time, SCAP dismantled the Japanese Army and banned former military officers from taking roles of political leadership in the new government.
- In the economic field, SCAP introduced land reform, designed to benefit the majority tenant farmers and reduce the power of rich landowners, many of whom had advocated for war and supported Japanese expansionism in the 1930s. MacArthur also tried to break up the large Japanese business conglomerates, or zaibatsu, as part of the effort to transform the economy into a free market capitalist system. In 1947, Allied advisors essentially dictated a new constitution to Japan's leaders. Some of the most profound changes in the document included downgrading the emperor's status to that of a figurehead without political control and placing more power in the parliamentary system, promoting greater rights and privileges for women, and renouncing the right to wage war, which involved eliminating all non-defensive armed forces.

1. First Impact: Political Changes

- The most obvious changes were political. During the Occupation, Japan adopted a new constitution (sometimes called the MacArthur Constitution because of the major role Americans played in its drafting). This constitution was completely different from the Meiji Constitution of 1889.
- The biggest change was that it declared that sovereignty rested with the people, not the emperor. This is the political basis of democracy.
- The emperor was to continue as a symbol of Japanese unity and culture, somewhat like the Queen of England in Britain's democracy, but without any political authority whatsoever.
- The supreme political institution was now to be Japan's parliament, the Diet, which was to be made up of freely elected representatives of the people.
- Women were given equal rights under the new constitution, including the right to vote.
- Local governments were strengthened to encourage "grass-roots level" political participation.
- The constitution established many new civil liberties, such as the right of free speech, and the powers of the police were weakened and carefully regulated.

- Finally, the military forces were completely abolished and Article 9 of the new constitution forbade Japan to maintain an army or go to war ever again.

2. Second Impact: Economic Changes

- To support these political changes, the Americans instituted reforms to make economic power in Japan more "democratic." In prewar Japan, two-thirds of the agricultural land was rented, not owned, by the farmers who farmed it. The farmers, who made up over 50 percent of the labour force, often rented the land from landlords who lived in distant cities and paid them as much as half of the crops they grew. Since the average "farm" was little more than an acre, many farm families lived in poverty. The land reform took land away from big landlords and redistributed it to the farmers, so that farm families could own the land they worked. Because farm families became more independent economically, they could participate more freely in the new democracy.
- The Americans also tried to make workers in the industrial sector more independent by changing the laws to allow free trade unions. Before the war there were only a few small unions; by 1949, about half of all industrial workers belonged to a union.
- To democratize economic power further and create competition, the Occupation intended to break up the giant business corporations, the zaibatsu, but this reform was not implemented, in part because it would have made Japan's economic recovery more difficult.

3. Third Impact: Change in Civic Values

- Besides changing Japanese institutions, the Americans wanted the Japanese people to understand better the idea of democracy. To do this, the occupation government used its control of newspapers and magazines to explain and popularize democracy.
- They used American democracy as a model to be copied. The complete defeat and devastation of Japan after the war had left many Japanese shocked and disillusioned with their own military leaders, and they were open to the new ways of their American conquerors.
- To ensure that Japanese children learned democratic values, the Americans insisted that the education system and the laws regulating families be revised. "Moral training" in schools was abolished, and instruction in democratic ideas was begun. Control of education and censorship of textbooks were taken from the central government and given to local administrations. The laws giving the head of the household complete control of every family member (for example, he could withhold his consent when his children wished to be married) were changed to make each family member more equal and thereby more democratic.

2. Reverse Course

- By late 1947 and early 1948, the emergence of an economic crisis in Japan alongside concerns about the spread of communism sparked a reconsideration of occupation policies.
- This period is sometimes called the “reverse course.” In this stage of the occupation, which lasted until 1950, the economic rehabilitation of Japan took center stage. SCAP became concerned that a weak Japanese economy would increase the influence of the domestic communist movement, and with a communist victory in China’s civil war increasingly likely, the future of East Asia appeared to be at stake.
- Occupation policies to address the weakening economy ranged from tax reforms to measures aimed at controlling inflation. However, the most serious problem was the shortage of raw materials required to feed Japanese industries and markets for finished goods.
- The outbreak of the Korean War in 1950 provided SCAP with just the opportunity it needed to address this problem, prompting some occupation officials to suggest that “Korea came along and saved us.”
- After the UN entered the Korean War, Japan became the principal supply depot for UN forces. The conflict also placed Japan firmly within the confines of the U.S. defence perimeter in Asia, assuring the Japanese leadership that whatever the state of its military, no real threat would be made against Japanese soil.
- After the Americans left, the reforms that did not find strong support within the Japanese system were discontinued. The anti-monopoly laws were weakened, and new giant businesses appeared. The central government assumed control of the schools, although the democratic school structure and curriculum remained. The ruling conservative party suggested other changes, including re-introduction of "moral training" in the schools and abolition of the "peace clause," Article 9 of the constitution, but these were not adopted. In sum, there was great popular support for most of the changes, and the changed system thus continues to the present.
- The Cold War began during the allied occupation of Japan from 1945-1952, when Japanese-American ties deepened further than ever before.
- During the US occupation, the Americans, as good winners, were generous, and the Japanese, as good losers, studied hard.
- Spiralling Cold War tensions and a civil war in China rendered the idea of great power guaranteed disarmament and neutrality as a solution to the “Japan problem” implausible.

1950s

Security Relations

- Negotiations to sign the peace treaty (US-Japan Security Treaty) that ended occupation in 1951
 - ➔ 2 issues were became problematic ➔ (1) Japanese rearmament and (2) how Japan would permit the stationing of US forces on its territory following the peace treaty.
 - ➔ Japanese rearmament
 - PM Yoshida planned to resist attempts by the US to pressure Japan to rearm. The Japanese people were tired of war and not likely to support this. Nor would Japan be able to handle the burden that rearmament would place on its economy. He feared that economic troubles would bring about social instability, resulting, ironically, in a less secure Japan.
 - ➔ How Japan would permit the stationing of US forces on its territory following the peace treaty
 - National sentiment called for a clean break with the occupation so an agreement that permitted the stationing of US forces needed to be signed separately from the peace treaty.
 - ➔ 25 Jan 1951, Special Envoy Dulles and his delegation arrived in Japan for their 2nd consultation with Yoshida and **clashed first over Japanese rearmament**. For Dulles, rearmament was important in that it would show that Japan was contributing to the strengthening of the Western camp against the spread of communism – The Korean War was ongoing and American-led UN forces were fighting against numerically overwhelming Chinese forces. The former had been forced back below the 38th parallel, losing Seoul for a 2nd time at the beginning of January.
 - ➔ **The Japanese side, to prevent a stall in negotiations, suggested something that would be perceived as the start of rearmament.**
 - 3 Feb 1951, they proposed that Japan would establish a 50 000-member land and sea “security force” (*hoantai*) which would be the start of a democratic military following the signing of the peace treaty.
 - Japanese government would also create a Security Planning Headquarters (*Jieikikaku Honbu*) established under a Ministry of National Security (*Kokka Chiansho*) that would develop into a Command Staff upon **receiving the advice of its counterparts in the US military**
 - ➔ In the end, Japan did not undertake full-scale rearmament and regardless of what the Japan-US Security Treaty stated, America would defend Japan out of its own interests in the event of an attack. Indeed, simply having US bases in Japan was an important deterrent for any nation contemplating a violation of Japanese security. With agreement on the stationing of US forces in post-treaty Japan secured, the US side went on to delight Japanese negotiators with a generous draft of the treaty.
 - ➔ 8 Sept 1951, San Francisco Peace Treaty was signed. Both the Peace Treaty and Security Treaty went into effect on 28 April 1952.

- US-Japan Security Treaty (Anpo) and Anpo protests
 - ➔ Before the treaty was approved by the Japanese Diet (parliament) in 1960, there had been massive demonstrations on the streets of Tokyo that forced US President Eisenhower to cancel a planned trip to Japan, and eventually forced Kishi to step down as Prime Minister.
 - ➔ The protests were enacted by people who disagreed with the revision of the Japan-US Security Treaty, signed originally in 1951.
 - ➔ One of the most important factors fueling the 1960 Anpo Struggle was peoples' strong feeling that "We never want to be involved in a war again."
 - ➔ When the Japanese government started negotiation talks with the United States for the revision of the Japan-US Security Treaty in 1957, the Japanese economy was finally rebounding after the massive destruction of WWII and social conditions were also being stabilized.
 - ➔ People feared that Japan could possibly be involved in war again if the treaty was revised, and that eventually led to the large-scale protests and strikes.
 - ➔ At the peak of the protests, according to one source, over five million workers took part in collective actions, such as rallies and demonstrations, during their work hours.
 - ➔ His successor, Hayato Ikeda, quickly changed the subject by promising to double Japan's national income in ten years. He did so in five years and the controversy about Japan's alliance with the US subsided for a time.

- US continued pressure for rearmament
 - ➔ In 1952, US suggested in a force-level plan, that Japan develop a 300 000-man ground force with ten divisions. Yoshida reacted negatively believing that recovery of economic strength and provision of stability in social welfare was a priority.
 - ➔ When US demanded that Japan increase its police reserves from the current 75 000 to somewhere in between 150 000 to 180 000 during 1952, Yoshida countered with a proposal for 110 000. He did however, agree to establish a National Safety Force.
 - ➔ In Oct 1953, at Yoshida's request, Liberal Party Policy Research Council Chairman and former finance minister Ikeda Hayato visited Washington to negotiate arrangements with Assistant Secretary of State for Far Eastern Affairs Walter S. Robertson and present the Japanese government's defence buildup plan. He explained that the lower number of forces as a reflection of domestic conditions:
 - Existence of the peace constitution
 - Strong pacifist feelings in Japan
 - Poor quality of life in Japan
 - Lack of a draft system
 - US naval, army and air support in the region meant a smaller ground force would be enough to defend Japan
 - ➔ These talks failed.
 - ➔ Simultaneously, Yoshida was losing popularity on the domestic front having been criticised for too pro-US an approach to diplomacy and not restoring Japan's independence against US dominance.

- ➔ US too had given up on the prime minister as was evident from his visit to the US in Nov 1954. US felt he had increasingly lost the ability to govern effectively and showed no efforts at trying to help him given his consistent resistance to rearmament.
- The Korean War (1951-1953)
 - ➔ During the Korean War, US-Japan relations changed dramatically from the occupation status into one of a security partnership in Asia. When North Korea invaded South Korea, Washington perceived Japan as the ultimate target. Washington immediately intervened in the Korean peninsula to protect the South on behalf of Japanese security.
 - ➔ Japanese security was the most important objective of American policy regarding the Korean War, a reality to which historians have not given legitimate attention. While fighting in Korea, Washington decided to conclude an early peace treaty with Japan to initiate Japanese rearmament.
 - ➔ The issue of Japanese rearmament was a focal point in the Japanese peace negotiation. Washington pressed Japan to rearm rapidly, but Tokyo stubbornly opposed.
 - ➔ Under pressure from Washington, the Japanese government established the National Police Reserve and had to expand its military forces during the war.
 - ➔ The Korean War had far-reaching consequences for the US occupation policy in Japan
 - ➔ Japan had been unwilling to assume a direct military role in the defence of Korea for fear that it might be dragged into a Korean conflict involving China and the Soviet Union.
 - ➔ But the US reversed its assumption that Korea was not vital to Japan's defence and affirmed the interdependence of Japanese and South Korean security interests.
 - ➔ In response to the transfer of US troops from Japan to Korea in 1950, General MacArthur and Prime Minister Yoshida authorised the formation of a US equipped 75000-men National Police Reserve Force (Keisatsu Yobitai). This would subsequently become the National Safety Agency (Hoantai) in August 1952, and then the Self-Defence Forces (Jietai) in 1954, forming the basis of Japan's postwar rearmament.
 - ➔ The Korean War prompted the United States to terminate its occupation of Japan in 1952 and to transform its erstwhile enemy into an ally against the communist axis of the Soviet Union and China by signing a security treaty with Japan
 - ➔ 8 Sept 1951, PM Yoshida signed the Peace Treaty with the United States and 47 other countries but not with the Soviet Union, Poland or Czechoslovakia.
 - ➔ That same afternoon, he signed a bilateral, mutual security treaty secretly negotiated with the United States
 - Security treaty stipulated Japan's unilateral and unconditional dependency upon US military protection.
 - Why did US do this? Japan was important to US because historically, it was the potential and reality of Japan's capabilities as a geopolitical rival and an armed adversary making it too valuable to fall under Soviet control in the post-war period.
 - ➔ When the Korean War ceased in July 1953, Japanese armed forces numbered about 180,000 men.
 - ➔ The Korean War helped transform the public's image of Japan from that of a ruthless enemy into that of a de facto ally

- ➔ The security “gifts” United States bestowed on Japan – a formal treaty with the US, continuation of American bases, increased numbers of Americans in uniform, and a commitment to rearmament – simultaneously “solved” an immediate security problem and guaranteed that the solution would remain controversial for years to come.
- ➔ Korea helped to cement the US-Japanese alliance in the formative years of the Cold War.
- Restoration of relations with the Soviet Union in order to legally end war with it, return its prisoners of war and join the United Nations (**good to know**)
 - ➔ At this point, the Yoshida government had ended (**Dec 1954**) and Ichiro Hatoyama became Prime Minister.
 - ➔ Hatoyama viewed the establishment of relations with the Soviet Union as a major foreign policy issue that was easy for the people to accept and welcome.
 - ➔ **Although cooperation with the US was necessary, there was also an inclination within the Hatoyama cabinet to keep a slight distance from the US and pursue a more autonomous diplomacy given the history of Yoshida’s more “overly pro-US” government losing its public support.**
 - ➔ Jan 1955, Soviet Union’s former representative to Japan, Domnitsky, approached the Japanese government to open informal discussions on the normalisation of relations. The most problematic issue was the disputed sovereignty of the northern Territories which the Soviet Union had come to occupy on 2 Sept 1945.
 - ➔ The Japanese government viewed the islands of Kunashiri and Etorofu as historically being Japanese (agreed upon in 1855 in an agreement with imperial Russia)
 - ➔ Domestic Politics made this issue bigger ➔ Democratic Party was in favour of the normalisation of relations with the Soviet Union but the Liberal Party was not.
 - ➔ In Oct 1956, Hatoyama, suffering from illness, journeyed to Moscow to show his desire for a successful conclusion to the negotiations. On 19 Oct 1956, a joint declaration that ended the state of war between Japan and the Soviet Union was signed
 - Returned Japanese POWs
 - USSR supported Japanese efforts to join the UN
 - USSR promised the return of the Habomais and Shikotan after the signing of a peace treaty
 - Territorial problem would continue to be discussed
 - ➔ **Hatoyama resigned upon return – he had achieved the normalisation of relations with the Soviet Union.**
- Problems with the 1951 Security Treaty
 - ➔ In August 1955, under the Hatoyama administration, Foreign Minister Shigemitsu requested the revision of the security treaty to his counterpart, Secretary of State Dulles.
 - ➔ Problems:
 - As part of Article 1, US forces stationed in Japan could help put down domestic disturbances if expressly requested by the Japanese government ➔ hurt the pride of the people of a sovereign country.
 - Concerns that there were no limits on the use of bases of US forces and that Japan could be drawn into a war without its knowledge

- Concerns that nuclear weapons – to which the people had a strong aversion – could be brought into Japan without its consent
- Lack of clear time limit on the treaty.
- Biggest contention was that while Japan was obligated to provide bases to American forces, US was not obligated to defend Japan.
- ➔ **The treaty was eventually withdrawn BUT the fact that a proposal calling for the complete withdrawal of US forces after the signing of a mutual security treaty was put forward nevertheless showed the increasing unhappiness in Japan regarding the security treaty and the dangerous consequences that existed if it was left unattended. Shigemitsu's proposal was an important stepping stone in the revision of the security treaty later that decade.**
- The Yoshida Doctrine
 - ➔ Yoshida Shigeru, who became Japan's prime minister soon after the end of World War II, established the basic directions of Japanese foreign and security policy.
 - ➔ These three basic tenets, called the Yoshida Doctrine, included:
 - Japan ensures its national security through an alliance with the United States
 - Japan maintains a low capacity for self-defence
 - Japan spends resources conserved by the first and second policies on economic activities to develop the country as a trading nation.
 - ➔ The Japanese constitution and the U.S.-Japan Security Treaty were the two foundations of this doctrine.
 - ➔ The term “Yoshida Doctrine” was coined in 1977 by Masashi Nishihara, a prominent expert, as a way to define a consistent, pragmatic strategy in postwar Japan.
 - ➔ Many scholars have since analyzed the significance of the Yoshida Doctrine, and, roughly speaking, their interpretations fall into two categories: those that criticize Yoshida's naïve judgements, secrecy, and inappropriate policies and those that praise Yoshida's foresight, strategic thinking, and pragmatic approach.
- The Nuclear Umbrella
 - ➔ According to the Peace Treaty, on 28 April 1952, Japan regained its independence, and the occupation ended.
 - ➔ On the same day, the US government also provided what Japan wanted most: a long-term guarantee of its security, later referred to as the “nuclear umbrella”
 - ➔ The US protection of Japan thereafter held the cost of Japanese defence at minimum, about 1% of GDP through the 1990s. Some critics later accused Japan of enjoying a “free ride” through the Cold War.
 - ➔ Last but not least, Japan enjoyed minimum spending on defence through the Cold War because of the American “nuclear umbrella” and mutual defence treaty. The low annual military budget was another contributor to Japan's economic advance, even though the country had established a small armed force, the Self-Defence Forces, in 1954. The cost of this force was very low, about 1% of Japan's GDP in through the 1960s.
 - ➔ The Japanese government and conservative parties liked the new security agreement as an improvement over the Peace Treaty since it was a pact concluded between equals.

- ➔ The liberals and radical parties, such as the Socialists, labour leaders, and intellectuals, criticised the mutual defence treaty since its contending provisions that had clearly linked Japan to the US in the Cold War, and that could draw Japan into a military alliance against the communist nations, particularly North Korea and China. These groups began to organise political rallies and political campaigns to protest the treaty and the administration in the 1950s. They also raised their voice against US military presence in Japan and Okinawa as well as US nuclear testing.
- The Kishi Administration's diplomacy and entry of Japan into the UN
 - ➔ Kishi Nobusuke had assumed an anti-Yoshida position in the early 1950s and was the 1st Secretary General of the Liberal Democratic Party in 1955. As Prime Minister, he sought to move away from the political arrangements of the occupation period by creating a domestic political system appropriate for a sovereign state and strengthening Japan's international position
 - ➔ Japan joined the UN in December 1956
 - ➔ In September 1957, Kishi's cabinet released its first Diplomatic Bluebook, in which the "Three Principles" of Japanese Foreign Policy were announced
 - Assigning central importance to the UN
 - Cooperating with the free world
 - Strengthening Japan's position as "member of Asia"
 - ➔ In that same year, Japan ran for a non-permanent seat on the Security Council and was elected. (good to know the bit below)
 - ➔ In July 1958, amid the rising political turmoil in the Middle East in the wake of the revolution in Iraq, the US sent troops into Lebanon and Britain sent troops into Jordan at the request of the respective pro-Western governments.
 - ➔ Japan disapproved of the dispatch of troops to Lebanon because the US did not wait for a decision by the UN and felt it would weaken the prestige of the UN and be detrimental to the international situation.
 - ➔ Working closely with SG Dag Hammarskjöld, Japan proposed a separate resolution that sought to expand and strengthen the UN monitoring group, protect Lebanon's territorial integrity and permit a US withdrawal. All SC members accepted this but Soviet Union vetoed.
 - ➔ Furthermore, when Hammarskjöld adopted Japan's proposal and expanded the number of the monitoring group, he asked Japan to send ten officers but Japan declined, citing Self-Defence Forces Law and the Law of Establishment of the Japan Defence Agency passed in 1954.
 - ➔ Although it had called for UN-centered diplomacy, Japan did not yet have the domestic support for cooperating with peacekeeping efforts of the UN
- The Kishi Administration's most successful diplomatic effort was firming up Japan-US cooperation through the revision of the Japan-US Security Treaty
 - ➔ Revision of the treaty was in fact, America's initiative. The US government began preparing for the revision in 1958, 3 years after Dulles first turned down Shigemitsu's proposal.

- ➔ The US government, in addition to high praise for Kishi's political ability for arranging the merger of the conservatives in 1955, and strengthening the political base of the LDP, also appreciated his pro-US, anti-communist stance
- ➔ In 1957, when Kishi visited the US with his slogan of the "new era of Japan-US relations", he realistically aimed for partial adjustments of the treaty to include "prior consultation" and time-limit clauses in the treaty.
- ➔ US on the other hand, was motivated to consider revisions for several reasons:
 - Japan had recovered much of its strength – well on the path to economic recovery, restored relations with Soviet Union, joined the UN – it was feared that dependence on the US would gradually weaken.
 - This cautious attitude towards Japanese relations was also seen in 1956. A so-called island-wide protests in which Okinawan anti-base and anti-American feelings rose, followed the forced expropriations of land for military use. 12 Jan 1958 Naha mayoral elections shocked the US – Kaneshi Saiichi of Minren, who was more anti-American than his rival, won. He was also supported by the former mayor, Senaga Makejiro, a politician with communist leanings who was removed by US military authorities because of his political views. The US government thus began to reexamine its policies with regard to Okinawa and Japan – serious considerations were given to returning partial administration over Okinawa to Japan. This contributed to the review of the revision of the security treaty
 - Ambassador MacArthur the nephew of General MacArthur, argued that in order for Japan to remain linked to US, Japan had to be treated as an equal partner
 - The new security treaty improved many of the defects of the old treaty by spelling out America's defence commitment to Japan (Article 5), establishing a time limit (Article 10), removing the clause of the old treaty which permitted the US military to intervene to prevent disturbances in Japan, encouraging further economic cooperation between the two countries, clarifying the relationship between the treaty and the Charter of the UN (Article I), and recognising the need for consultations, both prior and after, between the two governments over security matters (Articles IV, VI).
 - HOWEVER, not a mutual security treaty between equals – just a mere appearance of US and Japan acting to meet the common danger was created but remained vague with the Japanese government not explaining Japan's actions for joint defence. Joint defense remained not entirely clear theoretically. Although the revisions to the security treaty were mostly cosmetic in nature, they did have a major impact politically as it became more acceptable to the Japanese people.

Economic Relations

- The San Francisco Peace Treaty was not punitive in nature – it aided the build up of the Japanese economy
 - ➔ Although Japan was made responsible for post-WWII reparations, care was taken that reparations not harm Japan's economy or its potential for further recovery – quite in contrast to those forced on Germany in the Versailles Treaty.

- ➔ US with its overwhelming economic might, established and led an international liberal economic system, which helped Japan recover and grow economically.
- ➔ Not only did Japan profit from both direct and indirect aid immediately after the war, it also benefitted from:
 - The economic and political support it received when it joined the General Agreement on Tariffs and Trade (GATT) in 1955
 - The financial assistance it received in order to participate in the free trading arrangements
 - The technical support it received to develop its economy and to improve its production ability
 - The opportunity for Japanese to study at US universities through the Fulbright and other programmes.
 - The fact that US opened its own domestic markets held great meaning for the economy of postwar Japan, which initially lost its access to Asian markets.
- The price to pay for the San Francisco Peace Treaty
 - ➔ Peace treaty with the Soviet Union and other communications was not possible – Soviet Union participated in the peace conference but did not sign the treaty (52 members had gathered on 2 Sept 1951 but only 49 including Japan had signed it on the 8th). Poland and Czechoslovakia also did not sign. Beijing and Taipei were not invited to the treaty signing as US and UK disagreed on who was the legitimate representative of the Chinese government
 - ➔ Relations with China became problematic and US influence on Japanese foreign policy was evident – Japan was not allowed to deviate from the staunch anti-Beijing leadership of the US.
 - For example, during the tenure of PM Yoshida, he attempted to lay down a good-neighbour policy with China based on his prediction that geography and economic laws would in the long run prevail over any ideological differences and artificial barriers.
 - But Yoshida's plan was tempered under US pressure and he established diplomatic relations instead with the Chiang Kai-Shek government in Taiwan rather than the government in Beijing. He signed a peace treaty with Taiwan in 1952
 - ➔ Article 3 of the treaty meant that Japan was forced to recognise the placement of Okinawa (and Ogasawara) under US administration and this became a major sticking point in bilateral relations later.
 - ➔ Division in Japanese public opinion – The Socialist Party and many well-known intellectuals who came together to form the Peace Problems Discussion Circle (*Heiwa Mondai Danwakai*), strongly criticised Japan's signing of a peace treaty with countries centered around US and demanded that Japan sign a treaty with all countries including Communists. This developed into arguments over support for the Japan-US Security Treaty and unarmed neutrality. This affected postwar Japanese diplomacy, making it contentious with the government exhausting much energy constantly gauging the degree of public support it had.

- The Korean War
 - ➔ Economically, Japan emerged as a principal beneficiary of the Korean War because of special procurement arrangements and service contracts it concluded with the US.
 - ➔ This created the so-called “Korean War boom” in Japan, which raised industrial production above its prewar level and set the country on the road to economic recovery.
 - ➔ As a logistical and service supporter for United States war efforts in Korea, Japan received a substantial amount of military procurement orders from Washington, which supplied dollars, technology, and markets for Japan. The mass production of war-related goods and the provision of services for American and UN forces acted as a major stimulus for Japan’s economic recovery.
 - ➔ The Korean War also brought a fundamental change to Japanese economic and diplomatic relations in Asia.
 - ➔ With a trade embargo on China following the unexpected Chinese intervention in Korea, Washington wanted to forbid Sino-Japanese trade completely.
 - ➔ Japan wanted to maintain Sino-Japanese trade and recognize the Chinese Communists.
 - ➔ US did not allow it.
 - ➔ Japan also left the door open to North Korea by maintaining nonpolitical relations with it.

- Focus on economic reconstruction under the Yoshida Administration
 - ➔ By mid-1954, the US government began to show signs of supporting the Yoshida line focusing first on economic reconstruction over or before rearmament.
 - Why: A recession had hit the Japanese economy due to the drop in procurements related to the Korean War and the tight fiscal policies adopted at the end of 1953.
 - Domestic prices dropped for the first time in postwar period, with many businesses going under and unemployment rapidly rising.
 - ➔ PM Yoshida’s political base rapidly weakened because of the economic situation, a shipbuilding scandal (involving Yoshida and PM Sato Eisaku) and the controversy over deliberations on a revised police bill in which the Socialist and Communist parties sought to use force to prevent voting.
 - ➔ **1954 marked a strain in US-Japan relations which formed a consensus within the US government that for the time being it was necessary to focus on Japan’s political and economic stabilisation and relax demands for rearmament.**
 - Bikini Incident, March 1954: A Japanese fishing ship, *Daigo Fukuryūmaru* (Lucky Dragon No. 5), was covered in ash from a hydrogen bomb test in the Bikini Atoll; its plight caused outrage among the Japanese public, especially among antinuclear pacifists and those with anti-American sentiments. Led to increase calls for neutralism with regards to nuclear weapons.
 - End of the Korean War and changes in Indochina: Military tensions in the Far East decreased dramatically following the truce reached in the Korean War the year before and the peace agreement in the Indochina War in July. The overt East-West clash appeared to have come to an end in Asia with competition shifting to long-term economic development.
 - **This led to a new basic policy on Japan (NSC 5516/1) in 1955 confirming the principle that the US government would not demand the rearmament of**

Japan at the expense of Japan's political and economic stability and should allow Japan to decide for itself the size and shape of its rearmament programme.

- Diplomatic opportunity for Japan in the strengthening of economic ties with Southeast Asia under the Kishi administration (good to know)
 - ➔ Improving relations with SEA began with payment of reparations – compensation for Thailand, Malaysia and Singapore was resolved later in the 1960s. In Nov 1954, an agreement on economic cooperation was signed obliging Japan to pay \$200 million over a period of 10 years and later in 1964, another \$140 million. In May 1956, Japan agreed to pay \$550 million over twenty years to the Philippines. In Jan 1958, \$223 million over twelve years went to Indonesia. Laos and Cambodia did not request reparations. In May 1959, an agreement was signed for Vietnam to receive \$39 million over a 50year period.
 - ➔ Japan's reparations came in the form of provision of products and services and thus was an effective way to promote Japan's economic recovery as it led to domestic production and exports through government support.
 - ➔ In the US Japan policy document NSC-6008/1, adopted in 1960 by the National Security Council, American policymakers came to recognise that Japan's contribution to the free world was through its economic might and through its "moderating influence" on the countries of Asia and Africa.
- Reaping the benefits of a smaller percentage spent on defence and larger attention to economic development
 - ➔ By 1954, Japan's manufacturing had returned to pre-war levels, while agriculture had surpassed pre-war levels. By 1955, Japan had recovered from the devastation of war, and provided enough rice for the entire population. In 1955, Japan's annual GNP totalled \$24 billion, and its per capita GNP was \$268, above the pre-war level. By 1956, the Japanese economy was ahead of other Asian countries. Its economic growth continued through the following decade with an average annual economic growth rate of 9%, compared with the US' 4%, Great Britain's 2.5%, France's 4.2% and West Germany's 5.7% during the same period of time. In the late 1960s, Japan had obtained an economic level comparable to that of Europe.
 - ➔ From 1956-1973, Japan's annual GDP had an average higher than 10% of the growth rate, which had never before been seen in any other industrial country.
 - ➔ In 1956, private investment in the infrastructure and equipment had increased 54.6% from the previous year. Thereafter, this increase continued with more than 70% in the steel and iron, machinery, electricity and chemical industries.
 - ➔ These traditional industries also provided a solid foundation for newly-established industries, such as automobile, electronic instruments, petro-chemistry, and plastic manufacturing.
 - ➔ Because of the availability of the capital, these new industries were able to import new technology, equipment, and even entire manufacturing facilities from Western countries such as the US, Germany and France.

- ➔ Japan imported 1148 foreign technologies between 1950-1955 and 2273 advanced technologies in 1956-1965.
- ➔ The US not only made the new technologies available for Japan's industry in the 1950s, but also made its domestic market available for Japanese-manufactured items such as toys, shoes, clothing and apparel. Between 1956-1964, Japanese exports had an average annual growth rate of 13.5%, higher than any Western country.
- ➔ The US became Japan's most important single trading partner.
- ➔ With the availability of the huge US market, Japan's exports reached its pre-war level in 1959
- ➔ Toyo continued its governmental control of exports and imports through the 1950s in favour of importing new technology and advanced machinery, while protecting domestic industry by limiting similar foreign imports.

DISCUSSION TIME:

How would you describe the relationship between Japan and US during this period and why?

What factors have influenced this relationship?

1960s

1960 started off with a chaotic domestic situation in Japan. Mass demonstrations in Tokyo and other major Japanese cities continued, a violent labour dispute dragged on at the Mitsui Miike Mines in Kyushu, which witnessed occasional clashes between the labour unions and police. Japan was facing a fundamental decision regarding Americanism versus neutralism. Or capitalism versus socialism.

2 prime ministers, Ikeda Hayato and Sato Eisaku, each with long administrations, led Japan during the 1960s. The secure political situation, and the benevolent hegemonic power of the US, provided the ideal environment for Japan's unusual high economic growth. Through this high growth, Japan's international standing increased dramatically and would further lead to the reduction in the domestic political tensions. On the other hand, some of Japan's fundamental problems remained unresolved and would become a major hindrance in Japan's diplomacy afterwards.

The scant attention Japan paid to foreign policy and national security during the 1950s and 1960s, reflected the Japanese preference for *seikei bunri* (the separation of politics and economics) and demonstrated Japan's satisfaction with its relationship with the United States, which deeply reflected Japan's realism in adjusting to a new international environment. Successive Japanese governments placed primary reliance on the US for their foreign policy, allowing Japan to concentrate on social modernisation and economic growth.

Security Relations

- In the 1960s, the summit between President Eisenhower and Soviet leader Nikita Khrushchev scheduled for May 1960 was cancelled because of the downing of the American U2 spy plane over the Soviet Union. Later, the October 1962 Cuban Missile Crisis brought tensions between the US and the Soviet Union to the brink of nuclear war. This latter crisis, however, was resolved. The US-Soviet relationship then evolved into one that became a sort of partnership, albeit limited, that shared the common interest of avoiding an all-out war. → The overall thaw in East-West tensions was one condition that made Japan's light rearmament possible
- The year 1960 was a watershed in the US-Japan military alliance as the two countries signed a revised security treaty.
 - ➔ It confirmed Japan's subservience to US regional military interests and increased the probability of Japan's involvement in a US War in Asia.
 - ➔ The new treaty only reaffirmed Japan's intention to permit the use of US facilities in Japan for the UN Command in South Korea, and the US enjoyed the same military-base rights in Japan as before.
 - ➔ The first US assurance to provide Japan with a nuclear umbrella was made by US president Johnson in Jan 1965, about three months after China carried out its first nuclear explosion.
- Japan-US relations, which appeared to be on the brink of crisis at the time of the security treaty demonstrations, dramatically improved in this era,
 - ➔ The main reason for this improvement was that the demonstrations against the treaty were not necessarily anti-American in nature, but rather were due primarily to the shadowy, undemocratic image of prewar Japan that people saw in the likes of PM Kishi.
 - ➔ Furthermore, the fresh image of John F Kennedy who had taken office in 1961, was widely welcomed in Japan. He had strategically included a large number of intellectuals in his administration and selected America's top expert on Japan, Harvard University Professor Edwin Reischauer, to be his ambassador to Japan.

- The catch phrase often used to describe Japan-US relations at the time was “Equal Partnership”
 - ➔ This was not the reality. BUT, it was reflective of a shift from a relationship of victor and vanquished or occupier and occupied to a healthier diplomatic relationship.
 - ➔ By that time, Japan no longer sought economic support from US as PM Minister Ikeda demonstrated when he addressed the US Congress during his visit to Washington in 1961, stating “I have not come here to ask for aid.”
- Japan increased its defence efforts
 - ➔ Can be seen as a response to the Cold War. As long as Japan was an ally of the US, the likelihood of an invasion of Japan was quite low. Nevertheless, if a clash between the US and the USSR did take place, Japan would have become involved. Similarly, a conflict on the Korean Peninsula could have spilled over and affected Japan.
 - ➔ Second and Third Defence Programmes (1962-66 and 1967-71 respectively) both had as their objective defence against invasion by conventional means.
 - ➔ Defense spending increased from 157 billion yen in 1960 to 569 billion yen in 1970 and showed steady growth, even adjusting for inflation.
 - ➔ The ability of the Self Defence Force (SDF) to function was questionable though – SDF was excluded from foreign policy – Eg. When Japan declined participation in the Lebanon peacekeeping operation in 1958.
- The reversion of Okinawa
 - ➔ Near the end of WWII, 55000 Allied (mainly US) troops had gathered off the main island of Okinawa. The ensuing battle saw enormous casualties. The Battle of Okinawa was a major land battle fought on Japanese territory, and in the aftermath Okinawa was placed under a direct US military occupation
 - ➔ The island played an important role in America’s strategy in the East-West Cold War, and continued this role in the Vietnam War as well
 - ➔ America’s administration of Okinawa was that of an occupying army that suppressed local autonomy and displayed a lack of regard of the concerns of the civilians. Thus, the desire of the Okinawan people who had felt they were mistreated by Japan both before and during the war, to return to Japan grew.
 - ➔ America began to be viewed among Japanese as an arrogant imperial power, no better than the Soviet Union, which continued to occupy the Northern Islands.
 - ➔ In January 1965, Sato visited the US for the first time as Prime Minister, and requested the return of Okinawa.
 - ➔ On the US side as well, there were those like Ambassador Reischauer and other specialists who recognised early on that if the US occupation of Okinawa continued, normal relations with Japan could not be maintained.
 - ➔ 1962, President Kenedy had stated that he “would recognise 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.”
 - ➔ Actual reversion was not smooth.

- ➔ US Side: (1) strong desire to avoid the loss of the rights of American bases in Okinawa – Vietnam War was becoming hotter so it had strategic importance. (2) PM Sato's announcement of the Three Non-Nuclear Policies on 27 Jan 1968 which evolved into Four Nuclear Policies disallowed the introduction of nuclear weapons into Japan and thus clashed with the US maintenance of a large stockpile of nuclear weapons in Okinawa
- ➔ The 2 countries interpreted this anti-nuclear policy differently with US seeing it as allowing transit of weapons aboard ships in Japanese ports and military planes landing in Japan but the Japanese government expressing to the public that weapons would not be placed or transmitted through Japan.
- ➔ Eventually on 15 Dec 1967, a declaration was made with PM Sato obtaining a promise from President Johnson clarifying the timing of the reversion of Okinawa while announcing the importance of the bases.
- ➔ However, in 1968, Yara Chobyō, was elected as Governor in Okinawa and called for the immediate and unconditional return of Okinawa leading to US bases being surrounded.
- ➔ There was a great concern that if the political situation in Okinawa were left unresolved, not only would the use of the bases there become impossible for the US but the Japan-US Security Treaty itself might be endangered. Thus, President Nixon told PM Sato in Nov 1969 that the US would return Okinawa by 1972. This was known as the 1969 Nixon-Sato communique.
- ➔ Mace-B missiles, the nuclear weapons that had been stored in Okinawa, had become obsolete with advances in technology. They were thus removed prior to reversion although an agreement was reached to reintroduce nuclear weapons in the event of a contingency in the Far East. PM Sato had recognised that the security of Korea was essential for Japan and that Taiwan was an important factor thus linking the Japan-US alliance with the security of the Far East and showing a cooperative stance with regard to US strategy.
- ➔ It was also in US interest to do so as the military occupation of Okinawa by US had the potential to greatly damage Japanese domestic support for the Japan-US relationship which US and the Japanese government both did not want.
- ➔ Internationally, Nixon was withdrawing US forces from Vietnam (Vietnamisation) and adjusting relations with China (remember Sino-US? Waaaah everything is so connected!) in an attempt to release the US from the burden of fighting Communism on every front around the world.
- ➔ In the Guam Doctrine of 1969, which eventually became known as the Nixon Doctrine, America would step back to a certain degree from Asia.
- ➔ In response, Japan had emphasised that US troops be maintained in South Korea. It also objected to Carter's troop withdrawal plan in 1977.

Economic Relations

- Unlike the 1950s, the 1960s were a period in which it was relatively easy to settle the conflict over the direction of Japan's basic political and diplomatic path and come to a new understanding through economic growth and consensus politics.
- In the 1960s, the repressive nature of the Socialist authoritarian regimes, as demonstrated by the harsh accusations traded between Soviet Russia and China and the Soviet military intervention in Czechoslovakia in 1968, became evident and further eroded support for a Leftist agenda.
- Adding on to the deteriorating preference for a leftist agenda was the living standard of Japanese increasingly improving though high economic growth and those identifying themselves in the middle class continuing to expand.
- Eventually in 1960, the Japanese government issued the Free Trade and Exchange Outlines, lifting some of the governmental controls over imports and opening part of the domestic market for foreign goods.
 - ➔ By the end of the year, free imports consisted of 41% of total imports and increased to 93% by 1964.
- Through its own diplomatic efforts and the strong support of the US, Japan joined the GATT (General Agreement on Tariffs and Trade) in 1963 and IMF (International Monetary Fund) in 1964.
 - ➔ It's relationship with US would prove useful in easing tensions that rose from European countries in GATT
 - While the US saw Japan's economic development as an important political goal in its strategy against the Soviet Union, the main 14 countries of Europe invoked Article 35 (Article 35 of GATT allows a member country to declare that the agreement will not apply between itself and another member country, provided this decision is reciprocal and agreed upon by both parties.)
 - These countries decided to invoke Article 35 in part because of the pressure exerted by their own textile-related industries, who demanded protection from Japanese competition. They decided the "unfairly" strong competition of Japanese goods as "social dumping" due to the low wages and long working hours in Japanese manufacturing.
 - In the 1960s, however, Japan's growth rate was high, and if Europe continued to subject Japanese goods to discriminatory practices, it would become difficult to export to Japan. In addition, **Japan was assisted by the US, which exercised great influence during the Kennedy Round of GATT negotiations in 1964 (leading to an antidumping agreement in 1967)**
 - **The US was critical of the anti-Japanese discriminatory practices of the European states as going against the principles of GATT and called upon them to open their markets.**
 - In November 1962, with some concessions made by Japan, Japan and UK signed a trade and commerce agreement. In 1963, Japan and France concluded a commerce treaty.

- ➔ After the completion of the era, in 1960 Japan entered a new period of development and growth with many new economic programmes of its own.
 - ➔ In 1960, its annual GDP almost doubled to \$43 billion with per capita GDP of \$461.
 - ➔ In 1965, Japan's GDP doubled and increased to \$88 billion with per capita GDP of \$898.
 - ➔ By 1970, its annual GDP increased to \$203 billion, more than doubled, and its per capita GDP reached \$1939.
 - ➔ In another five years, by 1975, Japanese GDP doubled again and increased to \$484 billion with per capita GDP of \$4320.
 - ➔ In the same year, Japan had obtained a productive level comparable to that of Europe
 - ➔ The availability of the American market was vital to Japanese products, not only because of the mass consumption in America, but also by its introduction of good quality and low-cost Japanese manufactured items. Japan soon became the manufacturing factory of Asia.
 - ➔ Its exports increased from \$2 billion in 1955 to \$8.45 billion in 1965, and to \$55.75 billion in 1975.
- Japan was also able to join the Organisation of Economic Cooperation and Development (OECD) with America's support in 1964 – it had faced opposition to its participation without American support.

Japan's Response to CW policies

1. Vietnam War

- Japanese relations with the US were shaken by the escalation of the Vietnam War.
- The US intervened on a large scale in the civil war between the antigovernment Viet Cong, which sought a united Vietnam to pursue a socialist path, and the anticommunist government of South Vietnam. Fearing that if South Vietnam were to fall, domino theory would take place, the US, over-confident in its own might, under the administration of President Lyndon B. Johnson, began to dramatically increase its involvement in Vietnam from the mid-1960s on.
- From the American perspective, the US was fighting to protect Japan and the free world from the threat of communism and believed it should be thanked for its efforts.
- From the Japanese perspective, it was a war lacking legitimacy where the world's most powerful country was punishing Asia's poorest which was longing for independence.
- **As a result, Japanese public opinion toward the US spiralled downward, and the efforts of Reischauer to forge a new relationship came largely to naught.**
- Japan's "peace at any cost" type of pacifism and a traditional diplomatic inclination toward Asia and Africa came together in the movement against the Vietnam War.
- With B-52s and US naval vessels leaving for Vietnam from American bases in Japan, it became apparent to the Japanese that their country was in effect a participant in the war, leading to a new anti-base movement throughout the country.
- Like their counterparts in the West, many universities in Japan in the late 1960s were essentially taken over by student activists and classes were for the most part cancelled –

- One of the more salient movements of this kind was a new movement called the *Betonamu ni Heiwa o Shimin Rengo* (Beheiren), or Citizen's Federation for Peace in Vietnam.
- The Japanese government found itself caught between the anti-war movement of its citizens and its relationship with the US.
 - ➔ It was faced with the pressure by the pro-North Vietnam Japanese media to show a pacifist attitude by not contributing to the war on the one hand, and pressure to cooperate with the US, which wanted to be able to use the bases in Japan freely.
 - ➔ Furthermore, in order to realise the reversion of administrative rights over Okinawa, the Japanese government had to prove that it was a reliable partner in America's global strategy.
 - ➔ What resulted was a rather unclear response of seeking the realisation of national interests like the return of Okinawa through cooperation with US while attempting to limit Japan's contribution in security affairs and emphasising its peaceful, non-nuclear policies.
 - The US also made economic demands of Japan in light of its Cold War policy in the Vietnam War
 - ➔ After drafting the joint Japan-US declaration on the timing of the return of Okinawa to specify that the return would occur "within a few years", President Johnson strongly argued that because Japan, unlike Australia and Korea, could not send troops to Vietnam for the defence of the Free World, it was that much obligated to exercise "leadership" in the economic sphere
 - ➔ Tying concrete and particular demands to the question of Okinawa, Johnson asked Japan to buy \$500 million in US bonds, provide a special fund of \$100 million for the Asia Development Bank, donate televisions to South Vietnam for educational purposes and build hospitals there.
 - Success and limitations of the 1960s
 - ➔ It was an era in which the Yoshida line-alignment with the US and light rearmament with a focus on economic recovery – had succeeded, almost too well, in allowing Japan to return to international society and occupy an important place in world affairs.
 - ➔ BUT problems existed
 - Japanese people questioned the country's focus on GNPism when there were inherent problems it caused – severe pollution gripping Tokyo and elsewhere and a lack of a satisfying lifestyle outside of work – this was an underlying domestic dissatisfaction that would pressurise the relationship with US later.
 - Domestic politics: the right was calling for "autonomous defence" while the left was decrying "American imperialism" – there was a similarity in the sense that both sides were frustrated with the inability of Japan to act as an independent state.

- ➔ So, while the Japan-US relations in the 1960s had some dependency and clear cooperation, it left the Japanese public dissatisfied and this would be an underlying factor in contributing to the turbulent 1970s.

DISCUSSION TIME:

How would you describe the relationship between Japan and US during this period and why?

What factors have influenced this relationship?

1970s

In the late 1960s and early 1970s, several issues shook this relationship. US economic policies began increasingly to conflict with Japanese trade policies, and the announcement of the Nixon Doctrine appeared to herald a fundamental change in American foreign policy.

Security Relations

- The 1960 Japan-US Security Treaty came to an end in June 1970. However, based on Article 10 of the same treaty, the Government of Japan wished to continue with treaty arrangements and no one raised a fuss despite earlier condemnation of the Sino-US security relationship.
- The Nixon administration's security policies towards Japan seemed to have mixed messages. It called on Japan to actively take a more responsible role, but it did not clarify what exactly it sought from Japan.
 - ➔ For example, Japan signed the Non-Proliferation Treaty in 1970 but in July 1971, during his visit to Japan, Defense Secretary Melvin Laird suggested in statements that he would accept Japan's possession of nuclear weapons. Yet, at almost the same time, Kissinger was visiting China and telling Zhou Enlai that America did not welcome Japan's expansion of its military role.
- 1971, The reversion of administrative rights over Okinawa also fell into some confusion at the last stage.

- ➔ Okinawa Reversion Agreement detailing arrangements regarding its return was signed on 6 June 1971 by representatives of both US and Japan.
- ➔ However, during discussions on its ratification in the Diet (parliament), the opposition Socialist, Democratic Socialist, and Komeito parties expressed their dissatisfaction with the agreement, charging that the promise of “without nuclear weapons” had not been fulfilled
- ➔ Demonstrations were held throughout the country
- ➔ Eventually there was unanimous approval of resolutions on strict adherence to the three non-nuclear principles for Japan and the rapid reduction of US bases in Okinawa.
- ➔ 15 May 1972, Okinawa Reversion Ceremony. 17 June, Sato resigned.
- After 1971 – the years after the 2 Nixon shocks of 1971 were a time to restore confidence between the US and Japan
 - ➔ The rapprochement between China and US was initially a blow to Japan, but essentially it was a policy Japan could welcome – Japan itself had been reaching out to China with Tanaka initiating a pro-Chinese policy and announcing “Restoring Relations with China”.
 - In June 1971, the Chinese informed a visiting Komeito Party delegation of their conditions for normalising relations.
 - In July 1972, Zhou Enlai called the Komeito Chairman Takeiri Yoshikatsu to visit China and proposed a draft joint declaration toward the normalisation of bilateral relations
 - China was thus engaging Japan while engaging US (Nixon visited in Feb 1972)
 - Tokyo received the new “détente” policy, as laid out by President Richard Nixon, with a great deal of apprehension and some positive reaction. The doctrine meant the withdrawal of the US from SEA in 1972-73.
 - In 1972, the US reinstated administrative control of Okinawa and the Ryukyu Islands to Japan. In Sept, only months after Nixon’s visit to Beijing, Japan and China established a formal diplomatic relationship (the diplomatic relationship between Beijing and Washington was not established until 1 Jan 1979)
 - Japan and China went further and signed a treaty of friendship and mutual cooperation in 1978.
 - When China’s “Reform and Opening” process began to unfold in the late 1970s and early 1980s, Japan was the first among all major industrial/capitalist countries to provide China with substantial technological and financial support.
 - ➔ Japanese public opinion welcomed the US withdrawal of troops from Vietnam and the peace with the North arranged at the Paris Peace Conference in Jan 1973.
- Changing international context impact on Japan-US Security Treaty
 - ➔ US-Soviet détente, Sino-US rapprochement, end of Vietnam War all greatly reduced the fear that Japan would be drawn into a conflict as a result of the security treaty
 - ➔ There was thus a need to re-examine the meaning of the security relationship

- ➔ From the outset, the Japan-US alliance was established to cope with the threat from the Soviet Union and PRC but this was a reduced threat to Japan by the early 1970s and the *raison d'être* for the alliance was being questioned
 - ➔ The view that the alliance contributed to regional stability and helped maintain status quo emerged
 - ➔ Kubo Takuya of the Defence Agency stated that the Japan-US security alliance was one that would “shed its initial role of containing communism to one that would seek to deter war in the region and maintain the status quo” and concluded that “until peace and security were demonstrated in the East Asia region, it was desirable to maintain the security treaty with the United States.”
 - ➔ The change in the meaning of the Japan-US Security Treaty also led to a review of Japan's regional role. In November 1972, Foreign Minister Ohira stated in the Diet that the clause was predicated on an understanding of the Taiwan situation in 1969 and because the government viewed the possibility of an armed conflict realistically breaking out in the area as having disappeared, the understanding of the Taiwan clause had also changed.
- Strengthening of Japan-US relations in response to Soviet Union's increasingly intransigent foreign policy at the end of the 1970s.
 - ➔ Soviet Union signed a Treaty of Peace and Friendship (PFT) with the People's Republic of China (PRC), which ended up encouraging the latter to invade Cambodia in Dec 1978. Soviet Union also acquired rights at Cam Ran Bay and Danang airfield in Vietnam, expanding its military presence in the Pacific Area. It also invaded Afghanistan in Dec 1979. All this heightened East-West tensions
 - ➔ Carter administration instituted a hard-line policy towards the Soviet Union by increasing US' own military strength.
 - ➔ **In response, PM Ohira demonstrated even greater support for the US and at a reception during his visit to Washington in May 1979, described America as an “irreplaceable friend and ally”**
 - ➔ The 2 countries then strengthened their defence cooperation
 - Nov 1978, “Guidelines for Japan-US Defence Cooperation” was approved.
 - It included the Self-Defence Forces and the US military expanding their joint exercises.
 - ➔ Japan also lived up to the US desire for it to show unity with the West against Soviet Union by implementing sanctions against the Soviet Union for its invasion of Afghanistan and boycotting the 1980 Moscow Olympics.
 - ➔ Furthermore, Japan engaged in strategic aid – foreign economic assistance used to strengthen the overall position of the West.
 - In 1980, Japan extended aid to Pakistan, Turkey and Thailand, explaining in the 1979 Diplomatic Bluebook that this aid was to “guarantee security in the broad sense”.
 - Japan's Official Development Assistance (ODA) went from \$458 million in 1970 of which most went to Asia, to more than \$3.3 billion in 1980 which became global in nature.

Economic Relations

- Tensions over the textile industry
 - ➔ In order to get the support of southern textile makers in the 1968 presidential election, US President Nixon had promised some sort of restriction on the export of textiles from Japan. Textiles had at one point been Japan's main industry, but by 1970, Japan was no longer competitive and Japanese textiles no longer represented a major threat to the US market.
 - ➔ The conflict over textiles reflected the fact that the US economy had lost its absolute predominance and that Japan's weight in the international economy had increased so much that its economic conduct could not help having international political implications → First real example of economic friction between the US and Japan
 - ➔ Sato appointed Tanaka, who was secretary general of the LDP to resolve the textile issue
 - ➔ Tanaka won the gamble through his usual tactic: providing economic handouts to gain support.
 - ➔ He convinced the textile industry to cooperate with export restraints by promising government compensation. After a supplementary budget of 200 billion yen for compensation to the Japanese domestic textile industry was prepared, a bilateral accord with the US was agreed to in October 1971 that limited exports to the US over a period of 3 years.
 - ➔ Ironically, this quota may not have been needed in the first place as American AND Japanese textile industries began losing out to cheaper imports from Southeast Asia.
 - ➔ **While this textile wrangle did not make much sense, it left deep scars of disillusionment and distrust in the minds of officials on both sides of the Pacific, not least in the mind of the American President Nixon.**
- The Nixon Shocks
 - ➔ 15 August 1971, Nixon announced the New Economic Policy (Nixon Doctrine) that his administration was adopting
 - Freezing of wages and prices
 - Adding a 10% surcharge on imports
 - Suspending the gold-dollar exchange
 - ➔ It was a fundamental shift in American foreign policy but they were abrupt and undertaken without prior international consultation thus taking nations by surprise
 - ➔ **Japan's psychological fallout was enormous and these events thus came to be known as the Nixon Shocks. To Japan, the Nixon Doctrine seemed to contain serious flaws and contradictions.**
 - ➔ Sato administration took a beating by the Japanese media and public for being slapped in the face twice by its key ally and not being able to respond properly → Textile Industry Issue and this.
 - ➔ **Nixon shocks seemed to indicate that the American administration was shifting from its pro-Japanese policy as seen in the return of Okinawa, to an anti-Japanese policy of harming Japanese economic interests and getting close with China.**

- ➔ **The sudden change in America's China policy, on which it had been understood that Japan and the United States would consult closely with one another, and the fact that Japan was not informed of the change until the very last minute, greatly injured the Japanese government, which had long prided itself as being America's number one partner in Asia.**
- The first Oil Shock, October 1973
 - ➔ In spite of Japan's neutrality in the Middle East conflict and friendly economic relations with the oil-producing countries in the region, Japan initially did not enjoy a "friendly state" status due to its close relationship with the US. The oil shock was thus a striking reminder to the Japanese that they lived in an interdependent world, where peaceful prosperity had to be based on a stable international order.
 - ➔ The non-inclusion of Japan when OPEC ended limitations on oil exports to the European Community with the exception of the Netherlands on 18 Nov 1973, came as a surprise to Japan.
 - ➔ Without clarifying the Arab position, Japan hurriedly began to show a pro-Arab attitude. Given Japan was the world's largest importer of oil with 70% coming from the Middle East, psychological panic broke out as near riots broke out in stores across the country despite no actual shortage. The government needed to show it was responding appropriately:
 - The Japanese government told US Secretary of State, Henry Kissinger, who was visiting Japan in mid-Nov 1973 to call for solidarity against the Arabs, that without a guarantee from the US of oil to Japan, it could not support the US position.
 - Tanaka sent Vice Premier Miki to the Middle East to ask for continued supplies of oil in exchange for economic assistance.
 - ➔ The Arab states responded favourably to Japan's stance and at the 25 Dec 1973 OAPEC meeting decided to recognise Japan as a friendly country, announcing that it would supply Japan with the oil it needed.
- Response to Soviet Union's increasing military might in the late 1970s.
 - ➔ Japan had minimum spending on its defence through the Cold War because of the American "nuclear umbrella" as well as the mutual defence treaty.
 - ➔ The low annual military budget was another contributor to Japan's economic advance, even though the country had established a small armed force, the Japanese Self-Defence Forces (JSDF including army, naval and air forces), in 1954. The cost of this force was very low, about 1% of Japan's GDP through the 1960s to 1980s. In 1974, for example, Japan spent only \$1.9 billion, and West Germany \$7.8 billion.
 - ➔ By the 1970s, the JSDF numbered a quarter of a million troops and one thousand jet war-planes.
 - ➔ The Japanese Self-Defence Forces had not been deployed outside Japan until the First Persian Gulf War in 1991

- ➔ **Because the Soviet Union was increasing its military might, the Japan-US alliance had to adjust to this new threat and to move in the direction of role-sharing.**
 - August 1975, Secretary of Defence James Schlesinger and Director General Sakata met to discuss defence cooperation.
 - ➔ Japan-US cooperation was seen in Japan's establishment of Host-Nation Support (HNS), widely known as the Sympathy Budget. It began in 1978 as an additional financial outlay to help pay for the stationing of US troops in Japan.
 - ➔ As part of the 1960 Status of Forces Agreement, the US is obligated to pay the costs of maintaining American troops in Japan, with the Japanese government paying for the provision of facilities and areas to US forces.
 - ➔ In the mid-1970s, due to the rise in the yen, the US government began requesting an increase in the amount Japan shouldered.
 - ➔ As Japan's largest trading partner, the US had bought more than 22% of Japanese exports in 1975.
 - ➔ Since then, the Japan-US trade has become imbalanced in favour of Japan, with tens of billions of dollars going to Japan every year through the first decade of the twenty-first century.
 - ➔ In 1978, Defence Agency Director General Kanemaru Shin agreed to pay some of the labour costs of the Japanese workers in the bases – he saw it as necessary to secure the commitment of the US to Japan but in order to convince the less enthusiastic bureaucracy and sceptical public, he called it “sympathy budget”
 - ➔ Later, the two governments agreed to increase the level of fiscal support for the construction of housing and barracks as well as for the severance pay of Japanese workers.
- Mid-1970s trade friction between US and Japan
 - ➔ In 1976, as Japan's commodity prices stabilised and economic growth recovered after the oil crisis of 1973, the trade surplus began to grow enormously. Japan's rate of growth was 6.3% in 1976 and its balance of payments stood at over \$4.6 billion.
 - ➔ Europe and the US criticised Japan's flood of exports, with an American steel company eventually charging a Japanese steel company with dumping activity in violation of the GATT agreement.
 - ➔ Japan's surplus continued to grow, and trade friction with the US became more serious.
 - ➔ As an emergency measure, the Fukuda cabinet sought to expand imports by increasing its oil reserves and to increase its growth rate to 7% by issuing public bonds during the compilation of the 1978 budget.
 - ➔ The former diplomat and ambassador to the US, Ushiba Nobuhiko was appointed state minister for external economic affairs and asked to negotiate with US Trade Representative Robert Strauss – In Jan 1978, an agreement was reached that Japan's economic growth rate should be 7%, its balance of payments be reduced dramatically and imports of meat and oranges from US be increased and custom duties lowered.

- The Ohira administration and Carter administration's improving relationship
 - ➔ Dec 1978, Ohira defeated Fukuda in the LDP presidential elections and became PM.
 - ➔ In order to improve relations, Ohira visited the US in May 1979, reaching an agreement on the unresolved problem of the government procurements for the NTT public telephone corporation, about which the US criticised Japan as discriminating against foreign companies.

- US and Japan responses to the Second Oil Crisis, 1979, demonstrated a cooperative relationship
 - ➔ Mass riots and violence of those opposing the strong-armed modernisation policies of King Muhammad Reza Shah Pahlavi in Iran led to the complete stoppage of oil production there. Thus, OPEC decided to gradually raise the price of oil.
 - ➔ Feb 1979 also saw the Iranian Revolution making Iran's ability to procure oil unclear
 - ➔ The price of an oil barrel had been \$15 in January and jumped to \$37 by June.
 - ➔ In a rush to secure oil, the Second Oil Crisis occurred.
 - ➔ Tokyo Summit
 - Leaders of the US, Britain, France and Germany undertook informal negotiations in an attempt to get the most advantageous oil import limit for themselves.
 - They reached an agreement at Japan's expense, making it difficult for Japan to accept and placing it in a pickle between the overall success of the summit or protecting national interests.
 - **In the end, Ohira was saved when US presented a compromise proposal that took Japan's concerns into consideration to some degree**
 - ➔ Response to Iranian Revolution
 - The hatred of the Iran's revolutionary government toward the US for its longtime support of the Pahlavi reign was deep, and the Iranian government took no action when radicals seized the US embassy in and held the diplomatic staff hostage.
 - US introduced sanctions.
 - Japan, which was dependent on Iran for 15% of its oil had been attempting to improve relations with the revolutionary government and had recently decided to restart an oil project that the Iranian government had requested.
 - Secretary of State Vance took the unusual step of criticising Japan as "insensitive" for its continued purchase of oil from Iran.
 - Again, Japan was torn. But Iran raised its oil price in March 1980 and pushed the Japanese government to advise companies to refuse to sign the contract. In May, Japan joined the European countries in the embargo against Iran – a move that was welcomed by the Carter administration which took to highlighting the Japan-US cooperation in US newspapers.

Japan's Response to CW policies

- The ending of détente
 - ➔ International tensions grew at the end of the 1970s principally owing to the behaviour of the Soviet Union.
 - ➔ Although Japan did not view the Soviet Union as a serious military threat, the uncooperative stance of the Soviets not only had the effect of stalemating relations with Japan but pushed it towards the US and China.
 - For example, the negotiation of fish rights between the Soviet Union and Japan. Japan found the Soviet Union's unilateral declaration of the establishment of exclusive fishing rights in the Okhotsk Sea insensitive to its needs. An agreement was reached but only after separating the territorial problem from the question of fishing rights.
 - In 1976, the Soviet Union placed greater restrictions on visiting graves in the Northern Islands which it first began to permit in 1964, and in 1977 it became clear that it was building military bases on the islands. Also in 1977, the Soviet Union proposed a new treaty of friendship and cooperation with the Japanese but when the Japanese responded that a resolution of the Northern Territory problem and peace treaty had to come first, the Soviet Union included the phrase acknowledging "unresolved problems" in its joint declaration and stated that territorial question was already resolved thus angering the Japanese
 - **This pushed the Fukuda administration to strengthen its bilateral relationship with America and cool relations with the Soviet Union.**

Concluding thoughts on the 1970s

- The failure of the US to inform the Japanese government sufficiently in advance of its initiatives towards the People's Republic of China, together with the Shanghai Communiqué issued on 27 Feb 1972, at the conclusion of President Nixon's visit to China, heightened Japanese suspicions that the US had downgraded the Japanese-American relationship.
- Insufficient communication during the last days of the government of South Vietnam further helped to convince many Japanese that less importance was being attached by the United States to its alliance relationships, especially in Asia
- The energy crisis provided Japan with further incentive to escape the shadow of the US.
- To the Japanese, the US has seemed ambivalent and unclear with respect to Japanese security policies, and more importantly, with respect to the broad course desirable for Japanese foreign policy.
- Japanese leaders believed that Americans must have stressed to the Chinese the importance of a continuing American presence in East Asia in order to oppose any move on the part of Japan toward remilitarisation and nuclearization.
- At the same time, however, American officials encouraged the assumption of greater Japanese responsibility for self-defence including the acquisition of the most modern conventional weapons

DISCUSSION TIME:

How would you describe the relationship between Japan and US during this period and why?

What factors have influenced this relationship?

1980s-1991

Through the 1980s, Japan attempted to strengthen the US-Japan relationship and expand the diplomatic horizons of Japan to the global level, in the process moving from being just an economic power to an international one. However, this was accomplished by increased trade friction with the US. The 1980s began before the reverberations of the Soviet invasion of Afghanistan had a chance to settle, an ended when George H.W Bush and Mikhail Gorbachev concluded their historic meeting on the island of Malta. The 1980s started off as tension-filled, but completely changed by the end of the decade. They represented the decade of the “New Cold War” but also corresponded with the end of the Cold War itself.

For Japan, the 1980s were symbolically a time between the deaths of two major figures. On 12 June 1980, during the middle of the campaign for both Lower House and Upper House elections, PM Ohira Masayoshi died of a massive heart attack. This led to a sympathy vote for his party with LDP capturing a stable majority of 284 seats in the Lower House and 69 in the Upper House. Eventually, Nakasone Yasuhiro formed his cabinet, ending LDP factional power politics and internationally inaugurating a period in which the Japan-US relationship became even closer and the alliance stronger. It was also a decade in which Japanese diplomacy became more active. As Nakase has said, it was a time when Japan was turning into an “international state”.

7 Jan 1989, Emperor Hirohito died. This symbolised the conclusion of the postwar era when Japan showed itself to be an economic power. 2000 journalists were there, 1500 of them were foreign – Japan’s economic achievements were recognised and its position as an “international state” with a broad global horizon and larger role in the political and security fields acknowledged. Japan’s position in international society grew increasingly bigger during this decade.

Security Relations

- At the end of 1979, US faced one foreign threat after another.
 1. The US embassy in Tehran (Capital of Iran) was occupied on 4 Nov 1979 with 62 US diplomatic staff being held hostage
 - ➔ Japan, dependent as it was on Iran for 15% of its oil exports, broke the US-led embargo and continued to purchase oil from Iran
 - ➔ Turned US public opinion against Japan
 2. 27 Dec 1979, Soviet Army invaded Afghanistan 0 ended the US-Soviet détente a mere half year after the signing in June 1979 of the 2nd Strategic Arms Limitation Treaty (SALT II)
 - ➔ Japanese diplomacy learned from the mistake it made in its response to the Tehran hostage situation and did not repeat it after the invasion of Afghanistan
 - ➔ Immediately after the announcement of the Carter Doctrine, Prime Minister Ohira stated in his policy speech to the 91st Ordinary Session of the Diet on 25 Jan 1980, his country's strong support for the US "even if our country has to make sacrifices"
 - ➔ This concept of "shared existence, shared sacrifices" was called *kyozon kyoku*
 - ➔ 25 April 1980, Japanese government announced that Japan would not participate in the 22nd Summer Olympics held in Moscow
 - ➔ PM Ohira then left for a trip to the US, Mexico and Canada – at the with Carter on 1 May 1980, Ohira expressed to Carter his willingness to see the 1978 Mid-Term Defense Review (for the years 1980-1984) implemented ahead of schedule, which had long been a desire of the US side.
 - ➔ Earlier that June, the destroyers *Hiei* and *Amatsukaze*, the latter being Japan's first guided missile destroyer, and other vessels participated for the first time in the multilateral Rim of Pacific (RIMPAC) exercise with the navies of the US, Canada, Australia and New Zealand.
 - ➔ **With the increase in tensions in the New Cold War, Japan was demonstrating a greater interest in defence cooperation with the uS, as seen by the rapid buildup of its defence strength and further implementation of the 1978 Guidelines for Japan-US Defence Cooperation, such as joint exercises.**
- LDP won elections again, ushering in Suzuki Zenko's cabinet. Meanwhile, Carter lost to Ronald Reagan in November.
- Disappointment in defence budget expectations between US and Japan
 - ➔ Facing numerous international crises, the Carter administration, in its remaining days, somewhat unsympathetically requested that Japan increase its defence spending after the death of Ohira, Carter's close friend.
 - ➔ At the end of December, when the Japanese government decided on a 7.6% increase in its 1981 defence budget, the US government, which had strongly hoped for a 9.7% increase, publicly stated that it "could not but be disappointed"
- The Reagan administration which came into office in Jan 1981, displayed a foreign policy that was very different from that of Carter.

- ➔ Mar 1981, when Foreign Minister Ito visited Washington, Secretary of Defence Caspar Weinberger called for an increase in Japan's air and antisubmarine defence capabilities. Quality, not quantity was the new approach.
- ➔ As Japan-US defence cooperation progressed, the American side learned more about the actual state of the Self-Defence Forces and was able to make more specific requests.
- The first use of the word 'alliance'
 - ➔ In May 1981, PM Suzuki and President Reagan met for their first summit in Washington
 - ➔ Suzuki deployed a 'threat of the weak' tactic arguing that a sudden increase in defence budget would lead to strong criticism in the LDP and pave the way for a Socialist-led government that would lead to Japan-US relations losing out.
 - ➔ Subsequently, a joint communique was released with a statement where both countries "recognised that the alliance between them is built upon their shared values of democracy and liberty, and reaffirmed their solidarity, friendship and mutual trust". The communique continued by stating that "in insuring peace and stability in the region and the defence of Japan, (the two leaders) acknowledged the desirability of an appropriate division of roles between Japan and the US" with Japan "to seek to make even greater efforts for improving its defence capabilities in Japanese territories and in its surrounding sea and air space, and for further alleviating the financial burden of US forces in Japan"
 - ➔ Suzuki followed up at a session of the National Press Club after the summit stating that "appropriate division of roles" meant defence of "sea areas around Japan up to several hundred nautical miles and the sea lanes up to 1000 nautical miles" – America took this statement as a concrete promise.
- Returning to Japan, PM Suzuki repeatedly expressed unhappiness about the joint communique, arguing that the military implication in it was not intended.
 - ➔ Vice Foreign Minister Takashima Matsuo responded that "an alliance without any military or security matters is just nonsense"
 - ➔ Foreign Minister Ito resigned in protest against the prime minister pointing out that "of course the Japan-US Security Treaty encompasses military matters"
- Good relations continued as Japan attempted to appease US preferences for the shared defence budget commitment.
 - ➔ In preparing for the 1982 budget, the Suzuki cabinet approved a 7.7% increase in military spending, the first time defence expenditures increased at a higher rate than spending on social programmes.
 - ➔ At the 18th US-Japanese Security Consultative Committee meeting (Jan 1982), the Japanese government finally agreed to carry out a joint study on contingency planning for a crisis situation in areas outside Japan, including Korea.
 - ➔ Under US urging, the Japanese Defence Agency's White Paper for 1981 came to terms with the reality of growing Soviet and North Korean military strength.

- Japan thus conducted joint military exercises with US forces in its territories, in the Philippines, and in the Pacific, but never with US forces in Korea
- ➔ At security meetings in Hawaii that June, the US side requested that Japan defend the air and sea areas surrounding Japan, as well as the sea lines of communication up to 1000 nautical miles.
- ➔ The Suzuki cabinet, facing a 5% reduction across the board in the budget for 1983, decided to spare ODA and defence from cuts in the budget
- ➔ Although the Reagan administration desired an improvement in the quality of Japan's defence capability, Japan continued with increases in quantity.
- ➔ Nevertheless, the American government praised Japan's defence efforts.
- When it became clear, however, that the US trade deficit with Japan had grown to more than \$13.6 billion, the largest in history, the US Congress exploded in anger, calling for greater effort in defence by Japan to stop its "free riding"
- Japan started to see phrases like *boei masatsu* (defence friction) and *boeki masatsu* (trade friction) being used.
- 27 November 1983, Nakasone Yasuhiro inaugurated as Prime Minister
 - ➔ **The Japan-US relationship which had gone forward because of Ohira's strong sowing of Japan as a "member of the West" and which had taken a half step backward with Suzuki, was greatly advanced by Nakasone**
- Nakasone's first visit as prime minister was to South Korea on 11 Jan 1983. It was the first time a Japanese PM had made an official visit to South Korea in the postwar period and intended to counter the psychological damage that the two countries had been to.
 - ➔ Japan proceeded to offer South Korea economic support – the provision of loans of \$4 billion over 7 years.
 - ➔ In fact, in visiting South Korea, Nakasone was hoping to indirectly respond to America's increasing desire for Japan to expand its defence capability and to bring Washington such a gift immediately after
- Nakasone and Reagan's good relations
 - ➔ 17 Jan 1983, Nakasone visited Washington for his first meeting with President Reagan
 - ➔ Before leaving for US, Nakasone overcame domestic criticism in his decision to exclude the transfer of weapons technology to the US from the general list of Japan's 1967 "Three Principles on Arms Exports" and also decided to increase Japan's defence spending by 1% more than the previous fiscal year in the Ministry of Finance draft.
 - ➔ Nakasone told Reagan that "Japan and US have a shared destiny"
 - ➔ The phrase "alliance relationship" was reaffirmed in the post meeting joint communique
 - ➔ Nakasone and Reagan established a personal relationship of mutual confidence and trust, symbolised by the use of first names, and bilateral relations entered the "Ron-Yasu period"

- The Williamsburg Summit became the stage on which Japan played a global security role, demonstrating multilateral diplomacy by PM Nakasone and the close relationship between US and Japan.
 - ➔ At the summit, it was Nakasone who most strongly supported the US position in the negotiations, and who had the phrase “the security of our countries is indivisible” included in the declaration on security released on 29th May.
 - ➔ Nakasone’s view of “security as indivisible” and his call for a global response was due to his belief that simply withdrawing the SS-20s from Europe and redeploying them to Asia would not solve the security problem and he worked to get the summit participants to agree that Japan’s defence would not be endangered.
 - ➔ Within the same summit, the US Secretary of State Shultz also emphasised the significance of economics in international politics, and highly praised Japan’s importance in Asia, over China.
- An action that underscored the Nakasone cabinet’s positive posture in security affairs and solidified Japan-US relations was Nakasone’s response to the 1 Sept 1983 downing of the Korean Air Lines passenger jet by a Soviet fighter – but the Soviet government remained quiet about it.
 - ➔ Nakasone decided to make public the transcripts of the messages from the Soviet fighter plane that had been picked up by the SDF radar facilities. The Defence Agency had wanted to avoid letting the degree of its radar capabilities be known, but as a result of the disclosure, the Soviet Union admitted that it was responsible for the downing.
 - ➔ In addition to damaging the image of the Soviet Union further, this incident had the effect of strengthening the solidarity of the West.
 - ➔ The US Senate went so far as to pass a resolution unanimously thanking Japan
 - ➔ This incident widened the understanding of the unseen role that Japan played on a daily basis in supporting America’s strategy in East Asia.
- Nov 1983, President Regan visited Japan and was the first American president to address the Japanese Diet. He declared that “Japanese-American friendship is forever”.
- The stabilisation and strengthening of the Japan-US relationship was a valuable political asset for Nakasone – According to July 1985 public opinion poll in Japan, 71.4% of those responding felt that the Japan-US Security Treaty was beneficial to Japan.
- From 1985 onwards, the Japan-US alliance during the Ron-Yasu years gradually took real shape and form
 - ➔ April 1985, the US Air Force sent 2 F-16 Air Wings (capable of carrying nuclear weapons) to Misaawa Air Base in response to the Soviet buildup in the Far East.
 - ➔ In Sept 1986, the cabinet decided to participate in studies on the Strategic Defence Initiative (SDI) being actively pursued by the Reagan administration.
 - ➔ Nakasone cabinet agreed to go ahead with joint Japan-US development of the next generation fighter plane (FSX) which the Japanese Defence Agency had thought to undertake domestically only.

- The strengthening of the Japan-US alliance had its limits
 - ➔ April 1987, Toshiba Electronics had gone against COCOM restrictions and exported sensitive technology to the Soviet Union
 - ➔ As a result, Soviet submarines could operate more quietly, making them harder to detect
 - ➔ The image of Japan as insensitive and reckless, seeking economic profit at the expense of the security of the entire Western bloc, was strengthened by this incident
 - ➔ Anti-Japanese sentiment grew in the US with scenes of members of Congress smashing a Toshiba-made radio cassette player on the steps of the Capitol building being widely shown in the news.
 - ➔ In March 1987, a Japanese company had paid more than 5.8 billion yen for Van Gogh's *Sunflower*, further increasing the arrogant and out-of-touch image of Japan
- Sept 1987, Nakasone attended his final summit meeting with Reagan.
 - ➔ Because Iraq had mined the Persian Gulf as the Iran-Iraq War worsened, Nakasone promised Reagan that Japan would come up with a concrete plan to secure the safe passage of shipping in the Gulf.
 - ➔ It was an opportunity to make up for lost ground due to the Toshiba COCOM incident
 - ➔ However if SDF minesweepers were sent, it was likely that the decision would be met with domestic criticism by the public and opposition parties as an unconstitutional dispatching of forces abroad
 - ➔ In the end, the Nakasone cabinet elected to deal with the problem through non-military means, such as economic cooperation
- Nakasone resigns but Japan-US relations increase in rivalry
 - ➔ Having been in office five years, Nakasone resigned on 6 Nov 1987, after designating Takeshita Noboru his successor.
 - ➔ At the end of the month, the US and Soviet Union came to an agreement on the complete removal of their intermediate-range nuclear force stockpiles, while discussions between Japan and US over the liberalising of Japan's agricultural market ended without an agreement
 - ➔ **These two events symbolised both the melting of the international environment upon which the Japan-US alliance had been predicated and the increasing rivalry in the Japan-US relationship.**
- The Japan-US relationship entered a new stage in which it was no longer possible to separate security and economic matters
 - ➔ In Nov 1988, US and Japan had exchanged a memorandum of understanding on the joint development of the FSX fighter, but during the shift from the Reagan to the Bush presidency, the US Congress began to express its opposition
 - ➔ The memorandum stated that Japan would pay for all of the development costs and the US would provide Japan with the technology for building and F-16 fighter.
 - ➔ However, within the US Congress, voices of concern were raised that the FSX joint development project was essentially giving Japan state-of-the-art technology for free, which would endanger the future of America's superiority in the aircraft industry.

- ➔ Within the US government, a difference of opinion existed between the State Department and the Defence Department who valued the US' political and security relationship with Japan, and the Commerce Department which was looking out for America's economic interests. **It was the first time the Commerce Department came to exercise influence over an issue of technical cooperation in a security matter.**
- ➔ The Bush administration decided to request a "clarification" of the already worked-out memorandum of understanding from the Japanese government.
- ➔ The result of this review was the decision that America would place restrictions on the transfer of some important technologies to Japan, Japan would provide to America technologies that it desired, and the US side would be guaranteed a 40% share of the work in the production and development stages.
- ➔ This agreement meant many concessions on the Japanese side. Originally, the Defence Agency wanted to produce FSX domestically.

Economic Relations

- In the economic era, the issues of the closed nature of Japan's markets and the rapid increase in its car exports to the US became more serious.
 - ➔ Following the 2nd Oil Shock in 1979, the sale of Japanese-made economy automobiles jumped dramatically, with 1.77 million being sold in the US in 1979.
 - ➔ This was 76.3% of the US' imported car market.
 - ➔ The consequent layoff of 300 000 US autoworkers became a considerable political problem.
 - ➔ Just before the 1981 Japan-US Summit meeting, MITI Minister Tanaka Rokusuke visited the US and reached a 4-point agreement
 - ➔ Japanese automakers would voluntarily limit their exports to the US to 1.68 million vehicles
 - ➔ For 1982, makers would limit their exports to 1.68 million and 16.5% of the expansion in the interim of the US car market
 - ➔ A decision as to whether or not to continue the voluntary export restraints a third year would be made at the end of the second year
 - ➔ In any case, voluntary export restraints would end at the end of Mar 1984 latest
 - ➔ **This cooled down the problem.**
- The 1980s saw bilateral trade friction grow between US and Japan
 - ➔ April 1984, an agreement was finally reached to permit the increase over the following 4 years of US exports of high-quality meat to an annual average of 6900 tons and oranges to 1000 tons.
 - ➔ October 1983, Japan agreed to limit its exports to the US to 1.85 million beginning in 1984 of automobile exports. Seeking to limit Japanese car imports, the US House of Representatives passed a Local Contents Law in 1984 requiring a certain percentage of locally made parts to be used in car production. With this, Japanese automakers began intensively to shift to local production facilities in the US. This revision of

foreign exchange law and foreign trade management laws in Japan at the end of 1979 made it possible for large-scale direct investment in the US

- ➔ At the end of 1984, Japan agreed to limit its share of the US steel market to 5.8% for a period of 5 years. 1985, US requested the start of a Market Oriented, Sector Specific (MOSS) dialogue on four areas – electronic communications, electronics, forestry and agricultural products, and medicine and medical equipment – as proof of the openness of the Japanese market. At the same time, the US Congress passed one protective bill after another.
 - ➔ 1985, Theodore H. White, a famous American journalist, published a widely read article “The Danger from Japan”, describing the large export of Japanese goods to the US as “adversarial trade”
 - ➔ **1986, the Japanese government quickly implemented an action programme, lowering duties on 1849 imported goods.**
 - ➔ June 1985, the Semiconductor Industry Association of America brought an action suit against the Japanese semiconductor industry under Article 301 of the Commerce Law, and the US Trade Representative’s office began its investigation.
 - ➔ Semiconductors were vital for much of America’s increasingly technical and modern economy, symbolising that for America the issue was not simply trade friction **but national security as well.**
 - ➔ **Both countries reached an understanding with the signing of the June 1986 US-Japan Semiconductor Agreement, in which Japan would initiate policies to expand access of US products to the Japanese market.**
 - ➔ At this time, US requested that after 5 years, the share of the market for foreign-produced semiconductors should be raised to above 20% and **although a secret side-letter was exchanged with the Ministry of International Trade and Industry expressing Japanese support for this request, the US government took the side letter as “promise” and this became the seed for future friction.**
- America, the debtor nation and the impact of that on Japan-US relationship
 - ➔ In 1985, US trade deficit had risen to more than \$122 billion, with the deficit with Japan at \$43.5 billion.
 - ➔ US external debt stood at \$107 billion, making US a debtor nation for the 1st time in 71 years.
 - ➔ In 1986, US trade deficit jumped again to more than \$144 billion of which the deficit with Japan rose to more than \$54 billion.
 - ➔ 1986, US debt doubled to more than \$263 billion, becoming the largest in the world.
 - ➔ With regard to Japan-US relations, Japanese exports to US were mostly manufactured goods, while US exports to Japan were largely food products and primary goods, the trade pattern developed between developing and developed nations.
 - ➔ According to an opinion poll taken in May 1987, 69% of Americans saw Japanese trade practices as unfair.

- ➔ After the Sept 1985 Plaza Accord which made clear the American debt plight, Minister Nakasone launched a committee called the Advisory Group on Economic Structural Adjustment for International Harmony
- ➔ In April 1986, the committee released what became known as the Maekawa Report, which called for the reduction of the current account surplus through increasing domestic demand, the shifting of Japan's economy from an export-oriented structure, improvement of market access, and the liberalisation and internationalisation of finance.
- ➔ Nakasone went on TV to call on all Japanese to buy 100 dollars of imported goods.
- ➔ However, in actuality Japan did little more than grudgingly make minor efforts at opening the market after pressure from the US.
- ➔ Measures at structural reform were completely ignored.
- ➔ Frustration on the American side became chronic.
- **In light of this, the strengthening of the Japan-US alliance during the Ron-Yasu era can be seen as an effort to counterbalance the increased rivalry between the two countries in the economic arena.**
- Japan gave a great deal of foreign economic assistance to the Asia-Pacific region to some degree out of consideration for the US.
 - ➔ As an American ally, Japan gave "strategic aid" to "countries bordering areas of conflict" such as Thailand, Pakistan and Turkey,
 - ➔ In its economic aid given to the third world, moreover, Japan hoped to reduce the degree of its criticism in America for the trade deficit and lack of forthcoming defence cooperation.
 - ➔ Japan's growing trade surplus made the rapid increase in ODA possible
 - ➔ Some countries criticised Japan's assistance policies as lacking in principles and too restricted, the quality of the assistance as poor, and the assistance as mostly tied loans instead of outright donations
 - ➔ This led to Japan being called an "Irresponsible ODA Power"
 - ➔ However, it cannot be denied that Japan's ODA advanced the rapid economic development of the Asia-Pacific region
 - ➔ ODA policy drafted in July 1978 saw the \$2.2 billion in aid in 1978 rose to \$2.8 billion in 1980. The actual rate grew 116% to \$3.3 billion.
 - ➔ Jan 1981 draft, ODA budget for the 1981 to 1985 period rose to almost 2.5 trillion yen.
 - ➔ In the 4th draft, June 1988, a total of minimum \$50 billion was set
 - ➔ In 1989, Japan passed the US as the largest donor of ODA.
 - ➔ However, ODA began to decline in 1996.
- In 1988, the drafting of the Omnibus Trade and Competitiveness Act took place. This law sought to protect US industries through the strengthening of measures against foreign countries in commerce and finance, while at the same time increasing exports and strengthening America's competitive strength.
 - ➔ In particular, the Super 301 Clause, the focus of the law, required the USTR office identify and report unfair trading practices abroad to Congress and if a solution was not found within one year's time, to implement retaliatory measures

- ➔ America wielded Super 301 like a sword, calling for improvements in Japan's land policies and distribution system, and reforms in its anti-monopoly laws and domestic structures.
- ➔ Such threats came close to interfering in the internal affairs of another state, and Japan said that it would not negotiate under the threat of sanctions. If there were problems, however, Japan was willing to discuss them at any point.
- ➔ Bilateral trade friction had gone beyond specific issues to a problem in the economic structure of each country.

Japan's Response to CW policies

- The arrival of a heightened state of Cold War tensions was evident in the 1980s.
- In 1980, Carter lost his re-election bid to Ronald Reagan, a candidate that had won the presidential race with a more extreme, confrontational platform that labelled the Soviet Union the "Evil Empire"
- Meanwhile in Japan, PM Yasuhiro Nakasone assumed office in Nov 1982.
 - ➔ He went on a lightning tour of South Korea and reached a settlement on a loan issue that had been a stumbling block to improve ties between the two nations
 - ➔ In Jan 1983, he made a state visit to the US
 - As a champion of the New Cold War of heightened tensions with the Soviets, Reagan had no reason not to be delighted by the mending of ties between two Asian allies.
 - Nakasone's strategy was to cultivate Japan's relations with the rest of Asia and then launch a diplomatic advance aimed at the US.
 - At the Williamsburg Summit (May 1983), Nakasone led discussions on an issue for global security with the question of how the West planned to respond to the Soviet deployment of mid-range SS-20 missiles in Europe.
 - ➔ A month before the 1986 Tokyo Summit, Nakasone released the Maekawa Report – raised hopes for solutions based on adjustments in economic structure among the leaders of various nations and demonstrated that summit host Japan's leadership was not in decline.
 - ➔ Nakasone also formed an exceptionally close relationship with China's General Secretary Hu Yaobang and concluded successful state visits to SEA.
 - However Sino-Japanese exchanges based on the prominent personal ties that Nakasone developed with the General Secretary Hu met with resistance among Chinese government insiders, effectively placing those exchanges as well as the General Secretary's political status in jeopardy.

DISCUSSION TIME:

How would you describe the relationship between Japan and US during this period and why?

What factors have influenced this relationship?

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Concluding thoughts...

From 1952-1991, what are the factors that influenced Japan-US relations? Can you use causation verbs to describe them? Are you able to address the extent (duration, area, etc.) of impact?:

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